



FORWARD WORK PROGRAM 2017–18

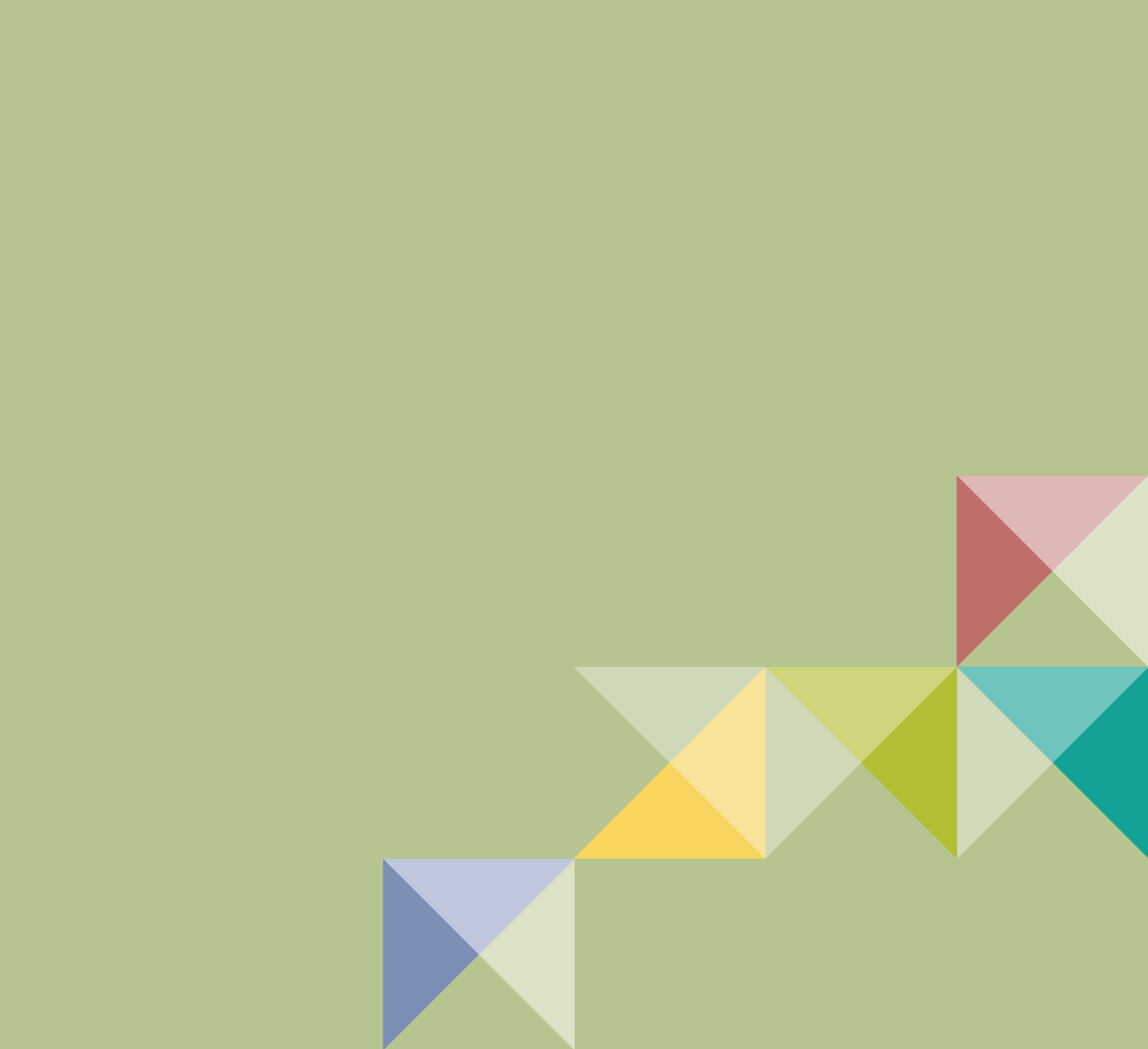




FORWARD WORK PROGRAM

2017–18







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PREFACE

The Australian Bureau of Statistics' (ABS) purpose is to inform Australia's important decisions by partnering and innovating to deliver relevant, trusted, and objective data, statistics and insights.

