THE HON. MS KHUMBUDZO NTSHAVHENI, MINISTER IN THE PRESIDENCY BUDGET VOTE DEBATE SPEECH (2023/2024) ON THE OCCASION OF STATS SA, 9 MAY 2023

Honourable House Chairperson,

Deputy Ministers in the Presidency, Honourable Kenny Morolong and Sonto Motoung

Chairperson of the Portfolio Committee of Public Service and Administration, Hon Theliswa Mgweba

Members of the Portfolio Committee of Public Service and Administration

Honourable Members

Distinguished Guests

Ladies and gentlemen

Fellow South Africans

Ndi Masiari,

This Budget Vote debate takes place a day before South Africa and the world mark 29 Years to the day Ntate Nelson Rolihlahla Mandela was sworn-in as the first President of a democratic South Africa. A South Africa that breaks away from its shameful history of separate development where one's ability to have access to electricity, water, education and jobs amongst others were on the basis of one's skin colour. A democratic South Africa set inclusive development goals to achieve a prosperous, non-racial, non-sexist and equal society.

THE ROLE OF THE NATIONAL STATISTICAL SYSTEM IN DEVELOPMENT PLANNING AND MONITORING

Good, reliable statistics are essential for measuring progress in reaching development goals and provide essential information about the effectiveness of policies and programmes. They help governments improve their policies and to be transparent and accountable about the delivery of development results. An effective and efficient national statistical system that provides regular and reliable data is an important indicator of good policies and a crucial component of good governance.

Therefore, Statistics South Africa (Stats SA), as the agency responsible for the production of official statistics and coordination of our National Statistics System (NSS) has an important role to play in government's attainment of our country's developmental goals as set out in the National Development Plan. Dr. Sanga Dimitri, in his paper on the Role of Statistics: Developing Country Perspective, 2014, asserts that "good statistics are needed to assess, identify issues, support the choice of interventions, forecast the future, monitor progress and evaluate the results and impacts of policies and programmes". As a matter of purpose, the statistical results released by Stats SA must ensure that government gets the information it needs to develop policies and programmes and interventions and, equally, inform the public so that they can evaluate the effectiveness of government's actions.

Honourable members,

Wilson Allen Wallis, an esteemed American Economist, once said: "Statistics may be defined as a body of methods for making wise decisions in the face of uncertainty".

This Budget Vote also takes place when our nation has just come out of the disruption of the global Covid-19 pandemic that wreaked havoc on the world economy, when we are confronted by the global impact of the war in Ukraine and, on the domestic front, the impact of the energy security challenge and extreme weather disasters. Collectively these multiple crises have resulted in weakening economic growth, accelerating inflation, and compounding our high unemployment rate.

The test to the nation's survival and resilience is how its leadership and people act with agility to attend to the challenges at hand. To enable long-term, sustainable, and inclusive growth, we must work together as a nation as we strengthen our resilience beyond a survival capacity. To achieve better outcomes for this nation, it is important that our thinking, planning and policy responses be informed by reliable evidence. Therefore, the importance of numbers in times of crisis cannot be overstated.

For example, the results of the Quarterly Labour Force Survey (QLFS) have enabled us, collectively, to determine the extent of the unemployment challenge. The Quarterly Labour Force Survey is a household-based sample survey conducted by Stats SA that collects data on the labour market activities of individuals aged 15 years or older who live in South Africa. Although reporting a marginal improvement, with continuous marginal decreases in unemployment for all quarters of 2022 to 32.7% in the 4th quarter, the Quarterly Labour Force Survey has reported an increase in youth unemployment. The increasing youth unemployment has warranted government to initiate dedicated youth employment initiatives under the Presidential Employment Stimulus, the largest youth employment intervention in our country's history – which is estimated to have reached almost a million participants by July 2022. These initiatives include government's school assistant programme under the Department of Basic Education, and the Employment Tax Incentive amongst others. In conducting Census 2022, Stats SA — while maintaining its independence — also partnered with the Presidency to support the Presidential Employment Stimulus.

