



SOUTH AFRICAN STATISTICS COUNCIL  
ANNUAL REPORT 2018–2019



South African Statistics Council: Annual Report 2018–2019

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## SUBMISSION OF THE COUNCIL ANNUAL REPORT AND FOREWORD OF THE CHAIRPERSON

This report is produced in terms of the provisions of section 13(3) of the Statistics Act (Act No. 6 of 1999) in that *inter alia*, “the Council must furnish the Minister and 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”.

The report covers the final three months of the former Council, and the first three months of the new Council. The new National Statistics Council was appointed during the 2018/19 financial year. We note with gratitude the excellent work of the preceding Council across all the areas of focus; in particular, the hard work done to drive the much-needed legislative reform which this Council hopes to see enacted. If so, the Council will be in a far better and more technically resourced position to fulfil our mandate of protecting and advancing the South African statistical system, and the quality of our statistics in line with global best practice. The hard work of Council is driven by our sub-committees, and I am proud to note that all sub-committee chairs are women, a fact of which we are proud.

We are acutely aware of the fact that the work of Stats SA is being conducted against a background of serious financial and related human capital constraints. With a high vacancy rate and a freeze on either hiring or promoting staff, the organisation is urgently in need of an injection of resources – not least as the current agricultural census ends (CoCA 2017), Census 2021 looms into view, and the organisation will be once again facing the biggest test any national statistical agency faces. Nonetheless, because of commitment and hard work, performance scorecards show that 93% of targets were met, and a clean audit opinion was achieved.

Stats SA continued to publish its many core statistical products that are used locally and globally. But even here, budget constraints have hurt as products have had to be prioritised, and some value-adding items have had to be discontinued. It would be wrong to ignore the risks that face Stats SA, despite the successes it has managed to achieve. The need for more analysis and reporting, as well as additional data gathering exercises, are continually made clear to Stats SA, but it is simply unable to respond while the budget remains static and staff are both over-burdened and see little prospect for movement or promotion in a frozen post environment. We strongly urge government to acknowledge and respond to the pleas of Council and the Statistician-General.

Looking forward we see Census 2021 looming above everything else, and our work is already geared towards supporting Stats SA in this exciting venture. We are, however, also working towards better trade statistics, and better partnerships with other agencies gathering data or needing it done. Council is working across the board to help Stats SA realise its potential. Our core mandate remains: to protect and safeguard official statistics and continually push for improvement so that Stats SA remains globally at the forefront of high-quality official statistics.

It is my pleasure to present this 2018/2019 Annual Report of the South African Statistics Council in terms of Section 13(3) of the Statistics Act (Act No. 6 of 1999).

Professor David Everatt  
Chairperson of the South African Statistics Council

# 1. INTRODUCTION

The 2018/19 Annual Report of Council represents the concluding work of the outgoing Council whose term ended on 30 June 2018, as well as the new incoming Council whose work started on 1 January 2019. This report therefore covers the last three months of the outgoing Council and the first three months of the new Council. This report structures the work of the two Councils accordingly.

There was an unfortunate delay in the appointment of the new Council. This resulted in a governance oversight gap from 1 July 2018 until December 2018 before Cabinet confirmed their appointment. Dr David Everatt's appointment as the new Chairperson of the Council was also confirmed by Cabinet.

The outgoing Council did manage to complete its Handover Report for their term of office, which was used as a basis to guide and inform the new Council on its priorities for its term. The new Council managed to convene one full Council meeting where, inter alia, the new Council leadership was confirmed, as well as one Strategy Committee meeting within those three months. More details thereof are provided below.

## 2. LEGISLATIVE AND INSTITUTIONAL ARRANGEMENTS FOR THE STATISTICS COUNCIL

### 2.1 Statistics Council and its Members

The responsible Minister for Statistics during this reporting period was the Minister in the Presidency responsible for Planning, Monitoring and Evaluation, Dr NC Dlamini-Zuma.

The Statistics Council is appointed in terms of section 8(1) of the Statistics Act (Act No. 6 of 1999).

The outgoing Council was appointed by the responsible Minister in the Presidency on 1 July 2013, for a term of three years. The term of this Council was later extended by 2 years to 30 June 2018. All council members that were appointed for the period 1 July 2013 until 30 June 2018 are listed in Annexure 1.

