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| **6. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation** |
| **REPORT ON BUDGET VOTE 12: STATISTICS SOUTH AFRICA: DATED 14 APRIL 2016** |

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Statistics South Africa which was tabled by the Minister of Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

1. **INTRODUCTION**

The Public Finance Management Act, section 27 clearly stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. In terms of section 10 (1) (c) of the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and report.

On the 13 April 2016, the Portfolio Committee received presentation made by the executive of the Statistics South Africa on the Strategic Plan 2015-2020 and Annual Performance Plan for 2016/17 financial year.

1. **OVERVIEW OF THE STATISTICS SOUTH AFRICA**

The aim of Stats SA is to provide relevant and accurate statistics by corresponding with internationally approved practice to inform users of the dynamics of the economy and society. It is mandated through the Statistics Act [No.6 of 1999] to coordinate statistical production among organs of the state, the private sector and any other institutions to facilitate proper planning, decision making and monitoring and evaluation of policies and projects. Stats SA is guided by the 10 fundamental principles of official statistics of the United Nations, as well as the 6 principles adopted by the African Union in carrying out its duties.

The work programme of Stats SA focuses on the envisaged changes to legislation aimed at improving coordination of official statistics; implementing and strengthening the Community Survey, which will provide official statistical information at the municipal level; and bringing the production of Gross Domestic Product (GDP) under one roof.

1. **NATIONAL DEVELOPMENT PLAN VISION 2030**

The National Development Plan highlights the need for South Africa to build a state that is capable of playing a developmental and transformative role. This requires the state to formulate and implement policies that support that role. The NDP and the Medium Term Strategic Framework are informed by statistical information provided by Statistics South Africa, which publishes more than 200 statistical releases per year. The publications present statistical research that measures the development and transformation of the economy and society in a range of contexts.

Changing economic and societal realities have expanded the demand for statistical information: more detailed statistics are needed and more frequently if policies are to be responsive and effective. Statistics in the public domain must be of high quality. Responding to the increased demand for high quality statistics will require a national effort, and collaboration and partnerships between the producers and the users of statistics.

1. **LEGISLATIVE MANDATE**

Statistics South Africa is a national government department accountable to the Minister of Planning, Monitoring and Evaluation. Stats SA has separate budget vote from the DPME. The activities of the department are regulated by the Statistics Act (Act No.6 of 1999), which ensures independence from political interference in the production and dissemination of official statistics. According to the Statistics Act, the purpose of official statistics is to assist organs of state, businesses, other organisations and the public in planning, decision-making, and monitoring or assessment of policies.

The Act makes provision for the appointment of a Statistician-General (SG) whose role in statistical production in the country is as follows: Firstly as the National Statistical Authority to inform stakeholders on the economy and society by:

* Collecting, compiling and disseminating a wide range of economic, social and population statistics;
* Developing and maintaining database for national statistics on businesses and enumeration areas; and
* Liaising with other countries and statistical agencies as well as representing Stats SA and South Africa in statistical activities internationally.

Secondly, as the National Statistical Coordinator, to promote coordination among producers of official and other statistics in order to advance quality, comparability and optimum use of official statistics and to avoid duplication by:

* Formulating quality criteria and establishing standards, classifications and procedures
* Providing statistical advice; and
* Promoting a public culture of measurement
	1. **Strategic goals of the Statistics South Africa**

The Medium Term Strategic Framework (MTSF) 2014-2019 outlines the following strategic goals:

* Radical economic transformation, rapid economic growth and job creation.
* Rural development, land and agrarian reform and food security.
* Ensuring access to adequate of human settlements and quality basic services.
* Improving the quality of and expanding access to education and training.
* Ensuring quality health care and social security for all citizens.
* Fighting corruption and crime.
* Contributing to a better Africa and a better world.
* Social cohesion and nation building.

