



South African Statistics Council

Annual Report 2015/2016



Table of contents

1. Legislative mandate	1
2. Introduction	1
3. Governance of Council	1
4. Activities, decisions and recommendations of Council	3
4.1 Highlights in brief	3
4.2 Strategy Subcommittee	4
4.3 Population and Social Statistics	7
4.4 Economic Statistics	8
4.5 Methodology and Standards	9
5. Conclusion	10

Submission of Annual Report

Honourable Jeff Radebe – Minister in the Office of the President

It is my pleasure to present to you the 2015/2016 Annual Report of the South African Statistics Council in terms of section 13(3) of the Statistics Act (Act No. 6 of 1999).

A handwritten signature in black ink, appearing to read 'Ben Mphahlele', enclosed within a circular scribble.

Ben Mphahlele
Chairperson of the South African Statistics Council

1. Legislative mandate

This report is produced in terms of section 13(3) of Statistics Act (Act No. 6 of 1999), which provides that *'The Council must furnish the Minister and the Statistician-General with an annual report in respect of its activities, including its advice to the Minister and Statistician-General and the outcome of that advice, during the year in question, and the Minister must as soon as possible table that report in Parliament'*.

2. Introduction

The year 2015 was the final year of implementation and reporting of the United Nations 2015 Millennium Development Goals (MDGs). It was also the year in which the General Assembly decided on the new 2030 Sustainable Development Goals (SDGs), which is to be implemented by all member countries. 2015 was also the year in which – more than at any other time in recent history – statistics increasingly featured prominently on the agenda for development; the year in which the newly formed forum of the African Chairpersons of Statistical Councils or Boards (the Chairpersons' Forum) joined the African Statistical Community; the year that was the culmination of five years of a major investment in training to expand Statistics South Africa's National Account capability; the year in which the first South African Citizen Satisfaction Survey was conducted; the year in which the introduction of new technological implementation in the large-scale surveys resulted in huge efficiency gains; and the year in which the risk of leadership succession within the South African National Statistics System (SANSS) became more pronounced.

