



South African Statistics Council
Annual Report 2014/2015

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Submission of Annual Report

Honourable Jeff Radebe - Minister in the Office of the President

It is my pleasure to present to you the 2014/2015 Annual Report of the South African Statistics Council in terms of Section 13(3) of the Statistics Act No. 6 of 1999.

A handwritten signature in black ink, appearing to read 'Ben Mphahlele', with a stylized flourish at the end.

Ben Mphahlele
Chairperson of the South African Statistics Council

1. Legislative Mandate

This report is produced in terms of Sec. 13(3) of Statistics 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.'¹

2. Introduction

The year 2014/15 was of great significance for a number of reasons. It was the penultimate year of the United Nations' 2015 Millennium Development Goals. It was also the year in which the Sustainable Development Goals were introduced. It was the year in which the "Data Revolution" was placed high on the agenda, based on the understanding that data

"are a fundamental requirement for governments, international agencies, civil society organisations and the private sector to make evidence-based decisions. They are also a critical driver of accountability, as they allow the monitoring of the delivery of results, and are a powerful enabler of innovation for social impact."¹

It was also the year:

- of the adoption of the African Union Agenda 2063 as a collective vision and roadmap for the next fifty years²;
- in which the African Charter on Statistics (ACS) was ratified;
- in which, for the first time, an account of the statistical development on the African continent was documented and published and the book was authored on the South African soil by a Mahalanobis Prize laureate African Scholar³;
- of increased intensity towards implementing the National Development Plan (NDP)⁴ against the background of dwindling resources due to the slow national and global economic recovery;
- in which the processes for the strengthening of the South African National Statistics System (SANSS) and the building of the National Strategy for the Development of Statistics (NSDS) were initiated.

The 2014/15 financial year was the final year of the five-year strategic plan (2010/11 to 2014/15) of Statistics South Africa.

¹ The United Nations General Secretary: Terms of Reference – The Independent Expert Advisory Group on Data Revolution for Sustainable Development.

² African Union Commission (January 2014) Agenda 2063 – The Africa We Want

³ Prof Kiregyera, B (2014) The Emerging Data Revolution in Africa – Strengthening the Statistics, Policy and Decision Making Chain

