

The Parliament of the Commonwealth of Australia

JOINT COMMITTEE OF PUBLIC ACCOUNTS

192ND REPORT

COLLECTION AND DISSEMINATION OF STATISTICS

- A DISCUSSION PAPER -

Australian Government Publishing Service
CANBERRA 1981

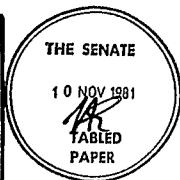
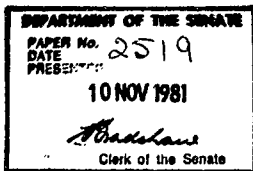


The Collection and Dissemination of Statistics—A Discussion Paper

Report

192

Joint Committee of
Public Accounts



The Parliament of the Commonwealth of Australia

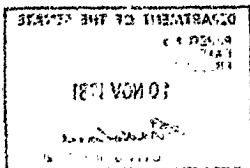
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JOINT COMMITTEE OF PUBLIC ACCOUNTS

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DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

8.(1) Subject to sub-section (2), the duties of the Committee are:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

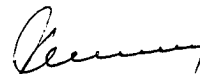
PREFACE

This report on Collection and Dissemination of Statistics is presented as a discussion paper. It is a product of the long standing interest of The Joint Parliamentary Committee of Public Accounts in public administration, particularly those aspects of management which have a significant impact on the quality of administration within the Public Service.

The purpose of this paper is to foster discussion of the issues which the Committee has raised. We are conscious of the fact that modern society requires the most accurate and up-to-date statistics which can be cost effectively collected and collated and made available to all who wish to use them.

The Committee hopes that this discussion paper will draw further attention to some important points in this area. We trust that our comments are taken seriously and lead to changes that could have great economic benefit for the community at large. We would welcome further contributions from interested individuals or organisations on this subject.

For and on behalf of the Committee.



David M. Connolly M.P.
Chairman



M.J. Talberg,
Secretary
Joint Committee of Public Accounts
Parliament House
CANBERRA

24 September 1981

Assistance in the preparation of this draft discussion paper was provided by the following organisations and individuals:

Australian Law Reform Commission
 Confederation of Australian Industry
 Australian Industry Development Corporation
 Australian Association of Independent Businesses Ltd
 Australian Bureau of Statistics
 Australian Taxation Office
 Sir John Phillips, KBE, Chairman, Australian
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 Australian National University
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 Taxpayers Association
 Mr D. Irequair, Statistics Canada

COLLECTION AND DISSEMINATION OF STATISTICS

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CHAPTER 1

INTRODUCTION AND SUMMARY OF CONCLUSIONS

1.1 Availability of accurate, up-to-date and comprehensive statistics to monitor the effects of policy decisions and to provide information for formulating new policies on the full range of governmental activities and upon which business decisions can be made has always been important. The need has never been greater, as we move into the 1980s faced by a wide range of economic and social issues requiring government decisions and action. We need better statistical information if Australia is to hold and improve its place in the world economy, and if internal difficulties are to be overcome.

1.2 This report discusses a number of issues relating to the collection and dissemination of statistics by the Commonwealth Government, and makes suggestions aimed at effecting improvements in the quality of statistics collected and economies in carrying out the task. This in turn could lead to resources being freed to enable the collection of information now unavailable but regarded by many as vital.

1.3 While the benefits that can and do flow from the availability of statistics are considerable, so are the costs of obtaining them, to both the public and the private sector, as governments impose a significant workload on private firms and citizens acting as respondents in statistical collections. Paperwork imposed by governmental regulatory activities represents an even greater workload on the community. In some overseas countries, notably USA and Canada, governments have taken substantive action to reduce the burden imposed on their citizens in completing government paperwork. Although the Australian Bureau of Statistics (hereafter called the Bureau) has attempted to reduce the burden of statistical collections it appears to the Committee that additional steps should be taken for further reductions in this area.

1.4 Large amounts of time and money are consumed annually by the "statistics industry". The demand for more statistics appears to be insatiable, but it is not always accepted that the benefits to be gained from collecting still further statistics might be less than the costs.

1.5 In spite of large manpower and financial resources currently being put into the collection and dissemination of statistics, there are several major deficiencies that could be remedied. This Report makes some suggestions aimed at doing that. Some other issues that might require deeper consideration by the Committee or by other relevant bodies at a later date have been raised to encourage debate.

1.6 This discussion paper is tabled at a time when the Bureau and the Taxation Office are jointly examining the potential use of identified taxation data of individual businesses in the compilation of economic statistics (see Appendix C). Access to identified taxation data was first recommended in 1974 in the Report on the Integration of Data Systems ("Crisp Report"). The results of the joint investigation are to be presented to the Treasurer in due course. The Public Accounts Committee (hereafter referred to as the P.A.C.) sees this discussion paper as providing background information on the advantages and disadvantages of access to identified tax data.

1.7 The P.A.C. is fully aware that access to identified taxation data is a complex and sensitive issue. However, there has been a reluctance on the part of the Bureau and the Tax Office to inform the P.A.C. of progress made in the joint investigation. We would have thought that as a result of the 1979 visit to Canada and the U.S. by Bureau and Tax officers there would have been some more tangible headway by this time.

1.8 The initial costs of matching of data in the Bureau and Tax Office must be weighed against the benefits of reduced statistical collections on small business and maintenance of an up to date business register. The P.A.C. believes that experience in Canada and the USA has shown that access to taxation data for the compilation of economic statistics has been successful in providing data and reducing paper work. The Tax Office has warned of the dangers of destroying taxpayer confidence. However, the Australian Law Reform Commission supports the proposal provided the third party, in this case, the Bureau, is bound by at least the same standards as those binding the record keeper, in this case the Tax Office. The Australian Taxpayers Association and the Confederation of Australian Industry also favour the proposal.

Summary of Conclusions (numbers in brackets refer to the chapter where the particular item is discussed)

1. the co-ordinating powers of the Australian Bureau of Statistics be clarified and strengthened, if necessary by amending legislation; (2.33)
2. the Bureau of Statistics examine the establishment and maintenance of a central register of statistical information similar to the "Federal Information Locator System" introduced in the U.S. "Paperwork Reduction Act of 1980"; (2.36)
3. all agencies be required to consult this register and obtain Bureau approval before embarking on any statistical collection above a level of complexity or size defined by the Bureau; (2.36)
4. the Income Tax Assessment Act be amended to allow taxation data of businesses, including identifying information, to be made available to the Bureau of Statistics; (2.16)

5. a pilot study using tax data on identified small businesses in a restricted sample (to run concurrently with the present system of data collection) should be set up to highlight the advantages and problems involved and to test the suitability of taxation data as a basis for compilation of economic statistics; (2.31)
6. additional socio-economic information be collected in conjunction with annual tax returns; (2.39)
7. the Bureau should encourage consistency in standard data concepts, definitions and classifications of data collected and statistics produced; (2.36)
8. the Census and Statistics Act be amended to allow for maximum utilisation of the data available, as recommended in the Crisp Report; (2.34)
9. administrative or legislative action be taken to ensure that data collected by all Government agencies is published where practicable and/or made available to other users; (2.35)
10. serious consideration be given to examining Canadian and US initiatives aimed at reducing the paper burden imposed by governments with a view to taking similar substantive measures in Australia; (3.5)
11. the Working Group on financial statistics be urged to complete its review by the end of 1981; (3.9)
12. a joint examination of the nature and scope of statistical collections by the Bureau and other Governmental agencies be undertaken by a panel comprising officers of the Bureau and external users and experts with a view to strengthening the coordinating role of the Bureau in the authorisation and review of data collections; (4.3)
13. an inter-departmental committee, similar to the Standing Committee on Statistical Collections advocated in the Crisp Report, be established to advise on urgent and important matters relating to statistical programs and priorities; (4.18)
14. charging for Bureau statistical publications be introduced where possible (5.13)
15. the charging procedures used by "Statistics Canada" be carefully studied by the Bureau with a view to adopting a similar policy in Australia. (5.17)

CHAPTER 2

THE CRISP REPORT

Background

2.1 The Report* of the Committee on Integration of Data Systems (The Crisp Report) was tabled on 17 July 1974. The Report had been commissioned by the Government on 11 December 1973. The Committee of five was asked to "advise on the general principles and administrative arrangements which would enable the Government to integrate the various departmental data systems servicing related areas of its social and economic policies"***

2.2 The Crisp Inquiry was asked to complete its report by the end of March 1974, and to produce "... a non-technical report which could serve as a general basis for Government decisions on the administrative and other action which is desirable if adequate and integrated data systems ... are to be established".** An attachment to the commissioning letter (see Appendix B of this report) contained a summary of general considerations that had led to the establishment of the Inquiry. These were based on a desire for better co-ordination and integration of data systems.

2.3 The Report was presented on 31 March 1974, only three and a half months after it had been commissioned. The very tight deadline for its preparation inevitably meant that many complex matters raised required extensive follow-up, even if all recommendations were accepted by Government.

Deficiencies identified

2.4 The Report identified three major deficiencies in Commonwealth data systems in use:

- (a) inadequate co-ordination
- (b) poor communication between producers and users of statistics
- (c) limited accessibility to much existing data.

Seven years later it is regrettable that several of the substantive recommendations of the Crisp Report are not in operation and, as a result, many deficiencies remain.

*The Committee on Integration of Data Systems, Report of the Committee on Integration of Data Systems, Canberra 1974, Parliamentary paper 99/1974

**Letter from Mr Whitlam to Professor L.F. Crisp of 11 December 1973

Co-ordination

2.5 The Report distinguished between what it called "conceptual co-ordination"* and "physical co-ordination".** Major deficiencies in both areas in data systems of government departments and agencies including the Bureau were identified.

2.6 The major problems lie in separate departmental collections that have tended to be developed independently of the Bureau and of each other. In the past, these led in some cases to duplication of work (for government departments and respondents), and consequent waste of resources, as well as inconsistency of definitions etc, causing severe practical difficulties in using statistics from different sources. The confusion which related to two sets of unemployment statistics, one produced by the Bureau and the other by the Commonwealth Employment Service (CES) was the best known example of difficulties that arise from this lack of co-ordination and differences in specification.***

2.7 Such considerations led the Crisp Inquiry to recommend that the central statistical authority be given wide powers to ensure that both conceptual and physical co-ordination occurred.

Communication

2.8 The Report referred to deficiencies in consultation between different producers of official statistics, and between producers and users. The essential problem was seen to be the identification of needs and priorities.

2.9 The Inquiry believed that some proof of inadequacy in existing procedures for assessing needs was that organisations making submissions reported that 137 collections were "needed" but not available. These are listed in Appendix V to the Report of the Inquiry. However, the Public Accounts Committee believe that such a large "shopping list" does no more than illustrate the insatiable desire for more and more statistics, and in itself says nothing about the adequacy or otherwise of the line of communication between producers and users. This is not to say that the question of

* Conceptual co-ordination relates to standard data concepts, definitions and classifications.

** Physical co-ordination refers to actual collections and processing.

*** The CES statistics were a by-product of an administrative system designed to provide CES with management type information about its work load and its operations. Counts of the numbers registered with the CES may have been interpreted as estimates of unemployment. The ABS figures are statistical estimates and part of a wide range of data available from household surveys. In line with the recommendations of the International Labour Organisation, people are classified as unemployed if they did not do more than 1 hours paid work and were actively seeking work during the week to which the ABS survey refers.

relative priorities is not still a major problem as we have the distinct impression that with statistical collections, departments have adapted a beggar-thy-neighbour attitude.*

2.10 The Inquiry recommended that a "National Statistics Advisory Council" of 24 persons be established as a statutory body to advise the Treasurer and the Statistician, mainly on priorities. In the event, this body has been termed the "Australian Statistics Advisory Council". In addition, a senior interdepartmental standing committee was proposed to advise on day to day matters involving conflicts between Government departments (including the Bureau) on programs, allocation of resources and other matters in the statistical field.

Accessibility to Data

2.11 The Inquiry concluded that a large amount of information, collected at considerable public and private cost, was not being used as effectively as possible because of unnecessarily restrictive access allowed to potential users. Some of those restrictions arose because of the need to maintain confidentiality and trust on the part of respondents, and some were based on very stringent legislative provisions, which had themselves been based on a desire to protect confidentiality and to engender confidence in respondents.

2.12 The Report made particular reference to the Census and Statistics Act and the Income Tax Assessment Act as the most important examples of legislation that could profitably be amended to allow much more value to be gained from available information without breaching confidentiality. The Commissioner of Taxation takes the view that the provision of confidential taxation information to the Statistician, by extending the number of people who could have access to taxation information, would be undesirable from the viewpoint of taxpayer confidence and compliance.**

2.13 Section 16 of the Income Tax Assessment Act (see Appendix D) describes the restrictions under which information on taxation returns can be communicated to organisations outside the Tax Office. The P.A.C. has given careful consideration to the possible diminution of taxpayer confidence in the event of access by the Bureau to identified data on small businesses. The P.A.C. is supported in its opinion that taxpayer confidence will not be diminished by

* Government departments and agencies are not, however, the sole providers/collectors of statistical information. The private sector (eg. the Real Estate Institute of Australia) also contribute to the body of statistical information.

** Letter to P.A.C. 18 September 1981.

the Australian Law Reform Commission and the Australian Taxpayers' Association. Experience in both Canada and the USA has shown public acceptance of legislation allowing for access to identified taxation data. In 1979, officers from the Bureau and the Tax Office visited Canada and the USA to investigate the possible use of identified taxation data in the compilation of economic statistics (see Appendix C).

2.14 In a submission to the Crisp Inquiry, the Commissioner for Taxation expressed concern at the prospect of individual tax returns being made available to the Statistician.* In fact, the recommendation that this be done was rejected. The issue of taxation records of individual wage and salary earners being made available to the Bureau is not under discussion in this paper.

2.15 The Bureau informed the P.A.C. that it did not wish to have access to the returns of persons, but is interested in taxation data of identified businesses, as one way of reducing paper burden, particularly on small businesses.

2.16 Broadly the purpose of obtaining access to identified individual records of businesses is to enable the taxation data to be dovetailed with Bureau data. For smaller businesses it can be used to supplement Bureau data, reducing significantly the amount of information the Bureau would otherwise need to collect. The P.A.C. notes that there are safeguards in the Census and Statistics Act to ensure the confidentiality of information provided to the Bureau which are stronger than that in the Income Tax Assessment Act. The advantages of access without removing the identity of the business were explained in a paper provided to the P.A.C. by the Bureau. (See Appendix C.**). Based on these arguments, there is merit in allowing the Bureau access to the taxation data of identified businesses. The initial costs of matching data from tax records to fit Bureau categories must be weighed against the expected benefits in the form of reduced respondent burden.

2.17 In addition, there would be gains in improved coverage by giving the Bureau access to names and addresses of taxpaying businesses (particularly for non-employer businesses) for updating the Bureau's register.

