

AUSTRALIAN STATISTICS ADVISORY COUNCIL

Annual Report

1998–99

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Produced by the Australian Bureau of Statistics

The Honourable Joe Hockey, MP
Minister for Financial Services and Regulation

I have pleasure in submitting the Report of the Australian Statistics Advisory Council for the year ended 30 June 1999.

The Report outlines the work undertaken by the Council and is submitted to you for presentation to Parliament under sub-section 24(2) of the *Australian Bureau of Statistics Act 1975*.

A handwritten signature in black ink, appearing to read 'J.D.S. MacLeod', with a long horizontal line extending from the end of the signature.

J.D.S. MacLeod
Chairman

30 August 1999*

* *date approved for printing*

Australian Statistics Advisory Council

Mission

To ensure that, in keeping with Council's statutory charter, the advice furnished to the Minister and the Statistician in relation to the collection and dissemination of statistics has due regard to relative priorities, is objective, relevant, timely, constructive and practical, and that it is sensitive to the needs of both suppliers and users of statistical data.

FOREWORD

In an era of tight fiscal constraint, the Bureau has been able to improve the quality of many statistical collections and to widen the scope of its collections. Appendix 1 details the new statistical publications issued in 1998–99—in the last two years over 50 new publications were issued. Council has been particularly pleased that many of these new subjects address important gaps, notably in the measurement of service industries and the development of environmental accounts.

Council has been concerned for some time that ABS statistical collections measured the older sector of the economy whilst the new and growing sectors were less well represented. This was partly the result of fiscal constraints but, more importantly, the difficulty of measuring the newer industries. The ABS is in the forefront of international work in the services sector and Australia is continuing to see better data coming forward. The innovative work on productivity data for government service providers is of a high standard.

As indicated later in this Report, Council continues to urge the Bureau to transfer resources to new areas of importance. The need for more comprehensive small area data is one such area and considerable progress has been made during the year. Another example of major progress is in consumer and producer prices.

Mr David Smith retired from the Council having represented Queensland for some 10 years. He was a real contributor to Council and will be missed.

Australia is well served by the team that makes up the ABS. Their work is characterised by high quality standards and they meet the test of international excellence. We can look forward to further significant progress in the year ahead.

A handwritten signature in black ink, appearing to read 'J.D.S. Macleod', with a long horizontal line extending from the end of the signature.

J.D.S. Macleod
Chairman

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Note: In this Report, after the first reference, the Australian Statistics Advisory Council is referred to as ASAC or the Council, and the Australian Bureau of Statistics as the ABS or the Bureau.

Introduction

This is the twenty third Annual Report of the Australian Statistics Advisory Council, and is made in accordance with sub-section 24(2) of the *Australian Bureau of Statistics Act 1975* which provides that: 'the Council shall, as soon as practicable after 30 June in each year, prepare and submit to the Minister, for presentation to the Parliament, a Report relating to matters connected with the operation of this Act'.

This Report of the Council operations during 1998–99 is presented under each of the broad functions set out in the Act.

Annual and longer term priorities and programs of work

ABS forward work program

Council considered, as it does each year, the ABS forward work program in relation to longer term priorities for statistics.

One of the main considerations underlying Council members' views of the demand for statistics in the medium term is the continuing pace of change that is occurring in the structure of both the economy and society. Council members emphasised the need for the ABS to look holistically at a range of issues in addressing statistical priorities and accept trade-offs in determining the overall ABS forward work program while continuing to provide a high quality, objective and responsive statistical service.

Council devoted a significant part of its November 1998 and March 1999 meetings to consideration of the Bureau's forward work program for 1999–2000 to 2001–2002. It was pleased to note that the 1998 Commonwealth Budget did not impose any reductions on the ABS budget, and acknowledged that despite the generally tight budgetary position, there continued to be significant statistical development activity taking place within the ABS and on a number of fronts.