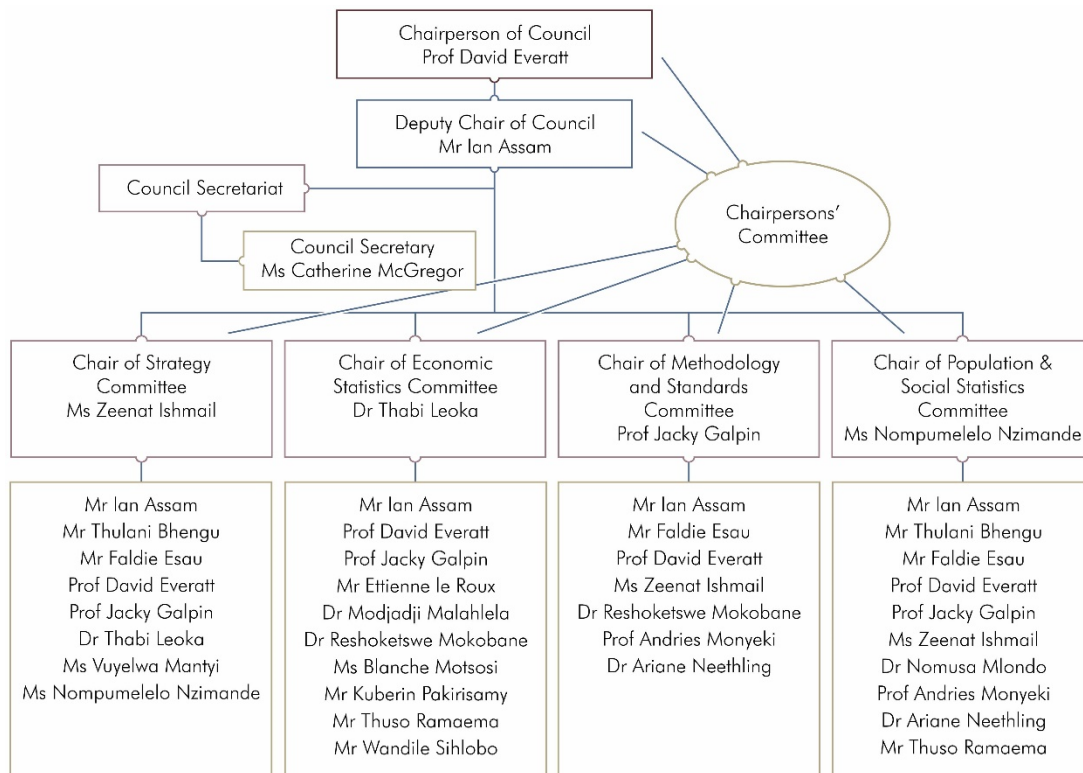
The new Council's appointment was confirmed by Cabinet and started on 1 January 2019, and runs until 31 December 2021. The list of new Council members appears in Annexure 2. In terms of section 11 of the SA Statistics Act, Council established five standing committees, namely:

- Strategy Committee;
- Economic Statistics Committee;
- Population and Social Statistics Committee;
- Methodology and Standards Committee (established in 2014); and
- Chairpersons' Committee (established in 2015) and comprises the Chairperson, Deputy Chairperson and Committee Chairpersons.

At the inaugural meeting of the new Council on 5 February 2019, the following leadership positions were decided through a democratic process:

- Deputy Chairperson: Mr Ian Assam.
- Strategy Committee Chairperson: Ms Zeenat Ishmail.
- Economic Statistics Committee Chairperson: Dr Thabi Leoka.
- Population and Social Statistics Committee Chairperson: Dr Nompumelelo Nzimande.
- Methodology and Standards Committee Chairperson: Prof Jacky Galpin.

An organogram of the new Council, including its Committees, their chairs and members is shown below:



## 2.2 Duties and Powers of Council

The duties and powers of Council are specified in section 13 of the Act. More specifically, it states that the role of the Council is to [independently] advise both the Minister in the Presidency responsible for Planning, Monitoring and Evaluation and the Statistician-General (SG) or an organ of state that produces statistics with regard to:

- Matters referred to the Council by the Minister, the Statistician-General or that organ of state;
- Any issues concerned with the collection, processing, analysis, documentation, storage and dissemination of statistics, including the taking of a population census, which should, in the opinion of the Council, be studied or undertaken;
- The elimination of unnecessary overlapping or duplication with regard to the collection or publication of statistics by organs of state;
- Any matter the Council considers necessary or expedient for achieving the purpose of the Act; and
- The general appropriateness to the country's needs of the services provided by Statistics South Africa.

Council must also promote and safeguard official statistics, the co-ordination of statistical activities and an environment that is supportive of the collection, production, dissemination and use of official statistics. Council may issue public statements on any matter relating to its functions in terms of the Act, but only after consultation with the organ of state, business or other organisation involved, if any, in the matter in question.

The SA Statistics Council also advises the SG and the Minister on Stats SA's Annual Work Programme (also known as an 'Annual Performance Plan' in other government departments) in terms of section 5(1)(a) of the Statistics Act, which states that 'The Minister must, on the recommendation of the Statistician-General, prioritise the work programme of Statistics South Africa, in accordance with the purpose of official statistics and the statistical principles contemplated in section 3 and both having been advised by the SA Statistics Council.'

Council generally meets at least once per quarter, therefore at least 4 times per year. The SA Statistics Council also produces an annual report in terms of Section 13(3) of the Statistics Act.

### 3. REPORT OF THE PERIOD OF THE OUTGOING COUNCIL

The outgoing Council held its last meeting on 22 June 2018. The following are the list of key issues dealt with by the various committees during the period 1 April 2018 until the end of June 2018.

#### 3.1 Strategy Committee

##### Legislative reform update

Council agreed to minor amendments instead of a full change of the Act. At that time, the previous Council was of the view that the legislative reform process be addressed and concluded by that Council, and not the new incoming one. Council, however, noted that given that the Parliamentary deadline for the submission of the Amendment Bill has been missed and that the matter will only be dealt with after the 2019 elections, the new incoming Council would indeed need to conclude this important work.

##### Council's Handover Report

A comprehensive Handover Report covering the term of the outgoing Council (2013–2018) was concluded by June 2018. It would be handed over to the Minister at an appropriate time and used to induct the new incoming Council. This report sought to provide the incoming Council with a body of relevant knowledge to enhance the transition and enable the incoming Council to quickly carry on with its responsibilities as provided for under the Statistics Act. The report was also compiled to assist the new Council in deciding which key projects and initiatives that were undertaken by the outgoing Council should be continued with.