Response to the Crisp Report

2.18 Key decisions taken in 1974/75 were to accept recommendations relating to the establishment of the Australian Bureau of Statistics as the central statistical authority, with the apparent intention of giving the Bureau wide co-ordinating powers as recommended in the Report. The legislation has failed in this primary aim, essentially

* The Committee on Integration of Data Systems, op. cit., p. 56.

** The Tax Office commented on several points made in Appendix C. These differences will be addressed by the Joint Bureau/Tax Office investigation.

because of the lack of explicit powers provided to the Bureau.

2.19 The Australian Bureau of Statistics Bill was introduced into the House of Representatives on 27 February 1975. In his Second Reading speech, the Minister said:

"The main provisions of this Bill ... are to establish the Australian Bureau of Statistics as a statutory body to fulfil the functions of a central statistical authority"* (See Section 6 of the Act at Appendix C).

2.20 In the Second Reading debate, Mr Eric Robinson M.P. supported the main thrust of the Bill but said:

"... the Opposition would like to see the framework of this new body more defined. We accept that it is desirable to avoid duplication, that it could well be that there is a substantial degree of duplication amongst all the departments involved today in keeping records, but because of the lack of detail in this Bill the Opposition is not convinced that that problem necessarily will be overcome".**

These misgivings have been completely justified by events, but corrective action has still not been taken.

Implementation of the Report

2.21 The Government in 1974 had accepted all but two of the recommendations made. Those rejected were that the Income Tax Assessment Act be amended to give the Statistician access to individual tax returns, and that the legislation make explicit that the Minister responsible for the Bureau would be the Treasurer. (The responsible Minister in 1975 was the Special Minister of State. Currently the Treasurer administers the Bureau but the legislation does not require that this be so.)

2.22 The current situation regarding the key questions of co-ordination of statistical collections and accessibility to data is still very unsatisfactory. Although a principal aim of the 1975 legislation was to give the Bureau "... the functions of a central statistical authority to ensure that all statistical operations in government departments are integrated within a common framework ...".*** the Bureau has not assumed this co-ordinating role in the way envisaged. Indeed there is uncertainty within the Bureau as to its legal powers under Section 6 of the Australian Bureau of Statistics Act. The Statistician expressed doubts to the Committee as follows:

* Bowen, Lionel, M.P., Special Minister for State, House of Representatives Hansard, 27 February 1975, p 835.

** Robinson, Eric, M.P., House of Representatives Hansard, 16 April 1975, p. 1698.

***Bowen, Lionel, M.P., op. cit., p 836.

"11 ... One opinion is that the 1975 Australian Bureau of Statistics Act provides the ABS with full authority to co-ordinate statistical activity. Another view maintains that it confers no authority because it contains no provisions making it obligatory for other departments and agencies to acknowledge the ABS's role and that further legislation is needed to establish powerful organisational structures and administrative procedures firmly under the control of the ABS to ensure co-ordination, complete with appropriate sanctions to enforce compliance. So far, the ABS has sought to carry out its co-ordination function by persuasion rather than by seeking to invoke the provisions of the Act.

"12 The degree of access or influence which the ABS has with regard to the administrative records of other departments and agencies has been limited by the extent to which the ABS has been able to persuade those organisations to co-operate. As a result the ABS lacks an effective means of control over the range and quality of statistical data from administrative sources which are consequently often underutilised."

2.23 In a subsequent submission to the P.A.C.** it was stated that:

"...the situation with regard to coordination is not mainly attributable to the lack of explicit powers conferred on the ABS. Our approaches to Departments for the purposes of preparing the catalogue of collections met with ready cooperation....

In short, it would widen the scope for coordination if Departments were obliged to seek clearance from the ABS for new collections, sufficiently in advance of plans being finalised to enable the ABS to undertake the necessary investigations. The reason I have not sought such legislation is partly that outright duplication in statistical collections is rare and partly that it would not be easy to free staff for the necessary investigations, if legislation on those lines were enacted."

The P.A.C. would welcome a more effective coordinating function by the Bureau.

2.24 The changes to the legislation to facilitate maximum utilisation of available data recommended in the Crisp Report were:

* Submission from the Australian Bureau of Statistics to the Joint Committee of Public Accounts : The Implementation by Government of the Crisp Report, January 1980.

** ABS Submission of 17 February 1981.

- to lift restrictions on returning information collected;
- to enable release of identifying information and industry codes on businesses where it is in the interests of efficient statistical service and not prejudicial to the interests of businesses;
- release of statistics relating to government departments and authorities;
- individual returns relating to overseas imports and exports, shipping movements and cargo at ports.

So far, progress made in implementing the proposed legislative changes has been minor (see Appendix H and paragraph 5.6).

Legislative Changes Introduced to Reduce Paper Work in Canada and the U.S.A.

CANADA

2.25 Corporations and Labour Unions Returns Act of 1962 (CALURA)

As early as 1965, CALURA was amended to allow financial data from tax returns from corporations (companies in Australian terminology) to be used for the compilation of economic statistics in response to pressure of complaints from companies on the amount of paper work imposed by collections under this Act, of which Statistics Canada was the administrator. The companies suggested that the information could be derived from tax returns. Prior to 1965, corporations had to submit a separate financial statement to Statistics Canada. Individual taxation returns, are transferred from Revenue Canada to Statistics Canada.*

2.26 Statistics Act

Amendment of the Statistics Act in 1971 allowed the transfer of financial and social data on individuals and unincorporated businesses from tax returns for use in economic and social statistics. In the design of taxation forms, Revenue Canada considers requests from Statistics Canada for modifications in the forms that would enhance their use for economic and social statistics. Identified data on individuals and unincorporated businesses from the tax returns is micro-filmed and transferred to the Tax Record Access Unit in Statistics Canada for combination with financial data. Within Statistics Canada access to individual taxation information is strictly controlled by Tax Record Access Unit employees. Sample comparisons of data collected on tax returns for the smaller businesses suggest that they are as reliable as data on statistical returns of these businesses.

* Amendments to CALURA which would exempt 80,000 firms from reporting and allow for wider screening of the information collected under the Act are before the Canadian Senate for second reading.

2.27 Taxation data is used more and more in the compilation of statistics on manufacturing, construction, merchandising, services and road freight transport industries. For example, in the recent construction census direct collection of statistical data was confined to a sample survey of 10,000 out of a total of 80,000 units; data from taxation records were used for the remaining units. The introduction of the use of taxation data in the compilation of statistics occurred gradually, industry by industry, because of various difficulties in matching of taxation and statistical units and data and the initial costs in the changeover. Because of conceptual difficulties, tax data is not used in the agricultural finance collection. A business register is maintained using information from the payroll system, tax returns and direct surveys of businesses. The linking of tax data to the personal identifier (Social Insurance Number) and the use of the Canadian postal code for geographic identification permitted the use of tax data in the output of economic and social statistics.

2.28 The setting up of the Office of Paperwork Reduction in 1978-80* (see also 3.7) has resulted in a tight control over statistical collections, all of which now have to be authorised if over ten respondents are involved. The office imposes rigid statistical standards and prevents duplication of collections. Users of statistics, be they Government departments or private companies, are obliged to pay for statistical collections carried out by Statistics Canada when done primarily for the requesting department or private agency. There is a marketing unit of the organisation for the distribution and sale of statistics.

U.S.A.

Paperwork Reduction Act of 1980

2.29 The recent Paperwork Reduction Act was introduced in an attempt to cut down on the enormous cost of Federal paperwork, an estimated \$100 billion per year in the U.S.A. or equivalent to \$500 per year for every man, woman and child. The legislation provides for very strong central control of and accountability for the collection and use of data by the Office of Management and Budget (OMB). Each authorised collection is given a control number, expiry date, description of users and whether the information is voluntary or mandatory. The public is warned to ignore "bootleg" collections. Data on collections and agencies is stored in the Federal Information Locator System. The OMB works on a 60

* Elimination of 104 surveys and simplification of a further 55 by Statistics Canada, under the guidelines of the Office of Paperwork Reduction, resulted in an annual saving of \$25 million. Fact Sheet "Measures to Reduce Paperburden" by Office for Reduction of Paperburden.

day clearance process for data collections. A goal of 25% reduction in paperwork within 3 years, with the OMB providing feedback on assessment of implementation of the new legislation has been set out in the Act. Thus the role of the OMB in coordination and communication of and access to data is stronger and much more clearly defined than that of the Australian Bureau of Statistics. The estimated costs of implementing the Paperwork Reduction Act are:

1981	\$8.1 million
1982	\$8.5 million
1983	\$9.0 million

Achievement of the target reduction in paperwork will justify the costs incurred.

2.30 Taxation returns or information reflected on returns can be made available for statistical use to the Bureau of Census and the Bureau of Economic Analysis in the Department of Commerce, the Federal Trade Commission and the Department of Treasury.* Internal Revenue Service and Social Security Administration data are used to maintain a complex business register and to provide population, demographic and per capita money income information.

2.31 Access to taxation data has reduced the respondent burden and the cost of collections by using the existing data source in both the U.S.A. and Canada. The problems involved in access to tax data, those of industry classifications, matching of administrative or taxation units with statistical units, extent of coverage and currency of collections, may make the initial cost of using tax data greater than that of "tailor-made" collections. If the goal of reducing the respondent burden in Australia is to be met, close collaboration between the Tax Office and the Bureau over design of forms, information to be collected and matching of units is mandatory. A pilot study would serve to illustrate the advantages of access to identified tax data for the compilation of economic statistics.

2.32 It is relevant to consider the prevailing attitude of the public to the transfer of tax data for statistics. In North America, the transfer is facilitated by the use of universal personal identifiers. In a previous report** the P.A.C. briefly examined the possibility of introducing an Australia-wide system of identification cards. The question was raised in relation to fraudulent applications for social security benefits. The P.A.C. recommended the use of personal identifiers be examined in more detail.

* Title 26 United States Congressional Service §6103.

** Joint Parliamentary Committee of Public Accounts, Report No. 167, Canberra 1977, Parliamentary Paper No. 232/1977, page 51.

Discussion

2.33 In spite of uncertainty in relation to the principal purpose of the Australian Bureau of Statistics Act the Bureau explained to the P.A.C. that it had not sought a legal opinion on its powers with respect to the co-ordination of statistical activities of official bodies. The Act places obligations on the Bureau, rather than on Departments. Thus the Bureau does not see itself as having powers of compulsion over Commonwealth or State Departments, nor does it wish for such powers. In case of dispute over proposed data collections by the Bureau, the recourse of discussion at the Ministerial level is available. The lack of action by the Bureau to clarify its own powers is unsatisfactory, but one of the difficulties has been that the Bureau has seen itself essentially as a servicing organisation with little background for policy input. While the Bureau has the necessary skills for input into statistical policy, judgements must be exercised in its consultative role with user organisations. It is the view of the P.A.C. that the Bureau should be working towards taking an active part in deciding priorities on collections made in other Government departments and instrumentalities.

2.34 No changes have been made to the Census and Statistics Act as recommended in 1974, in spite of acceptance of the need for such a change by all major political parties. The Treasurer announced on 10 September 1980 that a number of changes will be made to the Act, following recommendations made by the Law Reform Commission in 1979.* One of these changes will allow the release of census data with personal identifiers removed (see 5.6).

2.35 The Bureau provided the P.A.C. with information about a survey of data collections by Commonwealth agencies carried out for the year 1978. For a number of reasons the catalogue which was compiled as a result of this project was not widely distributed. However it is intended that the Survey will be repeated annually at first and then triennially. The Bureau has produced a comprehensive catalogue for 1979-80. The P.A.C. welcomes this initiative and trusts that the catalogue will be widely circulated.

2.36 To ensure that proper steps are taken to reduce duplication and to increase accessibility to statistical collections, thereby creating savings of resources, a central register of statistical data available throughout the country should be established. The register would include uniform definitions of terminology and summaries of information requests previously satisfied (so that future requests can readily be compared to establish if the required tabulations have already been obtained). The savings made by decreased

* The Law Reform Commission, Privacy and the Census (ALRC12), Canberra 1979.

duplication and increased accessibility would offset additional resources required to establish and maintain the register. Any agency wishing to conduct a statistical collection above a certain complexity or size as defined by the Bureau should be required to obtain Bureau approval. While initially the coordinating role of the Bureau could not extend beyond the Commonwealth Government sphere, collaboration with the States should be pursued vigorously.

2.37 The Australian Law Reform Commission (ALRC) commented that the recommendation for a central register of statistical collections was considered to accord with "the aim of minimising the amount of personal information collected and controlling its nature and quality and, therefore, the risk of subsequent abuse."* The Commission pointed to the risk of reliance on information which may become out of date, a general problem when restrictions are placed on statistical collections and data originally collected for another purpose is used. Concern was expressed over possible general access to identified data by Government agencies (see 2.42). The Law Reform Commission suggested that information should be stored in a non-identified form.

2.38 A central registry of statistical collections is provided for in the Canadian Office of Paperwork Reduction set up in 1978** and the U.S. Office of Management and Budget under the Paperwork Reduction Act of 1980. For example, the North American legislation could repay careful study in Australia. Many of its provisions, such as control over statistical methodology and authority to undertake collections, could profitably be translated to the Australian environment.

2.39 The P.A.C. is aware that much statistical material of a socio-economic nature is required to be provided by many taxpayers and that similar information is collected at different times by other organisations, including the Bureau. The P.A.C. sees merit in a co-ordinated approach and suggests that a possible solution would be for this information to be supplied at the time taxation returns are prepared. This could be done at very little additional cost to the taxpayer or the Government, (as the information would be extracted only once), by the addition of a suitable section to the return to supplement the information already obtained. There is also the argument that reduction of the respondent burden by reducing statistical collections would result in obtaining more reliable and accurate information. The Law Reform Commission stressed the need to justify the purpose of collecting such socio-economic material in the same way that any collection of data should be justified and seen to be necessary.

* Australian Law Reform Commission submission to P.A.C. of 25 August 1981.

** Sunset legislation provided for the cessation of the activities of the office in 1980.

2.40 The question of access by the Bureau to taxation data on identified businesses is under joint discussion by the Bureau and the Tax Office. (See Appendix C) There is a Technical Committee on Taxation Statistics with representatives from the Tax Office and the Bureau which decides the various items and classification of taxation statistics that should be extracted and compiled each year. The issue of taxation statistics should not be confused with the separate issue of access to taxation data for economic statistics as regards reduction of the paper burden. Access to taxation data in the latter sense would require changes in the present taxation legislation. Legislative changes in the USA and Canada are currently under investigation by the Bureau and Tax Office.