Council spent considerable time identifying and discussing those social, economic and political issues that it believed would influence the future demand for official statistics. The major issues identified by Council were grouped under six broad headings, as follows:

Implications of taxation reform

Council was provided with a progress report on taxation reform developments as they might impact on the ABS statistical program. Council had noted the potential for improvement in the quality of ABS statistical series and in the efficiency of its operations, as well as reduced business compliance costs through data substitution. Council also emphasised the importance of the ABS attempting to measure the impact of the proposed changes on statistical series.

Implications of taxation reform continued

Aspects of the ABS work program on which major impacts could be expected included: the likely impact on existing statistical series, such as retail turnover statistics and the possible need to reweight the Consumer Price Index earlier than currently planned; the GST as a new and quite detailed data source, and the prospect of a reduction in the load imposed on businesses; and the Commonwealth Business Register as a source for survey frames, offering improved efficiency for survey design and reduced operating costs. The effort devoted to developing a good working relationship with the Australian Taxation Office, to ensure that the design of the new tax system maximises its usefulness for statistical purposes, was acknowledged.

Council inquired about the likely availability of State and regional data from the potential taxation data sources. It was advised that while 90 per cent or more of businesses were single location businesses, and as such, can be allocated uniquely to a single region or State, their aggregate contribution to economic activity is less than 50 per cent on average. Council acknowledged that there is a limit to which sample surveys can support the compilation of regional data because of the sample sizes needed to produce such estimates. Council asked the ABS to continue to explore the possibilities, including using a combination of ABS and taxation data to produce State and regional dissections.

Council supported the contention that the ABS may need to reconsider its approach to existing classifications, and that this may involve reflecting the predominant activity of the legal (or taxation) entity, rather than that of the individual locations of multi-location businesses.

Labour market issues

Council members identified an extensive list of information needs relating to the contemporary characteristics and performance of the Australian labour market. These included statistics on:

- characteristics of job creation/job losses;
- youth employment and the relationship between participation in education and labour force status;
- the casualisation of the labour force (and the growth of 'precarious' employment);
- mature age unemployment and underemployment;
- how workers are paid (in an increasingly decentralised system);
- the changing pattern of hours worked (and hours paid);
- emergence of the 'working poor'; and
- the trend towards early retirement.

Labour market issues continued

Council members pointed to the increasing importance of information—either directly collected or obtained from administrative sources—that is longitudinal in nature. They saw longitudinal data as potentially very useful in describing how things change over time for various population groups and providing a better understanding of the factors involved and their inter-relationships.

Older Australians

Information about older Australians was considered important by Council because of the growing numbers and proportion of Australians in this population group, and their increasing political and economic influence. Members described a need for information about assets and liabilities, and current and future income sources including superannuation entitlements of older Australians. Information on their investment behaviour and consumption patterns and the factors influencing them will be important to policy makers. Information on older Australians was also seen as important to enable governments to plan for the provision of aged care facilities and services. Reference was also made to the need for relevant statistics to better understand the nature and extent of unpaid activities in relation to older Australians, such as home-based caring arrangements and volunteerism.

Impact of international developments, including globalisation

Council raised the issue of the adequacy of existing statistical data to describe Australia's interaction with the global economy. It was suggested that it was important to understand why the Australian economy had been able to withstand the Asian crisis as well as it has. Some members expressed concern about the appropriateness of the present conceptual framework for presenting Balance of Payments (and international investment) statistics in the context of rapidly changing international financial arrangements and the diminishing relevance of national boundaries.

Indigenous people

There was widespread support among Council members for more information relating to Australia's Indigenous people. Members referred to the continuing need for statistics to inform public policy in, for example, the important areas of Indigenous people's well-being, health, housing arrangements and access to and use made of government services. Council encouraged the ABS to continue its initiatives aimed at improving and extending the availability of reliable identifiers of Indigenous persons in the variety of government administrative systems, and to actively seek ways of making greater use of relevant administrative data.

