

# ANNUAL REPORT 2015–16



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Guides to ABS services, and other selected documents, including a comprehensive range of ABS statistics are available on the ABS website: [www.abs.gov.au](http://www.abs.gov.au)

The 2015–16 ABS Annual Report can be found at: [www.abs.gov.au](http://www.abs.gov.au)



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## Australian Statistician

The Hon Michael McCormack MP  
Minister for Small Business

Dear Minister for Small Business

I am pleased to present the annual report for the Australian Bureau of Statistics for the year ended 30 June 2016.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (the Act). Section 46 of the Act requires that an annual report be given to the entity's responsible Minister for presentation to the Parliament.

The report has been prepared in accordance with the PGPA Rule and includes the ABS's audited financial statements in accordance with subsection 43(4) of the Act as well as ABS's annual performance statements in accordance with subsection 39(1) of the Act.

In addition, and as required by Section 10 of the Act, I certify that the ABS has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, reporting mechanisms that meet the needs of the ABS
- taken all reasonable measures to appropriately deal with fraud relating to the ABS.

Yours sincerely

A handwritten signature in blue ink, appearing to read "David W. Kalisch".

David W. Kalisch

12 September 2016

## Contact details

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Access to all ABS documents (including the ABS Annual Report) and statistics is available through the ABS website: [www.abs.gov.au](http://www.abs.gov.au)

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Alternatively, you can email your query to [client.services@abs.gov.au](mailto:client.services@abs.gov.au)

For media requests contact Communications & Dissemination Branch on 1300 175 070.

The ABS has offices in every state and territory as listed below.

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<b>Melbourne</b>	Level 3, 818 Bourke Street, Docklands VIC 3008	GPO Box 2796Y Melbourne VIC 3001
<b>Geelong</b>	12 Gheringhap Street, Geelong VIC 3220	PO Box 4459 Geelong, VIC, 3220
<b>Brisbane</b>	295 Ann Street, Brisbane Queensland 4000	GPO Box 9817 Brisbane QLD 4001
<b>Adelaide</b>	ANZ House, 11 Waymouth Street, Adelaide SA 5000	GPO Box 2272 Adelaide SA 5001
<b>Perth</b>	The Durack Centre, 263 Adelaide Terrace, Perth WA 6000	GPO Box K881 Perth WA 6842
<b>Hobart</b>	200 Collins Street, Hobart Tasmania 7000	GPO Box 66 Hobart TAS 7001
<b>Darwin</b>	Civitas Building, 22 Harry Chan Avenue, Darwin NT 0800	GPO Box 3796 Darwin NT 0801
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# Section One Overview



# Chapter 1

## Australian Statistician's review



Like every year for the past century, the ABS has again delivered reliable information that informs Australia's key decisions.

The operating context for the ABS is an enduring one, recognising the critical importance of the ABS role in informing the decisions of government, business and the community.

We fulfil this role by delivering high quality, timely and relevant statistics, and making the information available in ways that maximise its usefulness while effectively protecting the privacy and confidentiality of individuals, households and businesses.

But consistent with our mission, the ABS needs to enhance what it does and the way it works so it can continue to deliver relevant statistics, now and into the future. If we stand still, we will fall behind in the value we provide to the community.

We need to look for ways to improve measurement of key economic dimensions such as productivity, and make use of new data sources and statistical methodologies.

I've spoken before about unleashing the power of data, and that is what we at the ABS want to do.

We want to make better use of the data that already exists in government systems, to be able to draw out improved statistical insights and support government decision making.

We want to be able to put less of our effort into collecting data – and reduce the collection burden on households and businesses – and more effort into curating and analysing data; being able to use our statistical expertise to effectively use existing government data and improve the information available for policy development and debate.

Just like in the 1950s and 1960s, when the ABS and other statistical bureaus worldwide embraced the idea of sample surveys, we and other national statistical agencies are now going through another data revolution; this time taking advantage of the opportunities offered by big data from both government and private industry sources.

We are already using retail transaction data from private industry to help us calculate the Consumer Price Index (CPI), and combining census demographics with administrative data from other government agencies has already contributed to improved policy understandings in the areas of migration, mental health, education programs and industry restructuring.



We are also exploring the potential of satellite images and GPS data, and the capacity they have to improve agricultural data and greatly increase our understanding of freight movements and road use in Australia.

The ABS is now in the second year of its ambitious Transformation Agenda, and the next 12 to 18 months will see the ABS building on the foundations put in place so far.

## Producing accurate, timely statistics

During the year we received feedback from the Treasury, the Reserve Bank of Australia and a number of economists that the ABS labour force statistics had generally been consistent with other sources of information about developments in the broader economy.

The dynamic nature of our economy and labour market over the past few years have been a challenge; not only for the ABS as the producer of the statistics, but also for some economic commentators who can no longer rely on simplistic approaches to analysis.

