



Official Statistics System

➔ Advisory Committee
on Official Statistics – ACOS

Foreword

This is the first report of the Advisory Committee on Official Statistics (ACOS). Since the committee's appointment in September 2005, members have concentrated on understanding the committee's role and ensuring the necessary systems and processes are in place to enable ACOS to discharge its functions.

In turn, this inaugural report focuses on explaining the committee's role and the context in which the committee came to be established.

In beginning the committee's task of providing the Minister of Statistics with advice as to the health of the system, members have been struck by the wide range of competing considerations that have to be addressed when managing official statistics. This committee is still developing its knowledge, but, like many who focus on official statistics, we are clear that a well-functioning statistical system is an essential piece of national infrastructure.

I look forward to working with the committee on developing our approaches to further improving official statistics, and I thank the Minister and the committee for the time and care they have brought to this important task.



Chairman
Hon David Caygill

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1 Introduction

This is the first annual report of the Advisory Committee on Official Statistics (ACOS).

ACOS was established in 2005 to provide the Minister of Statistics with independent advice and to represent the interests of the wider statistical community (including users, producers and suppliers of statistical data) to ensure that all Tier 1 official statistics are developed to meet the needs of users and producers.

In this first report, we describe the Official Statistics System, our role, what we have examined, and what we expect to deal with over the next year.

2 Official Statistics

Official statistics are all the statistics produced by government departments. They are one of the cornerstones of good government and of public confidence in good government.

Official statistics provide a window to the work and performance of government by showing the scale of government activity in areas of public policy, and by allowing citizens to assess the impact of public policies and actions. It is a government responsibility to provide such statistics and to maintain their long-term sustainability.

Section 2 of the Statistics Act 1975 defines 'official statistics' as "statistics derived by Government Departments from:

- a) Statistical surveys as defined in this section; and
- b) Administrative and registration records and other forms and papers the statistical analyses of which are published regularly, or are planned to be published regularly, or could reasonably be published regularly".

Over the past two decades, changes to public management arrangements and the potential proliferation of data sources have placed a strain on New Zealand's Official Statistics System. These strains have manifested themselves in concerns about the general lack of coordination and management of the system, with particular concerns about burden management, data quality and access issues.

In December 2003, the Ministers of Statistics, Finance and State Services approved the report entitled the Review of Statistics New Zealand and its Future Contribution to Official Statistics. In February 2004, Cabinet confirmed a proposed model for strengthening the Official Statistics System. The model has the following 11 elements (Refer to Appendix 1 for more details). Together, these will form an Official Statistics System across the state sector that is capable of overcoming the problems of the current system. The 11 elements are to:

- identify a set of important statistics (Tier 1) that are performance measures of New Zealand

ACOS has come to an initial view that the fundamentals of the statistical system in New Zealand are sound. Legislation relevant to the New Zealand context is consistent with international principles for a good statistics system.

- broaden the coverage of official statistics to include statistics produced by crown agencies
- apply a set of consistent standards, protocols and policies for Tier 1 statistics
- provide a survey approval process for new or substantially revised Tier 1 surveys
- provide for leadership by the Government Statistician for the development of the Official Statistics System
- provide independent advice through an Advisory Committee on Official Statistics
- maximise access to, and release of, statistics
- establish an Official Statistics Research and Data Archive Centre
- set out clear terms for contract survey work undertaken by Statistics New Zealand
- establish a process to manage respondent burden for large surveys
- establish a Statistics Notification System (SNS) for reporting all surveys in government.

ACOS has come to an initial view that the fundamentals of the statistical system in New Zealand are sound. Legislation relevant to the New Zealand context is consistent with international principles for a good statistics system. The independence of the Government Statistician is not only present in law but is also well enshrined in New Zealand government and society, defended by the Government Statistician, and supported by senior public service managers. The statistical institutions and practices in New Zealand have been used as examples in United Nations handbooks describing good statistical practice.

3 Advisory Committee on Official Statistics

The key functions of ACOS are to:

- advise on the integrity, relevance and quality of Tier 1 statistics (i.e. key official statistics that are performance measures of New Zealand) so that they best meet the needs of users and producers
- improve public confidence in official statistics by monitoring and reporting on standards, policies and protocols
- provide comment to the Government Statistician on the performance of the Official Statistics and Research Data Archive Centre (OSRDAC)
- provide comment or advice on any other matters relating to the Official Statistics System that is referred to ACOS by the Minister of Statistics.