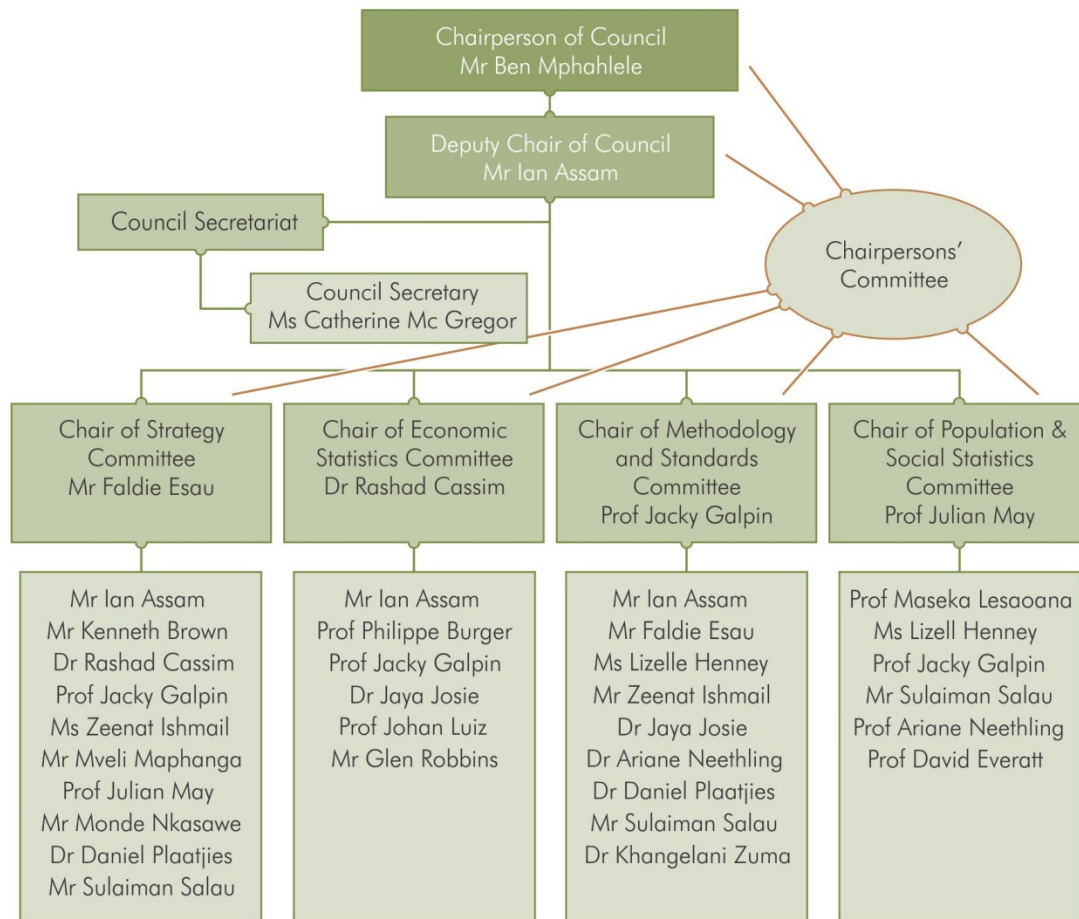
3. Governance of Council

In terms of section 11(1) of the Statistics Act, Council has established the following committees:

- Chairpersons' Committee
- Strategy Committee
- Population and Social Statistics Committee
- Methodology and Standards Committee
- Economics Statistics Committee

The committees and their members are shown in Figure 1.

Figure 1: Organisational structure of the South African Statistics Council



The Council Secretariat that was established in the previous year is still to be operationalised. Council has considered the weight of its functions and responsibilities in terms of the Act, especially with the view of its responsibilities with regard to the South African National Statistics System, and has resolved that its current classification appears to be incorrect. In this regard, National Treasury and Statistics South Africa (Stats SA) are evaluating the appropriateness of the classification of Council. This will be taken forward as part of the legislative reform agenda.

4. Activities, decisions and recommendations of Council

4.1 Highlights in brief

During the year under review, Council was involved in the monitoring and supporting of the following key programmes/activities of Stats SA:

- The results of the Citizen Satisfaction Survey (CSS) for KwaZulu-Natal provincial government were successfully released in early 2016. Council recommends that this survey be rolled out to all other provinces, with a view to standardising this type of survey in the country.
- The Community Survey (CS), with a sample of 1,3 million dwelling units, proved to be substantive and provided a much-needed planning tool to address data requirements between census periods. Its focus is on demographics and the population count in particular. The CS release is scheduled in the first half of 2016.
- The South African Demographic and Health Survey (SADHS):
 - This survey came to fruition by means of a partnership between the National Department of Health, Medical Research Council (MRC) and Statistics South Africa.
 - The SADHS includes modules ranging from births and deaths to health status, mental health and anthropometrics.
 - This survey will enable the country to report on infant mortality, under-five mortality and maternal mortality, thus providing statistics to report on with respect to both international and national targets.
 - This partnering has proven to be innovative, notwithstanding its challenges at the planning level.
 - The fieldwork for the SADHS is scheduled to take place during 2016.
- The Continuous Population Survey (CPS) is in the discussion phase within Stats SA. The CPS design is inclusive of integration with modules of other surveys.
- The Gross Domestic Product – GDP(E): Stats SA is compiling the expenditure-based estimates of the gross domestic product, which has been done by the South African Reserve Bank (SARB) for many years. This process is inclusive of developing a reliable compilation system based on sources, methods and compilation practices that conform to international best practice. It should be noted that this process was a joint and collaborative intervention set up between the two critical data producers, namely Stats SA and the SARB.

4.2 Strategy Subcommittee

Global partnership on sustainable development data

In recognition of the importance of statistics in enhancing delivery on the SDGs, the High-level Panel of Eminent Persons on the Post-2015 Development Agenda recommended to the Secretary-General of the United Nations, inter alia, that a Global Partnership on Development Data that brings together diverse but interested stakeholders – government, statistical offices, international organisations, Central Statistical Offices (CSOs), foundations, and the private sector – be established.

The United Nations Secretary-General, following the recommendation for the establishment of a Global Partnership on Development Data, appointed the Independent Expert Advisory Group (IEAG) to, inter alia, draw up a strategic framework and advise the Secretary-General on the practical meaning of the data revolution for development, institutional and governance requirements thereof and the manner in which it could be funded.

The IEAG recommended, inter alia, that a Global Partnership for Sustainable Development Data be established, under the leadership of the United Nations, to mobilise and coordinate the actions and institutions that are required for data revolution to serve sustainable development.

Council was represented at the 60th World Statistics Congress – ISI 2015 held in Rio de Janeiro (Brazil). It became evident at the congress that official statisticians were ill prepared to lead the current data revolution. Council was also represented through its membership of the African Forum of Statistics Councils/Boards at the 11th African Symposium on Statistical Development (ASSD) in Gabon. The 11th ASSD deliberated on the question of leadership of the Global Partnership on Sustainable Development Goals.

