



Economy



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Governance and Administration

strategic plan

2004/05 – 2006/07

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Statistician-General

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[preface]

**the Honourable TA Manuel
Minister of Finance**



What should official statistics measure and how should this be decided upon? And once these priorities have been determined, what are the best ways of measuring, and which organisational structures and practices provide the optimal context for that measurement?

As we enter the second decade of freedom, let me share with you some of my observations about challenges that confront statistics systems in South Africa particularly, and in the third world more generally, but also in contradistinction to South Africa because of its two-economy status. These challenges are pervasive. I shared these with the South African Statistics Association (SASA), the Statistics Council and Statistics South Africa (Stats SA) in November 2003. I depend on timely and accurate statistics for evidence-based decision-making. Although I am the Minister responsible for statistics I have no privileges and I am prohibited by statute from being directly involved in the work of Stats SA. I have a filter in the form of the Statistics Council chaired by Dr Hilary Southall, to intercede between Stats SA and myself on the outputs of Stats SA.

The first challenge, which confronts us as a country, is the restoration of trust in official statistics. Without the vital element of trust, no official statistics will be reliable. This is embedded in South Africa's past. Apartheid was a lie. It was a lie, which masqueraded as truth, because it was apparently supported by numbers. Blacks were not counted, they were not even regarded as South Africans. Today,

there exists amongst ordinary people an unhealthy disregard for official statistics. Perhaps people remain of the view that the numbers will be made up anyway.

The second challenge is that there are too few South Africans who love statistics or have a passion for it. As with the first challenge, this too is embedded in South Africa's apartheid history. On 17 September 1953, the Minister of Native Affairs, H F Verwoerd, addressed Parliament and said, "What is the use of teaching the Bantu child mathematics when it cannot use it in practice." Thus Bantu Education was introduced in 1954, consciously de-emphasising the teaching of Mathematics and Science. A generation of mathematics students was destroyed and thereafter, successive generations of mathematics teachers. To this day, the teaching of mathematics and science, where it occurs, is too frequently mediocre. Ten years into democracy, the residue of this apartheid decision lives on. It must be reversed – not merely at universities or in the work place, but at primary and pre-schools.

The third challenge is the absence of sufficient discourse on methodology and outcomes. At a distance I observe how easily positions are polarised and entrenched. I have seen this with data sets like causes of death, road accidents, crime and HIV/AIDS. Statisticians become the analysts. Results trump method. The value of statistics is lost. I truly hope that, in particular, we will deal with the pervasive illusion of certainty which parades as professional confidence.

The fourth challenge is to try and pace ourselves relative to our capacity. I have, at close quarters, observed the struggles of my counterparts on the Africa continent as they prepare Poverty Reduction Strategy Papers (PRSP). The PRSPs must be consulted upon and have a strong statistical foundation. In the absence of the latter, these countries cannot easily access facilities such as the debt relief for Highly Indebted Poor Countries (HIPC). South Africa, or parts of it, is highly sophisticated. We aren't deemed either highly indebted or poor. We are thus required to play in a different league. We have to comply with the Special Data Dissemination Standard (SDDS). The requirements are onerous. Yet, we must recognise that the majority of South Africa is indeed deeply poor. Similarly, we lack a sufficient skills endowment to meet all of the requirements.

I recognise that the work of statisticians is incredibly hard. I recognise too that the work of statisticians too frequently tends to be numbers driven – many statisticians appear happy to live in a rarefied environment with their computers and models and then tend to see conversation with other people as a horrible intrusion. But, our best endeavours are not about numbers, they are about

people and the quality of the lives of even the poorest. This is the measure of civilisation.

Statistics can make an enormous difference to the quality of democracy. Innumeracy is the enemy of democracy. People familiar with numbers and facts can measure progress in their own lives and are empowered to speak about what remains to be done. These are the stretching goals I have set for the statistics system as we enter the second decade of freedom.

In my preface to the previous plan (2003/04–2005/06), I noted that strategic plans were only as good as their implementation. I am pleased to see that this plan, for 2004/05–2006/07, has taken issues of implementation very seriously. The document fleshes out some of the high-level strategic thinking contained in the last one, and specifies in some detail how Stats SA is going to advance from where it currently is, to where it needs to be.

In conclusion, I am reminded that Ian Hacking argues “Quiet statisticians have changed our world, not by discovering new facts or technical developments, but by changing the ways that we reason, experiment and form our opinions.”



TA Manuel, MP
Minister of Finance

At the time of the census, 766 932 of those aged 25 and above were attending adult education centres (*Census 2001*)



[foreword]

**Hilary Southall
Chair of the Statistics Council**



Since 1994, Stats SA has made great strides in its efforts to transform and overhaul the statistics system of South Africa. From 1995–2000, Stats SA earned a reputation as the fastest transforming government institution. The focus was on improving the timeliness and quality of outputs and restructuring efforts to include the former TBVC statistical agencies. In ten years the department has set the legal foundation for a new statistical system through the Statistics Act of 1999, and undergone two rounds of restructuring, many of the statistical series have been replaced or re-engineered, new surveys and household surveys have been introduced, the business register has been completely revised, and two general censuses and a census at school have been conducted. And all this has been achieved against a backdrop of a shortage of resources in general, and of skills capacity in particular.

Now, in 2004, Statistics South Africa is to be congratulated for this, its second, strategic plan covering the next three years. Following the rapid challenges of the last ten years, the organisation is now looking forward to a period of consolidation. Seven strategic themes have been identified: improving quality, developing human capacity, enhancing the use of the business and other registers, further transformation, refocusing on user needs, integrating the country's statistical information into a national statistics system, and improving governance and professional management at all levels within the organisation. Each theme is broken down into a set of concrete objectives. The plan is

insightful and ambitious, yet realistic and achievable. This is not to underestimate the magnitude of the task ahead, and the Council wishes the Statistician-General and his staff every success in the plan's implementation.

As Mr Lehohla and I travelled around South Africa together last year disseminating the results of Census 2001, I was struck by three things. The first was the joy and excitement with which South Africans received information and data about themselves and their own villages, towns and communities. Second, the taking of a national census is very empowering. There is something special about the fact that each and every person matters and should be counted. Third, I became convinced that whereas the challenges of advanced technology are being addressed, it is in the collection of data that the greatest challenge remains. This requires cooperation from the public. And this in turn is a matter of trust. The process of Census 2001 highlighted the emphasis placed on transparency by the Statistician-General. One of the major problems facing Stats SA is that of building trust between civil society and government in a country in which government has been largely distrusted in the past. There is no better way to do this than by Stats SA continuing to exhibit complete openness and transparency.

Finally, as Chair of the Council whose main aim is to represent users, there are three further overarching messages to urge on Stats SA as it undertakes the implementation of the strategic plan. The first is to remember why official statistics are collected in the first place. Statistics are not collected to satisfy the demands of international organisations. Statisticians may be seen as boring, introverted people reluctant to emerge from behind their computers. But their objective is to produce information to inform policies that can be implemented to improve people's lives. Statistics are about people, not about numbers.

The second is for Stats SA to remember that it has a responsibility to disseminate statistics to a wide audience in a form which people can access, understand and appreciate. Improving statistical literacy in the country has been another of the underlying objectives of Stats SA in the recent past, and should continue to be so. It is only by making statistics widely available that they will be used, and as they are more widely used, so too will the scope of their application increase at all levels of society.

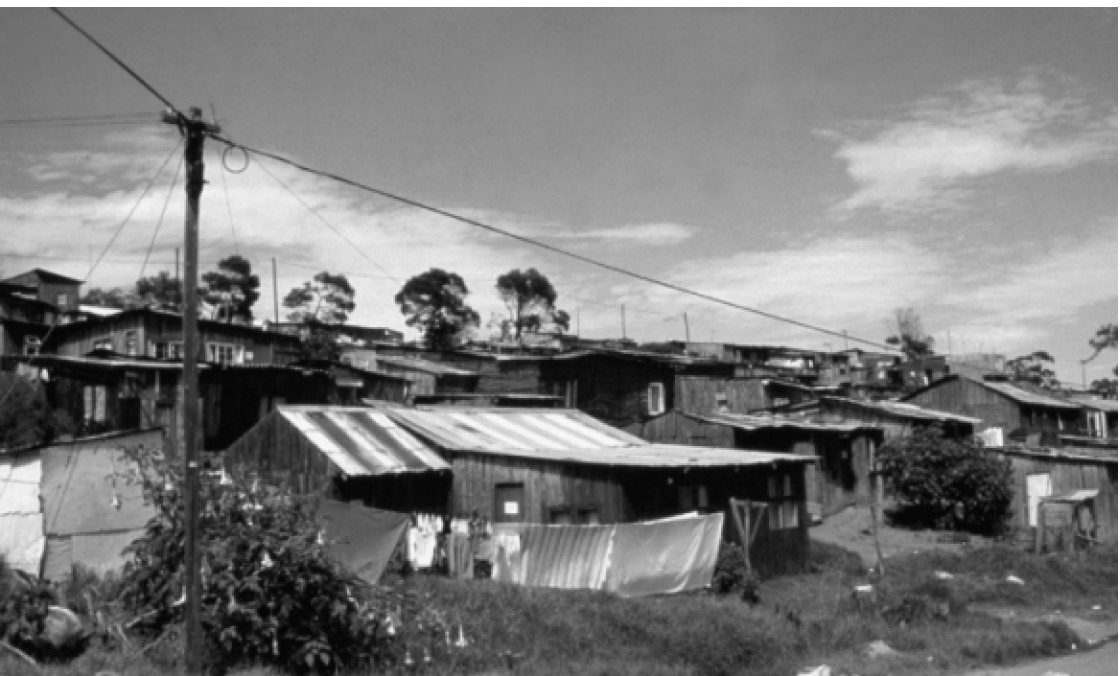
For many years I have introduced generations of students into the complexities of official and mathematical statistics. They have looked at me in astonishment when I have insisted that even if they cannot reproduce theorems or conduct significance tests, I hope that by the end of the course they will learn to enjoy the

subject of statistics and to appreciate its potential rewards. Is it not remarkable that aspects of nature can be described by complex mathematical formulae? And this is my third message to Stats SA for the next three years – to create a cadre of young South Africans that will love statistics and share the passion which is necessary for the creation of a first class system of official statistics in this country.

Hilary Southall

Hilary Southall
Chair of Statistics Council

In October 2001, 16,4% of all the households in the country
lived in informal dwellings (Census 2001)



[introduction]

**Pali Lehohla
Statistician-General**



This second strategy document builds on the strategic plan concluded in 2003. The last decade of freedom had the importance of statistics located in the last three years of that decade. In the words of President Thabo Mbeki, the second decade will highlight “the importance of monitoring and evaluation and the central role of statistics as a tool in the developmental state and its role of a developmental state in development”. Stats SA's strategic plan for the next five years elaborates the adaptive change that the organisation should embrace in response to the challenges and issues that have been raised in the Ten Year Review and the challenges posed by the Minister and Council in their input. The plan therefore seeks to position itself from day one on issues of the next decade of freedom. The central outcomes that the agency focuses on in this elaboration are:

- *Making users of statistics competitive.* That is, in the first instance, by plotting the loci of suppliers, producers and users of statistics on the supply-chain, we have the possibility of a better understanding of the supply, production and user environment. Thereby we can influence our sequencing of issues and the structure of engagement with stakeholders, including training, collection, interpretation and dissemination of official statistics. Secondly, by strategically identifying nodes of value creation and value appropriation on the value-chain, we have the possibility of making users continuously efficient and effective in their application of statistics in policy formulation

discourse and decision-making. We will verify this goal by monitoring progress and measuring outcomes from the perspective of an external stakeholder;

- *Growing the organisation and making it competitive in what it does.* This will focus on the two perspectives of *business process* and *investing in the future*. Here we will look at governance and innovation. We will verify this by the extent of internal capacity to respond to user needs and the efficacy with which this is achieved;
- *Achieving individual growth and being competitive in what each individual does.* We will verify this by how much maturity, wholesomeness and skill individuals acquire and deploy in working with others. This is part of the perspective of investing in the future; and
- *Playing a self-liquidating catalytic role in the way we implement.* We will verify this by the extent to which we organically transfer measurement responsibilities and how these are successfully implemented by the recipients as well as, how well we continuously create growth in what we do.

By doing this we will be on course to producing high quality statistics which meet the requirements of users, creating partners, and coordinating the production of statistics throughout the public, government and private sectors so as to promote evidence-based decision-making. While the document that we produced last year focused much more on articulating the direction in which we believed national statistics should move, this year's strategic plan takes the dream into what can be implemented practically, having taken into account the resources we have, the reserves and key lessons we have accumulated over the last decade both locally and internationally. The operational plans identify statistical units, data items, and classifications and standards and their strategic import to measurement.

2004 will witness a range of festivities in South Africa marking the tenth anniversary of the country's first non-racial democratic elections. The 1994 elections heralded a fundamental change in the political make-up of the nation. That rhythm of democracy has been sustained through subsequent national and local level elections during the ten-year period. This political change paved the way for the systematic transformation of the institutions of government. Not only has the face of the public service changed, but it has introduced a range of policies aimed at stabilising and growing the economy, rolling out social services and grants to the poor, and promoting and protecting the hard-won freedoms and human rights.

