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Statistics South Africa      Annual report 2006/07

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## **Submission of the report to the executing authority**

Minister TA Manuel

It is my pleasure to submit the 2006/07 annual report of Statistics South Africa for the period 1 April 2006 to 31 March 2007, in compliance with section 7(2)(c) of the Statistics Act (Act No. 6 of 1999), section 40(1)(d)(i) of the Public Finance Management Act (Act No. 1 of 1999), and in accordance with section 18 of the Treasury Regulations.



PJ Lehohla  
Statistician-General



## Section 1: General information





## Foreword by the Minister of Finance

In my foreword to the 2006/7–2008/9 Work Programme of Stats SA, I posed a number of legacy challenges that the organisation and the Statistics Council should address. These challenges were: establishing public trust in official statistics, providing the necessary technical skill for sustained production of statistics, allowing space for methodological discourse, pacing delivery appetite relative to deliver capacity and lastly, process determination for what needs to be measured.

During this period, under the leadership of its Chairperson, Mr Howard Gabriels, the Statistics Council that I appointed in July 2005, executed its fiduciary duties of advice to myself and the Statistician-General in an exemplary manner. The Audit Committee also guided the organisation during this period. The appointment of a leadership team was completed, including the appointment of the Deputy Directors-General and a Chief Financial Officer. This report captures very vividly the installation of an effective leadership.

Some of the highlights in the report are the successful completion of the large scale Community Survey which will inform our policies on the status and changes in the life circumstances of South Africans, improvements in the measurement of price stability through the introduction of direct price collection, and the completion of the Income and Expenditure Survey which will inform us about the spending patterns of South Africans as well as measure price changes of consumer goods and services.

At the behest of African countries, Stats SA has led the African Symposia for Statistical Development (ASSD). This initiative marks the beginning of a 53-year journey that Africa started in a quest to develop African competence in official statistics. Furthermore Stats SA continues to serve in a variety of capacities in international forums on statistics.

As regards governance, the organisation has progressively improved to a point where it has received a clean bill of health, and I challenge the leadership to maintain this record.

The legacy challenges in both our people's lives and our statistical systems are huge but they will be overcome with determination and perseverance.

Trevor A Manuel



## Foreword by the Chairperson of the Statistics Council

This annual report reflects the progress Stats SA has made during the 2006/07 financial year to achieve the strategic objectives of the organisation.

The highlight of this report is that we are finally able to show the progress that the organisation has made with the improvement in its management and administrative systems. To be able to present an unqualified report is very gratifying. This is particularly significant, because towards the end of the financial year Stats SA conducted the biggest survey – the Community Survey – that involved over 6 000 fieldworkers. Much effort was made to ensure that the administrative systems were improved to cope with this abnormally high number of employees in the system. I congratulate the SG and his management team for this achievement.

During the year Stats SA conducted fieldwork for two major surveys, viz. the Community Survey and the Income and Expenditure Survey.

### Community Survey

Fieldworkers visited more than 280 000 households across the length and breadth of the country.

The Statistics Council reviewed every aspect of the Community Survey, including the sampling, questionnaire design, fieldwork plans, logistics plans, communications strategy and plans for data processing and analysis. On behalf of the Statistics Council, I want to express my appreciation for the professional manner in which the management team addressed all our requests, and thank the respondents for their patience in completing the questionnaire.

### Income and Expenditure Survey (IES)

In the IES more than 24 000 households completed a diary over a period of four weeks. In this diary, details of household expenditure and income were recorded. The results of this survey will be a major input in developing the basket of goods and services to measure the CPI. The survey results will also be vital to analyse the trends in both consumption and income patterns. Again, we appreciate the positive support from respondents who completed the diary.

During the year under review the change in methodology of the CPI has also been rolled out to the whole country. We are confident that the new methodology will ensure the robustness of the CPI figures that are reported on a monthly basis.

Stats SA developed the South African Statistical Quality Assurance Framework (SASQAF) and reviewed a number of its surveys against this framework. As a result we have witnessed significant improvements in the quality of the work done by Stats SA during the year. This is an ongoing process.

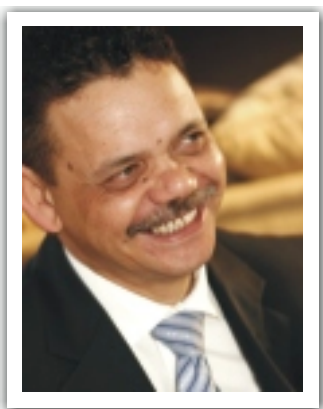
The building of relations with our counterparts in Africa this past year has seen significant developments with the ECA adopting a programme to support capacity building within the statistical agencies on the continent. A very successful Africa Symposium on Statistical Development (ASSD) was held in Rwanda. A large number of countries in the continent have now committed themselves to conducting a census in the 2010 Round of Population and Housing Censuses as agreed in terms of the United Nations resolution.

Despite the progress that has been made in the course of the past financial year, we are mindful that it is only a step in the transformation process. The main challenge that is being addressed by Stats SA and the Statistics Council is to build trust and confidence in official statistics.

I want to congratulate the Statistician-General and the management team on the results of this annual report and thank them for the professional manner in which they have interacted with the Statistics Council.

I also wish to express my sincere appreciation to the Minister of Finance, Mr Trevor Manuel, for his leadership and guidance throughout this year.

Howard Gabriels



## Introduction by the Statistician-General

The year 2007 marks my seventh year of taking office as Statistician-General. When I accepted this momentous calling then, I made a personal leadership promise and commitment to the following short, medium and long-term deliverables to stakeholders:

To our external stakeholders the organisation shall–

- Improve the way it produces statistics with emphasis on relevance, accuracy and timeliness;
- Create a spatial data frame to support planning, monitoring and evaluation of the performance of government;
- Introduce and implement a system of statistics that would enable South Africa to read from the same book; an ideal that is still very much in the making and one for which we have to muster greater creativity and commitment to realise; and
- Contribute positively towards the development of statistics internationally.

To our employees, the organisation shall–

- Train and improve the capacity of staff to deliver; and
- Bring information technology to the centre of statistical production.

What I did not commit to then was improving issues around governance. Right from the beginning I should have been more explicit and regrettably I learnt hard lessons from this. I am, however, pleased to report that we have succeeded in improving governance – it is a belated promise successfully delivered on.

This annual report illustrates unambiguously that Stats SA has achieved an incredible measure of success on all these fronts. Some of the highlights that I bring to your attention are that we have successfully implemented the new survey methodology for the CPI and completed the collection and processing of the Income and Expenditure Survey. The results of this survey will be used to update the basket of the CPI in order to produce a methodologically sound measure of inflation. At the same time the organisation conducted the massive Community Survey over the length and breadth of the country that would produce much needed municipal level statistics and information for Integrated Development Plans and Provincial and National Growth and Development Strategies that are well informed and guided through the national spatial development perspective. This survey also served as training ground in preparation for Census 2011 in terms of developing and enhancing both human resources as well as the logistical capacity to embark on massive survey operations.

After a slow start over a period of six years, an exciting project that promises to dramatically improve economic statistics has commenced with a strategic review of the business register (the sampling frame for economic statistics). This work is being done in collaboration with the South African Revenue Services (SARS) and the Department of Trade and Industry (DTI). It is intended that the work on the creation of a single business identifier and register would come to fruition during the next year. Similar work is also being done with regard to the sampling frame for household surveys. Its success is dependent on cooperation between Stats SA and the departments of Communication, Land Affairs, Housing, Science and Technology, and Provincial and Local Government.

This year Stats SA continues its ongoing collaboration with the Department of Agriculture in conducting the various agricultural surveys and the Agricultural Census of Commercial Farming. Furthermore, there is enormous excitement about improving the results of labour statistics and publishing these more regularly.

The management and maintenance of stakeholder relationships has shown notable improvement during the past year. To date, the organisation has conducted 19 stakeholder workshops, and 5 marketing and dissemination initiatives in the provinces. Visitor sessions on StatsOnline increased by 215%; and a total of 902 800 documents were downloaded from the website.

An important milestone in the organisation's brief post-apartheid history has been about dealing with the paucity of the requisite human resources with the necessary skills to produce quality official statistics. One of the important projects to deal with this legacy is the Internship Programme which was developed to address the skills shortage especially in the core areas of statistical production. Seventeen interns were trained during 2006/07 and thirty-three were recruited for 2007/08.

The future of the organisation looks bright. During 2007/08 the organisation will be releasing the results of the Community Survey as well as the Income and Expenditure Survey. In the next year the first results of the new Quarterly Labour Force Survey will be published and the project to reweight the PPI will be in full swing.

Most of all, the work in the international arena will find concrete expression with Stats SA taking over the baton from Portugal in 2007 to host the International Statistical Institute in 2009. This momentous event will take place in Durban in September 2009.

We have successfully launched and spearheaded the 53-year journey of African Symposia for Statistical Development (ASSD). The third leg of this 53-year journey will be in Ghana in December of this year. It will focus on complete enumeration of Africa in the 2010 Round of Censuses. This journey was inaugurated by Minister Manuel in January of 2006. This year we have also participated in the creation of the Africa Centre for Statistics (ACS) at the Economic Commission for Africa (ECA).

Over the next few years the organisation will embark on major challenges, namely moving to a new building and completing all the preparatory work for the 2011 Census – the biggest and most challenging statistical operation in the life of the organisation.

Finally, I take this opportunity to thank the South African public for providing Stats SA with much needed information that impacts on policy decisions; the Minister, Hon. Trevor Manuel for always asking the most difficult and impossible questions and for providing leadership and support; the Chairperson of the Statistics Council, Mr Howard Gabriels, for ensuring that the triangular relationship between the Minister, the Council and the Statistician-General functions optimally, and for safeguarding the broad societal interests in statistical matters; the Chairperson of the Audit Committee Mr Terrence Naidoo for keeping his eye on the strategic issues and for his guidance; and finally, the leadership and staff members of Statistics South Africa for ensuring improved delivery of quality statistics for the nation.

Pali Lehohla



## Vision and mission

Stats SA is South Africa's national statistical organisation, with its role defined in terms of the Statistics Act (Act No. 6 of 1999): The vision of Stats SA is '*To be the preferred supplier of quality statistics*'.

The mission of Stats SA is '*To provide a relevant and accurate body of statistics to inform users on the dynamics in the economy and society through the application of internationally acclaimed practices*'.

## Our core values

Our values are the key to achieving high performance levels and are based on Batho Pele principles. We are striving towards creating an organisation that will foster the following ethos:

- **Respect and integrity:** We will consistently treat each other with respect;
- **Accountability:** We will take full responsibility for our actions;
- **Transparency:** We will be open and accessible about the what, why and how of our actions;
- **Empowerment:** We will create opportunities for organisational and individual growth. We will harness diversity to advance organisational effectiveness; and
- **Service excellence:** We will deliver our products and services right first time, every time.

## Legislative mandate

Stats SA is a national government department accountable to the Minister of Finance. The activities of the Department are regulated by the Statistics Act (Act No. 6 of 1999), which ensures independence from political interference in the production and dissemination of official statistics.

According to the Statistics Act, the purpose of official statistics is to assist organs of state, businesses, other organisations and the public in planning, decision-making, monitoring and assessment of policies.

Stats SA is also mandated to:

- Promote coordination among statistical producers in South Africa in order to improve the quality, consistency, comparability and optimum use of official statistics and thereby avoid unnecessary duplication;
- Provide statistical advice to organs of state; and
- Liaise with statistical agencies of other countries and international agencies.

## The Statistician-General

The Statistician-General, as the head of the organisation, has the ultimate executive responsibility and authority in Stats SA. The primary responsibility of the Statistician-General is to lead the organisation and ensure that the programme of official statistics is implemented.

In order to ensure the effective and efficient administration and management of the Department, the Minister of Finance has approved the delegation of powers and authority to the Statistician-General in terms of the Public Service Act and the Public Service Regulations. These delegations form part of the key performance areas of the Statistician-General.

The five key performance areas of the Statistician-General are:

- Setting the overall strategic direction of the organisation;
- Directing, guiding and driving the timely release and effective production of high-quality economic, social and population statistics;
- Ensuring that official statistics meet internationally acclaimed standards and practices by improving statistical processes and ensuring effective statistical infrastructure to achieve operational excellence;
- Managing relations with key stakeholders and international role-players; and
- Improving governance processes to achieve operational excellence in relation to employee satisfaction, managing costs and compliance to legislation.

## The South African Statistics Council

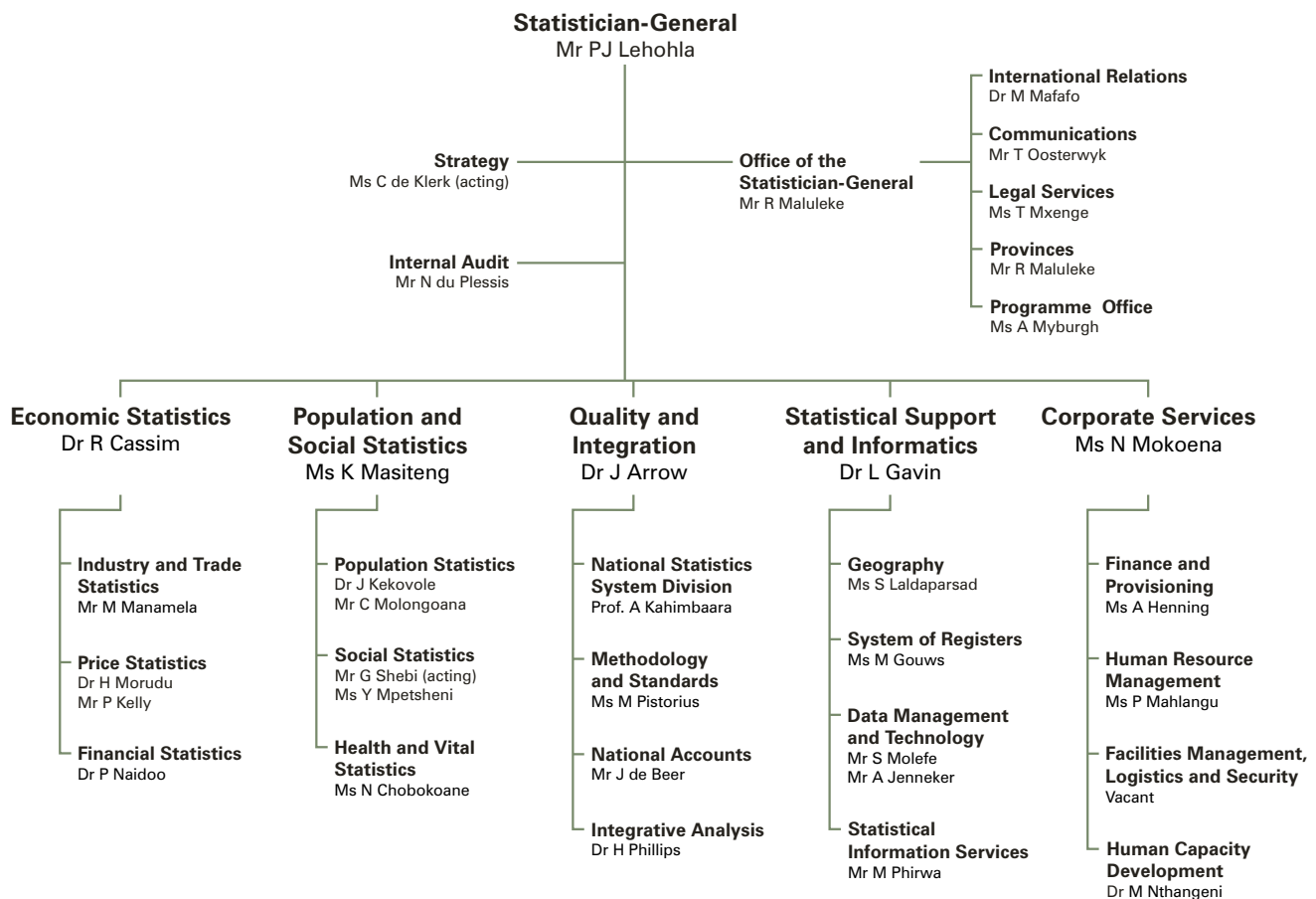
Section 8 of the Statistics Act provides for the establishment of a South African Statistics Council consisting of between 18 and 25 members, appointed by the Minister after consultation with Cabinet. Members include one representative from each province, and nominated members from organs of state, producers of statistics, organised business and labour, specialist and research interests, economic and financial interests, demographic and social interests, and the general public.

The role of the Statistics Council can be summarised as follows:

- (a) Advise the Minister, the Statistician-General and organs of state on statistical matters with regard to:
  - the collection, processing, analysis, documentation, storage and dissemination of statistics, including the taking of a population census; and
  - the elimination of unnecessary overlapping or duplication with regard to the collection or publication of statistics by organs of state;
- (b) Promote and safeguard official statistics and the coordination of statistical activities;
- (c) Furnish the Minister and the Statistician-General with an annual report which must be tabled in Parliament; and

- (d) 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 organisation involved.

## The organisational structure







**Dr R Cassim**  
Deputy Director-General:  
Economic Statistics



**Ms K Masiteng**  
Deputy Director-General:  
Population and Social Statistics



**Dr J Arrow**  
Deputy Director-General:  
Quality and Integration



**Dr L Gavin**  
Deputy Director-General:  
Statistical Support and  
Informatics



**Ms N Mokoena**  
Deputy Director-General:  
Corporate Services



**Mr R Maluleke**  
Executive Manager:  
Office of the  
Statistician-General



**Ms C de Klerk**  
Acting Executive  
Manager: Strategic  
Planning



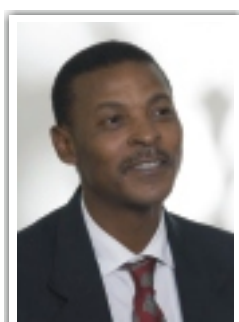
**Mr T Oosterwyk**  
Manager:  
Communications



**Mr M Manamela**  
Executive Manager:  
Industry and Trade  
Statistics



**Mr P Kelly**  
Executive Manager: CPI



**Mr H Morudu**  
Executive Manager:  
Price Statistics



**Dr P Naidoo**  
Executive Manager:  
Financial Statistics



**Mr D Booysen**  
Project Manager:  
Income and Expenditure  
Survey



**Dr J Kekovole**  
Executive Manager:  
Population Census



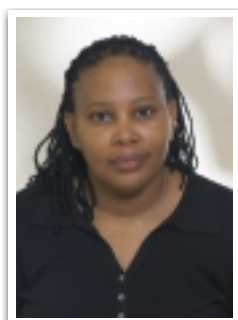
**Mr C Molongoana**  
Project Manager:  
Community Survey



**Ms Y Mpetsheni**  
Project Manager:  
Labour Force Survey  
Re-engineering



**Mr G Shebi**  
Acting Executive  
Manager: Social  
Statistics



**Ms N Chobokoane**  
Executive Manager:  
Health and Vital  
Statistics



**Prof. A Kahimbaara**  
Executive Manager:  
National Statistics  
System



**Ms M Pistorius**  
Executive Manager:  
Methodology and  
Standards



**Mr J De Beer**  
Executive Manager:  
National Accounts



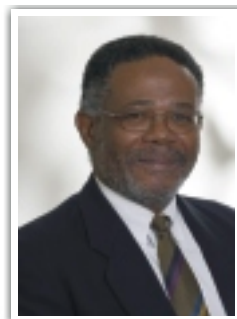
**Dr H Phillips**  
Executive Manager:  
Integrative Analysis



**Ms S Laldaparsad**  
Executive Manager:  
Geography



**Ms M Gouws**  
Executive Manager:  
System of Registers



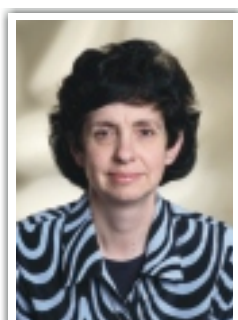
**Mr M Phirwa**  
Executive Manager:  
Statistical Information  
Services



**Mr A Jenneker**  
Project Manager: Data  
Management and  
Information Delivery



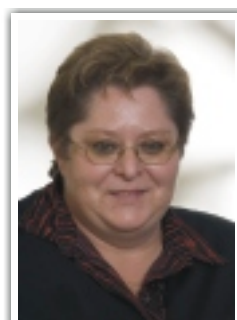
**Mr S Molefe**  
Executive Manager:  
Data Management and  
Technology



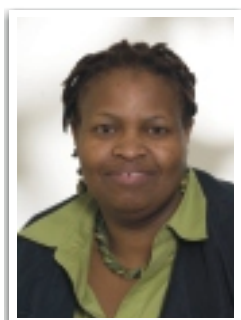
**Ms A Myburgh**  
Executive Manager:  
Programme Office



**Ms A Henning**  
Chief Financial Officer



**Ms A Mphahlele**  
Office Manager: Office  
of the DDG: Corporate  
Services



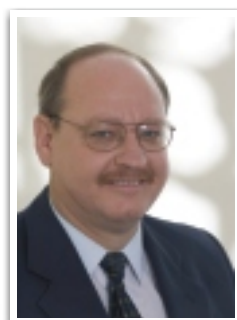
**Ms P Mahlangu**  
Executive Manager:  
Human Resource  
Management



**Dr M Nthangeni**  
Executive Manager:  
Human Capacity  
Development



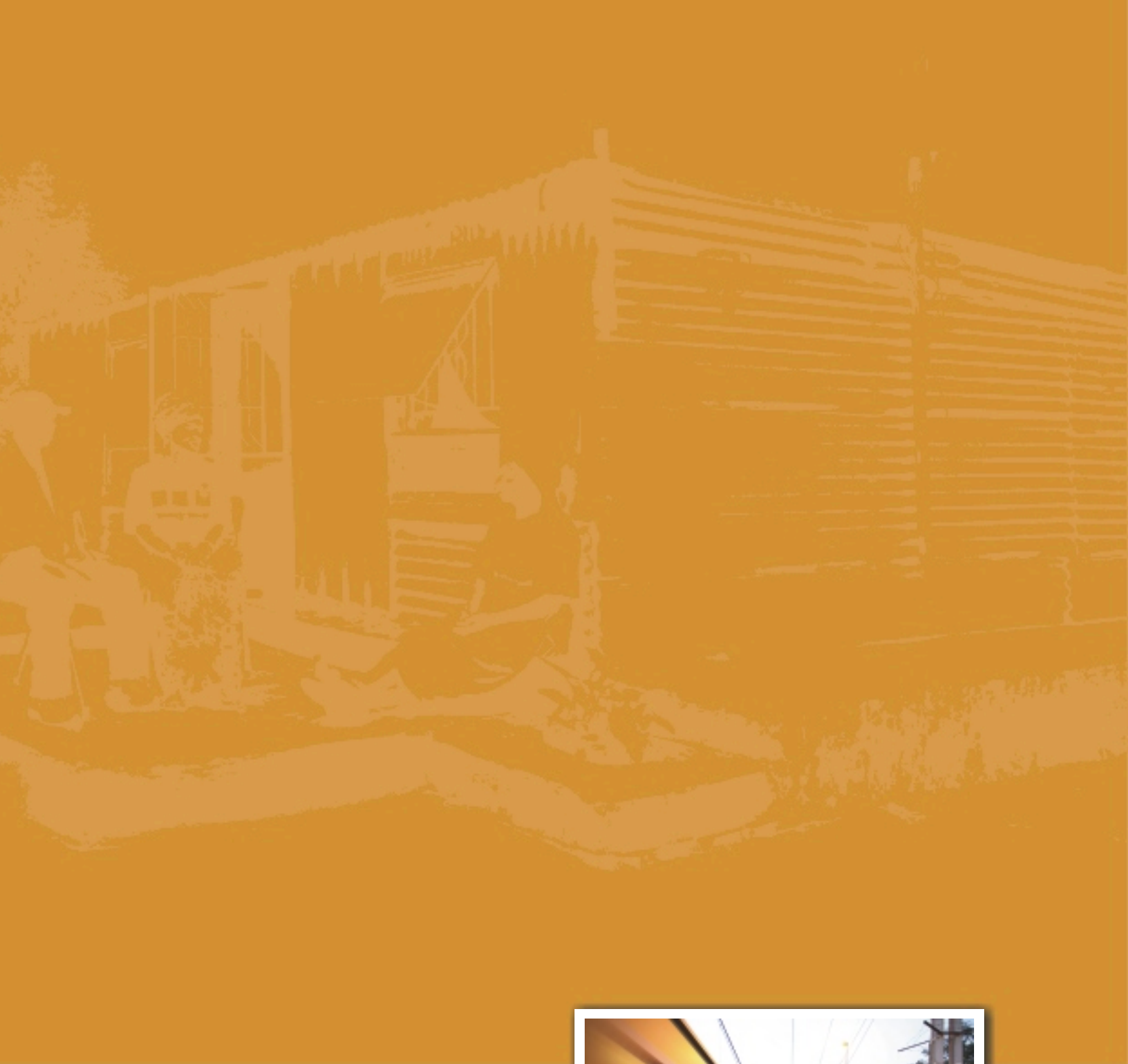
**Mr H Dolley**  
Project Manager:  
Relocation Project



**Mr N Du Plessis**  
Executive Manager:  
Internal Audit



**Mr A Fanoe**  
Executive Manager:  
Project Finance



## Section 2: Organisational performance



## Voted funds

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	Over/under expenditure
Vote 13	1 074 483 000	1 161 781 000	1 096 605 273	65 175 727

Responsible Minister: Mr TA Manuel  
 Administering Department: Statistics South Africa  
 Accounting Officer: Mr PJ Lehohla

## Aim of the Vote

The aim of Statistics South Africa is to collect, process, analyse, and disseminate high-quality official and other statistical data and information, and coordinate the national statistics system, in support of economic growth, socio-economic development, democracy and good governance.

## Purpose and measurable objective of each programme

### Programme 1: Administration

**Purpose:** Provide sound infrastructure and support that enable Stats SA to achieve its mandate.

**Measurable objective:** Provide strategic leadership, management and corporate support services to all activities to ensure optimal performance of the organisation.

### Programme 2: Economic Statistics

**Purpose:** Produce economic statistics to meet user requirements.

**Measurable objective:** Inform economic decision-making by providing accurate, relevant and timely economic statistical information through the application of internationally acclaimed practices.

### Programme 3: Population and Social Statistics

**Purpose:** Produce population and social statistics to meet user needs.

**Measurable objective:** Inform policy and planning processes by providing relevant and accurate population and social statistics using ethical and internally acclaimed methodologies.

### Programme 4: Quality and Integration

**Purpose:** Provide expertise on quality and methodology for official statistics, build the National Statistics System, compile national accounts and analyse statistical data.

**Measurable objective:** Provide integrated social, economic and demographic information according to acclaimed best practice, to improve the quality and usage of national statistics.



## Programme 5: Statistical Support and Informatics

**Purpose:** Promote and provide better access to official statistics by optimising the management of information in the production and use of official statistics.

**Measurable objective:** Improve service delivery and increase accessibility through supporting the entire statistical production cycle with best practice information management infrastructure.

## Overview of the service delivery environment for 2006/07

Key activities of Stats SA for 2006/07 included rolling out the direct price collection methodology for the CPI; conducting the Income and Expenditure Survey, the results of which will update the CPI basket and thereby produce a more appropriate measure of inflation; conducting the Community Survey which collected information from approximately 280 000 households and assisted in developing human resources and logistical capabilities for Census 2011; and conducting an Agricultural Survey jointly with the Department of Agriculture. Through rigorous quality checks and improved collaboration with relevant stakeholders, a marked improvement in the response rates of Industry and Trade Statistics was noted.

A project aimed at improving the results of labour statistics was initiated. A pilot survey was conducted and a core questionnaire was signed off. Field operations procedures were revised and data processing systems were redeveloped.

In an effort to improve the sampling frame from which economic surveys are conducted, a strategic review of the business register was undertaken. Recommendations from the review will be implemented during 2007/08. Stats SA in conjunction with SARS and DTI are currently investigating the possibility of a business registration system based on a single national register. Initiatives to improve the sampling frame from which household surveys are conducted are underway.

Managing and maintaining relations with Stats SA's stakeholders is vital to being the preferred supplier of quality statistics. To this end, 19 stakeholder workshops and 5 marketing and dissemination initiatives were conducted in the provinces. Visitor sessions on StatsOnline increased by 215%, and a total of 902 800 reports and statistical releases were downloaded from this website.

One of the problems that the Department faced was human resources in terms of skills shortages and numbers of staff. This had a negative impact on the research work that was planned to improve the quality of surveys. A head-hunting policy was approved and the development of a staff retention strategy is being investigated. Stats SA also manages a successful internship programme that is intended to address the skills shortage in the organisation, especially in the core areas of statistical production. Seventeen interns were trained during 2006/07 and thirty-three were recruited for 2007/08.

## Explanations/reasons for additions or virements between main and appropriated allocations

The Department's original budget for 2006/07 was R1 074,483 million – an increase of 45% from the allocation of R741, 357 million for the 2005/06 financial year. This increase is attributed to the additional funds provided for the data collection phase of the Community Survey conducted in February and March 2007; the Income and Expenditure Survey; data collection for the Consumer Price Index and the re-engineering of the Labour Force Survey.

Additional funds of R87,298 million were approved as rollovers from the 2005/06 financial year to the 2006/07 financial year. These funds were approved to pay for goods and services the Department had ordered but which could not be paid before the year end. No additional funding was provided. The final appropriation for the year is therefore R1 161,781 million.