Regional statistics

Council continued to emphasise the importance of economic and social indicators to inform public policy in regard to regional and rural Australia. While acknowledging the pre-eminent role of the results of the 5-yearly Census of Population and Housing,

Regional statistics continued

members pointed to the need for contemporary (intercensal) indicator data for regions. In this connection Council strongly supported ABS efforts to identify what information is presently available in administrative data sources and to enable more use to be made of these sources, especially those concerning the delivery of social programs, and to effectively disseminate the statistical information. Council's view is that existing administrative data is a particularly rich and cost effective source of information about regional Australia and that more could be done to exploit the information content of this data and to make it widely available.

In terms of specific information needs, Council members instanced a number of aspects, principally focusing on issues relating to income distribution in regional and rural Australia, the phenomena of 'asset rich, income poor' households, and the need to better understand the differing regional impacts (and outcomes) of various government policies and programs.

Improvement, extension and coordination of statistical services

ABS Household Survey Program

Council has been aware for some time that the ABS household survey program was at full capacity, and supported a planned review of the program. At the July 1998 meeting Council was informed of the proposed approach for the review to be carried out during the second half of 1998 and the first half of 1999. The review included the reassessment of existing and continuing demands against emerging new demands, including known gaps in the statistical program. Council provided advice on the proposed consultative arrangements and criteria for determining priorities within the program.

While appreciating the ABS view that Commonwealth and State governments were key users of the data, Council suggested more extensive consultation, including seeking advice from local government and the private sector users, particularly in the areas of health and social statistics.

Council was advised that there would not be a repeat of the National Aboriginal and Torres Strait Islander Survey in 2000, but that a strategy was being developed to obtain better statistics on Indigenous people, which would involve a program of user consultations. Council was also advised that the previously proposed 2000 National Health Survey had been postponed, as the ABS is not convinced that a large, complex survey conducted every five years is the best way to contribute to the data needs of key users in the health sector. Council agreed that more time was required to assess users' needs, and to develop an alternative strategy. Council acknowledged that, for the time being, users would be able to tap into a large amount of information being

ABS Household Survey Program *continued*

released from the 1995 National Health Survey, the 1995 National Nutrition Survey, and the 1997 Mental Health and Well-being of Adults Survey.

Council acknowledged that the postponement of the National Health Survey provided an opportunity for the ABS to conduct a Survey of Employment Arrangements and Superannuation, in early 2000. Council had previously advised that results from this new survey were of high priority in view of the changing nature of Australians' working arrangements and the need to obtain comprehensive information about Australians' superannuation arrangements.

Council considered that the proposed criteria for determining the priorities of specific topics were sound, and commended the ABS on the work being carried out to date.

2001 Census of Population and Housing

During the year, Council considered two progress reports relating to the 2001 Census of Population and Housing.

In July 1998, Council's views were sought on topics being considered for inclusion and those to be excluded from the 2001 Census. A number of issues were discussed, including justification for including questions relating to Religion, Journey to Work and House Loan Repayments/Rent. Council also discussed the proposal to separately identify Australians of South Sea Islander descent, and the difficulties that could be encountered with this. It also noted the need for further testing and/or user consultation on the Ancestry, Disability and Language topics.

Council agreed that the question on Usual Major Activities be excluded from the 2001 Census. Although there was a strong interest in this topic, it was acknowledged that the ABS, through its household survey program, provides considerable data on unpaid activities and voluntary work.

At the March 1999 meeting, the finalisation of the topics for inclusion in the 2001 Census was discussed. A key issue had been whether an Ancestry question should be included at the expense of the Birthplace of Parents question, or not included at all. Council was informed that since the July 1998 meeting, the Census Ethnicity Consultative Committee had formed the view that an Ancestry question should provide superior information about first and second generation Australians, than to Birthplace of Parents. Subsequent focus group testing had shown that combining a simplified Birthplace of Parents question with an Ancestry question could provide reliable results. There was support in Council for the ABS recommendation that the Ancestry question be included, and the previous Birthplace of Parents question be replaced by a question asking 'whether one or both parents were born overseas'.