2.41 Some would argue there are dangers inherent in giving the Bureau a "monopoly" on statistical collection. However, if the goal of reducing the respondent burden on small businesses in Australia is to be met, close collaboration between the Tax Office and the Bureau over design of forms, information to be collected and matching of units is mandatory. It should be stressed that the value of using identified tax data is not in the currency, as the data is 18 months to 2 years out of date, but in the provision of a benchmark for reliable data on variations over a period of years. The best way to obtain timely data and data showing short-term peaks and troughs is by special survey.* The proposal for access to identified data by the Bureau has been discussed by the Law Reform Commission in "Taxation and Privacy".** The Commission is in favour of wider use of taxation data. However, access to the contents of the system should be restricted to satisfy the stated purpose of the third party (in this case, the Bureau). The third party "should be bound to at least the same standards as those binding the record keeper."*** As pointed out in 2.16 the safeguards in the Census and Statistic Act ensure confidentiality of information and a "one-way flow" only of data to Tax Office to the Bureau, not vice versa.

2.42 The reliability of taxation data for use in compilation of statistics can be checked by specific survey of a sample, carried out by the Bureau. Validity of taxation data for tax assessment is checked by Tax Office field audits.

* It has been suggested that industry sales tax figures would be a useful source for economic compilation.

** Australian Law Reform Commission Research Paper 11, July 1981, Chapter 4, para 74... "taxation information collected belongs to the government. It is subject to use by the government (including its associated bodies and authorities) as it sees fit. The only restraint is that it should be used in the pursuit of legitimate government activities."

*** Australian Law Reform Commission submission to P.A.C. of 25 August 1981.

2.43 The Law Reform Commission sees the disclosure of identifiable information collected by one Government agency to another for research or administrative purposes as possibly a more contentious issue than the disclosure of information for statistical purposes.* One example of the transfer of identified information is that from passenger cards completed by migrants. An updated list of identified data is circulated by the Department of Immigration and Ethnic Affairs to the Tax Office, Department of Social Security, law enforcement agencies and Overseas Posts every 3 to 4 weeks. Unidentified data from migrant passenger cards is transferred to the Bureau for statistical purposes. The question of disclosure by and between government departments and agencies is an essential part of the Commission's reference on privacy.

2.44 While some advances have been made during the seven years since the Crisp Report was presented, it appears to the Committee that further changes should be implemented. Appendix H outlines the progress of implementation of the Crisp Report Recommendations.

Recommendations:

2.45 The P.A.C. suggests that the following proposals be carefully considered:

1. The co-ordinating powers of the Australian Bureau of Statistics be clarified and strengthened, if necessary by amending legislation;
2. the Bureau of Statistics examine the establishment and maintenance of a central register of statistical information similar to the "Federal Information Locator System" provided for in the U.S. "Paperwork Reduction Act of 1980";
3. all agencies be required to consult this register and obtain Bureau approval before embarking on any statistical collection above a level of complexity or size defined by the Bureau;
4. the Income Tax Assessment Act be amended to allow taxation data of businesses, including identifying information, to be made available to the Bureau of Statistics;
5. a pilot study using tax data on identified small businesses in a restricted sample (to run concurrently with the present system of data collection) should be set up to highlight the advantages and problems involved and to test the suitability of taxation data as a basis for compilation of economic statistics;

* Australian Law Reform Commission submission to P.A.C. of 25 August 1981.

6. additional socio-economic information be collected in conjunction with annual tax returns;
7. the Bureau should encourage consistency in standard data concepts, definitions and classifications of data collected and statistics produced;
8. the Census and Statistics Act be amended to allow for maximum utilisation of the data available, as recommended in the Crisp Report; and
9. administrative, or legislative, action be taken to ensure that data collected by all Government agencies is published where practicable and/or made available to other users.

CHAPTER 3

OTHER RELATED INQUIRIES

3.1 In recent years a number of related inquiries have been conducted. The more important of these are summarised below.

Paperburden Inquiry

3.2 An interdepartmental working group, chaired by the Department of Industry and Commerce and with representatives of eight other departments, was asked "... to conduct an inquiry into the extent of unnecessary paperwork imposed by government in Australia on small business".*

3.3 One tangible result of this working group was a survey conducted on its behalf by the Bureau to estimate the cost to small businesses of government paperwork. A summary of the results has been published.** About 75% of this cost related to taxation related paperwork. No attempt was made to estimate how much of this was "unnecessary". The overall cost to small businesses, as defined, was estimated by the enterprises themselves at \$215 million in 1978.

3.4 The working group reported to Cabinet late in 1979. Subsequently the Minister for Industry and Commerce announced that "... all Commonwealth Departments and authorities would be reviewing the paper work requirements they impose on the business community with a view to achieving a reduction in Commonwealth Government paperwork."*** Areas in which improvements have been and are being effected, both as a result of these reviews and as a consequence of decisions arising from the Review of Commonwealth Functions, include:

Australian Bureau of Statistics (ABS)

- . the elimination of 27 surveys;
- . the use of sampling rather than full enumeration in several economic censuses including the Construction Industry Survey and the proposed surveys for the wholesale and selected service industries;
- . the proposed survey of the wholesale industry;

* Minister for Industry and Commerce (Mr Lynch), Press Release 85/78, 26 November 1978

**Australian Bureau of Statistics, Cost to Small Businesses of Government Paperwork - Year Ended 31 December 1978 (catalogue no. 5101.0), Canberra 1979

***Department of Industry and Commerce, Press Release IC25/80, 2 March 1980

- . the increased use of trained interviewers to assist businesses (particularly small businesses) to complete statistical forms;
- . the reduction in frequency of some collections from monthly to quarterly;
- . the introduction of a rotational scheme in the monthly retail surveys so that any one small business will not be included in a sample for more than 12 successive months;
- . forms tailored to the reporting requirements of individual businesses;
- . the simplification of a number of questionnaires; and
- . the increasing use of size cut-offs in statistical collections, below which businesses are omitted from the collection or are asked for only a very restricted range of data.

Australian Taxation Office

- . the introduction of group pre-printed remittance and sale tax returns (some 2.5 million group remittance forms and 600,000 sales tax forms are completed annually).

Dept. of Business and Consumer Affairs

- . the installation of a computer system for the administration of import quotas which will reduce the cost and workload for importers involved in clearing goods subject to quotas.

Industries Assistance Commission

- . the reduction in the number of questions and detail of accounting statistics which are sought in questionnaires circulated to interested parties at the commencement of an enquiry.
- . the establishment of co-operative links with the ABS to ensure maximum use of data obtained from industry consistent with not divulging unit record data and to avoid duplication.

National Companies and Securities Commission (NCSC)

- . the direction to the NCSC to examine any problems arising from the paperwork requirements imposed on small business by the NCSC legislation.

Department of Trade and Resources

- decision to improve export documentation including publication of a manual "Standardised Export Documents for Australia" explaining to Australian exporters the use of a standardised "one run" system of export documentation.

Department of Primary Industry

- the simplification and amalgamation of the forms associated with the export of livestock covered by the Third Schedule of the Customs (Prohibited Exports) Regulations.
- the reduction in the number of farmers interviewed in the Bureau of Agricultural Economics' annual Farm Survey Programme.

3.5 This token response by Government departments is a disappointment given the magnitude of the paperburden problem for industry and for government itself. It contrasts sharply with action taken in other comparable countries, notably the USA and Canada.

3.6 The Government also wrote to State Premiers and the Chief Minister of the Northern Territory to seek their comments and to ask if they saw merit in the States taking complementary action.

3.7 The initiative in Canada and the USA taken to reduce the paper burden have been discussed above (see 2.25 to 2.32). In the U.K., steps have been taken to provide a more economical and cost-effective service of statistical information to Ministers and the public involving tighter control and reductions in statistical collections.*

Rationalisation of Financial Statistics

3.8 A Working Group was established in January 1978 to make a detailed investigation into the collection of financial statistics. Officers of the Australian Bureau of Statistics, the Reserve Bank of Australia and the Commonwealth Treasury are involved. The Treasurer announced this inquiry on 5 June 1979.**

3.9 The working group has continued to work steadily on a detailed program of work drawn up in early 1978. Significant progress has been made but in July 1981 the Bureau was not able to indicate when specific results will be seen. A progress report from the Working Group dated March 1981 was provided to the P.A.C. (see Appendix G)

* Government Statistical Service, Command 8236. H.M.S.O.

** The Treasurer, Press Release No. 44, 5 June 1979

Study Group on Structural Adjustment

3.10 The Report of the Study Group on Structural Adjustment (the Crawford Report)* made several recommendations that relate to the Bureau's powers and functions. The Study Group's main recommendations in this area repeated those of the Crisp Report that co-ordinating powers of the Bureau be strengthened and that secrecy provisions of various Acts, including the Census and Statistics Act, be amended.

3.11 In a reference to the co-ordinating powers of the Bureau as contained in the Australian Bureau of Statistics Act, the Study Group commented:

"... since the Act gives no explicit support to these functions, the ABS should be given support in this regard by the issuance of appropriate administrative directions to all government departments and authorities".**

3.12 In response to questions from the P.A.C. on what action had subsequently been taken in relation to the Bureau's co-ordinating powers, the Bureau replied:

"Since the findings and recommendations of the present inquiry by the P.A.C. could have an important bearing on this issue, the Bureau has decided to await the Committee's report before taking further action."***

Conclusions

3.13 The Committee recommends:

10. serious consideration be given to Canadian and US initiatives aimed at reducing the paper burden imposed by governments with a view to taking similar substantive measures in Australia; and
11. the Working Group on financial statistics complete its review by the end of 1981.

* Study Group on Structural Adjustment, Report, March 1979, AGPS, Canberra.

** *ibid*, page 15.8

*** Submission by the Australian Bureau of Statistics, July 1980

CHAPTER 4

CURRENT STATISTICAL COLLECTIONS

Scope

4.1 By any measure the quantity of official statistics now provided is immense. Descriptions of publications issued by the Bureau take up 125 pages in the Bureau's 1980 Catalogue. 564 separate titles were issued during 1980/81. Subject groups range over demography, social statistics, (including education, health, welfare), national accounts, employment and prices, all industry groups, and transport and communications. Individual subjects range from prisons to population estimates, from Co-operative Credit societies to chronic illnesses, from building to bee-keeping. The list seems endless, and yet the Crisp Inquiry was able to identify in 1974 over 100 collections allegedly "needed" but not available. No doubt an even greater list of current "needs" could be compiled in 1981. The recent Review of Commonwealth Functions stated that statistical collections of low priority were to be eliminated and the frequency of some collections to be reviewed.

4.2 In addition, a great range of statistical material is collected by other government departments and agencies, often a byproduct of administrative processes. There are specific examples, such as motor vehicle registration figures from State Departments and motor accidents from police report forms, where administrative data from one department is transferred to the Bureau for compilation of statistics. Only a proportion of this material is published. Statistics are usually published in a form convenient to the collecting department which is not always useful to others. It is difficult or impossible to make use of the data if different aggregations are required. Again, because of inadequate technical co-ordination between different producers, data from one source can often be unsatisfactory or even unusable to another user. Information that is needed is forgone, or a separate survey is conducted to produce data compatible with the user's existing systems.

4.3 The policy of the Bureau on the scope of collections remains unclear. The P.A.C. sees a real need to examine the nature of collections (i.e. frequency, scope, coverage), done by the Bureau and other government agencies, particularly agricultural collections, with a view to strengthening the coordination role of the Bureau. The examination should be done jointly by an officer of the Bureau and outside experts. In comparison with other Western societies it appears that Australia is deficient in the availability of quarterly figures on money, wages and prices, for example.

Costs

4.4 The total cost to the community of existing statistical collections can only be estimated. It is substantial. The 1981-82 budget appropriations for the Bureau total about \$11 million, of which \$76 million is for salaries and overtime for Bureau staff. In comparison, the total appropriation for 81/82 for the Tax Office was about \$240 million, with about \$205 million in salaries and overtime. Some private attempts have been made to measure the cost of government's data collection and/or regulatory requirements to the community. A recent report compiled by the Confederation of Australian Industry* produced the staggering figure of \$3700 million for 1978/79 as the cost to the business community of complying with federal and State Government regulations. The validity of this figure, which covers a much wider field than the direct statistical demands being considered in this report, could be questioned, but clearly the total cost to the community of government paperwork is immense. The Federal Paperwork Commission in the U.S.A. estimated that \$100 billion per year was spent on paperwork imposed by the Federal Government.

4.5 Costs to other areas of administration of collecting statistics are not known. In many cases such costs are an integral part of the principal administrative function. The marginal cost of producing these statistics would be comparatively low in many cases, but total extra costs directly attributable to statistical collections must run into many millions of dollars. The Bureau has produced a report listing almost 500 data collections made by other Commonwealth Government departments and authorities in 1979/80. In addition, the Bureau itself made almost 300 different series of collections in 1979/80, with many made each month or each quarter. Data collected by bodies other than the Bureau are often not published at all, or only a limited summary of available information is made public. The Bureau's policy is to publish at least summary information from all of its collections.

4.6 A sample survey conducted by the Bureau indicates that the perceived cost to small business of completing government forms (including taxation and statistical returns for federal, State and local governments) during 1978 was about \$215 million, an average cost of about \$600 per enterprise. It should be emphasised that this figure is based on estimated costs as perceived by the enterprises themselves. Paperwork associated with taxation matters (Commonwealth and State) accounted for 75% of this amount, some reasonable percentage of which could well have been required for internal management purposes. Costs involved in dealing with requests for official statistical information amounted to less than 3% of the total. The survey

* Confederation of Australian Industry "Government Regulation in Australia", July 1980.

covered only non-farm enterprises employing 100 or fewer persons in manufacturing industry, or 20 or fewer persons in other industries, but excluded agriculture, forestry, fishing and hunting.

4.7 Almost all of the information collected by government departments is provided compulsorily by respondents under threat of fines*, imprisonment, or loss of some benefit. The provision of information involves not only a monetary cost, but in many cases impinges on citizens' privacy. Accordingly, the P.A.C. believes that benefits need to be weighed against the fundamental requirement to protect citizens' rights. Any infringement of the right to privacy must be considered as a further social cost of collecting statistics. (see also Chapter 5)

Benefits

4.8 Apparently no meaningful quantitative data are available on the benefits obtained from these massive outlays. The Bureau, in response to questions from the P.A.C. asking for estimates of benefits of individual collections, replied:

"Although the 'benefits' of statistical collections are tangible, and capable of being assessed in qualitative terms, they do not lend themselves to quantitative measurement."**

4.9 A belief held in many sectors of the community, including government administration, is that the value of statistical information cannot be questioned. This view is not shared by the P.A.C. Unfortunately, the benefits to be gained from a particular statistical collection are often not articulated at all. When they are, they are sometimes confused with the benefits flowing from the programs/project to which the statistics refer. In fact, the cost of "monitoring" a program, particularly a small program, can add appreciably to total costs.

4.10 The Bureau attempts to weigh benefits against its costs for proposed collections and for existing collections, but in an unstructured and qualitative way. In response to a question on how decisions are taken on which collections should be undertaken in the absence of explicit benefit/cost figures, the Bureau replied:

* The fine for not responding to an ABS statistical collection has been raised from \$20 to \$500 (April 1981) as recommended in the Crisp Report. The fine is not directed towards individuals, but towards businesses to ensure compliance. The Bureau has conducted 5 successful prosecutions against businesses for non-compliance in economic collections over the last 5 years.