Programmes	Voted for 2006/07 R'000	Rollovers and adjustments R'000	Virements R'000	Total voted R'000
1. Administration	152,744	687	5,827	159,258
2. Economic Statistics	172,090	3,598	-7,121	168,567
3. Population and Social Statistics	546,087	70,782	-5,137	611,732
4. Quality and Integration	47,379	5,827	-4,243	48,963
5. Statistical Support and Informatics	156,183	6,404	10,674	173,261
<b>Total</b>	<b>1,074,483</b>	<b>87,298</b>	<b>0</b>	<b>1,161,781</b>

Virements were instituted during the Adjustments Estimates process. Programme 1: Administration increased by R5,827 million while Programme 5: Statistical Support and Informatics increased by R10,674 million. Programme 2: Economic Statistics decreased by R7,121 million; Programme 3: Population and Social Statistics decreased by R5,137 million; and Programme 4: Quality and Integration decreased by R4,243 million. The net change related to these virements is zero.

The virements were made to ensure that areas of priority received additional funds. Programme 1 required funds for capacity building in Corporate Services. The additional surveys the Department had undertaken added extra pressures on the existing capacity within Corporate Services, which was not adequately funded. Funds were identified from savings in personnel expenditure in other programmes and these funds were subsequently shifted to Programme 1.

Programme 5 provides geographical support to household-based surveys. The programme provides updated geographical information such as physical addresses, types of building (e.g. dwelling unit, office block or place of business) and identifying rural and urban areas, for the surveys. The unit did not have adequate capacity to provide this information since there was an increase in the surveys undertaken by the Department. Thus additional funds were sourced from savings within the Department. These funds were removed from Programmes 2, 3 and 4 from savings due to vacancies, administration costs and computer software, and shifted to Programme 5.

## Report on rollovers from the previous financial year

The Department's approved rollovers amount to R87,298 million which represents 11,8% of the 2005/06 allocation of R741,357 million. The approved rollovers of R87,298 million from the 2005/06 financial year resulted in an adjusted budget of R1 161,781 million for the current financial year.

An amount of R79 million has been rolled over for the Community Survey. Included in this amount are amounts of R19,9 million for satellite imagery of the dwelling landscape of the country; R22 million for developing a database of all street addresses; R23 million for developing an integrated census survey and administration system (CSAS); R2,7 million for information technology infrastructure for the CSAS; and R11,4 million for the use of hired vehicles for conducting the Community Survey.

An amount of R4,598 million was rolled over for processing data from the Income and Expenditure Survey while R2,5 million was provided for determining the spread of economic activities, and R1,2 million was rolled over for information security.

## Overview of the organisational environment

Through a concerted recruitment effort, a new leadership was appointed. For the first time Stats SA has its full complement of DDGs.

From 1995 to date, the lack of coordination and integration of fieldwork operations has resulted in the inefficient and ineffective use of resources that leaves the organisation vulnerable. Measures have been taken to address this deficiency in the next MTEF process. In the interim, a major milestone was reached in November 2006 with the appointment of fieldworkers for the CPI. This was the first time in Stats SA's history that permanent fieldworkers were appointed for a survey. An integrated fieldwork strategy is in the process of being developed. The strategy aims to address issues of duplication of resources, different position names/descriptions and salary levels for individuals doing the same job, unclear reporting lines and roles that impede the organisation from directing resources where they are most needed to advance set strategic objectives and make a more meaningful contribution to improved service delivery.

## Departmental revenue, expenditure, and other specific topics

### Collection of departmental revenue

The Department obtains non-tax revenue from the sales of statistical products. Since these products are collected through taxpayers' money they are provided freely, except for printed products where cost recovery is limited to costs associated with printing. Up to 2001, revenue was generated from the sale of publications, but the quantity of publications sold decreased over the years. This is because the Department implemented strategies to access a wider market to disseminate its products. Currently, publications are disseminated electronically and downloaded free of charge, thus decreasing non-tax revenue received from the sale of goods and services produced by the Department.



	2003/04 actual R'000	2004/05 actual R'000	2005/06 actual R'000	2006/07 target R'000	2006/07 actual R'000	% deviation from target
<b>Tax revenue</b>						
None	-	-	-	-	-	-
<b>Non-tax revenue</b>						
Sale of goods and services	1,606	915	804	970	672	-31%
Sale of scrap waste	3	-	2	18	52	189%
Interest received	113	49	56	83	262	216%
<b>Sale of capital assets</b>						
Sale of capital assets	99	-	-	-	-	-
<b>Financial transactions</b>	<b>815</b>	<b>263</b>	<b>8,067</b>	<b>279</b>	<b>559</b>	<b>100%</b>
<b>Total</b>	<b>2,636</b>	<b>1,227</b>	<b>8,929</b>	<b>1,350</b>	<b>1,545</b>	<b>14%</b>

Actual non-tax revenue exceeded the target for the 2006/07 financial year. This is because the sale of scrap waste, interest received and revenue from financial transactions exceeded the targets. There was an increase in volumes of scrap and waste paper that had been sold. The Department's budget was increased, thus increasing cash in the bank account which resulted in increased revenue from interest received. There was an increase in the recovery of the previous financial year's expenditure and the recovery of contractual departmental debt, which resulted in the revenue from financial transactions exceeding the target.

## Departmental expenditure

The Department's actual spending for the financial year end amounted to R1 096,605 million which represents 94,4% of the total voted budget. Programme 1: Administration spent 99,1% of its allocation because funds were shifted to increase capacity in Corporate Services to provide effective support for the increased number of surveys undertaken.

Programme 2: Economic Statistics spent 99,5% of its allocation. The programme was under pressure to ensure that data for the Income and Expenditure Survey were delivered timeously. Vital information on employment statistics, consumer and producer prices, industry and trade statistics and financial statistics on the private sector and on national, provincial and local government is also produced by this programme. Thus the programme is keen to ensure that the allocated budget is spent in order to deliver on these targets. The underspending was negligible and did not have a major impact on service delivery. The savings on this programme were shifted to Programme 5 for geographical support provided to household-based surveys.

Programmes	Voted for 2006/07 R'000	Rollovers and adjustments R'000	Virements R'000	Total voted R'000	Actual expenditure R'000	Variance R'000
1. Administration	152,744	687	5,827	159,258	157,834	1,424
2. Economic Statistics	172,090	3,598	-7,121	168,567	167,663	904
3. Population and Social Statistics	546,087	70,782	-5,137	611,732	568,280	43,452
4. Quality and Integration	47,379	5,827	-4,243	48,963	40,794	8,169
5. Statistical Support and Informatics	156,183	6,404	10,674	173,261	162,034	11,227
<b>Total</b>	<b>1,074,483</b>	<b>87,298</b>	<b>0</b>	<b>1,161,781</b>	<b>1,096,605</b>	<b>65,176</b>

The final total budget for Programme 3: Population and Social Statistics comprised 52,7% of the Department's total budget, with funds for the Community Survey being the major contributing factor. Spending for this programme was 92,9% of the final allocated budget. The underspending resulted from commitments for hired vehicles for the Community Survey that were not paid before the financial year end. The data collection phase of the Community Survey was completed in March which had an impact on the service providers to submit documentation for processing payments before the year end. Commitments that were not paid were requested to be rolled over from the 2006/07 financial year to the 2007/08 financial year. The underspending did not impact on service delivery as the Community Survey was completed timeously.

Programme 4: Quality and Integration spent 83,3% of its allocation. There were savings on personnel expenditure as the Department could not find adequate numbers of suitably qualified staff for this unit. However, this level of spending did not affect service delivery negatively. The savings on this programme were shifted to Programme 1 where funds were required for increasing capacity in Corporate Services.

Programme 5: Statistical Support and Informatics spent 93,5% of its allocation. The savings were on consultancy fees for developing an End-to-End Statistical Data Management Facility (ESDMF) and procuring Global Positioning Satellite (GPS) devices. The underspending did not have a major impact on service delivery as the funds have been requested to be rolled over to the 2007/08 financial year.

### **Transfer payments**

A transfer payment of R50 000 was made to the South African Statistical Association for a conference that was held at the University of Stellenbosch in November 2006. The aim of the conference was to facilitate the advancement of statistical knowledge.

Other transfers include funds paid to municipalities for the Regional Service Council levies and funds transferred to household members who were injured because of car accidents involving Stats SA employees.

### **Capital investment, maintenance and asset management plan**

No capital and infrastructure projects were undertaken for the period under review, thus there are no associated maintenance costs. Maintenance costs for partitioning for new offices, refurbishments and the general upkeep of the building environment were incurred for the current leased buildings.

### **Asset Management Plan**

The Department does not have any fixed immovable assets – only fixed movable assets. Movable assets include computer equipment, office furniture and office equipment. For the period under review, the Department acquired capital assets to the value of R37,860 million while assets to the value of R80 138 were disposed.

The Department enhanced capacity in the Asset Management Unit and an asset register is maintained on the Baud Asset Management System. Procedures were developed to ensure that the register is updated continuously and reconciliations are performed on a monthly basis.





### Section 3: Programme performance



## 3.1 Introduction

To achieve the vision and mission of the organisation, Stats SA has identified five strategic themes to guide the organisation over the next five years. Stats SA has aligned its activities and projects to the strategic themes to achieve the objectives of the organisation. The strategic themes underpin the key areas that the organisation should excel at, in order to become the 'preferred supplier of quality statistics'. These are:

- a) Providing relevant statistical information to meet user needs;
- b) Enhancing the quality of products and services;
- c) Developing and promoting statistical coordination and partnerships;
- d) Building human capacity; and
- e) Governance and accountability.

## 3.2 Implementing the work programme

### 3.2.1 Providing relevant statistical information to meet user needs

The core of Stats SA's strategy is the provision of relevant, reliable and high-quality statistical information on the economy and society that impacts on the planning and decision-making processes of users.

Stats SA's key priority is to improve measurements in the following areas:

- **Economic growth** – Improving the measurement of the GDP;
- **Price stability** – Improving the measurement of price changes;
- **Employment and job creation** – Re-engineering the Labour Force Survey;
- **Life circumstances and service delivery** – Conducting a Community Survey and measuring poverty; and
- **Demographic profile and population dynamics** – Conducting Population Census 2011 and producing mid-year population estimates.

These activities are executed through the Economic Statistics and Population and Social Statistics clusters. The following was achieved in this area:

### (a) Economic growth

Stats SA has taken careful note of the growth and development challenges facing South Africa. Accelerating growth and improving economic performance is one of the key challenges facing the nation.

The following initiatives were undertaken to improve the measurement of economic growth:

**Agriculture:** The agricultural sector is one of the key contributors to measuring economic growth in the country. Stats SA conducts both an annual Survey of Large Scale Agriculture as well as a Census of Commercial Agriculture. The preliminary results of the 2005 Large Scale Agricultural Survey were published in October 2006. The 2006 Agricultural Survey was conducted in August 2006 and the results will be published in September 2007.

During 2007, Stats SA will conduct a comprehensive Commercial Agricultural Census from no less than 60 000 farming units in the formal agricultural business sector. The information generated will, among others, lay a basis for evaluation of the current status of production, labour, farming, expenditure, and farming debt. In addition, it will give an indication of the development needs relating to infrastructure and resource capacity. The survey will be launched in July 2007.

**Construction:** The construction industry experienced rapid growth between 2004 and early 2007 and further growth is expected in line with infrastructure development and preparations for the 2010 Soccer World Cup. Currently, the Quarterly Financial Statistics (QFS) and the Economic Activity Survey (EAS) measure the construction industry on a quarterly and annual basis respectively. However, in order to measure and monitor short-term movements in this industry, the viability of a construction survey is currently being investigated. A research project was launched in the 2006/07 financial year and a report on the findings will be presented in the third quarter of the 2007/08 financial year.

**Transport:** The new transport survey is intended to replace the previous Land Freight Transport Survey that was suspended as a result of inadequate coverage. The new survey will provide monthly indicators for input into the GDP. Research was undertaken on how transport surveys are conducted internationally, and a report on the viability of the survey was compiled. Samples were drawn from the different subsectors. The questionnaire has been developed and will be presented to the transport advisory committee in 2007. The proposed new survey will be conducted in the third quarter of the 2007/08 financial year.

**Communication:** The contribution of the communication industry is estimated to have grown from 3% of GDP in 1997 to 4% of GDP in 2005. However, the rapid changes and growth in this industry have brought about the need for a short-term indicator to allow changes to be identified early. The proposed survey on the communication industry will enable Stats SA to produce more up-to-date and accurate data. Due to human resource constraints, research was not concluded, and a report with recommendations was not compiled as scheduled. A full research project will be undertaken in the 2007/08 financial year.

**Business services:** The proposed new business services survey will cover the real estate and business services sector of the economy, which accounts for approximately 12% of GDP. Information on the sector is available from the Quarterly Financial Statistics, but the proposed survey would provide a more detailed breakdown. Research on business services commenced during 2005/06 but was not concluded as planned in 2006/07 due to human resource constraints. The research is scheduled for finalisation in 2007/08.

**Financial Information:** Stats SA is in the process of implementing the 2001 Government Financial Statistics (GFS) framework in line with International Monetary Fund guidelines. This will be rolled out over the next three years. These new developments are intended to improve and promote the financial accountability and financial transparency of government.

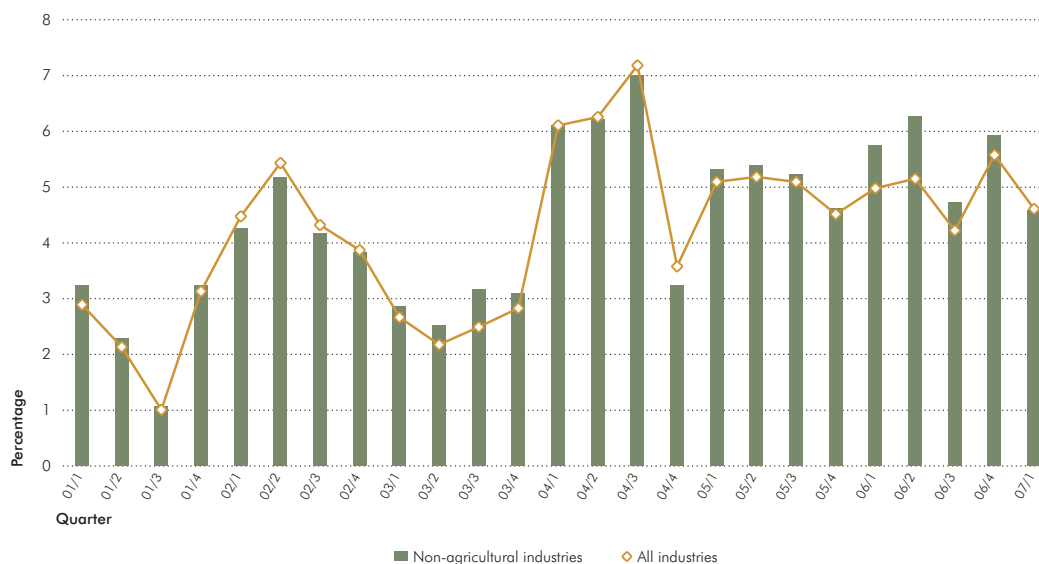
National government and provincial governments use a cash basis of accounting while universities and universities of technology, extra-budgetary accounts and funds, and local government use an accrual basis of accounting. Stats SA presented general government statistics on a uniform basis of accounting for the 2004/05 fiscal year in accordance with the 2001 GFS manual.

Extra-budgetary accounts and funds, universities and universities of technology and local government financial statistics were converted to a cash basis of accounting. This information was then consolidated with national and provincial government classified financial statistics to publish a Statement of Sources and Uses of Cash table for the general government sector for the 2004/05 fiscal year.

The Statement of Sources and Uses of Cash for the general government sector for 2004/05 are not directly comparable with the information published for 2003/04. The main reasons are that the 2003/04 information used was a mixture of accrual and cash data. The economic and functional classification methodology has changed from the 1986 GFS manual to the 2001 GFS manual. Additional information not previously published was incorporated in the 2004/05 fiscal year publications.

Stats SA collaborated closely with the South African Reserve Bank (SARB) and National Treasury to ensure the financial statistics of general government could be published in the 2001 GFS format.

### Annualised percentage changes in the seasonally adjusted quarterly gross domestic product by industry



The following table outlines the achievements against set targets for measuring economic growth:

Output	Indicator	Target	Actual output
<b>Information about the level of economic activity</b>	<b>Frequency and number of sectors reported on</b>	<b>Quarterly, periodic and annual information on the performance of economic sectors</b>	<b>Published quarterly, periodic and annual information on the performance of economic sectors</b>
GDP and GDPR estimates		Publish quarterly statistical release	The GDP figures for all quarters were released as scheduled, reporting on 10 sectors in the economy
		Publish annual statistical release by November 2006	The annual GDP estimates were released as scheduled, reporting on 34 sectors in the economy
		Publish annual statistical release by November 2006	The annual GDPR estimates were released as scheduled, reporting on 10 sectors in the economy
<b>Statistical information on the primary, secondary, tertiary and transport sectors of the economy</b>	<b>Number of economic sectors reported on</b>	<b>Seven economic sectors</b>	<b>Reported on seven sectors of the economy as outlined below</b>
<i>Agriculture, hunting, forestry, and fishing</i>			
Large Sample Survey (LSS) on Agriculture	Frequency and accuracy of statistical releases	Conduct LSS on Agriculture by June 2006	The survey was conducted as scheduled with a response rate of 70%. The results of the survey were released in October 2006
<i>Mining and quarrying</i>			
Mining: Production and sales	Frequency and accuracy of statistical releases	Monthly release on Mining: Production and sales	Published 12 statistical releases as scheduled
		Conduct research on collecting information directly from mines	Owing to resource constraints, it was decided that the data received from the DME would be reviewed to ensure quality
<i>Manufacturing</i>			
Manufacturing: Production and sales	Frequency and accuracy of statistical releases	Monthly release on Manufacturing: Production and sales with a response rate of 80%, 6 weeks after reference month	Published 12 statistical releases as scheduled with an average response rate of 89%



Output	Indicator	Target	Actual output
<b>Statistical information on the primary, secondary, tertiary and transport sectors of the economy</b>	<b>Number of economic sectors reported on</b>	<b>Seven economic sectors</b>	<b>Reported on seven sectors of the economy as outlined below</b>
<i>Manufacturing</i>			
Manufacturing: Utilisation of production capacity by large enterprises	Frequency and accuracy of statistical releases	Quarterly release on Manufacturing: Utilisation of production capacity by large enterprises with a response rate of 80%, 12 weeks after reference month	Published 4 statistical releases as scheduled with an average response rate of 90%
Statistical release on the Large Sample Survey (LSS) on manufacturing	Frequency and accuracy of statistical releases	Compile 1 statistical release by September 2006	Published 1 statistical release in October 2006 with a response rate of 82%
Two reports on the LLS on Manufacturing: Products	Frequency and accuracy of report	Compile 2 reports on the LLS on Manufacturing: Products by March 2007	The reports were not compiled as scheduled due to resource constraints. One report on Manufacturing: Products and one report on detailed financial information will be compiled in 2007/08
<i>Electricity, gas and water supply</i>			
Generation and consumption of electricity	Frequency and accuracy of statistical releases	Monthly release on Generation and consumption of electricity with a response rate of 80%, 5 weeks after the reference month	Published 12 statistical releases as scheduled with an average response rate of 99%
LSS on electricity, gas and water supply (periodic survey)	Frequency and accuracy of statistical releases	Conduct LSS on electricity, gas and water supply by July 2006	The survey was conducted as scheduled
<i>Construction</i>			
Building plans passed and completed	Frequency and accuracy of statistical releases	Monthly release on building plans passed and completed with a response rate of 80%, 7 weeks after reference month	Published 12 statistical releases as scheduled with an average response rate of 97%
Selected building plans passed and completed – annual release	Frequency and accuracy of statistical releases	Annual release on selected building plans passed and completed, including municipal information, with a response rate of 80%	Published 1 statistical release as scheduled with a response rate of 100%

Output	Indicator	Target	Actual output
<i>Statistical information on the primary, secondary, tertiary and transport sectors of the economy</i>	<i>Number of economic sectors reported on</i>	<i>Seven economic sectors</i>	<i>Reported on seven sectors of the economy as outlined below</i>
<i>Construction</i>			
Annual report on buildings completed	Frequency and accuracy of statistical releases	Annual report on buildings completed by March 2007  Research, design and develop new survey on construction by February 2007	Published the report in May 2007 with a response rate of 95%  The research was not conducted as scheduled due to resource constraints. It will be conducted in 2007/08
<i>Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants</i>			
Retail trade sales	Frequency and accuracy of statistical releases	Monthly release on retail trade sales with a response rate of 80%, 10 weeks after reference month	Published 12 statistical releases as scheduled with an average response rate of 89%
Motor trade sales	Frequency and accuracy of statistical releases	Monthly release on motor trade sales with a response rate of 80%, 10 weeks after reference month	Published 12 statistical releases as scheduled with an average response rate of 88%
LSS on motor trade sales (periodic survey)		Conduct LSS on motor trade sales	The survey was conducted as scheduled
Wholesale trade sales	Frequency and accuracy of statistical releases	Monthly release on wholesale trade sales with a response rate of 80%, 10 weeks after reference month	Published 12 statistical releases as scheduled with an average response rate of 92%
Food and beverages (restaurants, bars and canteens)	Frequency and accuracy of statistical releases	Quarterly release on food and beverages with a response rate of 80%, 8 weeks after reference month	Published 4 statistical releases as scheduled with an average response rate of 84%
Tourist accommodation	Frequency and accuracy of statistical releases	Quarterly release on short-stay accommodation with a response rate of 80%, 8 weeks after reference month	Published 4 statistical releases as scheduled with an average response rate of 83%
Two statistical releases on the LSS on wholesale and retail trade sales (periodic survey)	Frequency and accuracy of statistical releases	Two statistical releases on the LSS on wholesale and retail trade sales by September 2006  Conduct research on the feasibility of introducing merchandise items in the retail trade survey	Published 2 statistical releases in October 2006 with a response rate of 90%  The research has commenced and will be finalised in 2007/08

Output	Indicator	Target	Actual output
<b>Statistical information on the primary, secondary, tertiary and transport sectors of the economy</b>	<b>Number of economic sectors reported on</b>	<b>Seven economic sectors</b>	<b>Reported on seven sectors of the economy as outlined below</b>
<i>Transport, storage and communication</i>			
Tourism and migration	Frequency, accuracy and timeliness of releases/reports	Monthly release on tourism and migration statistical releases  Tourism Survey conducted by October 2006	Published 12 statistical releases as scheduled and 4 statistical releases from 2005/06  Tables from the GHS 2005 informed the questionnaire development for the pilot survey. Presentations on the survey were made to relevant stakeholders. The survey was not conducted as scheduled <sup>1</sup>
LSS on transport		Conduct LSS on transport by July 2006	The survey was conducted as scheduled
LSS on post and telecommunication		Conduct LSS on post and telecommunication	The survey was conducted as scheduled
Survey on transport sector		Develop, design and implement new monthly survey on the transport sector	The research was finalised. The survey was not conducted as scheduled due to resource constraints. It will be conducted in 2007/08
Survey on post and telecommunication		Research, design and develop new monthly survey on post and telecommunication	The survey was not conducted as scheduled due to resource constraints. It will be conducted in 2007/08
<i>Financial intermediation, insurance, real estate and business services</i>			
Liquidations and insolvencies	Frequency and accuracy of statistical releases	Monthly release on liquidations and insolvencies, 8 weeks after reference month	Published 12 statistical releases as scheduled
Civil cases for debt	Frequency and accuracy of statistical releases	Monthly release on civil cases for debt with a response rate of 80%, 7 weeks after reference month	Published 12 statistical releases as scheduled with an average response rate of 89%
LSS on business services (periodic survey)	Frequency and accuracy of statistical releases	Conduct LSS on business services by July 2006  Research, design and develop new survey on monthly business services	The survey was conducted as scheduled  The research was not conducted as scheduled due to resource constraints. It will be conducted in 2007/08

<sup>1</sup> Concepts and definitions for the survey are in the process of being finalised. The survey will be conducted in August 2008.

Output	Indicator	Target	Actual output
<i>Financial information on mining, manufacturing, trade, electricity, construction, transport, services and government</i>	<i>Number of economic sectors reported on</i>	<i>Eight economic sectors</i>	<i>Reported on eight sectors of the economy</i>
<i>Private sector statistics</i>			
Economic Activity Survey (EAS) 2005	Frequency and accuracy of statistical releases	Annual release on Economic Activity Survey with a response rate of 80% by September 2006	Published annual statistical release as scheduled with an average response rate of 84%
Financial statistics of the private sector	Frequency and accuracy of statistical releases	<p>Publish quarterly financial statistical releases with a response rate of 80% with a quarterly lag</p> <p>Implement increased sample size of EAS to improve coverage</p>	<p>Published 4 statistical releases as scheduled with an average response rate of 80%</p> <p>The coverage of the sample was increased to include forestry and fishing</p>
<i>Government statistics</i>			
Regional council levies – metro and district municipalities	Frequency and accuracy of statistical releases	Quarterly release on regional council levies – metro and district municipalities, with a 100% response rate with a quarterly lag	Published 2 statistical releases as scheduled with an average response rate of 100% <sup>2</sup>
Financial statistics on municipalities	Frequency and accuracy of statistical releases	Quarterly financial statistics of municipalities with a response rate of 80% with a quarterly lag	Published 4 discussion documents as scheduled with an average response rate of 81%
Financial census of municipalities for 2005	Frequency and accuracy of statistical releases	Annual release on the financial census of municipalities for 2005 with a response rate of 95% by July 2006	Published an annual statistical release as scheduled with an average response rate of 97%
Capital expenditure of the public sector for 2005	Frequency and timeliness of statistical releases	Annual release of the capital expenditure of the public sector for 2005 with a response rate of 95% by July 2006	Published an annual statistical release as scheduled with an average response rate of 98%
Extra-budgetary accounts and funds expenditure 2004/2005	Frequency and timeliness of statistical releases	Annual release on the financial statistics of extra-budgetary accounts and funds for 2004/2005 with audited data by August 2006	Published an annual statistical release as scheduled with an average response rate of 100%

<sup>2</sup> The publication was discontinued after the 2<sup>nd</sup> quarter, as RSC levies were abolished with effect from 1 July 2006.

Output	Indicator	Target	Actual output
<i>Financial information on mining, manufacturing, trade, electricity, construction, transport, services and government</i>	<i>Number of economic sectors reported on</i>	<i>Eight economic sectors</i>	<i>Reported on eight sectors of the economy</i>
<i>Government statistics</i>			
Financial statistics of provincial government expenditure 2004/2005	Frequency and timeliness of statistical releases	Annual release on the financial statistics of provincial government expenditure for 2004/05 with audited data by September 2006	Published an annual statistical release as scheduled with a response rate of 100%
Financial statistics of national government expenditure 2004/2005	Frequency and timeliness of statistical releases	Annual release on the financial statistics of national government expenditure with audited data for 2004/05 by June 2006	Published an annual statistical release as scheduled with a response rate of 100%
Universities and universities of technology for 2005	Frequency and timeliness of statistical releases	Annual release on the financial statistics of universities and universities of technology for 2005 with audited data by September 2006	Published an annual statistical release as scheduled with a response rate of 83%
Consolidated government expenditure 2005	Frequency and timeliness of statistical releases	Annual release on the financial statistics of consolidated government expenditure for 2005 by November 2006	Published an annual statistical release as scheduled with a response rate of 100%
Social Accounting Matrix (SAM)	Number of reports produced	Publish the Social Accounting Matrix (SAM) for 2002 by September 2006	Published the SAM for the 2002 reference year as scheduled
	Number of reports produced	Discussion document on Labour accounts by February 2007	A discussion document was compiled as scheduled and sent to the SAM advisory group for their comments and information. The findings of this document will serve as input into the planning of the compilation of the next SAM
	Number of reports produced	Position paper – linking System of National Accounts (SNA) 1968 with SNA 1993 by October 2006	A position paper was compiled as scheduled and sent to the SAM advisory group for discussion

Output	Indicator	Target	Actual output
<i>Financial information on mining, manufacturing, trade, electricity, construction, transport, services and government</i>	<i>Number of economic sectors reported on</i>	<i>Eight economic sectors</i>	<i>Reported on eight sectors of the economy</i>
<i>Government statistics</i>			
Tourism Satellite Accounts (TSA)	Number of reports produced	Discussion document on the status of the TSA in South Africa by March 2007  Position paper linking government strategies and the TSA by October 2006  Discussion document on country examples in the compilation of TSAs by February 2007	A discussion document on the requirements of basic statistics for a TSA was compiled as scheduled  A position paper was compiled as scheduled  A discussion document was compiled as scheduled
Natural Resource Accounts (NRA)	Number of reports produced	Position paper on the application and policy uses for NRA by November 2006	A draft position paper was compiled
	Number of reports produced	Discussion document on water accounts by November 2006	A discussion document was compiled as scheduled
	Number of reports produced	Updated discussion document on energy accounts by February 2007	This was not achieved due to human resource constraints
	Number of reports produced	Discussion document on biodiversity accounts by March 2007	This was not achieved due to human resource constraints
Supply and Use tables	Number of reports produced	Two sets of Supply and Use tables by November 2006 and February 2007	Two sets of Supply and Use tables were compiled as scheduled
Research activities – improving national accounts	Number of reports produced	Research paper on the implementation of linking annual Supply and Use tables to annual GDP estimates by June 2006	A research paper was compiled as scheduled

## b) Price stability

Price stability is the primary objective of South Africa's monetary policy. Inflation targeting, for which CPIX is the principal measure, is the foremost tool in achieving price stability. Inflation targeting anchors the public's perceptions of inflation, assists economic planning, influences wage determinations, and reduces the negative effects of inflation.

### *Key initiatives and developments to improve the measurement of price stability*

The Consumer Price Index (CPI) and Producer Price Index (PPI) are the key economic indicators informing price stability. Stats SA has introduced new collection methodologies both for the CPI and for the Income and Expenditure Survey (IES).