⁴ Minister of Finance, 2014 Budget Speech

3. Governance of Council

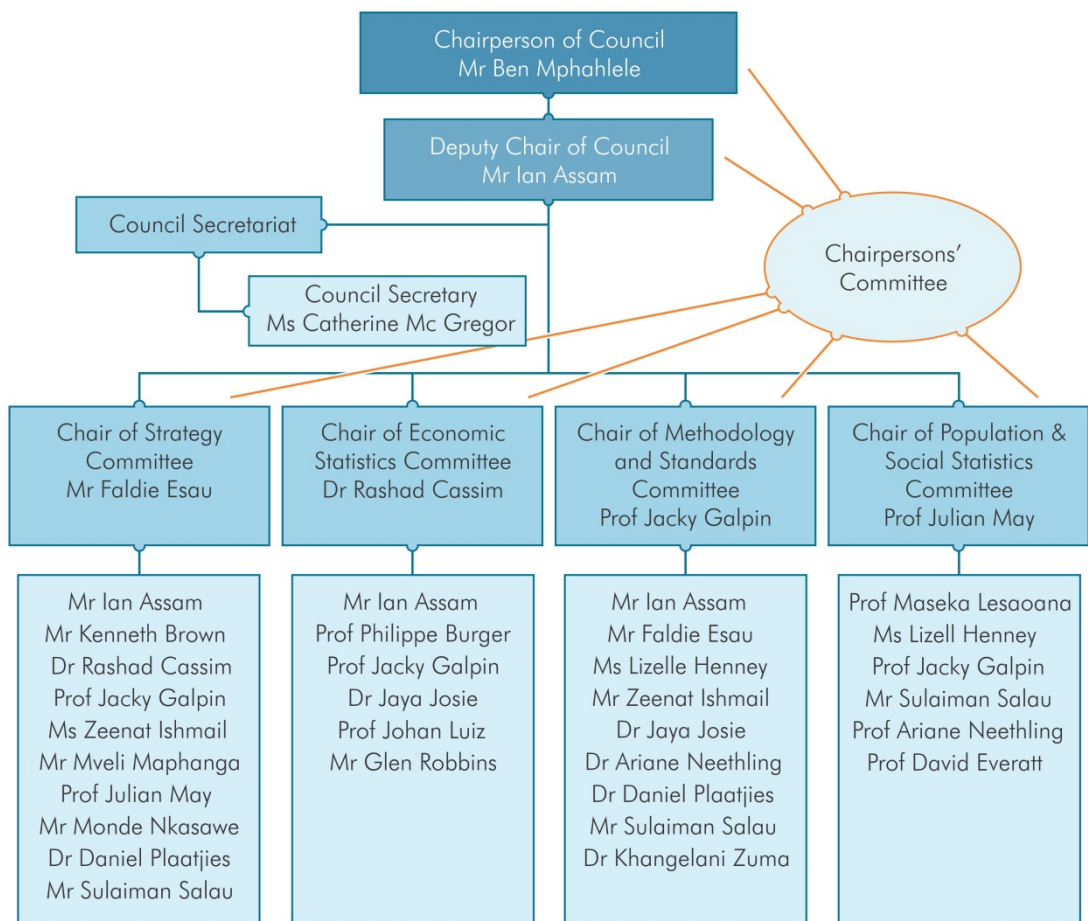
3.1 Structure of Council

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, below

Figure 1: Structure of Council



The strengthening of the SANSS and the building of the NSDS has increased the level of activity of Council and stretched its current secretarial support. Council has, in consultation with the Statistician-General, therefore established a full secretariat to:-

1. Provide support to Council and its Committees with regards to the exercising of their powers and/or discharging of their duties under the governing act or any other relevant statutory provisions or regulations;
2. Keep abreast with changes in the regulatory and policy environments relevant to the mandate of Council and to advise Council accordingly;
3. Assess and report to Council the status of compliance by any organ of state with the principles governing official statistics as contained in the United Nations Fundamental Principles of Official Statistics, the ACS and the Statistics Act No. 6 of 1999 or its amendment or any other future Act governing official statistics in South Africa;
4. Undertake research and/or assist in the coordination of research – in support of the Council’s strategy, policy development and implementation thereof – to enable Council to adequately discharge its mandate under the Act;
5. Ensure that minutes of the Council and Council Committees are properly recorded and kept, and to monitor the implementation of resolutions of Council and report to Council thereon;
6. Develop the Annual Work Programme of Council and draft Annual Report of Council in terms of the Act for approval by Council;
7. Develop, in consultation with the Statistician-General and the relevant committees of Council, an organisational structure of the Secretariat for approval by Council. The relevant committee charged with this mandate is currently the Chairpersons Committee of Council;
8. Perform any other duty or duties as may be required of the secretariat by Council from time to time; and
9. Be accountable to the South African Statistics Council and shall report to the Chairperson of Council

Decisions and Recommendations of the Statistics Council

The modus operandi of Council is that the Committees of Council first debate the issues and then formulate recommendations to full Council for further debate and decisions.

4. The General Operations of Council

The Council has, in the past, exerted much effort in assisting with the building of Statistics South Africa to be a sound institution that is able to competently deliver on its mandate. Statistics South Africa has, as a result, been built to be a going concern, a juvenile but an increasingly professional organisation with a stock of professionals that will take it to even greater heights.

Currently Council, while sustaining the historical gains, is focused on the promotion and safeguarding of: -

- official statistics;
- the coordination of statistical activities and
- an environment which is supportive of the collection, production, dissemination and use of official statistics.

To this end Council, together with the Statistician-General, initiated a process of strengthening the SANSS and the building of the NSDS.

