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**SEMINAR ON BALANCING PRINCIPLES OF PROFESSIONAL AUTONOMY AND
ACCOUNTABILITY WITH THE MANDATE TO PRODUCE POLICY RELEVANT DATA**

**SESSION III: ACCOUNTABILITY 'BEYOND THE BUDGET': MEASURING AND
ADDRESSING PUBLIC EXPECTATIONS**

**THE AUSTRALIAN BUREAU OF STATISTICS - DOES IT OPERATE
INDEPENDENTLY FROM GOVERNMENT AND SUCCESSFULLY MAINTAIN
PUBLIC CONFIDENCE?**

Note by the Australian Bureau of Statistics

Summary

The Conference of European Statisticians selected in June 2008 (ECE/CES/74) the topic "Balancing principles of professional autonomy and accountability with the mandate to produce policy relevant data" for a seminar to be held at its 2009 plenary session. The Bureau, acting on behalf of the Conference, approved the outline for the seminar at its February 2009 meeting (ECE/CES/2009/2) and requested Australia to prepare a note to provide basis for the discussion.

The note describes the governance of the official statistics system in Australia involving a national statistical service supported by governance arrangements and strong policies, frameworks and protocols. The independence of the Australian Bureau of Statistics and the peer advisory body, the Australian Statistics Advisory Council, are critical elements. The key mechanisms adopted in Australia to encourage best practice among the producers are fundamental to the effective performance of the official statistical system.

1. A statistical agency can be considered to be independent when the chief statistician is the final decision maker with respect to all issues relating to the processes, practices and policies associated with data collection, data processing, and dissemination of statistics, and with ensuring that identifiable data collected by the agency is only used for statistical and related research purposes. Usually, this type of independence is safeguarded by strong legislation. This is the case in Australia.

2. The Australian Statistician's authority with respect to the management and operation of the Australian Bureau of Statistics (ABS), including all statistical decisions, is covered by precise long-standing statistics legislation. The legislation also provides a high level of protection against the disclosure of identifiable information provided by the Australian community. And finally, it affords secure tenure to the Statistician, allowing him or her to always take the long-term view that such a role requires.

3. However, even when a statistical agency has a legislated role (or mandate), it is still the performance of, and values demonstrated by, that agency that actually earns the high level of community trust and cooperation that is fundamental to its role. While the legislation provides a framework for the independence of the ABS, this independence is given expression by the set of fundamental values and principles that guide the way it undertakes its role, and by the strong governance framework and supporting mechanisms adopted in Australia to engage all of the producers and users that are critical to the effective performance of the official statistical system.

4. The ABS has a set of five guiding principles which reflect the values it stands for. These principles are consistent with, but not always prescribed in, statistical legislation, and they guide ABS business operations. They are:

(a) Relevance - that is, that ABS statistics must meet the needs of the community, are timely, and relate to other data sources;

(b) Integrity - ABS data, analyses, and interpretations must always be objective, the ABS always publishes the results of its statistical collections and decides what and when to publish, and advertises set release dates six months in advance to ensure no perceptions of political interference or manipulation;

(c) Access for all – ABS statistics must be readily available to all the community, with an equal opportunity of access for all users, reflected in strict universal embargo policies and the large amounts of data made freely available on the ABS Website;

(d) Professionalism – an emphasis on developing highly skilled, professional, ethical staff who are trained in all aspects of the statistical framework, such as survey design, collection, and processing, and who have regular access to information about relevant activities and developments occurring both within and external to the ABS domestically and internationally; and

(e) Trust of providers – the ABS ensures that data provided is strictly protected to at least (and often beyond) the strict requirements of legislation, and minimising provider load is a key consideration in all collection activities.

5. While the existence of a centralised national statistical agency in the form of the ABS means that Australia's statistical system is perhaps more centralized in some ways than in many other countries, there are still a lot of players and a lot of different bureaucracies that contribute to, and play significant parts in, the national statistical system in Australia. The governance of the system in Australia involves quite a number of different elements, and reflects that the role of the ABS as legislated is not only to provide statistical services to two levels of government (under a federated system), but also to support the needs of the business community in their planning, research and investment decisions and of society more generally.

6. The remainder of this paper focuses on the various elements of the statistical governance the ABS uses to improve the transparency, quality, comparability and objectivity of its own and other official statistics, in order to maintain the public's trust in all of Australian official statistics. These elements include:

(a) A statutory Australian Statistics Advisory Council and a range of other advisory and information gathering forums;

(b) The concept of a National Statistical System; and

(c) A range of frameworks providing strong statistical policies, protocols and practices that are essential parts of the good governance of the statistical system in Australia.

