Managing risks to statistics – a journey towards high performance

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National context

- Legislation
  - PGPA Act
  - CRMP
  - Seamless Services

- Public Management Reform Agenda
- Evidence Based Policy and Wicked Problems
- Digital transformation / Information age
- The role of the ABS as the National Statistical Organisation
The role of the ABS

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The role of the ABS as the National Statistical Organisation

- Data
- Standards
- Methodology
- The Australian Community
- Researchers
- Government
- Policy performance
- International collaborations
- Advice
- Public Planning

Australian Bureau of Statistics
Where did we start?

**Perceptions**
- Highly respected statistical organisation
- Conservative risk appetite
- Centralised decision making in senior management
- Tendency to seek perfect solutions
- Slow to adapt to change
- Feedback: less responsive than expected

→ *Good, but room for improvement*

**New Vision:** unleashing the power of statistics for a better Australia
Drivers of change

**Findings**

- **APSC Capability Review**: Engage more with stakeholders to understand needs
- **Technical Review of Labour Force**: Have clear accountability for risk but collaborate and share responsibility for management
- **Government investment**: Adopt a more contemporary approach to risk management
- **Government investment**: Be more responsive to change

Implement measurement studies to understand statistical impacts
So what is new?

- Retained conservative risk appetite for major economic indicators /// Articulated enabling appetite for other areas

- Focus on fitness-for-purpose rather than risk mitigation take opportunities / fall forwards / responsibly manage risk

- Clearer accountability, more collaboration to manage risk

- Prioritisation of stakeholder engagement
and in our statistical areas ...

- Statistical risk /// Define quality by user expectations
- Using business process mapping and understanding of risks to inform placement of quality gates
- Understanding user needs and the impact on them of statistical failure
- Review and document risk management processes
- Building capability and succession planning
• Articulate organisational priorities around statistical objectives and fit-for-purpose risk management plans
• Identify sources of potential risk
• Explicitly agree on statistical risk measurement strategy, adjustment methods, and implementation plan
• Communication, monitoring and reporting
## Role of impact methodology

<table>
<thead>
<tr>
<th>Menu of statistical impact measurement options</th>
<th>Menu of statistical impact adjustment options</th>
<th>Menu of statistical impact implementation options</th>
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<tbody>
<tr>
<td>• parallel run</td>
<td>• backcasting</td>
<td>• phase-in</td>
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<td>• parallel estimation</td>
<td>• bridging</td>
<td>• flip-in</td>
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<tr>
<td>• embedded field experiments (a variation of parallel run)</td>
<td>• &quot;business provisions&quot; type adjustment</td>
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<td>• non-embedded field experiments (via pilot tests)</td>
<td>• Prior corrections (via seasonal adjustment process)</td>
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<td>• Sensitivity analysis</td>
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<td>• Historical modelling</td>
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Still on transformation journey
Continue to develop the preferred culture
Finish the planning in priority areas
Roll it through statistical areas
Establish business intelligence tools for risk
Maintain engagement as a priority
Summary and key points

- Fit-for-purpose risk management – understand risk appetite
- Stakeholder engagement – manage expectations, effective communication
- Understanding statistical objectives and user defined quality
- Accountabilities and responsibilities for managing risk
Questions and discussion

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