The importance of systematically monitoring and evaluating change was not always self-evident in the heady days of post-1994 policy development. Although the introduction of household surveys and the results of Census '96 provided critical data on the living conditions of the population, the supply of statistical information to enlighten policy decisions was fragmented. Only in the last few years has statistics come to occupy a more significant role in the policy-making process. Stats SA has attempted to respond rapidly to this increase in demand through increasing the range of surveys and analytical work it undertakes, and by promoting the accessibility and usability of statistical information.

The substantial increase in output has pointed to certain weaknesses in the fabric of the statistics agency. Most especially, it soon became clear that South Africa lacked a pool of suitably qualified statistical professionals to sustain the increased level of work now expected from Stats SA. To remedy this, a concerted programme was put in place to equip staff with the skills and knowledge necessary to produce high quality official statistics. The fruits of this gallant programme are now beginning to show. The drive for delivery also exposed the shaky governance foundations of the department. This document details the core improvements that are being and will be made in this regard.

As South Africa celebrates its first decade of democracy, statistics agencies around the world will be celebrating the tenth anniversary of the adoption of the United Nations Fundamental Principles of Official Statistics. The fundamental principles are a reflection of the importance of standardising statistics across the globe so as to provide comparable information on the global scale and an interpretation of social gains or losses in development. To this end, Stats SA leads and participates in a number of international committees concerned with promoting the standardisation and usage of statistical information.

International collaboration provides the opportunity for the sharing of international best practice. South Africa has benefited from the expertise of some of the top international minds in economic statistics in the formulation of the improvement strategy for economic statistics. Details of this strategy are discussed in this document.

Both experience and text books tell us that while a powerful vision is important, it is translating the strategy into sustained outcomes that is the difficult job. Last year Stats SA adopted the following six strategic themes:

- Enhancing the quality of services and products;
- Developing human capacity;
- Enhancing statistical integration through geography and registers;
- Transformation;
- Refocusing statistical information in line with user requirements; and
- Developing the NSS.

In this strategic plan we concretise how these themes will be implemented. The objectives under each theme are reflected on the department's revised strategy scorecard, which will be the tool we use to measure our strategic success. All work areas in the organisation have aligned their outputs to the requirements of users and the strategic objectives. These outcomes are reflected in business plans. Detailed operational and project plans, enabled through a management information system, will help to ensure implementation meets the required quality standards, on time and within budget.



Pali Lehohla
Statistician General



An estimated 56,6% of the households in South Africa lived in a formal house on a separate stand or yard
(General Household Survey, July 2002)

[section 1]

the destination



Among the black African population, 18,4% took 60 minutes or more to reach the nearest hospital
(General Household Survey, July 2002)

1.1 Introduction

On 27 April 2004, South Africa will complete ten years of democratic rule and will therefore rightly celebrate the conclusion of its first decade of freedom. During this period, new policies and programmes have been put in place by government to dramatically improve the quality of life of all the people, with its main objectives being meeting basic needs, building the economy, democratising the state and society, developing human resources and nation building.

Reviewing the past ten years of democracy provides the opportunity to assess the achievement of objectives and look at the challenges of the next decade. Statistical information makes the measurement of government performance transparent and promotes accountability, a critical element of any democratic nation. As such, South Africa has recently focused more attention on the system of statistics used for policy-making. Users have demanded not only more statistical information, but also improved quality of this information.

This trend is a reflection of a global movement towards harmonising and improving the quality of statistical information. Ten years ago the United Nations adopted the Fundamental Principles of Official Statistics. These principles form the basis for much of the subsequent frameworks for official

statistics, such as the General (and Special) Data Dissemination Standards, to which South Africa was one of the first developing countries to subscribe.

This strategic plan aims to chart the future for national statistics in general, and Statistics South Africa in particular. In so doing, this document builds on the conceptual foundation set out in the 2003/04 strategic plan. More attention is given this year to the implementation of the strategic goals, their impact on the core business of the department and the management and governance initiatives which support them. Progress in achieving the goals is reported in Stats SA's annual report.

Section 1 briefly discusses the role of national statistics in informing policy and decision-making, and the manner in which national statistics should be organised. Section 2 outlines the strategic priorities of Stats SA over the medium term, and the manner in which they will be resourced. Section 3 and 4 outline the work of Stats SA, the benefits it provide to users, and the key improvements that are planned to meet user requirements. Section 5 describes the process of implementing the strategy.

1.2 National statistics

National statistics is the coherent body of data quantifying the economic, social and development situation in the country over time and space, and is used for policy formulation, decision-making, monitoring progress and evaluating performance.

As the official statistics agency of South Africa, Stats SA is concerned with the collection, dissemination and utilisation of statistical information. In conjunction with the national policy coordination authority (the Presidency), the resourcing authority (National Treasury), other line ministries, the private sector and the public, statistics support the management of development of the nation in a fact-based and orderly fashion by the elected leadership of the country. Much effort continues to be made in advocating the use of statistics, and making access to statistical information easier for decision-makers at different levels of government.

Nowhere in the world has a country vested the responsibility for collecting all the official statistics of a nation in a single institution. South Africa has a system of national statistics, with an array of actors playing different roles. However, a number of key policy issues are wider than the remit of any single government department and must be tackled on a government-wide basis. These cross-cutting issues clearly indicate the need for a set of national statistics within a coordinated framework where statistical units, data items, classifications and standards are harmonised across government.

A national integrated statistical information framework is being developed and implemented by Stats SA in partnership with other government departments, with the objective of ensuring that the set of national statistics is relevant, consistent and comparable over time. This is in line with the Statistics Act (6 of 1999, section 14) which enables the Statistician-General to lead and facilitate the coordination of official statistics in South Africa, which will advance standardisation, quality, consistency and comparability while eliminating unnecessary and costly duplication.

The portfolio of statistics produced by Stats SA comprises economic statistics, which are mainly collected from businesses, and social and population statistics which are collected through household surveys, a population census and administrative records. As a result of the nature of work done by others who generate statistics, the system by definition has many elements, and the collection and production of many statistics is the responsibility of other government departments. These include both administrative records and sector-specific statistics in areas such as education, health and housing.

There are three primary ways that statistical information is collected.

Firstly, departments generally collect information on their activities for their own management purposes. These are frequently stored in departmental management information systems and provide the input and output indicators.

Secondly, administrative data are collected through the completion of official forms, usually for the purposes of a specific organisation. An example would be the recording of a birth on the population register, which is sourced through the completion of a notification of birth form. The information from these registers can be utilised to produce indicators such as population growth. This information may also form a sampling frame from which samples for population-based surveys can be drawn.

Thirdly, surveys and censuses obtain information from specific companies, households or individuals through a questionnaire. Surveys and censuses are the most useful tools for collecting information for outcome and impact indicators and they function as a system of filters to validate what comes out of the other two systems, whose statistics are largely incident-based.

1.3 Official statistics

The statistical information produced by Stats SA, as the official statistics agency, forms the foundation for all national statistics. However, the worldwide role of statistical agencies has been changing. More and more agencies are being asked to certify and capacitate other bodies in the collection of statistics. Similarly in South Africa, section 14(7)a of the Statistics Act empowers the Statistician-General to designate statistics produced by Statistics South Africa or any other organ of state as official statistics. Stats SA is therefore responsible for providing, within the integrated national statistics system, standards and definitions to be used by all producers of statistics, to ensure the comparability and relevance of official statistics in South Africa.

For the Statistician-General to designate statistics as official, they must pass certain criteria. Any institution wishing to have its statistics designated as official must belong to the national statistics system. The agency must demonstrate the capacity for sustainable production of the statistics in terms of people, infrastructure and equipment. And the statistics must satisfy the following quality requirements, which are identified in the Data Quality Assessment Framework (DQAF) developed by the International Monetary Fund (IMF):

Relevance: Statistics must meet current and diverse information needs for major users and anticipate future information needs.

Integrity and credibility: Professionalism, transparency and ethical standards help to create a brand name associated with independence and separation from political influence.

Methodological soundness: The collection and handling of statistics must follow internationally accepted standards, guidelines, or good practice.

Accuracy and reliability: This quality dimension refers to the ability of statistical outputs to sufficiently portray reality. The dimension requires that

source data provide an adequate basis to compile statistics, that statistical techniques used conform to sound statistical procedures, and that source data and statistical outputs are regularly assessed and validated.

Consistency: There should be data reconcilability within datasets, over time and with other major datasets in the country.

Timeliness: There should be the minimum time lag between data collection and release of information. Timeliness enhances the usefulness of data.

Accessibility: There should be assurance on the extent to which information is available to users, data and metadata should be clear and easily available, and assistance to users should be adequate to help them find and use the data.

Not all statistics will be designated as official statistics, nor would this be desirable. For this reason a five-tier hierarchy is used, of which only the top category constitutes official statistics.

The five-tier hierarchy is given below:

Five - Official statistics: Statistics will be designated as official statistics if they are sustainable, meet the quality requirements and are relevant beyond the needs of the organ or agency that collected them.

Four - Significant statistics: Statistics collected on a once-off basis which satisfy the quality requirements and are relevant beyond the organ or agency that collected them. By definition, once-off statistics cannot be sustainable.

Three - Departmental statistics: Statistics which satisfy all the quality criteria, but which are relevant only to the department collecting them, may be classified as departmental statistics. Departmental statistics may be once-off or sustainable.

Two - Acceptable statistics: These are statistics which meet most quality standards. Statistics will be designated as acceptable to the extent that, despite their limitations, some deductions can be made and they can therefore be utilised.

One - Questionable statistics: Statistics will be labelled as questionable if the methods used to collect and compile them are suspect or if conclusions that could be drawn from the sample are inappropriate. This would include uncontrolled measurement error, reporting standards not defined, problems of over-generalisation or systematic error.

It is intended that all statistical indicators and datasets that have a bearing on public policy be classified according to this typology.

1.4 Fundamental principles of official statistics

In order to safeguard official statistics and guide national statistics offices in their work, the United Nations has adopted the following fundamental principles of official statistics:

1. **Impartiality:** Official statistics provide an indispensable element in the information system of democratic society, serving the government, the economy and the public with data about the economic, demographic, social, and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information;
2. **Professional independence:** To retain trust in official statistics, the statistical agency needs to decide, according to strictly professional considerations including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data;
3. **Transparency of methods applied:** To facilitate a correct interpretation of the data, the statistical agency is to present information according to scientific standards on the sources, methods and procedures of statistics;
4. The statistical agency is entitled to **comment on erroneous interpretation** and misuse of statistics;

5. **Use the most efficient sources:** Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. The statistical agency is to choose the source with regard to quality, timeliness, costs and the burden of respondents;
6. **Confidentiality:** Individual data collected by the statistical agency for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes;
7. **Transparency of laws:** The laws, regulations and measures under which the statistical system operates are to be made public;
8. **Cooperation among institutions:** Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system;
9. **Adherence to international standards:** The use by the statistical agency in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical system at all official levels; and
10. **International cooperation:** Bilateral and multilateral cooperation in statistics contributes to the improvement of the system of official statistics in all countries.

The Statistics Act (6 of 1999) is based on these fundamental principles and translates them into a practical application for the South African context.

[section 2]

the roadmap



The annual percentage change in the CPI, excluding interest rates on mortgage bonds for the historical metropolitan and other urban areas, was 4,8% as at February 2004.

2.1 Strategic overview

High quality information provides organisations with the competitive advantage of evidence-based decisions.

Stats SA will have achieved its goal for existence and implemented the Statistics Act when users become competitive in their work. Stats SA must add value to its planning and decision-making processes by providing relevant, reliable and accurate statistical information. The department therefore needs to understand our users' needs and respond accordingly.

We will have achieved better outcomes for the organisation when we excel in our statistical and governance processes and systems. This will require combining specialisation, where it exists, with functional expertise and the speed, efficiency and quality of integrated business processes as a deliberate delivery portal.

We will have achieved better outcomes for our employees when they experience personal growth and a corporate culture that encourages innovation, problem-solving and self-development.

Stats SA intends to respond to these challenges in a structured and innovative environment that is sustainable, and impacts on the decision-making processes of our users. This section presents the vision, mission and strategy of the organisation to achieve this.

Stats SA's vision is to become a quality production and coordination service for official statistics, providing leadership in the promotion of access to and utilisation of statistical information to support evidence-based planning and decision-making in order to advance socio-economic development.

Stats SA's mission 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.

2.2 Core values

Stats SA will meet the needs of its users by enhancing the quality of our statistics through the development of people. The following core values guide organisational behaviour:

- Empowerment
- Transparency and Accountability
- Excellence, Quality and Performance
- Respect.

2.3 Primary role of Stats SA

In line with its vision and mission, the primary role of Stats SA can be described as two-fold.

As the national statistical authority, we:

- Collect, compile and disseminate a wide range of economic, social and population statistics that inform stakeholders in planning and policy formulation, decision-making, monitoring progress and evaluating performance;
- Analyse and monitor trends of the economy and society;
- Provide advice and consultancy services on statistical matters to government, private sector and the public; and
- Develop and maintain databases for national statistics on businesses and enumeration areas, which constitute sampling frames for economic and social surveys.

