Presentation to seminar


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Statistics South Africa
www.statssa.gov.za
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Governance issue

Statistical Act, Public Service Regulation etc

Organisational framework

Structure of Stats SA

Business Register/Business Sampling Frame

Administrative sources

Statistical Unit

Selected Statistics

Maintenance rules

Challenges and issues

Way forward
Act no. 6 of 1999
– Information disclosure and confidentiality (section 17)
– Offences and penalties (section 18)
**General Rule**

- Section 17 (1) Statistics Act provides for mandatory non-disclosure of information collected for purposes of official/other Statistics.

- Disclosure is prohibited in as far as it relates to an individual, a household, an organ of state or any other organization.

**Exception**

- Section 17(2) allows the Statistician-General to provide directions that information be disclosed if certain conditions are met.

- Section 17 (3) Disclosure in the event of joint a collection
Information dissemination

• Internal policies – these should provide guidance on how employees should disseminate unpublished information.

Public Service Regulations (PSR) Chapter 1 Part II (E)
• An employee shall not release official information to the public unless she or he has the necessary authority.

Promotion of Access to Information Act
• Section 37 provides for mandatory protection of certain confidential information, and protection of certain other confidential information, of third party.
Section 18 (1)(e)

- Any officer of Stats SA, who in the course of his or her employment in terms of this Act willfully discloses any data or information obtained in the course of such employment to a person not authorised to receive that information; is guilty of an offence and liable on conviction to fine not exceeding R10-000... or to imprisonment for a period not exceeding six months, or to both such fine and imprisonment.

- **Disciplinary Action** may be taken against the employee for breach of PSR 1(II)(E)
The organisational structure of Stats SA

Organisational Framework

Statistician-General
- SG Support
- Internal Audit
- National Statistics System and Strategy

Corporate Relations
- Office of the DDG
  - International Relations
  - Provincial Offices
  - Corporate Communications
  - Stakeholder Relations and Marketing

Economic Statistics
- Office of the DDG
  - Production Price Index and Employment statistics
  - Consumer Price Index
  - Short Term Indicators
  - Large Sample Surveys
  - National Accounts

Population and Social Statistics
- Office of the DDG
  - Surveys Monitoring and Evaluation
  - Population Statistics
  - Household Labour Market Statistics
  - Household Budget Statistics
  - Social Statistics
  - Demographic and Social Analysis
  - Health and Vital Statistics
  - Survey Operations

Methodology and Standards
- Office of the DDG
  - Methodology and Evaluation
  - Standards
    - Business Frame

Statistical Support and Informatics
- Office of the DDG
  - Geographic Services
  - Geographical Frames
  - Information Communication Technology
  - Publication Services
  - Data Processing

Corporate Services
- Office of the DDG
  - Finance and Supply Chain Management
  - Human Resources Management
  - Facilities Management, Logistics and Security
  - Human Capacity Development
  - Corporate Governance
  - Integrated Operational Planning
  - Corporate Relocation
Strategic objective - Enhancing public confidence and trust in official statistics

The credibility of official statistics rests on the ability to produce quality statistics that can withstand public scrutiny and are widely used to inform debate, research and decision-making. To meet this objective, statistics must be reliable, relevant and easily accessible. In line with the fundamental principles of official statistics, Stats SA engenders trust through making statistics available on an impartial basis to all stakeholders at the same time.

Stats SA has adopted eight quality principles to guide the production of statistical information in the national statistics system.

The first steps towards improving the quality and relevance of statistical information include the following:

- Developing standards, protocols and policies for the statistical system
- Certifying statistics as official by establishing an Independent Quality Assessment Unit that will use SASQAF to assess the quality of statistics produced.
- Improving the accuracy and completeness of frames as the building blocks for economic and social surveys;
- Creating innovative ways of communicating information
- Ensuring timely and equitable access to the latest statistics
(b) Business sampling frame development and maintenance

The business register forms the pillar of the business sampling frame that is utilised as the sampling frame for the production of business statistics. The defining facets of a reliable business register are that it is comprehensive in coverage, accurate in classification, and has updated contact information.

In addition, such a register must be maintained so that new businesses are included, and dead units are removed.

The accuracy of a business sampling frame, as a foundation of economic statistics, allows results of surveys to mirror economic reality on the ground as much as possible.

The sampling frame is derived from the various tax registers of the South African Revenue Service (SARS). The maintenance source is the Value Added Tax Register from SARS.
(b) Business sampling frame development and maintenance

The correct classification of the economic activity as well as the life status of a business is important for reporting purposes; both criteria have to be maintained with minimum time-lags to ensure that reliable and accurate information is reported. Currently, the business sampling frame indicates turnover as the measure of size for each business. Measure of size information is required for sampling purposes.