** Submission from the Australian Bureau of Statistics, July 1980.

"... Decisions to undertake new collections are made only after close consultation with users concerned, who are required to put forward strong justification in support of their requests. Each request becomes the subject of systematic discussions and probing as to what difference it would make if the data were not available, or were available in less detail, or whether existing data (from the ABS or from some other source) could not meet the purpose in mind.

"Judgements about relative priorities in drawing up the forward work program are made by the Bureau's senior management. The program is submitted to the Australian Statistics Advisory Council for endorsement before being put to the Treasurer for ratification."

4.11 The Bureau can and does estimate its own costs for each collection, but not the costs to respondents. Benefits are very rarely calculated in monetary terms. Most clients of the Bureau do not pay any of the costs associated with meeting their requests and so for them the best course is clear cut: costs are few; benefits are unknown, but presumably more than zero; therefore press the Bureau to produce the figures. With such an arrangement there will always be a very long shopping list, and strident complaints that "essential" statistical information is not being provided.

Priorities

4.12 The Treasurer and the Statistician receive advice from the Australian Statistics Advisory Council (established under the Australian Bureau of Statistics Act 1975) on co-ordination of statistical services, annual and longer term priorities and programs of work, and any other matters relating to statistical services. The Act provides for the Council to have a part time Chairman and up to 23 members, including the Statistician ex officio and six nominees of State Premiers. Other members are drawn from senior Commonwealth public servants, academics, businessmen, and representatives of other areas of the community, including the trade union movement, to provide wide community participation in the Council. The Act provides that members will be appointed only by the Minister. At 30 June 1981 the Council had a membership of 22 including the Chairman, Sir John Phillips, and the Statistician.

* Submission from the Bureau July 1980. The Bureau now wish to change the wording: "consideration" to be substituted for "endorsement" and "approval" for "ratification". The P.A.C. sees these changes as highlighting the lack of power held by ASAC.

4.13 The P.A.C. is sceptical about the effectiveness of the Council during its brief life. All members, including the Chairman, are engaged only part time on Council business. The Council met on three occasions in each of 1978-79 and 1979-80. Matters discussed during the four meetings in 1980-81 included:

- ABS forward work program
- Proposals to amend ABS legislation
- Role of the ABS in the coordination of statistical activity
- Statistical requirements in the health/welfare sector
- Relations of ASAC with the public
- Proposed Household Income and Expenditure Survey
- Potential use of business income tax data
- 1981 Population Census - Public Awareness Program.

As distinct from topics actually discussed by the Council, officers of the ABS attended meetings for the purpose of informing members about the following aspects of the Bureau's activities:

- Proceedings of meetings of National Accounts Advisory Group
- Population Survey methodology
- Agricultural statistics program
- Measurement of employment and unemployment.

The Council is serviced by Bureau staff. Advice provided to the Minister or the Statistician is not necessarily made public. Experience with such large part time bodies serviced by a small full time team provided by the agency with the major interest in the outcome of any deliberations causes the P.A.C. to query if much of great value independent of views of the Bureau can be expected to flow from the Council as currently constituted.

4.14 The Bureau indicated to the P.A.C. that the creation of ASAC was the major reason (the only reason given) why the Standing Committee on Statistical Collections (SCSC) recommended in the Crisp Report was "no longer necessary". The SCSC had been proposed in the Crisp Report to advise on day to day matters regarding

"... urgent problems and arrangements among Federal departments where agreement is not immediately forthcoming. This should be a very small, high level, committee which could be convened at short notice and, from its composition, could be expected to have a broad knowledge of the Government's current policies and immediate problems"

* Committee on Integration of Data Systems, op. cit. p. 53.

4.15 The Report went on to recommend that the SCSC should advise the Minister when serious unresolved conflicts persist between two or more Federal departments, or between any one department and the Bureau, over proposals, programs, allocations of skilled manpower or other matters. It was envisaged that the SCSC would consist of four members; one from each of the Prime Minister's Department, Treasury, Public Service Board, and the Bureau. Such an arrangement would have left the Bureau in a minority.

4.16 The Bureau indicated in a submission to the P.A.C. that to establish the SCSC "... would duplicate to a large extent the work of the ASAC on statistical priorities".* The P.A.C. rejects this explanation. The Australian Bureau of Statistics Act makes it clear that ASAC is to advise in relation to:

"18(1) ...

(b) annual and longer term priorities and programs of work ..."

whereas the SCSC was recommended to deal with "... day-to-day emergencies domestic to the Federal level of Government..."** A large part-time body that meets infrequently cannot be expected to address such matters.

4.17 The Bureau has told the P.A.C. that so far as Commonwealth needs are concerned, disagreements among Federal departments on statistical matters involve either matters of standards or methodology, or matters involving priorities or the level of resources provided to the Bureau. These receive consideration by ad hoc interdepartmental committees. The Bureau claimed that the existence of a standing interdepartmental committee seemed unnecessary and unwarranted in that it would cut across work of ad hoc committees."

4.18 The P.A.C. takes the view that the existence of a standing committee would indicate to departments and committees at the Federal level that they could perhaps receive a fairer analysis of their disagreement without having to press for the establishment of ad hoc IDC's. Also, we would have thought that the Statistician would have welcomed the support of this IDC in deciding what resources, or additional resources should be allocated to particular tasks.

4.19 Value judgements may be necessary when allocating resources. The Bureau is better placed than any other to make those decisions in relation to statistical collections. However,

* Submission from The Australian Bureau of Statistics, January 1980, p. 16.

** Australian Bureau of Statistics Act, Section 18.

*** Committee on Integration of Data Systems, op. cit. p. 53.

^ Submission from the Australian Bureau of Statistics, September 1980.

the P.A.C. concurs with the Crisp Inquiry that the value to the nation of having the best available statistical information is such that a wider view of priorities and allocation of resources is desirable. If the Bureau develops a rigorous consultative, watch-dog role on data collections in the Public Service, it may not be necessary to establish the proposed SCSC.

Conclusions

4.20 The P.A.C. believes that the major problems to be overcome were identified seven years ago in the Crisp Report: co-ordination, poor communication and accessibility. It appears that the Bureau is unwilling to assume a dominant role in the oversight and review of statistical collections. The P.A.C. recommends that

12. a joint examination of the nature and scope of statistical collections by the Bureau and other Government agencies be undertaken by a panel comprising officers of the Bureau and external users and experts with a view to strengthening the coordinating role of the Bureau in the authorisation and review of data collections.
13. an inter-departmental committee, similar to the Standing Committee on Statistical Collections advocated in the Crisp Report, be established to advise on urgent and important matters relating to statistical programs and priorities.

CHAPTER 5

RELATED ISSUES

Privacy and Confidentiality

5.1 Most of the information collected by Commonwealth agencies can be related to individual persons or business enterprises, at least at the point of collection. This applies even to data collected for purely statistical purposes. In most cases the information is stored with personal identifiers removed after the data has been captured for processing. However, there is always a remote possibility that private information, provided in confidence to a government department, might become known to another party without the approval and against the wishes of the respondent. The P.A.C. is unaware of any recorded cases where the Bureau has allowed the disclosure of confidential information. (see also 4.7)

5.2 Of more concern to respondents is the possibility that information collected compulsorily for one purpose - if only to establish the right to collect benefits to which the respondent is entitled - will be passed on to another department to the detriment of the respondent. The existence of large computer banks now makes this quite feasible and in many cases desirable from the viewpoint of governments with the responsibility of ensuring that applicants for benefits are not receiving multiple benefits to which they are not entitled.

5.3 One major benefit that the P.A.C. sees as flowing from improvements in co-ordination and accessibility of data is the reduction in duplication across departments. A consequence would be that information provided to one department for a specific purpose - perhaps to obtain a pension - might be available to another department for statistical, research, or administrative purposes. Because there are dangers inherent in the transfer of information, respondents must be made aware that data provided to department A might be, or will be, passed on to departments B or C. The P.A.C. believes that adequate safeguards can be developed to enable this to be done, with consequent savings in time and money, without individual privacy being unduly infringed. The Law Reform Commission has discussed these issues at length in a current paper,* and guidelines suggested by the Commission are worthy of careful consideration.

*The Law Reform Commission, Privacy and Personal Information (DP14), June 1980.

5.4 The Law Reform Commission suggests that the underlying principle governing the collection of information should be that

"the dissemination of personal information should not exceed that necessary to satisfy the purpose for which the information was collected".*

The Commission accepts that it may be necessary to crosscheck information provided, perhaps with a third party. However, if this possibility exists the provider of the information should be so informed before the information is collected.

5.5 In a discussion on limitations on disclosure, the Commission suggests that

"disclosure of personal information for a purpose other than that which governed the collection of the information would violate the individual's reasonable expectations of privacy, so that personal information should not be disclosed in such circumstances."**

The general exception to such a prohibition on disclosure is suggested as a "significant countervailing public interest".**

5.6 As mentioned in Chapter 2 the Treasurer on 10 September 1980 announced decisions taken following a detailed study of an earlier Commission report on "Privacy and the Census".*** A key decision is to allow the Statistician to release for statistical purposes samples of coded census data from which all personal identification has been removed. The Census and Statistics Act will be amended for this purpose.

5.7 Concern was expressed by the P.A.C. over the selection of subjects for serial surveys, for example, the monthly household survey,~ and the compulsion on the respondent to remain in the sample over the specified time, in this case 8 months. The household is informed of selection for survey by letter or visit, after which there is a legal obligation to remain in the survey. The Bureau contends, however, that individuals are rarely prosecuted for non-compliance. In fact, the compliance rate for the monthly household survey over 8 months is close to 100% (see also 4.7).

* ibid, p.52

** ibid, p.57

*** The Law Reform Commission, Privacy and the Census, (ALRC 12), Canberra 1979.

~ The monthly household survey was formerly a quarterly survey over 2 years. The survey collects data on the labour force status of each adult individual in the household.

Pricing of Statistical Material

5.8 With few exceptions, statistical material produced by government departments is distributed free on request. Not even postage is charged in most cases. The Bureau provided the P.A.C. with the following information regarding its publications.

Distribution of ABS Publications 1980-81 (Rounded figures)

	Number	%
Titles		
Free Issue	510	91
Priced	50	9
Total	560	100
Copies		
Free		
Free issue titles	2 651 000	95
Free issue of priced publications	78 000	3
Sold		
By ABS direct	35 000	1
By AGPS	39 000	1
Total	2 803 000	100

Source: Australian Bureau of Statistics

Revenue received directly by the ABS from the sale of its publications in the last two years was as follows:

1979-80	\$118 000
1980-81	\$122 000

In addition to direct sales, substantial numbers of ABS publications are sold through AGPS bookshops. The AGPS is unable to provide information as to the extent of these sales as it does not maintain a record of its transactions at this level of detail. However, it is estimated that the figure would be substantially in excess of the value of ABS direct sales.

5.9 An important difficulty in relation to the collection of statistics is that the demands always far exceed the capacity to meet them. The P.A.C. believes that as

long as most statistical services* are provided free of charge, agencies such as the Bureau will be continually faced with the problem of establishing priorities independent from market forces.

5.10 Many would argue that the statistics produced by the Bureau should be essentially free, on the basis that it is providing a "public good" and so it is reasonable that members of the public should not be required to pay for what is being provided from taxation revenue in the first place. The virtue of charging for statistical publications put out by the Bureau is that it may encourage a rational decision on the value of receiving, or continuing to receive, statistical material. The social benefits to the community from wide dissemination of statistics in encouraging well-informed debate are difficult to quantify.

5.11 The most efficient, and the simplest, way of determining just how valuable a particular product is to a user is to require that it be paid for. The P.A.C. believes that there is merit in charging for almost all statistical publications to establish more accurately clients' real priorities. The basic justification for most statistics produced is in the final analysis an economic one. This is true even in the field of social or demographic statistics, where the aim is to enable the most efficient use to be made of available resources.

5.12 Perhaps special concessions could be offered to educational institutions and the like. Nonetheless great care is needed in allowing exceptions to such a rule if the basic rationale is not to be lost. It is too easy for more and more groups to plead special circumstances to the extent that the original principle is honoured more in the breach than in the observance.

5.13 If a charging system produced no more revenue than the extra costs incurred in setting up that system, then it would be well worthwhile, provided at least a reasonable amount were charged for even the briefest of publications to deter frivolous requests. A user who argues that a particular publication is very valuable but is not prepared to pay, say, 50 cents or \$1 to obtain a copy can hardly be taken seriously.

* The basis for determining charges for publications, maps, microfiche duplicates, photocopying, computer-based services and clerical extraction, is outlined by the Bureau in Part B of Appendix F. Other parts of Appendix F detail the beneficiaries of free distribution of priced publications, microfiche duplicates, maps and special data services (eg Federal and State MPs and Government Departments) and accounting arrangements and discounts.

5.14 The Statistician argued strongly against the wide application of the "user pays" principle in relation to the production and distribution of statistical material. One very important point made by the Statistician is the difficulty in identifying just who is the "user" in many cases. Clearly there are a number of important collections (the Consumer Price Index was an example quoted) that are expensive to make but which lead to important summary statistics of wide community use and interest.

5.15 The Bureau produces a comprehensive statement setting out its policy on the distribution and pricing of statistical information services. (See Attachment E.) It is worth noting that this document begins with the statement:

"The policy set out in this statement is designed to meet the following considerations:

- (a) Observance of the Government's "user pays" policy and, therefore, recovery of more of the cost of services provided to users without necessitating a cumbersome and expensive accounting system;
- (b) The need to induce users to carefully consider the extent of their demands on ABS services;
- (c) ...
- (d) ..."

5.16 The Bureau pointed out to the P.A.C. that most titles in the free issue category are small in size and relatively cheap to produce. It would be difficult to justify charging more than a nominal amount for most of these titles. The Bureau sees this as sufficient reason not to charge at all for such publications, since the receipt of and accounting for small sums of public money is relatively expensive. The P.A.C. wonders if the benefits to be gained from the subsequent reassessment by present recipients of their real needs for statistical publications after they have to pay for them would not in itself be sufficient justification for charging for information as widely as possible.

5.17 A possible approach could be to aggregate the large number of free issue titles into a manageable number of related groups, and then market them on a group basis by subscription. Most serious users of a particular title would presumably be interested in closely related topics or in other editions of the same title. Canada's central

* Australian Bureau of Statistics, The Distribution and Pricing of Statistical Information Services, Submission to the Public Accounts Committee, 17 September 1980.

statistical authority ("Statistics Canada") has introduced such a scheme, which could well be adapted for Australian conditions.

5.18 In any event, if the current approach is continued we cannot hope to reduce the backlog of unmet "demands", or to be sure that some of these are not of more importance in an economic sense than some other collections now being made at great cost and disseminated free of charge to clients who would be prepared to forgo the statistics rather than pay a nominal amount for them.

5.19 The P.A.C. suggests that the Bureau should distribute a list of publications available to potential users and then charge for the sale of the publication. The practice of announcing the publication of statistical information in the press is seen as a worthwhile initiative in disseminating statistics.