Key priorities for 2016/17 financial year are outlined below:

* Publishing the GDP expenditure approach.
* Conducting the Community Survey 2016 and releasing the results in record time.
* Reweighting and rebasing the CPI.
* Moving to the new building.
* Legislative reform.
* Moving towards a digital workplace.
* Alignment of measurement frameworks for Sustainable Development Goals (SDGs), the African Integration Agenda and NDP.
1. **BUDGET ALLOCATION**

Estimates of National Expenditure for 2016 budget projected Stats SA budget as vote 12. The budget appropriated to the Statistics South Africa in the 2016/17 financial year was R2 489 billion. The 2016/17 reflected a growth in the budget as compared to the allocation of 2015/16 financial year. The spending focus in this financial year will mainly be towards conducting Census and Community Survey Operations. Information will be utilised to enhance planning, policies, monitoring and evaluation in three levels of government. The department intends to employ over 10 450 field workers for the community survey, which will result in 15.7 increase in compensation of employees in 2016/17. Spending on compensation of employees’ accounts for 61.4 per cent of the department’s total budget over the medium term.

**Table 1: Budget per programme**

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| **Programme R'000** | **Revised****Estimates** **2015/16** | **Medium Term Expenditure Estimates** |
| **2016/17** | **2017/18** | **2018/19** |
| 1. Administration | 795.2 | 709.2 | 709.5 | 731.1 |
| 2.Economic Statistics | 217.2 | 224.7 | 229.2 | 237.3 |
| 3. Population and Social Statistics  | 154.0 | 127.0 | 128.3 | 132.3 |
| 4. Methodology, Standard and Research | 57.0 | 69.6 | 67.0 | 67.5 |
| 5. Statistical Support and Informatics | 231.8 | 255.4 | 258.4 | 267.2 |
| 1. Statistical Collection and Outreach
 | 561.6 | 569.9 | 584.3 | 607.2 |
| 1. Survey Operations
 | 242.2 | 533.3 | 191.5 | 157.7 |
| **Total** |  **2 260.1** | **2 489.1** | **2 168.3** | **2 200.4** |

**Estimates of National Expenditure 2016**

1. **PROGRAMME PERFORMANCE**

Statistic South Africa has seven programmes which are as follows:

**7.1 Programme 1: Administration**

The purpose of the programme is to manage the department and provide centralised support services and capacity building. It coordinates statistical production among organs of state in line with the purpose of official statistics and statistical principles. The programme contributes to two strategic objectives: leading the development and coordination of statistical in the South African National Statistics System (SANSS) and improving productivity and service delivery.

Administration programme received budget allocation of R909.2 million to provide strategic direction, leadership, management and support services to the department. The spending focus over the medium term continues to be on the revision of the statistics legislation to drive statistical reform, particularly the statistical coordination. The activities of the department are regulated by the Statistics Act (Act No.6 of 1999) which mandates it to advance the production, dissemination, use and coordination of official and other statistics to assist organs of state, businesses, other organisation and the public in planning, monitoring and decision-making.

Statistics SA has introduced the Bill in order to amend the Statistics Act (1999) in this financial year. The provisions for statistical coordination between organs of state in the Act need to be strengthened to support the regulatory framework for a responsive South African National Statistics System (SANSS). Stats SA has commenced with consultations on changing the legislative framework for statistics. Amendments to be introduced to Parliament in due course. The amendments will include changing the execution of a population census from a 5 yearly cycle to a 10 yearly cycle.

The National Statistics System is a tool aimed at transform the current production of statistics, which is characterised by gaps in information, quality and capacity. Through the system, the department will be able to drive statistical planning, establish statistical production system in other organs of state, and establish a governance structure. In addition, it will promote the use of statistical information for planning and decision making and for implementing consequences for non-compliance. The SANSS is a powerful tool that will assist government in improving productivity and service delivery, which includes amongst others, developing the strategic plan and annual performance plan of the organisation, managing programme performance information and providing project management.

Of critical importance is the development of statistical policy for the production of official statistics and developing standardised, shared frameworks for all producers. Stakeholder engagement for the development of statistical policy began in 2015/16 and will continue in 2016/17.