In addition, ACOS is required to produce an annual report on the health of the Official Statistics System that deals with:

- i) the relevance and quality of Tier 1 statistics
- ii) any changes necessary to improve the coverage of Tier 1 statistics
- iii) the appropriateness of standards, policies and protocols for official statistics.

4 Summary of activities for July 2005 to June 2006

ACOS met four times for the year, initially in September 2005, and discussed the following topics:

- Tier 1 statistics
- integration of environmental and resource data
- official statistics principles
- Official Statistics Research and Data Archive Centre
- capability issues.

In addition, in February, ACOS appreciated the opportunity to meet with the Minister and discuss the importance of an independent and objective system of official statistics with strong ministerial support.

ACOS noted that a key concern of the Minister was to reduce the duplication in the gathering of information by government agencies, and the need to set up a process whereby everyone requiring statistical information consults Statistics NZ at the concept stage.

In response to this issue, ACOS advised the Minister that one way in which the committee could assist was through raising knowledge and awareness of the Statistics Act and the nature of Tier 1 statistics.

4.1 TIER 1 STATISTICS

Central to the work of ACOS is the identification of a set of Tier 1 statistics to provide a set of key official statistics that are performance measures of New Zealand. The December 2003 review of the Official Statistics System identified a set of criteria to be applied in determining Tier 1 statistics.

Tier 1 statistics:

- are essential to central government decision making
- are of high public interest
- meet public expectations of impartiality and statistical quality
- require long-term continuity of the data
- provide international comparability in a global environment.

An interdepartmental officials committee assembled an inaugural list of Tier 1 statistics, and on 24 February 2005 this list was endorsed by chief executives (or their representatives) of departments represented on the officials committee.

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The table below gives the different groups of Tier 1 statistics. The detailed list is available on: www.statisphere.govt.nz

Population	Births, deaths and marriages	Culture and identity	Education
Health and Safety	Housing	Justice and Law	Labour market
Incomes	National economy	Agriculture, forestry and fisheries	Manufacturing, retail and wholesale trade
Energy production and consumption	Tourism	Communication, science and technology	Building and construction
Business demographics	Prices and inflation	Exports and imports	Environment
Financial sector			

ACOS reviewed the inaugural list of Tier 1 statistics at its December 2005 meeting. ACOS endorsed the list but noted that there was quite a range of important statistics that were not included in Tier 1 – for example, Quotable Value New Zealand and Land Transport Safety Authority (LTSA) traffic accidents.

ACOS noted that Statistics New Zealand has begun a process of collecting information to assess the health of Tier 1 statistics. This work, although in its infancy, has considerable potential to help ACOS advise on the integrity, relevance and quality of Tier 1 statistics. ACOS encourages Statistics NZ to continue this development.

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4.2 INTEGRATION OF ENVIRONMENTAL AND RESOURCE DATA

ACOS has also noted that currently there are no Tier 1 statistics relating to environmental and resource management issues. This is a significant information gap, particularly because land, energy and water issues are of increasing interest to the public and to policy makers.

There is a need for the wealth of environmental and resource data collected by regional councils to be aggregated to a national level. ACOS considered that with government operating at three geographical levels (national, regional and territorial), and with an increasing use of public-private partnerships, there is a need for integrated statistics for community outcomes and performance management across government, as well as for cooperative efforts with the private sector.

It would seem an appropriate role for Statistics NZ in leading central government agencies and regional authorities to produce coherent, consistent and quality information. ACOS was advised that Statistics NZ has started work involving:

- the development of a core set of indicators at national level for both central and local government
- data integration on environmental and resource management from a regional to a national level
- data integration between regional and territorial authorities on community outcomes
- input-output analysis for sustainability outcomes.

4.3 OFFICIAL STATISTICS PRINCIPLES

The work of agencies that produce official statistics is guided by legislation such as the Statistics Act 1975. Another key source of guidance is the United Nations Fundamental Principles of Official Statistics.

This year, ACOS reviewed and endorsed the Statement of Principles for the New Zealand Official Statistics System. The committee noted that these principles embodied key aspects of both the Statistics Act and the United Nations Fundamental Principles of Official Statistics. These principles will provide the framework for a series of protocols that are designed to give practical guidance for improving statistical processes, such as collection and analysis of data. ACOS encourages the application of these principles and protocols across the Official Statistics System.