Indeed, in affirming the recommendations of the IEAG, the UN Secretary-General stated: ‘We seek an evidence-based course for realizing sustainable development, and we must face the complex challenges this presents and respond to the varying realities and capabilities in each country.’

As indicated in the report of the Independent Expert Advisory Group on the Data Revolution for Sustainable Development, the world must acquire a new ‘data literacy’ in order to be equipped with the tools, methodologies, capacities and information necessary to shine a light on the challenges of responding to the new agenda.

Enhanced national and international statistical capacities, rigorous indicators, reliable and timely datasets, new and non-traditional data sources, and broader and systematic disaggregation to reveal inequities will all be fundamental for implementing it. In all of this, we must maximise our commitment to public transparency, information sharing, participatory monitoring and open data, while never compromising on the obligation to protect the right to privacy of citizens. Moreover, we must significantly scale up support to countries and national statistical offices with critical needs for capacity to produce, collect, disaggregate, analyse and share the data crucial to the new agenda. To these ends, I recommend that, under the auspices of the Statistical Commission of the United Nations, a comprehensive programme of action on data be established.

Contrary to the UN Secretary-General’s directive, there is currently in existence a Global Partnership on Sustainable Development Data that was initiated and is driven by organisations and governments outside the structures and leadership of the United Nations. It is unfortunate that major and legitimate stakeholders such as the National Statistical Organisations of member states, the continental statistical organisations, the United Nations Statistics Division as well as the United Nations Statistical Commission, have been excluded from the initiative. It is also not clear as to

how this partnership will operate, taking into account the provisions of the United Nations Fundamental Principles of Official Statistics.

In response to this development, the 11th African Symposium on Statistical Development held in Gabon (11th ASSD) resolved as follows:

'The Independent Expert Advisory Group (IEAG) recommended that a UN-led Global Partnership for Sustainable Development Data be established to mobilise and coordinate the actions and institutions that are required for data revolution to serve sustainable development. The African Statistics Community is concerned that the Global Partnership for Sustainable Development Data has since been launched outside the recommendations of the IEAG and in exclusion of countries and key stakeholders within the national statistics systems, National Statistics Organisations, Regional Statistics Systems, United Nations Statistics Division and the United Nations Statistics Commission. The African Statistics Community, therefore, petitions the United Nations Secretary-General to establish a Global Partnership for Sustainable Development Data consistent with the recommendations of the IEAG'.

The African Charter on Statistics

The African Charter on Statistics (ACS) was adopted by the Twelfth Ordinary Session of the African Heads of State and Government in February 2009 as a common legal framework for statistics development on the African continent that will¹:

1. Serve as a policy framework for statistics development in Africa, especially the production, management and dissemination of statistical data and information at national, regional and continental levels;
2. Serve as an advocacy tool and instrument for statistical development in the continent;
3. Ensure improved quality and comparability of the statistics required to monitor the economic and social integration process in the continent;
4. Promote adherence to the fundamental principles of production, storage, management, dissemination and use of statistical information in the African continent;
5. Contribute to enhancing coordination of statistical activities and statistics institutions in Africa, including coordination of partners' interventions at national, regional and continental levels;
6. Build institutional capacity of Statistics authorities in Africa, thus ensuring their autonomy in operations, while paying particular attention to adequacy of human, material and financial resources;
7. Serve as reference framework for the exercise of the African statisticians profession, professional code of ethics and best practices;
8. Promote a culture of evidence-based policy formulation, monitoring and evaluation;

1. The African Charter on Statistics (February 2009) Article 2: Objectives

9. Contribute to the improved and effective functioning of the African statistics system and experience sharing; and
10. Ensure that there is no duplication in the implementation of statistics programmes.

The Charter shall be acceded to and ratified by members states in accordance with their respective constitutional procedures [Article 14(1)] and shall enter into force thirty (30) days after the deposit of the instruments of ratification by fifteen (15) Member States [Article 14(1)]. The Charter shall become effective, to those of the member States that subsequently accede thereto, on the date upon which they shall have deposited the instrument of accession with the Chairperson of the African Union Commission.

The Charter constitutes an architectural design for the African Statistics System and, therefore, a framework for the advancement of the Strategy for the Harmonisation of Statistics in Africa (SHaSA) which is, indeed, a continental strategy for the development of statistics.