The information environment and the economy and society are constantly changing. The ABS, therefore, needs to continue to adapt to meet the changing information needs of governments, business and the community, while delivering rigorous official statistics within a constrained resource environment.

To meet Australia's contemporary and emerging statistical needs, the ABS is focusing on continuing to provide high quality official statistics on the economy, our population, society and environment. This information is critical to decision making, informing significant public policy and investment decisions, as well as our democratic institutions.

The ABS is also prioritising the delivery of new statistical solutions, particularly through data integration, that will enrich the information available to inform significant public policy issues and evaluate the effectiveness of government programs.

The ABS was directed by the Treasurer on 9 August 2017 to undertake the Australian Marriage Law Postal Survey. ABS is required to publish results from the survey by 15 November 2017.

And, finally, the ABS is prioritising its infrastructure modernisation, and workforce and organisational transformation, to ensure it can meet the challenges and opportunities of the future.

The ABS does not have the resources to undertake all the activities that our customers demand, and this has more than likely been the case for at least the last decade. I noted in the Forward Work Program for 2016–17, that we would be reviewing our work program, in consultation with governments and other key stakeholders in order to prioritise our product and service offerings.

That review has confirmed that the ABS is using its available resources for the highest priority statistics and there is very little scope for reducing the statistical program. Significantly, some of our important statistical information, especially some key social statistics, are only possible through significant user funding. The ABS is grateful for this financial contribution and support.

The review also confirmed the importance of continuing to invest in enhancements to economic statistics. This includes the annual re-weighting of the CPI, improving measurement of labour and productivity, and enhancing measurement of the non-market and service sectors.

To ensure the ABS has sufficient resources for these enhancements while maintaining core statistical outputs within our diminishing budget, we have had to make some choices regarding the statistical work program.

I encourage you to take the time to read through this Forward Work Program to gain a fuller understanding of the comprehensive program the ABS expects to deliver in 2017–18 and some of the changes we will be making.

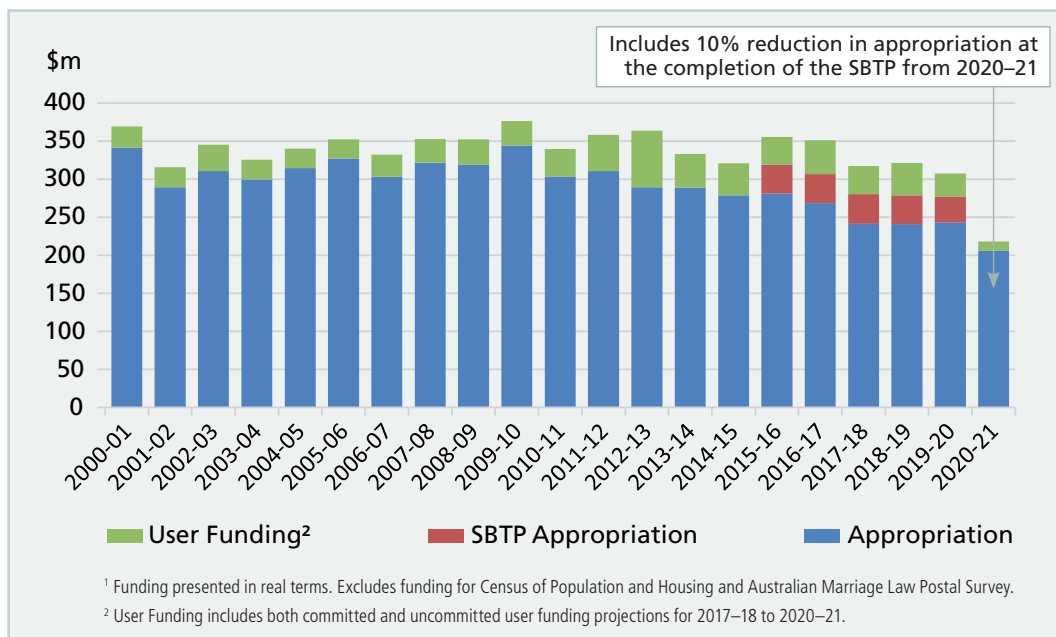
David W. Kalisch
Australian Statistician
October 2017