**Consumer Price Index:** The CPI indicates the variation over time in household expenditure aggregates that can be attributed to price movements. The expenditure aggregate comprises expenditure on goods and services that households acquire, pay for, or use for purposes of consumption. The CPIX, which is the CPI excluding mortgage payment, is the indicator of inflation used by the South African Reserve Bank and government to measure inflation targets. It is used for analysing the economy as a whole and to adjust the prices of many long-term contracts.

In 2004 Stats SA initiated a pilot project to change the collection method for the CPI. Historically, price data for the CPI were collected by means of posting questionnaires to retail stores and the head offices of retail chains. A review of the CPI in 2003 showed that this method was not in line with international practice. The review recommended that Stats SA should start collecting price data by directly observing prices in retail outlets. The roll-out of the new collection method was completed in 2006/07. The June 2006 CPI release published in July 2006 was based on the direct price collection process for 'other urban areas' for the first time. This milestone marked the culmination of the CPI development project and the end of postal collection. A comprehensive plan to reweight the CPI has been developed.

Other initiatives undertaken to ensure improved value for users include the establishment of a user advisory committee, the consolidation of the 'CPI Headline' and 'CPI Rural areas and total country' into one release, and the launch of 'CPI at a glance' which consists of five pages.

The next significant improvement in the CPI will be the reweighting of the basket on the basis of the 2005/06 Income and Expenditure Survey. The reweighting exercise will provide an opportunity for drawing a new sample of outlets and aligning the reporting areas with the most recent political and economic geography. Research on the reweighting will commence in June 2007 and the reweighted CPI will be published from January 2009.

**Income and Expenditure Survey (IES):** Stats SA has conducted an Income and Expenditure Survey on the spending patterns of South African households from September 2005 to August 2006. The main purpose of the survey was to update the basket of goods and services for the Consumer Price Index (CPI), which is the main economic indicator of inflation. In addition, the survey would provide an independent source of information for estimating and improving the data on private final consumption expenditure for national accounts.

Data processing was finalised in November 2006. The analysis of the dataset for the CPI was finalised and handed to the CPI team in March 2007. Further analysis of IES datasets has commenced.

## Annual percentage change in the Consumer Price Index



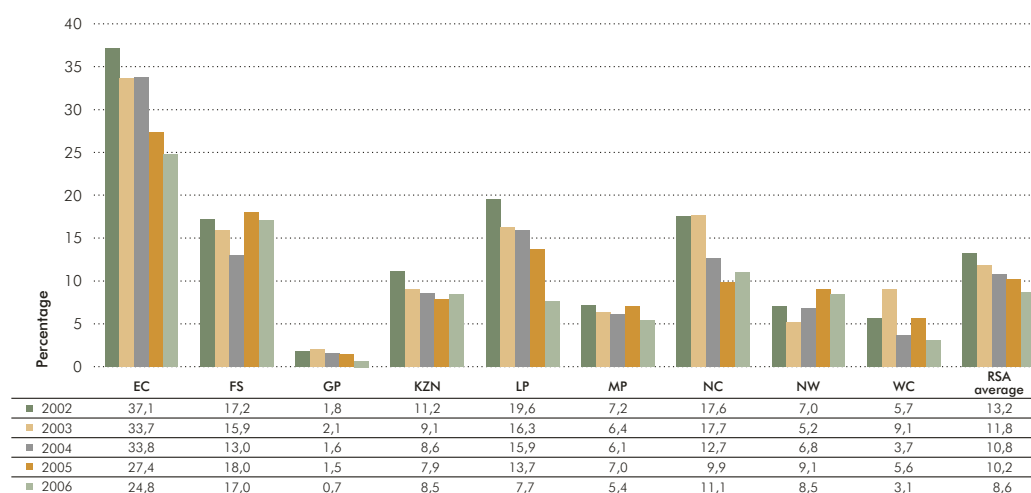
The following table outlines the achievements against set targets for measuring price stability:

Output	Indicator	Target	Actual output
<b>Statistical information on price changes</b>	<b>Number of commodities' price movements collected</b>	<b>1 500 consumer products</b>	<b>Covered 1 120 consumer products</b>
Consumer Price Index (CPI) (direct collection)	CPI collection methodology in line with international best practice	100% roll-out of the CPI direct price collection methodology	The roll-out of the CPI direct price collection methodology was completed as planned
Consumer Price Index (CPI)	Frequency and accuracy of statistical releases	Monthly CPI releases covering approximately 1 500 consumer products with a response rate of 100%, normally on the last Wednesday of every month	Published 12 statistical releases as scheduled with an average response rate of 100% covering 1 120 consumer products
		Methodology developed to reweight CPI	A comprehensive plan to reweight the CPI has been developed



Output	Indicator	Target	Actual output
<b>Statistical information on price changes</b>	<b>Number of commodities' price movements collected</b>	<b>1 700 producer products</b>	<b>Covered 1 700 producer products</b>
Producer Price Index (PPI)	Frequency and accuracy of statistical releases	Monthly PPI release covering approximately 1 700 producer products with a response rate of 90%, 4 weeks after the reference month	Published 12 statistical releases as scheduled with an average response rate of 100% reporting on 1 700 products
		Re-engineer PPI: Review and project proposal completed by October 2006	Product representivity and data collection for PPI reweighting have commenced
Income and Expenditure Survey (IES)	Frequency and accuracy of statistical releases	Conduct Income and Expenditure Survey by September 2006	Data collection for the IES was finalised in September as scheduled with a response rate of 95%. Data processing was finalised in November 2006. Analysis of IES datasets has commenced

### Percentage of households using a bucket toilet, or which have no toilet facility



On average, the percentage of households that relied on bucket toilets or had no toilet facility has declined over the period 2002 to 2006 – from 13,2% in 2002 to 10,8% in 2004 and to 8,6% in 2006.

### c) Employment and job creation

The main focus of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) is on job creation, which is important both to help address unemployment and to increase household income. Stats SA is therefore required to provide accurate and reliable statistical information on labour market trends.

#### *Key initiatives and developments to improve the measurement of employment and job creation*

Stats SA needs to measure the dynamics of South Africa's labour market more accurately in order to provide a suite of indicators which both promote international comparison and serve to highlight national dynamics. The Labour Force Survey is used as the primary instrument to measure unemployment in South Africa. Stats SA has received funding over the medium term to re-engineer the Labour Force Survey.

**Re-engineering the Labour Force Survey:** In March 2005, consultants from the International Monetary Fund (IMF) reviewed and evaluated all aspects of the current biannual Labour Force Survey, from conceptualisation to dissemination of the results. Recommendations were made with regard to addressing weaknesses in conceptual clarity, questionnaire design, sample design, estimation procedures, administration of the questionnaire, and publication of the results in terms of frequency, timeliness and content of the statistical release. The main recommendation was that the LFS should be conducted quarterly and that the results should be made available four weeks after the last day of data collection. Stats SA sought international assistance to take the recommendations of the report forward. Significant progress to date includes the signing-off of the core questionnaire, the conducting of a pilot survey, and the revision of field operations procedures and data processing systems. Research was conducted on the piloting of electronic data collection and electronic master sample listings. The georeferencing of dwellings was tested.

The following table outlines the achievements against set targets for measuring employment and job creation:

Output	Indicator	Target	Actual output
<b>Statistical information on employment and earnings</b>	<b>Number of industries on which labour market trends are reported</b>	<b>Eight industries</b>	<b>Reported on eight sectors of the economy</b>
Employment and earnings	Frequency and accuracy of statistical releases	Quarterly release on employment and earnings in the formal sector with a response rate of 85% with a quarterly lag	Published 1 statistical release as scheduled with a response rate of 82%
Average monthly earnings	Frequency and accuracy of statistical releases	Quarterly release on average monthly earnings	Published 1 statistical release as scheduled with a response rate of 82%
	Frequency and accuracy of statistical releases	Quarterly release on average monthly earnings	Published 3 employment and earnings and average monthly earnings releases as scheduled with a response rate of 84% <sup>3</sup>
Statistical information on the labour market (Labour Force Survey)	Number of releases and reports produced	Publish biannual statistical releases (September 2006 and March 2007)	Published 2 statistical releases (LFS 13 in September 2006 with a response rate of 93%, and LFS 14 in March 2007 with a response rate of 95%)
Labour Force Survey re-engineering	Number of reports produced	One report on pilot survey	The pilot survey was conducted in April 2006. A report on the pilot survey was compiled in May 2006
		One report on questionnaire design	The core questionnaire was signed off in November 2006. A report on the questionnaire design was compiled in November 2006
		Review of processes and systems	The field operations procedure was revised and tested as scheduled. Data processing systems were reviewed and redeveloped. Research was conducted on the piloting of electronic data collection and electronic master sample listings. The georeferencing of dwellings was tested

<sup>3</sup> The releases were combined in the 2<sup>nd</sup> quarter.

#### d) Life circumstances and service delivery

Severe social and development challenges remain to be addressed. Investment in people needs to be accelerated, health and social development services improved, crime prevention reinforced and job creation and community development bolstered. Increased allocations to the provincial equitable share take into account the need for quality improvements in social services as well as broadening access. Strong emphasis is placed on strengthening local government's ability to deliver basic municipal services.

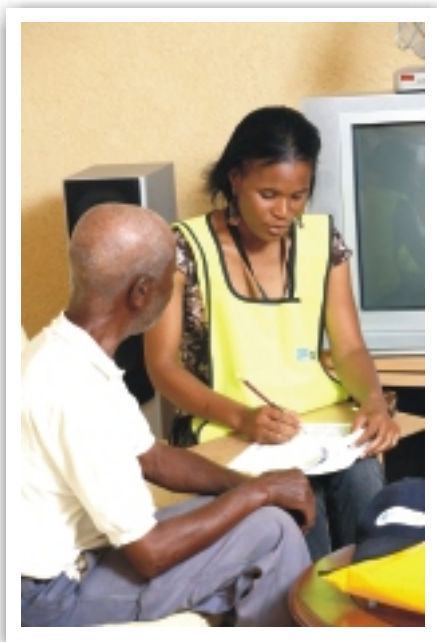
#### *Key initiatives and developments to improve the measurement of life circumstances and service delivery*

**Community Survey:** Statistics SA has undertaken two population censuses since the first democratic elections in 1994 in accordance with the Statistics Act (Act No. 6 of 1999). This momentous endeavour has generated diverse demographic and socio-economic information, which has enhanced policy and decision-making as well as insights into the performance of government policies and programmes. The provision of information derived from conducting these censuses has also engendered high expectations from data users regarding the availability of statistics at a high geographical resolution. However, the magnitude of carrying out censuses previously weighed heavily on the capacity of the organisation to deliver on other core areas, as most of the professionals were being drawn to assist during the census peak time. Key lessons from census 1996 and 2001 had also pointed at lack of proper planning and lack of time to implement key activities as major blocks towards a successful census. In terms of planning, it requires at least five years' lead time to plan for a proper census. Taking the above issues into consideration, Cabinet took a decision to conduct a census every ten years with a large scale household survey being undertaken in 2006. Due to the intense planning process involved, the survey was conducted in 2007.

The key objectives of the Community Survey were to provide data at lower geographical levels than existing household-based surveys and to build human, management and logistical capabilities for Census 2011. The survey was designed to provide information on socio-economic and demographic trends, including access to facilities and services and employment and unemployment levels. The data will have important implications for measuring policy implementation, budget allocations, population projections and the generation of indicators for the millennium development goals.

A pilot survey was conducted in February 2006. The main purpose of the pilot was to test all developed systems, procedures, methodologies and strategies, and to determine the design of the questionnaire.

The overall process of design and development of the questionnaire commenced with a series of user consultation and stakeholder workshops aimed at better understanding the type of information stakeholders required, and to consider proposed data items to be included in future household surveys. Apart from user consultations, intense consultations were held with the Statistics Council.

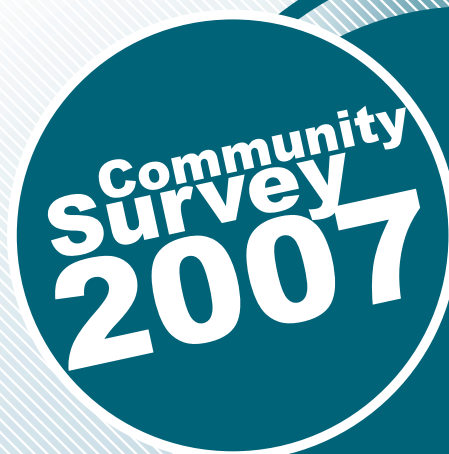


Data collection for the Community Survey was conducted during February 2007 with a sample of approximately 280 000 households.

Some of the key challenges Stats SA faced during the survey included the shortage of skills in terms of technical expertise and experienced fieldworkers, access to high-walled areas during the publicity and data collection phases, ongoing changes in informal settlements, farming communities that considered publicity officers intruders to their private property and logistics in terms of vehicle hire and recruitment.

Processing of data commenced in March 2007 and the results are expected to be released in October 2007. The expected products of the survey will be rolled out in two phases. The first phase would be the key results pamphlet, the primary tables for nine provinces, key municipal data findings and a brief methodology of the survey. The second phase would include interactive internet products, a community profile database, a thematic reports atlas and unit records on CD.

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**Poverty survey:** In keeping with practice in many other countries, the use of an official poverty line has been proposed for South Africa to assist in measuring the extent of household poverty and monitoring progress in poverty reduction. Government proposes to pilot a poverty line for an initial period to allow for public comments and consultations before its design is finalised. Stats SA plans to pilot the series before the end of 2007. In summary, the proposal is:

- A poverty line based on minimum food needs for daily energy requirements, plus essential non-food items; and
- Two additional thresholds below and above the poverty line as indicators of extreme poverty and of a broader level of household income adequacy.

The following table outlines the achievements against set targets for measuring life circumstances and service delivery:

Output	Indicator	Target	Actual output
<b>Statistical information on living conditions in South Africa</b>	<b>Number of releases and reports produced</b>		
General Household Survey (GHS)	Number of releases and reports produced	Publish annual statistical release (May 2006)	Published the annual statistical release in May 2006, with a response rate of 91%
Community Survey	Number of releases and reports produced	Conduct pilot survey in February 2006	The pilot Community Survey was conducted in February 2006
		Conduct Community Survey in February 2007	The Community Survey was conducted in February 2007
Poverty survey	Number of releases and reports produced	Report on research and stakeholder consultations	A draft gap analysis and development indicators were compiled. Planning for the pilot and main surveys has commenced
		Methodology and instruments developed and tested based on concepts defined	Collaborated with National Treasury on the poverty line
		Discussion paper on poverty based on time series of LFS and GHS	
Non-financial census data of municipalities for 2005	Number of releases and reports produced	Annual release on non-financial census data of municipalities for 2005 with a response rate of 95% by November 2006	Published an annual statistical release as scheduled with a response rate of 100%

### e) Demographic profile and population dynamics

The demographic profile and population dynamics of a country are used for a variety of purposes across national priorities and programmes, including resource allocation; to monitor social and demographical changes; to underpin policy development and monitoring; to support the statistical infrastructure for the country; and to aid investment decisions. The changing patterns of migration, increasing mortality and declining fertility are key questions.

*Key initiatives and developments to provide information on the demographic profile and population dynamics of South Africa*

**Population Census 2011:** Population and housing censuses are the most extensive statistical collections that a statistical office can undertake. Any gap in the planning can lead to costly inefficiencies in operations and compromise the validity of the results. Hence all measures are taken to ensure the achievement of maximum effectiveness when conducting the various operations.

The planning for Census 2011 has been ongoing. The strategic plan has been finalised. The plan has taken cognisance of the lessons learnt during the last two censuses and international best practice, particularly United Nations Recommendations for Population and Housing Censuses, and experiences from other countries. An integrated schedule of activities covering the period 2006 to 2015 has been prepared. This schedule of activities will inform the preparation of annual operational plans and budgets.

Research to inform the development of content and methodologies has continued to provide useful insights into the improvements that must be made to ensure the achievement of the ultimate goal of delivering a census. The focus during 2006/07 has been on documentation of methodologies which have been utilised in the Community Survey and testing of questions pertaining to the measurement of disability.

The following table outlines the achievements against set targets for measuring the demographic profile and population dynamics:

Output	Indicator	Target	Actual output
<b>Comprehensive demographic information on population dynamics at all levels of society to inform social and economic development</b>	<b>Number of releases and reports produced</b>		
<i>Demographic profile, population projections and estimates</i>			
Thematic reports on South Africa's demography and society	Number of reports produced	Two reports on aspects of South Africa's demography	The mid-year population estimates were released in August 2006  A report on adult mortality was released in September 2006



Output	Indicator	Target	Actual output
<b>Comprehensive demographic information on population dynamics at all levels of society to inform social and economic development</b>	<b>Number of releases and reports produced</b>		
<i>Demographic profile, population projections and estimates</i>			
Thematic reports on South Africa's demography and society	Number of reports produced	Two reports on the development profile of localities by September 2006	Published report on trends in orphanhood in South Africa in December 2006  A report on the coverage and quality of birth registration in South Africa was compiled
<i>Health and vital statistics</i>			
Tourism and migration	Number of reports produced	Annual report on tourism and migration	The 2004 and 2005 annual reports were not completed <sup>4</sup>
	Number of reports produced	Research report on relevance, accuracy and quality of tourism and migration releases by December 2006	The report was not completed as information is still being collected from the Department of Home Affairs <sup>5</sup>
Mortality and causes of death	Number of releases produced	Publish 2 releases (April and November 2006)	A report and data on 2003 and 2004 mortality and causes of death were released in May 2006. The 2005 mortality and causes of death report and data that were to be published in June 2007 were not released as insufficient death notification forms had been received by November 2006
Marriages and divorces (2005)	Number of releases and reports produced	Publish annual statistical release	Published the annual release on marriages and divorces 2005 in December 2006
Recorded live births (2005)	Number of releases produced	Publish annual statistical release of 2005 data by June 2006	Published the annual statistical release in October 2006 <sup>6</sup>
Thematic report on morbidity			Due to inability to recruit senior professional staff, this report will be completed by December 2007

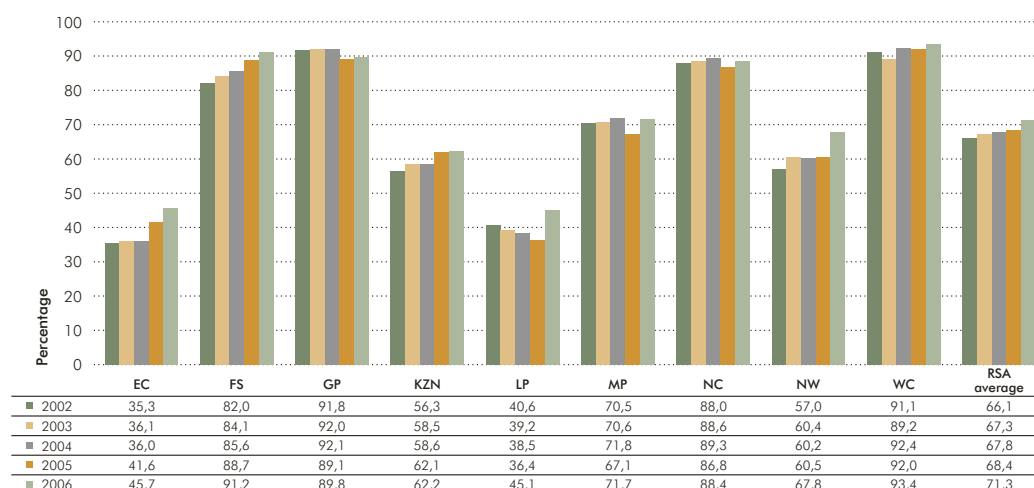
<sup>4</sup> The releases were delayed due to the implementation of a new programme for the editing of data. The publications are expected to be released in June 2007.

<sup>5</sup> The report is only expected to be completed in the 2<sup>nd</sup> quarter of 2007/08 due to difficulties experienced in the collection of data.

<sup>6</sup> The release was delayed because of improvements to the content of the release.

Output	Indicator	Target	Actual output
<b>Comprehensive demographic information on population dynamics at all levels of society to inform social and economic development</b>	<b>Number of releases and reports produced</b>		
<i>Population Census 2011</i>			
Census 2011 strategy	Number of releases and reports produced	Census 2011 strategy finalised by December 2006	The final draft strategic plan was compiled and posted on the Intranet
Methodologies and policies	Number of releases and reports produced	Methodologies and policies developed by March 2007	Documentation of methodologies for major processes including the Community Survey was completed
Monitoring and evaluation framework	Number of releases and reports produced	Monitoring and evaluation framework developed by March 2007	The framework was developed as part of the strategic plan
Research on disability schedule	Number of releases and reports produced	Research conducted on disability schedule by March 2007	A disability survey was conducted and a report was compiled

### Percentage of households with access to piped water in the dwelling or on site



The above figure shows that the percentage of households whose main source of water was from a tap either in the dwelling or on site, has increased steadily between 2002 and 2006 – from 66,1% in 2002 to 67,8% in 2004 and to 71,3% in 2006.

### 3.2.2 Enhancing the quality of products and services

Comprehensive sampling frames, sound methodological practices and good administrative data are strategic enablers for the production of statistics and underpin the quality of statistics. The organisation will focus on the following initiatives to improve the quality of its statistics and mitigate the strategic risks confronting its ability to provide relevant and up-to-date statistical information:

- Improving the business register;
- Maintaining and updating the household sampling frame; and
- Providing methodological support.

#### a) Improving the business register

The business register was established in 2000 and forms the sampling frame from which businesses are selected to report on their activities. The sampling frame is compiled from the tax register of the South African Revenue Services (SARS), and uses turnover as a measure of size. The correct classification of businesses is crucial for monitoring economic activity in South Africa. Classification and the status of the businesses have to be maintained with minimum time-lags to ensure reliable and accurate information on economic activity.

During 2006/07 a strategic review of the business register was conducted. The final report contains a set of recommendations, focusing on improvement initiatives. During 2007/08 activities will be identified to implement the recommendations which include optimising the use of administrative data, revising the conceptual framework, assessing the system, re-engineering survey frames and improving manuals and procedures.

Different registers are maintained by various government departments for each product or service, with different computer information systems supporting each registration. The fundamentally different administrative approaches by each government department and/or agency in terms of their varied mandates, compounded by the fact that many are not linked, result in essentially the same information being provided repeatedly as this information is not shared between the agencies. Stats SA, in conjunction with SARS and DTI, is currently investigating the possibility of a business registration system that is based on a single national register.

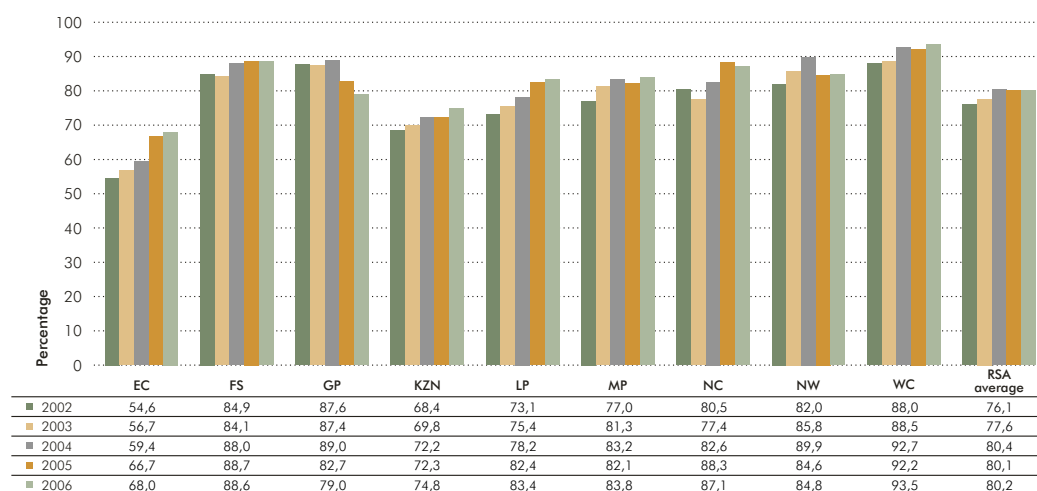
The following table outlines the achievements against set targets for the maintenance and improvement of the business register:

Output	Indicator	Target	Actual output
<b><i>Sample frame for the collection of economic statistics</i></b>	<b><i>Percentage of coverage and completeness of the business register</i></b>		
Coverage of income tax-registered businesses	Percentage of coverage and completeness of the business register	100% coverage of income tax-registered businesses	100% coverage of income tax-registered businesses was achieved on an annual basis and 100% coverage of value added tax-registered businesses was achieved on a monthly basis
	Percentage of businesses correctly classified	85% of size group one correctly classified businesses <sup>7</sup>	85% of size group one businesses are correctly classified
Business register maintenance	Percentage of coverage and completeness of the business register	Survey of large and complex businesses by March 2007	The maintenance of the business register was done through a Quality Improvement Survey (QIS) (response rate of 97%)
	Percentage of coverage and completeness of the business register	Monthly updates based on VAT transactions	Monthly updates based on VAT transactions were done
	Timeliness of snapshot	Final Business Sampling Frame (BSF) snapshot to Economic Statistics by March 2007	The final BSF snapshot to Economic Statistics was provided in April 2007
	Percentage of coverage and completeness of the business register	Provide a Survey Management System (SMS)	The system was provided
	Percentage of coverage and completeness of the business register	Monthly update of Survey Management System	The system was maintained on a monthly basis and enhancements are ongoing, based on user requests

<sup>7</sup> The initial target was 85% correctly classified businesses and was redefined as indicated.

Output	Indicator	Target	Actual output
<b>Sample frame for the collection of economic statistics</b>	<b>Percentage of coverage and completeness of the business register</b>		
Business register maintenance	Percentage of coverage and completeness of the business register	Strategic review of: <ul style="list-style-type: none"> <li>• Information sources</li> <li>• Statistical units model</li> <li>• Classification principles, processes and practices, methodological interactions</li> <li>• Content of business register system record</li> <li>• Content of Survey Management System (SMS) record</li> </ul>	A strategic review of the business register was undertaken, covering the areas identified for review. A report with recommendations was approved by the Steering Committee. Implementation of the recommendations has started and will continue until 2008/09
Integrated business register	Percentage of coverage and completeness of the business register	Established integrated business register project between Stats SA, the South African Revenue Services, and the Department of Trade and Industry  Review legislation that regulates the registration of businesses	A project team consisting of members from Stats SA, SARS, and DTI has developed a concept document on business registration review in South Africa  The document proposes the review of legislation

### Percentage of households connected to the mains electricity supply



As depicted in the above figure, the percentage of households that were connected to the mains electricity supply increased from 76,1% in 2002 to 80,4% in 2004, and declined very slightly to 80,2% in 2006.

## b) Maintaining and updating the household sampling frame

Fundamental for the collection of accurate statistics is an accurate sampling frame, which is complete and updated in order to be used confidently for surveys and censuses. A georeferenced dwelling frame is a complete, up-to-date database of all dwellings and other structures in the country. The location of each dwelling is determined, and the associated data relevant for statistical processes, such as drawing a sample, are recorded in a standard manner.

The vision for the georeferenced dwelling frame is that it will become the sampling frame for all household surveys and population and housing censuses in South Africa. This is analogous to the business frame supporting all economic surveys and censuses undertaken by Stats SA.

For 2006/07 the dwelling frame was compiled for 21 municipalities, mainly in Limpopo and Eastern Cape. Exact coordinates and information describing the dwelling and its location were captured for each dwelling. In addition, address data were received and assessed from all metropolitan municipalities. Shortcomings in the data were discussed with the metropolitan municipalities. Interdepartmental collaboration is being sought for the maintenance of the database through municipalities. Recruiting and training of dwelling frame fieldworkers has commenced.

The following table outlines the achievements against set targets for maintaining and updating the household sampling frame:

Output	Indicator	Target	Actual output
<b><i>Sample frame for the collection of household surveys</i></b>	<b><i>Percentage coverage and completeness of the geographic frame</i></b>		
Updated spatial framework and database	Percentage progress in imagery	25% progress	25% progress was achieved through aerial photography and 100% was achieved through satellite imagery
	Percentage progress in links with boundaries	100% progress	The December 2005 version is still the latest version defined by the Municipal Demarcation Board (MDB)
	Percentage progress in place names	25% progress	25% achieved
Geographic database maintenance	Percentage coverage and completeness of the geographic frame	Integration of spatial data from the dwelling frame into the GIS (quarterly)	All imagery acquired in the 2005/06 dwelling frame project was integrated into the GIS
		Integration of cadastre and address spatial datasets from private sector data custodians into the GIS (quarterly)	All maintenance versions of the AfriGIS spatial data bundle were received from SITA (latest February 2007 release)

Output	Indicator	Target	Actual output
<b>Sample frame for the collection of household surveys</b>	<b>Percentage coverage and completeness of the geographic frame</b>		
Geographic database maintenance	Percentage coverage and completeness of the geographic frame	<p>Integration of spatial datasets from national government departments into the GIS</p> <p>Integration of aerial photography and satellite imagery into the GIS (quarterly)</p>	<p>Received, quality assured and integrated Tshwane Metro, Johannesburg Metro, Cape Town Metro and eThekweni Metro vector data. A spatial data audit at national government departments was done</p> <ul style="list-style-type: none"> <li>• Full coverage of Western Cape, Northern Cape and three priority areas was received from the Department of Agriculture and integrated into the GIS</li> <li>• Coverage for the remainder of South Africa was received in March 2007 and is currently being integrated</li> <li>• Full imagery coverage of Tshwane Metro, Cape Town Metro, and uMngeni, uMsinduzi, uMshwati and Mbonabi municipalities was sourced and integrated into the GIS</li> </ul>
Geographic frame maintenance	Percentage coverage and completeness of the geographic frame	<p>100% updated EA links to changed provincial, district council and municipal boundaries</p> <p>25% updated EAs through office demarcation</p>	<p>The December 2005 version is still the latest version defined by the MDB</p> <p>This was not achieved due to human resource constraints and CS priorities</p>
Georeferenced dwelling frame		<p>33% creation of a georeferenced dwelling frame</p> <p>Maintenance of georeferenced dwelling frame for metropolitan councils</p>	<p>27% creation of a georeferenced dwelling frame was achieved<sup>8</sup></p> <p>Obtained, assessed and imported all 6 metropolitan municipalities' address data, as well as Saldanha and Drakenstein municipalities</p>
Master sample and household survey support	Percentage coverage and completeness of the geographic frame	Obtain and integrate imagery covering master sample primary sampling units and integrate into the GIS annually	This was done on an ongoing basis

<sup>8</sup> There were delays due to consultations with the LFSR project to harmonise methodologies and problems experienced in farm areas.

