**REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION ON THE ANNUAL PERFORMANCE PLAN (APP) 2022/23 AND THE BUDGET VOTE 14 OF STATISTICS SOUTH AFRICA, DATE 06 MAY 2022**

1. **BACKGROUND**

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

1. **INTRODUCTION**

Parliament plays an important role in overseeing planning and performance of government departments and public entities as well as Chapter 9 and 10 institutions. The Public Finance Management Act, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, section 10 (1) (c) clearly stipulates that 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 reporting.

In considering the strategic and annual performance plan, the Committee ensured that Statistics South Africa plans and budget allocation serve the needs and aspirations of the statistics users. Budget allocation serves as a key instrument for government to promote socio-economic development. Budget allocation plays a critical role as an economic instrument of the government to reflect on the country’s socio-economic policy priorities by translating priorities and political commitments into expenditures. Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. Furthermore, the budget highlights the constraints and trade-offs in policy choices.

On 03rdMay 2022, the Committee considered presentation on the Strategic and Annual Performance Plans and budget allocation of Statistics South Africa (Stats SA). This report summarises the presentation received from the Stats SA, focusing on the 2022/23 Annual Performance Plan and Budget,which include allocations over the MTEF.

1. **OVERVIEW OF STATISTICS SOUTH AFRICA**

The main responsibility of Stats SA is to provide relevant and accurate statistics by using internationally approved practice to inform users of the dynamics of the economy and society. Stats SA is mandated through the Statistics Act [No.6 of 1999] to coordinate statistical production from organs of state, the private sector and 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 function.

Statistics South Africa releases over 250 surveys on a yearly basis on employment, labour, poverty and other socio-economic statistics. Such statistics are aimed at providing evidence-based information to policymakers, private sector, academics and non-governmental organisations as well as planners across all spheres of government. Stats SA is committed to using scarce resources to deliver quality basic statistics as it invests in and strengthens partnership with various stakeholders within the data ecosystem. In the sixth administration of Government, Stats SA will be fully engaged with the following crucial statistical work:

* Finalisation of legislative reforms.
* Release of the results of the National Household Travel Survey.
* Release of the Census of Commercial Agriculture.
* Conducting Census 2021/2022 – as baseline information the country needs and the master sample that Stats SA needs to advise other research entities in South Africa; and
* The Income and Expenditure Household Survey to be conducted in 2020/21. This is a critical survey to measure and understand poverty and inequality in South Africa.

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 250 statistical releases per annum. 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 in the Presidency for Planning, Monitoring and Evaluation. Stats SA has a separate budget vote from the Department of Planning, Monitoring and Evaluation(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 ofStatistics South Africa**

In order to be responsive to the attainment of the NDP priorities over the period 2020/21-2024/25, an NDP Five-year Implementation Plan and a more focused Medium Term Strategic Framework (MTSF) 2019/24 have been developed by the Presidency as announced by the President in the State of Nation Address,to outline the following strategic goals:

* Economic transformation and job creation.
* Education, skills and health.
* Consolidating social wage through reliable and quality basic services.
* Spatial integration, human settlements and local government.
* Social cohesion and safe communities.
* A capable, ethical and developmental State.
* A better Africa and a better world.

Key priorities for the 2022/23 financial year are outlined below:

* Driving legislative reform.
* Sustaining the quality of national indicators.
* Deliver Census 2022 results to the nation.
* Driving a transformative and change agenda

1. **BUDGET ALLOCATION**

The overall budget allocation in 2022/23 financial year is R2 758.5 billion, which is a decrease as compared to R4 931.6 billion allocated in the 2021/22 financial year. The budget allocated represents a decrease of -44.05 per cent in nominal terms due to the Census budget which was once-off project. However, in real terms the total budget for Stats SA decreased by -46.31 per cent in the 2022/23 financial year. Expenditure is expected to decrease at an average annual rate of 17.4 per cent, from R4.9 billion in 2021/22 to R2.8 billion in 2024/25, mainly due to a once-off allocation of R2.1 billion in 2021/22 for Census 2022.