A business sampling frame covers all size businesses including small, medium, large and complex businesses. Large and complex businesses typically have funding and organisational and management structures that are quite different from statistical units. Due to the economic dominance of such entities, statistical offices world-wide pay special attention to them through a process called profiling. This activity requires special skills in financial- and business accounting. These skills are scarce in the organisation. In 2008, a project was undertaken with the intention of building the necessary expertise and intellectual capability in business profiling and a team of profilers has since been appointed to undertake profiling activities in the organisation.

Over the medium term, improvements will focus on improving maintenance and re-engineering of the business sampling frame system.
### Outputs and milestones: Business sampling frame development and maintenance

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Objective</th>
<th>Output</th>
<th>Measure/Indicator</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>BusinessFrame (Programme 4)</td>
<td>Provide and maintain an updated sample frame for the collection of economic statistics</td>
<td>Updated business sampling frame</td>
<td>Percentage of large business surveys completed</td>
<td>Monthly reports on percentage of large business surveys completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Timeliness and number of snapshots</td>
<td>Quarterly reports on performance and quality indicators for the Business register complex</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Final Business Sampling Frame snapshot and common sampling frame by April 2010</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Preliminary common sampling frame by January 2011</td>
<td></td>
</tr>
</tbody>
</table>
Division: Business Register

Management - 4
- Executive Manager
- Personal Assistant
- Office Administrator (x2)

LBU - 19
- Manager (13)
- Team leader (12)
- 3 teams (supervisor +5)

O&M - 39
- Manager (13)
- Team leader (12)
- 3 teams (supervisor +5)

QIU - 19
- Manager (13)
- Prof 13 with 5
- Team leader (12)
  (Supervisor +5)
- (Supervisor +5)

LBU - Large Business Unit
O&M - Operations and Maintenance
QIU - Quality Improvement Unit
Need for a Statistical Business Register

Output of the BR

The **first** and **main** objective of the Business Register otherwise referred to as the Business Sampling Frame (BSF) is to serve as a common sampling frame for all survey areas involved in the production of economic statistics.

(The contents of the BSF map common and relevant characteristics of all the units of the standardised statistical unit types that together constitute the populations of these surveys.)

**Secondly** the BSF can serve as a source for (register-based) statistics.
Need (who do we serve?)

Stakeholders

- **Cluster - Economic statistics**
  (different individual surveys)

- **Cluster – Methodology and Standards**
  (sampling (methodologist) and IT side of the BR)

- **Division - Statistical Information Services**
  (external requests – not unit record information; only aggregated data)
<table>
<thead>
<tr>
<th>Source</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>South African Revenue Services (SARS)</td>
<td>Income Tax (IT), Value Added Tax (VAT), Payroll taxes:</td>
</tr>
<tr>
<td></td>
<td>Pay-as-you-earn (PAYE); Skills development level (SDL); Unemployment insurance fund (UIF)</td>
</tr>
<tr>
<td>Department of Trade and Industry (DTI)</td>
<td>Companies and intellectual property registration office (CIPRO) Register of companies</td>
</tr>
<tr>
<td>Department of Labour (DoL)</td>
<td>Unemployment Insurance Fund (UIF)</td>
</tr>
</tbody>
</table>

No single business number
No common identifier
Units model Structure

Operating Entities

Legal Entities

Legal Structure

Organisational Data

ITs

VAT-Rs

PAYEs

UIFs

SDLs

Clustering

Clusters

ENs

KAUs

GEOs

Sampling Units

Sampling Units

Observational Units

Reporting Arrangements

Administrative Data

Operating Structure

Standard Statistical Units

Administrative Data Processing

Profiling

Sampling

Survey
In the BSF, there are three identifiable statistical units. These units are:

- Enterprise (EN) unit;
- Kind-of-Activity (KAU) unit;
- Geographical (GEO) unit.
The **enterprise unit** is a legal unit or the combination of legal units that includes and, directly controls all the functions necessary to carry out its production activities.

An enterprise unit is a legal unit or combination of legal units that carry out production activities.

All active enterprise (EN) units must have at least one active kind-of-activity (KAU) unit and one active geographical (GEO) unit.
Activated from the start is the **Name, Links** tab. The legal name of the enterprise as well as the **Tax number** (SARS link) will appear. Maintenance staff has access to change fields which are indicated in **red colour** on the different windows of the statistical units.

Use the **“go to VAT”** button to display information on the selected VAT and income tax units of the enterprise. Additional SARS links, i.e. several income tax units (legal units can be added here for the same enterprise. Thus this is how complex enterprises are created.
The “Size Indicators”
There are five different size measures for enterprises. These are found if you click on the “Size Indicators” tab.

NB: 12 Months
Feb 06 – Jan 07
Current Turnover
Period on the BSF
A *kind-of-activity unit* is an enterprise unit or a part of an enterprise unit involved in one or predominantly one kind of activity on a 5-digit SIC level.