The spending focus on the sub-programme Management for Corporate Service will mainly be on leading strategic initiatives such as the talent management programme, the new building project, monitoring the implementation of the corporate service strategy and work programme and to review recruitment and internship programmes. The sub-programme contributed immensely towards improving efficiency, effectiveness and good governance in the public sector. Moreover it had improved statistical literacy at a school level, tertiary level and within Stats SA and the SANSS.

* 1. **Programme 2: Economic Statistics**

The Economics Statistics programme produces economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices. Programme Management for Economic Statistics provides strategic direction and leadership.

Economic Statistics programme received a budget allocation of R224.7 million to fulfil its mandate of producing statistics to inform evidence-based economic development. Over the medium term, the Stats SA will fund initiatives to expand the economic and social statistical information. The spending focus in the programme will be utilised for publishing quarterly Gross Domestic Product (GDP) from the income and production side. Statistics South Africa will commence publishing GDP from the expenditure side as well.

The Stats SA is planning to expand economic statistics by compiling a discussion document on a regional economic indicators, developing a Growth Accounting framework and publishing thematic reports on the dynamics. Statistics SA intends to conduct 15 business surveys under this programme.

In addition, the Stats SA will publish periodic information on the income and expenditure structure of industries. Information on the level of inflation will be produced on the Consumer Price Index (CPI) and various producer price indices. Key output for 2016/17 include monthly Consumer Price Index and Producer Price Index (PPIS) and 3 technical reports. Another important aspect to be undertaken in this financial year is to track public sector spending which include quarterly publication on financial and non-financial statistics of municipalities and other government spending.

* 1. **Programme 3: Population and Social Statistics**

The purpose of the programme is to produce population, demographic, labor market and social statistics to meet user requirements in line with internationally recognised practices. Population and social statistics inform evidence-based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objectives in an effort to expand the statistical information base by increasing its depth, breadth and geographic spread for evidence-based planning, monitoring and decision-making for the use by both the public and private sector.

Population and Social Statistics received budget allocation of R127.0 million to be spent on producing population and social statistics to inform evidence-based information on socio-economic development. The spending focus in the programme is mainly on providing information on employment levels in the formal, non-agriculture sector as well as labour market trends in the country. Stats SA will publish quarterly labour market trends, annual report on labour market dynamics, and research report on the use of administrative data.

Collating and analysing data from censuses and other surveys, as well as administrative data to compile mid-year population estimates are some of the critical activities to be undertaken in the current financial year. Provision of the poverty levels and income and expenditure trends are crucial information to assist in planning and policy development. Population estimates collected through population censuses and surveys form part of the core mandate of the Stats SA.

* 1. **Programme 4: Methodology, Standards and Research**

The purpose of the programme is to provide expertise on quality and methodology for official statistics, standards for conducting surveys, and business sampling frames. In addition, it conducts policy research and analysis on emerging policy matters. The programme contributes to enhancing public confidence and trust in official statistics.

Programme Methodology, Standards and Research received budget allocation of R69.6 million to provide strategic direction on quality and methodology for official statistics. The spending focus in this programme will be on business register and improving the sampling frame for economic statistics. Business register is a sampling frame for economic statistics, completing surveys of large business, providing quarterly snapshots and financial sampling frames.

In addition, the programme will provide integrative statistical advice and support to policy planners and development practitioners, participates in knowledge research and innovation on key development themes.

* 1. **Programme 5: Statistical Support and Informatics**

This programme aims to enable service delivery programmes by using technology in the production and use of official statistics. It informs policy through the use of statistical geography. The programme promotes and provides better access to official statistics. The programme contributes towards enhancing public confidence and trust in statistics and investing in the learning and growth of the organisation. Moreover, the programme collaborates with partners to build and maintain a reliable sampling frame for household surveys by updating the spatial information frame annually.

Statistical Support and Informatics programme received an allocation of R255.4 million to enable service delivery programmes by using technology in the production and use of official statistics. The spending focus in this programme is on the data management and technology which provides technology infrastructure to the department and supports data management across statistical series. An amount of R124.1 million of the allocated budget will be spent to improve Information Communication Technology (ICT) infrastructure. Stats SA will improve data and information management across the department by modernising the way business is conducted and supported by technology.