The Consumer Price Index (CPI) is described by the International Labour Organisation (ILO) as "an indicator which measures average changes over time in prices of fixed basket of goods and services of constant quality and quantity that a reference population acquire, use or pay for consumption". Changes in the CPI record the rate of inflation. The CPI can also be used as a cost-of-living index. In April 2023 Stats SA released CPI data that indicated that consumer prices increased 1.02% from the previous month of March, accelerating from February's 0.75% increase. The March increase was the highest reading since July 2022. Previous increases in CPI have resulted in government action to reduce pressure on households and businesses

by not increasing the general fuel levy for the Road Accident Fund in the 2022 budget. Additional temporary relief was provided for four months at a cost of R10.5 billion during 2022. As announced in the 2023 Budget, government will again keep these levies unchanged in the 2023/24 fiscal year. In addition, government's decision to extend until 2024, the R350 of the Social Relief of Distress grant, was informed by the cost of living index. Broadly, the CPI is a critical measure that the South African Reserve Bank relies on to adjust the repo rate.

AN INDEPENDENT, OBJECTIVE AND STABLE NATIONAL STATISTICAL SYSTEM

Government continues to rely on these statistical results without fear of data unreliability because our national statistical system and statistics office remain free from any interference on statistical methods applied to data collections and content. This is guaranteed in the Statistics Act (6 of 1999). Such independence ensures that our official numbers have integrity and can be trusted by all. Statistical information is available at all levels of society including business, government, parliament, civil society, schools and the public at large. It is for this reason that I implore you to become or continue to be ardent users of official statistics. It is available — free of charge for all of us. The government continues to support the stability, quality and predictability of Stats SA's operations because they are a key determinant of our action for our country's development programme.

Honourable House Chairperson

CENSUS 2022 RESULTS

Stats SA's 2023/24 Work Programme reflects the drive to ensure that Stats SA is able to deliver the statistics that the country needs. Key to this is release of the much-awaited Census 2022 results, which is scheduled for the 2nd half of 2023. The census has taken stock of our people, where and how they live. It will provide information on the demographic, economic and social dynamics for all persons in the country. This

data set will become the new statistical information baseline for the country that must inform our planning, policy formulation, budget allocation, monitoring and evaluation of programmes impact, amongst others, to enable focused attainment of the national development goals.

It is important to emphasise that the census data will enable provinces and local government to know and understand not only the size of its population, but also the sex (gender) ratios, age distribution, levels of education and income as well as their standard of living conditions. This information is critical for decision-making at sub-national level including informing the provincial equitable share of the fiscus.

Stats SA will be embarking on a comprehensive dissemination process in 2023/24 to inform each province of its results. Honourable members will also be able to use this data to know the needs of their respective constituencies.

Stats SA will also be releasing various thematic reports based on census data in the areas of education, child statistics, gender, people with disabilities, marginalized groups and household services.

Honourable members

ECONOMIC STATISTICS PROGRAMME

Stats SA continues to track the developments and changes within South Africa's economy and society, in line with the national policy agenda, and regularly report on various facets thereof.

In 2023/24, the *economic statistics programme* will continue to deliver key national economic indicators by publishing 230 statistical releases and reports in line with international statistical standards. Stats SA publishes the following key economic indicators at **sub-national level**, namely the Consumer Price Index (CPI), annual financial statistics of local government and the non-financial statistics of local

government. Key innovations in this area include the introduction of a quarterly statistical release on Capital expenditure; re-weighting of the Producer Price Index (PPI); monthly publication of experimental statistics on Residential Property Index as well conducting research on the use of alternative data sources to augment the production of official statistics.

Honourable House Chairperson

POPULATION AND SOCIAL STATISTICS PROGRAMME

The *population and social statistics programme* will continue to deliver key national socio-economic indicators by publishing 53 statistical releases and reports in 2023/24 in line with international statistical standards and practices. The following key social indicators are published at a **sub-national level**, namely:

- Employment and unemployment statistics;
- Vital statistics – including births, deaths and causes of death;
- Population projections and migration statistics;
- Poverty and inequality statistics;
- Living conditions statistics; and
- Governance, peace and security statistics.

INCOME AND EXPENDITURE SURVEY

I am pleased to inform the House that Stats SA has received funding allocation to conduct an Income and Expenditure survey that collects data on the poverty situation in the country. The survey will be completed in the 2023/24 financial year (November 2023) and the results are set to be published in 2024.

This survey is important because our country is still faced with the triple challenge of poverty, inequality and unemployment. Therefore, policymakers need to know and understand the scale, the characteristics and the root cause of these challenges. This

statistical information will help to identify the extent and nature of poverty and unemployment and those who are affected, their location and the extent of the impact. It will also help the country to track if measures implemented are making any progress in reducing poverty and unemployment, including trends and patterns over time, as well as to assess the effectiveness of our policies.