Kind-of-activity unit is dependant on **activity for its survival**.

To note: all active enterprise units must have at least one active kind-of-activity unit.

The word ‘predominantly’ in the definition indicates that it is possible that an enterprise can have only one kind-of-activity unit despite the fact that the enterprise has secondary activities.
There are only two tabs for the KAUs. 
**“The Name, Life Cycle” tab**

On the Name, Life Cycle tab you will find information on the linked enterprise and different status information

“Data clean” means that the data has been edited and corrected.
The “Classification, Size Measures” tab
The second tab “Classifications / Size Measures” has classification and size measure information for the KAU. These fields were automatically updated by the system from derived info from geographical units.
A **geographic unit** is an enterprise unit or part of an enterprise unit involved in one or predominantly one kind of activity on a 5-digit SIC level at or from one location. At least one person must be permanently employed at that location.

A geographic unit is dependent on activity, location and employment for its survival.

All active enterprise units must have at least one active geographic unit.

The word ‘predominantly’ in the definition indicates that it is possible that an enterprise can have only one geographical unit despite the fact that the enterprise has secondary activities.

According to the definition, a true change (not only a correction) in the main activity **means a change in the SIC level at a 5-digit level** should lead to the original geographic unit being **ceased** and a new geographic unit being **birthed**.
The “Name, Address, Geocode” tab

The information found is the legal and trading name as well as the physical address and the Geographic (area) Code of the geographic unit.
### Some statistics

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Enterprises (EN)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Snapshot</strong></td>
<td>3.4 million EN’s</td>
</tr>
<tr>
<td>(All EN’s on BSF)</td>
<td></td>
</tr>
<tr>
<td><strong>Common main frame</strong></td>
<td>2.6 million EN’s</td>
</tr>
<tr>
<td>(snapshot without ceased, deactivated)</td>
<td></td>
</tr>
<tr>
<td><strong>Financials common sampling Frame</strong></td>
<td>543 413 EN’s</td>
</tr>
<tr>
<td>(IT+VAT or VAT only)</td>
<td></td>
</tr>
</tbody>
</table>

Stats at end March 2010

No single business number
No common identifier
### Output - Econ Stats

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Quarterly</th>
<th>Annual/periodic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (production &amp; sales)</td>
<td>Quarterly Financial Statistics (QFS)</td>
<td>Annual Financial Statistics</td>
</tr>
<tr>
<td>Electricity generated</td>
<td></td>
<td>Large sample surveys</td>
</tr>
<tr>
<td>Various trade sales (wholesale, retail &amp; motor trade)</td>
<td>Quarterly Employment Statistics (QES)</td>
<td></td>
</tr>
<tr>
<td>Food &amp; beverages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism &amp; accommodation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land transport</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• **Rules, principles and practices** have to be developed and applied in the maintenance of the BSF.

• **Rules** are based on cost-benefit relationships, the units’ relative importance to statistics and other practical factors.

The rules are:
- “The 90% and 0.5% rule”;
- “The top n rule”;
- “The investigation set’;
- “The 18-month rule”;
- “The continuity rules”; and
- “The Value Added Tax (VAT)-edit rules”.
Life Cycle Status

- **Green cross** – birthed
- **No cross** – activated/reactivated
- **Blue cross** – deactivated
- **Red cross** – ceased
<table>
<thead>
<tr>
<th>Status</th>
<th>Interpretation</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birthed</td>
<td>Registered but not yet started.</td>
<td>• Automatic updates.</td>
</tr>
<tr>
<td>(NB: 18 month rule - the VAT registered ENs will be activated after the first VAT return or payment)</td>
<td></td>
<td>• Creation of a new statistical unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Delineation of a statistical unit.</td>
</tr>
</tbody>
</table>
### Life Status – Birth (green cross)

<table>
<thead>
<tr>
<th>Status</th>
<th>04-Sep-2004</th>
<th>source</th>
<th>sa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name, links</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address, Contacts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classifications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Cycle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size, Indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

indicates whether the enterprise has any profile managers

<table>
<thead>
<tr>
<th>Enterprise Legal Name</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Group Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>has subsidiaries</td>
<td></td>
</tr>
<tr>
<td>immediate parent</td>
<td></td>
</tr>
<tr>
<td>group top enterprise</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Links</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>tax number</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Numbers</th>
<th>insert</th>
<th>go to VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>show tax link</td>
<td>delete</td>
<td></td>
</tr>
</tbody>
</table>