Output	Indicator	Target	Actual output
<i>Sample frame for the collection of household surveys</i>	<i>Percentage coverage and completeness of the geographic frame</i>		
Master sample and household survey support	Percentage coverage and completeness of the geographic frame	Provide maps to all household surveys	<ul style="list-style-type: none"> <li>• Created and printed all maps for two rotations of the LFSR, two Labour Force Surveys, the Master Sample and the General Household Survey</li> <li>• Revamped map-reading training</li> <li>• Trained LFSR staff in map reading</li> <li>• Conducted map-reading training for listing publicity and listing</li> </ul>
National integrated georeferenced dwelling frame	Percentage coverage and completeness of the geographic frame	Pilot georeferencing of master sample update	Currently georeferencing two rotations of PSUs
		Establish interdepartmental partnerships for the georeferenced dwelling frame	A draft cabinet memo for interdepartmental collaboration was compiled and sent to the departments of Land Affairs, Housing, Science and Technology, and Provincial and Local Government for their comments
		Maintain georeferenced dwelling frame created for municipalities	<ul style="list-style-type: none"> <li>• Investigations into the use of high-speed digital audit systems were conducted</li> <li>• Consultations were held with the Department of Provincial and Local Government for integration with the Municipal Property Rates Act</li> </ul>
		Develop dwelling frame fieldwork team	The provincial dwelling frame fieldwork team was not achieved as planned due to inadequate funding



### c) Providing methodological support

The credibility of data products rests on the confidence that users have in the quality and objectivity of the data. This requires that the data are perceived to be professionally produced in accordance with appropriate statistical standards, and that policies and practices are transparent. Credibility is determined in part by the integrity of the production process. Multiple data sources need to be accessible to calculate statistics and indicators, and produce the required reports. Due to the confidentiality of the data, security is of critical importance in this environment. Sound methodology is the basis for quality statistical outputs. The Methodology and Standards division plays a key and critical support role in the statistical production process. It provides methodological support to the core areas of Economic Statistics and Population and Social Statistics. Subject-matter specialists consult methodologists across the statistical value chain of all statistical collections, including survey design, questionnaire design, concepts, classifications and definitions. The methodologists supply the survey areas with the best practice and scientific methods and procedures used in estimation. The division assesses and advises survey managers on the adequacy and appropriateness of sampling frames.

One of the initiatives undertaken to improve the quality of products and services was the implementation of a new Enterprise Intelligence Platform which contributed to improved and standardised processes for storage, processing, analysis and production of statistics in a secure environment. The main benefits of the system include connectivity to various data sources, security, user-friendly systems, improved processing power, as well as integration with Microsoft Office. Other notable benefits include the ability to centralise information across the enterprise, and the option to work within and from the various Microsoft product sets, including Excel, PowerPoint and Word.

The following table outlines the achievements against set targets for providing methodological support to surveys:

Output	Indicator	Target	Actual output
<i>Statistical quality and methodological support services to all producers of statistics</i>	<i>Percentage of surveys whose statistical methodology complies with international standards</i>	<i>All surveys on economic series comply</i>  <i>85% of surveys on population and social series comply</i>	<i>All releases from the economic and population and social series were checked for quality</i>
Sound methodological practice in survey areas	Percentage of surveys whose statistical methodology complies with international standards	Monitor compliance of clearing and publishing policies in survey areas  Compendia of Concepts and Definitions approved by June 2006  Standard operating procedures implemented in all surveys	Monitoring of compliance of clearing and publishing policies in survey areas was done on an ongoing basis  The Concepts and Definitions and the Classifications policies were approved  Standard Operating Procedures (SOP) for the economic surveys were developed and are being reviewed against the South African Statistical Quality Assessment Framework (SASQAF)

Output	Indicator	Target	Actual output
<i>Statistical quality and methodological support services to all producers of statistics</i>	<i>Percentage of surveys whose statistical methodology complies with international standards</i>	<i>All surveys on economic series comply</i>  <i>85% of surveys on population and social series comply</i>	<i>All releases from the economic and population and social series were checked for quality</i>
Sound methodological practice in survey areas	Percentage of surveys whose statistical methodology complies with international standards	Report on review of economic statistics finalised by March 2007	This was not done due to reprioritisation and human resource constraints
Support to economic and population and social surveys	Percentage of surveys whose statistical methodology complies with international standards	Samples drawn annually for economic and household surveys based on the business sampling and geographic frame  Support to surveys and projects	Samples were drawn annually for economic and household surveys based on the business sampling and geographic frame  SAS support was provided to economic and population and social surveys. Training was conducted on the SAS9 environment and tools  Methodological support was provided to the following projects: <ul style="list-style-type: none"> <li>• LFS re-engineering</li> <li>• Community Survey</li> <li>• Strategic Review of the business register</li> <li>• CPI direct collection</li> <li>• Conceptualisation and planning of new series in Trade and Industry<sup>9</sup></li> </ul>

<sup>9</sup> Due to human resource constraints, support was not provided to the review of health and vital series and the PPI re-engineering projects.

### 3.2.3 Developing and promoting statistical coordination and partnerships

The adoption of common concepts, definitions, classifications and standards is the cornerstone of statistical coordination in a National Statistics System (NSS). The provision and availability of data and metadata enhance the accessibility and use of statistical information. Stats SA is also responsible for declaring statistical information as official, according to a set of quality criteria.

The strategic objectives of this area are:

- Implementing common standards, definitions and classifications; and
- Strengthening relations with organs of state.

#### a) Implementing common standards, definitions and classifications

The collection of better information to produce statistics of higher quality, with data and metadata centrally warehoused according to common standards, classifications and definitions is the core of Stats SA's Data Management and Information Delivery (DMID) project. This project comprises developing and building a system to manage all elements of the statistical cycle according to organisation-wide standards for statistical production.

The centre of this system is the ESDMF (End-to-End Statistical Data Management Facility), a facility enabling production, storage and retrieval of data according to uniform standards and approved rules and procedures for data governance.

A key building block for the ESDMF involves the development of common policies, standards, classifications, concepts and definitions relevant and applicable to all statistical production areas.

Over the past year, Stats SA has developed data governance policies and procedures for the development and adoption of standards including classifications; consolidated concepts and definitions, released the second version of the consolidated concepts and definitions; and produced a metadata capturing tool to capture standardised metadata that will accompany every product released by Stats SA. These building blocks will be integrated into the ESDMF, which is currently being developed.

The ESDMF will provide a central entry point for the entire organisation to support the collection, storage and processing of data, and dissemination of information. It will also provide high levels of security and management of common metadata. Significant progress was made with the release of the South African Statistical Quality Assessment Framework (SASQAF) that will be used as a measure of the quality of products within Stats SA and also as a criteria for declaring statistics as official as part of the implementation of the National Statistics System.

The following table outlines the achievements against set targets for implementing common standards, definitions and classifications:

Output	Indicator	Target	Actual output
<i>A statistical data warehouse with standardised metadata</i>	<i>Percentage of products produced with standardised metadata which is in the metadata repository</i>	<i>60% of products with metadata</i>	<i>Metadata unavailable. Not yet standardised</i>
Data governance		Develop and implement policies on: <ul style="list-style-type: none"> <li>• Data quality</li> <li>• Metadata</li> <li>• Standards</li> </ul>	The Data Quality and Metadata policies were approved and are being implemented in the design of the data management facility
	<i>Percentage roll-out of data warehouse</i>	<i>20% roll-out</i>	
Data management facility		Vendor appointed by June 2006	The vendor was appointed in July 2006
Metadata management		Final recommendation report and metadata entity map by April 2006	A report and metadata entity map were completed as scheduled
		Functional metadata capturing tool implemented in 5 projects by January 2007	Phase 1 of the metadata capturing tool was developed and has successfully passed user acceptance testing. Eight projects have utilised the tool to capture their metadata
		Pilot registration of Concepts and Definitions	The Concepts and Definitions and the Classifications policies were approved
			The Concepts and Definitions standard was approved
Standards development and implementation		20 priority statistical standards developed	The Standard Industrial Classification (SIC) version 6 was completed. The development of priority standards is ongoing <sup>10</sup>
Certification and practice framework		Certification and practice framework outlining quality dimensions for official statistics developed and approved	The South African Statistical Quality Assessment Framework (SASQAF) was improved from version 5 to version 6

<sup>10</sup> This goal was not achieved due to resource constraints.

## b) Strengthening relations with organs of state

National demand for statistical evidence for sound monitoring of the performance of state and government programmes, for informing development planning, and for decision-making, greatly outstrips supply. Some of the national statistics that are currently available are of questionable quality and are not comparable as they lack common standards because they are produced in an uncoordinated manner. Stats SA is currently implementing a process of integrating national statistics through a National Statistics System (NSS) to overcome these coverage, quality and capacity constraints. Statistics are designated as official statistics when they meet the requirements of the South African Statistical Quality Framework (SASQAF). This is the responsibility of Stats SA.

Stats SA is in the process of compiling a statistical master plan for South Africa that provides a framework for improving the National Statistics System. Joint working parties (JWPs) were set up between Stats SA and the departments of Education, Health, and Home Affairs. The JWPs with the departments of Education and Home Affairs are engaged in the reviews of departmental registers and administrative records with a view to developing departments as sustainable sources of official statistics for the Government-wide Monitoring and Evaluation System (GWM&ES), facilitating statistical capacity building and establishing statistical units or capacitating staff with statistical skills in Monitoring and Evaluation components of departments. The JWPs have proved successful in terms of identifying data quality issues, data gaps and systems for managing data. Limited cooperation from departments is a challenge on which Stats SA needs to focus to ensure the successful implementation of the National Statistics System.

A capacity audit provides a process to assess a department's needs for statistical capacity building. In this regard audits have been conducted with the departments of Labour, Environmental Affairs and Tourism, Minerals and Energy, and Transport.

Stats SA, together with the Presidency's Policy Co-ordination and Advisory Services (PCAS), completed a first draft of the Compendium of Indicators for the GWM&ES.

Datasets of the departments of Education in Gauteng, Eastern Cape and Western Cape were assessed and technical reports were drafted. An assessment of the National Population Register from the Department of Home Affairs was conducted and a report was compiled.

SASQAF was presented to the Premier's Office in Eastern Cape and Kwa-Zulu Natal, the Detainee Prediction Research Task Team (DPRTT), and the South African Tourism Authority.

Stats SA provided assistance with sampling/methodology support to the Department of Land Affairs, with regard to a baseline study for the Communal Land Rights Act; the University of the Western Cape Reproductive Health Equity Project; the South African Labour and Development Research Unit (SALDRU) for the National Income Dynamics Study (NIDS) project; and the Harvard group (Michigan University) advising the National Treasury on labour market statistics.

The following table outlines the achievements against set targets in strengthening relations with organs of state:

Output	Indicator	Target	Actual output
Statistical advocacy and partnerships within the National Statistics System (NSS)	Number of Memoranda of Understanding (MoUs) signed with partners in the NSS	Four MoUs by March 2007	One MoU was signed with the SA Reserve Bank. Draft MoUs with the departments of Health, Home Affairs, Environmental Affairs and Tourism, and Minerals and Energy are under review by the respective departments <sup>11</sup>
Capacity audits	Number of departments in which statistical capacity audits have been conducted	Three departments	Three assessments were conducted in the departments of Transport, Minerals and Energy, and Labour and reports on the assessments were compiled
Registers and administrative records	Number of departments in which registers and administrative records have been reviewed	Three departments	Reviews were conducted for the departments of Education and Home Affairs. <sup>12</sup>
Statistical master plan	Draft statistical master plan compiled	March 2007	Draft statistical master plans for the departments of Health, Education, and Home Affairs were compiled
Certification framework	Standards developed	Certification framework finalised	The framework was developed and was tested on South Africa's Tourism Departure Survey
Compendium of Indicators	First draft of the Compendium of Indicators developed for Forum of South African Directors-General clusters	First draft by July 2006	The draft Compendium was finalised and submitted for comment to the Policy Coordination and Advisory Services (PCAS), which has identified 71 core indicators

<sup>11</sup> Three MoUs were not signed as scheduled due to lengthy iterative processes and lack of alignment of schedules.

<sup>12</sup> The records of the remaining departments were not reviewed due to limited cooperation from the departments.

### 3.2.4 Building human capacity

The production of quality statistics depends on a skilled and highly motivated workforce. Building capacity requires a sustainable strategy to recruit, train and retain skilled staff. In the medium term, Stats SA will focus on:

- recruiting and training staff through the Internship Programme;
- establishing a Statistical Training Institute;
- learning from international best practice and strengthening regional integration; and
- relocating Stats SA to a physical environment conducive to productivity and innovation.

#### a) Recruiting and training staff through the Internship Programme

The Internship Programme is aimed at addressing the lack of skills in the organisation, especially in the core areas of statistical production. The purpose is to identify suitable university graduates who meet the requirements set out by the Department. These interns are given intensive training for a period of 12 months. Stats SA recruited 17 interns for the 2006/07 financial year. Interns were placed in divisions for exposure to practical experience on work processes, writing skills, analytical skills and presentation/communication skills. Quarterly reviews were conducted to determine the progress of the interns who are rotated on a quarterly basis and to ensure exposure to different work areas. The highlights of the 2006/07 Internship Programme included the following:

- SAS Programming Training
- SADC training in survey methodology
- Presentation of papers at the PASA conference at Wits University
- Training of Stats SA staff in mentoring and coaching

Thirty-three new interns were recruited into the organisation for the 2007/08 Internship Programme.

#### b) Establishing a Statistical Training Institute

Stats SA aims to establish a Statistical Training Institute over the medium term that will be designed to address the lack of adequate and appropriate human resources to produce and disseminate relevant, high-quality official statistics. All fragmented statistical training initiatives and programmes will be integrated and streamlined in line with the SADC regional statistical training strategy.

Research on statistical training institutions was conducted. Stats SA established relationships with the Public Service Education and Training Authority (PSETA) and the South African Qualifications Authority (SAQA). A skills development strategy was presented to the Minister and Strategy Committee of the Statistics Council.

#### c) Learning from international best practice and strengthening regional integration

The past few decades have seen an increasing demand for current and detailed demographic and socio-economic data about households and individuals in developing countries. Such data have become indispensable in economic and social policy analysis, development planning,

programme management and decision-making at all levels. To meet this demand, policy-makers and other stakeholders have frequently turned to household surveys. Consequently, household surveys have become one of the most important mechanisms for collecting information on populations in developing and transition countries. In an effort to improve skills in survey methodology, Stats SA procured the services of experts from Westat in the USA. The course focused on preparing the data for analyses and theoretically highlighting imputations, weights and estimation issues. Three Survey Methodology courses were conducted in May and October 2006 and February 2007. The courses were attended by 38 participants from SADC countries, 45 staff members of Stats SA and 27 interns.

#### d) Relocating Stats SA to a physical environment conducive to productivity and innovation

Stats SA currently occupies three premises and will be occupying a fourth in the 2007/08 financial year. In addition to anticipated growth, inadequate facilities in the current building and the inconvenience of moving between three buildings, bigger and more adequate premises are required. The current lease agreement for Stats SA's occupation of the De Bruyn Park Building which expires in June 2007 has been extended to June 2009.

A space needs analysis (which included a feasibility study) was conducted by consultancy employed by the Department of Public Works – Re Kgabisa Tshwane Programme (RKTP) and completed in June 2006. This information served as inputs to the Options Analysis Process (OAP) to identify suitable locations for the proposed new accommodation needs for Stats SA. RKTP pursued a Location Analysis Process which was initiated in December 2006 and which culminated in a final review in May 2007 of one of the three proposed sites on which Stats SA will be accommodated. The outcomes of the final review process are expected to be concluded during June 2007.

The following table outlines the achievements against set targets for building human capacity:

Output	Indicator	Target	Actual output
<b>Increased statistical capacity in Stats SA</b>			
Internship Programme	Number of staff recruited and trained through the Internship Programme	Train and develop 17 interns by December 2006	Seventeen interns were trained and developed
		Feasibility study for accreditation	Consultations were held with the Public Service Education and Training Authority (PSETA). PSETA is in the process of appointing a service provider to assist Stats SA with accreditation
		Internship induction, development and coaches programmes approved by December 2006	The Internship Programme is in the process of being revised <sup>13</sup>

<sup>13</sup> The programme was moved from Methodology and Standards to the Human Capacity Development division.



Output	Indicator	Target	Actual output
<i>Increased statistical capacity in Stats SA</i>			
Statistical Training Institute	Statistical Training Institute	<p>Research conducted for the establishment of a Statistical Training Institute by December 2006</p> <p>Establish relationships with external training institutions</p> <p>Participate in national development strategy for statistical literacy under the leadership of the Statistics Council</p>	<p>Research was conducted as scheduled</p> <p>External relationships were established with PSETA and the South African Qualifications Authority (SAQA)</p> <p>A skills development strategy was presented to the Minister and Strategy Committee of the Statistics Council</p>
International programme	Number of staff participating in the international learning programme	<p>Four staff members participating in international learning programme – Survey Skills Development Course at StatCan in May and August 2006</p> <p>SADC training programme – Survey Methodology – 13 candidates from Stats SA (May, August and October 2006)</p>	<p>Four staff members participated in the international learning programme. The Survey Skills Development Courses (SSDC) were held in Canada in June and October 2006</p> <p>Three Survey Methodology courses were conducted in May and October 2006 and February 2007. The courses were attended by:</p> <ul style="list-style-type: none"> <li>• 38 participants from SADC countries</li> <li>• 45 staff members of Stats SA</li> <li>• 27 interns</li> </ul>
New building for Stats SA	Stats SA relocated to new premises	Space needs established by June 2006	A space needs analysis (which included a feasibility study) was conducted by a consultancy employed by the Department of Public Works – Re Kgabisa Tshwane Programme (RKTP) and completed in June 2006

### 3.2.5 Governance and accountability

The execution of Stats SA's goal-based strategy depends on effective leadership and management, a stable infrastructure, and sound administrative and management information systems and processes. Stats SA aims to ensure that good governance arrangements are in place throughout the organisation to support the statistical production processes effectively and comply with regulations. This will provide formal accountability mechanisms for the delivery of the work programme within approved budgets and timeframes, underpin the quality assurance of statistical outputs, and ensure the efficient utilisation of resources.

#### a) Management support services

Management support services provides support to the Office of the Statistician-General with the coordination of strategy development and monitoring, internal audit services, interaction with international statistical agencies, public and media relations, internal communication, legal services and provincial support services.

The Executive Committee of Stats SA (Exco) meets weekly to provide leadership, promote integration across programmes, provide strategic interventions, and drive and create new strategies in response to changes in the environment that may impact on the mandate of the organisation.

Stats SA conducted strategic, business and operational planning sessions during the year in line with the planning cycle of government. During these planning sessions, strategic direction and priorities were set and divisional strategic, business, operational and risk plans were compiled. The work programme of Stats SA outlines the outputs and targets the organisation aims to achieve in line with the Estimates of National Expenditure (ENE).

Two organisational review sessions were conducted in order to report on and monitor the progress and overall performance of the organisation against set targets in the work programme.

Stats SA has compiled a comprehensive risk management framework in line with the risk management framework of government. All divisions have compiled risk plans in line with the strategic objectives of the organisation. Risks have been assessed in terms of their likelihood and impact on the organisation. Control activities and action plans have been compiled to mitigate these risks. Quarterly reporting on progress made has since been instituted to monitor risks in the organisation.

The past eighteen months have seen accelerated progress in the revitalisation of statistics in Africa, and Stats SA has played a critical role in this initiative. In line with the targets outlined, and beyond, a number of key activities have taken place. The outcome of these activities has elevated the role of Stats SA in Africa as a key driver in re-establishing critical institutions of statistics, and revitalising statistics as a vital commodity for achieving Africa's development agenda. Stats SA's role in the statistical development in Africa is evident in a number of key activities at subregional and continental level.

Subregionally, as the focal point on census activities in the SADC region; South Africa has begun the implementation of the SADC region's programme on the 2010 Round of Population and Housing Censuses. Through this programme, a complete enumeration of the population of the SADC region is anticipated with particular emphasis on the execution of a census in member states emerging from conflict (Angola and the Democratic Republic of Congo). The

activities include training and sharing of experience in census planning and management, census execution, processing, analysis and dissemination. Critical to this process is the use of technologies in undertaking a census. South Africa has also formed close alliances with the UN Economic Commission for Africa and the African Development Bank in ensuring a similar programme for the entire African continent. Close monitoring of census-taking, technical assistance required and training is underway for each African state. The importance of the 2010 Round of Population and Housing Censuses speaks to a broader African commitment to building capacity for the monitoring of the Millennium Development Goals (MDGs).

It is also in this context that the African region is being mobilised to prepare for the upcoming 57<sup>th</sup> session of the International Statistics Institute (ISI) to be hosted in Durban, South Africa in 2009. This historical event will be a platform to showcase the statistical work of the African continent, and African scholarly contributions in a science with a fragmented history of African achievement. The 57<sup>th</sup> session of the ISI will witness broad participation from the African statistical community and its stakeholders, with emphasis on women in statistics and young statisticians.

The following table outlines the achievements against set targets to ensure effective and efficient management support services:

Output	Indicator	Target	Actual output
Planning	Number of reports compiled and submitted to stakeholders	Annual work programme approved by May 2006	The annual work programme was presented to Parliament in May 2006
		Annual business plans compiled for divisions by April 2007	All divisions have strategic and business plans outlining quarterly targets for 2006/07 and annual targets for the remaining MTEF period
		ENE compiled by December 2006	The ENE was compiled in collaboration with Finance
Monitoring and reporting	Number of reports compiled and submitted to stakeholders	Annual report tabled in Parliament in September 2006	The 2005/06 Annual report was tabled in Parliament in October 2006
		Quarterly report submitted to Minister and Treasury	Quarterly reports were submitted to the Minister, Treasury, the Statistics Council and the Audit Committee
Risk management	Number of reports compiled and submitted to stakeholders	Quarterly risk management report to Exco and the Audit Committee	One report was submitted to Exco. Two memoranda on risk management were submitted to the Audit Committee

Output	Indicator	Target	Actual output
<b>Project management approach implemented in accordance with project management framework</b>			
Project management and support	Number of priority projects supported	Support provided to 6 key priority projects	Project management support was provided to 9 projects
	Number of operational areas to which operational planning and management support is rendered	Operational planning and management support provided to 5 operational areas	Operational planning support was provided to 20 operational areas
	Number of management information reports produced	Monthly management information reports produced	<ul style="list-style-type: none"><li>Monthly management information reports were produced</li><li>Daily progress reports on the IES were produced</li></ul>
	Annual master project plan	Compile annual master project plan for 2006/07	The annual master project plan for 2006/07 was compiled
Document management and tracking		Document management strategy and standards approved by March 2007	A document management strategy and standards was compiled
Management Information System (MIS)	Number of components developed, improved and implemented	Ten components developed and operational	Thirteen components of the MIS were developed and/or improved
<b>Communication and collaboration within Stats SA</b>			
Internal communication	<b>Communication interventions</b>	Monthly newsletter to staff	The monthly newsletter ‘Pulse’ was compiled and distributed
		Monthly report to staff	The SG’s monthly report to staff was compiled and emailed
		Biannual staff meeting	Two staff meetings were held as scheduled
Public and media relations		Weekly news article	Published SG’s weekly article in the <i>Business Day</i>
		Media relations strategy and plan approved and implemented	A media relations strategy and plan was drafted and will be approved in the 1 <sup>st</sup> quarter of 2007/08
		Media training conducted	Ten senior managers were trained in media relations at a media relations company (BDG group)

Output	Indicator	Target	Actual output
<b>International relations</b>	<b>Participation in international activities</b>		
Participation in SADC (sharing, learning and leadership)		Millennium statistical capacity development programme for monitoring MDGs	Stats SA participated in the following workshops: <ul style="list-style-type: none"> <li>• Statistical Capacity Development for Monitoring MDGs, in July 2006</li> <li>• Management and Leadership in the SADC region in December 2006</li> </ul>
Participation in Africa (sharing, learning and leadership)		Participation in the 2010 Round of Population and Housing Censuses	Revised input from SA to UN Expert Group on the 2010 Round of Population and Housing Censuses
		SADC Millennium Census Project	The following were compiled: <ul style="list-style-type: none"> <li>• Training Manual on Census Data Utilisation</li> <li>• Training Manual on Census Analysis</li> <li>• Phase II: Project Closure Report</li> <li>• Planning Report</li> <li>• Phase III Project Plan</li> <li>• Work programme</li> </ul>
		Africa Symposia on Statistical Development (ASSD)	<ul style="list-style-type: none"> <li>• The ASSD business plan was approved</li> <li>• The 2007 ASSD in Rwanda was attended by 47 countries and 15 international organisations</li> </ul>
Participation in the world (sharing and learning)		Statistical development and capacity building in advancing statistical skills of teachers (International Conference on the Teaching of Statistics)	Stats SA has initiated the following programmes to contribute to the establishment of a mathematics culture in South Africa: <ul style="list-style-type: none"> <li>• Mathematics for Statistics (Maths4Stats) towards a nation that counts</li> <li>• 26 educators were sponsored by Stats SA to attend the International Conference on the Teaching of Statistics (ICOTS 7) which was held in Brazil in July 2006</li> </ul>
<b>Legal services</b>			
Legal support	Number of contracts and opinions	Legal support and advice provided through opinions and contracts	Legal support and advice was provided through 68 contracts, 48 legal opinions and 172 litigation matters
Review and compliance	Relevance of the Statistics Act  Compliance to legislation	Review legislation relating to information and data to establish contradictions and impediments to the Statistics Act	Due to resource constraints, a review of the Statistics Act will only be undertaken in 2008/09

Output	Indicator	Target	Actual output
<b>Internal audit services</b>	<b>Number of internal audits conducted</b>		
Population and Social Statistics	Number of internal audits conducted	Review controls and risks at 48 regional offices for the Community Survey (Phase 1)  Audit 53 regional offices during the Community Survey (Phase 2)	Review and audit reports were issued for Phases 1 and 2
Provincial and regional offices	Number of internal audits conducted	Audit 9 provincial offices	Internal audit reports were issued for all 9 provincial offices
Financial management	Number of internal audits conducted	14 audits planned (SCM and FMLS)	Audits were conducted as scheduled except for the asset register due to the unavailability of the BAUD asset register at the time of the scheduled audit. The audit has been rescheduled for 2007/08
Human resource management	Number of internal audits conducted	Two audits planned (HR processes and job grading)	The audits were not conducted as planned <sup>14</sup>
Data management and technology	Number of internal audits conducted	Audit of general and application controls using CobiT	A follow-up audit on the previous year's IT governance review (CobiT phases 1 and 2) was done, followed by an IT governance review using CobiT phase 3
Governance relating to core business	Number of internal audits conducted	Performance audit on contract management  Assurance and advisory service to risk management  Audit on policies and procedures	The performance audit on contract management was done and the report will be issued in the first quarter of 2007/08  The audit was conducted and a report was issued  The audit was conducted and a report was issued

<sup>14</sup> The HR audit was not conducted due to the long-term absence of the team leader. The job-grading audit was not conducted due to the secondment of the auditor. These audits have been rescheduled for 2007/08.

## b) Statistical support services

The production of official statistics is underpinned by effective and efficient statistical support services. Stats SA aims to respond to the challenges and opportunities of survey areas through improving data collection activities in the field, establishing closer links with stakeholders to determine their needs, enabling effective usage through readily accessible and available statistical products and services, and improving and streamlining the application of information technology.

Continued engagement with stakeholders through workshops, user consultation sessions, surveys of users of existing statistical products and user information services enabled Stats SA to identify improvements which could be made to its statistical products and services, to render them more useful to users of statistics. The usage of statistics produced by Stats SA, measured through the increased downloads of statistical releases from the web-site and the increase in the number of subscribers to time series datasets, is growing steadily.

The switchover to the Virtual Private Network (VPN) has improved the efficiency and security of internal and external electronic communication. The upgrading of the Storage Area Network has resulted in storage capacity being available on demand. The implementation of SAS 9 has streamlined the production of statistical releases, eliminating manual steps needed previously to reformat data in the process and the associated risk of introducing errors through manual reformatting.