RESOURCE CONTEXT

The ABS operates within the confines of its legislation and the resources available. The ABS appropriation is reducing in real terms due to continuing efficiency dividends, whole-of-government savings and reduction in new policy proposals over many years.

The ABS has had an average annual appropriation of around \$290 million over the past 20 years (and less in recent years) to deliver our regular annual statistical program, together with around \$36 million in user funding. This excludes funding for the Census of Population and Housing, Statistical Business Transformation Program (SBTP), and the Australian Marriage Law Postal Survey in 2017–18. Over the next three years the ABS's appropriation will fall by approximately 10 per cent. In line with this decline in funding, average staffing levels will need to decline by around 17 per cent over the next two years.

Chart 1: ABS Funding, 2000–01 to 2020–21¹



Within the ABS appropriation envelope for the statistical program:

- around 55 per cent of appropriated funds are allocated to the economic and environment statistical programs;
- around 25 per cent of appropriated funds are allocated to the demography and social statistical program (including the Household Expenditure Survey, Survey of Income and Housing and the General Social Survey); and
- 20 per cent of appropriated funding relates to statistical infrastructure such as methodology, standards and frameworks, address and business registers and geospatial methods.

Changes in government policy and funding create challenges and opportunities for the ABS. For instance, the Government's significant streamlining in red tape for travellers departing Australia through the cessation of the Outgoing Passenger Card has required the ABS to invest up to \$2 million (with additional ongoing costs) in sourcing alternative data to ensure continued reliable estimates of state and territory populations. These population estimates are critical to the distribution of federal funding to the states and territories, and to the determination of electoral boundaries.

The Government has provided funding to the ABS for two major strategic initiatives:

- the Government's \$257 million investment over five years in the ABS's Statistical Business Transformation Program (SBTP) will, along with a significant investment by the ABS itself, deliver efficiencies, a better experience for our customers and reduce the statistical risks associated with aging infrastructure. Savings associated with anticipated efficiencies have been factored into the ABS's funding base from 2020–21.
- the 2017–18 Federal Budget included funding for the Data Integration Partnership for Australia (DIPA) initiative. This is a coordinated, whole-of-government approach to collecting, analysing and using existing public sector data, safely and securely, to provide new insights on complex policy issues. The ABS received \$37.7 million of the overall \$130.8 million funding over three years. This is to develop its data integration capability and deliver a data integration service to the Commonwealth Government.

In addition, under the direction of Government, the ABS is undertaking the Australian Marriage Law Postal Survey. Funding of \$122.0 million has been provided in 2017–18 to conduct and publish statistical information from the survey.

REVIEW OF THE ABS FORWARD WORK PROGRAM

Elements of the ABS work program are classified into four components (see Appendix 1). This prioritisation informs resource allocation and risk management decisions.

In 2016–17, the ABS consulted with stakeholders on the shape of the statistical forward work program. Consultations occurred with the Australian Statistics Advisory Council, the Economic Statistics Advisory Group, the Population and Social Statistics Advisory Group, relevant Commonwealth agencies and the states and territories. The advisory groups are comprised of academics, private sector representatives, and other Commonwealth and state and territory public service agencies.

The review confirmed that the ABS is focusing its funding from Government on the priority economic, demography and household expenditure and income statistics, as well as on statistical infrastructure used to support the various programs. Significantly, some important statistical information, especially key social statistics, are only possible through significant user funding. This support allows the ABS to produce information on important areas of public interest and significant government investment.

