**Report of the Portfolio Committee on Public Service and Administration on the Annual Performance Plan (App) 2023/24 and the Budget Vote 14 Of Statistics South Africa, Date 05 May 2023**

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 Presidency for 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 03rd May 2023, the Committee considered a presentation on the Annual Performance Plan and budget allocation of Statistics South Africa (Stats SA). This report summarises the presentation received from the Stats SA, focusing on the 2023/24 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 of Statistics 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.

The key priorities for 2023/24 are outlined below:

* Tabling the draft amendment Bill (Statistics Act) in Parliament
* Sustaining the quality of national indicators
* Driving a transformation and change agenda
* Dissemination of Census 2022 results to the nation
* Conducting the income and Expenditure Survey

1. **BUDGET ALLOCATION**

The overall budget allocation in 2023/24 financial year is R2 691.7 billion, which is a decrease compared to R2 999.4 billion allocated in the 2022/23 financial year. The budget allocated represents a decrease of -45.54 per cent in nominal terms due to the Census budget which was a once-off project. However, in real terms the total budget for Stats SA decreased by -16.09 per cent in the 2023/24 financial year. Over the medium term, the department will continue to focus on modernising its operating model, implementing a continuous population survey and releasing the results of Census 2022 in 2023/24 and strengthening statistical reforms. Expenditure is expected to decrease at an average annual rate of 0.6 per cent from R3 billion in 2022/23 to R2.9 billion in 2025/26 as allocations for Census 2022 get phased out.

The Department will be modernising the operating model to deliver its product and service better, faster and more cost-effectively. This includes introducing and implementing various innovative technologies over the medium term to optimise and automate operations, including digital data collection methods for household survey such as the census. In order to carry out the modernisation project, R186.5 million is allocated over the MTEF period. Stats SA will utilise the budget to conduct a national income and expenditure survey to measure living conditions by collecting data on household income and expenditure patterns. A budget of R492 million is allocated over the MTEF in the Poverty and Inequality Statistics.

The Department has concluded Census 2022 and plans to publish and disseminate the results in July 2023 through interventions such as media campaigns and electronic tools at the national, provincial and district levels. Stats SA has budgeted R18 million for the publishing of the results. In terms of the Statistics Amendment Bill, Cabinet approved the Bill in September 2022 and is expected to be tabled in Parliament. The cost related to legislative reform and other activities concerning statistical reforms is budgeted at R144.8 million over the medium term.

Stats SA has a vacancy rate of 20.7% as at the end of September 2022, which continues to increase due to declining financial resources in the budget allocation of the compensation of employees (CoE). The Department has embarked on a comprehensive reprioritisation process, whichcontinues and highlights the need to fill critical posts. Females represent more than 54% of the total staff complement. The inability to fill vacancies over the last five years has impacted negatively in meeting employment equity targets, especially at senior management levels. Women in SMS posts represent 41.3% of filled SMS posts.

**Table 1: Budget per programme**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | **Nominal Increase/Decrease** | **Real Increase/Decrease** | **Nominal Percent change** | **Real Percent change** |
| **R million** | **2022/23** | **2023/24** | **2023/24** | | **2023/24** | |
| **Programme 1: Administration** | 740.8 | 744.9 | 4.1 | -28.0 | 0.55 per cent | -3.78 per cent |
| **Programme 2: Economic Statistics** | 288.0 | 288.6 | 0.6 | -11.8 | 0.21 per cent | -4.11 per cent |
| **Programme 3: Population and Social Statistics** | 283.4 | 291.1 | 7.7 | -4.8 | 2.72 per cent | -1.71 per cent |
| **Programme 4: Methodology and Statistical Infrastructure** | 145.0 | 155.7 | 10.7 | 4.0 | 7.28 per cent | 2.76 per cent |
| **Programme 5: Statistical Support and Informatics** | 310.9 | 324.2 | 13.3 | -0.7 | 4.28 per cent | -0.21 per cent |
| **Programme 6: Statistical Operations and Provincial Coordination** | 1 185.8 | 842.7 | -343.1 | -379.4 | -28.93 per cent | -31.99 per cent |
| **Programme 7: South African National Statistics System** | 45.5 | 44.5 | -1.0 | -2.9 | -2.20 per cent | -6.41 per cent |
| **Total** | **2 999.4** | **2 691.7** | **-307.7** | **-423.6** | **-16.09 per cent** | **-45.45 per cent** |