The following table outlines the achievements against set targets for the provision of effective and efficient statistical support services:

Output	Indicator	Target	Actual output
<i>Provincial support services</i>	Number of completed questionnaires for all household-based surveys	130 000 questionnaires	114 734 questionnaires were completed for the following surveys: <ul style="list-style-type: none"> <li>• LFS 14 28 470</li> <li>• LFS 15 28 350</li> <li>• GHS 29 044</li> <li>• IES 22 859</li> <li>• Census Research 6 011</li> <li>• Community Survey 261 998</li> </ul>
	Number of provincial profiles	Provincial profiles	Provincial profiles for all provinces were printed and copies were distributed to users nationally and provincially
	Percentage implementation of regional offices	80% implementation	53 regional offices were opened. However, due to delays experienced with the Department of Public Works in acquiring the offices, they are still in the process of being resourced in terms of infrastructure, staff and furniture

Output	Indicator	Target	Actual output
<b>Accessibility of Stats SA's statistics</b>			
Stakeholder management	Number of documents downloaded	850 000 documents per annum	902 817 documents were downloaded from the website
	Percentage increase in customer satisfaction index	2% increase	The overall rating in the 2006/07 Customer Satisfaction Survey was 73,2% compared to 73,6 % in 2005/06
	Number of user enquiries handled	48 000 user enquiries	9 749 user enquiries were handled individually <sup>15</sup>
	Increase in website visitor sessions	10% increase	There were 3 226 340 visitor sessions to StatsOnline indicating a 215% increase in visitor sessions
	Number of stakeholder workshops conducted	18 stakeholder workshops	19 stakeholder workshops were held in the provinces. Five marketing and dissemination initiatives were conducted in the provinces
Publishing, printing and distribution	Number of regular series, publications, releases and questionnaires printed and distributed	52 regular series, publications, releases and questionnaires printed and distributed	227 releases were printed and distributed <sup>16</sup>
	Number of cross-sectional publications compiled and published (Stats in brief, Bulletin of Statistics and SA Statistics)	Cross-sectional publications compiled and published (Stats in brief, Bulletin of Statistics and SA Statistics)	The following were published: <ul style="list-style-type: none"> <li>• Stats in brief (Oct)</li> <li>• Bulletin of Statistics (Mar, Jun, Oct, Dec)</li> <li>• SA Statistics (Nov)</li> </ul>
<b>Information technology support services</b>			
IT infrastructure	<b>Upgraded IT infrastructure</b>	SAN infrastructure upgraded and VSAN implemented by March 2007	The SAN infrastructure was upgraded as planned <sup>17</sup>
		VPN switchover by September 2006	VPN switchover was completed in September 2006
		ITANIUM and Blade servers implemented by March 2007	ITANIUM and Blade servers were installed as scheduled

<sup>15</sup> The decrease in queries is attributed to the 215% increase in visitor sessions.

<sup>16</sup> The milestone was revised to report on the number of releases produced rather than the types of releases.

<sup>17</sup> The VSAN project was postponed pending further research into the feasibility of the project.



Output	Indicator	Target	Actual output
<b>Information technology support services</b>	<b>Upgraded IT infrastructure</b>		
IT infrastructure		<p>Server Management System implemented by September 2006</p> <p>Replication and Connectivity Infrastructure implemented by December 2006</p>	<p>A Network Server Management System was installed in September 2006</p> <p>Replication and Connectivity Infrastructure is 65% complete. Consultations with SITA have commenced. Project planning with SITA will commence in June 2007<sup>18</sup></p>
IT research		<p>Automatic dissemination – SMS, email, fax</p> <p>Alternative electronic data collection methods</p> <p>Research paper on the viability of using Open Source Software by March 2007</p>	<p>Automatic dissemination by means of bulk email was implemented and is operational since August 2006. Currently engaging Vodacom and MTN on the fastest methods of sending SMSs</p> <p>Research into forms design and wireless infrastructure is underway</p> <p>A feasibility study will be completed July 2007. A service provider has been appointed</p>

<sup>18</sup> Delays were experienced through establishing connectivity to SITA backbone to cater for the disaster recovery site and testing of transversal systems.

### c) Corporate support services

The people within Stats SA are key to the success of the organisation. Stats SA requires highly skilled, well-led and experienced people, as well as effective human resource and financial management and administrative systems and processes, to achieve its strategic outcomes and to meet the challenges of a continually changing environment.

**Employee assistance:** A candlelight memorial was held at Head Office in May 2006. 206 staff members attended the workshop. Guest speakers addressed staff members on living positively with HIV/AIDS, access to HIV/AIDS treatment, and treatment options and the importance of support systems.

A special programme for children of staff members aged between 10 and 19 years was held in June 2006. Two hundred and fifteen scholars attended the programme. There were speakers from SANCA and NICRO. The focal point was educating the youth on the importance of making correct choices and to live above peer-group pressure.

The EAP is linked with external service providers and NGOs to help with support programmes to employees and family members. Support programmes initiated included a presentation on the bereavement policy to Head Office and provinces, an outreach programme for Children, and an EAP workshop for supervisors.

In managing the life risk that is associated with field workers, the services of two insurance companies were procured to provide funeral cover to field workers.

**Recruitment:** One of the bigger challenges that Stats SA faced during the year was recruitment for the Community Survey. Field workers had to be recruited at provincial and district levels. The number of field personnel that were recruited was based on the projected 283,697 households that were to be visited. Using the Census Survey and Administration System (CSAS), for selection purposes, a total of 6 851 field staff were recruited. Despite challenges associated with a project of this magnitude, salary payments to staff were done on time. The Department is looking into retaining some of the people appointed during the Community Survey with the intention of building capacity for Census 2011.

**Finance and Provisioning:** Efforts to ensure good governance continued in Stats SA. A committee was established within the Department to monitor progress with the implementation of audit recommendations (internal and external) and to ensure cooperation with the Auditor-General's office.

Contract management has been improved through the development and implementation of an internal practice note. A centralised invoice tracking register was introduced as a monitoring tool to ensure payment of invoices within the required 30-day period. A workshop was held to review supply chain management processes. A procedure manual for the loss management policy was developed and is being implemented.

The following table outlines the achievements against set targets for the provision of effective and efficient corporate support services:

Output	Indicator	Target	Actual output
<b>Effective financial management</b>	<b>Unqualified audit report</b>		
Financial management	Unqualified audit report	Monthly expenditure report broken down to item level submitted to budget managers	Monthly expenditure reports were submitted to budget and project managers
		Monthly expenditure report submitted to Exco and Audit Committee	Monthly expenditure reports were submitted to Exco, the Audit Committee and National Treasury
		Audit findings implemented and monitored	Audit findings were implemented and are being monitored
		Annual submission of MTEF and ENE financial information	The annual MTEF and ENE submissions were submitted timeously to the Minister of Finance and National Treasury
Financial accounting and reporting	Unqualified audit report	Decentralisation of fieldworker payments to provinces	Fieldworker payments were decentralised to the provinces as planned
		Debt management improved	The debt management system was improved by reviewing the processes for the appointment of periodic workers to ensure that overpayments of salaries did not occur
Supply chain management	Unqualified audit report	Improved SCM processes in terms of supplier payment, procurement of goods from BEE companies and contract management	SCM processes in terms of supplier payment, procurement of goods from BEE companies and contract management were improved. This initiative will continue in 2007/08
		Audit findings implemented and monitored	A centralised invoice register was introduced to improve turnaround time of payments to service providers
<b>Effective human resource management</b>	<b>Staff opinion survey</b>		
Recruitment and retention		Scarce skills policy approved and implemented	A head-hunting policy was approved and implemented
		E-recruitment system developed and piloted	The E-recruitment system was piloted during the Community Survey

Output	Indicator	Target	Actual output
<b>Effective human resource management</b>	<b>Staff opinion survey</b>		
Recruitment and retention		Succession plan compiled for levels 14–16	A tender was awarded for the development of core competencies for levels 14–16
Performance management		Quarterly performance reviews conducted	Quarterly and annual performance reviews were conducted as scheduled
		Improved leave tracking system	An electronic leave tracking system was developed and piloted
		First phase of decentralisation of HRM functions to provinces	This phase focused on training and development of provincial staff. The following courses were conducted: <ul style="list-style-type: none"> <li>• Record-keeping and leave management;</li> <li>• Performance management;</li> <li>• Employment equity;</li> <li>• Labour relations;</li> <li>• Appointments and terminations; and</li> <li>• Persal administration.</li> </ul> <p>Nine additional HR practitioners (one per province) and another 27 HR practitioners were appointed on contract in the district offices</p>
Employee assistance		HIV/AIDS peer group education programme monitored	30 peer group educators are responsible for referrals and provide guidance and support to their peers
		Counselling and professional support implemented	328 counselling cases were handled by 5 EAP practitioners
Statistical capacity building	Number of staff attending statistical capacity building training	Training provided in Master Maths, Basic Sampling, Introduction to Statistics, SAS and Basic National Accounts (285 staff members)	442 staff members attended statistical training (Master Maths, Basic Sampling, Introduction to Statistics, SAS and Basic National Accounts)
		New training courses in data collection, questionnaire design and demography approved by March 2007	Training manuals were developed for courses in data collection, questionnaire design and demography

Output	Indicator	Target	Actual output
<b>Effective human resource management</b>  Leadership and management development	<b>Staff opinion survey</b>  Number of staff attending Leadership and management development training	Training in: Project management (20)  Risk management (20)  Development of leadership and management toolkit	<ul style="list-style-type: none"> <li>35 staff members were trained in 67% of the Project management course<sup>19</sup></li> <li>The Risk management course was not conducted as scheduled due to delayed appointments</li> </ul> The Advanced Management and Development Programme (AMDP) was conducted for middle management staff. 40 staff attended the training

<sup>19</sup> Due to a request by the SG for support to the IES project, the project management training was not completed. The training will recommence in 2007/08.



## Section 4: Human resource information



## Service delivery

### 1.1 Main products and services

#### Core business

The Department's core business is the production of a range of economic, social and population statistics. More specifically, these include:

- **Economic statistics** on various aspects of the economy derived from information from businesses, enabling the compilation of indices such as the Producer Price Index (PPI) and Consumer Price Index (CPI); trends in employment, production volumes and prices in various sectors; and financial statistics of government and the private sector;
- **Social, employment and population statistics** based on household surveys, a ten-yearly population census and administrative records;
- **National accounts** such as the Gross Domestic Product (GDP), Supply and Use tables, and Social Accounting Matrix (SAM); and
- **Analyses** of demographic, social and economic data.

A further core activity of the Department is the development of the National Statistics System (NSS) which coordinates the production of official statistics; creates a set of development indicators to measure national, provincial and local government performance; and promotes statistical literacy and capacity building in government.

Stats SA has a wide range of stakeholders from which it collects information and to which it supplies statistical information. Our stakeholders include:

- Government
- The public
- The media
- Business
- The academic sector
- Parliamentarians
- Non-governmental organisations
- Constitutional institutions and major public entities
- International bodies and other statistics agencies

### 1.2 Consultation arrangements

The Statistics Council represents a vast range of stakeholders and users and meets four times a year to provide advice to the Minister and the Statistician-General on statistical matters including the needs of users. The Council members are required to represent the needs of their constituency and should therefore consult with them to ensure sound advice to the Minister and the Statistician-General.

Each statistical series conducted by Stats SA should have an advisory committee comprising key users of that particular series. Some of the committees are already functional and meet periodically, or are consulted whenever changes to a questionnaire or statistical release are proposed. Stats SA also conducts periodic workshops in order to seek advice, comments and suggestions from key stakeholders countrywide.

The National Statistics System division is in the process of establishing partnerships with other national government departments aimed at ensuring coherence in statistical information produced by different government departments, as well as promoting the use of statistics in evidence-based decision-making. These government departments are both producers and users of statistics. Stats SA approaches these partnerships as an opportunity to engage with the departments on their requirements for statistical information.

In order to educate users about Stats SA outputs, the methodologies employed and quality criteria subscribed to, 19 stakeholder workshops were held in the provinces. Five marketing and dissemination initiatives were conducted in the provinces.

### 1.3 Service delivery access target

Stats SA provides information in a variety of formats and through different channels. Information is disseminated through User Information Services by means of telephone, fax or email. The Distribution unit also emails, faxes or mails publications to stakeholders listed on its database, but the main form of information dissemination is through Stats SA's website StatsOnline. During the year, the following statistics were recorded for StatsOnline:

Total visits to StatsOnline	3 226 340 (215% increase in visitor sessions)
Time series subscribers	3 518
New Online Newsletter subscribers	6 568
Time series data files downloaded (ASCII, Excel & PX WEB)	49 772

### 1.4 Service information tool

An additional mechanism employed to increase the utilisation of census data was to provide data in a specialised software package called the Community Profiles (SuperCross). This tool allows users to manipulate census data down to a subplace level. During the year, 76 Census 2001 Community Profile packages were distributed, and 136 users were trained on using this software.

A total of 625 CDs containing raw data from various household surveys and administrative data were sold. The most popular seller was the CD containing information on Mortality and causes of death 1997–2003.

## Expenditure

Table 2.1 – Personnel costs by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as % of total expenditure	Average personnel cost per employee (R'000)
Programme 1: Administration	157 834	66 177	576	11 748	6,0	195
Programme 2: Economic Statistics	167 663	112 583	399	732	10,2	180
Programme 3: Population and Social Statistics	568 280	124 472	1 728	143 070	11,4	124
Programme 4: Quality and Integration	40 794	27 546	651	2 856	2,5	255
Programme 5: Statistical Support and Informatics	162 034	84 134	1 141	9 327	7,7	211
<b>Total</b>	<b>1 096 605</b>	<b>414 912</b>	<b>4 495</b>	<b>167 733</b>	<b>37,8</b>	<b>168</b>



Table 2.2 – Personnel costs by salary band

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R)
Levels 3–5 (permanent staff)	12 808	3,1	60 415
Levels 3–5 (temporary staff)	60 023	14,5	148 572
Levels 6–8 (permanent staff)	82 568	19,9	121 424
Levels 6–8 (temporary staff)	71 467	17,2	136 128
Levels 9–12 (permanent staff)	114 149	27,5	228 756
Levels 9–12 (temporary staff)	8 033	1,9	349 261
Levels 13–16 (permanent staff)	61 493	14,8	484 197
Levels 13–16 (temporary staff)	3 689	0,9	737 800
Periodical remuneration	682	0,2	18 432
<b>Total</b>	<b>414 912</b>	<b>100,0</b>	<b>167 641</b>

Table 2.3 – Overtime, allowances and benefits by programme – amount and percentage of total personnel cost

Programme	Salaries		Overtime		Home owners allowance		Medical allowance	
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	Home owners allowance as % of personnel cost	Amount (R'000)	Medical allowance as % of personnel cost
Programme 1: Administration	42 794	64,7	3 988	6,0	917	1,4	1 940	2,9
Donor funds	0	0,0	0	0,0	0	0,0	0	0,0
Programme 2: Economic Statistics	89 418	79,4	143	0,1	832	0,7	2 676	2,4
Programme 3: Population and Social Statistics	103 775	83,4	1 418	1,1	761	0,6	1 159	0,9
Recoverable expenditure	0	0,0	0	0,0	0	0,0	0	0,0
Programme 4: Quality and Integration	19 115	69,4	13	0,0	898	3,3	596	2,2
Programme 5: Statistical Support and Informatics	58 879	70,0	596	0,7	1 264	1,5	3 096	3,7
<b>Total</b>	<b>313 981</b>	<b>75,7</b>	<b>6 158</b>	<b>1,5</b>	<b>4 672</b>	<b>1,1</b>	<b>9 467</b>	<b>2,3</b>

Donor funds: These funds refer to financing received from other countries to improve the quality of statistics.

Recoverable expenditure: This refers to funds received from other departments to gather specified data for their use.

Table 2.4 – Overtime, allowances and benefits by salary band – amount and percentage of total personnel cost per salary band

Salary band	Salaries		Overtime		Home owners allowance		Medical allowance	
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	Home owners allowance as % of personnel cost	Amount (R'000)	Medical allowance as % of personnel cost
Levels 3–5 (permanent staff)	8 551	66,8	1 612	12,6	235	1,8	503	3,9
Levels 3–5 (temporary staff)	52 571	87,6	568	0,9	0	0,0	54	0,1
Levels 6–8 (permanent staff)	60 387	73,1	2 071	2,5	1 046	1,3	3 849	4,7
Levels 6–8 (temporary staff)	66 464	93,0	419	0,6	0	0,0	29	0,0
Levels 9–12 (permanent staff)	80 999	71,0	1 474	1,3	1 066	0,9	3 769	3,3
Levels 9–12 (temporary staff)	6 863	85,4	14	0,2	0	0,0	2	0,0
Levels 13–16 (permanent staff)	35 945	58,5	0	0,0	2 206	3,6	1 232	2,0
Levels 13–16 (temporary staff)	2 201	59,7	0	0,0	119	3,2	29	0,8
<b>Total</b>	<b>313 981</b>	<b>75,7</b>	<b>6 158</b>	<b>1,5</b>	<b>4 672</b>	<b>1,1</b>	<b>9 467</b>	<b>2,3</b>

## Employment and vacancies

Table 3.1 – Employment and vacancies by programme, 31 March 2007

Programme	Permanent posts			Contract posts	Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate	Number of contract posts	
Programme 1: Administration	405	317	22	22	0
Programme 2: Economic Statistics	724	566	22	61	0
Programme 3: Population and Social Statistics	400	170	58	833	0
Programme 4: Quality and Integration	103	71	31	37	0
Programme 5: Statistical Support and Informatics	611	394	36	4	0
<b>Total</b>	<b>2 243</b>	<b>1 518</b>	<b>32</b>	<b>957</b>	<b>0</b>

Table 3.2 – Employment and vacancies by salary band, 31 March 2007

Salary band	Permanent posts			Contract posts	Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate	Number of contract posts	
Levels 1–2	0	0	0	0	0
Levels 3–5	236	212	10	404	0
Levels 6–8	988	680	31	525	0
Levels 9–12	847	499	41	23	0
Levels 13–16	172	127	26	5	0
<b>Total</b>	<b>2 243</b>	<b>1 518</b>	<b>32</b>	<b>957</b>	<b>0</b>

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2007

Critical occupation	Permanent posts			Contract posts	Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate	Number of contract posts	
IT Specialists	149	90	34	11	0
Economists	47	28	40	0	0
Statisticians and related professionals	461	259	37	49	0
Graphic designers	4	4	0	0	0
<b>Total</b>	<b>661</b>	<b>381</b>	<b>57</b>	<b>60</b>	<b>0</b>

## Job evaluation

Table 4.1 – Job evaluation, 1 April 2006 to 31 March 2007

Salary band	Number of permanent posts	Number of posts evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number of posts upgraded	% of upgraded posts evaluated	Number of posts downgraded	% of downgraded posts evaluated
Levels 3–5	236	6	2,5	1	16,7	0	0,0
Levels 6–8	988	9	0,9	0	0,0	0	0,0
Levels 9–12	847	62	7,3	3	4,8	0	0,0
SMS Band A	134	11	8,2	1	9,1	0	0,0
SMS Band B	32	2	6,3	0	0,0	0	0,0
SMS Band C	5	0	0,0	0	0,0	0	0,0
SMS Band D	1	0	0,0	0	0,0	0	0,0
<b>Total</b>	<b>2 243</b>	<b>90</b>	<b>25,2</b>	<b>5</b>	<b>30,6</b>	<b>0</b>	<b>0,0</b>

Table 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	0	1
Male	3	0	0	1	4
<b>Total</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>5</b>
Employees with a disability	0	0	0	0	0

Table 4.3 – Employees whose salary level exceeds the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior Manager	1	13	14	Person already on higher salary level
Senior Manager	2	14	15	Persons already on higher salary level
<b>Total</b>	<b>3</b>			
Total number of employees whose salaries exceeded the level determined by job evaluation in 2006/2007				3
Percentage of total employment				0,17

Table 4.4 – Profile of employees whose salary level exceeds the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	0	1	1
Male	1	0	0	1	2
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>
Employees with a disability	0	0	0	0	0

## Employment changes

Table 5.1 – Annual turnover rates by salary band, 1 April 2006 to 31 March 2007

Salary band	Number of employees per band as on 1 April 2006	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
<b>Permanent staff</b>				
Levels 3–5	92	147	5	2,1
Levels 6–8	594	166	51	6,7
Levels 9–12	415	90	43	8,5
SMS Band A	79	12	8	8,8
SMS Band B	22	3	1	4,0
SMS Band C	2	3	0	0,0
SMS Band D	1	0	0	0,0
<b>Total</b>	<b>1 205</b>	<b>421</b>	<b>108</b>	<b>6,6</b>
<b>Temporary staff</b>				
Levels 3–5	732	15 023	17 629	111,9
Levels 6–8	426	4 370	3 647	76,0
Levels 9–12	59	25	51	60,7
SMS Band A	5	0	1	20,0
SMS Band B	2	0	0	0,0
SMS Band C	0	0	0	0,0
<b>Total</b>	<b>1 224</b>	<b>19 418</b>	<b>21 328</b>	<b>103,3</b>

Table 5.2 – Annual turnover rates by critical occupation, 1 April 2006 to 31 March 2007

Occupation	Number of employees per occupation as on 1 April 2006	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
IT Specialists (permanent staff)	77	7	2	2,4
IT Specialists (temporary staff)	10	13	5	21,7
Economists (permanent staff)	27	4	6	19,4
Statisticians and related professionals (permanent staff)	193	43	26	11,0
Statisticians and related professionals (temporary staff)	23	5	19	67,9
Graphic designers (permanent staff)	4	0	0	0,0
<b>Total</b>	<b>334</b>	<b>72</b>	<b>58</b>	<b>14,3</b>

Table 5.3 – Reasons why staff are leaving the Department

Termination type	Number	% of total resignations	% of total employment
<b>Permanent staff</b>			
Death	2	1,9	0,1
Resignations and transfers out of Department	96	88,9	6,6
Discharged due to ill health	2	1,9	0,1
Dismissal – misconduct	4	3,7	0,3
Retirement	4	3,7	0,3
<b>Total</b>	<b>108</b>	<b>100,0</b>	<b>7,4</b>
<b>Temporary staff</b>			
Death	6	0,0	0,0
Resignation	213	1,0	1,0
Discharged due to ill health	1	0,0	0,0
Dismissal – misconduct	13	0,1	0,1
Retirement	3	0,0	0,0
Expiry of contract	21 092	98,9	102,2
<b>Total</b>	<b>21 328</b>	<b>100,0</b>	<b>103,3</b>

Stats SA uses the services of temporary staff to conduct fieldwork for specific periods during the year.

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2006	Promotion to another salary level	Salary level promotion as % of employees by occupation	Progression to another notch within salary level	Notch progression as % of employees by occupation
Economists	27	13	48,1	2	7,4
Graphic designers	4	1	25,0	3	75,0
IT Specialists	77	11	14,3	27	35,1
Statisticians and related professionals	193	60	31,1	81	42,0
<b>Total</b>	<b>301</b>	<b>85</b>	<b>37,5</b>	<b>113</b>	<b>37,5</b>

Table 5.5 – Promotions by salary band

Salary band	Employees as at 1 April 2006	Promotion to another salary level	Salary level promotion as % of employees by salary level	Progression to another notch within salary level	Notch progression as % of employees by salary band
Levels 3–5 (permanent staff)	92	3	3,3	88	95,7
Levels 3–5 (temporary staff)	732	2	0,3	0	0,0
Levels 6–8 (permanent staff)	594	99	16,7	276	46,5
Levels 6–8 (temporary staff)	426	15	3,5	5	1,2
Levels 9–12 (permanent staff)	415	114	27,5	213	51,3
Levels 9–12 (temporary staff)	59	0	0,0	0	0,0
SMS levels 13–16 (permanent staff)	104	28	26,9	54	51,9
SMS levels 13–16 (temporary staff)	7	0	0,0	2	28,6
<b>Total</b>	<b>2 429</b>	<b>261</b>	<b>10,7</b>	<b>638</b>	<b>26,3</b>

## Employment equity

Table 6.1 – Total number of employees (incl. employees with a disability) per occupational category (SASCO), 31 March 2007

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (permanent staff)	40	5	9	14	22	2	3	17	112
Legislators, senior officials and managers (temporary staff)	2	0	0	0	0	0	0	0	2
Professionals (permanent staff)	261	14	14	46	210	12	13	71	641
Professionals (temporary staff)	28	2	0	9	17	0	2	9	67
Clerks (permanent staff)	230	12	4	22	319	14	4	90	695
Clerks (temporary staff)	404	35	1	4	385	19	0	14	862
Service workers (permanent staff)	27	1	0	0	5	0	0	0	33
Service workers (temporary staff)	11	0	0	0	3	0	0	0	14
Plant and machine operators and assemblers (permanent staff)	11	0	0	2	3	0	0	0	16
Elementary occupations (permanent staff)	11	1	0	0	8	1	0	0	21
Elementary occupations (temporary staff)	9	0	0	0	3	0	0	0	12
<b>Total</b>	<b>1 034</b>	<b>70</b>	<b>28</b>	<b>97</b>	<b>975</b>	<b>48</b>	<b>22</b>	<b>201</b>	<b>2 475</b>
Employees with a disability	4	1	0	3	2	0	0	6	16

Table 6.2 – Total number of employees (incl. employees with a disability) per occupational band, 31 March 2007

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (permanent staff)	2	0	1	0	2	0	0	1	6
Top management (temporary staff)	0	0	0	0	0	0	0	0	0
Senior management (permanent staff)	43	5	9	19	21	2	4	18	121
Senior management (temporary staff)	2	0	0	3	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management (permanent staff)	89	6	7	23	56	5	3	25	214
Professionally qualified and experienced specialists and mid-management (temporary staff)	1	0	0	2	1	0	0	1	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen (permanent staff)	348	18	9	40	389	16	13	132	965
Skilled technical and academically qualified workers, junior management, supervisors, foremen (temporary staff)	245	28	0	7	238	7	2	16	543
Semi-skilled and discretionary decision-making (permanent staff)	98	4	1	2	99	6	0	2	212
Semi-skilled and discretionary decision-making (temporary staff)	206	9	1	1	169	12	0	6	404
<b>Total</b>	<b>1 034</b>	<b>70</b>	<b>28</b>	<b>97</b>	<b>975</b>	<b>48</b>	<b>22</b>	<b>201</b>	<b>2 475</b>



Table 6.3 – Recruitment, 1 April 2006 to 31 March 2007

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (permanent staff)	1	0	1	0	2	0	0	0	4
Top management (temporary staff)	0	0	0	0	0	0	0	0	0
Senior management (permanent staff)	8	0	0	2	2	0	0	2	14
Senior management (temporary staff)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (permanent staff)	27	2	1	6	44	4	3	3	90
Professionally qualified and experienced specialists and mid-management (temporary staff)	13	0	0	3	7	0	0	2	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen (permanent staff)	37	2	1	3	51	1	2	4	101
Skilled technical and academically qualified workers, junior management, supervisors, foremen (temporary staff)	2 424	278	8	30	1 435	135	4	56	4 370
Semi-skilled and discretionary decision-making (permanent staff)	12	2	0	0	35	2	0	0	51
Semi-skilled and discretionary decision-making (temporary staff)	5 593	556	15	43	8 156	580	13	67	15 023
<b>Total</b>	<b>8 115</b>	<b>840</b>	<b>26</b>	<b>87</b>	<b>9 732</b>	<b>722</b>	<b>22</b>	<b>134</b>	<b>19 678</b>
Employees with a disability	0	0	0	1	0	0	0	0	0

Table 6.4 – Promotions, 1 April 2006 to 31 March 2007

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (permanent staff)	1	0	0	0	2	0	0	0	3
Senior management (permanent staff)	8	1	0	2	9	0	0	5	25
Professionally qualified and experienced specialists and mid-management (permanent staff)	51	2	3	7	43	1	1	6	114
Professionally qualified and experienced specialists and mid-management (temporary staff)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen (permanent staff)	36	2	0	2	54	1	0	4	99
Skilled technical and academically qualified workers, junior management, supervisors, foremen (temporary staff)	11	0	0	0	4	0	0	0	15
Semi-skilled and discretionary decision-making (permanent staff)	2	0	0	0	1	0	0	0	3
Semi-skilled and discretionary decision-making (temporary staff)	1	0	0	0	1	0	0	0	2
<b>Total</b>	<b>110</b>	<b>5</b>	<b>3</b>	<b>11</b>	<b>114</b>	<b>2</b>	<b>1</b>	<b>15</b>	<b>261</b>
Employees with a disability	0	0	0	1	0	0	0	0	1

Table 6.5 – Terminations, 1 April 2006 to 31 March 2007

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (permanent staff)	0	0	0	0	0	0	0	0	0
Top management (temporary staff)	0	0	0	0	0	0	0	0	0
Senior management (permanent staff)	3	0	1	3	1	0	0	1	9
Senior management (temporary staff)	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (permanent staff)	21	1	1	5	10	1	0	4	43
Professionally qualified and experienced specialists and mid-management (temporary staff)	25	5	1	3	8	3	2	4	51
Skilled technical and academically qualified workers, junior management, supervisors, foremen (permanent staff)	24	2	2	0	17	2	0	4	51
Skilled technical and academically qualified workers, junior management, supervisors, foremen (temporary staff)	1 975	266	11	19	1 173	130	8	65	3 647
Semi-skilled and discretionary decision-making (permanent staff)	2	1	0	0	1	0	0	1	5
Semi-skilled and discretionary decision-making (temporary staff)	6 808	680	13	54	9 285	706	10	73	17 629
<b>Total</b>	<b>8 859</b>	<b>955</b>	<b>29</b>	<b>84</b>	<b>10 495</b>	<b>842</b>	<b>20</b>	<b>152</b>	<b>21 436</b>
Employees with a disability	0	0	0	0	0	0	0	0	0

Table 6.6 – Disciplinary action, 1 April 2006 to 31 March 2007

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>Total</b>	<b>28</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>38</b>