Stats SA has received an additional allocation of R132.3 million over the MTEF period to fill critical posts that have been vacant since October 2016. The actual additional amount allocated to Stats SA to fill critical posts in 2022/23 financial year is R44.1 million for compensation of employees. The main focus of the Statistics South Africa over the medium-term is to continue modernising its operating model, strengthening statistical reform, implementing the continuous survey and releasing the results of the national population Census 2022. Moreover, Stats SA digital transformation programme to modernise and automate the statistical value chain has been accelerated by the COVID-19 pandemic. In this regard, Stats SA has introduced various computer-assisted methodologies in household and census survey operations. These methodologies will be implemented across all programmes with an allocation of R173.5 million over the medium term in the Business Modernisation subprogramme in the Statistical Support and Informatics Programme.

With regard to the Statistics Amendment Bill, which was drafted in 2019/20 to drive statistical reform, Stats SA held further engagements on the Bill with relevant stakeholders, which includes the Information Regulator. The amended Bill is scheduled to be rolled out over the medium term following the adoption of the changes. The Statistician-General will also drive reform by setting frameworks, standards and classifications as a basis to certify statistics as official. The cost related to the legislative reform amounts to R134.7 million over the MTEF period in the South African National Statistics System programme, of which 75.4 per cent is earmarked for compensation of employees.

Due to continuous population surveys, Stats SA will in this financial year aim to measure living conditions by collecting data on household income and expenditure patterns. A sample of 30 000 households across the country will be included in the income and expenditure survey planned for 2022/23. Furthermore, an additional allocation of R206 million is allocated for compensation of employees in the Poverty and Inequality Statistics subprogramme of the Population and Social Statistics programme. The number of employees in the programme is set to increase from 144 in 2021/22 to 309 in 2024/25. These posts are mainly for fieldworkers and fieldwork supervisors. Census 2022 was undertaken in February 2022 and the post-enumeration survey is set to take place in the following month. In the 2022/23 financial year, a total amount of R105 million is allocated to the Household Survey and Censuses subprogramme in the Statistics Operations and Provincial Coordination Programme.

The expenditure is projected to increase from R1.5 billion in 2019/20 to R1.8 billion in 2022/23 at an average annual rate of 7.2 per cent, as a result of an additional allocation of R105 million and a reprioritisation of R49.4 million to address the historical shortfall in the budget for compensation of employees. The production of statistics depends solely on skilled and well capacitated personnel, therefore expenditure on the compensation of an average of 2 591 employees is expected to account for 48.3 per cent (R5.1 billion) over the medium term period. The staff complement of Stats SA continues to decrease over the medium term period due to high staff turnover as a result of lack of upward mobility the department endured over the past years.

**Table 1: Budget per programme**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | | | **Nominal Rand change** | **Real Rand change** | **Nominal % change** | **Real % change** |
| **R million** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2021/22-2022/23** | | **2023/24-2024/25** | |
| **Programme 1: Administration** | 704.6 | 753.6 | 730.6 | 759.8 | 48.5 | 16 | 6.88 per cent | 2.28 per cent |
| **Programme 2: Economic Statistics** | 265.7 | 275.6 | 272.6 | 284.8 | 9.9 | - 2.0 | 3.73 per cent | -0.74 per cent |
| **Programme 3: Population and Social Statistics** | 138.8 | 269.9 | 279.5 | 304.3 | 133.1 | 133.1 | 97.30 per cent | 88.80 per cent |
| **Programme 4: Methodology and Statistical Infrastructure** | 141.2 | 141.5 | 145.4 | 151.9 | 0.3 | 0.3 | 0.21 per cent | -4.10 per cent |
| **Programme 5: Statistical Support and Informatics** | 309.9 | 311.6 | 309.2 | 326.3 | 1.7 | 1.7 | 0.55 per cent | -3.78 per cent |
| **Programme 6: Statistical Operations and Provincial Coordination** | 3 333.6 | 962.7 | 862.5 | 901.5 | -2370.8 | -2 412.3 | -71.12 per cent | -72.36 per cent |
| **Programme 7: South African National Statistics System** | 37.9 | 44.2 | 44.3 | 46.2 | 6.3 | 4.4 | 16.62 per cent | 11.60 per cent |
| **TOTAL** | **4 931.6** | **2 758.5** | **2 644.1** | **2 774.7** | **-2 172** | **-2283.7** | **-44.05 per cent** | **-46.31 per cent** |

**Source: Estimates of National Expenditure 2022**

1. **PROGRAMME PERFORMANCE**

Statistics South Africa has seven programmes, which are as follows:

**7.1 Programme 1: Administration**

The purpose of the programme is to provide strategic leadership, management and services to the department. The Administration programme has four sub-programmes, which are: Department Management, Corporate Services, Financial Management Services, Internal Audit and Office Accommodation. The strategic intention of the programme is focused on driving the outcome of transformed capability. The programme will align itself to the strategy of digitisation through automation of processes. The provision of support to projects, including the Census 2022 project, will utilise all facets of automated processes. A cost-effective strategy to reduce the major cost driver in surveys, which, apart from the compensation of employees is the utilisation of vehicles, will be explored.