**Source: Estimates of National Expenditure 2023**

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 is allocated R744.9 million for the 2023/24 financial year. Programme 1 budget intends to achieve the production of report on support provided to Income and Expenditure Survey (IES) 2022/23 compiled, 25% phase 2 of prioritised Management Information Repository (MIR) functionalities developed, three business process mapped, one transformation and change management plan (2024/25) compiled and one digital business transformation plan implemented. Stats SA will also conduct one business impact analysis and report on risk, anti-corruption and integrity management support to IES 2022/23. The Department planned to increase by 3% in women representivity at SMS level, 2% increase in youth employment and 0.2% on people with disabilities. The Department intends to reduce fruitless and wasteful expenditure by 75% in this financial year.

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 previously approved a total of R44.1 million in relation to the department’s Compensation of Employees in 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.

The programme is allocated R288.6 million in 2023/24 financial year. The programme focuses on providing insightful data. It produces a range of statistics describing the dynamics of the economy and its links to job creation, economic growth, the environment and society. The programme 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. The intention is to reduce the costs of the current operating model and broaden the scope of available data.

Programme 2 intends to achieve the publishing of 150 monthly, quarterly and annual industry and trade statistics over the medium-term, three reports on updated weights for Mining, compile Manufacturing (2018-2021) and Manufacturing production capacity, publish one report on seasonally adjusted data at a lower level for the Motor trade sales survey, publish two reports on manufacturing statistics (financial and production), one annual release published on 2022 agriculture statistics, publish four quarterly releases on private sector financial statistics, publish four quarterly releases on capital expenditure, seven annual releases on government financial statistics, four quarterly releases on financial statistics of municipalities and publish two releases on the non-financial census of municipalities. The Department further intends to compile one report on the testing of administrative data for Quarterly Financial Statistics on Selected Municipalities (QFSSM).

The Department intends to publish four quarterly releases on Gross Domestic Product and compile one research report on reviewing and improving data source. Stats SA will under the programme publish one report tourism satellite accounts and one report on economic environmental accounts as part of the Natural Capital Accounting series.

* 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.

The programme is allocated budget of R291.1 million for the 2023/24 financial year. In real terms, the budget allocated has increased by 2.72 per cent as compared to the previous financial year of R283.4 million. The programme will ensure that the ever-increasing demand for data and information in the country is met by increasing its responsiveness to the user needs. The programme will continue 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, employment, poverty and inequality, the demographic profile of the country and substantive analysis of key analytical themes related to the demography of the country.

The strategic intent of the programme is to integrate survey content through the introduction of a Continuous Population Survey (CPS). Stats SA is currently collecting information on living conditions, service delivery and poverty through the General Household Survey (GHS), the Income and Expenditure Survey (IES), the Living Conditions Survey (LCS) and the Community Survey (CS). Stats SA is in the process of reviewing the content of the questionnaire of these surveys as well as their survey methodology. The Continuous Population Survey will integrate current survey instrument, the General Household Survey, the Living Conditions Survey (LCS), Income and Expenditure Survey (IES) and elements of the Governance, Public Safety and Justice Survey (GPSJS) and will provide an integrated tool for the collection of living conditions, life circumstance and poverty data.

The programme plays a pivotal role in the operational inputs that contribute towards achieving other strategic outcomes. The digitisation of relevant phases in the statistical value chain (development of electronic questionnaire) contributes towards achieving an Agile operating model. During the 2023/24 financial year, the programme will be closely involved with testing the To-Be process of mixed mode data collection. The Department will under this programme explore and increase the use of administrative data as alternative data sources to complement existing publications and produce new indicators.

**7.4 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.

The programme is allocated a budget of R155.7 million for the 2023/24 financial year. In nominal terms, the programme’s budget has increased by 7.38 per cent as compared to R145.0 million in 2022/23 financial year. The programme contributes towards achieving the organisational strategic outcomes of agile operating model and interconnected statistical system. The programme’s main intent is to ensure availability of and access to relevant statistical standards and classification for Stats SA and SANSS partners. 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-referenced structures such as dwellings, businesses, place names, enumeration areas and small areas. The GIF forms the base reference of planning, operations and dissemination of censuses and surveys. Geospatial information and reliable evidence are fundamental to achieving South Africa’s Development Agenda. The programme is also responsible for developing, designing and implementing a diverse range of statistical, data and analytical solutions containing selected information of all formal businesses in the country, irrespective of size and economic activity performed.