Though the Charter has been sufficiently ratified and has come in force, Council expresses concern that South Africa is not one of the countries that have ratified the Charter. South Africa is playing a prominent leadership role within the African Statistics System. The non-ratification or the delay by South Africa in ratifying the Charter has potentially minimised the country's influence within the African Statistics System. The continued leadership role of South Africa in the area of official statistics is becoming less than comfortable from the credibility point of view. The ratification of the Charter is, in this regard, of a particular urgency.

Legislative reform

The process of legislative reform has proceeded satisfactorily during the year under review. However, there is need to improve the pace at which the process is proceeding.

Council has, furthermore, resolved to investigate global best practices in the modernisation of official statistics in order to advise on the architecture of the South African Statistics System.

Talent management

Council had advised the Minister on the question of building succession in Statistics South Africa, especially with regard to the top management. The Minister approved a leadership development programme aimed at strengthening the 'bench' at senior management level.

Towards the end of 2015, the employment contract of the Statistician-General came to an end and seemed to be extended on a month-to-month basis. The initiative for the building of succession had not, at that time, reached maturity. In the circumstances, Council, taking into account identified major risks in the SANSS, advised the Minister to recommend that the contract of the Statistician-General be extended for a period of between two and three years, in order to allow the succession-building initiatives/programmes to mature and to enable a smooth handover to the succeeding leadership. The advice is still under consideration by the Minister.

Brand risk of Statistics South Africa

Council's message in this respect remains as it was for 2014/2015, where Council advised the Statistician-General to develop a comprehensive marketing and branding strategy. Such a strategy has not yet been presented and Council has recorded the need to monitor progress thereon.

Organisational change

In this Annual Report, Council reiterates that organisational change needs to go beyond the current initiatives, and the institutionalisation within Statistics South Africa needs to occur going forward, possibly managed through the assistance of expert advisors in the field of organisation development and change management.

4.3 Population and Social Statistics

Municipality Customer Satisfaction Surveys

Municipalities standardly conduct customer satisfaction surveys to gauge performance in discharging their constitutional mandates. These surveys are normally conducted through the engagements of various research institutions/consultancies, and the research outcomes would be heterogeneous due to different approaches employed by these service providers. Heterogeneity of the research outcomes makes it difficult to compare customer satisfaction across municipalities.

During the year, a Citizen Satisfaction Survey (CSS) was conducted for KwaZulu-Natal province. The survey covered both the provincial government and municipalities, and the results thereof were released early in 2016. A uniform approach and methodologies were employed and the outcome of the survey was that uniform and inter-municipal comparisons were made possible. Major benefits accrued to the entire province of KwaZulu-Natal and its municipalities. Furthermore, the survey was used to test the technology that was to be used in the succeeding 2016 Community Survey. Council advised that the survey be rolled out to other provinces so that benefits will accrue across the entire country, in all spheres of government.

Community Survey (CS)

Council received regular reports from the project team working on the Community Survey, and it is evident that this survey is well on track for successful completion during the first half of 2016. Innovative use of technology has reduced the cost of the survey and the time that will elapse before the results are presented, while increasing monitoring and accuracy efficiencies. The Population Committee of Council is monitoring the Community Survey.

United Nations Sustainable Development Goals (SDGs)

The UN Summit adopted the Sustainable Development Goals (SDGs) on 25 September 2015. Although the Goals and their indicators have been subject to debate, it is likely that their adoption will have reporting requirements, and those indicators will be specified. Statistics South Africa, and the Population and Social Statistics Subcommittee of Council are considering the implications of the SDGs for Stats SA and the South African National Statistics System (SANSS). Aspects of monitoring progress towards the SDGs have already been incorporated into surveys such as the General Household Survey (GHS) and the Living Conditions Survey (LCS), with a revised food security module being one example of this. The GHS is a well-established survey that collects information on a variety of socioeconomic and demographic issues and is the most suitable instrument for SDG monitoring.

Mid-year Population Estimates

Council paid attention to the Mid-year Population Estimates and the activities being undertaken to improve the accuracy of these, and to the generation of subnational estimates of population down to the level of district that is planned for 2016.

South African Demographic and Health Survey (SADHS)

The SADHS is a special project that will be undertaken through a partnership with the National Department of Health and the Medical Research Council (MRC). In addition to the standard modules concerning births, deaths and health status, the SADHS will include questions on mental health and anthropometrics. Although not yet part of the official statistics system, this survey provides information that is essential for reporting on national and international targets such as those relating to infant mortality, under-five mortality and maternal mortality. The partnering with other state actors is an innovation that advances the SANSS, but has produced some planning challenges. Most of these were successfully resolved during 2015 and the SADHS will go to field in 2016.