Stats SA's main business in this regard is to produce and disseminate statistical information that highlights the outcomes and impact of policy, rather than inputs or outputs. By definition, this requires a cross-cutting and integrative focus.

As the national statistical coordinator, we:

- Develop national statistical standards;
- Standardise definitions, classifications and procedures for use in statistical activities;
- Enhance statistical competence of producers of official statistics;
- Implement filters and triangulation facilities for quality assessment of statistics; and
- Promote statistical advocacy and partnerships.

This requires an emphasis on capacity-building both within Stats SA and other departments, the establishment and development of quality standards and certified methodologies within the context of national statistics, and the promotion of common systems and integration tools such as a system of registers and a national spatial frame.

2.4 Strategic themes

In order to achieve the vision and mission of the organisation, Stats SA has identified the following strategic themes to take the organisation forward. The focus of the organisation's strategy is to provide a competitive advantage to our users through high quality reliable statistical information. This requires Stats SA to ensure the quality, relevance and integrity of all its products and services.

Strategic Theme 1: Enhancing the quality of products and services

Data integrity is essential for the effective use of empirical evidence in decision-making. Therefore, statistical data and information need to be comparable through the use of common standards, definitions, classifications and methodologies.

The development and application of world-class quality standards, classifications, methods and systems, both within Stats SA and across the National Statistics System (NSS) as a whole, will be the central pillar of the quality drive to ensure relevance and timeliness, and accuracy and coherence of statistical information.

The strategy for enhancing the quality of products and services will focus in the medium term on achieving the following strategic objectives:

- **Improving the quality of key economic indicators** through ensuring that the Gross Domestic Product (GDP) and Consumer Price Index (CPI) accurately reflect price changes and the real level of activity and growth in the South African economy;
- **Improving the quality of social and poverty information** through improved analysis and integration of data, so that it accurately reflects the social development of the country;
- **Implementing best practice methodology** across all statistical series through aligning current methodology with international best practice; and
- **Improving standards and classifications** across all statistical series through aligning statistical activities to international guidelines e.g. the General Data Dissemination System (GDDS), the Special Data Dissemination System (SDDS), the System of National Accounts (SNA) and other relevant guidelines.

Strategic Theme 2: Developing human capacity

Well-trained staff are essential for the sustainable production of quality products and services. This requires a strategy which aims to guide and systematise investment in human resources in order to transfer knowledge, broaden the strategic skills base and raise staff motivation. The strategy for developing human resources will focus in the medium term on achieving the following strategic objectives:

- **Becoming an employer that attracts and retains valuable employees** by ensuring that the organisation is respected for its products and services, competitive in its compensation package, concerned with the welfare of its employees, and appreciated for its overall contribution to the development of the country;
- **Creating an innovative learning environment**, through ensuring that people can flourish and grow by developing the necessary tools, implementing training and education, and recognising the deployment of individual skills, competence and knowledge;
- **Aligning individual goals with organisational goals and strategy** by managing and rewarding performance through the implementation of a comprehensive performance management system; and
- **Ensuring fair and equitable treatment and protecting basic human rights** through providing a non-discriminatory environment for employees infected and affected by HIV/AIDS.

Strategic Theme 3: Enhancing statistical integration through geography and registers

Statistical integration will be enhanced through geography and registers and its success will be ensured by executing the following:

- **Improving the quality and coverage of the geographic framework** which links geographies and statistical data, and integrates and analyses patterns of socio-economic development on geographically detailed levels;
- **Integrating registers across government departments** in order to harmonise the systems and content of different registers and allow for comparability across them; and

- **Improving the quality and coverage of the business register** so that it covers consistently over time those businesses that account for a high proportion of total business activity in South Africa.

Strategic Theme 4: Transformation

This strategic plan is essentially about the transformation of the statistical system to meet the needs of a transforming society. Ensuring that Stats SA transforms itself at the same time requires attention to the following strategic objectives:

- **Achieving equity in the workplace** by promoting equal opportunity and fair treatment of all employees, and implementing affirmative action measures to redress the disadvantages of the past through the implementation of the Employment Equity Plan, and an Affirmative Action policy and programme which includes career advancement initiatives;
- **Creating a value-adding corporate culture and value system** where all people want to be involved in decisions that affect them, take pride in themselves, their jobs and each other, and want to share in the success of their efforts;
- **Creating and developing organisational leadership** that guides the organisation to deal with constant change, shapes the culture to fit in with the opportunities and challenges that change affords, and provides the management skill to cope with the ramifications of constant change;
- **Creating horizontal flow across 'silos' to meet customers' needs** by encouraging people to plan, be innovative and work together on processes for speed of delivery and quality of product; and
- **Positioning the organisation** through the development and implementation of a corporate marketing and communication strategy.

Strategic Theme 5: Refocus statistical information in line with user requirements

The premise of Stats SA's strategy is providing relevant, reliable and high quality statistical information that impacts on the planning and decision-making processes of all users. While the NSS will ensure this alignment for all statistical information produced in the country, it is critical that Stats SA ensures that the

information it produces is meeting the demands of our specifically targeted users by achieving the following strategic objectives:

- **Assessing the needs of users**, which will include plotting users, producers and suppliers on the supply and value chain and ensuring a multi-way dialogue amongst users, producers and suppliers of statistics;
- **Managing user needs and satisfaction** by developing a user needs framework which facilitates the articulation of needs in a more integrated and comprehensive way and ensures continuous interaction with users in a coordinated and structured fashion. The outcome will be measured through a user satisfaction survey; and
- **Increasing the usage, credibility and accessibility of statistics** by ensuring effective dissemination to our users of statistical information and metadata which provide a valuable body of information for further analysis and interpretation.

Strategic Theme 6: National Statistics System

The Statistics Act provides a framework for improving the quality of statistics, enhancing the comparability of statistics and minimising unnecessary overlaps and duplication in the collection and publication of official statistics. The National Statistics System is the vehicle for implementing this legal mandate. In its drive towards meeting stakeholder needs, Stats SA will provide leadership in establishing and coordinating the NSS, as a natural outcome of its strategic approach.

The NSS is a partnership of suppliers, producers and users of national statistics for the efficient production, and effective use of these statistics. This partnership is aimed at meeting the demands of users for accurate, relevant, and timely statistical information. Stats SA will be the hub of the NSS. In order to accomplish the above, the coordinating framework must ensure the following strategic objectives are achieved:

- **Developing a system of development indicators**, which are high-level measures of national and sub-national performance in a range of different delivery areas;
- **Developing a management system for statistical information (MSSI)**, which will provide access, via a web interface, to the data holdings of NSS partners;

- **Promoting statistical advocacy and partnerships** to create a high level of general awareness about the role and importance of statistics to society; and
- **Developing and maintaining a statistical Master Plan** to provide a coordinated, coherent and effective statistical service, in tandem with the national policy agenda and priorities for development.

Strategic theme 7: Improving governance

While the six strategic themes represent the key improvements required in the core business of Stats SA, the agency is also required to address a range of governance issues. Three successive reports by the Auditor-General have raised concerns with a set of administrative practices. These relate primarily to human resource management, financial management and procurement. Stats SA is addressing these issues through:

- **Implementing a risk management strategy** which will focus the organisation on those areas of risk that have a high probability of affecting the performance of the organisation;
- **Improving the efficiency and effectiveness of administrative systems and processes** by enhancing capacity in the relevant areas, implementing policies, procedures and best practice, and ensuring compliance with regulatory frameworks;
- **Improving management information** to ensure evidence-based decision-making by implementing an integrated planning, budgeting and reporting system; and
- **Managing change** by aligning and focusing the organisation to user needs through the horizontal integration of business and support processes.



The manufacturing industry contributed 17,2% to the GDP in SA in 2003
(GDP, February 2004)

[section 3]

the environment

In March 2003, 19,6% of all employed people were working in the informal sector
(Labour Force Survey, March 2003)



3.1 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 (6 of 1999), which ensures independence from political interference in the production and dissemination of official statistics.

In the Statistics Act the role of the department is defined as informing organs of state, businesses, other organisations and the general public in planning, decision-making, monitoring and assessment of policies.

Further, Stats SA is to:

1. Promote coordination among statistical producers in South Africa in order to advance the quality, consistency, comparability and optimum use of official statistics and thereby avoid unnecessary duplication;
2. Provide statistical advice to government departments; and
3. Liaise with the statistical agencies of other countries, and other international agencies.

3.2 Role of the Statistician-General

The Statistics Act makes provision for a Statistician-General as head of Statistics South Africa, who is responsible for the collection, production and dissemination of official and other statistics, including the conducting of a census of the population, for co-ordination among producers of statistics; and for establishing a Statistics Council and providing for its functions.

More specifically, the Statistician-General:

- Guides, directs and manages Stats SA;
- Is the accounting officer for Stats SA;
- Makes recommendations to the Minister on the policies and priorities of the organisation;
- Determines, and exercises final responsibility regarding the implementation of, the work programme, which includes the time, the manner, the form, the extent and the development of the statistical process;
- May designate statistics produced by Stats SA or another government department as official statistics;
- Provides statistical advice to other government departments;
- Liaises with other countries and their statistical agencies and represents Stats SA internationally with regard to statistical matters; and
- Seeks to ensure public awareness of statistical collections and activities.

3.3 Delegations

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, 1994 and Public Service Regulations. These powers and duties are:

- (a) regarding the internal organisation of the department, including the organisational structure and the transfer of functions within the department;

- (b) regarding the post establishment of the department, including the creation, grading and abolition of posts and the provision for the employment of persons additional to the fixed establishment where the class of work is of a temporary nature; and
- (c) regarding the recruitment, appointment, performance management, promotion, transfer, discharge and other career incidents of officers and employees of the department, including any other matter which relates to such officers and employees in their individual capacities.

3.4 Role of the Statistics Council

The Statistics Act (section C) makes provision for a Statistics Council consisting of between 15 and 25 members, whose appointment has to be approved by Cabinet. These members include one representative from each province, and nominated members from organs of state, organised business and labour, the statistics community, researchers and the general public.

The Statistics Council advises the Minister, the Statistician-General and other organs of state on statistical matters. It is also responsible for promoting, coordinating and safeguarding the system of official statistics. More specifically, its role is as follows:

- Input into the classification of official statistics;
- Independent 'watchdog' and quality assurance;
- Opinion on statistics not classified as official;
- Oversight of all statistical activities of organs of state;
- Informing the annual programme of Stats SA;
- Promoting Stats SA and the NSS;
- Monitoring the performance of Stats SA and the NSS; and
- Responding to requests for advice.

The Statistics Council is independent of Stats SA and submits its own periodic reports to the Minister.

3.5 Stakeholders and their needs

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

- **Government:** Central, provincial and local government use statistical information extensively to inform policy development and to measure the impact of government programmes on economic and social well-being. Government is both a major user and supplier of data.
- **The public:** The community at large is mainly interested in basic information on the economy and society such as the economic growth, employment, inflation, population etc. This information is largely communicated through the media. Stats SA's strategy strives to inspire confidence in the quality of these key measurements. The public also supplies data through household survey collections and the census.
- **The media:** The media plays an important role in the publication of statistical information on both a national and local level. For this reason Stats SA has embarked on a communication and development strategy to empower key role players in the media arena. This ensures that the right information is published at the right time and that it is properly described and imparted to the public in an appropriate form.
- **Business:** The business community shares similar interests in quantitative information and in principle all economic variables are potential subjects for comparison. Important attributes include the number of employed per unit of revenue and of profit, the size of the market, the return on capital invested, and the rate at which prices are adjusted.

Businesses are important sources and users of our statistical information. Reducing the burden of surveys on the business community continues to be an important factor in the design of statistical programmes.

- **The academic sector:** The academic sector uses statistical information both for research and teaching purposes. Other users require statistics to inform decision-making but the academic community is also very interested in how the data are generated. The academic sector can play a strategic role in evaluating the quality of statistics produced.

- **Foreign and international bodies:** Official statistical information is an essential basis for mutual knowledge, comparison and trade among the states and peoples of the world. It is for this reason that Stats SA meets the international information requirements of bodies such as the IMF. Stats SA also has regular contact with other international statistical agencies to share professional expertise and experiences. This promotes common concepts, international standards, classifications and practices that support international comparisons of statistics.

3.6 Improving service delivery

3.6.1 Main services provided to our customers

Stats SA aims to assist and encourage informed decision-making, research and discussion within government and the community by providing high quality, objective, reliable and responsive statistical products and services.

Stats SA provides a wide range of statistical information on economic and social matters to government, business and the community in general. The statistics are released in publications and other products. We also provide customised reports to meet specific needs.

In future we will strive to enhance the following services to our stakeholders:

- Research into current and historical statistics;
- Survey, sample and questionnaire design;
- Statistical training; and
- Survey evaluation and reviews of methodology.

3.6.2 Consultation arrangements

The Statistics Council represent 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 therefore should consult with them to ensure sound advice to the Minister and Statistician-General.