5.20 The Confederation of Australian Industry and the Australian Association of Independent Businesses Ltd contend that as industry is required by law to incur substantial costs in providing statistical data to Government agencies, further costs imposed by charging for statistical publications would be an unfair burden.

5.21 In Canada and the U.S.A., statistical data collected is actively marketed and sold by the Government agencies to other Government departments and to private companies. In addition, the government statistical agencies contract to do data collections. However, arrangements in both northern American countries allow for the hiring of extra staff to meet the contract as required. It is essential that the Bureau maintain its reputation of total objectivity in statistical collection, without which it would be of little use to government in monitoring the effects of policy decisions and providing information for formulating new policies. The idea of the Australian Bureau of Statistics charging for statistical collections is therefore not recommended. The P.A.C. feels that in some instances raw data on collections already done, such as crime statistics, could be sold to interested bodies for research analysis. However, safeguards would be needed to insure possible sales did not influence the setting of priorities in collections.

Conclusions

5.22 The P.A.C. recommends that:

14. charging for Bureau statistical publications be introduced where possible.
15. The charging procedures used by "Statistics Canada" be carefully studied by the Bureau with a view to adopting a similar policy in Australia.

APPENDIX A

REVIEW OF PROCEDURES REQUIRING THE BUSINESS COMMUNITY TO COMPLETE FORMS

The Australian Bureau of Statistics is the central statistical authority for the Commonwealth Government and the State Governments, and is required to provide a wide range of statistics to assist in the formulation and monitoring of policies of many kinds.

2 The ABS is acutely conscious of the cost and effort which are imposed on the community at large, and particularly on businesses, in complying with requests for the provision of data for official statistical purposes. It is taking active steps to reduce the burden thus imposed by making a determined effort to minimise the number of requests for information. A careful evaluation is made of all proposals for new or more detailed statistics, and ongoing reviews are conducted of all current projects.

3 Users of statistics are required to put forward strong justification and well considered arguments in support of requests for new or more detailed statistics, and each request is examined carefully to see whether existing data, from the ABS or from other sources, could meet the purpose in mind. If it emerges that the request can be met only through the collection of new or additional data, the extent of the additional reporting burden on respondents is one of the prime considerations taken into account in deciding whether or not to proceed.

4 The ABS also reviews the content and scope of current collections, with a view to amending, terminating, or reducing the frequency of those no longer warranting high priority.

5 In relative terms, statistical requirements represent a small proportion of the total burden of government paperwork. The survey of businesses referred to in the Prime Minister's letter, which was carried out by the Bureau on behalf of the IDC investigating the extent of paperwork imposed by government in Australia on small business, revealed that, for the year 1978, of the \$125 million total cost of government paperwork, as perceived by the businesses themselves, the component attributable to statistical requirements was \$5.7 million or 2.6%.

6 The ABS carried out an analysis of the demands made by it upon different sectors of industry during 1979. The figures in the following table indicate the average number of forms received by businesses in various industrial groups. Care must be taken when interpreting this table because the estimates are averages. For example, on average, all retailers who employ 4 or less people received 0.5 forms per annum. However, if a small retailer was selected in the monthly and quarterly retail surveys he would have received 16 forms. The average is low because a very large percentage of the retailers with 4 or less employees receive no statistical forms at all and a large proportion of the 6,000 retailers selected in the quarterly survey are not included in the monthly survey.

AVERAGE NUMBER OF ABS FORMS RECEIVED BY BUSINESSES: 1979

Broad Industry Group	Number of Employees				
	0-4	5-11	12-20	21-30	31-60
Mining	2.5	2.5	4.7	5.0	5.7
Manufacturing	1.7	2.7	4.1	4.2	5.2
Retail	0.5	1.1	2.1	4.7	6.7
Wholesale	0.9	0.9	1.6	1.6	3.1
Building and Construction (a)	1.5	2.5	3.6	5.7	6.4
Transport	0.9	0.9	1.5	1.5	1.5
Rural	1.1	1.1	1.4	1.4	1.4

(a) To be significantly reduced : see paragraph 9 (i).

7 It will be noted from the table that the number of statistical forms which businesses are called upon to complete increases significantly, in some cases very substantially, with size as measured by employment. This reflects the relatively greater importance of large businesses from a statistical point of view.

8 There are several reasons for this. In many statistical collections returns are not sought from businesses below a certain size. Also in sample surveys it is necessary to include a greater proportion of larger businesses to ensure that samples produce reliable estimates.

9 Initiatives which the ABS has recently undertaken or which it plans to undertake in order to reduce the reporting burden on business are summarised below.

- i Arrangements for the quarterly collection on dwelling construction activity are to be changed. Some of the information currently provided by builders will in future be obtained as administrative by-product data from local authorities. Remaining data will be collected from a sample of builders. Pre-listed forms will be introduced as a further means of reducing respondent effort. The number of approaches to builders is expected to be reduced by 80%.
- ii Sampling rather than full enumeration will be used in several of the economic censuses. This method was used in the recent Construction Industry Survey and will be used in the collections proposed for the wholesale and selected service industries. We are also investigating the use of sampling for the proposed Transport Industry Census. A particular advantage of sampling is that it reduces the number of small businesses from which information is sought.

- iii On some collections trained interviewers are used to assist businesses (particularly small businesses) to complete statistical forms. This approach has been used in the Construction Industry Survey and the Agricultural Finance Survey and will be investigated for other collections. The use of interviewers can reduce the amount of work required by businesses as well as improving the quality of data obtained. This approach has generally been well received by the businesses included in the surveys concerned.
- iv Many businesses have shown a preference for providing information by telephone rather than completing a form. This approach has been used in the Survey of Job Vacancies and Overtime and will be explored in other appropriate collections.
- v The amount of detail sought in the Agricultural Census has been reduced. Investigations are continuing into the possibilities of simplifying the forms used in other statistical collections.
- vi In the monthly retail surveys, a rotational scheme is to be introduced so that small businesses will not be included in the sample for more than 12 successive months.
- vii In future retail surveys, small businesses will be asked to provide a total sales figure only. Details of commodities will only be sought from large businesses at quarterly intervals.
- viii In some collections "tailored forms" have been introduced. For example, in the Manufacturing Census, businesses are asked to complete forms which contain only data items which are relevant to them. Although these forms do not automatically reduce the amount of information required, they are easier to complete and therefore reduce the burden on businesses concerned.
- ix In the annual manufacturing censuses less detailed information is requested from small manufacturers with employment of less than 4 persons. For these businesses only four items of information are requested on a small form - 25% of manufacturers receive this type of form. It is intended to use a similar practice in the forthcoming retail census where it is estimated that about 50,000 retail enterprises will receive only a small form. Extension of this procedure to other economic censuses is being investigated.
- x The frequency of some collections has been reduced. A third of the monthly production series were reduced to quarterly collections.

- xi The ABS is currently redesigning its register of businesses before transition to new computer equipment. This register is used as a framework for conducting all economic censuses and surveys. As part of the redesigned system, there will be a facility to provide greater control over the number of collections in which individual businesses are selected. In this way the response burden will be spread out more evenly over all businesses.
- xii The ABS and the Australian Taxation Office are investigating the possible use of taxation data in lieu of collecting certain data direct from businesses.
- xiv Other investigations being conducted into the possible use of administrative sources for statistical information will be reported upon in a submission on co-ordination of Commonwealth statistics which has been requested as a result of the Government's consideration of the Crawford Report on Structural Adjustment.
- 10 It should be noted that measures of this kind have the consequence that statistics are available in less detail or only for the larger geographical units - for example, in the extreme cases, estimates are available only for Australia as a whole, not for each State.

Australian Bureau of Statistics
Canberra
June 1980

APPENDIX B

PRIME MINISTER
CANBERRA

11 December 1973

Dear Professor Crisp,

I have decided to appoint a Committee to advise on the general principles and administrative arrangements which would enable the Government to integrate the various departmental data systems servicing related areas of its social and economic policies.

This decision reflects a recognition that the Government's wish to pursue an integrated approach to economic development, and to co-ordinate its economic and social policies, requires closely co-ordinated information systems. It seems likely that if the total resources at present involved in decentralised departmental statistical collections were applied in a closely co-ordinated way to service the Government's information needs in these areas, there might well be a substantial improvement in result - and probably substantial scope for reducing duplication of effort.

I would be grateful if you can agree to be Chairman of the Committee of advisers, which will also include Mr B. Brogan, Mr K.L. Brown, a member from the ACTU, and Professor C.S. Wallace, of Monash University. A general description of the considerations which have led me to seek advice on this important matter is attached for the information and guidance of the Committee.

I propose to leave it to you to decide how the Committee should proceed in formulating its advice, but would like the advice to take the form of a non-technical report which could serve as a general basis for Government decisions on the administrative and other action which is desirable if adequate and integrated data systems in these related areas of policy are to be established. It would be of considerable help if I could have the report of your Committee by the end of March 1974.

If, in the circumstances, you consider that your Committee needs assistance to service its work, I would be prepared to make available such assistance as you consider

it needs. And I will ask Sir John Bunting to ensure that you have access to any official records or information you may need.

Yours sincerely,

(E. G. WHITLAM)

Professor L.F. Crisp,
School of General Studies,
Australian National University,
P.O. Box 4,
CANBERRA. A.C.T. 2600

APPENDIX C

ABS SUBMISSION CANBERRA - SEPTEMBER 1980

POTENTIAL USE OF IDENTIFIED TAXATION DATA OF INDIVIDUAL BUSINESSES IN COMPILATION OF ECONOMIC STATISTICS

Decision to Conduct Joint Investigation

1 The ABS is investigating, in association with the Australian Taxation Office (ATO), the feasibility of obtaining access for purely statistical purposes to information from identified income tax records of individual businesses. The report resulting from this joint investigation is to be presented to the Treasurer. The agreement at Departmental level to carry out the investigation arose out of consideration of the Report of the Crawford Study Group.

2 In addition, the question of the feasibility of use of taxation data for purposes of economic censuses and surveys was raised during Government consideration of the proposal to conduct a Retail Census in respect of 1979-80, and there is a commitment to respond to this question following the Treasurer's consideration of the report of the joint ABS/ATO investigation.

Exclusions from Scope of Investigation

3 The investigation is concerned only with taxation information in respect of businesses: ABS access to taxation data for identified persons is not being sought by the ABS. Of course, to the extent that individual persons operate businesses through sole proprietorships, data in respect of the business component only of those taxation records forms

part of the scope of the investigation. The ATO identifies separately each business partnership as such so that it is not necessary to access personal taxation records of partners to obtain data in respect of the business carried out by the partnership. The investigation is also not directed towards the ABS having access to the whole of identified taxation returns as such but to certain data from the identified taxation records of businesses that is useful for compilation of economic statistics.

Reduction in Reporting Burden

4 It is expected that, if the ABS had access to identifiable tax data of businesses, it could produce statistical information required for economic planning and administrative purposes with considerably less direct collection of statistical data from businesses than would otherwise be necessary: for small businesses in particular, there would be a significant reduction in overall reporting burden as many could probably be omitted from ABS collections.

5 For example, in the case of the ABS integrated economic censuses (the annual manufacturing census, the proposed retail census, etc), questionnaires would not be sent to many smaller business enterprises. Data for these enterprises would be taken from taxation records and modified as necessary by analytical methods, probably supported by small sample inquiries. The data so derived would then be combined with data collected

directly from the larger enterprises in order to produce statistics relating to the economic sectors concerned. In the USA manufacturing census, statistical information is directly collected from only 45% of manufacturing businesses. Information from the remaining 55% (the smaller businesses) is derived from tax records.

Better Integrated and More Reliable Information Systems

6 Limited use is currently made of economic census data in the compilation of the national income and expenditure accounts. There are a number of reasons for this. The economic censuses only cover selected industries in any one year. Further, the data obtained from these censuses cannot be reconciled with the data from aggregate taxation statistics because of differences in the units, data item definitions and assigned classifications. In this situation the ABS has had to use taxation data as the primary data source for the compilation of a number of important national accounts aggregates.

7 The availability of identifiable tax data would enable the preparation of taxation statistics which would be more useful for national accounts purposes than those currently available. The taxation data would be able to be directly related to statistics from other sources by using the ABS central register of businesses to match, at the unit record level, the business population covered in the taxation collection with that covered by the economic censuses and surveys. Improved reconciliation of income, production, and

expenditure based national accounts estimates would then be possible.

8 Because of the problems of data units, data definitions and classifications mentioned above, not only does the taxation information differ from information from other sources but its relationship to the other sources cannot, in the current situation, be quantitatively defined. If the ABS had access to taxation data for identified businesses, economic census data could, in principle, be used in lieu of taxation data for those areas of the economy for which it was available and the taxation data could be reconstructed on a basis more consistent with the conceptual basis of the national accounts and the ABS economic data collections. This would result in increased use of common sources of data for estimation of both income and production based estimates and, to a lesser extent, also for expenditure based estimates. To the extent that common sources of data were used across these estimation methods an important current cause of the statistical discrepancy in the national accounts would be removed. The internal consistency of the accounts would thus be enhanced making them more reliable and more useful for many types of analysis.

9 Access to identifiable data from taxation records of businesses would provide a comprehensive and reliable basic source of data about the existence of business enterprises, albeit 18 months out of date, for updating the ABS' central integrated register of businesses, particularly for those

businesses that do not have any employees. At present the ABS monitors many overlapping sources of information in order to identify genuine cases of new businesses, ceased businesses, changes in activity, address, etc. The information from these various sources is often contradictory and sometimes inadequate or non-existent for some industry sectors. This updating is particularly difficult with small businesses due to the volatile nature of the population. Such an improvement in the register would increase the quality of census data and reduce non-sample error in sample surveys. Statistics Canada has access to tax records from Revenue Canada which it uses to maintain its central register of businesses.

Effect on Costs

10 An obvious benefit to the economic statistics program would be the reduction in the costs of conducting some collections because of the smaller number of businesses which would need to be approached directly by the ABS.

11 On the other hand some additional costs would have to be incurred if compilation of economic statistics is made partly dependent on accessing identified taxation data. There would be a major task in matching (by way of business names and addresses) the statistical units currently recorded by the ABS on its integrated register with ATO records of names

and addresses of businesses and other data that would indicate the size of each business. This matching would be required in order to identify the smaller businesses from which economic census and survey returns would not be collected, but for which individual business taxation data would be used. Also, it would be necessary to construct and use sophisticated analytical tools to "map" the data obtained from taxation records (using the data item concepts relevant to completion of taxation returns) with the data (and data item concepts) required by users of economic censuses and surveys. This mapping exercise would probably require collection of economic census/survey data from a sample of small enterprises, relating this data to the taxation data for those units, and the adjustment of the taxation data for the non-sampled units by use of calibration factors obtained from the sampled units.