##### Reduced Budget of Stats SA

As indicated in the previous year's Annual Report, Council noted that: 1) The Compensation of Employees (CoE)/Personnel Budget for 2017/18 did not fully cover the 2017/18 warm bodies, which meant that existing and new critical vacancies are not being filled. This possibly affected the quality of statistics being generated by Stats SA and this situation repeated itself for 2018/19. 2) Stats SA's baseline allocation was reduced by R141 million in 2017/18; R215 million in 2018/19; and R254 million in 2019/20, respectively over the MTEF period. As stated before, these budget reductions have mainly affected CoE and resulted in permanent filled posts currently not being funded. These budget cuts have an increasingly adverse impact on the deliverables of Stats SA.

As previously stated, Stats SA has not been filling any vacancies since October 2016. This has resulted in a steady and continual increase in the vacancies as people leave the organisation. As at 30 June 2018, Stats SA has 2 984 filled posts, comprising 46,5% male and 53,5% female staff members. 86,7% of employees are black African, 6,2% white, 5,4% coloured and 1,7% Indian. 79,3% of SMS posts were filled consisting of 59,2% males and 40,8% females. 1,2% of employees constitute staff members with disabilities. The vacancy rate as at 30 June 2018 was 15,0%.



Council also noted that Stats SA completed an urgent reprioritisation exercise to help avert future budget pressures, and help ensure minimal disruption to the production and management of statistics. The outgoing Council acknowledged that this situation is not favourable to Stats SA and to the quality of statistics in SA. Despite various meetings and correspondence between the SG, the Minister, Council and National Treasury, no success was registered due to the prevailing national fiscal constraints, and differing views on what should be prioritised in the national budget.

### Council's webpage

An IT team from Stats SA is supporting Council to set up its webpage. Additional content, namely past Council Annual Reports and some photos, will be provided. The outgoing Council wanted a functional webpage to be up and running, which will be taken forward by the new Council and specialised support to be available in this respect to update this webpage for Council going forward. The webpage should include the functions of Council.

### 2018/19 Work Programme of Stats SA

After working with Stats SA to effect various recommended changes, Council endorsed the 2018/19 Work Programme (Annual Performance Plan of Stats SA).

### Other Key Matters

In terms of the advice on succession planning, it seems to have dropped off from the people management agenda, which is why it remains a key concern of Council.

The NSDS has as yet not been finalised according to Council, and requires urgent attention. Stats SA must also be more responsive and active in engaging with difficult users. The need for Council to be more active in independently interacting with users should also be strengthened.

The transitional shift to move to technology is welcoming; however, the relevant operational and methodology issues must also be fully addressed. There is a need for a concept document/strategy on the digitisation of Stats SA to be developed and implemented as soon as possible.

Stats SA has managed to build an admirable capacity in human capital and continues to do so under huge financial constraints. In this regard, related interventions within the current five-year Strategic Plan of Stats SA needs to be institutionalised and executed as a matter of urgency. The scarce skills issue of statisticians in SA is also mentioned below. This human capital matter is anticipated to be addressed in the amended Statistics Act as well, as part of the legislative reform programme as mentioned above.

## 3.2 Population and Social Statistics Committee

### Planning for Census

Council is monitoring the readiness and preparations of Stats SA for Census 2021. Census 2021 is in line with the UN resolution of 2015, which stipulates that all member states conduct at least one population and housing census during the 2020 round of censuses. Council noted that planning for Census 2021 has commenced.

Council welcomed the fact that the Census 2021 budget shows a savings and a cost per capita reduction due to the use of technology.

Council resolved that its role and related budget be included in the planning process to enable Council to pronounce on Census 2021. When engaging the PC in future, Stats SA should also share plans for the institutionalised population. Stats SA should report on organisations in cities that can assist with the enumeration of the homeless and illegal immigrants. While CAPI will be the major mode of enumeration, research and testing should be undertaken on other modes and the sampling implications thereof.

Proposed improvements for Census 2021 include new and improved geography solutions and software; better skilled officials implementing the Census; lessons and experiences from previous censuses and community surveys; improved demarcation tools; methodologies and approaches and improved navigation functionality. This means that no listing will be required.

### Mid-year population estimates (MYPE)

In South Africa, municipal boundaries are reviewed every time there is an election. Following the 2016 municipal elections, there is a need to produce district-level estimates on current municipal boundaries. Data from district level and below have been affected by the boundary changes; processes are underway to ensure that the 2018 population estimates at lower levels are produced, based on the current levels of the geographical hierarchy.

Discussions are underway with regard to the application/removal of a regression line to growth rates produced in the MYPE estimation process to be implemented in the 2018 series. This is normally done to smooth out growth rates in a series of population estimation so that fluctuations are eliminated.

Council noted the on-going improvements to the MYPE series.

## South Africa Demographic and Health Survey (SADHS)

The SADHS report is ready but can only be released by the Department of Health. Council noted that the SADHS report will be released by the Department of Health. The full SADHS 2016 report has subsequently been released.

## General Household Survey (GHS)

The roll-out of the GHS using the CAPI platform has been delayed until January 2019 following testing undertaken in 2017. A potential issue to be resolved relates to design problems that may be affecting household size.

Budget cuts and vacancies have resulted in the discontinuation of the GHS Series and Vulnerable Group Series of reports. Reports on energy and on youth, that are both critical issues in South Africa, will thus not be produced.

Council noted and expressed its concern regarding the impact of budget cuts and vacancies on the production of reports addressing critical issues in South Africa.

## Living Conditions Survey (LCS)

The most recent LCS was conducted in 2014/15. The statistical release based on the LCS 2014/15 was released in 2017, the Poverty Trends report was released in August 2017, and the Men, Women and Children report was released in March 2018; both of these used the LCS 2014/15. A subjective poverty report will be released based on LCS 2008/09 and LCS 2014/15 during 2018.