The SANSS is a system of organs of state within a South Africa that jointly collects, processes and disseminates official statistics in a manner that ensures sustainable co-ordination and co-operation among these organs of state and within the provisions of the governing Act. In this regard, SANSS must:

- comprehensively include all organs of state that produce official statistics;
- employ a code of ethics and sound practices as contained in the United Nations Fundamental Principles of Official Statistics, the ACS and the Statistics Act;
- harmonise the production and dissemination of statistics;
- promote the use of official statistics in policy development, policy monitoring and evaluation as well as decision-making efforts; and
- elevate and sustain the elevated position of official statistics throughout the organs of state and civil society and enable the development of the South African NSDS.

The NSDS is a consolidated agenda which focuses, over a specified time, on series of statistical production, dissemination and use, and should lead, but not be limited to, -

- The improvement of the use of administrative records as sources of data which may need to be harmonised with data from other sources in improving the quality of official statistics;
- Formation of statistics units within organs of state that are in compliance with the requirements of the Act and international statistical norms and standards;
- Improvement of human capital formation as well as retention within the area of statistical production and consumption;
- The enhanced national, regional and international relations and partnerships in the production and consumption of official statistics through promotion of research and dialogue;

- The identification of a mission and goals for official and an integrated production and consumption of official statistics and the setting of priorities and agreements.

The initiatives to strengthening the SANSS as well as building the South African NSDS constitute a step change in the development of official statistics. The timing for this change is advantageous. This change occurs during the age of the “**Data Revolution**”. On the one hand this is the era of the increase in the pace and volume data availability driven by technological advancement and bringing about opportunities for informing society and enhancing sustainable development. On the other hand, this is also the era in which statistics is in high demand driven by national and global agenda to improve environmental sustainability and the lives of citizens. Indeed an increased volume of quality disaggregated statistics is needed faster than ever before.

Globally – despite the existence of the foresighted initiatives such as the Busan Action Plan on Statistics, legislative mandates such as the United Nations Fundamental Principles of Official Statistics, the African Charter on Statistics and national statistical statutes – the official statistics organisations’ leadership in the Data Revolution has been less than visible. This created a vacuum.

As mentioned above, the current change in the area of official statistics provides a rare opportunity to lead the Data Revolution in South Africa. The strengthened SANSS must, in this regard, provide a framework that transforms how statistics are produced, disseminated and used. It must provide a platform for the designing and advocating new ways of producing and disseminating statistical products as well as building requisite partnerships between the private sector organisations and organs of state. Such partnership should be supported by requisite investments in technology and human capital development. Building such an integrated SANSS will enable the building of a relevant NSDS.

It is evident that these ideals will be achieved over a period longer than the current tenure of Council. In this regard Council had targeted the strengthening of SANSS and the building of the NSDS to attain a stage of irreversibility by the end of the current tenure, thus forming a solid foundation on which further development could be built. At least the amendment of the Statistics Act must have been finalised by the end of this Council’s tenure.

5. Ratification of the African Charter on Statistics

The 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 will⁵: -

1. Serve as 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 advocacy tool and instrument for statistics 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 fundamental principles of production, storage, management, dissemination and use of statistical information in the African continent;

⁵ The African Charter on Statistics (February 2009) Article 2: Objectives

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 African statistician profession, professional code of ethics and best practices;
8. Promote a culture of evidence-based policy formulation, monitoring and evaluation;
9. Contribute to 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 is at present sufficiently ratified and has come in force. Council has been monitoring the process of ratification of the Charter by South Africa. It is politic to mention here that South Africa accedes to the Charter, taking into account the prominent role it plays on the continent, particularly in the field of official statistics.

6. Talent Management and Skills Development

Statistics South Africa is a good government department which is at the brink of being a great government department. Over the years it has managed to build an admirable capacity in human capital and continues to do so. The current five-year strategy is aimed at manifesting its greatness and potential of Statistics South Africa.