2001 Census of Population and Housing *continued*

Another key issue was the topic of Disability, which is one of the most sought after additional topics for the 2001 Census, and a strong case had been made for its inclusion. A range of questions had been tested prior to the 1996 Census but none was found to provide reliable results. A different approach had been undertaken for the 2001 Census. Testing began in 1997 and included both cognitive and field testing. However, the ABS had been unable to devise questions which provided reliable data. Council was informed that other comparable countries have also had problems achieving high quality data in a census, except where questions were extremely specific. The ABS reluctantly considered that Disability should not be included as a topic in the 2001 Census.

Council expressed disappointment at this outcome, and re-emphasised the potential usefulness of Disability data, particularly for small area data. While endorsing the ABS decision for the 2001 Census, Council indicated that this topic should be considered a priority for the 2006 Census. The ABS is to prepare a report analysing the outcomes of all previous testing as a starting point for potential future work.

Council was advised that it was not considered feasible to use the Internet as a collection tool for the 2001 Census. With the proportion of households using the Internet still a minority, it would be very expensive to have both electronic and paper collection mediums. Privacy and security were also significant considerations. However, Council asked the ABS to investigate the possible use of the Internet in the 2006 Census.

Other Matters

Strategies for assuring the quality of ABS outputs

Council was briefed on various strategies adopted by the ABS to assure data quality. These include maintaining the credibility and relevance of ABS statistics; maintenance of high response rates; maintaining timeliness, accuracy and coherence of statistical collections; and benchmarking and reviewing statistical activity. Council's views were sought as to whether these strategies were adequate, and also to ascertain if Council saw any major gaps in the strategies.

Council commented that the length of time between data collection and output was an important factor in ensuring data quality. Council also felt that gaining the cooperation of respondents was of considerable importance, and a key factor was making the results from collections available quickly, particularly in the case of business respondents. Council was advised that the ABS has paid considerable attention to the timeliness of statistics in recent years. As an example, the results of the 1996 Census were released considerably earlier than for past censuses, with no reduction in data quality. The ABS is also seeking to improve the timeliness of confidentialised unit record file releases.

Non-market productivity measurement

Council is aware that ABS measures of aggregate productivity for the Australian economy have been essentially restricted to the market sector. However, in recent years there has been an increased interest in monitoring the performance (including the productivity) of government services providers, which dominate the non-market sector of the economy. Council was informed that the ABS had developed experimental output measures for health services and the education sector. Work will soon commence on other government services. The work done to date on estimating the output of non-market industries will lead to improved national accounts measures of aggregate productivity for the Australian economy.

In response to the ABS request for advice on other government services areas that would be most useful to next develop productivity measures for, Council proposed the development of measures for major services delivered by local government, crime and safety and public housing.

APPENDIX 1

New statistical publications issued in 1998–99 include^{(a)(b)}

Catalogue no.	Title
4144.0	Business Sponsorship, Australia
4145.0	Selected Museums, Australia
4607.0	Fish Account, Australia
6266.0	Retrenchment and Redundancy, Australia
8121.0	Innovation in Mining, Australia
8145.0	Telecommunication Services, Australia
8554.0	Audiology and Audiometry Services, Australia
8555.0	Sound Recording Studios, Australia
8647.0	Gambling Industries, Australia, Preliminary
8649.0	Libraries and Museums, Australia
8651.0	Commercial Art Galleries, Australia
8697.0	Performing Arts Industry, Australia
8698.0	Waste Management Industry, Australia
8699.0	Zoos, Parks and Gardens Industry, Australia

(a) Excludes 1996 Census of Population and Housing publications.

(b) List does not include a number of State specific new publications.

**Information Papers, Concepts, Sources and Methods
Publications and Directories issued in 1998–99 include**

Catalogue no.	Title
1299.0	An Introduction to Sample Surveys: A User's Guide
2039.0	Census of Population and Housing—Socio-economic Indexes for Areas, Australia
4151.0	Time Use Survey, Australia, confidentialised unit record file
4329.0	Mental Health and Well-being of Adults, Australia, confidentialised unit record file
5253.0	Upgraded Australian National Accounts
5254.0	Upgraded Australian National Accounts: Financial Accounts
5672.0	Expanded Use of Business Income Tax Data in ABS Economic Statistics—Experimental Estimates for Selected Industries 1994–95 and 1995–96
6274.0	Education and Training Experience, Australia, 1997, confidentialised unit record file
6422.0	Producer Price Index developments
6454.0	Introduction of the 13th Series Australian Consumer Price Index
7217.0	Directory of Agricultural Statistics
8508.0	Seasonal Influences on Retail Trade

APPENDIX 2

The Australian Statistics Advisory Council

The Australian Statistics Advisory Council was established by the *Australian Bureau of Statistics Act 1975*.