Table 6.7 – Skills development, 1 April 2006 to 31 March 2007

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	49	14	5	25	34	8	4	27	166
Professionals	283	16	11	73	247	15	9	101	755
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	393	39	4	21	323	20	3	74	877
Elementary occupations	45	1	0	1	57	1	0	0	105
<b>Total</b>	<b>770</b>	<b>70</b>	<b>20</b>	<b>120</b>	<b>661</b>	<b>44</b>	<b>16</b>	<b>202</b>	<b>1 903</b>
Employees with a disability	3	0	0	1	2	0	0	3	9

## Performance rewards

Table 7.1 – Performance rewards by race, gender and disability, 1 April 2005 to 31 March 2006

	Number of beneficiaries	Total number of employees in group	% of total in group	Total cost (R'000)	Average cost per employee (R'000)
African, female	179	395	45,3	1 591	4
African, male	206	445	46,3	2 126	5
Indian, female	8	14	57,1	177	13
Indian, male	8	20	40,0	160	8
Coloured, female	13	17	76,5	98	6
Coloured, male	11	22	50,0	148	7
White, female	119	160	74,4	1 592	10
White, male	31	70	44,3	490	7
Employees with a disability	9	14	64,3	61	4
<b>Total</b>	<b>584</b>	<b>1 157</b>	<b>50,5</b>	<b>6 443</b>	<b>6</b>

Table 7.2 – Performance rewards by salary band for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary band	Total number of employees	Number of beneficiaries	% of total	Total cost (R'000)	Average cost per employee (R'000)	Total cost as % of total personnel expenditure
Levels 1–2	0	0	0,0	0	0	0,0
Levels 3–5	125	66	52,8	246	4	4,5
Levels 6–8	584	293	50,2	1 995	7	36,4
Levels 9–12	345	184	53,3	3 240	18	59,1
<b>Total</b>	<b>1 054</b>	<b>543</b>	<b>51,5</b>	<b>5 481</b>	<b>10</b>	<b>100,0</b>

Table 7.3 – Performance rewards by critical occupation, 1 April 2005 to 31 March 2006

Critical occupation	Total number of employees	Number of beneficiaries	% of total	Total cost (R'000)	Average cost per employee (R'000)
Economists	27	20	74,1	107	5
IT Specialists	77	63	81,8	359	6
Statisticians	193	120	62,2	1 742	15
Graphic designers	4	4	100,0	48	12
<b>Total</b>	<b>301</b>	<b>207</b>	<b>68,8</b>	<b>2 255</b>	<b>11</b>

Table 7.4 – Performance-related rewards (cash bonus) by salary band for Senior Management Service

SMS Band	Number of beneficiaries	Total employment	% of total within band	Total cost (R'000)	Average cost per employee (R'000)
Band A	30	76	39,5	666	9
Band B	11	25	44,0	296	12
Band C	0	1	0,0	0	0
Band D	0	1	0,0	0	0
<b>Total</b>	<b>41</b>	<b>103</b>	<b>39,8</b>	<b>962</b>	<b>9</b>

## Foreign workers

Table 8.1 – Foreign workers by salary band, 1 April 2006 to 31 March 2007

Salary band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% changed
Levels 9–12 (permanent staff)	0	0,0	1	20,0	1	20,0
Levels 9–12 (temporary staff)	1	20,0	1	20,0	0	0,0
SMS levels 13–16 (permanent staff)	3	60,0	2	40,0	1	20,0
SMS levels 13–16 (temporary staff)	1	20,0	1	20,0	0	0,0
<b>Total</b>	<b>5</b>	<b>100,0</b>	<b>5</b>	<b>100,0</b>	<b>0</b>	<b>0,0</b>

Table 8.2 – Foreign workers by major occupation, 1 April 2006 to 31 March 2007

Major occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% changed
Information technology personnel	1	20,0	1	20,0	0	0,0
Professionals and managers	4	80,0	4	80,0	0	0,0
<b>Total</b>	<b>5</b>	<b>100,0</b>	<b>5</b>	<b>100,0</b>	<b>0</b>	<b>0,0</b>

## Leave utilisation

Table 9.1 – Sick leave, 1 January 2006 to 31 December 2006

Salary band	Total days	% of days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Levels 3–5 (permanent staff)	762	78,7	109	8,4	7	168
Levels 3–5 (temporary staff)	457	86,4	124	9,6	4	107
Levels 6–8 (permanent staff)	3 276	66,9	487	37,5	7	1 152
Levels 6–8 (temporary staff)	649	86,3	184	14,2	4	205
Levels 9–12 (permanent staff)	1 752	73,2	320	24,7	5	1 305
Levels 9–12 (temporary staff)	19	73,7	8	0,6	2	11
SMS levels 13–16 (permanent staff)	354	76,6	62	4,8	6	630
SMS levels 13–16 (temporary staff)	11	100,0	3	0,2	4	22
<b>Total</b>	<b>7 280</b>	<b>73,2</b>	<b>1 297</b>	<b>100,0</b>	<b>6</b>	<b>3 600</b>

Table 9.2 – Disability leave (temporary and permanent), 1 January 2006 to 31 December 2006

Salary band	Total days	% of days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Levels 1–2	0	0,0	0	0,0	0	0
Levels 3–5	142	97,9	6	10,7	24	30
Levels 6–8	265	92,8	42	75,0	6	100
Levels 9–12	104	100,0	5	8,9	21	60
SMS levels 13–16	11	100,0	2	3,6	6	20
Not available	16	100,0	1	1,8	16	5
<b>Total</b>	<b>538</b>	<b>95,9</b>	<b>56</b>	<b>100,0</b>	<b>10</b>	<b>215</b>

Table 9.3 – Annual leave, 1 January 2006 to 31 December 2006

Salary band	Total days taken	Average number of days per employee	Number of employees who took leave
Levels 3–5 (permanent staff)	3 222	17	194
Levels 3–5 (temporary staff)	3 005	6	542
Levels 6–8 (permanent staff)	12 420	18	674
Levels 6–8 (temporary staff)	3 540	6	639
Levels 9–12 (permanent staff)	8 865	17	514
Levels 9–12 (temporary staff)	176	6	28
SMS levels 13–16 (permanent staff)	2 437	20	124
SMS levels 13–16 (temporary staff)	126	18	7
<b>Total</b>	<b>33 790</b>	<b>12</b>	<b>2 722</b>

Table 9.4 – Capped leave, 1 January 2006 to 31 December 2006

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006
Levels 3–5	14	14	22
Levels 6–8	161	6	33
Levels 9–12	131	7	48
SMS levels 13–16	69	8	49
<b>Total</b>	<b>375</b>	<b>6</b>	<b>41</b>

Table 9.5 – Leave payouts, 1 April 2006 to 31 March 2007

	Total amount (R'000)	Number of employees	Average payment per employee (R)
Leave payouts for 2006/07 due to non-utilisation of leave for previous cycle	596	115	5 183
Capped leave payouts on termination of service for 2006/07	2 900	1 595	1 818
Current leave payouts on termination of service for 2006/07	2 659	1 639	1 622
<b>Total</b>	<b>6 155</b>	<b>3 349</b>	<b>1 838</b>

## HIV/AIDS and health promotion programmes

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	N/A

Table 10.2 – Details of health promotion and HIV/AIDS programmes

Question	Yes/ No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI(E) of Chapter 1 of the Public Service Regulations, 2001? If so, provide the name and position of the particular SMS member.	YES	Ms Xoli Kunene, Manager: Employee Relations
2. Does the department have a dedicated unit or have you designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	YES	Five full-time staff members and a budget of R2,4 million including staff salaries.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	YES	Counselling and professional support, health and wellness programmes, HIV/AIDS programme, stress management programme, retirement plan and life skills training.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5(e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	YES	There is an HIV/AIDS Committee comprising the following Head Office representatives: Ms R Ramorei, Ms A Setshogoe, Ms B van der Spuy, Mr M Muravha, Ms E Mkhabela, Ms G Makgato, Mr J Masangu, Ms K Xosa, Ms T Maboja, and Mr V Munyangane.
5. Has the department reviewed the employment policies and practices of your department to ensure these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	YES	The bereavement and EAP policies were reviewed and communicated to staff members. The HIV/AIDS policy is in line with the Employment Equity Act.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	YES	Counselling and referrals, partnership with support groups and NGOs, workshops, distribution of HIV/AIDS materials, peer group education programme, condom distribution, special events such as AIDS Day, Candle Light Memorial, TB Month, Condom Month, implementation of the HIV/AIDS policy, and addresses by people living with HIV/AIDS.
7. Does the department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved.	YES	Voluntary counselling sessions on VCT were launched. 80% of staff members attended the workshops. There is partnership with NGOs providing antiretroviral treatment. Referrals are continuously being made to these NGOs.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your Health Promotion Programme? If so, list these measures/indicators.	YES	Quantified targets are set on counselling sessions held, number of referrals to other bodies/experts, cases closed, number of condoms distributed, the response rate to the VCT programme, number of posters distributed, number of candidates attending workshops, and number of referrals from peer group educators and managers.

## Labour relations

Table 11.1 – Collective agreements, 1 April 2006 to 31 March 2007

Total collective agreements	None
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Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcome of disciplinary hearings	Number	% of total
Precautionary suspension	1	2,6
Correctional counselling	1	2,6
Withdrawals	2	5,3
Dismissal	15	39,5
Final written warnings	13	34,2
Written warnings	6	15,8
<b>Total</b>	<b>38</b>	<b>100,0</b>

Table 11.3 – Types of misconduct addressed at disciplinary hearings, 1 April 2006 to 31 March 2007

Type of misconduct	Number	% of total
Assault	1	2,6
Abscondment	9	23,7
Email abuse	1	2,6
Insolent behaviour	1	2,6
Motor vehicle accidents	19	50,0
Gross negligence	5	13,2
Misrepresentation	2	5,3
<b>Total</b>	<b>38</b>	<b>100,0</b>

Table 11.4 – Grievances lodged, 1 April 2006 to 31 March 2007

	Number	% of total
Number of grievances resolved	88	97,8
Number of grievances not resolved	2	2,2
<b>Total number of grievances lodged</b>	<b>90</b>	<b>100,0</b>



Table 11.5 – Disputes lodged with councils, 1 April 2006 to 31 March 2007

	Number	% of total
Disputes upheld	3	20,0
Disputes dismissed	4	26,7
Cases pending	8	53,3
<b>Total</b>	<b>15</b>	<b>100,0</b>

Table 11.6 – Strike actions, 1 April 2006 to 31 March 2007

Strike actions	Total
Total number of working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 11.7 – Precautionary suspensions, 1 April 2006 to 31 March 2007

Precautionary suspensions	Total
Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
<b>Total number of days suspended</b>	<b>672</b>
Average number of days suspended	184
<b>Total cost of suspensions (R'000)</b>	<b>R 413 292,00</b>

## Skills development

Table 12.1 – Training needs identified, 1 April 2006 to 31 March 2007

		Training needs identified at start of reporting period				
Occupational category	Gender	Number of employees as at 1 April 2006 (permanent and contract)	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	44	0	38	22	60
	Male	70	0	46	25	71
Professionals	Female	334	0	285	68	353
	Male	374	0	205	35	240
Clerks	Female	845	0	308	66	374
	Male	712	0	265	28	293
Plant and machine operators and assemblers	Female	3	0	1	0	1
	Male	13	0	4	0	4
Elementary occupations	Female	20	0	12	13	25
	Male	60	0	38	15	53
Gender subtotals	Female	1 246	0	632	169	813
	Male	1 229	0	570	103	661
<b>Total</b>		<b>2 475</b>	<b>0</b>	<b>1 202</b>	<b>272</b>	<b>1 474</b>

Table 12.2 – Training provided, 1 April 2006 to 31 March 2007

		Training provided within the reporting period				
Occupational category	Gender	Number of employees as at 1 April 2006 (permanent and contract)	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	44	0	40	33	73
	Male	70	0	55	38	93
Professionals	Female	334	0	300	72	372
	Male	374	0	315	68	383
Clerks	Female	845	0	365	50	415
	Male	712	0	423	33	456
Plant and machine operators and assemblers	Female	3	0	3	0	3
	Male	13	0	12	0	12
Elementary occupations	Female	20	0	45	13	58
	Male	60	0	33	14	47
Gender subtotals	Female	1 246	0	753	168	921
	Male	1 229	0	838	153	991
<b>Total</b>		<b>2 475</b>	<b>0</b>	<b>1 591</b>	<b>321</b>	<b>1 912</b>

## Injury on duty

Table 13.1 – Injury on duty, 1 April 2006 to 31 March 2007

Nature of injury on duty	Number	% of total
Required basic medical attention only	65	95,6
Temporary total disablement	0	0,0
Permanent disablement	2	2,9
Fatal	1	1,5
<b>Total</b>	<b>68</b>	<b>100,0</b>

## Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project title	Number of companies	Total number of consultants that worked on the project	Contract value (R'000)
Re-engineering of Labour Force Survey	6	6	4 297
Management consultant	1	1	488
Advisory services	3	3	2 315
Outsourcing of internal audit	4	4	569
Consultancy services, expertise and advice	1	1	748
Data management and information delivery	2	2	757
Development of index framework (Limpopo)	1	1	513
Causes of death – mortality	1	1	760
Spatial reference fieldwork verifications for the verifications for the dwelling framework	4	4	32 401
Procurement of SPOT 5 satellite imagery and subsequent annual coverage of full spatial extent of SA for 2007/2008	1	2	14 712
Standards and good practice methodology	3	3	463
Review of organisational structure	1	1	827
Legal advice	2	2	901
Planning and execution of census content research survey and disability schedule for Census 2011	1	1	371
Data warehouse	1	1	800
<b>Total number of projects</b>	<b>Total number of companies</b>	<b>Total individual consultants</b>	<b>Total contract value (R'000)</b>
15	32	33	60 922

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups that worked on the project
Management consultant	100,0	100,0	1
Outsourcing of internal audit	88,0	88,0	2
Causes of death – mortality	100,0	100,0	30
Spatial reference fieldwork verifications for the verifications for the dwelling framework	60,0	60,0	4
Review of organisational structure	100,0	100,0	1
Data warehouse	100,0	100,0	1

Table 14.3 – Report on consultant appointments using donor funds

	Total number of consultants that worked on the project	Donor and contract value (R'000)
Income and Expenditure Survey	8	2 488
Poverty	1	1 330
Human capacity development (HCD)	3	299
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total contract value (R'000)</b>
<b>3</b>	<b>12</b>	<b>4 117</b>

There were no consultant appointments using donor funds in terms of HDIs for the period 1 April 2006–31 March 2007.





## Section 5: Audit Committee report



## Report of the Audit Committee of Statistics South Africa for the financial year ended 31 March 2007

The Audit Committee of Statistics South Africa is pleased to present our report for the financial year ended 31 March 2007.

### Members

The Audit Committee consists of five members, namely four non-executives and one executive member. The Audit Committee has met three times during the financial year under review, in compliance with the approved terms of reference. The DDG: Corporate Services, Chief Financial Officer and internal and external auditors are permanent invitees to the Audit Committee, and have unrestricted access to bring any matter within their scope and responsibility to the attention of the committee.

Name of member	Status	Meetings attended
Mr TR Naidoo CA (SA), HDip (Tax)	Chairperson Non-executive	1
Mr SJ Thema BA, LLB	Member Non-executive	2
Ms Z Jones MBA, MIB	Member Non-executive	1
Ms M Qacha MBA, CA (Lesotho)	Member Non-executive	2
Mr PJ Lehohla Statistician-General	Member Executive	2

### Responsibility

The Audit Committee reports that it has complied with the responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and that it has adopted appropriate formal terms of reference as its charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities contained therein.

### The effectiveness of internal control

During the year under review internal and external auditors reported several instances of controls that were not fully effective as a result of the breakdown in the proper functioning of certain controls. Control weaknesses have been reported by the Auditor-General in their management letter.

The Audit Committee recognises the continuous efforts made by management to actively improve the effectiveness of controls.

### **The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA**

The Audit Committee is satisfied with the content and quality of reports prepared and issued by the Accounting Officer and the Department during the year under review.

### **Evaluation of the annual financial statements**

The Audit Committee has –

- reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer; and
- reviewed the Auditor-General's management letter and management's response thereto.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

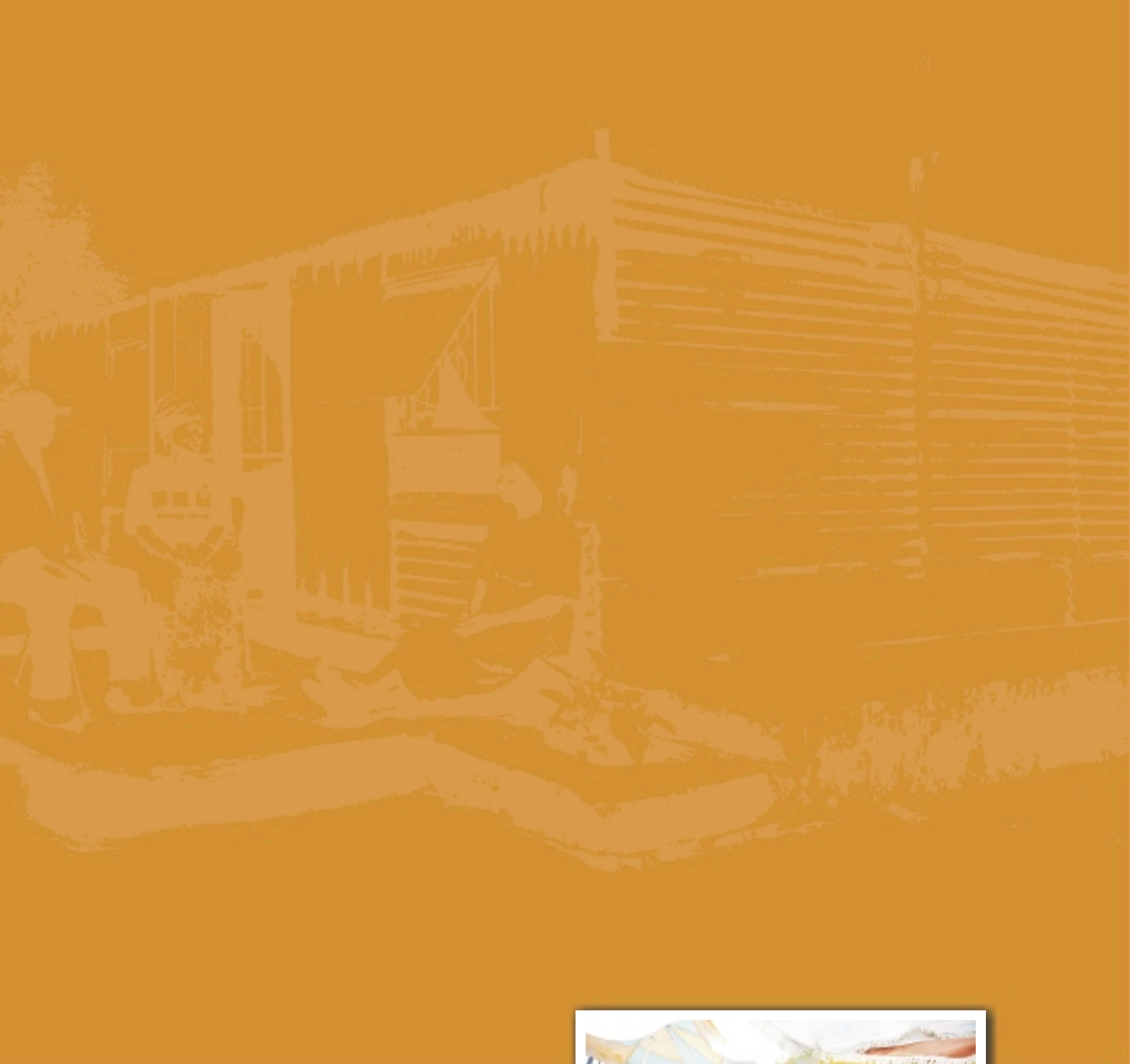


TR Naidoo  
Chairperson: Audit Committee

Date: 14 August 2007







## Section 6: Annual financial statements



## Management report for the year ended 31 March 2007

### Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

#### 1. General review of the state of affairs

In pursuit of becoming the preferred supplier of quality statistics, Stats SA has focused in the past year on increasing the quality, coherence and coverage of economic, population and social statistics through long-term investment in systems, statistical infrastructure, methodology and skills.

##### Economic statistics

Key initiatives and achievements in the production of economic statistics included:

- Stats SA produced industry and trade, price, employment and financial statistics according to set targets in line with the Statistical Data Dissemination Standard (SDDS) requirements.
- Stats SA has finalised the roll-out of the CPI direct price collection methodology in metropolitan areas of all provinces.
- Data collection for the Income and Expenditure Survey began in September 2005 and was completed in September 2006. Data processing and editing was completed in 2006 according to set targets. Statistical information on the spending patterns of South African households will be published by November 2007.
- Improvements to the business register and the drawing of new samples on an annual basis have improved sampling and consequently the coverage of businesses for economic statistics.

##### Population and social statistics

Key initiatives and achievements in the production of population and social statistics included:

- The Community Survey was conducted in February 2007, during which 284 275 households across the country were visited. The results will be released in November 2007.
- The next census will be undertaken in October 2011. Research has begun with questions on fertility, migration and employment already covered. A monitoring and evaluation framework was developed. The Community Survey has been designed to build human, management and logistical capacity for Census 2011.
- Stats SA has introduced a comprehensive review of the current Labour Force Survey to address weaknesses in the questionnaire and sample design, estimation, timeliness and frequency of the survey. A pilot was conducted during 2006/07 to test methodologies in the field. The new collection methodology will be implemented during 2007/08.

##### Summary of financial performance

Stats SA's original budget for 2006/07 was R1 074,483 million – an increase of 45% from the allocation of R741,357 million for the 2005/06 financial year. In the Adjustments Estimates of 2006, Stats SA received an additional R87,298 million as approved rollovers from the 2005/06 financial year. This resulted in an adjusted budget of R1 161,781 million for the current financial year as there were no other additional funds provided.

Actual expenditure incurred by the Department was R1 060,470 million, representing 91% of the adjusted budget. Departmental savings were utilised to offset the unauthorised expenditure of R36,135 million relating to overspending for Census 1996. Approval from Parliament for the unauthorised expenditure was granted through the enactment of the Finance Act, 2007 (Act No. 2 of 2007), but additional funds were not provided. The total expenditure incurred by the Department inclusive of the unauthorised expenditure was R1 096,605 million, representing 94,4% of the adjusted budget.

Savings amounting to R65,176 million were realised for the 2006/07 financial year. A high proportion of the savings can be attributed to the timing of the Community Survey project (Programme 3: Population and Social Statistics) where goods and services provided for the project could not be paid in this financial year. National Treasury has been approached to roll over an amount of R56,997 to the next financial year.

Virement was applied from areas of savings to areas of possible overspending. Amounts of R7,121 million from Programme 2; R5,137 million from Programme 3; and R4,243 million from Programme 4 were shifted to Programme 1 (R5,827 million) and Programme 5 (R10,674 million).

Stats SA is not a major revenue-generating department. Total revenue for the 2006/07 financial year amounts to R1,545 million compared to R8,929 million in the 2005/06 financial year. Funds were received for sales of goods and services by Stats SA (R0,672 million), sales of scrap material (R0,052 million), interest earned (R0,262 million) and R0,559 million representing recovery of the previous year's expenditure and repayments of contractual departmental debt.

Four sources of income are reflected in the statement of financial performance:

- Appropriations
- General revenue
- Foreign aid assistance
- Contract work (funds received from other agencies and/or departments to fund the projects undertaken by Stats SA on their behalf)

It was decided to report and disclose financial information on contract work under the local and foreign aid assistance section of the annual financial statements as no provision was made in the template provided by National Treasury. Information regarding contract work was disclosed in the same manner in the previous financial years.

## 2. Services rendered by the Department

The main statistical outputs of the Department during the financial year were:

### Industry and Trade Statistics

- Industry and Trade Statistics provides information on turnover and volumes in various economic sectors.

### Price Statistics

- Price Statistics provides information on price indices such as the consumer and producer price indices, and on employment levels in the formal non-agriculture sectors.

### Financial Statistics

- Financial Statistics tracks public sector spending and the financial performance of private sector organisations.

### Population Statistics

- Population Statistics plans, collects, processes, analyses and disseminates population statistics collected through the census and surveys, and provides information on a wide range of population and demographic themes on municipal level.

### Social Statistics

- Social Statistics provides information on labour market trends and living conditions in South Africa through the General Household Survey and Labour Force Survey.

### Health and Vital Statistics

- Health and Vital Statistics provides statistics on births, deaths, marriages and divorces, and tourism and migration, all based on administrative records.

### Integrative Analysis

- Integrative Analysis compiles thematic reports based on data sourced throughout the statistics system and estimates mid-year population projections.

### National Accounts

- National Accounts produces the GDP and other integrative statistical products.

### Tariff Policy

- Stats SA disseminates approximately 98% of its statistics through its website on the Internet at no cost to users.

### Free services

- As a general principle, Stats SA does not seek to recover any of the costs of data collected, products developed or standard services provided. Exceptions are where costs not provided for in the core budget of Stats SA are incurred in servicing user requests. Special requests involving activities not catered for in the core budget are charged for at a rate of R300,00 per hour.

### 3. Capacity constraints

A key challenge facing South Africa today is a shortage of mathematical and statistical skills. Stats SA has developed an integrated capacity building strategy to address the lack of statistical skills, not only within the organisation, but also in the broader National Statistics System including a programme to nurture a young cadre of school mathematics teachers in the country. Stats SA has initiated the following programmes towards building statistical capacity:

- Mathematics for Statistics (Maths4Stats) – towards a nation that counts. Stats SA hosted various statistical workshops across the country.
- Internship programme – recruiting and appointing suitable university graduates that receive intensive training for a period of twelve months before they are deployed in the organisation.
- International training programme – utilising the assistance of international experts to develop and offer statistical courses. Eight members from SADC countries have benefited from these courses.
- Scholarships (foreign studies) – twelve staff members received scholarships to continue their studies in Tanzania and Uganda statistical training institutes.
- E-learning – A vendor has been appointed to assist in developing an E-learning system towards building statistical capacity in Stats SA and the NSS.
- Nine students were awarded bursaries during the financial year to complete their studies in statistical related courses at local universities in an effort to address the skills shortage in the organisation.

### 4. Utilisation of donor funds

#### Institutional Development Programme

The project is a joint venture between the governments of South Africa, Canada, Sweden and the United Kingdom. The objectives of the project in terms of the Memorandum of Understanding are to provide assistance to enable Stats SA to–

- (i) develop capacity for poverty research and analysis;
- (ii) develop methodologies to improve the Income and Expenditure Survey; and
- (iii) develop capacity for the development of statistical training methods and tools.

An amount of R3,720 million was brought forward from the previous financial year in respect of the Institutional Development Programme. An additional amount of R2,302 million for this project was received during the financial year.

Expenditure incurred during the year amounted to R4,116 million, leaving a balance of R1,906 million for use in the 2007/08 financial year for ongoing work.

#### Non-financial Census of Municipalities

The project was funded by the Government of Switzerland and its objective was to enable Stats SA to develop and produce a census of non-financial data at local government level.

An amount of R1,157 million brought forward from the previous financial year, representing the surplus funds after successful completion of the projects was paid back to the RDP Fund during this financial year.

### Population Census (analysis of the outcome of the 1996 Population Census)

The project was funded by the Swedish International Development Cooperation Agency (Sida) to analyse the outcome of 1996 Population Census.

An amount of R0,029 million brought forward from the previous financial year, representing the surplus funds after successful completion of the project was paid back to the RDP Fund during this financial year.

### Contract work

#### Agriculture Sample Survey

The project is funded by the Department of Agriculture to support Stats SA to conduct the Agriculture Sample Survey, covering approximately 6 000 commercial farming units and collecting agricultural related information.

An amount of R2,177 million was brought forward from 2005/06 in respect of this project for ongoing work. A total expenditure of R2,152 million was incurred during this financial year, leaving a balance of R0,025 million for use in the 2007/08 financial year for ongoing work.

#### Spot 5: Geography

The project was funded jointly by the Department of Agriculture and Stats SA to support Stats SA in procuring Spot 5 satellite imagery through the Satellite Application Centre (SAC) of an intermediary institution, namely the Council for Scientific and Industrial Research (CSIR).

An amount of R5 million was brought forward from 2005/06 in respect of this project. A total expenditure of R3,374 million was incurred during the financial year, leaving a balance of R1,626 million for use in the 2007/08 financial year for ongoing work.

The acquisition of the satellite imagery will be used in the dwelling frames project.

#### Joint Building Contracts Committee (JBCC)

JBCC obtains statistical data relating to Contract Price Adjustment Provisions from Stats SA on a monthly basis to reproduce and disseminate the statistical releases to specified subscribers.

A total revenue of R0,254 million in respect of Joint Building Contracts Committee (JBCC) was received during the financial year. Unused funds amounting to R0,254 million from the JBCC were transferred to the National Revenue Fund at the end of the financial year.

## 5. Corporate governance arrangements

A departmental risk management strategy and process was implemented. A risk management framework was approved and operational risk plans for the various areas were compiled. Implementation of the approved strategy is continuous and is overseen by a risk management steering committee, composed of selected executive managers, who represent all clusters in the organisation.

The amended fraud prevention plan inclusive of a fraud prevention policy statement has been reviewed by the Audit Committee and approved by the Executive Committee. A fraud hotline instituted by the organisation is monitored on an ongoing basis.

Weekly audit progress meetings were held with the Office of the Auditor-General during the 2004/05 financial year. In order to ensure continuity, maintaining momentum and to keep management informed on governance issues, the Department decided to keep this forum, with the exclusion of the Office of the Auditor-General, after the audit. This forum has ensured that important governance issues are addressed and do not fall off the radar screen.

Stats SA introduced a centralised invoice tracking register in order to ensure that invoices are paid within the required 30-day period. Significant progress has been made although teething problems are still being experienced.

