

Section 1

Performance Review



3 Information on the Ministry

In addition to taking care of the business of the Department of Health, the Minister was also the co-coordinating Minister (with the Minister of Social Development) of the Social Cluster during 2004/05. This entailed working with the Directors-General of the Social Cluster departments to harmonise policy proposals before presentation to Cabinet, to co-ordinate implementation of cross cutting policies and to report on progress on matters that were allocated to the Social Cluster by Cabinet.

3.1 Institutions reporting to the Executive Authority

The following institutions report to the Minister of Health:

- South African Council of Medical Schemes
- National Health Laboratory Services (including the National Institute of Communicable Diseases)
- South African Medical Research Council

3.2 Bills submitted to the legislature during the financial year

The Minister submitted the following pieces of legislation to Parliament in 2004/05: Traditional Health Practitioners Bill; Nursing Bill; Foodstuffs, Cosmetics and Disinfectants Bill; Choice on Termination of Pregnancy Amendment Bill; Sterilisation Amendment Bill; Dental Technicians Amendment Bill; Tobacco Products Amendment Bill; Health Professions Amendment Bill; Allied Health Professions Amendment Bill; and the Medical Research Council Amendment Bill.

3.3 Ministerial visits abroad

The table below reflects the official visits made abroad by Minister during the financial year:

Ministerial Visits Abroad

DATES	COUNTRY	PURPOSE
13-23 May 2004	Switzerland	57th Session of the World Health Assembly
3-10 June 2004	Spain	Meet with the new Minister of Health of Spain and attend the Dialogue on Health and Development
15-16 June 2004	Zimbabwe	Attend the Zimbabwe National HIV and AIDS Conference
14-18 June 2004	Botswana	SADC Integrated Committee of Ministers meeting
27 June- 01 July 2004	Switzerland	Attend the eighth Global fund meeting
10-17 July 2004	Thailand	Attend the Biennial World AIDS Conference
07-18 August 2004	Mauritius	SADC Council of Ministers meeting



Ministerial Visits Abroad (cont.)

DATES	COUNTRY	PURPOSE
30 August – 3 September 2004	Congo	54th WHO Regional Committee for Africa
12-13 October 2004	Tunisia	Accompanied the president on the Presidential State Visit
14-20 November 2004	France and Mexico	Study tour on Social Health Insurance in France and Attend Ministerial summit on health research in Mexico
5 November 2004	DRC	Donation of Polio vaccines
13-16 December 2004	Iran	Attend the 8th South Africa –Iran Joint Bilateral Commission
4-9 January 2005	Republic of Indonesia	Fact finding mission on the impact of the tsunami
15-18 January 2005	Switzerland	115th Executive board meeting of WHO
10-12 January 2005	Switzerland	Attend the United Nations meeting on the Humanitarian Assistance to affected Communities
28-29 February 2005	USA	Attend FDA meeting met with the Health Secretary in the US

4 Vision and Mission of the Department of Health



Vision

An accessible, caring and high quality health system



Mission

To improve health status through prevention of illness and disease and through the promotion of healthy lifestyles and to consistently improve the health care delivery system by focusing on access, equity, efficiency, quality and sustainability



5 Legislative Mandate



The legislative mandate of the Department derives from the Constitution and several pieces of legislation passed by government. In terms of the Constitutional provisions the Department is guided by amongst others the following:

- Section 27(1) “Everyone has the right to have access to – (a) health care services, including reproductive health care; ...
(3) No one may be refused emergency medical treatment”;
- Section 28 (1) “Every child has the right to ...basic health care services...”; and
- Schedule 4 which lists health services as a concurrent national and provincial legislative competence.

Until 2 May 2005 the overarching legal framework for the work of the National Department was also provided by the Health Act, 1977 (as amended) and other more recently passed legislation (as indicated by the list below). Since 2 May 2005 the National Health Act, 2003 provides the overall legal framework for the national Department of Health.