This is the twenty third Annual Report of the Council, and is made in accordance with sub-section 24(2) of the Act which provides that: 'the Council shall, as soon as practicable after 30 June in each year, prepare and submit to the Minister, for presentation to the Parliament, a report relating to matters connected with the operation of this Act'.

Under sub-section 18(1) of the *Australian Bureau of Statistics Act 1975* the Council is to advise the Minister and the Australian Statistician on:

- (a) *the improvement, extension and co-ordination 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.*

The Act enables the Minister or the Australian Statistician to seek the advice of the Council on these matters. The Council also offers advice on these matters to the Minister or the Australian Statistician when it considers it appropriate to do so.

The Act provides that the Council shall consist of a part-time Chairman, the Australian Statistician (ex officio), and between ten and twenty two part-time members, including one nominee of each State Premier and the Chief Ministers of the two Territories. The Chairman and members are appointed by the responsible Minister for periods of five years and up to three years respectively, and are eligible for reappointment.

The Chairman receives an annual fee, set by the Remuneration Tribunal, and members are reimbursed their travel costs, where applicable. Apart from the Chairman, no members receive remuneration for serving on the Council. Direct expenditure on ASAC during 1998–99 was \$61,300. These costs are met from the Executive component of the ABS budget allocation.

Secretariat services for ASAC are provided by the ABS. The office of ASAC Secretary is held by the Assistant Statistician of the ABS Policy Secretariat Branch. Secretariat support, mainly involving organising and recording of meetings, administering membership and the preparation of Council's Annual Report is provided by officers of the Policy Secretariat Branch. The cost of these services, which is included in the

The Australian Statistics Advisory Council *continued*

Branch's normal running costs, was estimated to be \$54,500 during 1998–99. Financial statements for the ABS are included in the ABS Annual Report.

In addition, ABS officers are involved in the preparation of many of the ASAC agenda papers.

APPENDIX 3

Membership of Council, 30 June 1999

		<i>Date first appointed</i>
Mr John Macleod	Chairman	17.3.83
Mr Bill McLennan, AM	Australian Statistician (ex officio)	3.4.95
Ms Christine Bierbaum	Director, Intergovernment Relations Department of the Premier and Cabinet South Australia	1.12.97
Mr Richard Cox	Director Economic Research and Forecasting New South Wales Treasury	1.5.97
Mr Alan Cullen	Executive Chairman Thinkbank Pty Ltd	1.5.97
Mr Clem Doherty	Board Member Australian Coalition of Service Industries	1.5.97
Prof. Meredith Edwards, AM	Deputy Vice-Chancellor University of Canberra	1.3.88(a)
Mrs Bridget Faye	Company Director	1.5.97
Dr David Filby	Director Strategic Planning and Policy South Australian Health Commission	1.4.98
Mr Tim Harcourt	Research Officer Australian Trade Commission	3.11.97
Dr Jeff Harmer	Managing Director Health Insurance Commission	3.11.97
Dr Ken Henry	Executive Director Economic Group Commonwealth Treasury	1.4.99
Ms Betty Hounslow	Director Australian Council of Social Service	1.5.97

Membership of Council *continued*

		<i>Date first appointed</i>
Dr Steven Kates	Chief Economist Australian Chamber of Commerce and Industry	1.9.91
Mr Mark Kerslake	Deputy Secretary Economic and Financial Policy Division Department of Treasury and Finance Tasmania	1.4.98
Mr Michael Kirby	Director Economic Policy and Financial Strategy Department of Treasury and Finance Victoria	1.9.98
Mr Tim Marney	Director Economic Policy Department of Treasury Western Australia	1.7.98
Prof. Max Neutze, AO	Research School of Social Sciences Australian National University	4.6.86
Dr Ron Sandland	Deputy Chief Executive CSIRO	1.10.94
Mr Tony Stubbin	Director, Economic Analysis Economic Services Division Northern Territory Treasury	3.2.97

(a) Did not serve on Council between April 1990 and March 1995.