Stats SA will transform and change agenda to facilitate and drive the culture and organisational change required to implement the new strategic direction. A cost-effective strategy to reduce the major cost driver in surveys which, apart from compensation of employees is the utilisation of vehicles, will be explored. An alternative funding model will also be explored through research.

The programme received a budget allocation of R753.0 million in 2022/23 financial year as compared to R704.6 million in the 2021/22 financial year to provide strategic direction, leadership, management and support services to the department. The spending focus over the medium term continues to lead development of a digital transformation strategy and a skills development strategy as key enablers for the future. The primary cost driver is expenditure on compensation of employees, which includes fleet management services, travel and subsistence, and communication.

Programme 1 budget intends to achieve 100% logistics and fleet management support provided to Census 2022 and Post Enumeration Survey (PES). The Department will also provide a monitoring report on fleet management strategy and 100% financial management support provided to Census 2022 and PES by March 2023. The provision of support to projects includesproducing audit report on Census 2022 project.

The primary cost driver is compensation of employees. Within the remaining goods and services budget, the primary cost drivers relate to fleet management services, travel and subsistence, and communication. Office accommodation is funded from programme 1. Cabinet has approved a total of R44.1 million in relation to the department’s Compensation of Employees for the 2022/23 financial year. in addition, there has been an allocation of R132.3 million over the medium term, on filling critical positions within the organisation, which have been outstanding for several years.

**7.2 Programme 2: Economic Statistics**

Economics Statistics programme aims to produce 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. There are six sub-programmes, which are as follows: Business Cycle Indicators, Structural Industry Statistics, Price Statistics, Private Sector Financial Statistics, Government Financial Statistics and National Accounts.

The objective of the programme is to produce economic indicators to inform evidence-based planning, monitoring, evaluation and decision making for use by the public and private sectors by publishing monthly, quarterly, annual and periodic statistical releases on various industries in the private and public sectors.

Programme 2 received an allocated budget of R275.6 million for 2022/23 financial year as compared to R265.7 million in the 2021/22 financial year. The main cost driver is the expenditure on compensation of employees and collection of questionnaires. The strategic intention of the programme is focused mainly on driving the outcome of providing insightful data and continue to provide a range of statistics that describe the dynamics of the economy as well as its links to job creation, economic growth, the environment and society. A critical strategic intent is to increase the supply of economic statistics through the development of new surveys, funded through efficiency gains within the current resource constraints. These will primarily be focused on developing a better understanding of the services sector of the economy.

The branch is considering different approaches to ensure that the business operating model becomes more agile. This is possible through an increase in the use of technology during the data collection phase of the statistical value chain, aimed at improving efficiency. Further research and alignment to international best practice is needed to assess the use of administrative data to supplement existing surveys and to serve as a data-source for new indicators.

Stats SA will over the medium term publish 150 monthly, quarterly and annual industry and trade statistics. Under Programme 2, the following reports will be published over the medium term: three reports on weights for mining (2020); reports on 2020 surveys (real estate and business services and construction), annual releases on 2020 agriculture, forestry and fisheries statistics, four quarterly releases on private sector financial statistics, two capital expenditure survey discussion documents, seven annual releases on government financial statistics, and one research report on the feasibility study for the inclusion of Technical and Vocational Education and Training (TVET) colleges in the Higher Education Institutions (HEI) release.

Furthermore, Stats SA will publish four quarterly releases on Gross Domestic Product and one report on Environmental Economic Accounts (EEA) as part of the Natural Capital Accounting series and four quarterly releases on Financial Statistics of Municipalities and one annual release on the Non-Financial Census of Municipalities.

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

The purpose of the Programme is to produce population, demographic, labour market and social statistics to inform socio-economic development. Population and social statistics inform evidence based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objective to sustain national population and social indicators to inform evidence-based planning, monitoring and decision-making for use by the public and private sector through publishing numerous series such as labour market and employment surveys.

The outputs produced under this Programme contribute immensely towards the monitoring of the MTSF 2020-2024, the National Development Plan goals and indicators, Agenda 2063 as well as the Sustainable Development Goals.