The health and general legislation that the Department strives to implement include:

- **Medical Schemes Act, 131 of 1998**
Provides for the regulation of the medical schemes industry to ensure consonance with national health objectives.
- **Medicines and Related Substances Act, 101 of 1965**
Provides for the registration of medicines and other medicinal products to ensure their safety. The Act also provides for transparency in the pricing of medicines.
- **Mental Health Care Act, 17 of 2002**
Provides a legal framework for mental health in the Republic and in particular the admission and discharge of mental health patients in mental health institutions with emphasis on human rights for mental patients.
- **Choice on Termination of Pregnancy Act, 92 of 1996**
Provides a legal framework for termination of pregnancies based on choice under certain circumstances.
- **Sterilisation Act, 44 of 1998**
Provides a legal framework for sterilisations, also for persons with mental health challenges.
- **SA Medical Research Council Act, 58 of 1991**
Provides for the establishment of the SA Medical Research Council and its role in relation to research, in particular, health research.
- **Tobacco Products Control Amendment Act, 12 of 1999**
Provides for the control of tobacco products, prohibition of smoking in public places and advertisements of tobacco products as well as sponsoring of events by the tobacco industry.
- **National Health Laboratory Service Act, 37 of 2000**
Provides for a statutory body that provides laboratory services to the public health sector.
- **Health Professions Act, 56 of 1974**
Provides for the regulation of health professions, in particular, medical practitioners, dentists, psychologists and other related health professions, including community service by these professionals.
- **Pharmacy Act, 53 of 1974**
Provides for the regulation of the pharmacy profession, including community service by pharmacists.
- **Nursing Act, 50 of 1978**
Provides for the regulation of the nursing profession.
- **Allied Health Professions Act, 63 of 1982**
Provides for the regulation of health practitioners like chiropractors, homeopaths, etc and for the establishment of a council to regulate these professions.
- **Dental Technicians Act, 19 of 1979**
Provides for the regulation of dental technicians and for the establishment of a council to regulate the profession.
- **Hazardous Substances Act, 15 of 1973**
Provides for the control of hazardous substances, in particular those emitting radiation.
- **Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972**
Provides for the regulation of foodstuffs, cosmetics and disinfectants, in particular, quality standards that must be complied with by manufacturers as well as their importation and exportation.
- **Occupational Diseases in Mines and Works Act, 78 of 1973**
Provides for medical examinations on persons suspected of having contracted occupational diseases especially in mines and for compensation in respect of those diseases.
- **Council for Medical Schemes Levy Act, 58 of 2000**
Provides for a legal framework for the council to charge medical schemes certain fees.
- **International Health Regulations Act, 28 of 1974**
Provides for the adoption of resolutions adopted at the World Health Assembly.

- **National Policy for Health Act, 116 of 1990 (To be repealed by the National Health Act)**
Provides for the determination of national health policy to guide the legislative and operational programmes of the health portfolio.
- **Academic Health Centres Act, 86 of 1993 (To be repealed by the National Health Act)**
Provides for the establishment, management and operation of academic health centres.
- **Human Tissue Act, 65 of 1983 (To be repealed by the National Health Act)**
Provides for the administration of matters pertaining to human tissue.
- **Health Act, 63 of 1977 (To be repealed by the National Health Act)**
Provides for the provision of health services in the country.
- **Public Service Act, Proclamation 103 of 1994**
Provides for the administration of the public in its national and provincial spheres, as well as provides for the powers of ministers to hire and fire.
- **Promotion of Administrative Justice Act, 3 of 2000**
Amplifies the constitutional provisions pertaining to Administrative law by codifying it.
- **Promotion of Access to Information Act, 2 of 2000**
Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.
- **Basic Conditions of Employment Act, 75 of 1997**
Provides for the minimum conditions of employment that employers must comply with in their workplaces.
- **Occupational Health and Safety Act, 85 of 1993**
Provides for the requirements that employers must comply with in order to create a safe working environment for employees in the workplace.
- **The Division of Revenue Act, 5 of 2004**
Provides for the manner in which revenue generated may be disbursed.
- **Skills Development Act, 97 of 1998**
Provides for the measures that employers are required to take to improve the levels of skill of employees in workplaces.
- **Preferential Procurement Policy Framework Act, 5 of 2000**
Provides for the implementation of the policy on preferential procurement pertaining to historically disadvantaged entrepreneurs.
- **Employment Equity Act, 55 of 1998**
Provides for the measures that must be put into operation in the workplace in order to eliminate discrimination and promote affirmative action.
- **State Information Technology Act, 88 of 1998**
Provides for the creation and administration of an institution responsible for the State's information technology system.
- **Child Care Act, 74 of 1983**
Provides for the protection of the rights and well being of children.
- **The Competition Act, 89 of 1998**
Provides for the regulation of permissible competitive behaviour, regulation of mergers of companies and matters related thereto.
- **The Copyright Act, 98 of 1998**
Provides for the protection of intellectual property of a literary, artistic musical nature that is reduced to writing.
- **The Patents Act, 57 of 1978**
Provides for the protection of inventions including the gadgets and chemical processes.
- **The Merchandise Marks Act, 17 of 1941**
Provides for the covering and marking of merchandise, and incidental matters.
- **Trade Marks Act, 194 of 1993**
Provides for the registration of, certification and collective trademarks and matters incidental thereto.
- **Designs Act, 195 of 1993**
Provides for the registration of designs and matters incidental thereto.
- **Promotion of Equality and the Prevention of Unfair Discrimination Act, 4 of 2000**
Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.
- **State Liability Act, 20 of 1957**
Provides for the circumstances under which the State attracts legal liability.
- **Broad Based Black Economic Empowerment Act, 53 of 2003**
Provides for the promotion of black economic empowerment in the manner that the State awards contracts for services to be rendered, and incidental matters.
- **Unemployment Insurance Contributions Act, 4 of 2002**
Provides for the statutory deduction that employers are required to make on the salaries of employees.