APPENDIX 4

Changes in Membership Since 30 June 1998

July 1998	Mr Tim Marney appointed.
September 1998	Mr John Robertson resigned. Mr Gary Dawson appointed. Dr Michael Kirby appointed.
March 1999	Mr Gary Potts resigned. Mr David Smith resigned.
April 1999	Dr Ken Henry appointed.
May 1999	Mr Gary Dawson resigned.

APPENDIX 5

Meetings of Council 1998–99

15 July 1998
25–26 November 1998
24 March 1999

Attendance at meetings

		<i>Meetings attended</i>
Chairman	Mr John Macleod	3
Australian Statistician	Mr Bill McLennan, AM	3
State/Territory Representatives		
New South Wales	Mr Richard Cox	3
Victoria	Dr Michael Kirby(b)	2
Queensland	Mr David Smith(b)	2
	Dr Peter Crossman(a)	1
Western Australia	Mr Tim Marney	3
South Australia	Ms Christine Bierbaum	3
Tasmania	Mr Iain Meaney(a)	3
Northern Territory	Mr Tony Stubbin	2
Australian Capital Territory	Mr Gary Dawson(a)(b)	2
Other members		
current	Mr Alan Cullen	2
	Mr Clem Doherty	3
	Prof. Meredith Edwards, AM	3
	Mrs Bridget Faye	2
	Dr David Filby	3
	Mr Tim Harcourt	1
	Dr Jeff Harmer	2
	Mr Jeff Whalan(a)	1
	Ms Betty Hounslow	2
	Dr Steven Kates	2
	Ms Katherine Bates(a)	1
	Prof. Max Neutze, AO	3
	Mr Gary Potts(b)	1
	Dr Ken Henry(a)(b)	2
	Dr Ron Sandland	2

(a) proxy

(b) member for part year only—see Appendix 4 for details of changes in membership since 30 June 1998.

APPENDIX 6

Members' Participation in ABS Activities

Economic Statistics User Group	Mr Richard Cox Dr Steven Kates
Household Survey Program Review	Mr Clem Doherty
Information Economy Statistics	Prof. Max Neutze, AO
Labour Statistics Advisory Group	Dr Steven Kates

APPENDIX 7

Freedom of Information Statement

Below is a statement, as required by section 8 of the *Freedom of Information Act 1982*, about the structure of ASAC and how members of the public can obtain access to information held by it.

Establishment, organisation and functions

See The Australian Statistics Advisory Council (page 11).

Powers

As an advisory body, ASAC has no decision-making or other powers directly affecting members of the public. It does not administer any enactments or schemes.

Arrangements for outside participation

ASAC members are appointed by the Minister responsible for the ABS so that a broad range of views and interests is reflected in the advice that it offers to the Minister and the Statistician. Membership details are given on pages 13–17.

Persons or bodies outside the Commonwealth administration may participate in the Council's policy formulation by making representations to the Minister or the Chairman on matters of concern to them.

Categories of documents

The ASAC Annual Report, which is tabled in Parliament, is available from all ABS offices. Files are maintained which contain documents relating to the administration of the Council, papers discussed at Council meetings, summary records of proceedings of meetings and correspondence relating to the activities of the Council.

FOI procedures and initial contact points

All inquiries concerning access to documents, including inquiries under the *Freedom of Information Act 1982*, may be directed on weekdays, between 8.30am and 4.30pm, to the Secretary, Australian Statistics Advisory Council, c/- Australian Bureau of Statistics, Cameron Offices, Belconnen, ACT 2617—telephone (02) 6252 5533.