Each statistical series conducted by Stats SA has an advisory committee comprised of key stakeholders in that particular series. These advisory committees meet periodically, or whenever changes to a questionnaire or statistical release are proposed.

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. Also 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.

Stats SA aims to systemise and structure user consultations as part of the statistical production process and establish a continuous process of monitoring and evaluating the value added to the work of our users.

3.6.3 Accessing products and services

a) Information service

User Information Services (UIS) is the first point of contact with our customers. This component is the gateway to all statistical products. Staff handle telephone, e-mail, fax and written enquiries. Customers can also approach User Information Services in the provinces for prompt responses on published data.

b) Subscription service

Stats SA's standard products can be acquired through subscribing any title on the publications list. Customers may indicate whether the publication should be e-mailed or posted to them free of charge.

c) Website

Stats SA's publications can be viewed, accessed and downloaded free of charge from Stats SA website at www.statssa.gov.za. Statistical information is placed on the website at the exact time of release.

d) Personal visits

Customers can personally visit head office or any provincial Stats SA office to obtain access to statistical products and services; in addition head office provides a library facility to users.

e) Marketing services

In an attempt to promote the use and access of statistical information, Stats SA has established a marketing unit. The unit is primarily focused on facilitating access to data generated by the population census. The service provided by the unit includes installation of software and data, training of users, and training of the media on the correct reporting of statistical information. In the medium term this unit will also be focusing on increasing access to data generated by economic and social surveys.

3.6.4 Providing more and better information

Stats SA has a catalogue of its reports and releases, which is available in hard copy as well as on our website. A new catalogue is currently being prepared which will provide more detailed information to users.

In addition, the website advertises releases planned for the forthcoming week as well as all releases planned for the quarter. The weekly schedule indicates the specific time that the statistics will be released.

3.7 Key products and services

3.7.1 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 and consumer price index; 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 population census, and administrative records;
- **National accounts** such as the gross domestic product, supply and use tables, and social accounting matrices; and
- **Analyses** of demographic, social and economic data.

A further core activity of the department is the development of the National Statistics System, which will coordinate the production of official statistics, a set of development indicators to measure national, provincial and local government performance and promote statistical literacy and capacity-building in government.

3.7.2 Support activities

Support activities consist of both statistical and management support functions.

Statistical support activities include:

- Spatial referencing and analysis through a geographic information system (GIS);
- Publishing and promotion of all statistical information including a user information service;
- Maintenance of a register of businesses, which forms the sampling frame for economic surveys;
- Enhancement of data through the application of information and communication technology; and
- Development of statistical quality and methodology concepts for application in the various survey areas.

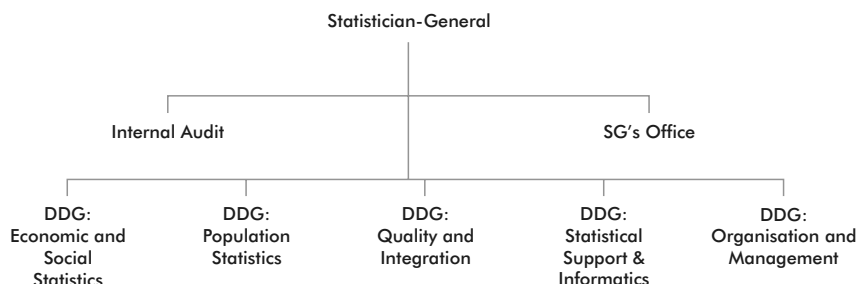
Management and administrative support functions include:

- An executive management structure responsible for strategy and policy;
- Programme management with a management information system to monitor operational performance and spending;
- Financial and provisioning management;
- An internal audit component guided by an independent internal audit committee;
- Human resource management to attract, develop and retain skilled staff; and
- Improvement of service delivery through strategic planning, performance management and organisational development.

3.8 Resource plan

3.8.1 Organisational structure of Stats SA

In order to ensure sustained quality through the development of people and to facilitate the development of the National Statistics System, Stats SA adopted a new organisational structure in 2002. The following chart depicts the strategic level structure of Stats SA.



Stats SA's head office is located in Pretoria and there are nine provincial offices and twenty-four district offices. The head office is mainly responsible for planning, coordination and statistical production at a national level whilst the provincial and district offices play a key role in user liaison and data collection at a provincial and municipal level.

The structure consists of five Deputy Director-General (DDG) clusters as follows:

- The Economic & Social Statistics and Population Statistics clusters comprise the core statistical product output areas;
- The Quality & Integration and Statistical Support & Informatics clusters comprise the core statistical support areas;
- The Organisation & Management cluster comprises the corporate support area.

In addition, the Statistician-General's office provides key strategic direction and integration to the organisation.

As part of the restructuring process, Stats SA mapped government's 16 remuneration levels to seven occupational categories. These are given in the following table.

Table 1 :Stats SA occupational categories

Category	Levels	Role
Statistician-General	16	The head of the department
Deputy Directors-General	15	Strategic level of leadership
Executive managers	13-14	Provide confluence between strategy and operations
Managers	9-13	Operational level of management, implementing strategy
Professionals	6-13	Responsible for specific outputs
Statistical and administrative support	6-10	Perform routine functions in statistical or support areas
General office support	3-6	Focus on manual tasks

3.8.2 Number of posts

Stats SA has 1 267 funded positions in the organisation with effect from 1 April 2004.

Table 2: Breakdown of funded posts per cluster

Economic and Social Statistics	373
Population Statistics	84
Quality and Integration	77
Statistical Support and Informatics	431
Organisation and Management	245
Statistician-General's office	57
Grand Total	1 267

3.8.3 Expenditure estimates for Stats SA

Table 3: Summary expenditure estimate per programme

Programme	Revised estimate	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
1 Administration	70 599	95 777	114 962	141 849
2 Economic and Social Statistics	75 586	107 903	121 027	114 271
3 Population Statistics	33 647	138 148	238 385	914 297
4 Quality and Integration	20 491	32 800	34 343	37 071
5 Statistical Support and Informatics	93 561	129 254	144 251	149 702
Departmental total	293 884	503 882	652 968	1 357 190

In October 2001, 12,7% of all disabled persons of working age were employed
(Census 2001)



Table 4: Summary of economic classification of expenditure

Economic classification of payments	Revised estimate	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
<u>Current payments</u>				
Compensation of employees	151 872	240 661	288 218	342 487
- Salaries and wages	133 370	182 739	221 631	269 722
- Social contributions	18 502	57 922	66 587	72 765
Goods and services	122 548	237 220	315 928	938 422
- Consultants & special services	25 981	67 659	108 960	565 802
- Travel & subsistence	23 011	51 239	65 266	118 512
- Communication	14 595	19 725	21 075	41 379
- Maintenance, repair & running cost	5 013	3 986	4 726	5 293
- Other	53 948	94 611	115 901	207 436
Total current payments	274 420	477 881	604 146	1 280 909
<u>Transfers and subsidies to:</u>				
Provinces and municipalities				
- Provinces	-	-	-	-
- Municipalities	441	720	864	1 027
- Municipalities	441	720	864	1 027
- Municipal agencies and funds	-	-	-	-
Total transfers and subsidies	441	720	864	1 027
<u>Payments for capital assets</u>				
Buildings and other fixed structures	807	24	25	48
- Buildings	807	24	25	48
- Other fixed structures	-	-	-	-
Machinery and equipment	12 438	24 634	47 513	72 529
- Transport equipment	-	680	920	8
- Other machinery and equipment	12 438	23 954	46 593	72 521
Cultivated assets	-	-	-	-
Software and other intangible assets	5 778	623	420	2 677
Land and subsoil assets	-	-	-	-
Total payments for capital assets	19 023	25 281	47 958	75 254
<i>Of which: capitalised compensation</i>	-	-	-	-
Total payments	293 884	503 882	652 968	1 357 190

3.8.4 Expenditure trends

The average growth of 66,5% over the medium term makes provision for a Population Census or the equivalent. The growth over the medium term also reflects the Department's focus to become a quality statistical knowledge and competence centre in statistical production and co-ordination.

3.8.5 Proposed acquisition of assets and information technology

Stats SA intends to implement a statistical data warehouse and a storage area network over the medium term. Funds have been allocated in 2005/06 to fund a disaster recovery plan as well as a management system for statistical information.

Funds have been allocated for the establishment of regional offices in relation to building maintenance and acquiring computers, other hardware and software.

Provision has been made for the replacement and maintenance of computer-related hardware and software for head office over the medium term.

[section 4]

the journey



In October 2001, approximately 32,3% of households had access to piped water in the dwelling
(*Census 2001*)

The preceding sections have focused mainly on the external environment, national statistics in South Africa, and the long-term strategic objectives and priorities of the organisation in response to those. In the following section, the purpose and measurable objectives, the medium-term output targets, the estimated expenditure and the key activities for each programme are spelled out.

4.1 Economic and Social Statistics

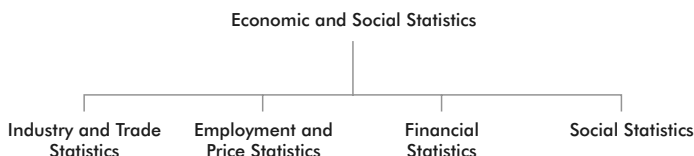
4.1.1 Purpose

To produce economic and social statistics that meet user requirements.

4.1.2 Measurable objective

To inform socio-economic decision-making by providing accurate, relevant and timely economic and social statistical information.

4.1.3 Organisational structure



a) Industry and Trade Statistics

Trade and Industry Statistics provides information on turnover and volumes in various sectors of the economy. These statistics are collected or compiled on a monthly, quarterly and annual basis on industry-related activities in the primary, secondary, tertiary, services and transport sectors of the economy.

b) Employment and Price Statistics

Employment and Price Statistics provides information on employment in the formal non-agricultural sectors, and on changes in the prices of consumer and producer goods. Employment statistics are collected on a quarterly basis on the composition and characteristics of the workforce in the South African business and government sector. Price statistics are collected on a monthly basis on various goods and services bought by typical consumers or households to compile the consumer price index. The producer price index is based on producer prices collected from manufacturers, exporters and importers at the point of production.

c) Financial Statistics

Financial Statistics tracks public sector spending and the financial performance of private sector organisations. Financial statistics are collected on a monthly, quarterly and annual basis from local government institutions, the private sector, and national and provincial government institutions.

d) Social Statistics

Social Statistics conducts detailed investigations on the state of the labour market and the living conditions of the population. Data on the labour force are collected twice a year using a rotating panel survey specifically designed to measure the dynamics of employment and unemployment in the country. Data on the living conditions of the population are collected annually and provide information on access to basic services e.g. water and electricity, healthcare and education. Data collected from the income and expenditure survey provide measurable indicators for monitoring poverty and the effects of government programmes, projects and policies on the living standards of the people in South Africa. The data are also used to reweight the CPI.

4.1.4 Improving the quality of economic statistics

An in-depth integrative plan to improve the quality of the key economic indicators has been developed to satisfy the reasonable requirements of the major national and international users. The key expected outcomes are an accurate reflection of the real level of activity and growth in the South African economy and a reflection of price changes to inform economic policy.

The **prerequisite** for achieving this outcome is a business register that covers, consistently over time, the businesses which account for a very high proportion of total business activity, recording their full structures as well as their producing units, accurately classifying them to industry, and reflecting appropriate, reliable measures of size for sample stratification purposes.

The strategy in the short and medium term will focus on the main activity streams to improve economic statistics.

a) National accounts

The key outcome required is that the annual national accounts accurately describe the real level of activity in the South African economy, and that the quarterly accounts accurately measure the real growth in the economy.

The first major milestone towards achieving this outcome is the release of the re-benchmarked national accounts time series in November 2004, which will reconcile the three approaches to measuring GDP.

The second milestone is to publish extended national accounts time series from 1998 backwards in May 2005.

The re-benchmarking process will draw on all the major economic statistics series produced by Stats SA. These series will have to be enhanced progressively in parallel with the re-benchmarking process and beyond it, to satisfy the requirements of all major users regarding scope, coverage and reliability.

The sub-annual economic surveys will reselect samples from the business register in August 2004, which will impact on GDP. The new samples will replace 2002 samples drawn from the business register and will, for the first time, reflect the impact of access to business income tax records for business register updating.

b) Economic Activity Survey (EAS)

The EAS will be the survey cornerstone of the strategy. The main role of the EAS is to provide reliable estimates of structure and performance at broad industry level across the market economy (excluding agriculture). This provides a context for the more detailed snapshots of structure and performance for individual industry sectors obtained in the periodic large sample surveys of industries. The main EAS aggregates by industry feed directly into the annual estimates of gross product by industry for the national accounts.

The short-term challenges are to synthesise an acceptable time series of the EAS aggregates for the period 1998 to 2002 to feed into the national accounts re-benchmarking process; to provide preliminary estimates for the 2003 EAS to National Accounts for the independent annual GDP by September 2004; and to publish 2003 EAS estimates based on a much larger sample from a more complete business register, in December 2004.

c) Large sample survey programme

The key strategic aim of the large sample survey programme is to develop a prioritised set of industry sectors to be covered in rotation. Priorities will be determined mainly with national accounts and external needs in mind. Factors to be taken into account will include the size of a sector's contribution to GDP, the time since it was last surveyed, and the size of the task. The aim is to dovetail the large industry survey for each year with the EAS for that year, omitting that sector from the EAS frame and sample but including the large sample survey results in the EAS results for the year, as well as publishing the more detailed large sample survey results separately.