The Department is responsible for developing, designing and implementing a diverse range of statistical, data and analytical solutions to support and inform critical stages of the statistical value chain in Stats SA. The programme will reposition and strengthen quality management approaches in the organisation in order to sustain the quality of key indicators and to curb the challenges of declining quality of data. The Department will through envisaged monitoring and evaluation system be enhanced for the purpose of refinement and implementation of the quality management system. This includes standards development to support and guide statistical production, quality assessment through the SASQAF in order to certify statistical products as official as well as monitoring the correct application of standards throughout the production processes and evaluation of statistical products and processes against approved statistical standards.

**7.5** **Programme 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 term to 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.

The programme is allocated a budget of R324.2 million for the 2023/24 financial year. In nominal terms, the budget has increased by 4.28 per cent as compared to the 2022/23 financial year. The programme exists to utilise technology to optimise the data ecosystem to service current user needs and to meet unmet user needs as defined in the Integrated Indicator Framework (IIF) from potential users. The programme intends to achieve 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. Furthermore, the programme aims to position Stats SA as a leader within the data ecosystem, to innovate interactive platforms by re-engineering the website to improve accessibility and use of statistical products and service.

The programme will develop innovative communication products in order to create a better understanding and insight into data and statistics. In addition, the programme will compile specialised research reports and knowledge products for better insights into planning and policy development processes. 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.

**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 pandemic has 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 minimize 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 was 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 year, the multi-modal processes will be tested on other Stats SA surveys.

The programme is allocated R842.7 million in the 2023/24 financial year. The budget decreased from R1 185.9 billion as compared to R842.7 million in the current financial year. Decrease of budget was due to ring-fenced budget intended to deliver Census 2022 project. The Department has implemented the fourth South African population census in the democratic era and will be disseminating results at all levels in the 2023/24 financial year. The implementation of the multi-modal approach for surveys will be tested in the year under review. The statistical outputs of the census form the baseline of the statistical information system in the country and provides the most comprehensive statistics at the lowest geographic level to provide insights on various socio-economic phenomena, including District Development Model. The programme play a key role over the medium term to disseminate and promote the use of statistical information for informed decision-making at provincial and local levels.

The programme intends to compile nine provincial reports on Census 2022 dissemination and reports on Income and Expenditure Survey. The strategic focus of the programme will be on reskilling staff to be able to meet the new requirements of work methods in a digital environment. The focus will not only be on digital capabilities, but ensure that staff have the necessary capabilities since the institution is implementing an Integrated Operations Model for data collection. Among the challenges the programme is confronted with are filling of critical vacancies and investment in the statistical infrastructure at a provincial and local level.

**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.

The programme is allocated R44.5 million in the 2023/24 financial year. In nominal terms, the budget decreased by -3.28 per cent compared to R25.5 million in 2022/23 financial year. The main focus for the programme is to table the Statistical Amendment Bill in Parliament in the 2023/24 financial year thereafter implementation and rollout will commence. The development and implementation of the National Strategy for Development of Statistics (NSDS) will build capacity and strengthen coordination amongst entities of the National Statistics System (NSS). Through the NSDS, NSS entities will be able to set up statistical plans informed by the Integrated Indicator Framework (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).

The Department will institutionalise the SASQAF self-assessment portal over the medium-term that was launched during 2021/22, which will enable all partners to conduct their own quality assessment before an independent assessment is conducted by Stats SA to facilitate the certification of statistics as official. Through the NSDS, the technical support and advice that will be given to entities of the NSS, the implementation of the IIF and the coordination part of the Statistics Act will be fully implemented. The online platforms that will be used for assessments and reporting on development frameworks will be to ensure there is access to quality data towards the achievement of the country’s priorities.