Programme 3 received a budget allocation of R269.9 million in the 2022/23 financial year as compared to R138.8 million in 2021/22 financial year. The primary cost driver is expenditure on compensation of employees. Programme 3 has received an additional allocation of R132.3 million over the medium year to conduct an Income and Expenditure Survey to inform the poverty and inequality profile in the country. The programme plays a pivotal role in the operational inputs that contribute towards achieving other strategic outcomes. In specific, the digitalisation of relevant phases in the statistical value chain (development of electronic questionnaires) contributes towards achieving an agile operating model. The programme will be closely involved with mapping the To-Be process of CAPI.

The expenditure on the budget will be incurred by continuing to sustain the quality of key national indicators and to increase responsiveness to users’ basic statistical needs and demands by collecting and analysing data across a range of themes including living conditions, domestic tourism, transport, education, gender and marginalised groups, governance, crime and safety, etc. The demography of the country will occur by means of the mid-year population estimates produced annually at various geographic levels, as well as projections which forms part of the suite of products of the population estimates programme. In addition to this,Census 2022data will contribute towards the provision of data at local government level for planning purposes. The data will feed into the Integrated Indicator Framework (IFF) and contribute to evidence-based policymaking across government.

The strategic intent of this programme is to publish one mid-year population estimate at national and provincial levels and one for the district level. Stats SA intends to compile a report on natural demographic processes and produce 100% content development Census 2022 input and output. In addition to the activities under the programme, a report on the assessment of alternative data sources of migration statistics to support migration forum will be published. On a monthly basis, Stats SA will release international tourism statistics and one annual. Moreover, the programme will publish one annual release on recorded live births (2021) and one releases on mortality and causes of death (2019/2020), publish one release on marriages and divorces (2021) and one thematic report on health.

Stats SA will produce one thematic report on transport statistics and one annual releases on social and household service delivery. The programme will further publish one report on annual marginalised groups indicators and one annual release on victims of crime statistics. In addition, publish four quarterly releases on employment and earnings, report on national poverty lines for 2022 and report on food security.

Stats SA is currently collecting statistical information on living conditions, service delivery and poverty through the General Households Survey (GHS), Income and Expenditure Survey (IES) and Community Survey (CS). Stats SA is embarking on a process of reviewing the content of the questionnaire of these abovementioned survey as well as survey methodology. One of the outcomes of this process is the introduction of a modular approach, where a rotational system of in-depth service delivery modules will be developed and implemented at regular intervals as part of continuous population survey for household surveys. Continuous collection is expected to better capture seasonality in the data and to provide more opportunities for quality assurance.

The CPS will be implemented over the medium term, that is, towards the end of the five-year period, depending on the additional allocation of funding. This survey will create a more agile and cost-effective operating model for survey data collection, as it would provide a broad platform to cover a range of thematic areas on a regular basis.

Stats SA intends to embark on extensive skilling and reskilling in data analytics and related capabilities in order to meet the requirement of the new data ecosystem. This target aims to invest in building a diverse skilled and versatile workforce to embrace innovative solutions such as data collection through digitisation. This will create a cadre of analytical capability to drive value in the data ecosystem.

**Programme 4: Methodology and Statistical Infrastructure**

The purpose of the Programme is to set standards, statistical frames, methodologies and conduct statistical research. The main objective of the Programme is to improve the quality and methodological soundness of statistical information by researching, developing, reviewing and applying statistical methods, standards, classification and procedures in the statistical value chain annually. The Programme further monitors and evaluates the methodological compliance of statistical operations by conducting independent evaluations on statistical practices annually. In addition, it ensures complete and accurate sampling frames to enhance the quality of economic and social statistics by maintaining and updating frames for business and geographic information annually.

Programme 4 received budget allocation of R141.5 million in 2022/23 financial year as compared to R141.2 in 2021/22 financial year. The cost driver under this programme is compensation of employees, data costs and training costs. The programme contributes towards achieving the organisational strategic outcomes of an agile operating model and interconnected statistical systems. Statistical data are enablers of achieving uniformity, consistency, comparability, integration and ultimately data sharing and thus increased use of statistical products. Standards are a precondition for production of good quality statistics. The programme has to ensure availability and use of relevant statistical standards and classifications for Stats SA and the South African National Statistics System (SANSS) programme.