- **Public Finance Management Act, 1 of 1999**
Provides for the administration of State funds by functionaries, their responsibilities and the incidental matters.
- **Protected Disclosures Act, 26 of 2000**
Provides for the protection of whistle-blowers in the fight against corruption.
- **Control of Access to Public Premises and Vehicles Act, 53 of 1985**
Provides for the regulation of individuals entering government premises, and incidental matters.
- **Conventional Penalties Act, 15 of 1962**
Provides for the enforceability of penal provisions in contracts.
- **Intergovernmental Fiscal Relations Act, 97 of 1997**
Provides for the manner of harmonisation of financial relations between the various spheres of government, and incidental matters.
- **Public Service Commission Act, 46 of 1997**
Provides for the amplification of the constitutional principle of accountable governance, and incidental matters.

6 Programme Performance by Budget Programme

Appropriation	Main Appropriation R' 000	Adjusted Appropriation R' 000	Actual Amount Spent R' 000	Under expenditure R' 000
National Department of Health Vote 16	R8, 787, 865	R8, 818,400	R8, 387, 239	R 431, 161

Responsible Minister: Minister of Health
 Administering Department: Department of Health
 Accounting Officer: Director-General of Health

6.1 Aim of Vote

The aim of the national Department of Health is to promote the health of all people in South Africa through a caring and effective national health system based on the primary health care approach.

6.2 Programmes

For the financial year 2004/05, the budget structure of the national Department of Health consisted of three budget programmes viz, Administration, Strategic Health Programmes and Health Service Delivery. The purpose of each programme together with measurable objectives are listed below. Major achievements of the Department are noted in the section in which the Director-General reports on highlights. In addition, achievements and key challenges are briefly described in the sections that follow.

Programme 1: Administration

Purpose: To provide for the overall management of the Department, and provide strategic planning legislative and communication services and centralised administrative support.

Programme 2: Strategic Health Programmes

Purpose: To co-ordinate a range of strategic national health programmes through the development of policies, systems and monitoring; and manage and fund key programmes.

Measurable objectives of Programme 2:

- To continuously strengthen policies and programmes for: HIV and Aids prevention and care, including those for sexually transmitted diseases and tuberculosis; child health; reproductive and women's health; occupational and environmental health; and nutrition.
- To ensure that all medicines used are safe and affordable, and that 90% of essential medicines are available at all times in the public health sector.

- To monitor and evaluate health trends, through relevant research and epidemiological surveillance, to ensure that national health policies and programmatic interventions are having their desired impact.
- To support the development of affordable health services, and coherent service provision and financing in the private health sector.

Programme 3: Health Service Delivery

Purpose: Support the delivery of services, primarily in the provincial and local spheres of Government.

Measurable objectives:

- To co-ordinate and support the development of a sustainable network of hospitals – completely upgrading or replacing 27 hospitals over the MTEF– to provide appropriate health care.
- To develop and assist provinces to implement a comprehensive national health human resources plan that will ensure an equitable distribution of health professionals.
- To decrease intentional and non-intentional injuries.
- To increase the rate of cataract surgeries.
- To eliminate the backlog in assistive devices.