This year, ACOS reviewed and endorsed the Statement of Principles for the New Zealand Official Statistics System.

The official statistics principles are summarised below.

Official statistics are:
valued for their:

Relevance	Principle 1: Official statistics produced by government agencies are relevant to the current and prospective user requirements in government and in the wider community.
Integrity	Principle 2: Official statistics gain public trust through being produced and released using objective and transparent methods.
Quality	Principle 3: Official statistics are produced using sound statistical methodology and relevant and reliable data sources, and are appropriate for the purpose.
Coherence	Principle 4: The value of statistical data is maximised through the use of common frameworks, standards and classifications.
Accessibility	Principle 5: Access to official statistics is equal and open.

produced in the interests of all citizens:

Efficiency	Principle 6: Official statistics agencies strive to be efficient and to provide value for money in both costs and user charges.
Protecting respondent's information	Principle 7: Respondents' rights to privacy and confidentiality are respected and their information is stored securely.
Minimising respondents' load	Principle 8: The costs of compliance are kept to an acceptable level and data is collected only when the expected benefits of a statistical survey exceed the cost to providers.

and enhanced through:

Maximising existing data sources	Principle 9: Maximise the use and value of existing data by integrating or aligning available statistics and administrative sources.
International participation	Principle 10: Official statistics agencies make use of and contribute to international statistical developments.

The OSRDAC data archive will generate greater value from unit record data collected by Statistics NZ and other Official Statistics System agencies

ACOS noted the importance of these principles and the need to have protocols in place as best practice guidelines for the production of Tier 1 statistics. ACOS will continue to monitor both the content and application of these principles and protocols.

4.4 OFFICIAL STATISTICS RESEARCH AND DATA ARCHIVE CENTRE

OSRDAC was established in 2004 to provide a single reference point for official statistics and as a repository unit record data for Tier 1 surveys with managed access for governments, universities and other researchers. This means that Statistics NZ will promote, manage and facilitate the use of and access to microdata¹. In reviewing the OSRDAC status report at our December 2005 meeting, ACOS noted that significant progress was made towards completing this development.

There appears to be considerable benefit in ensuring that the Government's information resources remain accessible. However, this goal is likely to be resource intensive, both in establishing common standards and in some cases recreating original metadata².

The OSRDAC data archive will generate greater value from unit record data collected by Statistics NZ and other Official Statistics System agencies. This will occur through the systems, policies and procedures being developed to preserve datasets that might otherwise be lost or damaged over time. The data archive will make datasets more accessible for future use.

ACOS is interested in reviewing the implementation of these policies and how they impact on the health of Tier 1 statistics.

4.5 CAPABILITY ISSUES

ACOS noted capability issues facing Statistics NZ raised by the Government Statistician's May report. Statistics NZ faces difficulty in continuing to find sufficient staff with the right skill base to meet the demands of a very challenging forward programme. ACOS also noted that, across government, people with quantitative skills are increasingly needed to undertake evidence-based policy research, evaluation and advice to Government Ministers.

In recognising this risk, ACOS strongly supports Statistics NZ's initiatives to enhance statistical capability in the state sector and focus on four key areas: quantitative skills, statistical literacy, statistical knowledge (expertise) and ongoing professional development. Specific initiatives to address statistical capability issues include:

- basic-level statistics courses for state sector employees
- specialised conferences, courses (longitudinal analysis, data integration, statistical literacy)
- collaboration with professional societies (eg Market Research Association)
- the Professional Statisticians' Network
- enhanced collaboration with tertiary institutions (raising the profile of official statistics)
- the official statistics seminar series.

1 Microdata is defined as a unit record of low-level data from Tier 1 surveys that has not been sufficiently aggregated to be made publicly available.

2 Metadata is 'data about data'. Metadata provides information on the content, quality, processing storage and dissemination of statistical collections to both data users and Statistics New Zealand staff. Metadata can also be used by the automated systems that drive Statistics New Zealand's statistical processes.

5 The way forward

There is an ongoing challenge to ensure that the system of surveys and administrative data respond to the changes in the national, regional and international demands for statistics of high quality.