There is also high demand for statistics in a number of other areas, such as time use and mental health, that are not able to be undertaken within existing ABS resources.

Stakeholders were advised that the ABS will need to cease, change or seek user funding for some of the lower priority statistics. The Australian Statistics Advisory Council endorsed a general principle of user funding for lower priority statistics (classified as tier 3 statistics in Appendix 1).



STRATEGIC PRIORITIES FOR 2017–18

The ABS is focusing on three strategic priorities for 2017–18:

Priority 1: Providing high quality official statistics.

Priority 2: Transforming the ABS for the future.

Priority 3: Delivering new statistical solutions to maximise the value of public data.

Priority 1: Providing high quality official statistics

The ABS will deliver high quality official statistics to enable informed decision making by governments, business and the community. In doing so, the ABS will continue to work with its stakeholders including its strategic advisory groups and technical reference groups.

Key statistical deliverables for the ABS include Estimated Resident Population and associated demographic information, and the main economic indicators of Consumer Price Index, Labour Force Survey, National Accounts and the critical statistical inputs into these indicators.

An important deliverable in 2017–18 is statistical outputs from the Australian Marriage Law Postal Survey, to be released on 15 November 2017.

The ABS has also prioritised statistics that inform significant public policy questions and significant government spending decisions, most notably in the areas of health, disability and carers, welfare, education and Aboriginal and Torres Strait Islanders. In addition, the ABS environmental economic accounting work informs public debate about energy and water policy.

The planning and preparations for the 2021 Census has begun. The Census is a major exercise, with planning, development, testing, implementation and delivery spanning at least six years. The ABS is building on learnings from the 2016 Census experience (including findings from the MacGibbon Review, the Senate Inquiry and the Census Independent Assurance Panel established by the ABS) to deliver a 2021 Census which is easy for the general public, provides security of information and produces high quality data.

The 2021 Census Executive Board, chaired by the Australian Statistician, has been established to provide strategic guidance to the program. The Board includes two experienced, external members who bring insights from other major programs both within and outside of the public service.

Priority goals for 2017–18 are to:

- deliver the agreed ABS Statistical Forward Work Program to a very high standard in accordance with the ABS release schedule;
- improve the relevance of statistical outputs by driving innovative solutions, ensuring compliance with standards and improving coverage and coherence;
- work collaboratively with stakeholders to improve analytical capability and capacity, and take advantage of data development opportunities; and
- build and maintain strong relationships with data providers; across business, households and all governments.

Priority 2: Transforming the ABS for the future

The ABS transformation program is a key enabler to ensure the organisation continues to meet Australia's information requirements. The program is ongoing, as the ABS needs to be able to adapt to meet the changing information requirements of governments, business and the community now and into the future. The transformation program focusses on the following six dimensions:

- **Environment** – collaboration with stakeholders to understand and respond better to the current and future external environment.
- **Strategy** – strategies enabling rigorous statistics, strong partnerships, and effective use of resources.
- **Governance** – governance supports responsive decision making, prioritisation and management of enterprise risk.
- **People** – a diverse, expert, motivated and agile workforce.
- **Culture** – high performing, aligned, engaged, innovative and accountable.
- **Infrastructure** – our infrastructure is effective, efficient and adaptable.

Priority goals for 2017–18 are to:

- improve the quality of our stakeholder engagement, further enhance the awareness, coverage and use of ABS statistical information and insights across a wide range of users;
- improve workforce awareness of and preparedness for transformation;
- improve our workplace flexibility and productivity, capability and culture;
- update our risk management and privacy frameworks, policies, and processes;
- complete the development of key statistical infrastructure to enable the ABS to better manage data, metadata and workflows across all aspects of a statistical cycle;
- deliver re-engineered data collection capabilities to improve the experience of businesses and households providing information to the ABS;
- improve data dissemination capabilities that will make it easy for clients using our services to access and use ABS information, including through machine-to-machine access to ABS data;
- deliver automated data processing capabilities and enhanced data analysis capabilities; and
- prepare to bring on line the first statistical programs to the new more robust ABS statistical infrastructure.