As hindsight has shown, it has taken time for the economic narrative underlying our 2015 labour market and national account statistics to be fully understood.

There is good reason why we release some 60 plus spreadsheets of data on the labour force every month, and nearly 40 more quarterly; the stories told by the data are complex and multi-faceted, and no two or three headline figures are ever going to encapsulate it fully.

We will continue to encourage commentators to make greater use of the detailed labour force statistics that the ABS publishes – those on full-time and part-time jobs, industry and regional employment, hours of work, unemployment and underemployment – to better understand the labour market and the economy as a whole.

As the ABS Transformation Agenda continues, we also recognise that we will be working with fragile, ageing statistical systems for a few more years to come; however, in key statistical areas such as national accounts, CPI, labour force and population estimates we have placed, and will continue to place greater attention on identifying and mitigating statistical risks.



*The Hon Alex Hawke MP addressing ABS SES in February 2016.*



# Transforming the ABS 2015–16

Our transformation is the key to unleashing the power of statistics for a better Australia

## Key Transformation achievements to date

### ENVIRONMENT



Working with stakeholders to further develop the future of official statistics.

Established a new Population and Social Statistics Advisory Group – to complement the Economics Statistics Advisory Group, and participated in a blue sky workshop held by the Australian Statistics Advisory Council

Trust in the ABS has remained high, 81 per cent of the general public and 100 per cent of informed users trust the ABS<sup>^</sup>

Extensive consultation with key stakeholders such as the Treasury, the Reserve Bank of Australia, Prime Minister and Cabinet, Departments of the Environment; Social Services, Health; Industry, Innovation and Science; and Education and Training

93% of key stakeholders feel their relationship with the ABS has improved\*\*

ABS DataLab trial generated an increase in registered users of microdata products, up 46% compared to 2014–15

96% of print articles cited ABS statistics without quality concerns<sup>+</sup>

### STRATEGY

ABS Corporate Plan announces the Transformation Agenda

Forward Work Program documents ABS priorities for 2015–16

Statements of Expectations and Intent agreed with the Treasurer



Whole of government public data management and data integration initiatives, including the Multi-agency Data Integration Project, the Linked Employer-Employee Dataset and Business Longitudinal Data Analysis Environment (previously known as the Expanded Analytical Business Longitudinal Database)

Submission to the Productivity Commission's inquiry into Data Availability and Use



Decrease in the burden on businesses and households, including the phasing out of paper forms for business surveys over the next four years

### GOVERNANCE

Restructured to prioritise the Census, Transformation, strategic partnerships and communication



Executive Program Board established for Statistical Business Transformation Program, with external members prominent



Review of policies and legislation underway

Statistical risk management planning for main economic indicators and estimated resident population



New Statistical Strategy Committee established to provide single oversight of ABS statistical programs

ABS Enterprise Agreement 2016 endorsed by staff

<sup>^</sup> Community Trust and ABS Statistics Survey, October 2015

<sup>+</sup> Based on assessment of articles in seven major newspapers citing ABS statistics (located through a contracted media monitoring service)

<sup>\*\*</sup> 2016 Stakeholder Relationship Health Assessment



# Transforming the ABS 2015–16

Our transformation is the key to unleashing the power of statistics for a better Australia



## Key Transformation achievements to date

### PEOPLE



Increased the number of women in our senior executive – from 24 per cent to 46 per cent



360 degree feedback provided to all Senior Executive Staff

Staff secondments to federal, state and territory government departments including with the Treasury, Department of Finance, and Prime Minister and Cabinet. We also have seconded officers to each State and Territory Government as Strategic Partnership Managers



Positive results in the 2015 State of the Service Census

ABS staff member Joseph Chien awarded a 2016 Sir Roland Wilson Scholarship

Youmpla Network to support Aboriginal and Torres Strait Islander staff

### CULTURE

Senior Executive Staff commitment to leadership behaviours of timely action, empowered staff and a 'One ABS' focus



ABS Change Network established: bringing together change champions across the ABS



ABS Engagement Strategy in place to improve and expand external partnerships



Implementing new and improved ways of working with a focus on high performance



Renewed focus on improving knowledge management

### INFRASTRUCTURE

Funding secured thanks to a historic \$257 million investment by government



ABS National Data Acquisition Centre opened in Geelong as a new centre of excellence for data capture



Improved security and access management procurement finalised

Rollout of the new and more flexible (NextGen) desktop environment completed, enhancing security while increasing flexibility



Five of our nine offices have migrated to activity based working, giving greater access to flexible working arrangements and reducing capital investment in office facilities

Procurement for the ABS Enterprise Data Management Environment was underway

## **Transforming the 2016 Census of Population and Housing**

This past year has been one of gearing up for the 2016 Census, held on August 9.