The short-term challenges are to supply National Accounts with national and provincial data on the 2002 agriculture survey, 2001 manufacturing survey, 1999 construction survey, 2002 wholesale survey and 2002 transport and communications surveys; to provide preliminary estimates of the business services survey by September 2004; and to publish 2003 business services estimates by December 2004.

d) Business Register/ Business Sampling Frame

The business register is the generator driving all major economic collections of Stats SA, with the survey areas using only the business register for their frames and samples. Stats SA will focus on improving the quality of the business register over the medium term. The new samples for all major economic surveys will be drawn in August 2004 and thereafter annually. See paragraph 4.4.3(b) for more detail on the business register.

e) Quarterly and monthly economic surveys

As from May 2004, all quarterly and monthly economic surveys will publish their results based on the samples drawn from the new business register. This may impact on the trends over time, given the coverage of the previous business register. All parallel samples that are based on the old business address register will be dropped.

New samples for the following series will thereafter be drawn annually in August:

- Quarterly Financial Survey;
- Quarterly Employment Survey;
- Monthly Manufacturing Survey;
- Monthly Survey of Retail Sales;
- Monthly Survey of Wholesale Trade;
- Monthly Survey of Motor Trade; and
- Monthly Tourism Accommodation Survey.

f) Consumer Price Index

The Consumer Price Index (CPI) is an important economic indicator and provides a general measure of change in prices of consumer goods and services purchased by households. The CPI is used for a variety of purposes, such as in the development and analysis of government economic policy, the adjustment of wages and pensions and inflation targeting. Because of this, the CPI directly or indirectly affects all South Africans. Three areas are targeted for improvement over the next three years.

Collection of consumer prices: Prices are collected on almost all the goods and services bought by typical consumers or households which make up the basket of goods and services used to calculate the CPI. Prices are currently collected by postal survey without independent validation. South Africa is one of the very few countries still using this method. Stats SA has reviewed the collection methodology to align it with international best practice and has embarked on a major quality enhancement initiative by replacing the current mail-based collection methodology with interviewer collection of prices through visiting outlets. This method of collection is to ensure that the prices used in the CPI are those that the public actually pays to purchase the specified good or service. Some of the price information will still be collected from head office. This collection methodology will be phased in over a period of 18 months in all nine provinces. It is envisaged that the published CPI will be fully based on the results of the new methodology by September 2006. The sample size as well as the number of goods in the basket will remain unchanged but will be revisited in the medium term.

Collection of rental data: Rental information forms part of the housing component of the CPI. In light of the recent events relating to the change in the CPIX for the past two years, Stats SA will improve the accuracy and quality of the CPI through the collection of rental data. Two methodologies are being developed. The first is to collect data through rental and letting agents. The second is to run an annual household survey specifically to gather information on rented dwellings. Stats SA will pilot the rental household survey in November 2004 in the field to test the methodology and the results. The full survey will be conducted during 2005/06 if adequate funding is received.

CPI re-basing and re-weighting: The objective of these reviews is to update item weights to reflect changes in the range of available goods and services and changes in household spending patterns. These formal reviews also provide an opportunity to reassess the scope and coverage of the index and other methodological issues. These reviews must be undertaken at least once every five years, after the results of the Income and Expenditure Survey (IES) become available. The next CPI re-weighting will take place in 2006 and the re-basing in 2007.

4.1.5 Improving the quality of social and poverty information

A major government priority in South Africa is to create better living conditions and an improved quality of life for all. Many projects working towards this goal cut across government departments and include role-players such as CBOs, NGOs, international organisations and the private sector. At an international level, the millennium development goals aim to standardise the country's reporting on poverty and other development issues.

Stats SA provides some information that describes the living conditions, social arrangements and well-being of society as a whole. These are collected through different surveys such as the General Household Survey, the Income and Expenditure Survey, the Labour Force Survey and population and municipal censuses. Up to now the data from these reports have not been adequately compared and analysed. A poverty unit is being established to provide analysis of poverty statistics, and to promote comparability of the various statistical collections.

4.1.6 Medium-term output targets for Economic and Social Statistics

The table which follows details the outputs and targets planned for the Economic and Social Statistics cluster. Stats SA aims to publish its key statistical products in accordance with the timeliness requirements of the international Special Data Dissemination Standards (SDDS).

Table 5: Outputs and targets: Economic and Social Statistics

Sub-programme	Output	Measure/Indicator	Target 2004/05
Industry and Trade Statistics	Statistical information on industry-related activities in the primary, secondary, tertiary, services, and transport sectors of the economy	Statistics on: <ul style="list-style-type: none"> • Mining, production and sales • Generation and consumption of electricity • Manufacturing: Production and sales • Manufacturing: Products manufactured • Retail trade sales • Wholesale trade sales • Motor trade sales • Land freight transport • Buildings completed – sample • Buildings completed • Liquidations and insolvencies • Civil cases of debt • Restaurant, bars and canteens • Accommodation – short stay • Manufacturing: Utilisation of production capacity • Agriculture • Manufacturing 2001 (LSS) • Transport 2002 (LSS) • Communication 2002 (LSS) • Motor trade 2002 (LSS) 	Monthly release Monthly release Monthly release Monthly release Monthly release Monthly release Monthly release Monthly release Annual release (April) Monthly release Monthly release Monthly release Monthly release Quarterly release 1 report (December) 1 report (April) 1 report (July) 1 report (July) 1 report (August)

Sub-programme	Output	Measure/Indicator	Target 2004/05
Employment and Price Statistics	Statistical information on the composition and characteristics of the workforce in the formal non-agricultural business sector	Statistics on: <ul style="list-style-type: none"> • Employment 	Quarterly release
	Statistics on various goods and services to monitor price changes	Statistics on: <ul style="list-style-type: none"> • Consumer price index • Rural consumer price index • Producer price index • Building contracts adjustment indices 	Monthly release Monthly discussion document Monthly release Monthly release
Financial Statistics	Financial statistics on national, provincial and local government, and the private sector.	Statistics on: <ul style="list-style-type: none"> • Economic Activity • Quarterly financials of private sector • Non financial data on Municipalities • Financial data of Municipalities • Regional council levies – local government • Quarterly financials of Local government • Capital expenditure • Extra-budgetary accounts and funds expenditure • Provincial government expenditure • National government expenditure • Universities and Technikons • Consolidated government expenditure 	Annual release (February) Quarterly release Annual release (December) Annual release (October) Quarterly release Quarterly release Annual release (July) Annual release (September) Annual release (November) Annual release (April) Annual release (September) Annual release (December)
Social Statistics	General Household Survey information on living conditions of South Africans Statistics on labour market dynamics, including employment and unemployment	Statistics on: <ul style="list-style-type: none"> • Living conditions and rentals • Income and Expenditure of households Statistics on: <ul style="list-style-type: none"> • Labour force 	1 annual report (February) 1 pilot report (November) 2 releases p.a. (October; April)

4.1.7 Expenditure estimates for Economic and Social Statistics

Table 6: Expenditure estimates: Economic and Social Statistics

Subprogramme	Adjusted appro- priation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
Industry and Trade Statistics	15 529	21 272	23 257	24 475
Employment and Price Statistics	20 342	31 442	33 138	34 705
Financial Statistics	10 607	16 226	16 970	17 805
Social Statistics	28 536	38 963	47 662	37 286
Total	75 014	107 903	121 027	114 271

Table 7: Summary of economic classification of expenditure: Economic and Social Statistics

Economic classification of payments	Adjusted appro- priation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
<u>Current payments</u>				
Compensation of employees	35 832	48 154	54 074	56 709
Goods and services	35 763	54 904	61 014	51 128
Total current payments	71 595	103 058	115 088	107 837
<u>Transfers and subsidies to:</u>				
Provinces and municipalities	118	144	162	170
Total transfers and subsidies	118	144	162	170
<u>Payments for capital assets</u>				
Machinery and equipment	3 301	4 523	5 598	6 064
Software and other intangible assets	-	178	179	200
Total payments for capital assets	3 301	4 701	5 777	6 264
<i>Of which: capitalised compensation</i>	-	-	-	-
Total payments	75 014	107 903	121 027	114 271

4.2 Population Statistics

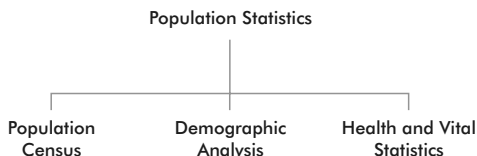
4.2.1 Purpose

To produce population statistics and conduct the population census.

4.2.2 Measurable objective

To inform policy and planning processes on the state of the population by providing relevant, accurate and timely information on the demographic characteristics of the country.

4.2.3 Organisational structure



a) Population Census

The population census provides the most comprehensive, detailed small area data on the number, distribution and characteristics of individuals and households in South Africa.

The primary goal of the census is to provide detailed statistical information at all levels of society. The census also provides benchmark data for a range of surveys produced by Stats SA, and other public and private sector organisations.

The census results include information on:

- Demographic data – age, sex, marital status and family groups, fertility, mortality, migration;
- Economic data – type of economic activities, income, occupation, industry, transport, housing;
- Social characteristics data – citizenship, language, disability, education, religion; and
- Services data – access to basic services.

Statement on Cabinet Meeting as at 31 March 2004

At the recommendation of the Council of Statistics South Africa and in line with common international practice, Cabinet has agreed that a full population and housing census (as conducted in 1996 and 2001) will now be carried out in a ten-yearly cycle. This means that the next census will be carried out in 2011.

In the intervening period and to ensure regular updates on major trends in social data, the following will be carried out:

- a census of dwellings and the assignment and standardisation of physical addresses during 2005-2007; and
- an extended household survey in 2006.

b) Demographic Analysis

Demographic Analysis provides reports on a wide range of population and demographic themes, and estimates inter-censal population projections.

Demographic Analysis analyses data derived from a variety of sources and produces thematic reports on fertility, mortality, migration, nuptiality and the size of the population. These sources include population censuses, the household surveys conducted by the Social Statistics division, and administrative data collected by government departments such as the Departments of Health, Education, Home Affairs, Social Development and Housing.

In response to existing knowledge gaps, Demographic Analysis will carry out several new activities over the next three years. The division will develop a monograph series likely to include volumes on population dynamics, fertility, mortality, migration, disability, education, economic activity, gender, housing, and estimates and projections. This will vastly improve demographic literacy among policy-makers and literate lay audiences. With regard to population estimates, specific emphasis will be placed on population projections that will assess the impact of HIV on households and household structures as well as how these could be effectively communicated. The division will also focus specific attention on the inter-relationship of development and population.

c) Health and Vital Statistics

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

These statistics reflect the changing profile of South Africa's population. Specifically, birth and death statistics are used in understanding the health profile and managing diseases. Information on causes of death provides critical information on the state of emerging and reemerging diseases. Marriage and divorce statistics give information on social trends. Tourism statistics provide the country with information about the flow of people in and out of the country. Development indicators such as life expectancy and infant mortality are also derived from vital statistics. Automated coding of the causes of death is being investigated, which will result in efficiency improvements in the future.

4.2.4 Medium-term output targets for Population Statistics

In order to provide relevant, accurate and timely information on the demographic characteristics of the country, the following outputs and targets in the following table need to be achieved.

Table 8: Outputs and targets: Population Statistics

Sub-programme	Output	Measure/Indicators	Target
Population Census	Census 2011	Planning and census reviews Policy review & user consultation Methodologies tested, questionnaire design Systems and process design EAs refined Pilot conducted Census conducted	2004/05 2005/06 2006/07 2007/08 2008/09 2009/2010 2010/2011
	Extended household survey (2006)	Planning and demarcation Pilot conducted Survey conducted	March 2005 10 October 2005 10 October 2006
			Target 2004/05
Demographic Analysis	Thematic reports on fertility, mortality, migration and nuptiality, as well as population projections and estimates	Midyear estimates Census 2001 analysis: <ul style="list-style-type: none"> • Migration • Gender • Population dynamics 	1 report (July) 1 report (November) 1 report (December) 1 report (February)
Health and Vital Statistics	Statistical information on births, deaths, marriages and divorces, tourism and migration	Statistics on: <ul style="list-style-type: none"> • Causes of death (2001) • Marriages and divorces • Recorded live births • Tourism and migration 	1 report (July) 1 report (May) 1 release (March) Monthly release and 2 reports (March)

4.2.5 Expenditure estimates for Population Statistics

Table 9: Expenditure estimates: Population Statistics

Subprogramme	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
Population Census	24 505	124 607	225 000	900 140
Demographic Analysis	3 483	4 791	5 198	5 479
Health and Vital Statistics	6 076	8 750	8 187	8 678
Total	34 064	138 148	238 385	914 297

Table 10: Summary of economic classification of expenditure: Population statistics

Economic classification of payments	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
<u>Current payments</u>				
Compensation of employees	17 598	47 381	77 146	112 269
Goods and services	15 158	88 445	158 201	790 622
Total current payments	32 756	135 826	235 347	902 891
<u>Transfers and subsidies to:</u>				
Provinces and municipalities	61	142	231	336
Total transfers and subsidies	61	142	231	336
<u>Payments for capital assets</u>				
Buildings and other fixed structures	-	-	-	21
Machinery and equipment	1247	1 910	2 739	8 654
Software and other intangible assets	-	270	68	2 395
Total payments for capital assets	1 247	2 180	2 807	11 070
<i>Of which: capitalised compensation</i>	-	-	-	-
Total payments	34 064	138 148	238 385	914 297

4.3 Quality and Integration

This programme aims to improve the integration, quality and use of official statistics.

