WORKSHOP ON THE ORGANISATION OF NATIONAL STATISTICAL SYSTEMS AND USER-PRODUCER RELATIONS – OVERVIEW NOTES

I. ORGANISATION OF NATIONAL STATISTICAL SYSTEMS

A. Improving co-ordination within the National Statistical System

Cohesion within the National Statistical System is becoming more important even within largely centralised systems like Australia. Users will want to 'mix and match' data from different sources to try to get a better picture of the economy, the environment or social conditions. They will also want to bring together data from different sources for a geographic region, a population subgroup or an industry for example.

There are also efficiency reasons for improving co-ordination. It will be more efficient to share some infrastructure across the statistical agencies within a national statistical system than for each agency to develop its own. Infrastructure that might be shared includes the business register, classifications and statistical standards. The advantages and disadvantages have to be weighed up of course but countries that have developed shared business register systems, for example, have found little public resistance. There are no real arguments against sharing statistical classifications and standards.

Centralisation of National Statistical Systems has always been one of degree. Centralised systems have always had some statistical work undertaken by other agencies. On the other hand, decentralised systems have always had a central statistical agency. It is a spectrum rather than a dichotomy and that spectrum is probably narrowing over time. For example, in centralised systems more work is being undertaken outside the National Statistical Office (NSO) as administrative data is increasingly being used for statistical purposes. Administrative data has the advantage of full coverage of the population of interest so they can be used to provide detailed statistics.

The importance of coordination is recognised in the UN Fundamental Principles of Official Statistics as Principle 8 – *Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.*

The presentation for this session will provide more detailed arguments for improving co-ordination of National Statistical Systems.

Most countries have legislation to support co-ordination. The key elements of the Australian legislation will be presented at the Workshop as a case study.

Some countries are upgrading their legislation and/or co-ordination arrangements. A case study from Japan is shown as background reading. Mexico and South Africa are two other countries where changes have been made recently to improve the co-ordination of their statistical systems.

Statistical co-ordination will not improve unless someone accepts a leadership role for this improvement. The National Statistical Office is well placed to provide this leadership but it is not an easy task. Progress will often be frustratingly slow and not all activities will be successful. Some setbacks are to be expected. But the direction of improved co-ordination is right. Improved coordination and a successful leadership from the national

statistical office are greatly assisted if there is support from the government coordination Ministeries (eg Ministry of Finance, Cabinet Office) and/or a key Minister.

Why should the NSO take a leadership role in the development of national statistics?

(a) Government agencies increasingly need to work in a "connected" way. This will only happen if they are prepared to share information, including statistical information. The NSO often has a high share of available information as well as knowledge of other information that might be available.

(b) It is important that this information can be related - that is, we are using the same concepts and definitions to the extent possible. This requires leadership on standards and classifications, a role to which the NSOs should be well suited to play.

(c) It is important that national or official statistics, no matter what their source, should be of good quality - sound statistical methods should be used. Again the NSO has a constructive role to play.

How do you provide statistical leadership? Trewin's 2005 ISI paper provides a summary of the sort of things that might be undertaken. It is attached as background reading. The other background document is an extract from Trewin's 2007 paper on the "Evolution of National Statistical Systems".

Another model worth considering is the OECD Quality Reviews. These are generally reviews of statistics produced by Divisions (in a decentralised system) other than the Statistical Division.

These reviews involve:-

a) A review of the statistical methods, and
b) Discussions with key users on their views on the quality of the statistics and desired improvements.

From these reviews, recommendations are made on how to upgrade the statistics.

Background Reading

Trewin (2005), "The role of the National Statistical Office in the broader National Statistical System – Some new opportunities and challenges"
Trewin (2007), "Evolution of National Statistical Systems", published in the Statistical Journal of the IAOS.