These growing demands for official statistics have the potential to significantly increase the reporting burden across all sections of society. In recognition of resourcing issues, ACOS has an important role in advising the Minister on priorities for improving the health of Tier 1 statistics and the Official Statistics System.

During 2005 to 2006, ACOS discussed issues and possible approaches for its agenda in 2006 to 2007. Key issues identified include:

- mechanisms for monitoring Tier 1 statistics
- utilisation of official statistics
- respondent burden management
- maximising the use of administrative data
- reviewing the quality, coherence and coverage of Tier 1 statistics.

In future, ACOS will work closely with producers of official statistics to address these issues.

Appendix 1

INITIATIVES TO STRENGTHEN OFFICIAL STATISTICS

1. Identification of a set of important statistics (Tier 1). Tier 1 statistics are a defined set of key official statistics that are performance measures of New Zealand. The identification of Tier 1 statistics is primarily based on the purpose of the statistic and not the producer of the statistics.
2. Broadening the coverage of official statistics to include statistics produced by a class of Crown entities to be known as Crown agents. Producers of Tier 1 statistics outside the proposed scope of departments and Crown agents need to be invited to come within the scope.
3. Application of a consistent set of standards, protocols and policies for Tier 1 statistics. The Government Statistician, in consultation with departments, will set standards, protocols and policies to be applied to Tier 1 statistics and therefore maximise the ability to integrate, compare and use such statistics across the state sector.
4. The Minister of Statistics will approve all new or substantially revised Tier 1 surveys to ensure standards as defined above are being met.
5. Leadership by the Government Statistician of the development of the Official Statistics System through the development of standards, protocols and policies that facilitate Statistics NZ's supporting other departments to improve or obtain the necessary expertise and capability to improve the quality and efficiency of Tier 1 statistics. Included in this element is a strong research programme to inform users and producers about the quality and effectiveness of Tier 1 statistics and to develop new statistical series from existing data sources.
6. Independent advice and review. An Advisory Committee on Official Statistics (ACOS) to the Minister of Statistics and Cabinet will represent the interests of the wider statistical community, including users, producers and suppliers of statistical data to ensure that official statistics, particularly Tier 1, are developed to meet the needs of users and producers.
7. Accessing and releasing statistics:
 - Users will be able to access a full list of available statistics produced by the Government
 - Users will be able to use a variety of standard methods to access Tier 1 statistics
 - Release of Tier 1 statistics will be by the chief executive of the producing agency according to a calendar of release dates published at least six months in advance.
8. A single point of access to Tier 1 unit record survey and administrative data. A new business unit will be set up in Statistics NZ called the Official Statistics Research and Data Archive Centre, which will provide a single access point for Tier 1 and a single repository for unit record data for Tier 1 surveys, for use by governments, universities and other researchers.
9. Clear terms for contract survey work undertaken by Statistics NZ for government agencies. These terms and conditions must be widely available and understood by potential contracting parties.

10. Notification process for all surveys, in order to produce a comprehensive register of all official surveys and reduce duplication of work by departments and respondents.
11. A burden management process will be put in place for all surveys with a sample size over 2,500 to encourage collaboration across agencies. The final decision will be made by the chief executive of the producing agency.

(Source: December 2003 Top Down Review of the Official Statistics System)

Appendix 2

Membership OF ACOS

ACOS is chaired by the Hon David Caygill, former Minister of Finance and current Deputy Chair of the Commerce Commission.

In addition to the Chair, the nine committee members are:

- Professor Richard Bedford (Population Studies Centre, the University of Waikato)
- Dr Peter Bushnell (Deputy Secretary, The Treasury)
- Dr Bryan Jenkins (Chief Executive, Environment Canterbury)
- Marcel Lauziere (Deputy Chief Executive, Ministry of Social Development)
- Jas McKenzie (former Secretary of Labour)
- Phil O'Reilly (Chief Executive, Business New Zealand)
- Roger Procter (Group Manager, Ministry of Economic Development)
- Emeritus Professor Alastair Scott (Department of Statistics, the University of Auckland)
- Professor Linda Tuhiwai Smith (Joint Director, Nga Pae o te Maramatanga, the National Institute of Research Excellence in Maori Development and Advancement, hosted by the University of Auckland)

The Government Statistician, Brian Pink, is also a member of ACOS, ex officio.





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