The programme provides technical expertise on methodologies for producing official and other statistics and review surveys as to their methodological compliance and alignment with international frameworks and practices to render quality statistics able to inform debate, research and decision-making. For Stats SA to sustain the quality of key indicators and to curb the challenges of declining quality of data there is a need to reposition and strengthen monitoring and evaluation within the statistical system. This will only be achieved through development of a quality management system that will have to be tested, integrated, interfaced and institutionalised across the departmental.

Geo-enabled statistical frames and geospatial support services to Stats SA and the external stakeholder community enable the creation and use of geospatial frames, the application of geospatial tools and support on geo-statistical analyses. The Geospatial Information Frame (GIF) is an input frame in the statistical value chain and consists of layers of geo-technical structures such as dwellings, businesses, place names, enumeration areas and small areas. The GIF forms the base reference for the planning, operations and dissemination of censuses and surveys. Geospatial information and reliable evidence are fundamental to achieving South Africa’s development agenda.

The transition of statistical production processes from manual systems to digital platforms requires the programme to upskill and re-skill its personnel to ensure that they provide the relevant and necessary support to production systems. The emergence of COVID-19 and its subsequent impact on the production of statistics places further importance of this aspect of the work as well as more emphasis and dependence on methodological support to production areas and members of the SANSS.

**7.5Programme 5: Statistical Support and Informatics**

This Programme enables service delivery programmes by using technology in the production and use of official statistics. The main objective is to modernise business processes by building enterprise architecture and applying emerging technologies for data collection, processing and the dissemination of statistical information over the medium term. The Programme further aims to enable the department’s production of official statistics by providing a technology infrastructure that is reliable, sustainable and cost effective over the medium termto inform policy through the use of statistical geography.

The Programme promotes and provides better access to official statistics. The Programme contributes to 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. In addition, it increases awareness of and the use of official statistics by government and the public on an ongoing basis by reaching out to stakeholders and responding to user queries, educating users and improving accessibility to and the ease of use of statistical information.

Statistical Support and Informatics programme received an allocation of R311.6 million to enable service delivery programmes by using technology in the production and use of official statistics. Key outputs to achieve this goal include the implementation of the branding strategy which aims to place stakeholders at the centre of operations by delivering products and services that are in line with user requirements. The programme provides the technology backbone in the form of an Enterprise Architecture (EA) that is able to anticipate growing demand and will have the foresight to increase capacity when required and to scale down to save costs based on system requirements. A well-designed Enterprise Architecture (EA) provides an organisation with an environment that allows easy and faster adoption of newer technologies while supporting smooth organisational transformation. An EA offers dexterity, effectiveness and robustness in unifying and coordinating different foundational aspects of an organisation, from planning and prioritising to identifying and managing interdependence, risks and enabling governance. The EA will be rolled out over the medium-term and will make provision for an interconnected statistical system within the data ecosystem.

**7.6 Programme 6: Statistical Operations and Provincial Coordination**

The purpose of the Programme is to collect and process data and interact with stakeholders and users at provincial and local levels to inform policy implementation and support decision-making through statistical information. It engages stakeholders through platforms and provides effective communication services.

The main objective is to provide integrated data collection services, and disseminate quality statistics to provincial and local stakeholders and the public by ensuring an average response rate of 85 per cent annually. Another objective is to expand the statistical information base for use by government, the private sector and the public by conducting a population census every 10 years, and large-scale population surveys every five years between censuses.It further ensures the efficiency and effectiveness of survey operations by coordinating household surveys to attain an average response rate of 85 per cent annually. The Programmeimproves the quality and timeliness of the editing and processing of statistical data by administering a common data processing platform for censuses, household surveys, administrative records and ad hoc survey data over the medium term.

Statistical Operation and Provincial Coordination programme received an allocation of R962.7 million to execute its core mandate of collecting and processes data, and interacts with stakeholders and users at provincial and local levels. The provincial and district offices are placed within the programme. Within the remaining goods and services budget, the primary cost drivers relate to fleet, communication and travel and subsistence. An additional allocation of R206 million was received for the 2022/23 financial year to conduct the Post Enumeration Surveyand for disseminating the Census 2022 results.

