

## Statement from the South African Statistics Council on Stats SA funding

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Stats SA is a globally recognised centre of excellence for producing official statistics. Stats SA is the only source of official statistics in South Africa. It has both kept in touch with or led best practice, notably in developing countries, across a wide range of areas, from the use of technology to data visualisation and beyond. It has made major efficiencies by moving to digital collection. It consistently produces key statistics that allow the private sector, government, international agencies and others to understand the society and economy, plan their work, and monitor progress. Stats SA data are critical in ensuring that national fiscal flows are appropriately directed, in line with the National Development Plan. In the midst of a national debate about land, Stats SA completed a census of commercial agriculture, within budget and with a very low 9% refusal to respond rate. After the 2019 election, Stats SA resolved the allegations of double voting, without argument. In 2021, Stats SA will be expected to run Census 2021. This is a classy entity in anyone's books.

However, in 2015 StatsSA had R160 million stripped from its budget and a freeze on all posts was imposed by government. Both have remained in place since that point. By early 2020, the situation has reached crisis point. The vacancy rate has climbed to almost 20% - that is, every 5<sup>th</sup> position is vacant, and many staff are thus taking on their own job and work that should be done by others; working a 6 or even 7 day week is common. The freeze on posts means that no promotions are possible, and no vacancies can be filled. As a result, ambitious staff look outside Stats SA, and exciting young graduates no longer see StatsSA as employer of choice for their post-graduate training. Stats SA is being asset-stripped because it cannot offer any type of career prospects for any member of staff – because government refuses to change its approach to the budget and freeze on posts.

Stats SA is not a 'state capture' bail-out candidate: the entity receives regular clean audits, and enjoys widespread public trust. It is very difficult to understand why a respected, reliable and important institution, that plays by the rules and is praised by the Auditor-General, is in effect punished by government while those deeply implicated in state capture receive bail-outs of massive proportions. Stats SA has received once-off emergency funds – in 2020 Stats SA have been promised R46 million – but these once-off band-aids do not stop the inevitable decline in the institution, and thus in the quality of official statistics.

The organisation is being forced to consider cost-saving cuts – efficiencies have been exhausted - because of the hole in its budget. Sample sizes are being cut, which over time will lead to wider error ranges. Activities are having to be ranked, and some simply dropped, such as the self-reported poverty survey, apparently "too expensive" in this climate. Government is now in danger of damaging the core business of the organisation, even when its financial needs – some R200 million – are tiny compared to the massive bail-outs being offered elsewhere, and with Census 2021 very close.

If Stats SA cannot produce accurate official statistics, ratings agencies will punish South Africa, international investors will turn elsewhere, domestic business will lack reliable planning data, and a downward spiral will be inevitable. Re-creating the 80%+ trust in the institution may be impossible; sustaining it requires a significant financial injection. If Treasury fails immediately to fund Statistics SA adequately, like Humpty-Dumpty, it may not be able to put it together again, and decades of building the institution post-1994 will have been wasted.

Stats SA right now is at a tipping point. The warning lights are flashing red, and government needs to act swiftly if South Africa are to retain a robust and innovative Stats SA. If Stats SA is not able to fill posts with skilled people, keep sample sizes up, and innovate, the Council will be forced to withdraw support for official statistics. This is the very worst option for everyone in South Africa – but Council either endorses the release of data everyone can trust, or Council stops because we cannot endorse data we mistrust.

The South African Statistics Council unanimously call on government to heed our call and inject funds into Stats SA. If not, Council will withdraw our support for official statistics, and resign.