From December 2018 the LCS is to be implemented as the first wave of the Continuous Population Survey (CPS) that will be conducted over a two-year cycle. In the first year detailed information on household expenditure, household income, access to health care facilities and self-reported health and other information regarding living conditions of households will be collected. The second year will focus on service delivery and detailed education information. This means that the first year mirrors the LCS, and to a large extent the LCS and IES content; the second year will mirror the GHS, and to a large extent the GHS and CS content.

Plans to commence with Year 1 of the CPS have been affected by lack of funding for the survey. A request was submitted for 2018/19 and partial funding of R70 million was given to Stats SA. This is not sufficient to complete Year 1 of the CPS; internal arrangements to source the additional R70 million that is required are still in progress.

Council noted and expressed its concern regarding the impact of budget cuts and vacancies on the collection of data on poverty and inequality in South Africa.

## Bureau of Market Research (BMR) report on the 2016 Community Survey (CS)

A report was submitted to Council following its request to Stats SA for a response to the BMR report *“Evaluating the demographic aspects and estimating demographic indicators from the 2016 South African Community Survey”*.

The BMR report states *“... some of the published figures from the 2016 Community Survey published by Stats SA are not consistent with figures obtained from the survey data files put out by Stats SA on its website”* (Page 17). There are three data sources provided on the Stats SA website for users. These are Nesstar, SuperWEB and SuperCROSS. No inconsistencies could be identified by Stats SA when all three sources were run using the same variable selection as it was done at the time of the analysis phase.

The BMR report identifies differences in the published results of the CS and the data in terms of the distribution of population by age. This is because the BMR report uses the ‘place of usual residence’, whereas the published results use ‘place where enumerated’ as is standard practice for a census. In addition, the BMR report identifies differences in the published results and the data in terms of persons born outside of South Africa. Once again this is because the authors of the BMR report have used different questions to those used by Stats SA. The question on lifetime migration in CS 2016 referred to province of birth, and those born outside South Africa would choose option 10 of the response categories. Those who chose option 10 would then answer the follow-up question on country of birth; the rest would skip that question. Some people who reported that they were foreign born did not specify their country of birth. Similar differences in the questions used by the BMR and Stats SA account for other alleged inconsistencies.

The BMR report identifies differences between the CS 2016 and SADHS 2016 maternal mortality ratio (MMR). This is of the order of 274 maternal deaths per 100 000 live births for the period 2015/2016 in the CS compared to 698 maternal deaths per 100 000 live births for the same period in the SADHS. Although Stats SA acknowledges that the CS 2016 MMR estimate is lower than expected when compared to previous estimates from Census 2011, the methodology utilised by the author for estimating MMR using SADHS data is flawed. The World Health Organization (WHO) cautions against using the sisterhood method for short intervals as was done by the author to obtain the number of maternal deaths. The procedure used is problematic because of the wide confidence intervals even for the seven years before the survey designed for the DHS. One reason for this is that maternal deaths are rare and the sample size for DHS is small. In this case, only 5 deaths in the SADHS are used by the BMR authors to arrive at their estimate of the MMR.

The BMR report notes several concerns relating to population estimated. In each case the report uses unweighted data. This is considered to be flawed by Stats SA. The final weighted proportions by population group are an accurate reflection of the 2015 Mid-year population estimates (MYPE) model data, based on most recent available information on fertility, mortality and migration at the time. As such, the weighted data (which includes the calibration) will not be subject to significant age heaping as the age distribution is calibrated to a model. There is no age misreporting in the calibrated age and sex structures as this is based on modelled data. Stats SA thus accepts that there is distortion arising from calibrations undertaken in 2011, but argues that this is accepted practice. Stats SA also notes that these estimates are based on the data and statistical methodologies available at the time of Census 2011.

Stats SA's concedes that age at first marriage may be exaggerated by the published CS report, and confirms that further work will be done to understand why this occurred.

Stats SA was unable to replicate the BMR analysis, meaning that different data sources must have been used.

Council agreed that the Stats SA response provides a thorough, convincing response. The Chair of the Council issued a letter to BMR to close the matter; the academics may further debate on related methodological issues.

### GHS Fieldwork Investigation

The current SG provided a verbal report to the PC noting that the former SG had engaged two consultants to investigate what led to the excessive use of transcription in the previous GHS, and to determine what was the effect on its quality. Following a review of the reasons for the use of transcriptions, Council has accepted the explanation for the delay in questionnaire printing and recognised that the team followed an accepted practice to ensure delivery. An initial comparison with other GHS data has not found anything startling. The recommendations by the consultants have been or are being addressed.

## 3.3 Economic Statistics Committee

### National Accounts

Council was briefed about the GDP benchmarking for the 2014/15 base year. This is quite a significant benchmarking; it is the first time that Stat SA will go it alone with moderate assistance from the SARB. National Accounts along with CPI are the most strategic areas in economic statistics and have to be protected from budget cuts. Failure to do so will come at great costs and within a climate of budget consolidation; Council urged Stats SA to prioritise what has to be preserved and strengthened, and identify areas such as some non-core areas that can withstand more serious budget cuts with less severe consequences for economic policy making. Council expressed the need to ensure that the National Accounts and Prices are insulated as far as possible from a decline in both human and financial resources. Vacancies also have to be filled as quickly as possible.

An important backdrop to producing a credible GDP is the need to maintain and update supply/use tables. This is an area where more resources are needed to ensure that more time and better source data is used, so that we have a better handle on the structure of the economy. This is also an important area where international expertise is important to both guide and act as critiques of how we compile these tables.