## 6. New/proposed activities

New surveys to improve the measurement of economic growth will be introduced in the new financial year. These include:

- (i) A census on commercial agricultural activity to be conducted in 2007/08 as a joint venture between Stats SA and the Department of Agriculture; and
- (ii) Research on the collection of information on construction, communication and business services, and replacing the land freight survey with a new survey on transport.

Key initiatives and developments to improve the measurement of price stability include reweighting the Production Price Index, and publishing the results of the Income and Expenditure Survey.

In order to measure more accurately the dynamics of South Africa's labour market, the Labour Force Survey (LFS) is being reviewed. Stats SA is planning to launch the new quarterly LFS in January 2008 and the first publication will be available in August 2008.

Key initiatives to improve the measurement of life circumstances, service delivery and poverty include publishing the results of the Community Survey and conducting a pilot survey on poverty.

Stats SA continues to conduct planning and research activities towards the population census in 2011. This will enable Stats SA to provide information on the demographic profile and population dynamics of South Africa.

## 7. Inventories

Inventories are issued at average cost. The following are the main stock categories and the values at the end of the financial year at hand:

Other consumables	R226 088
Parts and maintenance	R79 233
Domestic consumables	R30 719
Stationery and printing	R717 382



#### Redundant items

There have been a number of items that are slow-moving and/or non-moving items, which are to be presented to the Disposal Committee. The total value of potentially disposable items is R60,803.

### 8. SCOPA resolutions

Stats SA incurred overexpenditure during the 1996 and 2001 censuses to the amount of R36,135 million and R121,937 million respectively. These amounts were authorised as expenditure through the enactment of the Finance Act (Act No. 2 of 2007) and were previously reported in SCOPA resolution number 6 of report number 118.

### 9. Events after the reporting date

A payment of R10,2 million was processed during June 2007 in favour of the EAX consortium as full and final settlement of the contingent liability as indicated in the disclosure notes.

#### Approval

The annual financial statements set out on pages 111 to 154 have been approved by the Accounting Officer.



PJ Lehohla  
Statistician-General (Accounting Officer)  
22 August 2007

## **Report of the Auditor-General to Parliament on the Financial Statements and Performance Information of Vote 13 – Statistics South Africa for the year ended 31 March 2007**

### **Report on the financial statements**

#### Introduction

1. I have audited the accompanying financial statements of Statistics South Africa which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 111 to 154.

#### Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.

### Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of Statistics South Africa as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

### Other matters

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

#### General controls surrounding the transversal systems

10. An information systems audit of the general controls surrounding the Basic Accounting System, Personnel and Salary System and Logistical Information System was conducted during October 2006.

Overall the general control environment was adequate, however the following significant weaknesses existed:

- The information technology (IT) policies were not complete and formally approved to provide clear governance with regards to IT operations and the review of activity logs in order to detect security breaches. The anti-virus policy was furthermore not enforced and the access to the computer room was not controlled to prevent unauthorised access.
- Segregation of duties was compromised by vacancies in the IT environment. System development and maintenance were performed by the same personnel and operations staff performed security functions.
- The user account management procedures in respect of the Basic Accounting System, Personnel and Salary System and Logistical Information System were inadequate.

#### Delay in finalisation of audit

11. Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected departments, although this department has not been affected. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006-07 financial year.

## Other reporting responsibilities

### Reporting on performance information

12. I have audited the performance information as set out on pages 23 to 71.

### Responsibilities of the accounting officer

13. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

### Responsibility of the Auditor-General

14. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

16. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings.

### Audit findings

17. No audit findings

## Appreciation

18. The assistance rendered by the staff of Statistics South Africa during the audit is sincerely appreciated.



DEL Zondo for Auditor-General

Pretoria  
31 August 2007



## **Accounting policies for the year ended 31 March 2007**

Financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act No. 1 of 1999 (as amended by Act No. 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act No. 2 of 2006.

### **1. Presentation of the financial statements**

#### **1.1 Basis of preparation**

Financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

#### **1.2 Presentation currency**

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

#### **1.3 Rounding**

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R'000).

#### **1.4 Comparative figures**

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

#### **1.5 Comparative figures – appropriation statement**

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

### **2. Revenue**

#### **2.1 Appropriated funds**

Appropriated and adjusted appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

## 2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

### 2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and/or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

### 2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services are recognised in the statement of financial performance when the cash is received.

### 2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

### 2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

### 2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

### 2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

#### 2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements. All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

### 2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the Department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

## 3. Expenditure

### 3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

#### 3.1.1 Short-term employee benefits

Short-term employee benefits comprise leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance.

### 3.1.2 Long-term employee benefits

#### 3.1.2.1 *Termination benefits*

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

#### 3.1.2.2 *Post-employment retirement benefits*

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

### 3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project, or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

### 3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

### 3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.



### 3.5 Unauthorised expenditure

When discovered, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding, it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

### 3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

### 3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

### 3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March of each year).

### 3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

## 4. Assets

### 4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

### 4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

### 4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

### 4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in disclosure notes.

### 4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in disclosure notes.

### 4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

### 4.7 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure notes 29 and 30 reflect the total movement in the asset register for the current financial year.

## 5. Liabilities

### 5.1 Payables

Recognised payables mainly comprise amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

## 5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

## 5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes.

## 5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department; or

A contingent liability is a present obligation that arises from past events but is not recognised because–

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

## 5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes.

# 6. Net assets

## 6.1 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

## 6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

## 7. Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regard to related party transactions is included in the disclosure notes.

## 8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

# Appropriation statement for the year ended 31 March 2007

Appropriation per programme

Programme	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>1. Administration</b>									
Current payment	140 226	-	15 846	156 072	154 664	1 408	99,1	101 650	106 086
Transfers and subsidies	127	-	(15)	112	107	5	95,5	159	260
Expenditure for capital assets	13 078	-	(10 004)	3 074	3 042	32	99,0	4 022	4 583
<b>2. Economic Statistics</b>									
Current payment	169 543	-	(6 052)	163 491	163 465	26	100,0	143 308	136 806
Transfers and subsidies	424	-	(293)	131	108	23	82,4	579	376
Expenditure for capital assets	5 721	-	(776)	4 945	4 090	855	82,7	8 117	7 291
<b>3. Population and Social Statistics</b>									
Current payment	591 467	-	(3 392)	588 075	515 746	72 329	87,7	244 493	162 467
Transfers and subsidies	135	-	207	342	280	62	81,9	205	218
Expenditure for capital assets	25 267	-	(1 952)	23 315	16 140	7 175	69,2	11 367	11 394
<b>4. Quality and Integration</b>									
Current payment	51 304	-	(4 929)	46 375	38 502	7 873	83,0	32 525	29 792
Transfers and subsidies	49	-	(2)	47	20	27	42,6	70	229
Expenditure for capital assets	1 853	-	688	2 541	2 272	269	89,4	1 421	1 650
<b>5. Statistical Support and Informatics</b>									
Current payment	159 966	-	(1 564)	158 402	149 042	9 360	94,1	149 180	139 250
Transfers and subsidies	127	-	194	321	302	19	94,1	248	469
Expenditure for capital assets	2 494	-	12 044	14 538	12 690	1 848	87,3	20 080	19 113
<b>Total</b>	<b>1 161 781</b>	<b>-</b>	<b>-</b>	<b>1 161 781</b>	<b>1 060 470</b>	<b>101 311</b>	<b>91,3</b>	<b>717 424</b>	<b>619 984</b>

## Reconciliation with the statement of financial performance

Prior year unauthorised expenditure approved with funding	-	-
Departmental receipts	1 545	8 929
Local and foreign aid assistance	2 556	10 882
<b>Actual amounts with the statement of financial performance (total revenue)</b>	<b><u>1 165 882</u></b>	<b><u>737 235</u></b>
Investments acquired and capitalised during the current financial year – expensed for appropriation purposes	-	-
Other payments in the appropriation statement, not accounted for in the statement of financial performance	-	-
Local and foreign aid assistance	11 082	7 967
Prior year unauthorised expenditure approved	36 135	-
Prior year fruitless and wasteful expenditure condoned	-	-
<b>Actual amounts per statement of financial performance expenditure</b>	<b><u>1 107 687</u></b>	<b><u>627 951</u></b>

# Appropriation per economic classification

Economic classification	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Current payments</b>									
Compensation to employees	489 043	-	(66 005)	423 038	414 912	8 126	98,1	313 355	302 052
Goods and services	623 463	-	65 914	689 377	605 356	84 021	87,8	357 801	271 631
Financial transactions in assets and liabilities	-	-	-	-	1 151	(1 151)	0,0	-	718
<b>Transfers and subsidies</b>									
Provinces and municipalities	356	-	11	367	293	74	79,8	957	1 012
Non-profit institutions	50	-	2	52	52	-	100,0	-	72
Households	456	-	78	534	472	62	88,4	304	468
<b>Payment on capital assets</b>									
Machinery and equipment	36 069	-	7 824	43 893	37 860	6 033	86,3	39 199	38 566
Software and other intangible assets	12 344	-	(7 824)	4 520	374	4 146	8,3	5 808	5 465
<b>Total</b>	<b>1 161 781</b>	<b>-</b>	<b>-</b>	<b>1 161 781</b>	<b>1 060 470</b>	<b>101 311</b>	<b>91,3</b>	<b>717 424</b>	<b>619 984</b>

## Detail per programme 1 – Administration for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Management</b>									
Current payment	28 751	-	8 914	37 665	38 977	(1 312)	103,5	31 697	28 404
Transfers and subsidies	67	-	-	67	63	4	94,0	39	108
Expenditure for capital assets	1 279	-	(547)	732	731	1	99,9	2 124	756
<b>Corporate Services</b>									
Current payment	80 723	-	9 553	90 276	88 875	1 401	98,4	69 953	77 682
Transfers and subsidies	60	-	(15)	45	44	1	97,8	120	152
Expenditure for capital assets	11 799	-	(9 457)	2 342	2 311	31	98,7	1 898	3 827
<b>Property Management</b>									
Current payment	30 752	-	(2 621)	28 131	26 812	1 319	95,3	-	-
Transfers and subsidies	-	-	-	-	-	-	0,0	-	-
Expenditure for capital assets	-	-	-	-	-	-	0,0	-	-
<b>Total</b>	<b>153 431</b>	<b>-</b>	<b>5 827</b>	<b>159 258</b>	<b>157 813</b>	<b>1 445</b>	<b>99,1</b>	<b>105 831</b>	<b>110 929</b>

Economic classification	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Current payments</b>									
Compensation to employees	68 844	-	(2 660)	66 184	66 177	7	100,0	54 950	59 512
Goods and services	71 382	-	18 506	89 888	87 336	2 552	97,2	46 700	46 438
Financial transactions in assets and liabilities	-	-	-	-	1 151	(1 151)	0,0	-	136
<b>Transfers and subsidies</b>									
Provinces and municipalities	49	-	4	53	52	1	98,1	159	188
Non-profit institutions	50	-	2	52	52	-	100,0	-	71
Households	28	-	(21)	7	3	4	42,9	-	1
<b>Payments for capital assets</b>									
Machinery and equipment	9 796	-	(6 722)	3 074	3 042	32	99,0	3 928	4 533
Software and other intangible assets	3 282	-	(3 282)	-	-	-	0,0	94	50
<b>Total</b>	<b>153 431</b>	<b>-</b>	<b>5 827</b>	<b>159 258</b>	<b>157 813</b>	<b>1 445</b>	<b>99,1</b>	<b>105 831</b>	<b>110 929</b>

## Detail per programme 2 – Economic Statistics for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Management</b>									
Current payment	1 754	-	(892)	862	850	12	98,6	488	1
Transfers and subsidies	6	-	(4)	2	-	2	0,0	4	-
Expenditure for capital assets	61	-	168	229	221	8	96,5	-	-
<b>Industry and Trade Statistics</b>									
Current payment	29 238	-	(117)	29 121	29 118	3	100,0	21 379	24 445
Transfers and subsidies	141	-	(121)	20	18	2	90,0	63	140
Expenditure for capital assets	1 581	-	(266)	1 315	1 085	230	82,5	1 309	1 211
<b>Employment and Price Statistics</b>									
Current payment	115 686	-	(4 152)	111 534	111 555	(21)	100,0	103 336	95 098
Transfers and subsidies	106	-	(9)	97	78	19	80,4	467	192
Expenditure for capital assets	3 282	-	(678)	2 604	2 414	190	92,7	5 742	5 112
<b>Financial Statistics</b>									
Current payment	22 865	-	(891)	21 974	21 942	32	99,9	18 105	17 262
Transfers and subsidies	171	-	(159)	12	12	-	100,0	45	44
Expenditure for capital assets	797	-	-	797	370	427	46,4	1 066	968
<b>Total</b>	<b>175 688</b>	<b>-</b>	<b>(7 121)</b>	<b>168 567</b>	<b>167 663</b>	<b>904</b>	<b>99,5</b>	<b>152 004</b>	<b>144 473</b>

Economic classification	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Current</b>									
Compensation to employees	124 709	-	(12 085)	112 624	112 583	41	100,0	92 437	91 839
Goods and services	44 834	-	6 033	50 867	50 882	(15)	100,0	50 871	44 967
<b>Transfers and subsidies</b>									
Provinces and municipalities	74	-	31	105	102	3	97,1	278	301
Households	350	-	(324)	26	6	20	23,1	301	75
<b>Capital</b>									
Machinery and equipment	5 721	-	(776)	4 945	4 090	855	82,7	8 117	5 469
Software and other intangible assets	-	-	-	-	-	-	0,0	-	1 822
<b>Total</b>	<b>175 688</b>	<b>-</b>	<b>(7 121)</b>	<b>168 567</b>	<b>167 663</b>	<b>904</b>	<b>99,5</b>	<b>152 004</b>	<b>144 473</b>



## Detail per programme 3 – Population and Social Statistics for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Management</b>									
Current payment	1 758	-	204	1 962	1 912	50	97,5	1 099	587
Transfers and subsidies	2	-	-	2	1	1	50,0	4	2
Expenditure for capital assets	61	-	71	132	131	1	99,2	25	-
<b>Population Census and Statistics</b>									
Current payment	489 375	-	(17 179)	472 196	400 446	71 750	84,8	179 091	99 696
Transfers and subsidies	104	-	(6)	98	43	55	43,9	167	79
Expenditure for capital assets	21 585	-	(1 952)	19 633	14 301	5 332	72,8	10 630	10 421
<b>Health and Vital Statistics</b>									
Current payment	12 668	-	(1 704)	10 964	10 502	462	95,8	8 406	11 472
Transfers and subsidies	10	-	-	10	4	6	40,0	16	58
Expenditure for capital assets	590	-	128	718	744	(26)	103,6	369	103
<b>Social Statistics</b>									
Current payment	87 666	-	15 287	102 953	102 886	67	99,9	55 897	50 712
Transfers and subsidies	19	-	213	232	232	-	100,0	18	79
Expenditure for capital assets	3 031	-	(199)	2 832	964	1 868	34,0	343	870
<b>Total</b>	<b>616 869</b>	<b>-</b>	<b>(5 137)</b>	<b>611 732</b>	<b>532 166</b>	<b>79 566</b>	<b>87,0</b>	<b>256 065</b>	<b>174 079</b>

Economic classification	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Current</b>									
Compensation to employees	164 264	-	(35 719)	128 545	124 472	4 073	96,8	46 194	37 260
Goods and services	427 203	-	32 327	459 530	391 274	68 256	85,1	198 299	124 626
Financial transactions in assets and liabilities	-	-	-	-	-	-	0,0	-	582
<b>Transfers and subsidies</b>									
Provinces and municipalities	127	-	(14)	113	62	51	54,9	205	183
Households	8	-	221	229	218	11	95,2	-	34
<b>Capital</b>									
Machinery and equipment	16 317	-	2 559	18 876	15 766	3 110	83,5	11 367	10 110
Software and other intangible assets	8 950	-	(4 511)	4 439	374	4 065	8,4	-	1 284
<b>Total</b>	<b>616 869</b>	<b>-</b>	<b>(5 137)</b>	<b>611 732</b>	<b>532 166</b>	<b>79 566</b>	<b>87,0</b>	<b>256 065</b>	<b>174 079</b>

## Detail per programme 4 – Quality and Integration for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Management</b>									
Current payment	1 758	-	173	1 931	1 712	219	88,7	1 725	1 098
Transfers and subsidies	2	-	-	2	1	1	50,0	4	158
Expenditure for capital assets	61	-	236	297	126	171	42,4	-	-
<b>Quality and Methodology</b>									
Current payment	24 505	-	(2 588)	21 917	17 781	4 136	81,1	13 898	12 285
Transfers and subsidies	14	-	-	14	8	6	57,1	22	29
Expenditure for capital assets	1 109	-	296	1 405	1 384	21	98,5	322	695
<b>Integrative Analysis</b>									
Current payment	7 893	-	(1 230)	6 663	5 389	1 274	80,9	4 082	4 278
Transfers and subsidies	12	-	-	12	3	9	25,0	11	10
Expenditure for capital assets	335	-	-	335	321	14	95,8	918	438
<b>National Accounts</b>									
Current payment	10 149	-	(884)	9 265	7 818	1 447	84,4	7 340	6 730
Transfers and subsidies	14	-	(2)	12	4	8	33,3	18	18
Expenditure for capital assets	244	-	152	396	334	62	84,3	147	235
<b>National Statistics System</b>									
Current payment	6 999	-	(400)	6 599	5 802	797	87,9	5 480	5 401
Transfers and subsidies	7	-	-	7	4	3	57,1	15	14
Expenditure for capital assets	104	-	4	108	107	1	99,1	34	282
<b>Total</b>	<b>53 206</b>	<b>-</b>	<b>(4 243)</b>	<b>48 963</b>	<b>40 794</b>	<b>8 169</b>	<b>83,3</b>	<b>34 016</b>	<b>31 671</b>

Economic classification	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Current</b>									
Compensation to employees	31 651	-	(130)	31 521	27 546	3 975	87	25 257	23 963
Goods and services	19 653	-	(4 799)	14 854	10 956	3 898	74	7 268	5 829
<b>Transfers and subsidies</b>									
Provinces and municipalities	25	-	4	29	20	9	69,0	70	74
Households	24	-	(6)	18	-	18	0,0	-	155
<b>Capital</b>									
Machinery and equipment	1 819	-	719	2 538	2 272	266	89,5	1 395	1 650
Software and other intangible assets	34	-	(31)	3	-	3	0,0	26	-
<b>Total</b>	<b>53 206</b>	<b>-</b>	<b>(4 243)</b>	<b>48 963</b>	<b>40 794</b>	<b>8 169</b>	<b>83,3</b>	<b>34 016</b>	<b>31 671</b>

## Detail per programme 5 – Statistical Support and Informatics for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Management</b>									
Current payment	1 765	-	(299)	1 466	1 417	49	96,7	1 658	1 214
Transfers and subsidies	2	-	-	2	1	1	50,0	5	3
Expenditure for capital assets	54	-	-	54	48	6	88,9	9	7
<b>Geography</b>									
Current payment	13 621	-	(220)	13 401	13 394	7	99,9	9 239	8 779
Transfers and subsidies	12	-	-	12	3	9	25,0	16	17
Expenditure for capital assets	336	-	(243)	93	55	38	59,1	1 707	1 370
<b>System of Registers</b>									
Current payment	14 167	-	(3 591)	10 576	10 397	179	98,3	11 688	11 136
Transfers and subsidies	14	-	72	86	83	3	96,5	29	30
Expenditure for capital assets	182	-	472	654	653	1	99,8	180	286
<b>Statistical Information Services</b>									
Current payment	18 975	-	(2 709)	16 266	16 038	228	98,6	15 758	15 883
Transfers and subsidies	10	-	-	10	8	2	80,0	34	35
Expenditure for capital assets	336	-	160	496	495	1	99,8	2 000	1 508
<b>Provincial Coordination</b>									
Current payment	60 937	-	5 200	66 137	66 131	6	100,0	66 830	69 333
Transfers and subsidies	55	-	143	198	198	-	100,0	121	348
Expenditure for capital assets	439	-	678	1 117	1 117	-	100,0	2 348	2 421
<b>Stats Data Management</b>									
Current payment	43 807	-	2 726	46 533	37 748	8 785	81,1	36 845	29 401
Transfers and subsidies	28	-	(21)	7	7	-	100,0	32	28
Expenditure for capital assets	1 039	-	10 894	11 933	10 132	1 801	84,9	13 710	13 117
<b>Programme Office</b>									
Current payment	6 694	-	(2 671)	4 023	3 917	106	97,4	7 162	3 504
Transfers and subsidies	6	-	-	6	2	4	33,3	11	8
Expenditure for capital assets	108	-	83	191	190	1	99,5	126	404
<b>Total</b>	<b>162 587</b>	<b>-</b>	<b>10 674</b>	<b>173 261</b>	<b>162 034</b>	<b>11 227</b>	<b>93,5</b>	<b>169 508</b>	<b>158 832</b>

Economic classification	2006/07							2005/06	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
<b>Current</b>									
Compensation to employees	99 575	-	(15 411)	84 164	84 134	30	100,0	94 517	89 478
Goods and services	60 391	-	13 847	74 238	64 908	9 330	87,4	54 663	49 771
<b>Transfers and subsidies</b>									
Provinces and municipalities	81	-	(14)	67	57	10	85,1	245	266
Non-profit institutions	-	-	-	-	-	-	0,0	-	1
Households	46	-	-	254	245	9	96,5	3	203
<b>Capital</b>									
Machinery and equipment	2 416	-	208	14 460	12 690	1 770	87,8	14 392	16 804
Software and other intangible assets	78	-	12 044	78	-	78	0,0	5 688	2 309
<b>Total</b>	<b>162 587</b>	<b>-</b>	<b>10 674</b>	<b>173 261</b>	<b>162 034</b>	<b>11 227</b>	<b>93,5</b>	<b>169 508</b>	<b>158 832</b>

Some of the previous year's figures have been restated due to changes in the departmental code structure.

## Notes to the appropriation statement for the year ended 31 March 2007

1. Details of transfers and subsidies as per Appropriation Act (after virement):  
Details of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A, B, C and F) to the annual financial statements.
2. Details of specifically and exclusively appropriated amounts voted (after virement):  
Details of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. Details on financial transactions in assets and liabilities:  
Details of these transactions per programme can be viewed in note 6 (Details of special functions (theft and losses)) to the annual financial statements.
4. Explanations of material variances from amounts voted (after virement):

		Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as percentage of final appropriation %
<b>4.1 Per programme</b>					
<b>Administration</b>	The saving is a result of earmarked funds for property rental for which a final invoice was not received in the financial year.	159 258	157 813	1 445	1
<b>Economic Statistics</b>	The saving is a result of underspending on the Income and Expenditure Survey processing which had to be rescheduled due to delays in the data collection phase.	168 567	167 663	904	1
<b>Population and Social Statistics</b>	The saving is a result of underspending on the Community Survey and Labour Force Survey Re-engineering, related to the usage of hired vehicles in the survey and overall savings on personnel.	611 732	532 166	79 566	13
<b>Quality and Integration</b>	Savings were realised on personnel expenditure as the unit did not provide all systems and processing support to the survey areas that were originally identified.	48 963	40 794	8 169	17
<b>Statistical Support and Informatics</b>	Lack of suitably qualified staff in areas of geographical related studies contributed to savings on personnel expenditure.	173 261	162 034	11 227	6

<b>4.2 Per economic classification</b>	<b>R'000</b>
<b>Current expenditure</b>	
Compensation of employees	414 912
Goods and services	605 356
Financial transactions in assets and liabilities	1 151
Unauthorised expenditure	36 135
<b>Transfers and subsidies</b>	
Provinces and municipalities	293
Non-profit institutions	52
Households	472
<b>Payments for capital assets</b>	
Machinery and equipment	37 860
Software and other intangible assets	374

## Statement of financial performance for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>Revenue</b>			
Annual appropriation	1	1 161 781	717 424
Departmental revenue	2	1 545	8 929
Local and foreign aid assistance	3	2 556	10 882
<b>Total revenue</b>		<b>1 165 882</b>	<b>737 235</b>
<b>Expenditure</b>			
<b>Current expenditure</b>			
Compensation of employees	4	414 912	302 052
Goods and services	5	605 356	271 631
Financial transactions in assets and liabilities	6	1 151	718
Local and foreign aid assistance	3	11 082	7 948
Unauthorised expenditure approved	9	36 135	-
<b>Total current expenditure</b>		<b>1 068 636</b>	<b>582 349</b>
<b>Transfers and subsidies</b>	7	<b>817</b>	<b>1 552</b>
<b>Expenditure for capital assets</b>			
Machinery and equipment	8	37 860	38 566
Software and other intangible assets	8	374	5 465
Local and foreign aid assistance	3	-	19
<b>Total expenditure for capital assets</b>		<b>38 234</b>	<b>44 050</b>
<b>Total expenditure</b>		<b>1 107 687</b>	<b>627 951</b>
<b>Surplus/(deficit)</b>		<b>58 195</b>	<b>109 284</b>
<b>Surplus/(deficit) for the year</b>		<b>55 195</b>	<b>109 284</b>
<b>Reconciliation of net surplus/(deficit) for the year</b>			
Voted funds to be surrendered to the Revenue Fund	14	65 176	97 440
Departmental revenue to be surrendered to the Revenue Fund	15	1 545	8 929
Local and foreign aid assistance	3	(8 526)	2 915
<b>Surplus/(deficit) for the year</b>		<b>58 195</b>	<b>109 284</b>

## Statement of financial position as at 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>Assets</b>			
<b>Current assets</b>		<b>149 685</b>	<b>164 812</b>
Unauthorised expenditure	9	121 937	158 072
Fruitless and wasteful expenditure	10	2 492	13
Cash and cash equivalents	11	11 062	1 773
Prepayments and advances	12	616	211
Receivables	13	13 578	4 743
<b>Total assets</b>		<b>149 685</b>	<b>164 812</b>
<b>Liabilities</b>			
<b>Current liabilities</b>		<b>149 685</b>	<b>164 802</b>
Voted funds to be surrendered to the Revenue Fund	14	61 842	73 001
Departmental revenue to be surrendered to the Revenue Fund	15	841	323
Bank overdraft	16	-	54 782
Payables	17	83 445	24 613
Local and foreign aid assistance unutilised	3	3 557	12 083
<b>Non-current liabilities</b>			
Payables	18	-	10
<b>Total liabilities</b>		<b>149 685</b>	<b>164 812</b>

## Cash flow statement for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>		<b>1 162 548</b>	<b>712 796</b>
Annual appropriated funds received	1	1 158 447	692 985
Departmental revenue received	2	1 545	8 929
Local and foreign aid assistance received	3	2 556	10 882
Net (increase)/decrease in working capital		83 248	10 955
Surrendered to Revenue Fund		(74 028)	(10 872)
Current payments		(1 032 501)	(582 349)
Unauthorised expenditure – current payments	9	(36 135)	-
Transfers and subsidies paid		(817)	(1 552)
<b>Net cash flows available from operating activities</b>	<b>19</b>	<b>102 315</b>	<b>128 978</b>
<b>Cash flows from investing activities</b>			
Payments for capital assets		(38 234)	(44 050)
<b>Net cash flows from investing activities</b>		<b>(38 234)</b>	<b>(44 050)</b>
<b>Cash flows from financing activities</b>			
Increase/(decrease) in non-current payables		(10)	(3 788)
<b>Net cash flows from financing activities</b>		<b>(10)</b>	<b>(3 788)</b>
Net increase/(decrease) in cash and cash equivalents		64 071	81 140
Cash and cash equivalents at beginning of period		(53 009)	(134 149)
<b>Cash and cash equivalents at end of period</b>	<b>20</b>	<b>11 062</b>	<b>(53 009)</b>

## Notes to the annual financial statements for the year ended 31 March 2007

### 1. Annual appropriation

Included are funds appropriated in terms of the Appropriation Act for national departments (voted funds).

Programmes	2006/07			2005/06	
	Final appropriation R'000	Actual funds received R'000	Funds not requested/ not received R'000	Final appropriation R'000	Appropriation received R'000
Administration	159 258	151 110	8 148	160 303	164 176
Economic Statistics	168 567	175 688	(7 121)	151 512	152 662
Population and Social Statistics	611 732	613 535	(1 803)	254 413	243 874
Quality and Integration	48 963	53 206	(4 243)	34 525	31 229
Statistical Support and Informatics	173 261	164 908	8 353	116 671	101 044
<b>Total</b>	<b>1 161 781</b>	<b>1 158 447</b>	<b>3 334</b>	<b>717 424</b>	<b>692 985</b>

In line with the Department's revised cash flow projections, the amount of R3,334 million was not requested, as adequate funds were available for the expenditure relating to the Community Survey in Programme 3. The difference between the actual funds received and the final appropriated funds (per programme) is caused by the virement that the Department applied at the end of the financial year.

### 2. Departmental revenue to be surrendered to Revenue Fund

	Note	2006/07 R'000	2005/06 R'000
Sales of goods and services other than capital assets	2.1	724	806
Interest, dividends and rent on land	2.2	262	56
Financial transactions in assets and liabilities	2.3	559	8 067
<b>Total departmental revenue</b>		<b>1 545</b>	<b>8 929</b>

The Department receives local and foreign aid assistance to undertake specific projects/contract work. Departmental revenue surrendered to the National Revenue Fund is inclusive of surplus funds relating to some of these projects.

#### 2.1 Sales of goods and services other than capital assets

	2006/07 R'000	2005/06 R'000
Sales of goods and services produced by the Department	672	804
Administrative fees	236	197
Other sales	436	607
Sales of scrap, waste and other used current goods	52	2
<b>Total</b>	<b>724</b>	<b>806</b>

Items incorrectly classified in the previous year has been reclassified to facilitate comparison.