Stats SA had to revise original planned date of the census from October 2021 to February 2022 due to COVID-19. The outbreak of the Coronavirus compelled the organisation to assess and test the use of a multi-modal approach (i.e. use of Computer Assisted Web Interviews (CAWI), Computer Assisted Telephone Interviews (CATI) and Computer Assisted Personal Interviews (CAPI)) for data collection to minimise contact between fieldworkers and respondents. The use of a multi-modal approach provides respondents with an option to be enumerated without any physical contact with a Stats SA official should they wish so. Census 2022 will be the first multi-modal Census in South Africa and will form the proof of concept for all other surveys in Stats SA. In the coming years, the multi-modal processes will be tested on other Stats SA surveys.

A key strategic focus of the branch will be on reskilling staff to meet the new requirements of work methods in a digital environment. The focus will not only be on digital capabilities, but also on ensuring that staff have the necessary capabilities as the department is implementing an Integrated Operations Model for data collection.

**7.7 Programme 7: South African National Statistics System**

The purpose of the Programme is to develop and coordinate the national system in South Africa. The objective of the Programme is to ensure that national statistics are produced based on common statistical standards and principles by providing statistical support and advice on an ongoing basis, and certifying statistics as official annually. It manages the distribution of statistical information by establishing and providing mechanisms, platforms and criteria for sharing data annually. It drives statistical reporting by coordinating the compilation of statistical reports in line with the integrated indicator framework annually.

South African National Statistics System programme received a budget allocation of R44.2 million to develop and coordinate the national system in South Africa. The statistics system is composed of entities of the National Statistics System (NSS), which must subscribe to governance and ethical principles for all producers of statistics. Additionally, insofar as production activities are concerned, all entities of the NSS subscribe to standards and frameworks as directed by the Statistician-General under the mandate of the Statistics Act.

The programme will fully develop an Integrated Indicator Framework (IIF). The IIF is a tool to promote coordination among producers of official and other statistics in order to advance quality, comparability and optimum use of official statistics. It is also a key contributor to the achievement of the interconnected statistics system. Once fully developed, the IIF will be able to ascertain what the information gap is in the statistics system.

The development and implementation of the National Strategy for Development of Statistics (NSDS) will build capacity and strengthen coordination amongst entities of the NSS. Through the NSDS, NSS entities will be able to set up statistical units and compile annual statistical plans informed by the IIF. All data that will be used to report on the IIF will be taken through a quality assessment process using the South African Statistical Quality Assessment Framework (SASQAF). Through the NSDS, the technical support that will be given to entities of the NSS and the implementation of the IIF, the coordination part of the Statistics Act will be fully realised.

1. **OBSERVATION AND KEY FINDINGS**

The Portfolio Committee observed the following matters in relation to the Budget Vote 14 of Statistics South Africa:

* 1. The Committee noted and considered Statistics South AfricaAnnual Performance Plan for 2022/23financial year. The Committee welcomed theAnnual Performance Plan as itencompasses the mandate of Stats SA with clear targets and indicators.
  2. The historical budget shortfall or resource constraints negatively impactingon the Statistics South Africa’s ability to attain its set objectives has been addressed by the National Treasury. An additional budget of R44.1 million has been allocated in 2022/23 financial year and R132.3 million over the medium term to address historical shortfall on compensation of employees. This means moratorium of posts has technically been lifted.
  3. Stats SA has embarked in the process of the organisational review in 2020/21 financial year due to consideration of reducing government wage bill. The Committee noted Stats SA’s progress in the implementation of the organisational structure and repositioning of the department to respond to a rapidly changing environment, which requires new approach on how the department conducts its business.
  4. With an additional allocation on Compensation of Employees budget, Stats SA has to prioritise balancing its employment equity targets by ensuring capable women are promoted to senior management positions and 2% of people living with disabilities. Stats SA has to commit to a certain percentage of the employment of youth in the department. Vacancy rate of 18% has to be drastically reduced by undertaking a recruitment drive to strengthen its workforce.
  5. The Committee noted that Stats SA will continue with its research to assess different funding models for the department due to experienced continuing resource constraints.
  6. Since 2015, Stats SA has never conducted Income and Expenditure Survey due to budget shortfall over subsequent financial years. The Committee noted that the National Treasury has provided Stats SA with an additional budget of R206 million to conduct Income and Expenditure Survey, which will assist the country’s planning in terms of understanding poverty levels and developing appropriate interventions to alleviate them.
  7. The Committee noted that Stats SA has been allocated an additionalbudget of R105 million for the Post Enumeration Survey.
  8. The Committee noted that Stats SA together with the Ministry of the Department of Planning, Monitoring and Evaluation were finalising the amendments to the Statistical Act to drive statistical coordination in the country.
  9. The Committee noted that since February 2022, Stats SA has been in the process of collecting data for Census 2022. Census is used as a tool to ensure accountability and evidence based to inform the national policy, planning and budget allocation. The Committee noted challenges encountered during collection of Census 2022 among which include inaccessibility of households more particularly in affluent suburbs (gated communities).
  10. The Committee noted that Census 2022 project was further extended in the Western Cape Province as there was a substantial number of households that had not yet participated in the census project. However, Statistician-General together with the Ministry has engaged the province to encourage members of the public in the province to participate in Census 2022. Stats SA was optimistic the situation will improve after national intervention through provincial leadership.
  11. Stats SA together with the Minister of the Department of Planning, Monitoring and Evaluation have approached the National Treasury for additional funding for the activities to fund extended Census 2022 project.
  12. Stats SA has concluded its Census 2022 project in eight provinces and is in a process of reversing logistics such as fleet and devices used by the enumerators (fieldworkers). However, Stats SA indicated that if households in provinces where Census has been concluded still wanted to participate, enumerators will be allowed to collect data for such incidents, up until the Census wouldbe declared officially closed.
  13. The Committee welcomed and noted integration of statistical and geospatial information by ensuring collaboration between geo-spatial experts and statisticians. Digital transformation reduces cost of data collection and improves turnaround time of the production of results.
  14. The development on Integrated Indicator Framework (IIF) was welcomed by the Committee. Integrated Indicator Framework is a network of various data system, institutions, technological resources, human resources and partnership based on shared principles that are interoperable and interconnected. Interconnected systems aim to improve efficiency, accountability and accessibility of government various services.