Priority 3: Delivering new statistical solutions to maximise the value of public data

The information needed for research, policy, planning and targeting of government services and evaluation is becoming increasingly complex. In response, the ABS is creating new statistical solutions in collaboration with stakeholders. For example, the ABS will be leading the technical support for the Data Integration Partnership for Australia (DIPA) to provide integrated data assets and support access to data. This will enable the delivery of new statistical insights using integrated data and/or modelling techniques.

An important role that the ABS will continue to play is building public awareness, trust and support about the use of data. Greater use of administrative data and/or integrated data will reduce respondent burden and improve ABS efficiency and timeliness. The ABS will increase stakeholder engagement on the value and security of data integration.

Priority goals for 2017–18 are to:

- continue to work with partners to make better use of existing public sector data for policy analysis, research, and statistical purposes through the DIPA by:
 - delivering high priority data assets for DIPA and providing appropriate access to analysts;
 - expanding the utility of existing key integrated data assets to provide new public policy insights from the Multi-Agency Data Integration Project, Business Longitudinal Analytical Database Environment, and Linked Employer-Employee Database data assets; and
 - continuing to ensure safe and secure access to integrated data assets for statistical and research purposes.
- maximise the value of 2016 Census data, by releasing the:
 - Australian Census Longitudinal Dataset updated with 2016 Census data; and
 - updated Australian Census and Migrants Integrated Dataset.

RISK MANAGEMENT

As the accountable authority for the ABS, the Australian Statistician has a duty to establish and maintain systems relating to risk and control under Section 16 of the *Public Governance, Performance and Accountability Act 2013*.

The ABS's key risks relate to the quality, timeliness and usability of our statistics. A more rigorous and pragmatic framework has been developed to manage statistical risks and this will continue to be refined in 2017–18. Risks associated with the Statistical Business Transformation Program are also being actively managed and this will continue over the life of the program.

Managing secrecy and privacy risks will continue to be a priority for the ABS in 2017–18. This is vital to maintaining trust and fundamental to the ability of the ABS to collect high quality information. With the introduction of new privacy requirements for Australian Public Service entities, the ABS will be updating its processes in 2017–18. This, along with independent Privacy Impact Assessments, will support the ABS in effectively managing privacy risks.

The ABS is also actively engaging across Government in managing risk. This includes working closely with the Digital Transformation Agency on high risk information and communications technology projects and national security agencies on cyber security risks.

CHANGES TO FORWARD WORK PROGRAM

Enhancing Economic Statistics for an Evolving Economy

The ABS will invest in a number of innovative approaches to maintain and enhance the existing suite of economic statistics. These include:

- continuous enhancements in our economic measurement (for example, increased frequency of CPI re-weighting);
- enhancing measurement of growing areas of the economy, particularly the non-market and services sectors (for example, improving measurement of health output);
- enhancing the measurement of productivity through data integration and identifying the contributors to productivity (capital, labour, energy, materials and services); and
- building a dynamic and richer picture of the labour market by further enhancing our labour account and a linked employer-employee database.

Other Major Statistical Enhancements

The ABS is also undertaking a number of other important statistical enhancements. These include:

- implementing the new Government Finance Statistics standards in collaboration with Commonwealth, State and Territory finance departments;
- implementing new methods for producing overseas arrivals and departures data and estimates of Net Overseas Migration using alternative data sources;
- enhancing statistical and administrative data to enable production of geostatistical measures of the built and natural environment; and
- producing new environmental economic accounts on key sectors or regions (for example, the Great Barrier Reef).