6.3 Overview of the service delivery environment

South Africa is experiencing an epidemiological transition, characterised by a triple burden of diseases namely: communicable diseases associated with poverty, non-communicable diseases associated with lifestyles and trauma and violence .

The 1998 South African Demographic and Health Survey (SADHS) painted a national picture of the health status of people living in South Africa. The survey was repeated in 2003 and the latest data reported on in 2005. The 1998 survey found that the infant mortality rate was 45/1000 live births, the under five mortality was 59/1000 live births and the maternal mortality ratio was 150/100 000 births. Immunisation coverage was found to be 63%. 12% of



males over the age of 15 years were found to have STI symptoms and the hypertension prevalence rate amongst men and women above the age of 15 years was 13% and 16% respectively. Relatively high levels of obesity and injury rates were also found.

The recently released findings of the 2003 SADHS suggests that the infant mortality rate decreased marginally to 43 deaths per 1000 live births and that the under five mortality decreased to 58/1000 live births. In addition, according to routinely collected data on immunisation rates, the immunisation coverage in the country as a whole was 82% in 2004. However, it should be noted that this is a national average and that there are health districts in the country that have significantly lower coverage.

According to the 2002 Antenatal HIV Seroprevalence Survey, 26.5% of pregnant women who attended public health services were HIV positive in 2002. Although this estimate of prevalence is higher than the 24.8% reported in 2001, this increase is not statistically significant. In addition, the burden of disease from TB has shown an increase with low cure rates and an increase in multi-drug resistant TB.

In terms of service delivery, one sees a steady increase in the head count for primary health care. Access to primary health care services has increased from 67,021,961 visits per year in 1998 to 99,365,898 visits in 2004. Increased intensity of use of the system is reflected in the increase in visits per capita which have risen from 18 visits to 211 visits. This has resulted from the removal of fee for service for primary health care and the increase in the number of clinics build since 1995.

6.4 Overview of the organisational environment for 2004/05

It is worthy of mention again that the national Department of Health did not have a Director-General for much of the reporting period. The Deputy Directors-General acted in the post for the bulk of the financial year. The Director-General, Mr Mseleku was appointed in December 2004 and took office in January 2005.

During the financial year the physical conditions in the CIVITAS Building in which a significant part of the national Department personnel was housed, became intolerable resulting in a hasty relocation to the former DTI Building. Given the haste telecommunications were not in place at the time of the move and for about two months thereafter, resulting in significant administrative problems.

6.5 Strategic overview and key policy developments

Whilst no new major policies were conceptualised during this period, much work was done on finalising and implementing policy initiatives. These include the extension of the package of care to be provided to people with HIV and AIDS and the acceleration of work on the social health insurance, in particular the risk equalisation fund. A third policy imperative was the implementation of the system of licensing of health professionals who were qualified to dispense medication and the implementation of the single exit price for medicines.

A major challenge was to develop and implement an accreditation system for sites for the implementation of the Comprehensive Plan for HIV and AIDS. This was achieved by mobilising national and provincial personnel and resources in order to ensure that at least one site per health district was functional by the end of the financial year.

A team of technical experts under the leadership of the Department of Health worked hard to accelerate the work on the risk equalisation fund during the financial year. This work was presented to Cabinet who requested additional work to be done on the financial and fiscal implications of the implementation of the SHI proposal.

The licensing of health professionals to dispense has been challenged in the Constitutional Court. The Court upheld the right of the Department to license dispensing health professionals. The pricing regulations were also challenged in the Constitutional Court and the Department awaits the judgement of by the Court.

7 Departmental Revenue and Expenditure

7.1 Collection of departmental revenue

The core functions of the National Department of Health are to draft policies, draft national legislation and to co-ordinate health strategies and operations. The Department also renders services to the public in its highly technical Forensic Laboratories and its Radiation Control Units. In line with the Public Finance Management Act (PFMA) the tariffs charged by these entities are reviewed regularly.

Until recently the Department also charged for the registration of medicines by the Medicines Control Council, but with the promulgation of Act 90, these funds flow directly to the Medicines Control Council.

7.2 Departmental expenditure

Departmental expenditure for 2004/05 and 2003/04 is reflected on the following page.