One area that carries potential risk is the absence of an institutionalised talent management strategy that is aligned with the organisational strategy. Talent management ensures that the organisation has adequate depth of both technical and leadership skills in order to execute and sustain the execution of the organisational strategy. In this regard succession planning is an important part of talent management. Succession planning and management is the strategy which contributes to **talent management** by proactively ensuring the continuity of leadership. It is the practice of identifying people with talent and potential to lead the organisation and developing them further through planned development programmes, thus enhancing the capacity of the organisation to succeed⁶.

Council has identified that Statistics South Africa is most vulnerable at the top level of its management and had recommended to the Statistician-General to institute an Executive Development Programme targeting top management in order to create a pool of senior executives

⁶ South African Statistics Council: Human Resources Development in the South African National Statistics System

that can lead the organisation. The Minister has – on recommendation from both the Council and Statistician-General – approved an executive development programme which is currently being implemented.

Council had advised that an organisation-wide talent management programme be developed and implemented. In the 2015/16 to 2019/20 strategy Statistics South Africa is committed to investing in a talent management programme, focusing on identifying potential talent that will benefit the organisation, creating career advancement opportunities that include a clear path to promotion, regular and fair evaluations, a mentoring programme and training for new skills; and creating interesting work where people are stimulated, challenged and inspired. It is pertinent to mention here that talent management programme should cover the whole South African National Statistics System and not only be confined to Statistics South Africa.

The question of skills development has been occupying the attention of Council for some time. There are various skills development programmes that have been embarked upon. However, these initiatives are not at the magnitude that serves the potential demand for skills within the SANSS. Institutions of higher learning are constrained by diminishing capacities as a result of aging teaching staff and inability to retain graduates within the teaching field, and by the low levels of throughput in mathematics from the schooling system. There is no short term solution to this deficiency. It will be corrected over a medium to long term. Council is in support of making capacity building as a statutory mandate of the Statistician-General in the amended Statistics Act.

With respect to the creation of a Government-wide cadre of professional statisticians, legal opinion obtained by Stats SA is that these persons will need to be registered with the South African Council for Natural Scientific Professions (SACNASP). The Minister of Science and Technology has approved Statistical Science being specified as a separate field of practice, and this is presently being gazetted. SACNASP also requires that registered scientists complete Continuing Professional Development (CPD) courses in order to stay up to date in their field of practice. Council is collaborating with the Institute of Chartered and Certificated Statisticians of South Africa (ICCSSA) with respect to assessing possible courses with a view to accrediting these. Council has also made a motivation to the Ministry of Labour to include Statistics in the list of scarce skills.

7. Brand Risk of Statistics South Africa

Brand risk occurs when stakeholders hold a perception that diminishes the sustainability and growth of demand for organisation products. The causes of such negative perception could be external developments that impact negatively on the organisation or the internal practices and/or developments that impact negatively on the organisation.

Statistics South Africa is a young and growing organisation. It needs to establish itself as a brand that can sustain itself beyond the current team of leaders. Council has advised the Statistician-General to develop a comprehensive marketing and branding strategy. Such a strategy is not yet presented and Council has recorded a need to monitor progress thereon.

8. Organisational Change

Statistics South Africa is at the beginning of organisational development process. The need for change became evident as a result of a robust debate on what historical events should be recognised and celebrated by, and in Statistics South Africa. The debate was quite candid and thus presented a rare opportunity to initiate relevant series of activities regarding the development

and management of both employees and organisational values in order to improve the problem solving capabilities of Statistics South Africa. While supporting the initiatives taken by management in leading the change process, Council is also mindful of the fact that organisation development is a specialised field and management may need assistance in order to lead the change process successfully.