indicates whether the enterprise has any profile managers
### Life Cycle Status

<table>
<thead>
<tr>
<th>Status</th>
<th>Interpretation</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activated</td>
<td>Started production or service delivery.</td>
<td>• Automatic updates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Creation of a new statistical unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Delineation of a statistical unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 18-month rule.</td>
</tr>
<tr>
<td>Status</td>
<td>Interpretation</td>
<td>Reason</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Reactivated</td>
<td>Restarted production or service delivery.</td>
<td>• Automatic updates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Offer of compromise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Restarted after temporarily stopped trading</td>
</tr>
</tbody>
</table>
Life status – active
<table>
<thead>
<tr>
<th>Status</th>
<th>Interpretation</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deactivated</td>
<td>Suspended, still registered but stopped production or service delivery.</td>
<td>• Automatic updates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Filed for sequestration or liquidation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Temporarily stopped trading.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 18-month rule.</td>
</tr>
</tbody>
</table>
Life Status – Deactivated (blue cross)
## Life Cycle Status

<table>
<thead>
<tr>
<th>Status</th>
<th>Interpretation</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceased</td>
<td>Closed and deregistered.</td>
<td>• Automatic updates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Merger</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Take over</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Finally sequestrated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Liquidated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ceased operation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deregistered</td>
</tr>
</tbody>
</table>
Life Status – Ceased (red cross)
Life Status – Ceased (no GEO)

Example: – e.g. EN10818045

• Enterprise (EN) now forms part of another enterprise due to a demographic change (take over, merger etc). Thus a geo was transferred to the other enterprise.

• Always check history
### Session III – Business Register Stats SA

**Life cycle status – ceased (no GEO)**

- **Status**: Work in progress, enterprise data clean, enterprise structure clean, under profile management.
- **Last update**: 22 Mar 2007
- **Source**: monat

#### Group Details
- **Has subsidiaries**: No
- **Immediate parent**: 
- **Group top enterprise**: 

#### Tax Links
- **Tax numbers**: SWMBOO00000000, SWMBOO00000001
- **Actions**: Insert, Delete, Go to VAT, Show tax link
Life cycle status – ceased (no GEO)
## Challenges and issues

<table>
<thead>
<tr>
<th>Challenges and issues</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weak communication</td>
<td>Addressed and improved</td>
</tr>
<tr>
<td>Automated processing of administrative data lacks integrity</td>
<td>Addressed</td>
</tr>
<tr>
<td>Survey frame and sample maintenance procedures are incoherent</td>
<td>Addressed</td>
</tr>
<tr>
<td>Large business unit is ineffective</td>
<td>Addressed</td>
</tr>
<tr>
<td>Documentation is inadequate</td>
<td>Improved</td>
</tr>
<tr>
<td>Frames for surveys are out of date</td>
<td>Addressed</td>
</tr>
<tr>
<td>Absence of quality management framework</td>
<td>Introduced</td>
</tr>
<tr>
<td>Intrinsic problems with coverage and content</td>
<td>Work in progress (legislation)</td>
</tr>
</tbody>
</table>
## Challenges and issues

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>System maintenance</td>
<td>Re-engineer the system</td>
</tr>
<tr>
<td>Business rules</td>
<td>Continuously reviewed (Vat 18-month)</td>
</tr>
<tr>
<td>Suitable source for employer based surveys</td>
<td>Addressed and further research done</td>
</tr>
<tr>
<td>Stats Unit model</td>
<td>addressed</td>
</tr>
<tr>
<td>Classification (Industry and institutional)</td>
<td>Addressed</td>
</tr>
<tr>
<td>Analysis on current admin sources decision: maintenance admin source;</td>
<td>Addressed</td>
</tr>
<tr>
<td>Snapshot and common frame creation responsibilities</td>
<td>Addressed</td>
</tr>
<tr>
<td>Challenges and issues</td>
<td>Status</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Frames for surveys are out of date</td>
<td>Addressed</td>
</tr>
<tr>
<td>Duplicates – different type</td>
<td>Improvement</td>
</tr>
</tbody>
</table>
## Way forward

### Business Registration Reform

<table>
<thead>
<tr>
<th>Lack of a Unique identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of information captures at administrative source</td>
</tr>
<tr>
<td>Service delivery improvement</td>
</tr>
</tbody>
</table>
Summary

Governance issue
  Statistical Act, Public Service Regulation etc
Organisational framework
  Structure of Stats SA
Business Register/Business Sampling Frame
  Administrative sources
  Statistical Unit
  Selected Statistics
  Maintenance rules
    Challenges and issues
    Way forward
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<td>Land transport</td>
<td></td>
<td></td>
</tr>
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Units model Structure

Organisational Data
- Operating Entities
  - Legal Entities
    - Legal Structure

Administrative Data
- ITs
- VAT-Rs
- PAYEs
- UIFs
- SDLs

Clusters
- ENs
- KAU
- GEO

Sampling Units
Observational Units

Administrative Data Processing
- Profiling
- Sampling
- Survey
Thank you.