## 2.2 Interest, dividends and rent on land and buildings

	2006/07 R'000	2005/06 R'000
Interest	262	56
<b>Total</b>	<b>262</b>	<b>56</b>

## 2.3 Financial transactions in assets and liabilities

	2006/07 R'000	2005/06 R'000
Other receipts including recoverable revenue	559	8 067
<b>Total</b>	<b>559</b>	<b>8 067</b>

## 3. Local and foreign aid assistance

### 3.1 Assistance received in cash from RDP

	2006/07 R'000	2005/06 R'000
<b>Foreign</b>		
Opening balance	4 906	1 445
Revenue	2 302	5 656
Expenditure	5 302	2 195
Current	5 302	2 176
Capital	-	19
<b>Closing balance</b>	<b>1 906</b>	<b>4 906</b>

### 3.2 Assistance received in cash: other

	2006/07 R'000	2005/06 R'000
<b>Local</b>		
Opening balance	7 177	7 723
Revenue	254	5 226
Expenditure	5 780	5 772
Current	5 780	5 772
Capital	-	-
<b>Closing balance</b>	<b>1 651</b>	<b>7 177</b>
<b>Consolidated (local and foreign)</b>		
Opening balance	12 083	9 168
Revenue	2 556	10 882
Expenditure	11 082	7 967
Current	11 082	7 948
Capital	-	19
<b>Closing balance</b>	<b>3 557</b>	<b>12 083</b>
<b>Analysis of balance</b>		
Local and foreign aid unutilised	3 557	12 083
<b>Closing balance</b>	<b>3 557</b>	<b>12 083</b>

Expenditure amounts are inclusive of surplus funds from projects that have been surrendered to the National Revenue Fund or returned to the RDP Fund.

- R0,254 million surrendered to the National Revenue Fund.
- R1,186 million returned to the RDP Fund.

## 4. Compensation of employees

### 4.1 Salaries and wages

	2006/07 R'000	2005/06 R'000
Basic salary	313 981	226 493
Performance awards	6 443	4 004
Service-based	21 147	12 292
Compensative/circumstantial	3 351	3 261
Periodic payments	675	1 251
Other non-pensionable allowances	35 141	24 258
<b>Total</b>	<b>380 738</b>	<b>271 559</b>

## 4.2 Social contributions

	2006/07 R'000	2005/06 R'000
<b>Employer contributions</b>		
Pension	24 616	22 386
Medical	9 467	8 045
UIF	1	-
Bargaining councils	90	62
<b>Total</b>	<b>34 174</b>	<b>30 493</b>
<b>Total compensation of employees</b>	<b>414 912</b>	<b>302 052</b>
Average number of employees	1 350	1 136

## 5. Goods and services

	Note	2006/07 R'000	2005/06 R'000
Advertising		12 298	4 982
Attendance fees (including registration fees)		173	301
Bank charges and card fees		271	260
Bursaries (employees)		3 071	2 376
Communication		28 291	19 722
Computer services		35 763	22 703
Consultants, contractors and special services		167 733	69 364
Courier and delivery services		2 656	611
Entertainment		343	192
External audit fees	5.1	4 535	3 730
Equipment less than R5 000		8 356	11 996
Freight services		135	373
Honoraria (voluntary workers)		42	3
Inventory	5.2	27 599	16 568
Legal fees		639	659
Maintenance, repair and running costs		7 051	5 111
Medical services		59	11
Operating leases		32 043	5 771
Personnel agency fees		776	2 131
Photographic services		2 777	67
Plants, flowers and other decorations		118	51
Printing and publications		103	4 154
Professional bodies and membership fees		-	12
Resettlement costs		1 048	772
Subscriptions		426	336
Owned and leasehold property expenditure		6 713	4 729
Translations and transcriptions		524	93
Transport provided as part of the departmental activities		8 885	2 076
Travel and subsistence	5.3	210 858	83 669
Venues and facilities		37 575	6 839
Training and staff development		4 495	1 969
<b>Total goods and services</b>		<b>605 356</b>	<b>271 631</b>

### 5.1 External audit fees

	2006/07 R'000	2005/06 R'000
Regulatory audits	4 535	3 730
<b>Total</b>	<b>4 535</b>	<b>3 730</b>

### 5.2 Inventory

	2006/07 R'000	2005/06 R'000
Domestic consumables	2 062	960
Learning and teaching support material	1	-
Food and food supplies	250	-
Other consumables	598	946
Parts and other maintenance material	235	-
Stationery and printing	24 405	14 650
Medical supplies	48	12
<b>Total</b>	<b>27 599</b>	<b>16 568</b>

### 5.3 Travel and subsistence

	2006/07 R'000	2005/06 R'000
Local	204 027	82 189
Foreign	6 831	1 480
<b>Total</b>	<b>210 858</b>	<b>83 669</b>

## 6. Financial transactions in assets and liabilities

	Note	2006/07 R'000	2005/06 R'000
Other material losses written off	6.1	447	-
Debts written off	6.2	704	718
<b>Total financial transaction in assets and liabilities</b>		<b>1 151</b>	<b>718</b>

### 6.1 Other material losses written off

	2006/07 R'000	2005/06 R'000
Damages and losses	446	-
Fruitless and wasteful expenditure	1	-
<b>Total</b>	<b>447</b>	<b>-</b>

The amounts written off are mainly on account of:

- Damages and losses: Damages to government and hired vehicles
- Fruitless and wasteful expenditure: Interest charged

### 6.2 Debts written off

	2006/07 R'000	2005/06 R'000
Uneconomical debts/irrecoverable debts due to being prescribed	704	127
UIF claims written off due to being time barred	-	12
Tax penalties (Tax year 2002)	-	579
<b>Total</b>	<b>704</b>	<b>718</b>

90% of the debt amounts written off relate to debts that are older than three years.

## 7. Transfers and subsidies

	Note	2006/07 R'000	2005/06 R'000
Provinces and municipalities	Annexure 1A	293	1 012
Non-profit institutions	Annexure 1B	52	72
Households – including acts of grace	Annexure 1C & 1F	472	468
<b>Total transfers and subsidies</b>		<b>817</b>	<b>1 552</b>

## 8. Expenditure on capital assets

	Note	2006/07 R'000	2005/06 R'000
Machinery and equipment	29	37 860	38 566
Software and other intangible assets	30	374	5 465
Computer software		374	5 465
<b>Total expenditure on capital assets</b>		<b>38 234</b>	<b>44 031</b>

## 9. Unauthorised expenditure

### 9.1 Reconciliation of unauthorised expenditure

	2006/07 R'000	2005/06 R'000
Opening balance	158 072	158 072
Amounts approved by Parliament (without funding)	(36 135)	-
Current expenditure	(36 135)	-
<b>Unauthorised expenditure awaiting authorisation</b>	<b>121 937</b>	<b>158 072</b>

### 9.2 Analysis of current unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	Total R'000
Census 2001	Approved by Parliament (with funding) – Finance Act (Act No. 2 of 2007)	121 937
<b>Total</b>		<b>121 937</b>

The amount of R36,135 million approved without funding was off set against the Department's savings as follows:

- R0,021 million relating to the Statistics Council (Programme 1)
- R36,114 million relating to Census 1996 (Programme 3)
- The amount of R121,937 million approved with funding has not yet been received from the National Revenue Fund.

## 10. Fruitless and wasteful expenditure

### 10.1 Reconciliation of fruitless and wasteful expenditure

	2006/07 R'000	2005/06 R'000
Opening balance	13	92
Amounts condoned	(1)	-
Current expenditure	(1)	-
Transfer to receivables under investigation/(for recovery)	2 480	(79)
<b>Fruitless and wasteful expenditure awaiting condonement</b>	<b>2 492</b>	<b>13</b>

## 10.2 Analysis of current fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2006/07 R'000
Legal costs – High Court review	Under investigation	23
Services procured and paid for but not utilised	Under investigation	2 457
Services procured and paid for but not rendered	Previous year's balance under investigation	12
<b>Total</b>		<b>2 492</b>

## 11. Cash and cash equivalents

	2006/07 R'000	2005/06 R'000
Consolidated Paymaster General account	10 355	140
Cash receipts	5	49
Cash on hand	148	145
Cash with commercial banks	554	1 439
<b>Total cash and cash equivalents</b>	<b>11 062</b>	<b>1 773</b>

## 12. Prepayments and advances

	2006/07 R'000	2005/06 R'000
Travel and subsistence	590	211
Advances paid to other entities	26	-
<b>Total prepayments and advances</b>	<b>616</b>	<b>211</b>

## 13. Receivables

	Note	Less than one year R'000	One to three years R'000	Older than three years R'000	2006/07 Total R'000	2005/06 Total R'000
Households and non-profit institutions	13.1	966	-	-	966	-
Private enterprises	13.2	3 775	22	-	3 797	20
Staff debtors	13.3	555	948	577	2 080	3 717
Other debtors	13.4	5 963	745	-	6 708	952
Inter-governmental receivables	Annexure 3	27	-	-	27	54
<b>Total receivables</b>		<b>11 286</b>	<b>1 715</b>	<b>577</b>	<b>13 578</b>	<b>4 743</b>

### 13.1 Households and non-profit institutions

	2006/07 R'000	2005/06 R'000
United Nations	20	-
SADC	66	-
African Development Bank	880	-
<b>Total</b>	<b>966</b>	<b>-</b>

The above amounts relate to shared costs of conferences jointly hosted by the Department and other institutions.

### 13.2 Private enterprises

	2006/07 R'000	2005/06 R'000
Debts emanating from suppliers	27	20
Suppliers' disallowances	3 740	-
Insurance companies	30	-
<b>Total</b>	<b>3 797</b>	<b>20</b>



### 13.3 Staff debtors

	2006/07 R'000	2005/06 R'000
Salary tax debt	18	19
Debt account	2 062	3 698
<b>Total</b>	<b>2 080</b>	<b>3 717</b>

Debt account is inclusive of the following major categories:

- Debts relating to former employees (R0,8 million)
- Debts relating to survey employees (R0,4 million)
- Debts relating to overpayment of remuneration (R0,4 million)

### 13.4 Other debtors

	2006/07 R'000	2005/06 R'000
Salary garnishees	-	1
Disallowance: Damages and losses	6 708	951
<b>Total</b>	<b>6 708</b>	<b>952</b>

The majority of the cases under investigation in the Disallowance: Damages and losses account relate to damages to government and hired vehicles.

## 14. Voted funds to be surrendered to the Revenue Fund

	Note	2006/07 R'000	2005/06 R'000
Opening balance		73 001	1 883
Transfer from statement of financial performance	14.1	65 176	97 440
Voted funds not requested/not received		(3 334)	(24 439)
Paid during the year		(73 001)	(1 883)
<b>Closing balance</b>		<b>61 842</b>	<b>73 001</b>

### 14.1 Analysis of unused funds

	2006/07 R'000	2005/06 R'000
Funds to be rolled over	56 997	87 300
Funds not to be requested	8 179	10 140
<b>Total</b>	<b>65 176</b>	<b>97 440</b>

Details of request for rollovers:

- Goods and services (R50,497 million)
- Capital expenditure (R6,5 million)
- Total (R56,997 million)

## 15. Departmental revenue to be surrendered to the Revenue Fund

	2006/07 R'000	2005/06 R'000
Opening balance	323	383
Transfer from statement of financial performance	1 545	8 929
Paid during the year	(1 027)	(8 989)
<b>Closing balance</b>	<b>841</b>	<b>323</b>

Departmental revenue surrendered to the National Revenue Fund is inclusive of surplus funds relating to some local and foreign assistance/contract work projects.

## 16. Bank overdraft

	2006/07 R'000	2005/06 R'000
Consolidated Paymaster General account	-	54 782
<b>Total bank overdraft</b>	<b>-</b>	<b>54 782</b>

## 17. Payables – current

	Note	30 Days R'000	30+ Days R'000	2006/07 Total R'000	2005/06 Total R'000
Amounts owing to other entities	Annexure 4	15	1 119	1 134	119
Clearing accounts	17.1	80 971	-	80 971	23 856
Other payables	17.2	787	553	1 340	638
<b>Total payables – current</b>		<b>81 773</b>	<b>1 672</b>	<b>83 445</b>	<b>24 613</b>

### 17.1 Clearing accounts

	2006/07 R'000	2005/06 R'000
Cheques payable	9	19
Salary Persal EBT control account	13 515	163
Outstanding payments	65 863	23 287
Third party control account	1 584	387
<b>Total</b>	<b>80 971</b>	<b>23 856</b>

### 17.2 Other payables

	2006/07 R'000	2005/06 R'000
Debt receivable income	258	258
Debt receivable interest	295	380
Salary reversal control	787	-
<b>Total</b>	<b>1 340</b>	<b>638</b>

## 18. Payables – non-current

	Note	One to two years R'000	Two to three years R'000	More than three years R'000	2006/07 Total R'000	2005/06 Total R'000
Other payables	18.1	-	-	-	-	10
<b>Total payables – non-current</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>

### 18.1 Other payables

	2006/07 R'000	2005/06 R'000
Census 2001 tax refunds	-	10
<b>Total</b>	<b>-</b>	<b>10</b>

## 19. Net cash flow available from operating activities

	2006/07 R'000	2005/06 R'000
Net surplus/(deficit) as per statement of financial performance	58 195	109 284
Add back non-cash/cash movements not deemed operating activities	44 120	19 694
(Increase)/decrease in receivables – current	(8 835)	6 398
(Increase)/decrease in prepayments and advances	(405)	155
(Increase)/decrease in other current assets	33 656	79
Increase/(decrease) in payables – current	58 832	4 323
Expenditure on capital assets	38 234	44 050
Surrenders to revenue fund	(74 028)	(10 872)
Voted funds not requested/not received	(3 334)	(24 439)
<b>Net cash flow generated by operating activities</b>	<b>102 315</b>	<b>128 978</b>

## 20. Reconciliation of cash and cash equivalents for cash flow purposes

	2006/07 R'000	2005/06 R'000
Consolidated Paymaster General account	10 355	(54 642)
Cash receipts	5	49
Cash on hand	148	145
Cash with commercial banks	554	1 439
<b>Total</b>	<b>11 062</b>	<b>(53 009)</b>

## Disclosure notes to the annual financial statements for the year ended 31 March 2007

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

### 21. Contingent liabilities

Liable to	Nature	Note	2006/07 R'000	2005/06 R'000
Housing loan guarantees	Employees	Annexure 2A	1 857	2 182
Claims against the Department		Annexure 2B	12 224	13 048
Other departments	Interdepartmental unconfirmed balances	Annexure 4	2 209	34
Other		Annexure 2B	271	-
<b>Total contingent liabilities</b>			<b>16 561</b>	<b>15 264</b>

### 22. Commitments

	2006/07 R'000	2005/06 R'000
<b>Current expenditure</b>		
Approved and contracted	67 549	16 931
<b>Non-current expenditure</b>		
Approved and contracted	7 713	4 017
<b>Total commitments</b>	<b>75 262</b>	<b>20 948</b>

## 23. Accruals

	30 Days R'000	30+ Days R'000	2006/07 Total R'000	2005/06 Total R'000
<b>By economic classification</b>				
Goods and services	5 401	4 275	9 676	3 363
Machinery and equipment	1 525	160	1 685	2 263
Software and other intangible assets	-	-	-	687
<b>Total accruals</b>	<b>6 926</b>	<b>4 435</b>	<b>11 361</b>	<b>6 313</b>

	2006/07 R'000	2005/06 R'000
<b>Listed by programme level</b>		
Administration	705	867
Economic Statistics	1 006	533
Population and Social Statistics	8 251	2 509
Quality and Integration	422	84
Statistical Support and Informatics	946	1 502
Local and foreign aid assistance	31	818
<b>Total accruals</b>	<b>11 361</b>	<b>6 313</b>

	Note	2006/07 R'000	2005/06 R'000
Confirmed balances with departments	Annexure 4	22	-
Confirmed balances with other government entities	Annexure 4	1 134	119
<b>Total</b>		<b>1 156</b>	<b>119</b>

## 24. Employee benefit provisions

	2006/07 R'000	2005/06 R'000
Leave entitlement	18 794	12 380
Thirteenth cheque	9 285	11 227
Performance awards	6 163	3 937
Capped leave commitments	13 438	13 431
<b>Total employee benefit provisions</b>	<b>47 680</b>	<b>40 975</b>

Prior year's figures relating to leave entitlement have been revised.

## 25. Lease Commitments

### 25.1 Operating leases

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	2006/07 Total R'000	2005/06 Total R'000
Not later than one year	-	-	2 965	2 965	752
Later than one year and not later than five years	-	-	1 885	1 885	2 778
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>4 850</b>	<b>4 850</b>	<b>3 530</b>

## 26. Irregular expenditure

### 26.1 Reconciliation of irregular expenditure

	2006/07 R'000	2005/06 R'000
Opening balance	15 109	60 864
Irregular expenditure – current year	-	-
Less: Amounts condoned	-	45 755
Current expenditure	-	45 755
<b>Irregular expenditure awaiting condonement</b>	<b>15 109</b>	<b>15 109</b>
<b>Analysis of awaiting condonement per classification</b>		
Current expenditure	15 109	15 109
<b>Total</b>	<b>15 109</b>	<b>15 109</b>
<b>Analysis of awaiting condonement per age classification</b>		
Current	-	-
Prior years	15 109	15 109
<b>Total</b>	<b>15 109</b>	<b>15 109</b>

### 26.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings	2006/07 R'000	2005/06 R'000
Accenture	Yet to be finalised	10 346	10 346
Personnel expenditure	Yet to be finalised	4 763	4 763
<b>Total</b>		<b>15 109</b>	<b>15 109</b>

## 27. Key management personnel

	No. of individuals	2006/07 R'000	2005/06 R'000
Officials:			
Levels 15 to 16	6	4 033	3 453
Level 14	31	16 505	3 229
Family members of key management personnel		-	-
<b>Total</b>		<b>20 538</b>	<b>6 682</b>

The Chief Financial Officer and some Executive Managers on personal notches (higher than level 14) have been included under level 14.

## 28. Provisions

	2006/07 R'000	2005/06 R'000
<b>Potential irrecoverable debts</b>		
Staff debtors	435	792
<b>Total</b>	<b>435</b>	<b>792</b>

## 29. Tangible capital assets

Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance Cost R'000	Current year adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing Cost R'000
<b>Machinery and equipment</b>	76 131	(342)	37 615	80	113 324
Computer equipment	60 070	32	31 453	4	91 551
Furniture and office equipment	16 061	(374)	6 162	76	21 773
<b>Total tangible assets</b>	<b>76 131</b>	<b>(342)</b>	<b>37 615</b>	<b>80</b>	<b>113 324</b>



## 29.1 Additions to tangible capital assets per asset register for the year ended 31 March 2007

	Cash Cost R'000	Non-cash Fair value R'000	(Capital work in progress - current costs) Cost R'000	Received current year, not paid (paid current year, received prior year) Cost R'000	Total Cost R'000
<b>Machinery and equipment</b>	37 860	-	-	(245)	37 615
Computer equipment	31 361	-	-	92	31 453
Furniture and office equipment	6 499	-	-	(337)	6 162
<b>Total capital assets</b>	<b>37 860</b>	<b>-</b>	<b>-</b>	<b>(245)</b>	<b>37 615</b>

## 29.2 Disposals of tangible capital assets per asset register for the year ended 31 March 2007

	Disposed Cost R'000	Non-cash Fair value R'000	Total Cost R'000	Cash received Actual R'000
<b>Machinery and equipment</b>	80	-	80	-
Computer equipment	4	-	4	-
Furniture and office equipment	76	-	76	-
<b>Total</b>	<b>80</b>	<b>-</b>	<b>80</b>	<b>-</b>

## 29.3 Capital tangible asset movement schedule for the year ended 31 March 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>Machinery and equipment</b>	41 418	34 951	238	76 131
Computer equipment	29 619	30 665	214	60 070
Furniture and office equipment	11 799	4 286	24	16 061
<b>Total tangible assets</b>	<b>41 418</b>	<b>34 951</b>	<b>238</b>	<b>76 131</b>

### 30. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2007

	Opening balance Cost R'000	Current year adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing Cost R'000
Computer software	16 435	(136)	374	-	16 673
<b>Total intangible assets</b>	<b>16 435</b>	<b>(136)</b>	<b>374</b>	<b>-</b>	<b>16 673</b>

#### 30.1 Additions to intangible capital assets per asset register for the year ended 31 March 2007

	Cash Cost R'000	Non-cash Fair value R'000	(Development work in progress - current costs) Cost R'000	Received current year, not paid current year, received prior year) Cost R'000	Total Cost R'000
Computer software	374	-	-	-	374
<b>Total</b>	<b>374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374</b>

#### 30.2 Capital intangible asset movement schedule for the year ended 31 March 2006

	Opening balance Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
Computer software	9 641	6 794	-	16 435
<b>Total intangible assets</b>	<b>9 641</b>	<b>6 794</b>	<b>-</b>	<b>16 435</b>

## Annexures to the annual financial statements for the year ended 31 March 2007

### Annexure 1A: Statement of unconditional grants and transfers to municipalities for the year ended 31 March 2007

Name of municipality	2006/07			2005/06	
	Amount raised R'000	Actual payment R'000	Percentage of RSC levies paid %	Amount received by municipality R'000	Amount R'000
Motheo District	9	9	100	9	30
Ehlanzeni District	8	8	100	8	24
Frances Baard District	8	8	100	8	21
Capricorn District	10	10	100	10	29
Greater East Rand Metro	13	13	100	13	42
Tshwane Metropolitan	198	198	100	198	718
Cape Metropolitan	9	9	100	9	27
Amatole District	13	13	100	13	42
eThekweni Metropolitan	16	16	100	16	44
Central District	9	9	100	9	35
<b>Total</b>	<b>293</b>	<b>293</b>	<b>100</b>	<b>293</b>	<b>1 012</b>

The above amounts are in respect of Regional Service Council levies which have since been abolished with effect from 1 July 2006.

### Annexure 1B: Statement of transfers/subsidies to non-profit institutions for the year ended 31 March 2007

Non-profit organisation	2006/07				2005/06		
	Transfer allocation				Expenditure		
	Adjusted appropriation R'000	Rollovers R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Percentage of available funds transferred %	Final appropriation R'000
<b>Transfers</b>							
Sponsorship to SASA for annual conference	50	-	-	50	50	100	50
Sponsorship to the University of KwaZulu-Natal for faculty fun walk	2	-	-	2	2	100	-
Donations and gifts to non-profit institutions	-	-	-	-	-	-	22
<b>Total</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>100</b>	<b>72</b>

### Annexure 1C: Statement of transfers/subsidies to households for the year ended 31 March 2007

Households	2006/07				2005/06		
	Transfer allocation			Total available R'000	Expenditure		Final appropriation R'000
	Adjusted appropriation R'000	Rollovers R'000	Adjustments R'000		Actual transfer R'000	Percentage of available funds transferred %	
<b>Transfers</b>							
Leave gratuity	454	-	-	454	454	100	468
<b>Total</b>	<b>454</b>	<b>-</b>	<b>-</b>	<b>454</b>	<b>454</b>	<b>100</b>	<b>468</b>

The above amount relates to leave gratuities paid out to employees on retirement or medical boarding.

### Annexure 1D: Statement of gifts, donations and sponsorships received for the year ended 31 March 2007

Name of organisation	Nature of gift, donation or sponsorship	2006/07 R'000	2005/06 R'000
<b>Received in kind</b>			
African Census Analysis Project (ACAP)	Contribution towards travel and related costs for external delegates attending the joint ACAP–Stats SA workshop in Durban (July 2006)	145	-
Geospace International	Sponsorship of conference bags for the 14th Conference of Commonwealth Statisticians	-	50
SPSS	Sponsorship of conference bags	-	30
Development Bank of Southern Africa	Purchase of airline tickets for delegates from 42 African countries attending the Africa Symposium on Statistical Development	-	1 000
<b>Total</b>		<b>145</b>	<b>1 080</b>

The contribution received from ACAP towards travel costs was valued as 20,000 US Dollars and converted to Rand value.

## Annexure 1E: Statement of local and foreign aid assistance received for the year ended 31 March 2007

Name of donor	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Surplus funds transferred to revenue R'000	Closing balance R'000
<b>Received in cash</b>						
<b>Local: Other</b>						
Department of Agriculture	To conduct the Agriculture Sample Survey, covering approximately 6 000 commercial farming units	2 177	-	2 152	-	25
JBCC	To reproduce and disseminate the CPI Statistical releases to specified subscribers. Surplus funds are transferred to the National Revenue Fund annually	-	254	-	254	-
Department of Agriculture	To procure Spot 5 satellite imagery through the the Satellite Application Centre (SAC) of an intermediary institution, namely the Council for Scientific and Industrial Research (CSIR)	5 000	-	3 374	-	1 626
<b>Foreign: RDP</b>						
Government of Sweden	To finance a short-term project to analyse the outcome of the 1996 Population Census	29	-	-	29	-
Government of Switzerland	To finance the Census of Municipalities project for the development of a census of non-financial data at local government level	1 157	-	-	1 157	-
Institutional Support	To assist in developing capacity for Poverty Research and Analysis, improving the methodology of the Income and Expenditure Survey, improving the reporting on and the understanding of the impact of HIV/AIDS, and developing capacity for the development of statistical training methods and tools	3 720	2 302	4 116	-	1 906
<b>Total</b>		<b>12 083</b>	<b>2 556</b>	<b>9 642</b>	<b>1 440</b>	<b>3 557</b>

Closing balances are related to long-term projects, where activities will be undertaken over more than one financial year.

# Annexure 1F: Statement of gifts, donations and sponsorships made and remissions, refunds and payments made as an act of grace for the year ended 31 March 2007

Nature of gift, donation or sponsorship	R'000
<b><u>Paid in cash</u></b>	
Gifts to a consultant and an employee on retirement	1
<b>Subtotal</b>	<b>1</b>
<b><u>Remissions, refunds and payments made as an act of grace</u></b>	
Payments made to the next of kin of deceased employees and accident victims	17
<b>Subtotal</b>	<b>17</b>
<b>Total</b>	<b>18</b>

# Annexure 2A: Statement of financial guarantees issued as at 31 March 2007

Guarantor institution	Original guaranteed capital amount R'000	Opening balance 01 April 2006 R'000	Guarantee drawdowns during the year R'000	Guarantee repayments/ cancelled/ reduced/ released during the year R'000	Currency revaluations R'000	Closing balance 31 March 2007 R'000	Guaranteed interest outstanding 31 March 2007 R'000	Realised losses not recoverable, i.e. claims paid out R'000
<b>Housing</b>								
ABSA Bank	594	666	-	135	-	531	-	-
Standard Bank	341	317	-	53	-	264	-	-
First National Bank	339	333	-	20	-	313	-	-
BoE Bank	17	16	-	-	-	16	-	-
Nedcor	1 120	850	-	117	-	733	-	-
<b>Total</b>	<b>2 411</b>	<b>2 182</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>1 857</b>	<b>-</b>	<b>-</b>

The amounts indicated against Nedcor are inclusive of amounts previously published individually for Permanent Bank and Old Mutual Bank.

## Annexure 2B: Statement of contingent liabilities as at 31 March 2007

Nature of liability	Opening balance 01 April 2006 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31 March 2007 R'000
<b>Claims against the department</b>					
EAX Consortium	11 067	-	867	-	10 200
Forenco	969	1 016	-	-	1 985
Uniform dispensation	1 012	148	1 121	-	39
<b>Subtotal</b>	<b>13 048</b>	<b>1 164</b>	<b>1 988</b>	<b>-</b>	<b>12 224</b>
<b>Other</b>					
Claims from third parties as a result of (hired) vehicle accidents involving the Department's employees	-	318	47	-	271
<b>Subtotal</b>	<b>-</b>	<b>318</b>	<b>47</b>	<b>-</b>	<b>271</b>
<b>Total</b>	<b>13 048</b>	<b>1 482</b>	<b>2 035</b>	<b>-</b>	<b>12 495</b>

## Annexure 3: Inter-governmental receivables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
<b>Department</b>						
Department of Justice	-	14	-	-	-	14
Gauteng Shared Services	-	25	-	-	-	25
Department of Land Affairs	-	3	-	-	-	3
National Treasury	-	9	-	-	-	9
Workmen's Compensation Fund	-	-	-	3	-	3
Department of Communications	-	-	8	-	8	-
Department of Minerals and Energy	7	-	-	-	7	-
Department of Social Development (Free State)	-	-	12	-	12	-
<b>Total</b>	<b>7</b>	<b>51</b>	<b>20</b>	<b>3</b>	<b>27</b>	<b>54</b>

## Annexure 4: Interdepartmental payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
<b>Departments</b>						
<b>Current</b>						
Department of Transport	-	-	-	8	-	8
Department of Health	-	-	-	9	-	9
Department of Housing	-	-	-	17	-	17
Department of Provincial and Local Government	12	-	-	-	12	-
Department of Public Works	10	-	2 209	-	2 219	-
<b>Subtotal</b>	<b>22</b>	<b>-</b>	<b>2 209</b>	<b>34</b>	<b>2 231</b>	<b>34</b>

The above amounts are not included in the statement of financial position.

**Other government entities**

<b>Current</b>						
South African Revenue Services – Employees' tax	1 119	116	-	-	1 119	116
Government Employees Pension Fund	8	2	-	-	8	2
Bargaining Councils	7	1	-	-	7	1
<b>Subtotal</b>	<b>1 134</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>1 134</b>	<b>119</b>
<b>Total</b>	<b>1 156</b>	<b>119</b>	<b>2 209</b>	<b>34</b>	<b>3 365</b>	<b>153</b>

The above amounts are included in the statement of financial position.