The Continuous Population Survey has progressed into the development phase, although its details are still under internal discussion. However, at this stage, it is conceptualised as a continuous and modularised process of data collection that would potentially combine the data currently collected by the Living Conditions Survey (LCS), General Household Survey (GHS) and Income and Expenditure Survey (IES).

The South African national poverty lines were rebased from IES 2000 using the IES 2010 data. The rebasing exercise benefited from improvements in survey methodology and took into account changes in living conditions and the introduction of new commodities and services. During 2015, the poverty lines came under academic scrutiny, but were generally regarded as being rigorously developed and based on a defensible methodology, and as following international best practice.

4.4 Economic Statistics

2015/2016 was a crunch year for economic statistics in the organisation as it was the culmination of five years of a major investment in training to expand Statistics South Africa's national accounts capability by estimating the Gross Domestic Product (GDP) from both the production and expenditure side. Such an initiative was long overdue and necessary for both the improvement of the overall quality of GDP numbers as well as the overall refinement of source data that are used for calculation of the GDP.

By the end of the financial year (March 2016), the organisation was ready to launch the GDP from both the expenditure and production sides simultaneously, for the first time in South Africa's statistical history. The launch of the first-quarter GDP is scheduled to take place in June 2016.

The accomplishment of the GDP expenditure approach will have a significant effect on all aspects of economic statistics. Stats SA will be able to improve on prices used in converting GDP from current to constant values. It will be able to refine the source data in the area of government statistics, capital expenditure and a few others. In summary, the national accounts project created a fundamental shift in an approach to be more consistent with universal best practice. In addition, an important byproduct of this initiative is that it will introduce a stronger quality control on sources of economic statistics that determines the overall credibility of the GDP.

Following Statistics South Africa's outstanding accomplishments, there are many challenges lying ahead of us. Improvements in the price deflators, particularly for investment goods and services,

still remain a challenge. Better measurements of business and professional services will occupy the economic statistics cluster in the next few years. Capital expenditure, which is one of the most important components of the GDP, is also an area where systematic improvements are needed to get a better handle on quarterly movements in investment in South Africa.

An important cornerstone of Statistics South Africa's quality improvement initiative lies in closer collaboration with the South African Reserve Bank and the South African Revenue Service (SARS). In particular, improved coordination in trade statistics for both goods and services is an area where the scope for improving our measurement is considerable.

Employment statistics is another area where Stats SA has been embarking on improvements to the industry-based quarterly employment statistics (QES). Once again, better use of SARS administrative records is another initiative that will occupy the organisation in the following year – primarily to ensure closer alignment with some aspects of the Quarterly Labour Force Survey.

4.5 Methodology and Standards Subcommittee

Methodological issues relating to the 2016 Community Survey continued to be high on the agenda, including the use of the Stats SA Dwelling Frame for sampling. This was tested in the KZN Customer Satisfaction Survey, where Stats SA assisted said province. The use of the dwelling frame for drawing the sample for the 2016 Community Survey (and other surveys) was then recommended. The questionnaire design was also considered, particularly with respect to links to other household surveys and administrative records.

Technical aspects of the methods used for weighting of samples up to the population were discussed, reports of international experts with respect to the weighting of the General Household Survey and the Quarterly Labour Force Survey were considered, and recommendations made.

Methodological issues relating to National Accounts were also considered, particularly with respect to the movement of both sides of the National Accounts to Stats SA.

Issues relating to the South African Statistical Quality Assessment Framework (SASQAF) and its roll-out were also considered.

Issues relating to the South African Demographic and Health Survey, jointly run by Stats SA and the MRC, were also reviewed and recommendations made. Input was also given on the General Household Survey.

Another matter considered was the choice of indicators for the evaluation of the Sustainable Development Goals, and the Millennium Development Goals.

5. Conclusion

The stability, quality and integrity of the SANSS is extremely important when viewed in the light of the increased global, continental and domestic reliance on, and therefore, demand for official statistics. The availability of large datasets and the pressure of demand for timely statistics require new ways in which statistics products are designed, produced and distributed. Adequate leadership, supported by an agile and strong institutional framework, constitute indispensable components of a successful national statistics system. The legislative reform and talent management should address these challenges.

The South African Statistics Council wishes to thank Minister Radebe for his continued leadership and support in building the SANSS and strengthening leadership capacity therein. Council also thanks the Statistician-General and Statistics South Africa officials for their cooperation and support. Moreover, Council thanks both the public and private sector organisations for their growing interest in, and use of official statistics.