## Trade Statistics

Council was presented with a report by Jacob Ryten titled *Detecting Errors in Trade Statistics*. This report, as well as ongoing work, has begun the process of putting a very important part of the South African economy under scrutiny. By taking over the responsibility for the expenditure of the national accounts, Stats SA with the assistance of consultants began a process of understanding how trade statistics are compiled by SARS. The quality of trade statistics has a profound impact on the ability of both Stats SA to provide credible GDP and the SARB to provide plausible balance of payments estimates. Various preliminary studies point to several issues and potential problems with trade statistics, which it will continue to both monitor and where possible, facilitate the ever-growing need for improvements in trade statistics. This includes the formalisation of an institutional relationship that will create the conditions for close collaboration amongst three institutions who are intrinsically affected by the credible compilation of trade statistics – SARS, Stats SA and the SARB.

## Labour Stats

Council noted progress on ongoing work with SARS on complementing the quarterly employment series with administrative data from the former. Progress has been slow. Another important challenge that Stats SA faces is to reconcile various conflicting data sources that can be a source for confusion. The challenge of labour statistics lies not only in reconciling Stats SA's data with that of SARS, but also making sense of its internal surveys that are often at odds with each other. For example, when one compares the growth of employment in the Quarterly Labour Force Survey (QLFS) and the Quarterly Employment Statistics (QES), the QLFS and the QES often give very conflicting signals for the same universe they attempt to measure. In addition, industry breakdowns of employment of the two surveys are even more confounding, with results going in profoundly different directions.

Council urged Stats SA to begin a process of putting all surveys that deal with the labour market under scrutiny. Stats SA should establish a dedicated user group drawing on government, academia and others to guide labour market statistics, and in the process, improve its value to the user committee.

## New Initiatives

Council was briefed on two new initiatives, including the Census of Commercial Agriculture and developing a price index for housing. These are both crucial and central to the policy challenges facing the country. Council fully endorsed these and would encourage that as a general rule, as some resources should always be dedicated to new initiatives and innovation to ensure staff remain enthusiastic about their work. While it is increasingly difficult to launch new projects against the backdrop of brutal budget cuts, innovative funding models should be explored to take on new initiatives. An important initiative that has been on the backburner for a long time owing to budgeting issues, is the adoption of the new industrial classification – referred to as ISIC 4. Failure to take on this and modernise classification of our economic statistics has the potential to render us increasingly obsolete and less helpful to policy making.

## 3.4 Methodology and Standards Committee

### General

The main issues being considered at present relate to preparations for Census 2021 with the need to cut costs. Stats SA continuously updates the master sample in order to obtain a dwelling frame that can be used for the census. The use of satellite images to complement this and the assessment of the results in the field (as with the customer satisfaction survey in KZN) assist in testing for possible gaps in the current frame.

The issue of weighting to correct for the undercount of one-person households has been identified as a possible problem, as there is a high possibility of these not being contactable during the fieldwork period. Methods to assess the completeness need to be investigated.

A further issue is how to deal with enumeration of special dwelling institutions such as prisons and mental institutions. The relevant departments should be able to provide a list of inmates on census day; obtaining responses to the census questionnaire may be difficult.

Another issue considered was related to the Sustainable Development Goals (SDGs) and what data could/should be used, and how these should be evaluated/modified for the different goals.

The Committee notes plans for the first stage of the most comprehensive census ever conducted of South African agriculture, the Census of Commercial Agriculture 2017 (CoCA 2017). A team of approximately 400 people will be conducting the CoCA, which is due to be conducted from September 2018 to March 2019. The CoCA will target all agricultural activities and businesses registered for VAT; the data provided will be used for benchmarking in the reconciliation of current agricultural spaces. The survey aims to assist in building a farmer's profile, provide information on age, gender and population group, farm size, land use, land tenure, detailed livestock numbers, and the use of machinery, as well as the number of holdings with each crop and livestock type, etc. The census will be conducted under the auspices of Stats SA, the Department of Agriculture, Forestry and Fisheries (DAFF) and the Food and Agriculture Organization (FAO) of the United Nations. The Committee understands that the CoCA does not include a census of the country's smallholder and subsistence agricultural sector, which will only be conducted when the budget allocation allows for it.

### Science, Technology and Innovation

The Department of Science and Technology (DST) issued a call for the submission of proposed Science, Technology and Innovation (STI) domains for use in the national STI Foresight 2018 initiative in the middle of 2018. DST will be holding stakeholder workshops concerning proposals, to select the final STI domains.

These will take into account:

- Alignment with global and/or local science and technology (S&T) trends;
- Alignment with socio-economic development in South Africa as elaborated in the National Development Plan for 2030 (NDP); and
- Potential for new impact.

Proposals should satisfy all three of these criteria.

One possible methodological development would relate to the need to provide/improve the quality of data needed for managing the STI landscape. With respect to Stats SA, it is becoming more and more difficult to obtain the required data, for example, in estimating population size. In the case of estimating human population size, data has traditionally been obtained from censuses and surveys. The cost of obtaining this data has increased greatly, with costs of censuses doubling or trebling over successive rounds. In addition, response rates to these have declined in South Africa as well as internationally for various reasons such as confidentiality. Data is needed not only at national and provincial levels, but also at lower levels such as urban suburbs and small rural settlements. The suggested alternatives include the use of administrative registers.

Obtaining data required for managing animal, plant and environmental issues may also be problematic.

Improvement of methods for evaluating the quality of the data and its coverage at these levels are also needed.

A document was submitted by the Chair of this Committee to the SA Council for Natural Scientific Professions, who are co-ordinating suggestions from scientists in this sector.