9. Establish an African Forum of Chairpersons of Statistics Boards/Councils (The Chairpersons Forum)

The initiative for the creation of a forum of the Chairperson of Statistics Councils/Boards came into being during the 57th International Statistics Institute Conference in Durban, South Africa (ISI 2009). Chairpersons of Statistics Councils/Boards met prior to the ISI 2009. Discussions included the following areas: -

- Building Trust in Official Statistics;
- Statistics Management in a Conflict Situation;
- Professional Ethics in Official Statistics;
- Considerations around Tensions and Evolution of Official Statistics;
- Official Statistics and Independence;
- Strengthening the Links between Users and Producers of Official Statistics;
- Relationships between Councils/Boards and Management of the NSOs to Build Quality Statistics.

A consolidated presentation was then made at ISI 2009, with a recommendation that networking opportunities be established for leaders in statistical agencies and councils/boards to share experiences, and that the International Association of Official Statistics facilitates such forum and that further discussions be continued with at ISI 2011 in Dublin.

Subsequently, the Statistics Commission for Africa (StatCom-Africa), Session 2, convened in Addis Ababa in 2010, *also acknowledged that statutory statistical councils/boards constitute major stakeholders in NSDSs of some member States and that these organisations are important players in the enhancement of the development and coordination of the NSDS in their respective countries and agreed that they be represented in StatCom-Africa and other strategic formations in pursuit of statistical excellence in Africa.*

A meeting of the African Chairpersons of Councils/Boards was held in January 2015 in Kampala, Uganda with the view to develop a collective ability of the boards/councils to lead and enhance the leadership in the development of statistics in the continent and within their respective countries. It was found that the exclusion of the boards within the African Statistics System minimises their abilities to function optimally within both their respective countries and the continent.

The meeting resolved, *inter alia*, that the Chairpersons of African Statistics Councils/Boards establish a Chairpersons Forum as a permanent component and an integral part of the African Statistical System that meets on an annual basis side-by-side with the Africa Symposium on Statistical Development or at any other time as circumstances may require. The Chairpersons Forum of African Statistics Councils/Boards should, prior to the sitting of the 11th ASSD, develop and adopt a comprehensive founding document and Constitution, and constitute a team convened by South Africa and composed of Namibia, Uganda, Burundi, Tanzania, Botswana, Niger, Libya, Cote D'Ivoire, Ghana, The Gambia, South Africa and Egypt who shall ensure that other member countries are represent in the forum.

10. Population and Social Statistics

The Population and Social Statistics Committee paid attention to the following: -

The 2016 Community Survey

The committee has received regular reports from the project team working on the Community Survey 2016 and it is evident that this survey is well on track for successful completion. 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 Living Conditions and General Household Surveys

The Living Conditions Survey (LCS) 2015 is already in the field and will provide important information concerning multi-dimensional poverty. The General Household Survey (GHS) is a well-established survey that collects information on a variety of socio-economic and demographic issues.

Mid-Year Population Estimates

The Committee has also paid attention to the Mid-Year Population Estimates and activities being undertaken to improve the accuracy of these, and the generation of sub-national estimates of the country's population down to the level of district.

The 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 to 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, but it has produced some planning challenges of its own. Most of these have been successfully resolved.

The Continuous Population Survey

The Continuous Population Survey is still in the conceptualisation phase and its details still need further 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), Income and Expenditure Survey (IES) and CS.

Rebasing of the National Poverty Lines

The South African national poverty lines were rebased from IES 2000 using the 2010/1 IES. The rebasing exercise benefits from improvements in survey methodology and takes into account changes in living conditions and the introduction of new commodities and services.

11. Economic Statistics

The Economic Statistics Committee paid attention to the following: -

Economic Statistics Strategy

Various discussions on economic strategy took place and the committee essentially focused on what important improvements plans are in place. These include national accounts, several surveys and employment and labour market statistics. As part of the strategy discussion, intensive discussions took place on what the policy needs of the country are and the extent to which economic statistics are meeting this need. This has now culminated in an active user group with economists from the private sector and other government departments. A few meetings have been held and this process will go along in both mapping our future strategy initiatives as well as enhancing the credibility of our statistics.