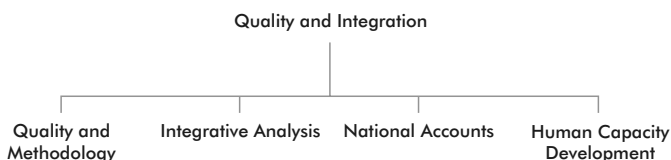
4.3.1 Purpose

Provide expertise on quality and methodology for official statistics, build capacity for the production and use of official statistics, compile national accounts and analyse statistical data.

4.3.2 Measurable objective

Provide integrated social, economic and demographic information that enhances the quality and usage of national statistics.

4.3.3 Organisational structure



a) Quality and Methodology

Quality and Methodology provides technical expertise for the production of official statistics. Before statistics can effectively be used in policy and decision-making, they must adhere to certain quality standards to enhance comparability and accuracy. This unit provides a statistical quality and methodology support service to all producers of statistics to develop and ensure the application of appropriate quality criteria and standards, classifications and procedures.

The long-term goal is to establish a coherent, organisation-wide approach to methodology. In order to achieve this, Stats SA is initiating a corporate approach to the development of methods and standards to ensure consistency

and coherence of approaches, processes and outputs and provide expertise in areas such as questionnaire design, quality assurance, time-series methods, data processing and analysis.

Ultimately this division's contribution will not only focus on statistical activities in Stats SA, but will provide technical expertise to other producers of official statistics within the National Statistics System.

b) Integrative Analysis

Integrative Analysis compiles thematic reports based on data sourced throughout the statistics system. This information is used for measuring the outcomes and impact of policy formulation and implementation. In response to user needs, a new poverty unit has been established within this division which will integrate data across a range of different sources to compile statistical information on poverty. The medium-term goal for this division is to respond effectively to specific user needs not met on a regular basis by Stats SA, through the integration of different data sets, in-depth data confrontation and data analysis.

c) National Accounts

National Accounts provides data about the level of economic activity within a coherent system of concepts and classification (international System of National Accounts (SNA)). National accounts serve as a coordinating framework for economic and other statistics and can be used as a statistical and analytical tool.

National accounts are used to monitor the behaviour of the economy to inform policy and decision-making. National accounts are also used for international comparisons.

This division is responsible for compiling the annual and quarterly gross domestic product (GDP) estimates. The GDP is a measure of the total value of production of all resident institutional units in the economic territory of a country in a specific period. The production, income and expenditure approaches are used to compile the GDP.

The gross national income (GNI), which measures the total income earned by residents of an economy, and the gross national disposable income (GNDI), which measures the income available to the nation for final consumption and gross saving, are also produced by the National Accounts division.

National Accounts is also responsible for compiling supply and use tables, the social accounting matrix (SAM) and satellite accounts. The supply and use tables are industry-by-product matrices and both industry and commodity classifications are used. A SAM is the presentation of the SNA account in a matrix, which elaborates on the linkages between the supply and use tables and the institutional sector accounts. A satellite account focuses on a certain field or aspect of economic and social life in the context of national accounts.

Stats SA's economic, social and population statistics are some of the main data sources used in the compilation of national accounts, which are therefore intensely affected by the quality of statistics produced by the agency. A comprehensive strategy has been put in place to improve the quality of economic statistics and the business sampling frame to ensure that high quality GDP estimates are produced. This strategy is described above in section 4.1.4.

d) Human Capacity Development

In South Africa, and specifically in Stats SA, there is a shortage of skilled and qualified staff in the production of official statistics. This poses a great challenge, and presents an opportunity for Stats SA to respond by instituting and coordinating a progressive statistical development programme, focusing not only on internal staff, but also on statistical skills development in the country.

Human Capacity Development has been tasked with providing a critical mass of skilled individuals that will ensure the success and viability of the National Statistics System. This includes improving the ability of producers of official statistics to produce quality demand-driven statistics, developing and upgrading the statistical literacy levels of users and suppliers of statistical data and information, and developing the non-statistical skills required in non-statistical areas of the organisation.

This will be achieved through developing and implementing a human capacity development programme to enhance the qualifications, skills and competencies of staff, including both technical and non-technical training. In

pursuance of this outcome, Stats SA will register as a training provider and have all its training staff and programmes SAQA accredited. Stats SA has aligned its development programme with the requirements of the Workplace Skills Plan.

Training initiatives and programmes are targeting the following audiences:

- Auxiliary staff;
- Administration and support staff;
- Pre-professional staff;
- Professional staff; and
- Managers.

As special emphasis is placed on the development of **statistical** qualifications, skills and competencies, which include statistical literacy, advocacy and competence, this division will actively work towards establishing a Statistics Training Institute. In the long run, the Statistics Training Institute will not only provide statistical training to internal staff members but will also serve our partners in the NSS, which is responsible for official statistics.

4.3.4 Medium-term output targets for Quality and Integration

In order to improve the integration of social, economic and demographic information, and the quality and use of official statistics, the following outputs and targets need to be achieved.

Table 11 : Outputs and targets: Quality and Integration

Sub-programme	Output	Measure/Indicators	Target 2004/05
Quality and Methodology	Compendia of concepts, definitions, and classifications Classifications and related systems (CARS) Methodological support provided to Social Statistics Methodological support provided to Economic Statistics Research reports on methodological issues	Number of compendia Number of staff trained Number of technical and methodological manuals Number of technical and methodological manuals Number of research reports	2 documents 30 people 5 documents 3 documents 1 report (March)
Integrative Analysis	Reports analysing and integrating findings from various databases, and narrative and graphic reports	Reports produced on: <ul style="list-style-type: none"> • Labour market • Health • Education 	1 report 1 report 1 report
National Accounts	Data about the level of economic activity, within a coherent system of concepts and classification	Statistics on: <ul style="list-style-type: none"> • Quarterly GDP estimates • Annual GDP estimates • Natural Resource Accounts • Final Supply and Use tables 	Quarterly release Annual release (November) 2 discussion documents (March) 1 report (June 2005)
Human Capacity Development	A critical mass of skilled individuals, achieved by: <ul style="list-style-type: none"> • Providing external training to municipalities and the media • An accredited in-house training programme • Accredited tertiary level education (statistical) • Accredited tertiary level education (non-statistical) 	Number of participants in training programmes	150 people 160 people 40 people 20 people

4.3.5 Expenditure estimates for Quality and Integration

Table 12: Expenditure estimates: Quality and Integration

Subprogramme	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF Baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
Quality and Methodology	6 525	9 944	10 363	10 834
Integrative Analysis	2 968	5 034	5 204	5 396
National Accounts	5 801	7 139	7 540	8 991
Human Capacity Development	6 333	10 683	11 236	11 850
Total	21 627	32 800	34 343	37 071

Table 13: Summary of economic classification of expenditure: Quality and Integration

Economic classification of payments	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
<u>Current payments</u>				
Compensation of employees	13 521	22 467	24 651	26 869
Goods and services	7 025	9 224	8 779	9 301
Total current payments	20 546	31 691	33 430	36 170
<u>Transfers and subsidies to:</u>				
Provinces and municipalities	46	67	74	81
Total transfers and subsidies	46	67	74	81
<u>Payments for capital assets</u>				
Machinery and equipment	1 035	1 028	833	820
Software and other intangible assets	-	14	6	-
Total payments for capital assets	1 035	1 042	839	820
<i>Of which: capitalised compensation</i>	-	-	-	-
Total payments	21 627	32 800	34 343	37 071

4.4 Statistical Support and Informatics

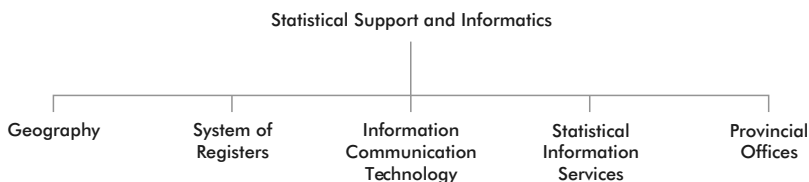
4.4.1 Purpose

To promote and provide better access to official statistics by optimising technology in the production and use of official statistics and by developing provincial capacity to support the production and use of official statistics.

4.4.2 Measurable objective

Improve service delivery and increase accessibility to statistical products and services to stakeholders through providing and strengthening systems at national, provincial and district level.

4.4.3 Organisational structure



a) Geography

All information has a spatial dimension, which is essential for the analysis and utilisation of statistical information. Geography provides the geographic infrastructure required to improve the quality of data collection, analysis and dissemination. Geography is responsible for the updating, maintenance and dissemination of the spatial data infrastructure, the development of the standards and concepts of the geographic frame, and interdepartmental coordination spatial data activities.

Geography provides a support service to census and survey planning and implementation, for the integration of data and value-added products, and for analysis and product development. Clients are Stats SA's internal users, namely census, surveys and the business register, and external users, namely other Government Departments, spatial data users and other data users outside Government.

The long-term goal for Geography is the development of an integrated geographic infrastructure that meets all the data collection, statistical analysis and dissemination requirements of a wide spectrum of clients. This will be achieved through integration of activities and support to census, household surveys and the business register based on an appropriate update and maintenance programme, an electronic warehouse of geographic information and internet tools for dissemination and updating.

b) System of Registers

Registers are a comprehensive data set of administrative records which provide a reliable and efficient source of statistical information.

Stats SA currently uses administrative records from the Department of Home Affairs as a data source to compile vital statistics. The possibility of using administrative records of other government departments to compile official statistics, instead of conducting surveys, is of strategic importance to Stats SA and is being investigated and researched. The challenge for Stats SA lies in standardising the collection and classification of information on the management information systems of other departments, in line with international agreed best practice and methodology. The integration requirements and links between information systems will be based on sound statistical practice and methodology.

In partnership with the Department of Trade and Industry and the South African Revenue Service (SARS), Stats SA is investigating the possibility of integrating different processes for registering businesses into one process, to improve service delivery to the public. If this approach is approved, Stats SA will become a user of the information on the integrated business register.

However, Stats SA compiles its own register of businesses based on information downloaded from SARS information systems. The business register is the generator driving all major economic collections of Stats SA, with the economic survey areas using only the business register for their frames and samples. In order to verify and improve on the quality of the register, a quality improvement survey will be conducted on an annual basis to confirm the type of business.

The following characteristics reflect a high quality business register:

- A business register that accurately reflects the statistical units and geographical units representing approximately 90% of turnover in South Africa's market economy and which is sustainable over time in terms of quality and currency;
- A business register that reflects change if change occurs in the market economy;
- A business register that accurately reflects the turnover and employment of businesses, as this will impact on the quality of the sample;
- A business register that is updated from survey feedback as well as from external sources; and
- A large business unit that delineates the business unit structures for the top end of the register population.

The new samples for all major surveys will be drawn in August 2004 and thereafter annually.

c) Information and Communication Technology (ICT)

The main objective of the ICT strategy in Stats SA is to support statistical production with the use of new technologies in all phases of the production process (planning, collection, processing, analysis and dissemination of statistics).

ICT is a support unit that provides a reliable and secure information technology infrastructure including hardware, software and network facilities both locally and at geographically separate locations countrywide.

Stats SA has embarked on a process of implementing a data warehouse that will enable efficient storage and delivery of information to both internal and external users. The aim of the data warehouse system is to store the data 'wealth' in a demand-oriented form. The meta-database (structured and textual description on statistical terms, methods, dimensions, variables, hierarchies, etc.) is an essential part of the statistical data warehouse system. It plays an important role in providing information about the content to end-users and in the explanation of the presented data. The data warehouse gives end-users an interactive and flexible way to retrieve and analyse statistical data.

Benefits to the organisation would include expanding the analysis capability of professionals through the availability of historical data and the integration of previously disparate data sources, central availability of data to internal and external users, common understanding of definitions by both internal and external users, incorporation of consistent quality standards in statistical production, and increased capability to plan and monitor resource usage and transparency of work effort, resulting in the elimination of duplication. The data warehouse will be phased in over a period of three years. The assessment phase has already been completed. During 2004/05, Stats SA will focus on identifying requirements, and designing, constructing, testing and deploying the data warehouse system for Economic Statistics and National Accounts. Beyond 2004/05, the rest of the organisation will be phased in. Stats SA also plans to implement a storage area network and a disaster recovery plan over the medium term.

d) Statistical Information Services

Statistical Information Services focuses on ensuring that Stats SA makes its statistics accessible to all users in accordance with its obligations to disseminate statistical information for the public good. Stats SA's users judge the relevance of our statistics by the content, timeliness and relevance of the information provided. For this reason, the publishing component has been a key service provider to the statistical areas by contributing to the development of dissemination standards and products from an end-user perspective as well as preparing individual products for publication.