## The Scarce and Critical Skills issue

The outgoing Council notes that Stats SA continues to struggle to appoint staff with the appropriate high-level statistics skills as there are not sufficient numbers of South African citizens with these skills. Getting statistics onto the Critical Skills list would hopefully assist Stats SA over the short and medium term in being able to assist those people with these skills to enter SA, but also to increasingly complement this with rigorous local capacity building from primary, secondary and post-school levels.



## 4. REPORT FOR THE PERIOD OF THE INCOMING COUNCIL

### Introduction

The new Council first met on 9 February 2019. At that meeting, the Council and senior Stats SA staff met and agreed on key areas of work going forward. Council also agreed to maintain the existing sub-committees as a means to more effectively do our work, namely the Strategy Committee, Population and Social Statistics, Economic Statistics, and Methodology. With an agricultural census underway and a full population census fast approaching for 2021, all committees will be working hard to support the work of Stats SA. The Chairs of the sub-committees and Deputy Chair of Council were elected and this part of the report reflects the work done in the first three months of the new Council's life.

As a governance matter to strengthen the role of Council, Council adopted a guideline prepared by the Strategy Committee to create a standardised framework for the respective committees towards the compilation of the Council's annual report. The respective work programmes should guide critical discussions, monitor progress, and enable better reporting to Council. It will also provide an evidence base for decision-making and critical discussions going forward.

The initial content for the Council Work Programme for the period 2019–2021 is in line with the identified priorities as contained within the Stats SA Work Programme for 2019/20. These are:

- Organisational reform, including realignment of structure;
- Legislative reform;
- An Integrated Indicator Framework (IIF);
- Ensuring the quality of core statistics;
- Modernising operations, including Computer-Assisted Personal Interview (CAPI) transition; and
- Census 2021.

It was commonly agreed that three priorities would dominate the work of Council. On the negative side is the need to engage government as a matter of urgency to resolve the deepening set of challenges caused by both the budget cut (which has remained in place) and the resultant freeze on both hiring and promoting staff. This may perhaps have been under-emphasised by the previous Council, but is front and centre for the new Council.

The financial situation is forcing Stats SA to prioritise which activities will and which will not occur. This is deeply undesirable in a context where official statistics are more important than ever, and where Stats SA has worked hard to enhance its image and the reliability and reputation of its statistics locally and globally. It is for these latter reasons that South Africa felt comfortable with Stats SA being called on to check on the allegations of 'double voting' after the 2019 national and provincial elections. The longer government keeps revenue below what is required and stops Stats SA from hiring or promoting staff, the less Stats SA is able to maintain its profile and reputation as an organisation that can be relied on for accurate, politically neutral data and analysis.

Secondly, it was agreed that the legislative reform driven by the previous Council, needs to be brought to a swift and successful conclusion insofar as Council has any influence. Council made

our formal input into the Bill, which we hope will find its way onto the statute book soon. It is key in both enhancing the organisation as a whole and cementing the independence of the Statistician-General; but will also more fully resource Council to do our work. Currently Council has a tiny (if highly efficient) secretariat, and the time volunteered by Council members – this needs to change if we are to really add value to the work of Stats SA.

Finally, all committees will have a role to play in preparations for Census 2021 and in supporting the current agricultural census, a key intervention at a point in time where land-related issues are politically very sensitive. It is vital for the country that Census 2021 is successful, but this will require the intervention of government and civil society leaders to help ensure that our enumerators can access *all* parts of South Africa, and that *all* South Africans feel confident in sharing their household data with Stats SA. This requires a media and information campaign; it also requires a reminder that freedom of movement and of information are constitutionally guaranteed, and that no space is somehow ‘closed’ or ‘off-limits’ to Stats SA enumerators. In this regard, Council has advised the Statistician-General to time the census so that it occurs as far away in time as possible from the 2021 local elections, which can generate interview fatigue (caused by polling) as well as wariness (caused by politics).

## 4.1 Strategy Committee

The inauguration of the Strategy Committee of the new Council was held on 28 March 2019 and dealt with endorsing the Stats SA Work Programme, Council’s Work Programme for the remainder of the 2018/19 financial year and beyond, legislative reform and legislative drafting practices, any new matters that emerged as well as key issues, achievements and work undertaken by the Strategy Committee.

### Stats SA Work Programme 2019/20

The incoming SA Statistics Council officially engaged with Stats SA at the inaugural Council held on 5 February 2019 on the Stats SA Work Programme for the 2019/20 financial year. Subsequently, the Chairperson of Council made the recommendation to the Minister in the Presidency responsible for Planning, Monitoring and Evaluation to accept the 2019/20 Statistics South Africa Work Programme.

Further to this, the Strategy Committee further engaged Stats SA with the aim of identifying the key priorities that need to be taken up by Council through the Committees.

The following Stats SA priorities were identified:

- Ensuring the quality of core statistics;
- Modernising operations, including Computer-Assisted Personal Interview (CAPI) transition;
- Integrated Indicator Framework (IIF);
- Census 2021; and
- Legislative reform.

Council notes that a key concern refers to the data analytical gaps, particularly on gender and youth statistics.

Council noted that Stats SA overspent on its 2018/19 Compensation of Employees/Personnel Budget, but fortunately it achieved a clean audit. This is truly commendable.

Council did note that National Treasury had signalled at the end of the 2018/19 financial year that a small once-off amount of around R75 million would be made available for various short-term contract appointments for the 2019/20 financial year. In terms of ensuring quality core statistics and the Stats SA budget, the additional once-off R75 million is welcomed by Council as the allocation would be mainly spent on protecting the quality of core statistics to some limited extent. The funding situation of Stats SA is thus still far from ideal and is taken up in the Foreword and Conclusion of this report.