National Accounts

The most important initiative that begun some five years ago was Stats SA's commitment to developing capacity on the expenditure side of the national accounts. This represents a new chapter in South Africa's economic statistics history, where in keeping with international norms; the quarterly GDP will be estimated in its entirety by Stats SA. The last quarter to be estimated by the South African Reserve Bank will be the third quarter of 2015.

A very important milestone was an official meeting held between the Governor and the Statistician-General on 16 March 2015 regarding the progress made on the national accounts, and expenditure. The Statistician-General gave the South African Reserve Bank (SARB) an undertaking that Stats SA is on track to deliver its first estimate of the quarterly GDP expenditure for the 4th quarter of this year in March 2016. An independent report will be presented to the SARB in September this year by the current consultants working with Stats SA's officials on an assessment of teams' preparedness.

The next few months are going to be critical in ensuring the project is a success.

Employment Statistics

Statistics South Africa faced several challenges in its firm/enterprise based employment statistics (QES). Several initiatives have been put in place to improve the sampling of the QES and Stats SA is working very closely with the South African Revenue Service to ensure that both measures of level and change of formal sector employment statistics can be improved.

Risk

There are both large and more modest incremental improvement initiatives in place in economics statistics. One area of concern is that we are lagging in one important area owing to budget constraints – that is, gearing up our economic statistics to a new international classification known as ISIC 4. This has several implications. Firstly, Stats SA will lag in its ability to provide internationally comparable assessments of the South African economy at a more detailed industry level, and secondly – and in some respects more importantly – in order to measure South Africa's service economy properly, an important starting point would be the implementation of ISIC 4, as most work in the new classification is actually about the services sector.

12. Methodology and Standards

The need for a Council committee to look at methodological issues was raised in discussions with Stats SA after the induction of the new council, in April 2014. Further discussions concerned the remit of this committee, particularly with reference to non-duplication of issues dealt with by the other committees. The population and housing, and economic statistics sub-committees have dealt mainly with what data collections and indicators are needed, and what Stats SA is collecting /using, and what is needed in the country. There seemed to be a need for a technical committee looking at methodological issues with reference to surveys, such as methods of weighting data, and well as issues related to the master sample, dwelling frame, etc.

An inventory of the sources of data has been obtained as a base for possible expansion as new sources of data become accessible as a result of opportunities brought about by the *Data Revolution*.

Methodological issues related to the Sampling frame and sampling methodology, Fieldwork, data capturing and data checking, Weighting to the population, Variance estimation, Compliance with SASQAF and Analysis of panel data occupied the attention of Council.

The main methodological issues being considered at present relate to preparations for the Community Survey 2016, with the need to cut costs while achieving good quality. Stats SA is updating the master sample in order to obtain a dwelling frame that can be used for the Community Survey. The use of satellite images to complement this, and the assessment of the results in the field (in a customer satisfaction survey in KZN, which Stats SA is assisting with), is welcomed, as well as allowing testing for possible gaps in the current frame.

The issue of weighting to correct for the undercount of one-person households, which has been identified as a possible problem, as there is a higher possibility of these not being contactable during fieldwork, is currently being discussed.

13. Conclusion

Data Revolution provides an historic opportunity for the strengthening and modernising not only the SANSS but the entire global official statistics systems. The strengthened SANSS should enable the designing of the organisational renewal programme that integrates key stakeholders in advancing a common vision as would be contained in the NSDS.

Building and retaining human capital to develop and implement the NSDS constitute a very important component in the SANSS. Institutionalised Talent Management Programme is not an option but an imperative.

Official Statistics must respond adequately to the National Development Plan, the African Agenda 2063 and the Sustainable Development Goals. This calls for continued engagement at both the national and global levels and in the latter case being able to benefit from, and contribute to global thought, and strategic and operational best practices.

Market position is an important area that merits attention. Statistics South Africa must command and sustain the command of a desired perception in the minds of key stakeholders.

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. Council also thanks both the public and private sector organisations for their growing interest in, and use of official statistics.