The programme will provide a sampling frame for household surveys and censuses by updating and maintaining this sampling frame for population and social statistics. Activities to be undertaken in attaining sampling frame is to conduct quality assurance and integration of spatial information frame, maintaining place names and demarcating enumeration areas within municipal boundaries.

* 1. **Programme 6: Statistical Collection and Outreach**

The purpose of the programme is to provide data collection and dissemination services to inform policy processes and to support decision-making through statistical information. In addition engaging stakeholders through platforms and providing effective communication services. Promoting statistical development and cooperation in South Africa, Africa and the world is also one of the crucial functions of the programme.

Statistical Collection and Outreach programme received an allocation of R569.9 million to execute its core purpose of data collection and dissemination of statistical services. The spending focus in this programme will be on the provincial and district offices providing integrated data collection and dissemination services. A key strategic priority for 2016/17 is conducting fieldwork operations for Community Survey 2016 and disseminating the results at the cost of R514.0 million. Cabinet approved the budget increase for the Community Survey (CS) for duration of 2015/16 to 2017/18 financial year.

Community survey is comprehensive and covers areas such as population estimates, service delivery, health and education, to name a few. Stats SA intends to employ over 10 450 field workers for the community survey, which will result in a 15.4 per cent increase in compensation of employees in 2016/17. Due to the labour intensive nature of the Stats SA work in general, spending on compensation of employees accounts for 61.4 per cent of the department’s total budget over the medium term.

Statistics South Africa will improve the relationship with the media through the training initiative, new social media platforms for dissemination of statistics and communication campaigns for the Community Survey 2016 and the new building projects.

* 1. **Programme 7: Survey Operations**

The purpose of the programme is to coordinate survey operations for household surveys and provide processing services to produce official statistics. The programme conducts independent household survey monitoring and evaluation activities. The programme contributes towards improving productivity and service delivery. Expanding the statistical information base for use by government, the private sector and the general public by conducting a population census every 10 years as well as large-scale population surveys between censuses is one of the focus areas.

Survey Operations programme received a budget allocation of R533.3 million to coordinate survey operations for household surveys and providing processing services to produce official statistics. The spending focus in this programme is on the Census and Community Survey Operations. Stats SA has been allocated R407.9 million to implement census and community surveys. In this current year, Stats SA will be conducting the South African Demographic and Health Survey which is a user-paid survey.

In addition, data processing will be the spending focus in this programme. Stats SA manages the editing and processing of data, which includes amongst others, processing of reports and editing of questionnaires. The use of tablet technology and its impact on cooperate data processing will be investigated to assist department in future. The technical assets resident at Stats SA will be transformed into a state-wide digitisation centre that should provide digital solutions to masses of paper-based government records. Amongst the activities to be undertaken to support surveys, the department is expected to monitor and evaluate enumerators’ quality of field operations of household surveys and censuses and to conduct independent evaluations.

1. **OBSERVATION AND FINDINGS**

The Portfolio Committee observed the following matters in relation to the budget vote 12 of Statistics South Africa:

* 1. The Committee welcome the decision to place Statistics South Africa under the Ministry for Planning, Monitoring and Evaluation. Stats SA will complement the department with statistical information for ensuring evidence-based decision making during planning and policy making in government. There is a correlation of the work of Department of Planning, Monitoring and Evaluation as well as Statistics South Africa more particularly the National Planning Commission (NPC), which is responsible for the planning on and of the country’s infrastructure.
	2. The Committee notes that the Statistics Act, Act No.6 of 1999 has been operational for the past fifteen years. Some operational challenge have emerged, therefor this necessitates amendments. Stats SA operates in an ever-changing environment, which includes the development and update of the National Development Plan.
	3. The Committee acknowledges the sterling work done in Community Surveys launched on 29 February 2016. Training commenced by the second week of January and has continued throughout February with actual field operations beginning on 07 March 2016. The Committee noted that 1.3 million households will be covered and results would be published within three months after concluding field operations in June 2016.
	4. The Committee emphasised the importance of statistic information in ensuring government enhances its planning and policy making by relying on evidence-based results, which are of quality and without any prejudice. Factual evidence assists government and private sector for ensuring sustainable development.
	5. The Committee noted the completion of the Citizen’s Satisfaction Survey piloted in the Kwazulu Natal province using modern tablet technology. Through the use of modern tablet technology results were delivered within four days. The Committee welcomes any means of technology aimed towards expediting quality statistical information to influence decision making.
	6. Statistics South Africa has developed an electronic system to monitor enumerators (field workers) in administering questionnaires on the ground. The system has been piloted during the Citizen’s Satisfaction Survey.
	7. The Committee support Stats SA in transforming technical assets into a state-wide digitisation centre that should provide digital solutions to loads masses of paper-based government records.
	8. The Committee noted factual statistical information produced by Stats SA to improve efficiency, effectiveness and good governance in all sectors. Credible statistical information assist in improved planning and better allocation of scarce resources. Government departments must frequently utilise statistical information to improve services delivery.
	9. The Committee welcomes any innovative technological initiatives aimed at reducing cost of data collection however sample frame should always be fairly representative of the South African population.
	10. The Committee was concerned about the reduction of the budget on Survey Operations Programme over the medium term period.
	11. The Committee is of the view that Statistics South Africa operates independently. Despite this, it still has to cooperate with other government departments.
	12. The Committee has noted the reduction of the vacancy rate on the funded posts.
	13. The Committee welcomes the comprehensive clarification by the Statistician-General on the irregular expenditure incurred in relation to data collection. It further notes that a forensic investigation on the irregular expenditure was conducted. The forensic report did not implicate any official in the department.
	14. The Committee fully supports Stats SA in conducting Community Survey to provide the country with comprehensive statistical information. However, the Stats SA should create job opportunities through the survey and has to ensure that young people are prioritised as enumerators and imparted with necessary training in order to maintain quality statistical information.
	15. Stats SA should utilise media platform optimally to ensure that their statistical information reach out as many people as possible. The use of other forms of social media platforms for dissemination of statistical results is welcome.
1. **RECOMMENDATIONS**

The Portfolio Committee recommends that the Statistics South Africa through the Minister of the Department of Planning, Monitoring and Evaluation to ensure that:

* 1. Statistics South Africa fast track amending the Statistics Act (1999) to drive statistical reform in order inform infrastructure planning. The amendments to the Act should firmly respond to the evolving environment and effect alignment with the objectives of the National Development Plan. Statistics SA in concurrence with the Ministry for Planning, Monitoring and Evaluation must ensure amendments to legislation enhance better statistical coordination between organs of state. The amendments should incorporate measures for consequence management to enforce utilisation of statistical information.
	2. Stats SA must continuously track public sector spending and provide government and legislatures with financial outlook of the state. Tracking public spending should assist government to identify challenges and hindrances towards unlocking services to the people in all three spheres of government. Monitoring public spending should assist both the Department of Planning, Monitoring and Evaluation and National Treasury in making informed decision during the allocation of budgets per budget vote.
	3. Stats SA should improve data and information management through enhancing ICT infrastructure to assist in capturing data faster, cheaper and without compromising the quality aspect. The use of modern technology (tablet) should be invested in this regard to support the core mandate of collecting data and providing statistical information.
	4. Stats SA should consider rolling out the Citizen Satisfaction Survey to all nine provinces.
	5. Stats SA must continuously strive to ensure coordination among organs of state. The Stats SA should maintain close working relation with other government departments on statistical matters.
1. **Conclusion**

The Committee takes note of the Strategic Plan, Budget and Annual Performance Plan of the Statistics South Africa. The Committee has emphasised the importance of the Stats SA in providing accurate, reliable and quality statistical information to advance transformative agenda of the government. The Committee will through its oversight role assist Stats SA in strengthening coordination amongst organs of state on the statistical information. Statistical information plays a critical role in the value chain and should enhance planning, policy formulation, monitoring and evaluation in government.

**The Portfolio Committee recommends as follows:**

That the House adopts and approve the Budget Vote 12 of the Statistics South Africa.

Report considered