12 Such a system would involve some changes to forms and procedures in the ATO and therefore have financial implications there also. One aspect requiring some change within the ATO is that the name and address matching operation mentioned above is not at present feasible because the ATO computer readable records show, for each business taxpaying unit, the "address for service of notices", which in many instances is that of a tax agent, whereas the ABS records are identified by means of the address(es) at which each business operates. The latter information is essential for economic statistics purposes for classification of data by small area, size of

establishment, etc. To undertake this matching operation would therefore require changes to the layout and content of the taxation forms to collect the address(es) at which each (at least each "small") business taxation unit operates and capturing of this data in machine readable form.

Public Reaction to Similar Procedures in Other Countries

13 If present practices in other countries such as the USA and Canada are a guide, it appears that provision of identified data for individual businesses to the Statistician on a confidential basis for statistical purposes would not be a politically sensitive issue. In fact it would probably be less likely to give rise to public concern than the procedures already allowed for under Section 16.4 of the Income Tax Assessment Act with regard to provision of taxation data to various other Departments. Firstly, the ABS seeks only that information be made available about individual BUSINESSES, not about individual persons. Also, the information obtained would not be used for administration of law, as is the purpose at present with release of some individual taxation information by the Commissioner. Any information obtained by the ABS is subject to the very strict confidentiality provisions of the statistics legislation, and cannot be used for any purposes other than compilation of aggregate statistics.

Further Work Required

14 . The investigation is still at a relatively early stage, mainly because of the difficulty in allocating, on a continuing basis, resources of a sufficiently high calibre to pursue it. High calibre resources are required because it involves envisaging a statistical system which, to a large extent, would be radically different from the present system of compiling economic statistics, and working through the detailed implications of such a radically different system and a multitude of variations on it. Even then it will be difficult to accurately quantify the financial costs of introducing such a system in the absence of some sorts of pilot tests, as the extent of "mismatches" between ABS and ATO lists of businesses would have a significant effect on costs, and indeed on the statistical validity of the proposed scenario. Similarly, it is difficult to assess, without detailed examination of actual cases, how complex and costly a system would be required in order to convert data items as defined for taxation purposes to data items defined in accordance with the concepts which underlie users' needs for economic census and survey data.

EXTRACT FROM SUBMISSION TO THE PUBLIC
ACCOUNTS COMMITTEE BY THE AUSTRALIAN
BUREAU OF STATISTICS - 3 OCTOBER 1980

2 At the current time the Income Tax Assessment Act does allow the Commissioner of Taxation to communicate information contained in income tax returns to various bodies and authorities. This is set out in 16 (4) of the Income Tax Assessment Act, a copy of which is attached. Also in 16 (5) and 16 (5A) of the Act it specifies that any person to whom information is communicated is covered by the confidentiality provision of the Income Tax Assessment Act itself. This confidentiality provision is of course very strict. If the ABS was allowed access to the taxation records of identified businesses, I presume that access would be allowed in the Income Tax Assessment Act in the same way as access is currently allowed. For this reason I would expect that the confidentiality provision of the Income Tax Assessment Act would apply then to ABS officers having access to that data.

3 In any event, if the data was provided to the ABS it would also be covered by the confidentiality provision of the Census and Statistics Act. Section 24 of the Census and Statistics Act provides that:

"The Statistician, an officer, or the occupier of a dwelling, shall not, except as allowed by the Act divulge the contents of any form filled up, or any information furnished -

- (a) in pursuance of this Act, or
- (b) at the request of the Statistician, for statistical purposes."

This provision is very strong and very tight. An opinion was obtained from the Attorney-General's Department some time ago on the strength of this provision in relation to what information the Minister could direct the Statistician to release. A copy of the correspondence from the Attorney-General's Department dated 9 July 1964 is attached. It shows quite clearly in paragraphs 4 and 5 that the Statistician cannot divulge any information and is only empowered to release impersonal statistics. Although the advice refers specifically to "the contents of any form filled up in pursuance of the Act" there would be no doubt that it also applies equally to "any information furnished at the request of the Statistician, for statistical purposes".

4 However, I should point out again, as I set out in some detail in an earlier submission to the Committee on 17 January 1980, that because the Census and Statistics Act has never provided for exceptions to the general proscription against divulging the contents of any form or any subject, the ABS is currently seeking to amend the Act to allow access in certain ways. Among other things we are seeking the legal authority to release data with the consent of the person to whom the information relates, to release data that cannot be identified by a third party, to be able to return information to the source from which it was obtained, to release statistics already available to the public and to be able to provide to departments or authorities lists of businesses or organisations. These proposed amendments, however, will not lead to or authorise the divulging of information which is not authorised by the Income Tax Assessment Act.

5 Hence if the Income Tax Assessment Act is amended to authorise the release of identifiable information to the Statistician for statistical purposes, the confidentiality of that data would be protected by the very strong confidentiality provisions in both the Income Tax Assessment Act and the Census and Statistics Act.

APPENDIX D
ATTACHMENT A

INCOME TAX ASSESSMENT ACT 1936
INCORPORATING ALL AMENDMENTS MADE TO LEGISLATION TO 31 DEC 1978

Officers to observe secrecy

16. (1) For the purposes of this section, "officer" means a person who is or has been appointed or employed by the Commonwealth or by a State, and who by reason of that appointment or employment, or in the course of that employment, may acquire or has acquired information respecting the affairs of any other person, disclosed or obtained under the provisions of this Act or of any previous law of the Commonwealth relating to Income Tax.

(2) Subject to this section, an officer shall not either directly or indirectly, except in the performance of any duty as an officer, and either while he is, or after he ceases to be an officer, make a record of, or divulge or communicate to any person any such information so acquired by him.

(3) An officer shall not be required to produce in Court any return, assessment or notice of assessment, or to divulge or communicate to any Court any matter or thing coming under his notice in the performance of his duties as an officer, except when it is necessary to do so for the purpose of carrying into effect the provisions of this Act or of any previous law of the Commonwealth relating to Income Tax or for the purpose of carrying into effect the provisions of a State income tax law or provisions of the law of a State referred to in section 15 of the *Income Tax (Arrangements with the States) Act 1978* or the provisions of section 78 of the *Income Tax (Arrangements with the States) Act 1978*.

(4) Nothing in this section shall be deemed to prohibit the Commissioner, a Second Commissioner, or a Deputy Commissioner, or any person thereto authorized by him, from communicating any information to—

- (a) any person performing, in pursuance of any appointment or employment by the Commonwealth, any duty arising under any Act administered by the Commissioner of Taxation, under the *Income Tax (Arrangements with the States) Act 1978*, under any State income tax law or under provisions of the law of a State referred to in section 15 of the *Income Tax (Arrangements with the States) Act 1978*, for the purpose of enabling that person to carry out any such duty;
- (b) any board exercising any function under any Act administered by the Commissioner of Taxation or under any State income tax law, or any member of any such Board;
- (c) the authority administering any Act of a State relating to Land Tax, Stamp Duties or Succession Duties if that authority is authorized by law to afford similar information to the Commissioner, a Second Commissioner or a Deputy Commissioner;
- (ca) the Chief Collector of Taxes for Papua New Guinea if the Chief Collector is authorized by a law of Papua New Guinea to afford similar information to the Commissioner, a Second Commissioner or a Deputy Commissioner;

Amended by
No. 46, 1938, s. 2;
No. 38, 1941, s. 3;
No. 10, 1943, s. 4;
No. 28, 1944, s. 2;
No. 44, 1948, s. 1;
No. 44, 1951, s. 4;
No. 50, 1951, s. 2;
No. 1, 1953, s. 2;
No. 18, 1956;
s. 2 and 7;
No. 68, 1956, s. 3;
No. 31, 1973, s. 3;
No. 164, 1972;
s. 18; No. 216,
1973 (as
amended by
No. 20, 1974);
s. 3; No. 160, 1975;
s. 6; No. 50, 1976;
s. 4; No. 87, 1978,
s. 19

Amended by
No. 31, 1973,
s. 22

Inserted by
No. 28, 1941, s. 2,
amended by
No. 51, 1973,
s. 22; No. 87,
1978, s. 19

Inserted by
No. 87, 1978, s. 6;
amended by
No. 216, 1973 (as
amended by
No. 20, 1974);
s. 3; No. 36, 1978,
s. 3

- (d) the Repatriation Commission for the purpose of the administration of any law of the Commonwealth relating to pensions;
 - (e) the Director-General of Social Services for the purpose of the administration of any law of the Commonwealth relating to pensions, allowances, endowments or benefits;
 - (f) the Director-General of Health for the purpose of the administration of any law of the Australian Capital Territory or of the Northern Territory which is administered by the Minister of State for Health;
 - (g) the Commissioner for Employees' Compensation, holding office under the *Compensation (Australian Government Employees) Act 1971-1973*, for the purpose of the administration of that Act;
 - (ga) the Commonwealth Statistician for the purposes of the *Census and Statistics Act 1905-1949* in relation to statistics as to employment, being information as to—
 - (i) the name and address of a person who is an employer within the meaning of Division 2 of Part VI; and
 - (ii) the name or description of the industry, trade, business, calling, service, profession or occupation in which the person is such an employer;
 - (h) the Secretary, Department of Defence, for the purpose of the administration of any law of the Commonwealth relating to payments in respect of dependants of members of the Defence Force; or
 - (i) the Secretary, Department of Education, or the Commonwealth Scholarships Board for the purpose of the administration of any law of the Commonwealth relating to financial assistance to students.
- (5) Any person to whom information is communicated under the last preceding sub-section, and any person or employee under his control shall, in respect of that information, be subject to the same rights, privileges, obligations and liabilities, under sub-sections (2) and (3), as if he were an officer.
- (5A) For the purposes of sub-sections (2) and (5), an officer or person shall be deemed to have communicated such information to another person in contravention of those sub-sections if he communicates that information to any Minister or to any Minister of the Crown of a State.
- (5B) Where the Treasurer is satisfied that it is desirable to do so for the purpose of enabling the Government of the Commonwealth to review the operation of the provisions of this Act providing for rebates of tax by reference to export market development expenditure, he may, by writing under his hand, request the Commissioner to communicate to him, or to a person specified in the request, being a Minister of State, the Secretary to the Department of the Treasury or the Secretary to the Department of Trade and Resources, information relating to such matters as are specified in the request, and, notwithstanding anything contained in this section, the Commissioner, or an officer authorized by him, shall communicate information relating to those matters to the person specified in the request.

Inserted by
No. 87, 1968, s. 6,
amended by
No. 216, 1973 (as
amended by
No. 20, 1974),
s. 3, No. 36, 1976,
s. 3

(5C) The Secretary to the Department of the Treasury, the Secretary to the Department of Trade and Resources or any other officer or employee of the Commonwealth shall not, either while he is, or after he ceases to be, such an officer or employee—

- (a) except in the performance of a duty as an officer or employee of the Commonwealth, make a record of, or divulge or communicate to a Minister of State or any other officer or employee of the Commonwealth, any information relating to the affairs of a person acquired by him by reason, directly or indirectly, of a communication in accordance with the last preceding sub-section; or
- (b) divulge or communicate any such information to any person who is not a Minister of State or officer or employee of the Commonwealth.

Inserted by
No. 87, 1968, s. 6

(5D) A person to whom the last preceding sub-section applies shall not be required to produce in a court a document containing information referred to in that sub-section or to divulge or communicate to a court any such information.

(6) Any officer shall, if and when required by the Commissioner, a Second Commissioner or a Deputy Commissioner to do so, make an oath or declaration, in the manner and form prescribed, to maintain secrecy in conformity with the provisions of this section.

Penalty: Five hundred dollars or imprisonment for twelve months.

Amended by
No. 143, 1965,
s. 6, No. 216,
1973 (as
amended by
No. 20, 1974),
s. 3

C O P Y

ATTACHMENT B

COMMONWEALTH OF AUSTRALIA

Telephone
Canberra 619111
Telegraphic Address
Comattgen, Canberra

Attorney-General's Department
CANBERRA A.C.T.
9 July, 1964.

In reply, please quote No. 64/3149

The Commonwealth Statistician
Commonwealth Bureau of Census and Statistics
CANBERRA, A.C.T.

Census and Statistics Act 1905-1949, ss.17, 20, 24 :
Disclosures to Ministers or in answer to Parliamentary Questions

I refer to your memorandum dated 18 June, 1964, in which you request advice on the matter raised in the fourth paragraph of the letter attached to your memorandum.

2. The paragraph the subject of your memorandum reads as follows:

"My Directors have asked me to enquire of you what the position would be if a question were asked in the House as to the position of any company and also what would be the position if a Minister were, for any reason, to make an enquiry. I would add the reason for this question lies in the fact that a disclosure may, under your Act and Regulations, apparently be made at any time in such circumstances as the Minister may direct. I was asked to enquire whether you could guarantee that no disclosure would be made under the circumstances which I have mentioned above."

The questions that I think arise from the paragraph, and the answers I would give to them, are as follows:

- (a) Q. Are the contents of a form filled up and supplied under section 17 of the Census and Statistics Act liable to be disclosed in Parliament in answer to a question asked in Parliament?

A. No.

- (b) Q. Is the Statistician authorized or obliged to disclose the contents of such a form to a Minister who requests the information?

A. No.

3. Sections 17, 20 and 24 of the Census and Statistics Act read as follows:-

"(2.) A prosecution for a contravention of this section shall not be instituted without the consent of the Minister.

"20.-(1.) The Statistician shall compile and tabulate the statistics collected pursuant to this Act and shall publish such statistics or abstracts thereof, as the Minister directs, with observations thereon.

"(2.) All statistics or abstracts prepared for publication and the Statistician's observations thereon (if any) shall be laid before both Houses of Parliament.

"(3.) This section shall not authorize the publication of any matter the publication of which by the Statistician otherwise than under this section would be a contravention of section twenty-four of this Act.

"24. The Statistician, an officer, or the occupier of a dwelling, shall not, except as allowed by this Act, divulge the contents of any form filled up, or any information furnished -

- (a) in pursuance of this Act; or
- (b) at the request of the Statistician, for statistical purposes.

Penalty: Fifty pounds."

4. Section 24 expressly forbids the Statistician or an officer from divulging, inter alia, the contents of any form filled up in pursuance of the Act, "except as allowed by the Act". If section 20 would, apart from sub-section (3.), have "allowed" the divulging of these contents, I think that sub-section (3.) makes it abundantly clear that these contents cannot be divulged as such under section 20; that is to say, while information specified in the form could be used to make up impersonal statistics, it is only the statistics that the Minister may direct to be published under section 20(1.), and not the information contained in the form as such.