B. Autonomy of National Statistical Offices

The UN's Fundamental Principles of Official Statistics provide the guidance as to how national statistical offices should operate. A presentation on the Fundamental Principles will be given at the Conference by the UN Statistics Division. They have provided an important guide to many National Statistical Offices as they have entered negotiations with their governments on the most appropriate organisational arrangements for official statistics.

Some of the key principles as they relate to autonomy are:

Principle 1. *Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information.*

Principle 2. *To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.*

The IMF's Special Data Dissemination Standards (SDDS) also stress the importance of integrity in statistics (for which autonomy is regarded as a prerequisite). The extent to which it is being achieved, and how it might be improved, is one of the things that could be considered in the IMF's ROSC reviews.

Partly because of these reasons, there has been a thrust towards giving many National Statistical Offices greater autonomy and independence as part of what are seen as good governance arrangements for countries. Where it has happened, it has led to greater trust in official statistics by both national and international users. Independent and authoritative statistical information facilitates good decision making by the government and others. The alternative is to rely on advocacy or anecdote or information that is not necessarily trustworthy. It is in the interest of government, particularly if they are performing well, to have trustworthy statistics. Certainly it is in the interest of good government to have good quality, trustworthy statistics available to them and the public.

The public is an important community for official statistics. The United Kingdom Government in the early 1990s commissioned a review of the government's statistical service which concluded that the objective of the Government's statistical service should be that the information should not be collected primarily for publication but primarily because the Government needed it for its own activities. This doctrine was widely criticised and subsequently has been abandoned. It was concluded that the community is an important audience for official statistics.

What are some of the key characteristics of an independent National Statistical Office?

1. The ability to choose the methodology for compiling official statistics without the interference of government.
2. The ability to decide whether to publish or not. (Unless there are exceptional circumstances, such as very poor quality, there should be a published output from every statistical collection.
3. The ability to determine release dates (although should be consideration of government and other activities in determining release dates).
4. Published outputs do not have to cleared by Government or other bodies before being released.

The independence of the Australian Bureau of Statistics is specified in legislation. But the most powerful influence is not the legislation as such but the wide community

support of such an arrangement. It has also had the strong support of successive Australian Governments of all political persuasion. In fact, if a Government moved to reduce independence of the Bureau there would be a strong media and community reaction.

The United Kingdom (UK) is one country where there has been past criticism of the independence of the National Statistical Service. Most of this criticism was directed at agencies other than the Office of National Statistics but some of this criticism reflected on them. As a consequence the government initiated a public enquiry referred to as "A Matter of Trust" and a number of changes were made to the arrangements for official statistics in the United Kingdom.. One of the important changes was to introduce a UK Code of Conduct for how all statistical agencies should operate in order to increase public trust in statistics. Many of these changes were aimed to improve the independence with which statistical agencies operate.

It is not always easy to implement independence in statistical operations even when Governments seemingly support this. This was one of the the main discussion points from the UNSC Seminar on the Evolution of Statistical Systems held in 2007. To quote from the summary,

"The autonomy of some offices (ie independence of Government) had increased for some offices whereas the opposite had occurred with other offices. The general feeling was that autonomy from Government was desirable although it also carried important accountabilities and responsibilities. It was suggested that it would be useful to have some documentation of these accountabilities and responsibilities as a point of reference as well as the arguments as to why it is beneficial for Governments for national statistical offices to have autonomy. Many offices were having difficulty convincing their political masters that this was the case."

The Workshop will discuss, in more depth, some of the difficulties in implementing independence in statistical operations.

Background Reading

United Nations Fundamental Principles of Official Statistics, www.unstats.un.org (Click on *Fundamental Principles of Official Statistics*)

Dennis Trewin (2005), 'Truth, Damned Truth and Statistics'., Address given to the National Press Club

Reference

United Kingdom Code Of Practice, www.statistics.gov.uk (Click on *About statistics* then *National Statistics Code of Practice*)

C. How useful are Administrative Data for Statistical Purposes

Administrative data exists in most countries as a result of government regulation or operation. Their potential for use in the production of official statistics is recognized in Principle 5 of the United Nations Fundamental Principles of Official Statistics

"Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents."