7. A key component of the governance in Australia is the ABS's effective strategic engagement with all of the key stakeholders who are part of this system. This occurs through forums such as the Australian Government Statistical Forum, the State Statistical Forum, other user and technical advisory groups, and the bilateral meetings that the Australian Statistician has with all of the heads of Australia's major policy departments.

8. The Australian Statistics Advisory Council (ASAC) meets twice a year. Its role, as established by legislation, is to provide advice to the Treasurer and the Australian Statistician on:

(a) The improvement, extension and coordination of statistical services provided for public purposes in Australia;

(b) Annual and longer term priorities and programs of work that should be adopted in relation to major aspects of the provision of those statistical services; and

(c) Any other matters relating generally to those statistical services.

9. ASAC therefore has a very broad advisory role, as it looks at the health of the system from the perspective of Australian society, and identifies gaps that are emerging in the national statistical system, and areas where perhaps the performance is not as appropriate as it might be. However, ASAC does not have responsibility for the performance or operations of the ABS or any of the other participants in the national statistical system.

10. ASAC members are appointed by the Australian government. There is an independent chair who is appointed for a period of five years. There is quite a process to ensure continuity in the knowledge base of ASAC as an institution and, therefore, of the performance of ASAC over time. The Australian Statistician is an ex-officio member of the committee. The other members, whose terms are nominally for three years although they can be renewed, must include one nominee from each of the State and Territory governments and up to 14 other members who are drawn from a wide range of people who are interested in the statistical system in Australia (from government agencies, from the business community, from academia, and from community organizations). So it is an advisory committee that brings a great deal of insight and understanding of all of the various dimensions of Australia's society.

11. The Australian Government Statistical Forum sits underneath ASAC; focusing primarily on the statistical activities of Australian government policy agencies and of the ABS, It is chaired by the Australian Statistician, comprises senior officers drawn from all of the key Australian Government policy departments and other major government agencies, such as the taxation office and the customs department. Similar to ASAC, the forum involves the key producers and users of official statistics at the Australian government level. This forum meets twice a year, with senior ABS staff involved, to talk about the statistical challenges facing Australia. Areas where new initiatives could be undertaken are discussed, as are any emerging problems.

12. The State Statistical Forum parallels the Australian Government Forum. It meets twice a year and is chaired by the Australian Statistician, providing an important link between the ABS and state and territory governments. The forum involves a nominee from each of the State and Territory governments representing the key producers and users of official statistics in each jurisdiction. The states and territories also have statistical priority committees that are usually chaired by the State Statistical Forum nominee and which look at challenges and emerging areas of interest in their own domains. The nominees advise the ABS on areas where they feel it is not providing the support needed in their policy and research domains.

13. The ABS also convenes more focused user and technical advisory groups. There are around forty of them in total. They generally comprise senior government, academic, business and community representatives, who bring expertise from their own domains and provide advice to the ABS in a whole range of more focused areas. For example, the Economics Statistics User Group may consider macro-economic statistics, while the Methodology Advisory Group, which is primarily made up of academics, can advise the ABS on a whole range of methodological areas of research and development. The various social statistics user groups consider various areas of society; for example there is a group that looks at health statistics, one that looks at family statistics and one that looks at statistics around the aging population. There is also a relatively new group that looks at environmental statistics. In general, these groups are much more focused on subject matter areas, and they bring knowledge and expertise to assist the ABS in determining the development of individual statistical programs, to support those various subject matter areas.

14. One of the key initiatives that has emerged out of these groupings, is what the ABS calls Information Development Plans (IDPs). In each of these subject matter areas, experts drawn from Australian society, including from Australian and state governments' policy departments,

focus on the sorts of issues that the nation needs to be thinking about, and dealing with, in this area of statistical endeavour. Such issues include: policy challenges; the broader challenges for Australian society; identifying the information that already exists that can inform other areas of interest; and highlighting information gaps, and how might they be filled. Each plan is reviewed every two or three years, to account for changing and emerging needs. In this sense, IDPs develop a master plan for a particular area of statistics, with groups of experts who know their subject areas working with the statistical communities to look at how they can evolve the range and quality of information resources in those areas.