Proposed reductions to elements of the ABS Forward Work Program

After consultation with key stakeholders about the prioritisation of the ABS statistical work program, a number of changes were proposed to ensure the ABS has sufficient resources to facilitate the new, higher value work priorities noted above. These changes were chosen to avoid compromising core economic statistics, and taking stakeholder input into account:

- cease the biennial Household Use of Information Technology statistics from the 2018–19 cycle, and the monthly Motor Vehicle Sales from the beginning of 2018;
- cease the Statistical Clearing House (SCH) from August 2017. Commonwealth agencies are no longer required to submit their business surveys to the SCH for review and approval;
- consult with relevant agencies on the cessation of the Agricultural Land and Water Ownership Survey, noting that a Senate Inquiry recommended that the Australian Taxation Office's Foreign Ownership of Agricultural Register is used as the primary source of data on foreign investment in Australian agriculture;
- seek user funding for the continuation of the quarterly Industrial Disputes collection and the bi-annual Internet Activity Survey from 2018–19;
- seek user funding for some annual components of International Trade statistics;
- reduce or streamline outputs for Housing Finance statistics, Lending Finance statistics, and Tourism region maps from 2018–19; and
- adopt a new collection model for the General Social Survey.



APPENDIX 1: ABS WORK PROGRAM BY COMPONENT

Elements of the ABS work program are classified into four components. These are used to assist with prioritisation undertaken by the ABS. This work was informed by the development of the list of *Essential Statistical Assets for Australia* (cat. no. 1395.0), in consultation with a wide range of stakeholders.

COMPONENT	
Tier 1	Statistics that are considered to be the foundation work of a national statistical organisation.
Tier 2	Important areas of statistics where there is a significant government outlay or where there is a significant public policy interest.
Tier 3	Other important statistical work that is currently undertaken to meet identified user requirements that could be deemed as falling beyond tiers 1 and 2.
Foundational capabilities	Essential institutional statistical and other capabilities required to deliver a quality national statistical service. These capabilities are reviewed and prioritised on an ongoing basis.

Refer to Tables below for the ABS work program classified into four components.

Table 1 – Tier 1

PROGRAM	
National Accounts	Quarterly and annual statistics of Gross Domestic Product and its components Input Output tables
International Accounts	Australia's Balance of Payments Estimates International Investment Statistics International Merchandise Trade International Trade in Services Statistics
Business Indicators	Private New Capital Expenditure and Expected Expenditure Quarterly Business Indicator Surveys Retail Trade Consumer Sales Dwelling and Other Building Approvals Construction related gross fixed capital formation – Building Activity and Engineering Construction
Industry Statistics	Economic Activity Survey – core Water Supply and Sewerage Supply / Use Survey
Financial Statistics	Quarterly Australian Prudential Regulation Authority and the Managed Funds Survey Survey of Financial Information
Public Finance	Government Finance Statistics
Employer Statistics	Survey of Average Weekly Earnings Major Labour Costs (irregular) Survey of Employee Earnings and Hours (biennial) Survey of Employment and Earnings
Labour Statistics	Labour Force
Census of Population and Housing	Census of Population and Housing
Prices	Consumer Price Index Wage Price Index Producer Price Indexes International Trade Price Indexes Pensioner and Beneficiary Living Costs Index
Demography	Estimated Resident Population Births and Deaths Indigenous Mortality Overseas Arrivals and Departures
Living Conditions	Household Expenditure Survey Survey of Income and Housing
International Relations	Collaborating with international statistical agencies and other organisations e.g. United Nations Security Council, Organisation for Economic Co-operation and Development