5. As, in the view I take, the Statistician and his officers are prohibited by the Act from divulging the information contained in a form filled up in pursuance of section 17, it would be immaterial that the person seeking the information was a member of Parliament or a Minister of the Crown or that the information was sought in a question asked in Parliament. I suggest that, in replying to the letter you have from the Company, you deal with the fourth paragraph along the following lines:

"So far as concerns the position if a question was asked in Parliament, or an enquiry was made by a Minister, as to the position of any company, I have referred this matter to the Attorney-General's Department for advice. That Department takes the view that, as the requirement in the Act as to secrecy

immaterial that the person seeking the information was a member of Parliament or a Minister of the Crown or that the information was sought in a question asked in Parliament. I suggest that, in replying to the letter you have from the Company, you deal with the fourth paragraph along the following lines:

"So far as concerns the position if a question was asked in Parliament, or an enquiry was made by a Minister, as to the position of any company, I have referred this matter to the Attorney-General's Department for advice. That Department takes the view that, as the requirement in the Act as to secrecy makes no exception in favour of members of Parliament or Ministers of the Crown, information contained in a form filled up in pursuance of section 17 of the Act cannot be disclosed to them. The Attorney-General's Department also advises that it would not be open to the Minister administering the Act to direct, under section 20(1.) of the Act, the disclosure of information contained in such a form. Section 20 applies only to the publication of statistics and abstracts of statistics; it does not enable the disclosure of information concerning a particular company."

6. I might add that, if it was possible to deduce from the statistics published the identity of a particular company or particular companies, for example, where statistics were shown on a State basis and in a particular State only a few companies - or perhaps only one company - answered the general description of the particular item, I do not think that that would constitute a breach of section 24 of the Act. If this was the position, however, it would raise a serious question whether it would not constitute such a breach of the spirit of the Act that it should be avoided by presenting the statistics in another way, for example, on a Commonwealth-wide basis.

(sgd) Iwart Smith

(IWART SMITH)
for Secretary

AUSTRALIAN BUREAU OF STATISTICS ACT 1975
FUNCTIONS OF THE AUSTRALIAN BUREAU OF STATISTICS

Functions
of Bureau.

6. (1) The functions of the Bureau are as follows:—

- (a) to constitute the central statistical authority for the Australian Government and, by arrangements with the Governments of the States, provide statistical services for those Governments;
- (b) to collect, compile, analyse and disseminate statistics and related information;
- (c) to ensure co-ordination of the operations of official bodies in the collection, compilation and dissemination of statistics and related information, with particular regard to—
 - (i) the avoidance of duplication in the collection by official bodies of information for statistical purposes;
 - (ii) the attainment of compatibility between, and the integration of, statistics compiled by official bodies; and
 - (iii) the maximum possible utilization, for statistical purposes, of information, and means of collection of information, available to official bodies;
- (d) to formulate, and ensure compliance with, standards for the carrying out by official bodies of operations for statistical purposes;
- (e) to provide advice and assistance to official bodies in relation to statistics; and
- (f) to provide liaison between Australia, on the one hand, and other countries and international organizations, on the other hand, in relation to statistical matters.

(2) For the purpose of the performance of its functions and for the purpose of co-ordinating statistical activities and securing the observance of statistical standards, the Bureau may collaborate with bodies, being Departments and authorities of the States, the Administrations and authorities of the external Territories and local governing bodies, in the collection, compilation, analysis and dissemination of statistics, including statistics obtained from the records of those bodies.

(3) Subject to sub-section (4), each new proposal for the collection of information for statistical purposes by the Bureau shall be laid before both Houses of the Parliament before its implementation, unless the proposal is for the collection of information on a voluntary basis.

(4) Where, in relation to a proposal to which sub-section (3) is applicable, being a proposal for the collection of information relating to businesses, the Minister considers it necessary to commence implementation of the proposal at a time when it is not practicable to comply with sub-section (3) he may authorize the implementation of the proposal without compliance with that sub-section but in such a case particulars of the nature of the information to which the authorization relates shall be laid before each House of the Parliament within 5 sitting days of that House after the giving of the authorization.

(5) For the purposes of this section—

- (a) a reference to statistical purposes shall be read as including purposes in connexion with the collection, compilation, analysis and dissemination of statistics; and
- (b) a reference to an official body shall be read as a reference to—
 - (i) a Department of the Australian Public Service;
 - (ii) the holder of an office established for a public purpose by or under an Act or a law of an internal Territory; or
 - (iii) a body corporate, or other body, established for a public purpose by or under an Act or a law of an internal Territory other than such a body corporate, or other body, that is declared by the regulations not to be an official body for the purposes of this Act.

THE DISTRIBUTION AND PRICING OF STATISTICAL INFORMATION SERVICES

The following pages comprise a copy of the ABS policy on the distribution and pricing of statistical information services. The policy statement consists of five parts:

- Part A Introduction
- Part B Basis for determining charges
 - 1 Publications
 - 2 Maps
 - 3 Microfiche duplicates
 - 4 Photocopying
 - 5 Computer-based services
 - 6 Clerical extraction
- Part C Free distribution of priced publications, microfiche duplicates and maps
- Part D Free provision of special data services
- Part E Accounting arrangements and discounts

PART A INTRODUCTION

The policy set out in this statement is designed to meet the following considerations:

- (a) Observance of the Government's 'user pays' policy and, therefore, recovery of more of the cost of services provided to users without necessitating a cumbersome and expensive accounting system;
- (b) The need to induce users to carefully consider the extent of their demands on ABS services;
- (c) Consistency with guidelines promulgated by AGPS, where appropriate; and
- (d) Consistency of approach in all ABS offices and in respect of the various types of information services offered.

(ii) In all cases where a charge is made for a publication, postage will be added to the price of copies mailed.

(iii) Prices will be reviewed annually, with any changes applying from the following 1 July.

(iv) *No-charge publications*

- (a) Most ABS publications are small in size, serve an immediate short-run purpose and cost less than \$1,250 to print. In the interests of a wide dissemination of statistical information and to avoid setting up a cumbersome charging and recovery system, the present procedure of providing these publications free of charge will be continued. However, mailing lists will be reviewed periodically to keep the number of copies distributed within reasonable limits.

PART B BASIS FOR DETERMINING CHARGES

B1. Publications

- (i) Certain categories of users are to receive copies of priced publications free of charge and, in certain circumstances, single issues may be issued free of charge — see Part C.

- (b) Catalogues of publications and of population census tabulations, and directories of ABS services will be available free of charge except for bulk supplies (10 copies or more). The price of bulk copies should be

determined according to the Document Reproduction Unit (DRU) formula given in paragraph vii below for in-house publications or the run-on formula given in paragraph viii for other publications. Discounts on bulk purchases given in Part E paragraph iv will apply.

(v) *Priced publications*

Information Services Section in Central Office will maintain a current list of all ABS priced publications showing catalogue number, title, frequency of issue, price and other relevant details. State Offices should advise Information Services of changes in these details for existing publications and advise particulars of new priced publications.

(vi) The price for *State Year Books* (excluding postage) will be related to the price set for *Year Book Australia*. Four price options, based on the following four size groups (number of pages), will apply to Year Books: 700-800*, 600-699, 500-599, 400-499. Year Books containing 700-800 pages will have the same price as *Year Book Australia*. The price of Year Books, rounded to the nearest 50 cents, in each of the other 3 categories will be calculated as follows —

Mid-point of the size group (i.e. 650, 550 or 450) \div 750 \times price set for YBA (i.e. mid point of the group 700-800).

(vii) *Publications Printed In-House*

The retail price (excluding postage) of priced publications printed in-house should be set in accordance with the following formula:

(a) Commonwealth Government Printing Office Document Reproduction Units (DRU) charge for an A4 Impression in Category D, i.e. 1,000 or more impressions, per page {85 cents per page as at July 1979};

plus

(b) Paper price as per DRU rate for A4 73 gsm white bond per sheet {53 cents per sheet as at July 1979};

plus

(c) Estimated handling cost per mailing of the publication (20 cents as at July 1979) — to be estimated by Central Office on an Australia-wide basis.

If appropriate, publications which are printed ex-house, but for which camera-ready copy is supplied, may also be priced according to the formula above.

(viii) *Other publications (including Pocket Year Books)*

Retail prices subsequent to the 1979 issues should be four times the run-on cost. If difficulty is experienced in obtaining reliable information about run-on costs, Information Services Section in Central Office should be consulted.

B2 Maps

The AGPS formula of four times run-on cost will apply to maps also, except for Special Series Census maps which will be priced at run-on cost. Where maps are sold in sets, some averaging will be appropriate.

B3 Microfiche (Duplicates of Existing Microfiche)

A charge of 45 cents per fiche should be made for microfiche duplicates. (For microfiche where no masters exist see part B 5 paragraph vii(d).

B4 Photocopying (including hard copy for microfiche)

Photocopying is an expensive service and a standard charge of 20 cents per page should be made.

B5 Computer-based Statistical Information Services

(i) Provision of computer-based services (magnetic tapes, printout and COM) will be dependent on the required resources being available.

(ii) In all cases, the user should be given a quote by the FAS, CSD, acting on the advice of appropriate ABS officers. The quoted price should cover the direct costs of programming, interrogation, computer time, clerical resources, data entry, production staging and any other resources used.

(iii) Where it is necessary to develop programs to meet a specific request, all costs described in paragraph (ii) should be charged for. The cost of program development should be as assessed by the FAS, CSD. (Note: PSB cost/benefit guidelines indicate an 85% surcharge should be made to standard salaries to cover overheads. Thus a figure of 185% of the salary for the top of the CSO 1 range is appropriate.)

(iv) In areas where ad hoc requests can be met by skilled non-programming staff using interrogation or analytical programs already available, programmer cost should be assessed at 75% of the rate specified in paragraph iii above.

(v) Where programs are already available to meet normal processing requirements, or are part of a general service to users (e.g. where 'standard tabulations' form part of the information service), programmer costs can be excluded from the charge.

(vi) Charging for computer time should be based on the estimate of time for both development and production, using the CSD standard rates per hour which are current at that time.

(vii) The output of computer processing will normally be a magnetic tape which may be further processed in one of the following ways:

(a) Copied and supplied to the user on his own magnetic tape — the ABS standard charge per reel for copying should apply. The user should supply his own tape of acceptable quality and be responsible for freight costs for the supply of the magnetic tape to ABS.

(b) Copied and supplied to the user on a new magnetic tape provided by ABS — the ABS standard charge, which includes the supply of both the tape and data, should apply. The standard charge includes sales tax on the magnetic tape.

(c) Printed onto continuous stationery — the ABS standard cost should be charged.

(d) Converted for processing by COM unit to produce microfiche — the standard AGPS rates for this process, together with a component for clerical control, should be the basis for charging.

B6 Clerical Extraction

A charge should be applied if the time taken to extract data (from tabulations, fiche, publications, etc) is expected to exceed about two man-hours. The rate for charging is the top of the range of a Clerk Class 2/3 expressed as an hourly rate. Where a charge is made for clerical extraction it should reflect the total hours taken, not only those in excess of two man-hours.

The time taken to 'confidentialise' computer output should be excluded from the cost of clerical extraction.

PART C FREE DISTRIBUTION OF PRICED PUBLICATIONS, DUPLICATES OF EXISTING MICROFICHE, AND MAPS

(i) Priced publications, duplicates of existing microfiche, and maps will be issued free of charge to the categories of users listed below, subject to the conditions stated.

(ii) Periodic mailing list reviews are to be carried out to establish that there is a continuing need for publications.

(iii) Publications are to be addressed to an office or a position, rather than a person by name, unless the circumstances dictate otherwise.

(iv) In applying the following rules it should be noted that AGPS automatically sends single free copies of all publications it handles to the National Library, the Australian Parliamentary Library, the six State reference libraries and all university libraries.

* No Year Book should contain more than 800 pages.

(v) The categories of users to receive free copies of priced publications, duplicates of existing microfiche, and maps ON REQUEST, are as follows:

- (a) *Federal and State Members of Parliament, and parliamentary officers* — Single copies to meet direct personal needs; multiple copies sought for public relations activity should be paid for. Constituents who seek publications, microfiche or maps through their MP's should be treated as though they applied direct.
- (b) *Federal and State government departments and authorities (excluding government business undertakings providing goods or services on a for sale basis), Royal Commissions, etc.* — two copies at each major office location for circulation and reference purposes. The two copies referred to should be provided, where possible, to the library or similar central distribution point at each major office location.

In accordance with AGPS policies, multiple quantities should be paid for, whether supplied by AGPS or by ABS. Local government authorities should be supplied with a free copy or extract of publications, microfiche or maps appropriate to the administration of their own locality or region.

- (c) *Overseas government authorities and diplomatic and trade missions* — one copy.
- (d) *Government public libraries and parliamentary libraries* — the required number of copies for deposit and general reference purposes.
- (e) *Municipal libraries* — one copy for each library or branch thereof.
- (f) *Australian university and college libraries* — two copies. Faculty or sub-libraries — one copy. A single copy of a single issue may be

supplied free to an individual member of staff on a particular occasion if the circumstances warrant.

- (g) *International statistical organisations where there are arrangements for reciprocal services* — requests for publications or microfiche to be referred to the Librarian.
- (h) *Overseas libraries* — exchange service to be provided where it is regarded by the ABS Librarian or the Exchange Bureau of the National Library as a reciprocal service which is warranted.
- (i) *Federal and State offices of non-profit organisations* (such as trade associations, employer and employee organisations, political parties, learned societies, religious or charity organisations) — one copy.
- (j) *Newspapers, radio and TV stations* — one copy
- (k) *Special cases* (such as persons retired from prominent positions, individuals or companies providing exceptional reciprocal services) — one copy.
- (l) *Statistical informants* — one copy of a priced publication or microfiche, but the person concerned should subscribe for future issues.

PART D FREE PROVISION OF SPECIAL DATA SERVICES

(i) 'Special' data services include photocopy (including hard copy from microfiche), computer-based services (data tapes, printout and COM) and clerical extraction of data. They involve the use of expensive resources to meet the specialised needs of particular users and their provision without charge is, therefore, more limited than the free distribution of priced publications, microfiche copies and maps.

(ii) In all cases, a decision to meet requests involving special services is conditional on resources being available.

(iii) In the case of government departments, ABS officers responsible for authorising the work required to meet requests should be satisfied that:

- (a) the request is conveyed officially to ABS and from the appropriate level in the requesting department;
- (b) for large jobs, the requesting department is made aware of the cost to ABS and is able to justify this in terms of the benefits derived;
- (c) the service can be supplied to other official users with similar requirements, if need be.

(iv) While the categories of users who are to receive special data services free of charge are similar to those for publications, there are some differences. For convenience, the policy is set out below in terms of the same categories as for publications:

- (a) *Federal and State Members of Parliament, and parliamentary officers* — free services should not be provided where they have been requested on behalf of other people.
- (b) *Federal and State government departments and authorities (excluding government business undertakings providing goods and services on a for sale basis), Royal Commissions, etc.* — free of charge, subject to the conditions mentioned in paragraph Diii. Consultants working for government departments should be charged, unless a request on the consultant's behalf is received from the department concerned. Local government authorities should be supplied with a free service if appropriate to the administration of their own locality or region.
- (c) *Overseas government authorities, international statistical organisations and diplomatic and trade missions* — requests should be considered individually, taking into account the intrinsic importance of

the request, resources required to meet it and existing exchange arrangements.