An important element of this principle is that the decisions on the use administrative data as the source for any official statistics should be made with due regard to the factors of quality, timeliness, costs and burden on respondents. Often the driver behind increased use of administrative records is a desire or requirement to reduce respondent load or costs of operation, or because of unacceptable levels of responses in surveys or censuses. Whatever the driver, all sources have advantages and disadvantages with regard to these four factors and any decision to use on the most appropriate data source should ideally be made on balance across these factors. The advantages, disadvantages and quality issues will be covered in the presentation. Also covered are issues arising from the use of administrative data – authority and privacy, data management, tensions in such data being used for both statistical and administrative purposes, quality management, and skills and tools.

Administrative data can be used in a number of ways by statistical agencies in the production of official statistics:-

- as frames for survey selection, usually with stratification based on information available on the records (eg area, size)
- to provide benchmarks to support survey estimation
- as a data source, possibly for part of the population only
- for linking to enrich other data sources
- for quality validation of other data sources.

The extent that administrative records exist, and the opportunities to use them for statistical purposes, varies across countries. Northern European countries (Sweden, Norway, Finland, Denmark as well as The Netherlands) have a long history of societies with extensive registers arising from requirements on their citizens and businesses. These countries have generally led developments in use of administrative records for statistical purposes, and there is extensive information available on their experience. Statisticians from these countries have been active participants in international statistical activities such as ISI and IAOS and often publish in journals such as JOS and ISR. Some information on methods used can be found from the websites of the statistical offices in these countries (these generally provide information in English) and from the Eurostat website.

Other European countries, North America, Australia and New Zealand also use administrative records to varying degrees and their experiences can be found from similar sources. In particular, these countries make extensive use of taxation records for their economic statistics feeding into the national accounts. Australia and New Zealand provide good examples of how the records can be used and strategies adopted for achieving their situation. Some of the key strategies used by these statistical offices are discussed in the presentation.

The quality of statistics produced from administrative records is usually different from the quality of statistics produced from direct collection via surveys and censuses, and can require different statistical techniques to be developed for its management. There is much less control over what data is collected, how it is collected and its timeliness. To

meet the quality requirements required for the main uses of the resulting statistics statisticians need to develop statistical methods for matters such as coverage deficiencies, missing data, identifying outliers, changes in administrative processes, and late availability of some records. Importantly, methods for managing factors which can significant impact on quality need to be develop with the owners of the administrative data. Both the Statistical Office and the owners of the data should benefit from the improved quality. Generally quality improves over time because of feedback of problems experienced from statistical use and from increasing attention by the source owners from the extra attention paid to their data.

Privacy is an important issue with use of administrative records but its importance does vary from country to country. In many countries there is privacy legislation which places specific restrictions on how information held in government databases may be accessed and used. Statistical use of administrative data is different from administrative use in that names and addresses are not critical and no decisions are being made about a particular individual or business. Privacy concerns should therefore be less of an issue with statistical use but nevertheless they still need to be managed. One important principle which should be adopted is to keep separate the administrative and statistical uses.

The main success factors for increasing use of administrative records are:-

- Organisational commitment, from the top, to the use of the administrative data
- Good relationships with the owners of the data sources especially with top management of the agency
- Understanding the quality of the data and how it is best managed
- Management of the privacy concerns

Some useful references

OCED Statistics Directorate maintains on its website pointers to key documents on issues relating to official statistics, including one on *Issues with Administrative Data.* The following documents are listed with links, which are primarily about economic statistics:-

1. Use of registers and administrative data sources for statistical purposes; Best practices of Statistics Finland
2. Issues in the use of administrative records for statistical purposes – Statistics Canada
3. Business register recommendations manual Chapter 20: The use of administrative sources – Eurostat
4. We must use administrative data for official statistics – but how should we use them? – ILO
5. Compilation and presentation of labour statistics based on administrative records – ILO

D. Adjusting the Organisation of National Statistical Systems to Emerging Issues

It is important that National Statistical Offices can respond to emerging issues if they are to retain their relevance. If they do not, others will attempt to fill the gap and the statistics may not be of the same quality as those that might be produced by the National Statistical Office because of the advantages and technical know-how held by an NSO.