Table 2 – Tier 2

PROGRAM	
National Accounts	Annual productivity statistics (including annual estimates of multi-factor productivity)
	Annual State Accounts
Business Indicators	Mineral and Petroleum Exploration
Industry Statistics	Economic Activity Survey – rotating (detailed industry data for National Accounts benchmarks)
	Business Characteristics Survey (part user funded)
	Business Longitudinal Analysis Data Environment (BLADE)
	Business Demographics program
Financial Statistics	Housing Finance Statistics
Employer Statistics	Job Vacancies Survey
Agriculture Statistics	Agricultural Census (five yearly)
	Rural Environment and Agricultural Commodities Survey (annual)
	Value of Agricultural Commodities Produced (annual)
Environment Statistics	Environment Accounts, including Water Account, Energy Accounts and Land Accounts
	Environmental Indicators Surveys (irregular)
Labour Statistics	Barriers and Incentives to Labour Force Participation
	Characteristics of Employment
	Retirement and Retirement Intentions
	Work Related Injuries
Census of Population and Housing	Australian Census Longitudinal Dataset
	Australian Census and Migrants Integrated Dataset
Prices	Residential Property Prices Indexes
Transport and Tourism Statistics	Motor Vehicle Census
Demography	Population Projections
	Regional Population Growth
Social Conditions	Multi-agency Data Integration Project
Education and Training	National Schools Statistics Collection
	Survey of Education to Work
	Work Related Training and Adult Learning
Health and Disability Statistics	Causes of Death
	National Health Survey (part user funded)
	National Aboriginal and Torres Islander Health Survey (user funded)
	Survey of Disability, Ageing and Carers (user funded)
Migrant Statistics	Characteristics of Migrants
Regional Statistics	Data by Region (national regional profiles)

Table 3 – Tier 3

PROGRAM	
International Accounts	Survey of Foreign Currency Exposure (user funded)
Industry Statistics	Internet Activity Survey
	Household Use of Information Technology Survey
	Research and Experimental Development – Business, Government, Private Non-Profit and Higher Education
	Venture Capital and Later Stage Private Equity (user funded)
Financial Statistics	Assets and Liabilities of Australian Securitisers
	Lending Finance
Employer Statistics	Industrial Disputes
Agriculture Statistics	Foreign Ownership of Agricultural Businesses, Land and Water Entitlements
	Wool Receivals, Purchases and Sales Survey
	Livestock, Poultry and Game Slaughtering (part user funded)
Transport and Tourism Statistics	Tourism Satellite Account (user funded)
	New Motor Vehicles Sales
	Survey of Motor Vehicle Use
Crime and Justice Statistics	National Recorded Crime Victims & Offender Statistics (part user funded)
	National Criminal Courts Statistics (part user funded)
	National Corrective Services Statistics (part user funded)
	Crime Victimization Survey
Culture and Recreation Statistics	Cultural Participation and Attendance (user funded)
Demography	Marriages and Divorces
Education and Training	Childhood Education and Care Survey
	National Early Childhood Education and Care (user funded)
Health and Disability Statistics	Patient Experience Survey
	Private Health Establishments (part user funded)
Regional Statistics	Regional Economic Data
Social Conditions	Longitudinal Survey of Australian Children (user funded)
	Personal Safety Survey (user funded)
	General Social Survey
International Relations	Indonesia Government Partnership Project (funded by the Department of Foreign Affairs and Trade)
	Statistical development work in the Pacific, Fiji, Papua New Guinea and Timor-Leste (funded by the Department of Foreign Affairs and Trade)
Methodology	Analytical methods for emerging data sources
	Research and development to compile and analyse statistics

Table 4 – Foundational Capabilities

PROGRAM	
Register and Frameworks	Address Register
	Business Register and Tax Data program
	Classifications
	Data standards and methods
	Geospatial standards and methods
Methodology	Statistical methods
	Statistical quality assurance
	Statistical risk management
Transformation	Data integration
	Engagement strategy
	Microdata futures (enhanced microdata access)
	Partnership projects
	Statistical Business Transformation Program
	Statistical services to the state and territory governments (partly user funded by state and territory governments)
	Statistical Spatial Framework
Workforce strategy	
Enabling Services	Communications
	Customised data delivery
	Data acquisition
	Dissemination and publishing
	Finance
	Human resources
	IT infrastructure
	Microdata delivery
	Provider management
	Security
Survey management	



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