The internet has become a key channel of accessing published statistics and has allowed us to reach many more users than before through traditional publications. Stats SA's website offers an increasingly vast array of easily accessible statistics for a wide range of users and is regularly updated with newly released data. In the medium term, major innovation and enhancements are planned to improve the website as it is regarded as a strategic focal point to increase the usage and accessibility of our statistical information.

In addition, we offer an integrated 'one-stop' statistical information service, where users can access the full range of statistical products, data and services in a seamless manner, including print-on-demand, and the purchase of and subscription to products. Other services include standard user enquiries, specialised enquiries and data runs, library research and data-base searches,



The real value added to the total economy by the transport and communication industry reported a positive growth rate of 6,2% in 2003 compared with 2002, and contributed 10,8% to the total economy (GDP, February 2004)

training in the use of specialised statistical software linked to datasets, and mapping and geographical representation of data.

Statistical Information Services also aims to ensure that all internal staff members are equipped with the necessary knowledge and information on all Stats SA's statistical products and services so as to ensure effective interaction and communication with our users.

e) Provincial offices

South Africa has nine provinces, each with its own set of challenges. Stats SA has an office in each province. These provincial offices provide fieldwork capacity for Stats SA surveys and censuses, and statistical and geographical information services to provincial and local stakeholders. Local and provincial authorities increasingly require information at these levels in order to plan and monitor developments.

Stats SA is also in the process of establishing 31 regional offices to assist with collection activities in the field.

4.4.4 Medium-term output targets for Statistical Support and Informatics

In order to improve service delivery and increase accessibility to statistical products and services to stakeholders through providing and strengthening systems at national, provincial and district level, the outputs and targets listed in the following table need to be achieved.

Table 14: Outputs and targets: Statistical Support and Informatics

Sub-programme	Output	Measure/Indicators	Target 2004/05
Geography	Address register (dwelling frame)	Allocation and standardisation of physical addresses	10%
	Geographic framework for spatial analysis of statistical information	Percentage of geographic coverage of country	90%
	Spatial infrastructure for Household surveys	Percentage geo referenced sampled dwellings	100%
	Spatial infrastructure for the Business register	Percentage geo referenced businesses	25%
System of Registers	Sample frame for the collection of economic statistics	Updated sample frame produced	Annually in June
Information and Communication Technology	A local area and wide area network to facilitate information sharing	Percentage of time of network availability	98%
Statistical Information Services	Accessible Stats SAs statistics	Number of calls to User Information Services	48 000 per annum
		Number of user sessions on the website	10 000 per month
		Number of community profiles distributed to:	
		<ul style="list-style-type: none"> National departments Provincial departments 	36 departments 50 departments
Provincial Co-ordination	Fieldwork capacity within Stats SA	Number of completed questionnaires	90 000 questionnaires

4.4.5 Expenditure estimates for Statistical Support and Informatics

Table 15: Expenditure estimates: Statistical Support and Informatics

Subprogramme	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
Geography	10 250	9 185	9 533	9 924
System of Registers	7 530	12 501	13 218	13 800
Information & Communication Technology	20 763	35 530	45 859	38 290
Statistical Information Services	11 574	13 507	14 266	15 118
Provincial Co-ordination	41 370	58 531	61 375	72 570
Total	91 487	129 254	144 251	149 702

Table 16: Summary of economic classification expenditure: Statistical Support and Informatics

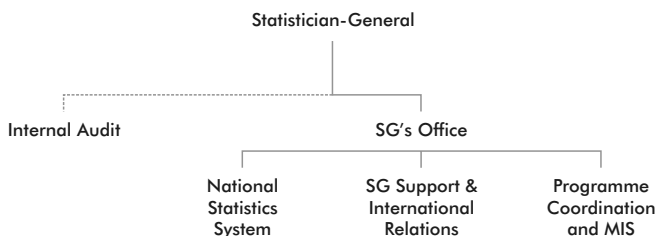
Economic classification of payments	Adjusted appro- priation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
<u>Current payments</u>				
Compensation of employees	51 017	65 063	70 207	78 397
Goods and services	26 461	49 865	54 198	58 698
Total current payments	77 478	114 928	124 405	137 095
<u>Transfers and subsidies to:</u>				
Provinces and municipalities	93	195	211	235
Total transfers and subsidies	93	195	211	235
<u>Payments for capital assets</u>				
Buildings and other fixed structures	-	24	25	27
Machinery and equipment	11 385	14 107	19 610	12 345
Software and other intangible assets	2 531	-	-	-
Total payments for capital assets	13 916	14 131	19 635	12 372
<i>Of which: capitalised compensation</i>	-	-	-	-
Total payments	91 487	129 254	144 251	149 702

4.5 Administration (the SG's office and Organisation & Management)

4.5.1 Purpose

To provide corporate support services for the activities of the Department including strategic leadership, administrative services and the office of the National Statistics System (NSS).

4.5.2 Organisational structure: Statistician-General's office



a) National Statistics System (NSS)

The NSS component drives the establishment and coordination of the National Statistics System. The unit engages with government departments and the government clusters to identify the indicators necessary to measure delivery to government priorities. A framework will be developed for the production of statistics in the country, and government in particular, and for their certification. The training and infrastructure needs of partners within the NSS are identified and prioritised.

b) SG Support and International Relations

The SG Support and International Relations unit plays an important external role by providing support to policy-makers relating to statistical information, managing public relations and interacting with international statistics agencies. Internally this unit provides general support to the Statistician-General, supporting the effective operation of management decision-making processes, coordinating and supporting effective communication activities and providing secretariat support to the South African Statistics Council.

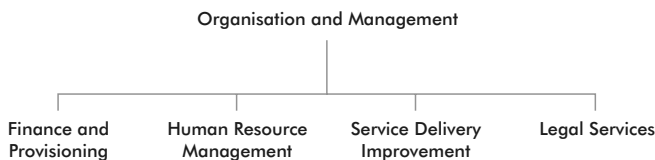
c) Programme Coordination and Management Information System

The Programme Coordination and MIS Office coordinates, monitors and supports all programmes, projects and operations across Stats SA through the development, implementation and management of quality programme and project plans. This division is also responsible for implementing an integrated statistics schedule, developing and maintaining an integrated management information system, and managing contracts entered into by Stats SA.

d) Internal Audit

In accordance with the PFMA, Internal Audit provides an independent professional internal audit service to Stats SA in order to ensure that all statutory requirements are complied with and that policy and procedures are implemented to ensure economic, efficient and effective performance of the activities of Stats SA. The internal audit plan includes financial and compliance audits, as well as performance audits and ad hoc investigations on the various systems, controls and operations of Stats SA.

4.5.3 Organisational structure: Organisation and Management



a) Finance and Provisioning Management

Finance and Provisioning Management provides financial, procurement and logistical support services to the entire organisation. This takes place within the requirements of the Public Finance Management Act and related legislation. Stats SA runs numerous projects from decentralised sites and thus requires special financial management and control skills. The division aims to improve the systems of financial, procurement and risk management.

b) Human Resource Management

Human Resource Management provides a timely, comprehensive and cost-effective human resources management service to support the operations of Stats SA. This includes the attraction, retention and rewarding of high calibre staff and the promotion of a fair, diverse and safe working environment for employees. This unit is also responsible for ensuring compliance with relevant legislation and regulations governing employment relations as a whole and the public service in particular.

c) Service Delivery Improvement

Service Delivery Improvement aims to ensure that Stats SA effectively plans and achieves its strategic goals by becoming a strategy-focused organisation. This integrated approach aligns strategy development with organisational and individual performance management and development.

4.5.4 Strategy to improve corporate governance in Stats SA

Good corporate governance is seen today as a prerequisite for the success of organisations in the private and public sector. For the past two years, Stats SA has not been given a clean audit report by the Auditor-General. In order to respond effectively to these forces, Stats SA has developed a strategy to improve its governance and administrative processes.

a) Risk management strategy

Stats SA has embarked on rolling out a comprehensive continuous risk identification, management and monitoring process across the organisation in accordance with regulatory requirements. During the first phase, senior managers participated in identifying and rating business risks that have the highest potential to impact on the achievement of the organisation's goals and objectives. Over the next three years Stats SA plans to manage and monitor its risks through the following process:

- Assessing the key risks, measuring the likelihood and impact, and ranking the risk;
- Setting desired results to be achieved and developing a strategy;
- Implementing the strategy; and
- Monitoring, evaluating and adjusting.

The risk management strategy will be implemented at an overall departmental level, in key divisions of the organisation, and within each project or activity.

b) Improving financial management and administration

The following strategic issues relating to improvements in corporate governance have been identified within the areas of Finance and Provisioning. These issues will be addressed over the medium term:

- Improving financial administration through further decentralisation of functions to provincial level;
- Improving financial management through enhancing cash flow and budget management;
- Improving procurement practices through improving turn-around time and creditors control;
- Improving logistics through reducing communication expenditure, enhancing control over the use and recording of assets, and implementing a security policy; and
- Developing, communicating and implementing financial management policies.

c) Improving human resource management

Stats SA is in the process of developing and implementing an overarching human resource strategy to ensure a corporate workforce that is flexible, multi-skilled, diverse and professional in order to meet the current and future needs of the statistical programme. The medium-term strategic objectives include:

- Developing a corporate recruitment policy and plan built around the requirements of the stakeholders in a horizontal organisation. This would require a substantial investment in the selection and development of staff to ensure that there is a continuous supply of employees with the potential and adaptability to succeed at several job changes in their career;
- Achieving equity in the workplace by promoting equal opportunity and fair treatment of all employees, including a comprehensive career structure in which employees can realise their long-term aspirations within the organisation;

- Ensuring a positive work environment which retains and motivates employees, engenders cooperation, promotes productivity and supports staff with work and personal problems;
- Improving administrative processes and procedures to ensure the efficient and effective delivery of a human resource support service to the organisation; and
- Developing a comprehensive human resource management information system to support effective organisational decision-making processes.

d) Aligning workflow with user needs

In delivering high quality products and services to our users and stakeholders, Stats SA intends to strengthen cross-functional effectiveness by organising the work around core processes where all people that work on a process are brought together and can easily coordinate their efforts. Our users are the beginning of the value chain and the success of the organisation will be measured by how efficient and effective our users become. A successful horizontal organisation hinges on an integrative planning process where all business units, support units and employees are aligned and linked to the strategy of the organisation. Stats SA has embarked on a comprehensive integrative operational planning process to achieve this key strategic objective.

Stats SA has also developed an integrative management support structure to promote integration and decision-making in the organisation. This management structure aims to support a horizontal approach through ensuring regular and ongoing communication and decision-making at all levels of the organisation. The management system will ensure that stakeholders' requirements are met by providing the required quality of service or product, and that the organisation is effectively managed through the optimum utilisation of all resources.

e) Developing leadership

A leadership charter has been developed that will guide the leadership of Stats SA in managing change and the way they lead the organisation. This leadership charter has been developed with the understanding and agreement that leadership is a vital ingredient for success, that personal leadership should be aligned to a collective understanding of leadership and that leaders will be held accountable for their behaviour.

Leadership charter

Leaders at Stats SA are committed to -

- *Promote professionalism and reward excellence*
- *Work according to principles of good governance, decision-making and ethics*
- *Hold each other accountable for the implementation of decisions, plans and goals and the finding of solutions*
- *Work in a holistic manner*
- *Set realistic and achievable goals*
- *Promote effective communication across the organisation*
- *Prioritise the needs and concerns of our stakeholders*
- *Be committed and respectful to colleagues by valuing inputs, outputs and ideas*
- *Develop people by providing the necessary support and resources*
- *Take corrective action and give feedback*

This charter will be phased in and monitored through the individual performance management process.