This is not a straightforward task of course. There are many challenges. These include:

- Establishing the government priority for the issue. This stresses the importance of effective user engagement as discussed in that topic.

- Obtaining the finances required to do the work.

- Obtaining the appropriate subject matter and knowledge to design the supporting statistical collections.

- Agreeing on an underpinning conceptual framework.

- Acquiring staff with the necessary technical skills.

- Introducing appropriate organisational arrangements for what might be difficult statistical work to be undertaken in accordance with a tight timetable.

On this last point, it is usual for a special organisational arrangement to be set up for a Population Census. The same may be necessary for statistics on emerging issues especially if the timetable is very tight.

What are some of the key steps?

1. Really understanding the key needs – it is important to focus on these needs and not to be unduly distracted by less important issues.

2. Research previous work of this type – often other national statistical offices may have undertaken similar work. It may be necessary to seek advice from these organisations or perhaps undertake a study tour.

3. Research the availability of suitable data perhaps from administrative sources. It may be possible to combine administrative data with survey data to provide information on the topic in question.

4. Does a suitable conceptual framework exist? Again, it may be necessary to borrow ideas from other national statistical organisations.

5. If it is decided that it is necessary to conduct a statistical collection, what information exists to provide a selection framework for the collection?

6. What is the broad statistical methodology that should be used? In designing the methodology it should be kept in mind that it is better to have an appropriate answer

to the right question rather than obtain accurate information that is not really relevant to the questions that are being asked.

7. What is the cost of the collection? Are there ways of reducing the cost (eg by not collecting as much information)? How will it be funded? Will it be by appropriation from the Government or elsewhere? Will it be necessary to stop or delay other statistical activities? Are there respondent load issues to be managed from the extra collection?

On this last point, there may not be sufficient information initially available to make accurate estimates of the cost of the statistical activity. It may be prudent to initially only seek funding for the development stages. Development work should provide sufficient information on the key operational parameters to enable more accurate estimates of the total cost.

Pilot testing should be regarded as an essential component of a new statistical collection. The nature of the pilot testing can vary and, in some circumstances, small intensive tests can be more cost-effective than large scale pilot surveys but not if details on operational parameters are being sought.

For a new statistical collection on an emerging issue, good project management is even more important. There are more risks that the project could go astray through cost blow outs or by not achieving its original goals. This is one of the reasons a special dedicated organisation with a strong leader should be considered. The leader should have sufficient authority to carry out his or her responsibilities. However, it will also be important that the Director-General of the NSO take a strong interest in the collection perhaps by heading the Steering Committee or the equivalent governance body. The Office's reputation can be impacted positively or negatively by the success or otherwise of the project and how the project is managed. The project management arrangements, including the various responsibilities, must be agreed in advance.

The quality of the statistics on an emerging issue may not be as great or well understood as for regular collections, at least in the early stages. This is not surprising given their novel nature. Therefore it may be prudent to brand these statistics differently. For example, the Australian Bureau brands these statistics as "experimental" and actively seeks feedback on the statistics and how they might be improved.

The Workshop will give the participants the opportunity to discuss the issues associated with collecting statistics on emerging issues. Many of these issues will be social and environmental in nature. One such case is statistics to support analysis of climate change. This is a particularly important issue for most South Asian countries. The UN Statistics Division is working on how to best support countries in these statistical endeavours. A draft agenda for action on statistics for climate change will be presented to the Workshop. Feedback will be most welcome.

Background Reading

Draft Agenda for Action on Climate Change Statistics: the conclusions of a Conference in Oslo in April 2008 sponsored jointly by the UN Statistics Division, Eurostat and the World Bank.