The organisational reform is at an advanced stage and the three (3) main drivers for the reform are informed by duplication of functions; the CAPI transition freed up staff for realignment and standardisation of corporate service functions. The work programme highlighted that the modernising through the removal of paper collection is at different stages of implementation, and that Corporate Services will be the final phase of modernisation. It is to be noted that the Integrated Indicator Framework (IIF) is a lever for the NSS to prioritise and to quantify the information gap. Phase 1 of the IIF is completed and is to be available as from 1 April 2019 and is aligned to Agenda 2030. Phase 2 will be done in 2019/20 and will include more economic indicators. Finally, the preparations for Census 2021 are underway. A test on the perception of CAPI has been conducted, a mini-test is scheduled in 2019/20 and a full pilot is to be conducted in 2020/21, inclusive of a test of geography for demarcation.

### Legislative reform and legislative drafting practices

The Strategy Committee concluded the discussion on the legislation reform process with reference to the preliminary opinion as issued by the Office of the Chief State Law Advisor and the Statistics Amendment Bill, 2018. The Bill was scrutinised in order to determine whether the provisions of the Bill are consistent with the Constitution. Furthermore, there has been a redrafting of certain clauses and recommendations in relation to specific clauses in the Bill. The Office of the Chief State Law Advisor confirmed satisfaction that the Bill is constitutionally sound and conforms to legislative drafting practices.

It was agreed during the legislative review process that attention should be given to the role of Council in order to enhance and strengthen the powers and functions of Council and ultimately improve the performance of Stats SA. In this regard, the Statistics Amendment Bill, 2018 [B—2018] issued makes reference to the amendment of section 13 of Act No. 6 of 1999 by the substitution for subsection (5) of the following subsection: "(5) The Statistician-General must provide the Council with such secretarial and clerical assistance and specialised skills as is necessary for the effective performance of the functions of the Council." This should be read in conjunction with the current Statistics Act, 1999 (Act No. 6 of 1999) which reads "The Statistician-General must provide the Council with such secretarial and clerical assistance as is necessary for the effective performance of the functions of the Council." The specific wording proposed by the Chairperson was: "The Statistician-General must provide the Council with such technical and secretarial assistance as is necessary for the effective performance of the functions of the Council."

Council took the opportunity by agreeing to do further work as input into the final participation process. The Executive Management is to conclude the participation process before submitting to the Chief State Law Advisors for final approval and certification.

The departure point for the Strategy Committee was to build on the reflections on the strategic issues for the reference period of the previous terms in terms of what went well, and what are the issues to be taken forward as matters within the context of the mandate of Council. Drawing from the previous Council Handover Report, the Strategy Committee Chair identified the key matters to be taken forward. These include amongst others, the legislative reform and associated stronger Council, the Council webpage and the role of Chairs in terms of associated web content.

As the DPSA has approved a branch for the NSS, the new structure will give prominence to the work of the Strategy Committee. A key focus is the strengthening of statistical coordination, keeping abreast of international conferences, the data revolution agenda, trusted statistics and implementation of SASQAF. Another focus is the provincial and local engagement levels regarding the IIF (Integrated Indicator Framework). Further, the focus of Stats SA's five-year strategy, the performance targets in the Work Programme and the matters related to Stats SA's capacity.

## 4.2 Population and Social Statistics Committee

The Population and Social Statistics Sub-committee (PC) held its inaugural meeting on 26 April 2019. In this meeting the PC received reports and presentations from Stats SA concerning:

- 1) The annual work programme for the Population and Social Statistics branch;
- 2) Planning for Census 2021; and
- 3) The Continuous Population Survey.

## Planning for the Population Census 2021

At the committee meeting of 26 April 2019, the Statistics South Africa census team presented a detailed status of readiness for the 2021 census and activities planned. The team subsequently met with the Chair of the Population and Social Statistics Committee on 13 August 2019. Both meetings outlined milestones reached in the census planning, challenges encountered by the team and development of the National Advisory Committee (NAC). The PC was supported by Council in calling for broader representation on the NAC, and deepening its role in helping ensure massive publicity and support to try and ensure the best possible penetration of all areas and high-quality data.

The key activities for the 2019/20 period are the Census 2021 mini-test that consists of the following: testing two systems in October 2019; two tests in households and institutions in October 2019 and March 2020; and planning for the pilot – scheduled in 2020. Development of census committees, including the NAC, is underway and will be completed by the end of the 2019/2020 financial year.

The challenges raised by the team and noted at the council meeting of 7 June 2019 relates to the communication strategy for the census. The census team is developing a clear strategy; implementation will commence in March 2020.

## 4.3 Economic Statistics Committee

Economic statistics for many of Stats SA's consumers, are at the heart of what Stats SA is all about. The committee applauded the on-going work to ensure that key economic indicators are both as accurate as possible and released on time. The significance of measures such as Consumer Price Inflation (CPI) and Producer Price Inflation (PPI) in a low-growth, high poverty environment cannot be over-emphasised. The data are needed by government for accurate targeting by the private sector for investment and other decisions; by international and multilateral partners for on-going global comparative work; and by ratings agencies, whose impact on South Africa remains considerable.

It is commendable that Stats SA has – despite financial constraints – moved to keep pace with other OECD country statistical offices, for example in beginning to collect environmental statistics. The challenge we face in this area is to simultaneously maintain 'traditional' reporting needs – CPI and so on – and at the same time innovate to reflect the continually changing world around us. With climate change an unavoidable reality, collecting environmental statistics is clearly important.