4.5.5 Medium-term output targets for Administration

Table 17: Outputs and targets: Administration

Sub-programme	Output	Measure/Indicators	Target 2004/05
National Statistics System	Statistical advocacy and partnerships	Number of MOUs	4
	Statistical capacity audit	Number of departments audited	3
	System of development indicators	Number of indicators compiled	25 social and economic indicators
	Quality certification framework	Number of statistical series declared official	3
SG and International Support	Internal communication	Newsletter to staff Communication report to staff General staff meeting	Weekly Monthly Bi-annually (May and November)
	Public and media relations	News articles	Monthly
Programme Coordination and Management Information System	Project management	Integrated progress reports on projects across Stats SA	Monthly
	Management information system	On-line business management system	Phase 1 (June)
		On-line project management system	Phase 1 (March)
		On-line project finance management system	Phase 2 (March)
Internal Audit	Conducting internal audits	Number of audit reports	31
Finance and Provisioning	Financial management and administration	Compliance to regulations	Unqualified audit report
	Procurement and logistics	Supply chain management approach implemented	50%
Human Resource Management	Human resource management and administration	Compliance to regulations	Unqualified audit report
	Employee commitment and alignment	Staff satisfaction index	5 percentage points improvement
Service Delivery Improvement	Strategy and organisational development	Strategic plan & organisational structure approved	May
	Corporate planning	Business plans compiled (for 90% of all divisions)	May
	Performance management	Performance agreements for 90% of all SMS members	May
	Reporting	Quarterly reports Annual report	4 September

4.5.6 Expenditure estimates for Administration

Table 18: Expenditure estimates: Administration

Subprogramme	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
Minister	-	-	-	-
Management	21 007	38 058	52 261	74 810
Corporate Services	50 685	57 719	62 701	67 039
Total	71 692	95 777	114 962	141 849

Table 19: Summary of economic classification of expenditure: Administration

Economic classification of payments	Adjusted appropriation	Medium-term expenditure estimate		
		MTEF baseline	MTEF baseline	MTEF baseline
	R'000			
	2003/04	2004/05	2005/06	2006/07
<u>Current payments</u>				
Compensation of employees	41 803	57 596	62 140	68 243
Goods and services	23 856	34 782	33 736	28 673
Total current payments	65 659	92 378	95 876	96 916
<u>Transfers and subsidies to:</u>				
Provinces and municipalities	146	172	186	205
Departmental agencies and accounts	1	-	-	-
Total transfers and subsidies	147	172	186	205
<u>Payments for capital assets</u>				
Machinery and equipment	5 886	3 066	18 733	44 646
Software and other intangible assets	-	161	167	82
Total payments for capital assets	5 886	3 227	18 900	44 728
<i>Of which: capitalised compensation</i>	-	-	-	-
Total payments	71 692	95 777	114 962	141 849

[section 5]

the vehicle



The wholesale trade industry contributed 4,5% to the total real value added of all industries in 2002 (*GDP, November 2003*)

5.1 Introduction

Stats SA wants to create a strategy-focused organisation that ensures that strategy is a continuous process owned by everyone in the organisation.

5.2 Strategic management process

Stats SA has adopted the balanced scorecard as a strategic performance management framework that puts strategy at the centre of key management processes and systems. The balanced scorecard measures the implementation of strategy and therefore becomes a tool for managing strategy.

The balanced scorecard enables Stats SA to focus and align its executive team, business units, human resources, information technology and financial resources with the organisation's strategies.

5.3 Strategy implementation

The following are the key steps required to implement and execute the strategy.

Step One: Developing the strategy scorecard

Stats SA has adopted the perspectives of the balanced scorecard to suit its own requirements. Within each perspective the key focus areas have been identified and prioritised. These focus areas are used to describe and communicate the strategy to all staff in the organisation in a consistent and insightful way. Each focus area is also linked with the strategic themes described in Section 2.

The organisation will focus and align all its efforts through the utilisation of corporate measures. All divisions and individuals will be aligned to these corporate measures through business plans and individual performance agreements/plans. Organisational performance will be monitored and evaluated in terms of these plans, achieving better outcomes for stakeholders, the organisation and individuals.

The four perspectives of the strategy scorecard are:

- **External stakeholders**

In this perspective, the organisation looks at what it needs to deliver to its stakeholders in order to add value and meet their expectations. A key indicator in this perspective will be stakeholder satisfaction.

- **Statistical process**

In the statistical process perspective, the organisation has identified the focus areas in the value chain of the statistical process on which it should place emphasis to ensure that the strategic objectives are achieved. Through the balanced scorecard approach, staff will be informed of the need for improvement and growth in the statistical process which will ensure that the organisation and individuals experience growth and development.

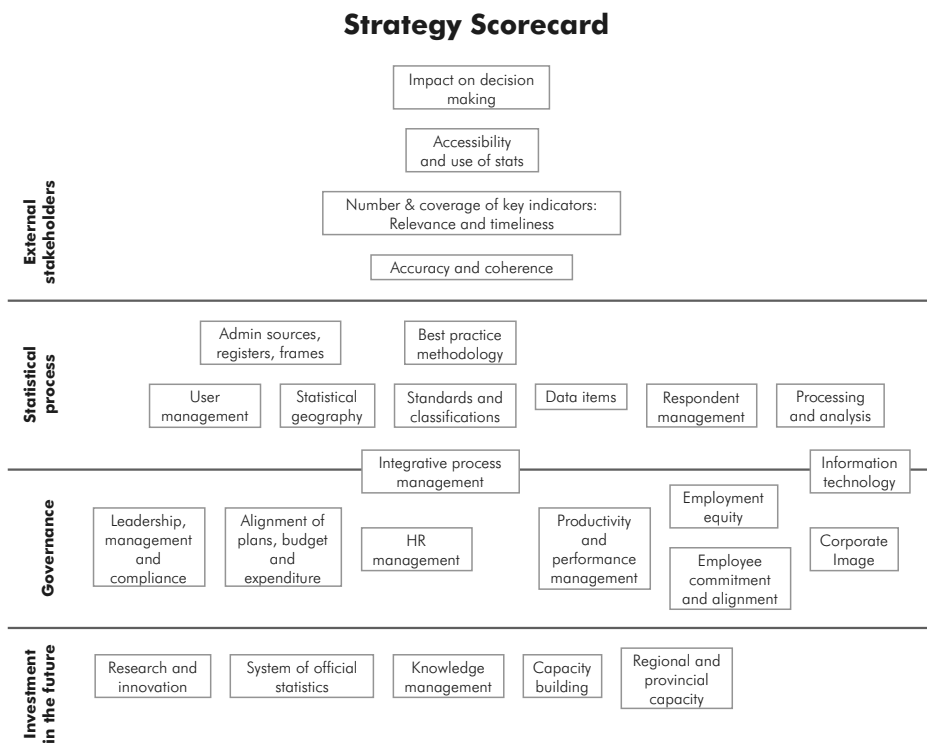
- **Governance**

This perspective measures the critical governance or non-core-business functions that the organisation needs to improve on. The immediate attention will be on improving the policies, processes, systems and capacity that governs finances, procurement, logistics and human resources.

- Investment in the future

This perspective measures the investment that the organisation is making to ensure current and future success and growth. It measures what the organisation needs to work on now to ensure that it achieves its goals in five years time.

The following is a graphic display of the strategy scorecard of Stats SA. It illustrates the areas in which Stats SA must excel to achieve its overall goals.



Step Two: Aligning the budget

Through the MTEF process, Stats SA has managed to secure additional funds to improve the overall quality of its statistical products and services. These funds have been allocated to the key priority areas. This strategic thrust will provide direct benefits for socio-economic policy- and decision-making.

Step Three: Aligning the organisational structure

The organisational structure must be flexible for the future as well as fit for the present. Stats SA will continuously re-align itself to government priorities and stakeholder requirements to achieve organisational success. Stats SA has committed itself to reviewing the organisational structure annually to ensure alignment to shifting and changing priorities. In the last review process, no changes were proposed on the strategic level of the structure. An integrative management support structure has been developed, which supports the horizontal approach, to ensure the implementation of the strategy across the organisation.

Step Four: Integrative planning process

Stats SA's strategy will be realised through aligning and integrating processes and activities across the organisation to ensure that the focus is on the end products and services. Implementing a horizontal organisation is about working collaboratively across organisational boundaries, focusing on processes rather than on activities within a division.

Teamwork makes a horizontal partnership cohesive. Early and open engagement gives people a sense of collective ownership. Stats SA uses a collective planning process where a broad and inclusive network of stakeholders and third parties are included in the planning process.

The planning process is outlined below.

a) Strategy development

In line with government priorities and the needs of the users, Stats SA identifies and develops strategic goals and objectives to be achieved over the medium term to ensure that we add value to the work of users, the organisation and individuals.

b) Prioritisation process

The prioritisation process starts during the MTEF process, where Stats SA requests additional funding for new and improved activities in response to the needs of users. As a result of that process the priorities of the organisation have been outlined for the next 12 months and the medium term.

c) Business planning

The aim of business plans is to indicate what and why a statistical product or service is delivered and how it will be measured. Business plans are used to inform business decisions, the prioritisation process and allocation of funds across the organisation.

The work of the department has been classified into two categories:

- **Statistical products**, e.g. the CPI, the GDP, the Economic Activity Survey, the Labour Force Survey, Vital Statistics; and
- **Support services**, e.g. Finance, Human Resource Management, Information and Communication Technology, Statistical Information Services, Quality and Methodology, to ensure that our products add value to our external stakeholders.

d) Operational planning

The aim of operational planning is to plan what needs to be done and how it will be done in order to ensure the achievement of the goal, objectives and outputs of the statistical product or service project, who will do it, when will it be done, how will we know if it is done and to the required quality, and what will it cost.

The operational planning process includes:

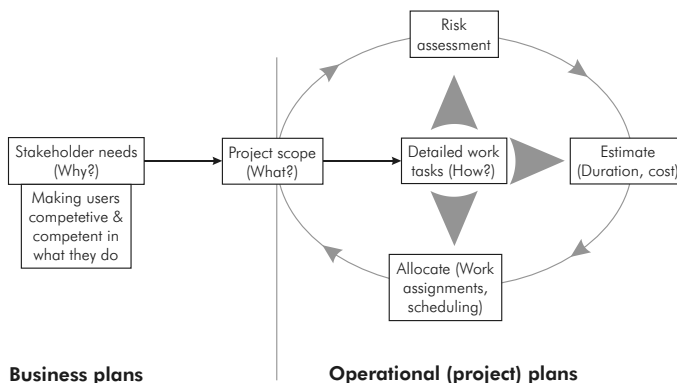
- Conceptualisation;
- Informal discussions with internal service providers – this is where collaboration between product areas and internal service providers takes place;
- Finalising plans, compiling and capturing detail budgets and cash flows;
- Operational risk assessment – risks for each product or service area are identified;

- Compiling network diagrams for each project reflecting the process flows; and
- Identifying performance indicators, which flow from the organisational strategy and priorities. The performance indicators will form the basis for individual performance agreements.

e) Performance agreements

Performance agreements follow the completion of the planning and budgeting process. All performance agreements are based on the expected deliverable outputs of the business plans.

Integrative planning process

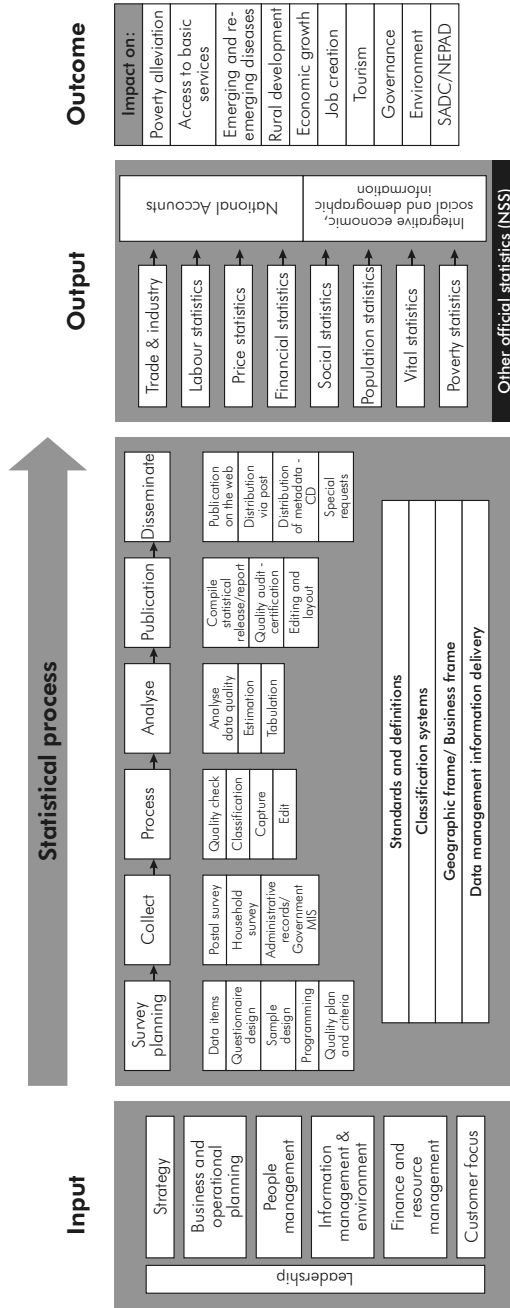


Step Five: Monitoring and evaluation

Monitoring and evaluation is the process by which corporate activities and performance results are monitored and actual performance compared with desired performance. Stats SA reports on a quarterly and annual basis to Treasury on the performance of the organisation.

Stats SA wants to utilise the balanced scorecard not only to meet the reporting requirements of government, but also to determine, monitor and evaluate whether the organisation has managed to execute the strategy successfully. Stats SA wants to make strategy a continuous process owned by everyone in the organisation through continuously measuring, monitoring and evaluating the progress of the organisation and identifying corrective actions to be implemented.

Stats SA's value chain





Of the South African learners who participated in Census at School in 2001, only 20,2% had access to computers at school, compared to 85% in the United Kingdom