II. USER PRODUCER RELATIONS

E.(i) The Role of National Statistical Offices in Statistical Analysis

Analysis of official statistics covers a wide range of possibilities, from quality assessment through to the use of complex techniques and models that can be used to help explain public policy outcomes. In more detail the possibilities are:

- Quality assessment and validation
- 'routine' adjustments and summaries
  - Seasonal analysis - to show trends/direction
  - Age/sex standardisation - to compare populations with different age and sex structures
- Descriptive analyses designed to convert data to useful information that make the key features in the statistics more understandable
  - Descriptive text
  - tables
  - graphs
- Multivariate analysis and analytical constructs - to summarise data eg Socio-Economic Indexes,
- Measures of transitions and longitudinal analysis
- Creation of new statistical outputs using analytical methods (eg small area statistics)
- User-oriented analyses that focus on shedding light on possible links between outcomes and explanatory factors for specific public policy issues

Doing analysis provides many benefits to a statistical agency. The main ones are:-

- Improved quality assurance of statistical outputs
- increased value obtained from costs of creation of a dataset
- improved understanding of outputs, and improved outputs as a consequence of feedback on quality concerns
- better fulfilment of the role of **informing** the government and the community, thereby ensuring continued relevance
- helps establish/maintain NSO's professional standing
- development and maintenance of skilled staff.

In addition, if the data is not analysed (either by NSO or researchers with access to microdata), then you may get duplication of data collection.

All statistical agencies should undertake at least some quality assessment and some basic analysis during the production and presentation of statistical outputs eg deciding which tables to publish, graphs requiring analysis of the data to determine the most important outcomes and which relationships to display. Routine adjustments such as seasonal analysis are also commonplace. Beyond these routine applications of analysis, there is great diversity across agencies in the application of more sophisticated methods of analysis, and how agencies are organised to undertake or support such

applications. In Europe many of the statistical agencies undertake high levels of analysis. The best examples are Statistics Norway and the French agency INSEE. Some statistical organisations keep separate the functions of data collection and production from analysis, while others organise by fields of statistics where all functions from collection through to analysis and reporting are done by the same group.

The presentation outlines what is needed to improve analytical capability, methods of supporting users to do analysis, and some issues and pitfalls involved with doing analysis. In particular, attention must be given to ensuring objectivity and avoidance of direct comment on the success or failure of policy or advocating policy.

For the countries of the South Asian region, the most important types of analysis will be those covered by the first three bullet points of the opening paragraph of this section. Relationships with researchers, in government and research institutions, will be important for other types of analysis.

Analysis can be undertaken by either a statistics office or users of the data with support in various ways from the statistics office. There are issues arising with either situation and these will be discussed in the presentation. The main ones are confidentiality protection and access, skills and understanding of policy requirements. For many analyses access is required to microdata and there will be a complimentary presentation on the release of microdata.

To improve its analytical capability a statistics office needs to give consideration to having staff with the right skills and policy knowledge, databases and software, the most appropriate organisational arrangements, partnerships with key users, and the design of data collections and outputs.

One important aspect of doing analysis soundly is the documentation of methods used and making this available to users. This means that there are plenty of publicly available examples of analysis and methods used obtained by searching websites of statistical agencies.

In the early 1990s Statistics Canada implemented strategies to both improve the applications of analysis done by the organisation and improve the standard of reporting of the results of analysis in statistical reports. This was a management strategy led by the Chief Statistician who was actively involved in encouraging more analysis and raising the standard of reporting of results in outputs published by Statistics Canada. The main reasons for the campaign were feedback from intensive engagement with key users at high levels that they were looking for Statistics Canada to use their intimate knowledge of the statistics to summarise what was being revealed, and recognition by the organisation that raising skill levels from doing more analysis would maintain and improve the capability of the organisation.