The committee will also keep engaging with other government and independent state agencies with regard to improving our trade statistics. This was a challenge that faced the former Council but which was not adequately resolved; we now need to engage a series of partners in the field and ensure that our trade statistics are as accurate as possible.

## 4.4 Methodology Committee

Issues relating to Census 2021 are paramount for the Methodology Sub-committee as might be expected. The committee has initiated a process of comparing census questionnaires over time, both with regard to the actual questions as well as the sub-categories of the questions. The question facing the sub-committee, apart from ensuring we deploy the most useful and appropriately designed questions, is whether or not it is possible to use these to evaluate changes in response over time – this would open a fascinating narrative of South Africa’s first 25 years of democracy.

The post-enumeration survey methodology is also key (for all major surveys, but in particular for the census). Stats SA asked that the sub-committee look at international best practice and continuity over time, which will be engaging the committee members for the foreseeable future. Other issues with which the committee is grappling include issues relating to an evaluation of coverage, and non-response rates including response rates over time. This would need to be done at municipal level at a minimum preferably, and suburb/ward level. The issue of municipal boundaries changing over time, which makes comparison of changes to population size estimates difficult, continues to vex us as it does analysts. The issue of geographic statistics and how to make our data available in the most user-friendly (i.e. a mix of the right types of data being easily available/accessible) manner is a real challenge. As the Statistician-General reminded Council, the Municipal Demarcation Board (MDB) changes administrative boundaries for various reasons, often in relation to either local or national elections. Their activities are not aligned to the period during which Stats SA demarcates EAs and conducts censuses. To that effect, users have raised concerns relating to not being able to compare population figures from one census to the next, based on the same geography due to these changes in boundaries.

As a matter of practice and in an effort to achieve data comparability, the Geography division recodes the previous geographical entities with the new geography entity codes as released by the MDB. The new boundaries are compared with the old, and the new Stats SA-generated municipal codes are assigned to municipalities that have changed in area. The EAs are then intersected with new boundaries and by using the centroids of the EAs, we establish spatially in which new municipality each EA falls. If an EA is split by a boundary on the newly re-demarcated administrative boundary, and most of its surface area falls within one of the municipalities, it would then be assigned to only one of the two municipalities and the population reflected in the new municipality it has been allocated to. The shortcoming with this approach is that population figures are evenly distributed within an EA, making it virtually impossible to reliably determine where in the EA such a population is clustered. With the adoption of the geo-referenced dwelling frame of structures containing spatial coordinates, an opportunity has arisen for Stats SA to mitigate for this shortcoming.

With these already occupying Methodology Sub-committee members, they also want to look at the comparability of the other surveys over time, an evaluation of the quality and coverage of administrative data and the possibility of identifying savings for Stats SA via such an evaluation.

## 5. CONCLUSION

Council applauds the work done by Stats SA in the face of very difficult working conditions (with a vacancy rate approaching 20%). Council has some concern that an undue burden is being placed on existing staff, and stretching their loyalty; and that the freeze on posts means that by default, ambitious younger staff, for example, will leave the organisation in order to realise their potential, since they cannot be promoted within Stats SA. This is creating the conditions in which a continuous downward cycle will emerge, and the onus rests entirely on government to repair the situation by unfreezing posts and by meeting our budgetary requirements.

If the budget is realised, which is unlikely before the 2020 budget, but which must occur at that point and no later, then Council has confidence that with the Bill becoming an Act, we will be a properly resourced Council – including specialist technical skills – over the work of a fully resourced Stats SA. This is our shared vision, and we need government to commit to both the vision and nuts and bolts of ensuring our budget meets the needs of Stats SA, since our role is to serve South Africa and all South Africans, in the local and global arenas with accurate data about our society, our economy and all related aspects that fall under the purview of official statistics.

## ANNEXURE 1

SA Statistics Council members appointed 1 July 2013 to 30 June 2018:

Mr Ian Assam  
Mr Kenneth Brown  
Prof Philippe Burger  
Dr Rashad Cassim  
Mr Faldie Esau  
Prof David Everatt  
Prof Jacky Galpin  
Ms Lizelle Henney  
Ms Zeenat Ishmail  
Dr Jaya Josie  
Mr Etienne le Roux  
Prof Maseka Lesaoana  
Dr John Luiz  
Prof Julian May  
Mr Mveli Maphanga  
Mr Ben Mpahlele  
Dr Ariane Neethling  
Mr Monde Nkasawe  
Dr Daniel Platjies  
Prof Sarah Radloff  
Mr Glen Robbins  
Mr Sulaiman Salau  
Dr Khangelani Zuma



## ANNEXURE 2

SA Statistics Council members appointed 1 January 2019 to 31 December 2021:

Mr Ian Assam

Mr Thulani Bhengu (KwaZulu-Natal)

Mr Faldie Esau

Prof David Everatt (Gauteng)

Prof Jacky Galpin

Ms Zeenat Ishmail (Western Cape)

Dr Thabi Leoka

Mr Etienne le Roux

Dr Modjajidi Malahlela (Limpopo)

Ms Vuyelwa Mantyi (Eastern Cape)

Dr Nomusa Mlondo (Mpumalanga)

Dr Reshoketswe Mokobane

Mr Thapelo Molahloe

Dr Andries Monyeki (North West)

Ms Blanche Motsosi

Dr Ariane Neethling

Ms Nompumelelo Nzimande

Mr Kuberin Pakirisamy (Northern Cape)

Mr Thuso Ramaema (Free State)

Mr Wandile Sihlobo

All provinces have representatives for the first time in many years.