1. **OBSERVATIONS AND KEY FINDINGS**

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

* 1. The Committee notes the Statistics South Africa Annual Performance Plan for 2023/24 financial year. The Committee welcomes the Annual Performance Plan as it incorporates the mandate of Stats SA in terms of setting smart targets and indicators.
  2. The historical budget shortfall or resource constraints continue to negatively impact on the Stats South Africa’s ability to attain its set objectives. The National Treasury has allocated an additional budget of R44.1 million in the 2022/23 financial year and R132.3 million over the medium term to address historical shortfall on compensation of employees. The Department has commenced with the filling of critical positions in the 2022/23 financial year as per the new approved organisational structure.
  3. 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 to increase target of 3.5% 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 20.7% has to be drastically reduced by undertaking a recruitment drive to strengthen its workforce.
  4. Stats SA has to develop an attractive retention strategy due to high turnover rate experienced in the department. Retention strategy might minimise high turnover rate of critical skills which might impact on the performance of the department.
  5. The Committee notes 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. In the 2022/23 financial year, the Committee notes 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. Stats SA has commenced with data collection and scheduled to be complemented in November 2023.
  7. The Committee notes that Stats SA together with the Ministry in the Presidency were finalising the amendments to the Statistical Act to drive statistical coordination in the country. The Statistical Amendments Bill will be submitted to Parliament in the 2023/24 financial year.
  8. Decision making informing policy and planning has to be guided by reliable data, evidence-based and accuracy of information. In ensuring geospatial information frames, Stats SA has to impart knowledge and skills to government departments to sufficiently understand and utilise geospatial information for purpose of producing administrative statistics.
  9. The department was confronted with unreliability of State Information Technology Agency (SITA) services which continues to hamper Stats SA business operations resulting into the department considering excluding other services from the current SITA contract. The Department is considering using other independent service providers to ensure efficient business operations. The Committee advised Stats SA to consider a legal framework prior to taking such a decision, which might result in the Auditor-General finding undesirable audit outcomes.
  10. The Committee notes and welcomes the announcement of the main date for the release of Census 2022 results, which is in July 2023.
  11. The development on Integrated Indicator Framework (IIF) was welcomed by the Committee. Integrated Indicator Framework is a network of various data system eco-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. The system has to be built in a way to minimise threats to cybersecurity. The IIF system will also be used to measure some indicators related to the District Development Model.
  12. Stats SA will be establishing Interconnected Statistical System that facilitates data acquisition, integration, analysis and visualisation. An Interconnected Statistical System is a network of various data system, institutions, technological resources and partnerships based on shared principles that are interoperable and interconnected. An interconnected system aims to improve efficiency, accountability and accessibility. The Committee supports the establishment of Interconnected Statistical System for better coordination of various statistics produced in the country.
  13. Stats SA was of the view that official statistics are not effectively used in planning. Stats SA’s statistics releases should remain guiding tools of all government departments during planning, policy making and budgeting processes. This is critical in ensuring that policies are meeting initial aims and identifying areas for improvement.
  14. Stats SA business model emphasises digitisation of its business processes by moving away from paper to digital method during data collection in most recent projects.
  15. Digitisation of business process would assist Stats SA in reducing office accommodation in the province and district since the technology allows hybrid working especially for professional and surveys enumerators.

1. **RECOMMENDATIONS**

The Portfolio Committee recommends that Statistics South Africa, through the Minister in the Presidency, gives attention to the following activities:

* 1. Statistics South Africa should expeditiously finalise and table amendment of the 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. Statistics South Africa under the Minister in the Presidency and together with the Department of Planning, Monitoring and Evaluation should encourage departments to use statistics releases like Survey on Living Conditions as a guiding tool during planning, policy making and budgeting processes. Official statistics should play a major role in the planning and allocation of fiscal resources.
  3. Statistics South Africa should consider adopting a programme aimed at capacitating all government departments and local government on key statistical findings to assist all spheres in planning, policy-making, evidence-based decision making and budgeting.
  4. Vacancy rate of 20.7% 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.
  5. 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 3.5% targets of people with disabilities.
  6. Stats SA should commit to a certain percentage of youth being employed in the department.
  7. Stats SA should leverage the use of technology such as Computer Assistive Personal Interviews (CAPI) and Computer Assistive Telephonic Interviews (CATI) in its business model, which has drastically reduced costs of collecting data and timeous production of results.
  8. Stats SA should ensure that an Integrated Indicator Framework (IIF), which is a network of various data system corroborate/support the District Development Model administered by the Department of Planning, Monitoring and Evaluation.
  9. Stats SA should consider a legal framework prior to taking a decision of using other independent service providers other than SITA that ensure efficient business operations, which might result in the Auditor-General finding undesirable audit outcomes.

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 Africa continues 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 towards accessing 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 remains a top priority in ensuring informed current and future planning for the country.

Statistical information plays a 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 will serve 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