E (ii). Release of Microdata

Going back a few years, demand for data for analysis purposes in the more advanced statistical offices was largely satisfied by providing special customised tables. Some were very detailed and are now referred to as data cubes. These were only really useful

if provided on electronic media so they could be used as an input into the analysis work being undertaken by users. Data sets to support modelling were also released on electronic media mostly magnetic tapes. But soon the pressure developed for access to microdata and several National Statistical Offices amended their legislation to enable this to happen. The legislation also spelt out the protocols for protecting confidentiality. These changes had a fundamental impact on the use of social data collected by National Statistical Offices but it took a while for anything like their full potential to be utilised.

The use of microdata has become much more prevalent but some users found the confidentiality restrictions too limiting for some of the work they wanted to undertake. Also access to business microdata was generally not possible under the confidentiality restrictions that applied to microdata. This led to extensions to the way that microdata was released such as data laboratories and remote access facilities. This is a field where further exploratory work is taking place. One such area where there is growing interest is the linking of data using either exact matching techniques (but name and address data is not perfect or up to date so there is always some units that cannot be matched) or statistical matching or record linkage techniques. Links can be in one of two directions or both. Longitudinal links through linking longitudinal surveys, censuses or administrative data over time are important for studying the dynamics of particular situations. But links across data sets can also be important for enriching a data set and allowing more extensive studies of inter-relationships (eg the interconnection between different social outcomes). Linking involves important privacy and confidentiality considerations as well as methodological challenges.

The use of National Statistical Office data for research and analysis purposes is an overwhelmingly positive development even though it may create a few problems and tensions from time to time. It means the data is being used more extensively and more value is being obtained from the statistical collection effort. Feedback from these users is important and they can often provide valuable insights into data quality. It also results in a new group of supporters for official statistics which can be very important when budgets are being considered.

As to the future, the demand for access to official statistical data for secondary data analysis can only be expected to increase perhaps exponentially especially demand for access to microdata. We have to find innovative ways of satisfying this demand whilst protecting the confidentiality of the data entrusted to us. Whilst this may be difficult we risk losing relevance to many users of official data unless we find ways of meeting the demand. There are other areas where the demand for microdata is not being satisfied. One important area is business microdata. Too many businesses are easy to identify even with a relatively small amount of identifying information. The other is the availability of microdata to international organisations to support national and international studies. Some possible areas of development include:

(i) research collaborations under specific conditions to protect confidentiality,

(ii) data laboratories including secure arrangements for off-site data laboratories,

(iii) further development of remote access facilities particularly ways of automatically identifying possible confidentiality breaches.

The International guidelines on Confidentiality and microdata, approved by UNSC,

should help to develop good practice across countries. They are available on the UNSD web site. They are based on an earlier version approved by the Conference of European Statisticians. One important element of the Guidelines is a series of Case Studies on Good Practice.

The Guidelines contain four principles.

1. It is appropriate for microdata collected for official statistical purposes to be used for statistical analysis to support research as long as confidentiality is protected.
2. Microdata should only be available for statistical purposes.
3. Provision of microdata should be consistent with legal and other necessary arrangements that ensure that confidentiality of released microdata is protected.
4. The procedures for researcher access to microdata, as well as the uses and users of microdata, should be transparent and publicly available.

The guidelines also spell out the various ways of supporting the research community including statistical tables and data cubes, anonymised microdata files, remote access facilities, and data laboratories.

There will be tensions from time to time between the National Statistical Offices and the research community because of their different objectives. The Guidelines discuss ways of managing these tensions.

A specific concern of the countries of the South Asian region may be the cost of ensuring the microdata is of sufficient quality before it is released,. A second concern may be the cost of developing access facilities. These will be discussed in more detail in the Workshop. One response to the first concern is to ensure that users have reasonable expectations on the quality. The second concern may be satisfied by transferring custodianship to a trusted intermediary who specializes in providing these type of services. This should be done under agreed conditions. The International Guidelines discuss these possibilities. Another concern may be having staff knowledgable in microdata analysis and the detail of the microdata so that support can be provided to users.

