

**COMMENTS ON DOCUMENTS ECE/CES/BUR/2009/FEB/4 AND
ECE/CES/BUR/2009/FEB/5**

Note prepared by the Australian Bureau of Statistics (ABS)

I. BACKGROUND

1. The Conference of European Statisticians (CES) has been conducting an 'in-depth review of statistics on income, living conditions and poverty' as part of its 2007-08 review program. This field of statistics is concerned with the compilation of household level estimates of income, expenditure, wealth, and related measures, to support research and analysis of the changing economic circumstances and living conditions of households and population groups. Unit record data are crucial for distributional analyses of economic inequality and hardship, and for modelling and monitoring changes in government policies and programs directed towards these people and groups.

2. At its previous meeting in October 2008, the CES Bureau concluded that work was needed in two directions:

(a) A narrower focus on practical implementation of the Canberra Group Handbook (progressed by a CES Task Force);

(b) A wider initiative to work towards an integrated framework of income expenditure and wealth (progressed by consideration of a City Group under the UN Framework).

II. ABS VIEWS

3. The ABS considers these actions to be appropriate responses to international and national requirements in this field of statistics. The work proposed will be of vital importance in establishing a sound and comprehensive basis for future research and analysis of household economic wellbeing and hardship issues. In recent years, the ABS has undertaken significant work in this field and plans further developments. It is prepared to contribute to the work and its own work program is expected to benefit.

4. While the ABS is comfortable with initial scoping and timing of the work proposed, these issues will require further careful attention to avoid unnecessary scope creep or delays. Clear commitments are needed from the participating agencies and appropriate international support arrangements need to be put in place. We are concerned with ensuring that the work of the Task Force and any City Group is effectively coordinated. It is also

very important to continue to align the household level concepts, and reconcile estimates produced, as far as possible with those in the National Accounts.

5. Recent international and Australian research clearly points to the need for broader frameworks and measures, not just the use of single dimensions of economic resources for analysis of these issues. The ABS sees the City Group developing that broader 'statistical framework' to support improved understanding and analysis of the economic circumstances of individual and groups of households. The development of such an Australian framework is on our forward work program.

III. TASK FORCE

6. The ABS commented directly on an earlier version of the draft terms of reference for the Task Force. The ABS:

- (a) Supports the adoption of the draft terms of reference for the Task Force;
- (b) Suggests that finalisation of the specific matters to be addressed by the Task Force be undertaken at a very early stage by its own members;
- (c) Indicates its own willingness to participate in the Task Force.

IV. CITY GROUP

7. The proposal to form a City Group is at an earlier stage of development and requires discussion in other forums. The scope of its activities would be broader and more extensive than the Task Force and there would be a wider group of participants. It is likely that 3-4 meetings would be required over the next 4-5 years to achieve the work program required, even with significant effort out of session. The Canberra Group on Household Income Statistics met 4 times between 1996 and 2001. Its work continues to be highly regarded by experts in the field.

8. The ABS:

- (a) Supports, and is willing to participate in, the further discussions required on the proposed City Group on household income, expenditure and wealth statistics;
- (b) Supports discussion of the possible formation of the City Group, in conjunction with the UN Statistical Commission meeting in late February 2009;
- (c) Indicates its own willingness to participate in the City Group if one is formed.

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