15. The last governance forum discussed in this paper involves the Statistician and senior ABS officials holding meetings with key policy departments every six or nine months, with the timing dependent on the significance of each policy department's involvement both as a user and producer of official statistics. The Australian Statistician meets with the head of each of the major Australian government departments to talk about the emerging broad statistical priorities; the information needs that might flow from that; the initiatives being undertaken by the ABS and how that might inform some of their policy and associated research and analysis work; and any major issues that are emerging for either agency. So, for example, a meeting with the Taxation Commissioner and his senior staff would involve discussion about the use of taxation data and the statistical system, and any problems or issues that are emerging. In the lead up to introducing a new industry classification in Australia in 2006, these discussions resulted in a great deal of assistance being provided to the taxation office to implement the new industry coding into systems. In that instance, funding was received from the government to assist the taxation office to make those changes.

16. Thus these senior level discussions are quite fundamental. It is vitally important to engage the most senior members of government policy departments to ensure the ABS gets a greater understanding of the information these departments have in their own systems, to inform the statistical system. It is also to ensure that the statistical system is able to deliver the information policy departments' need to satisfy their ministries' requirements in terms of the policies and services that they are providing.

17. Further, an increasing message from politicians, businesses and the wider community, is around the importance of evidence-based policy, and being able to effectively evaluate the outcomes of those policies. In the Australian context, the climate was right to have discussions with heads of other major government departments as they are recognising that they hold a lot of information that is critical these days to informing official statistics. Therefore, being able to get that engagement is fundamentally important if the ABS is to increase the availability of statistical information in Australia.

18. This requires considerable commitment of time and effort on behalf of the most senior people in the central statistical agency. The Australian Statistician and three deputies spend quite a lot of time, both through these forms of meetings and with senior people in the state governments. This reflects the ABS belief that the administrative systems of government are probably the most underutilized resource currently available for statistical purposes in Australia. All of these engagements and advisory and user communities feed into a number of critical stages in the planning of statistical systems. For example, the ABS runs a population census in Australia every five years, so even before the previous census is completed, the ABS is already

planning and engaging with the user communities on the content and the plans for the next census. This feeds into the ABS's three-year forward work program which is discussed with all advisory groups to the extent that it is relevant to them.

19. The outcomes of these processes are presented to ASAC which advises both the Minister and the Statistician on their appropriateness, and which ultimately feeds into an annual federal budget process. In the state governments, it feeds into state government budget processes. And both the ABS and the Australian Statistics Advisory Council are required to report annually to Parliament on the performance of the Central Statistical Agency and the National Statistical System.

20. However, there is another aspect of the ABS's proactive ongoing engagement with key data producers within Australia's national statistical system. This relates to the ABS's role (and interest in) maintaining the public's trust in all of Australian official statistics. As the general public does not always distinguish between one government data provider and another, a key part of the ABS's work in growing Australia's national statistical information base involves the encouragement of standardisation and best practice across the system. Thus, the ABS's role in developing and promulgating frameworks and statistical policies forms a key part of its work towards enhancing Australia's national statistical system. In this regard the ABS plays a strong coordinating role, and this is underpinned by the strategic relationships it develops through the governance arrangements outlined above.

21. Examples of the ABS involvement in this area include:

(a) The implementation of standard classifications in a range of government administrative systems processes;

(b) Oversight of methodological standards in the development of sample surveys;

(c) Provision of conceptual frameworks in a whole range of different domains of statistical interest in Australia;

(d) The development, in both a domestic and international context, of many of the statistical frameworks relevant to these different domains; and

(e) Leadership in the co-ordination of data integration across Government with the objective of establishing agreed principles to govern data linkage activity.

22. Further, the ABS plays a strong role in the international statistical community in reviewing and revising that particular statistical system as it evolves over its different revisions.

23. So, in conclusion the successful governance of the official statistics system in Australia involves the concept of a national statistical service supported by governance arrangements and strong policies, frameworks and protocols. It is key to have the very senior people in the Australian government and state government levels buying into this concept of a national statistical system and recognising that they and their organisations are important contributors too,

as well as users of, that system. If a national statistical agency cannot get that buy-in, then it is extremely difficult to develop a national statistical system of real and enduring value.

24. In summary, the independence of the ABS is a critical element in Australia. The ABS is highly respected institution within Australian society which stems, in part, from its independence and therefore its ability to be able to provide objective information to Australian society. Thus, the ABS is transparent in all of its methodologies, and publishes its concepts, sources, methods, and other documentation. It has strong policies on release practices, data disclosure and its work program development. However, while the ABS is mandated by legislation to take a strong leadership role in the national statistical system, it also works to earn and retain a mandate of the many different constituencies and stakeholders in that system. The independence of the peer advisory body, in the Australian context this is ASAC, is important in this regard. And the various key mechanisms adopted in Australia to engage and encourage best practice among all of the producers and users that are critical to the effective performance of the official statistical system are fundamental.

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