- (d) *Government public libraries and parliamentary libraries* — free copies of photocopies, printout or fiche if required for deposit and general reference purposes. This does not apply to other computer-based services.
- (e) *Municipal libraries* — no free service.
- (f) *Universities and colleges* — in general, no free services to libraries or to departments. Payment should be made for ad hoc services as well as for regular 'subscriber' services (special returns, time series tapes and the like).
- (g) *Overseas libraries* — no free service.
- (h) *Federal and State offices of non-profit organisations such as trade associations, employer and employee organisations, political parties, learned societies, religious or charity organisations* — free of charge if required to serve the recognised corporate responsibilities of the organisation.
- (i) *The press, radio and TV stations* — small quantities of output to be supplied free of charge when the material is to be used as part of the information dissemination function of the media.
- (j) *Special cases such as persons retired from prominent positions, or individuals or companies providing valuable reciprocal services* — decisions in these cases should be made by the relevant First Assistant Statistician or Deputy Commonwealth Statistician and recorded on the list of eligible organisations maintained by Information Services in Central Office; however, in general, there should be no free service.

PART E ACCOUNTING ARRANGEMENTS AND DISCOUNTS

(i) The proposed arrangements will need to be implemented by measures designed to avoid the raising of debits for small amounts of money. Where feasible, the response to mail or phone inquiries should be to give an address of AGPS bookshops or ABS offices where publications can be purchased over the counter. Generally, clients who are required to pay ABS for services are expected to do so in advance. Where possible, notification of the need to pay in advance should be by letter, but judgement may need to be exercised in certain cases to allow notification by telephone.

(ii) Details of the invoicing procedure for charging for statistical information services are given in Section 3 of the ABS Finance and General Services Users Manual.

Exceptions to the payment-in-advance rule may be made *only* when:

- It is clear that to insist on payment in advance will prevent the user meeting an important deadline; or

• there is correspondence (particularly from overseas) which is judged to be a clear undertaking to pay for the services requested (e.g. official purchase orders).

(iii) Discretion should be used in meeting without charge requests for photocopying, microfiche and maps which cost less than \$2.00. This applies particularly to requests by mail.

(iv) Bulk purchases of priced publication: (10 or more) by book-sellers, including AGPS bookshops, should be at a discount of 40 per cent. Other bulk purchases (e.g. on behalf of schools) should be at a discount of 20 per cent for more than 50 copies and 10 per cent for 50 copies or less. All discounts are the same as those applying in AGPS.

(v) In respect of State schools, the aim should be to have requests made centrally by the responsible State authority, copies being supplied at the appropriate discount.

WORKING GROUP ON THE RATIONALISATION OF FINANCIAL STATISTICS

Since a progress report was submitted to the Committee in July 1980, the Working Group has:-

- (i) completed work on the design of a rationalised general collection system for financial statistics other than those collected from insurance companies;
- (ii) designed, developed and tested statistical collection forms for all classes of non-bank financial institutions registered under the Financial Corporations Act 1974, other than authorised short term money market dealers;
- (iii) substantially completed documentation of its investigations and proposals up to this point with the aim of submitting a set of proposals for endorsement by the three organisations (Treasury, Reserve Bank and ABS) within the next two or three months; once endorsement is received the proposed collections will be submitted to the FCA Advisory Committees for consideration and a report made to the Treasurer;
- (iv) begun work on the last stage of its work program in respect of the collections from non-bank financial institutions, namely consideration of administrative arrangements, processing systems, output specifications, publication strategy, etc;
- (v) started work on the content of possible rationalised reporting forms in the banking area, work which will be continued during 1981 as the project as it relates to non-bank financial institutions is finalised and resources become available.

Although, as required by its terms of reference, the Working Group has considered the possibility of legislative amendments which might facilitate a more flexible approach to the collection of statistics, it has formulated no specific proposals in this regard. Consequently, initial implementation of proposed rationalised collections from non-bank financial institutions will be under current legislative arrangements.

March 1981

Progress in Implementation of the Report's Recommendations

CONCLUSION/RECOMMENDATION

PROGRESS IN IMPLEMENTATION

OBJECTIVES AND OPERATING CRITERIA

The central statistical organisation should pursue certain objectives and operating criteria:

- be user oriented and dynamic;
- serve the community as a whole;
- reflect an appropriate balance between different fields of statistics and between short, medium and long-term needs;
- data systems should be easily and rapidly accessible and statistics should be available in varying forms to meet different needs;
- in the short-term, existing data systems should be linked to induce maximum compatibility; and
- in the medium and long terms, conceptual frameworks should be developed for data systems to be established on mutually compatible bases.

These objectives are being pursued by the ABS to the extent possible with available resources. More specifically the following initiatives have been taken:

- An Information Services Section has been set up within the ABS to improve the handling of requests for information and to improve and coordinate the dissemination of statistics. An example of this is the production of time series data on magnetic tape to interested users.
- A Data Management branch has been established to coordinate the development of procedures and equipment, to facilitate access to statistical data and enable more flexible manipulation of data to meet the particular needs of users of statistics.
- Standard classification systems are being developed in conjunction with interested departments (eg the Australian Standard Classification of Occupations currently being developed jointly by the ABS and the Department of Employment and Youth Affairs).
- Integrated statistical series have been extended and conceptual frameworks are being developed in certain areas (eg transport, finance and social statistics).

CONCLUSION/RECOMMENDATION

ADMINISTRATIVE AND CONSULTATIVE ARRANGEMENTS

The Australian Bureau of Statistics should be established as the "Central statistical authority"; administratively independent of any department; policy neutral; and responsible to the Treasurer.

The Australian Government Statistician should be a statutory appointee, vested with the powers of a "Permanent Head" under the Public Service Act.

There should be established a National (Australian) Statistics Advisory Council, representative of users of official statistics; to advise the Minister and the Statistician on matters concerning statistical priorities, existing systems and other statistical matters.

Both the Statistician and the Chairman of the National (Australian) Statistics Advisory Council should report annually to Parliament.

There should be established a Standing Committee on Statistical Co-ordination (SSCC) to determine any unresolved disputes about statistical arrangements or priorities within the Federal sphere.

There should be established within the Federal Government sphere three inter-departmental consultative groups (economic, social and developmental) to identify and articulate statistical needs in a co-ordinated way.

The membership and functions of the Statisticians' Conference should be extended to improve articulation of States' statistical needs and priorities.

The ABS should provide secretariat services to the NSAC, the SSCC, the Statisticians' Conference and the inter-departmental consultative groups.

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PROGRESS IN IMPLEMENTATION

These recommendations were incorporated in the Australian Bureau of Statistics Act, 1975 which took effect from 3 May 1976. The legislation provides for each State Premier to nominate a representative and all have done so. The first meeting of the NSAC was held in February 1977 and nine meetings have been held since.

Annual reports have been tabled in Parliament by the ABS since 1975-76, and by NSAC from 1976-77.

Not Implemented.

Not Implemented; however the ABS assisted with the establishment of the National Committee on Health and Vital Statistics (NCNHS) in 1975.

Not implemented; however, the Australian Bureau of Statistics has, since 1975, provided for States and Territories to be represented on NSAC. In addition, all States Governments have established statistical co-ordination machinery to undertake this function for their respective States. Close ties have been maintained with the ABS and in most States the ABS is represented on the State statistical co-ordination body.

The ABS currently provides a secretariat for NSAC and the Statisticians' Conference. An officer, appointed to the Department of Health, acts as Secretary to the NCNHS.

CONCLUSION/RECOMMENDATION

MAXIMUM UTILIZATION OF AVAILABLE DATA

All departments and authorities should aim to satisfy their basic statistical needs by using the data systems of the central statistical authority.

Federal departments and authorities requiring statistical information from State departments and authorities should make their requests via DCS.

The Statistician should have access to, and the right to influence the content of administrative forms used by Federal departments and authorities; where necessary, legislation should be amended to permit this access while safeguarding the privacy of individual persons and businesses.

The "secrecy" provisions of the Census and Statistics Act, 1905 should be amended to provide maximum access to statistics while fully safeguarding the confidentiality of information about individual persons or businesses.

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PROGRESS IN IMPLEMENTATION

Generally speaking, Federal bodies make full use of the range of ABS information and services available.

State Offices of the ABS have an appreciation of the statistical data available in State departments and authorities. Although no formal machinery exists to ensure that Federal requests are made via DCS, some State statistical co-ordinating bodies encourage this approach.

ABS provides assistance to Commonwealth and State bodies when new processing systems are being designed but at present the ABS has no formal powers to influence the content of administrative forms used by these other bodies. When the ABS is involved it is at the invitation of the bodies concerned.

On 30 April 1974 the Government decided that there should be no amendment to legislation to allow the ABS access to individual taxation records of businesses. However, as a result of a Government request in 1979 the ABS and the Australian Taxation Office are jointly investigating the feasibility of reducing the statistical reporting burden on smaller businesses by the use of tax data for identifiable businesses in consolidated returns. Two officers are seconded from each authority, recently travelled overseas to study practices in this field in the United States and Canada.

The ABS is currently examining possible amendments to the Census and Statistics Act to incorporate the major recommendations of the Committee. (See Section 5, possible alterations to legislation.)

CONCLUSION/RECOMMENDATION

IMPROVING BUREAU SERVICES

The central statistical authority should:

- be equipped with modern computing facilities;
- have sufficient professionally skilled and experienced staff to undertake problem-oriented research and development necessary to maintain efficiency and standards; and
- have adequate powers to collect information compulsorily in order to maintain satisfactory response rates and reporting standards.

Compatibility of existing data systems should be improved; integrated series should be extended to cover all important sectors of industry and areas of social policy.

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PROGRESS IN IMPLEMENTATION

New computer facilities are expected to be installed progressively from 1980.

Although a shortage of suitably trained staff has placed some restriction on the research and development capacity of the ABS, its efficiency and standards have been maintained at a high level.

Generally speaking the powers of the ABS are adequate, but penalties for failure to supply information have not been updated since 1965.

Standard concepts and classifications continue to be developed to improve the compatibility of data. A program of integrated economic censuses/surveys has been developed to cover the more important industry sectors in the next few years. Censuses of mining, manufacturing and construction are conducted annually, and a construction industry survey is being conducted in respect of 1978-79; and integrated economic censuses/surveys are planned to be conducted for retailing, selected services, wholesaling and transport over the next 4-5 years.

Work is proceeding on the development of conceptual frameworks for transport, social and financial statistics; the implementation of the Australian Standard Classification of Occupations (ASCO), the Australian Standard Industrial Classification, and the development of the Australian Standard Classification of Occupations (in conjunction with the Department of Employment and Youth Affairs), in close consultation with major users.

CONCLUSION/RECOMMENDATION

The system of "outposting Bureau officers in other departments should be extended and improved.

PROGRESS IN IMPLEMENTATION

A major review of the outposted officer system was undertaken in 1976. The review team, which included a representative of the Public Service Board, concluded that the outposted services was generally operating very effectively.

In pursuance of recommendations of the review team, and in response to requests from various departments for assistance, in-depth investigation of the statistical requirements of the agencies concerned is undertaken on a continuing basis.

In recent times, with a view to optimising the use of resources, there has been greater emphasis on short-term outpostings to assist with ad hoc projects, particularly projects associated with special enquiries initiated by the Commonwealth Government, such as the Review of Post-arrival Programs and Services to Migrants (the Galbally Enquiry). However, the policy of maintaining a permanent outposting in appropriate locations has not been affected.

The ABS should take the initiative in developing a national system of geo-coding based on geographical coordinates.

Work is proceeding to develop a standard area classification of which one aspect to be considered will be geo-coding. An ABS officer has been studying the implementation of geo-coding systems in the US Bureau of the Census.

The system of occupational classification should be reviewed as a matter of urgency.

ABS and DEYA have been working on developing an Australian Standard Classification of Occupations (ASCO) for over 12 months. The current target date for completion is mid-1982

CONCLUSION/RECOMMENDATION

In cooperation with the States, efforts should be made to improve the comparability of data obtained from State administrative records.

The "marketing" of statistics should be improved through.

- better consultative arrangements with users;
- improved responsiveness to requests;
- improved data dissemination.

PROGRESS IN IMPLEMENTATION

Ongoing, but progress is slow - liaison with State Statistical Coordinating Committees is expected to improve the rate of progress. The current emphasis in work on projects involving the use of State administrative records is on the development of a standard 'core' of major data items which is common to all States.

A review of the marketing and dissemination of statistics was conducted in 1974. As a result, an increase in the resource allocated for this activity was approved and an Information Services Section was established within the ABS structure. Substantial progress has been made towards the rationalisation of publications and new methods of data dissemination have been introduced. Magnetic tapes have been introduced. More recently the ABS published and distributed a directory of the time series data held on magnetic tape and microfiche to provide users with a guide to the major socio-economic statistical series. Population Census data is released on magnetic tape and other areas are planning to make data (eg agriculture) available on magnetic tape. The future. At present an internal review of information dissemination is being conducted and a report will be made in late 1980.

Arrangements have recently been made with the Australian Financial Review to publish, on a weekly basis, summaries of newsworthy statistics gathered by the ABS and lists of publications to be released.

CONCLUSION/RECOMMENDATION

Data systems should be flexible enough to satisfy the varying requirements of different users

The timeliness of data release should be improved by:

- obtaining better response rates;
- improving processing methods;
- issuing preliminary results where practicable; and
- achieving a more judicious balance between the requirements of accuracy and speed.

PROGRESS IN IMPLEMENTATION

Consultation with users has increased recently, particularly that associated with special surveys of user needs (eg for building and agriculture statistics) designed to improve the effectiveness of resource usage in particular statistical programs. For the 1981 Population Census, public submissions were invited on topics to be included or excluded, and extensive discussions were held with users of census data. In addition, the establishment of NSC and State Statistical Coordinating bodies has provided additional opportunities for users to influence the work programs of the ABS.

The flexibility of data systems will improve with the advent of new computing equipment and the application of data management techniques currently being developed for use on the new equipment.

Response rates have generally suffered a slight but continuing decline in recent years, but within the constraints of available resources the ABS is actively attempting to maintain them at a high level and to improve processing methods.

Release of preliminary figures is now normal practice and in many cases timeliness has been improved by giving greater emphasis to key data items in the early stages of processing (eg for monthly time series statistics), by releasing preliminary final editing and by concentrating on those returns which contribute most to the final result.

CONCLUSION/RECOMMENDATION

State offices of the ABS should have sufficient staff resources to undertake statistical projects of particular importance to State Governments.

PROGRESS IN IMPLEMENTATION

Resources have been made available for surveys of the population to be conducted on an annual basis in each State by the ABS on topics nominated by the State Government concerned. Proposals by State governments have been considered on their merits and as a result ad hoc statistical projects have been undertaken such as the NSW Housing Survey and the SA Survey of Energy Usage, and a survey of interstate trade has been undertaken in SA. Continuing interstate trade collections are undertaken in Qld, WA and Tas.

Also, State Offices of the ABS have provided a consultative facility to assist State governments to undertake their own statistical projects