Honourable members

DRAFT STATISTICS ACT AMENDMENT BILL AND *Improving lives through data ecosystems*

We will also be submitting to Parliament for the consideration of the honourable members the draft Statistics Act Amendment Bill that will propose to reconfigure and coordinate the National Statistical System to allow it to better achieve its vision of "Improving lives through data ecosystems".

Stats SA has established a strategy path with a vision of *Improving lives through data ecosystems*. The Strategic Plan sets out an ambitious path of embracing an evolving data ecosystem that transforms the way we work and the way we lead the statistical system in the country to be responsive to growing user demands for sustainable development. The organisation has identified *four strategic outcomes* to guide and elevate statistical development in this country.

The first outcome talks about ***Insightful data.*** This outcome is about the statistical products and outputs that are delivered in response to user demands to bring deeper understanding and insight for informed decisions. It is about an information system that monitors the achievements of the goals of the NDP, the Medium-Term Strategic Framework and other global policy frameworks.

The highest priority of Stats SA is about *sustaining and protecting the quality* of official statistics and national indicators. We are continuously updating the Integrated Indicator Framework that includes national key indicators to monitor sustainable development in the country. To this end, the organisation will be compiling the

Sustainable Development Goals (SDGs) Country report during 2023/24 to be presented at a global level on the progress South Africa made.

As part of bringing data to policy-makers and the public at large in this digital era, Stats SA has developed a Goaltracker platform for tracking progress made on the development agenda at national, continental and global levels. At the national level this platform will monitor all the priority indicators contained in the NDP as well as the DDM. Stats SA is also investigating the tracking of indicators for infrastructure and investment projects.

The second outcome is about creating an *Agile operating model* where business operations are lean, efficient and flexible. The organisation is in the process of innovating and modernising its business operating model. An integrated operations model is being tested including the use of a multi-modal approach to data collection in all household surveys. The cost of doing business will be reduced over the medium term.

The third outcome is about creating an *Interconnected statistical system* where people, systems and technology are interconnected through collaboration, partnerships and platforms. Envisioning the data ecosystem will be at the forefront of our strategic path as we are exploring partnering with new role players and accessing other data sources in the data ecosystem to further innovate and transform our methods, processes and technology.

The fourth outcome is about *Transforming the capability* of the organisation and the statistics system at large. Building a workforce that is fit for the future is a critical priority for the organisation. We are finalising our human resource strategy to build a sustainable work environment. We have also invested in establishing an end-to-end enterprise architecture for the organisation and the future data ecosystem. Technology is a key enabler to transform the business operations of the organisation.

Honourable House Chairperson,

I hereby table Budget Vote 14 of the Department Statistics South Africa in line with section 27 of the Public Finance Management Act, which allocation over the MTEF is R2.7 billion in 2023/24; R 2.8 billion and R2.9 billion in the 2024/25 and 2025/26 financial years respectively.

BUDGET SUMMARY TABLE

Programme	Branch	R million
Programme 1	Administration	744.9
Programme 2	Economic Statistics	288.6
Programme 3	Population and Social Statistics	291.1
.Programme 4	Methodology and Statistical Infrastructure	155.7
Programme 5	Statistical Support and Informatics	324.2
Programme 6	Statistical Operations and Provincial Coordination	842.7
Programme 7	South African National Statistical System	44.5
Total		**2691.7**

In tabling this Budget Vote, I like to take note and express my appreciation of the work of the South African Statistics Council — charged with the responsibility of safeguarding the integrity of our official statistics — under the leadership of Prof David Everatt, for their dedication and continued support in the statistical development of our nation.

I also wish to express my appreciation to the Statistician-General, Mr Risenga Maluleke, and the entire Stats SA staff, for their continued efforts to ensure that this nation and its policy-makers have the necessary data and information in order to face the future with greater confidence and certainty. The period 2020 to 2022 was a particularly difficult one to execute the National Census under.

On behalf of myself and my predecessor and colleagues, Minister Mondli Gungubele, and the Deputy Ministers, I extend our appreciation of the Portfolio Committee on Public Service and Administration as well as the Select Committee on Health and Social Services for the supportive work and for holding Stats SA to account to the South African public at all times.

Lastly, we must endeavour to use statistics for insight and avoid what Andrew Lang, the renowned Scottish poet, once said "*Most people use statistics like a drunk man uses a lamppost: more for support than illumination.*"

Ndi a livhuwa