Background Reading

United Nations Statistics Commission (2007), Principles and Guidelines for managing Statistical Confidentiality and Microdata Access, www.unstats.un.org (click on Meetings and Events then Statistical Commission then Current Session, Item 3(j))

Australian Bureau of Statistics (2003), Developments in the release of microdata, 2002-03 Annual Report, chapter 3

F. How can we increase User Engagement?

Effective engagement of users in various aspects of the operation of a statistics office is a critical success factor if the agency is seen to be being relevant and effective in its service provision. Users can provide important input into the development of work programs and decisions on priorities; the design of collections, standards and outputs; and methods of access to statistics. Users can also provide feedback on the effectiveness of services provided.

A challenge for statistical agencies is the wide range of users and of uses made of official statistics. An agency needs to recognise the different types of users and engage with them appropriately. Engagement with other stakeholders (eg privacy commissioners, business organisation) is also important, and similar principles for engagement with them apply.

From a user perspective, engagement with them by a statistics office can be haphazard, uncoordinated and duplicated. This is complicated further in a highly decentralised system where a statistics office is just one of many sources of official statistics for a user wanting to bring together data on a particular topic or region. As well, statistical issues are often of lesser priority to users than other issues. This must be taken into account when developing plans for engagement.

Primarily as a result of changes to funding arrangements and a general introduction of users pays within government, many statistical agencies such as those in Australia, New Zealand, Canada, and in Europe were required to charge for some services and to meet revenue targets in lieu of full funding. This provided a necessity for the agencies to engage more effectively with users so that the right products and services were being provided in the ways required by users. There are many lessons to be learnt from the experiences of these countries, and the presentation outlines in more detail the following ABS experience.

The ABS realised at the time of introduction of revenue targets that it did not know enough about the views of users on the services being provided, nor did the ABS have the experience to undertake market research to find out. A marketing expert was employed and some significant surveys of users were commissioned in the late 1980s. The information collected and the resulting analysis led to the development of a market segmentation approach for engagement with users and of strategic marketing plans.

Four user segments were identified and strategies developed for engaging with users in each of the segments and for marketing and service provision. The four segments of users are:-

a. key accounts;
b. other clients with whom the ABS has an ongoing relationship (usually subscribers to regular outputs such as a publication);
c. ad hoc users; and
d. specialist segments for the media and students.

Various methods of engagement with the different types of users have been developed.

- Advisory Council
- Advisory groups (eg CPI revision)
- Membership & participation in professional associations
- high level meetings with important users
- Program evaluations
- User groups
- Market research
- Outposting of staff

- Appointment of client managers for personal engagement with nominated key clients
- Appointment of senior managers for oversighting dealings with 'lifeline' clients *
- Newsletters
- Joint ventures & strategic alliances

** lifeline clients are those who have a significant influence over support provided to the organisation eg Treasury or the Ministry of Finance*

In some countries regular conferences are also held with users to facilitate exchange of information between users and the various players in a statistical system. New Zealand provides a good example for this as such conferences are required by statistical legislation to be held every five years. Both Statistics New Zealand and the users find these Conferences to be very useful.

The experience of the ABS and of similar statistical offices has shown that there are some critical success factors for effective engagement with users. These are

- the culture of the organization and its staff needs to change to be client focused. The predominant culture of statistical offices tends to have a production focus.
- there needs to be constant focus by senior management on improving engagement – development and monitoring of strategic plans, set appropriate objectives for staff
- senior management also need to commit time to engaging with important users
- the organization needs to be responsive to feedback obtained
- organisational changes can often be needed and investments made in infrastructure to support staff
- staff movements out of a statistics agency can often be an opportunity rather than a loss as they can be well informed users.

Background Reading

Australian Bureau of Statistics (2007), www.abs.gov.au, Annual Report chapter 10, "Engagement with users"