1. **RECOMMENDATIONS**

The Portfolio Committee recommends that Statistics South Africa, through the Minister in the Presidencyfor Planning, Monitoring and Evaluation,gives attention to the following activities:

* 1. Statistics South Africashould expeditiously finalise and tableamendment ofthe Statistics Act (1999) to drive statistical reform in the country timeously to Parliament. The amendments of the Act should firmly respond to the evolving environment, with particular emphasis on statistical coordination, the data revolution, a state-wide statistical service and institutional arrangements.
  2. Vacancy rate of 18% has to be drastically reduced by undertaking a recruitment drive to strengthen departmental workforce in order to continue producing quality, reliable and timeous statistics for the nation and international world.
  3. Stats SA should, through additional allocation on Compensation of Employees budget, prioritise balancing its employment equity targets by ensuring capable women are appointed to senior management positions including 2% of people living with disabilities.
  4. Stats SA should commit to a certain percentage of youth being employed in the department.
  5. Stats SA should move with speed in conducting Income and Expenditure Survey which was last conducted in 2015, having been allocated additional resources for the project in order to assist the country’s planning in terms of understanding socio-economic challenges resulting into poverty. Continuing unemployment rate signals that poverty level needs to be urgently addressed by both public and private sectors.
  6. Stats SA should leverage the use of technology such as Computer Assistive Personal Interviews (CAPI) and ComputerAssistive Telephonic Interviews (CATI),which has drastically reduced costs of collecting data and timeous production of results.
  7. Stats SA should ensure that an Integrated Indicator Framework (IIF),which is a network of various data system corroborate/support the Development Indicators administered by the Department of Planning, Monitoring and Evaluation.

1. **CONCLUSION**

Statistics remain a vital source of evidence as it provides objective and numerical data on important aspects of the country, including economic growth, job creation, characteristics of population, social living conditions, health, education and crime, etc. Therefore, Statistics South Africacontinues to play a significant role in producing credible statistics to inform evidence-based planning, monitoring, evaluation and decision-making and helping academics and private and public sector towardsaccessing reliable statistics. Moreover, Stats SA remains a key strategic player in the transformative agenda by producing evidence-based, quality and accurate official statistics for the country. Collection of statistics remainsa top priority in ensuring informed current and future planning for the country.

Statistical information playsa critical role in the value chain and should enhance planning and evidence-based policy making across a wide range of sectors. The Committee welcomed additional budget allocation on Compensation of Employees, Income and Expenditure survey and Post Enumeration Survey.A well-resourced Statistics South Africa willserve well the needs of the country.

**The Portfolio Committee recommends as follows:**

That the House adopt and approve the Budget Vote 14 of the Statistics South Africa.

Report to be considered