This is not only the largest single statistical collection undertaken by the ABS but the largest peace time logistical exercise regularly conducted in Australia. Over the last few years we have engaged with community groups, multicultural groups, all levels of government and other stakeholders to build awareness, understanding and partnerships to ensure Australia receives high quality data from the 2016 Census.

The 2016 Census will cost around \$470 million, and our 'digital first' approach – where we expected two-thirds of all households to complete the Census online – was designed to save taxpayers an estimated \$100 million in printing and field collection costs.

Although online completion was possible in both 2011 and 2006, it was not strongly emphasised; even so, a third of the population completed their 2011 Census online.

We see online completion as both less intrusive for many households and, more importantly, a move that offers improved security of personal data.

This has been the first time we've led the Census communication campaign with a digital push; and we were pleased with responses; we had already received over 750,000 electronic returns back before Census night.

But on Census night itself, the site had to be taken offline as a precautionary measure due to a combination of circumstances, and access was not restored to the public until we could be sure of the safety of both the process and the information collected.

Despite this setback, the added media attention greatly increased awareness of the Census and barely two weeks later we had exceeded our response expectations.

At the time this Annual Report went to print, 23 September 2016, I am pleased to report that 8.3 million households submitted their forms either on paper or online.

The 2016–17 Annual Report will include a more detailed report of the 2016 Census process and results.

## **Transforming the ABS**

The ABS continues to transform what it does and how it works, and 2015–16 has been the first full year of our Transformation Agenda.

Importantly, we have pursued ambitious and comprehensive changes. At the same time we delivered around 500 quality, timely statistical releases over the year as well as preparing for the 2016 Census. We also increased our statistical risk mitigation for our key statistics to ensure that we continue to produce quality and timely information during our transformation.

The transformation of the ABS will enable us to deliver greater value both in terms of increased statistical information and value for money.

Despite an ageing statistical infrastructure well identified by my predecessor, the ABS I joined almost two years ago had many positive features, largely thanks to a highly professional and committed workforce. This enables the ABS able to respond to the demands placed upon it and staff who are acutely aware of the importance of what the ABS does.

These people carry the knowledge that will help the ABS retain what works, and they have essential skills as we continue to respond to the evolving information needs of the nation. But the ABS also needed a number of other skills and expertise that we have been able to recruit.

We now have a better balanced workforce; both long serving, experienced staff as well as new recruits with experience from outside the ABS, including over 130 graduates at the start of 2016.

I have been impressed by the improvements I have seen over a relatively short time, and particularly pleasing is that the ABS is working more collaboratively and constructively, drawing upon the skills and perspectives we have across the organisation, as well as working more with our partner agencies and key stakeholders.

But the greatest gains from our Transformation Agenda are still to come, as we start implementing new systems and new information architecture to support our vision of a better statistical system. Given the scale of the infrastructure rebuild required, this will be several years away.

The ABS remains a complex business operation, considering the depth and breadth of our statistical program across economic, industry, social and environmental dimensions and, the diverse data capture arrangements we use, with multi-site operations allowing our national business to be run from nine locations.

Pages four and five summarise key transformation achievements that the ABS has made to date.

## The value of statistics

One aspect that might surprise the community is the limited range of information that is currently available to governments, business and the community when it comes to considering the major policy issues facing our society.

In many of these cases the lack of information means it is all too easy for debate to be led and shaped without any real reference to the facts of the matter, and for decision makers (governments and parliaments) to be making choices in an information fog.

This is an area where the ABS must step up and deliver greater public value to governments and the community by offering an improved range of statistics – providing a real and far-reaching evidence base for government decision making and policy assessment, and in a way that does not compromise privacy.

I would expect that providing improved statistical evidence to government, Parliaments, businesses and the community is exactly what the community expects of the ABS, and why we have organisations such as the ABS.

In the context of the fiscal challenges we face as a nation, the ABS is able to increase the scope of its output through the better use of existing Census, survey information and government administrative data at minimal additional cost.

What the ABS believes it should do is nothing new or novel; we already do some of this activity and see opportunities to do more for Australians. We are simply trying to catch up to statistical agency peers such as Canada and New Zealand, who have been undertaking this safe data integration for many years, and with community support.

I don't believe that citizens of Canada and New Zealand value their privacy any less than Australians do, yet they were able to see the value and utility that the improved use of existing information provides and they understood the privacy preserving statistical mechanisms used by their trusted national statistical offices in these processes.

Privacy is a cornerstone of any statistical agency, and the ABS is no exception – privacy remains our number one priority and a requirement of our legislation. It is a core value of the ABS, myself, my senior team and the entire workforce.

The ABS has been pursuing data integration since at least the early 2000s, and our capability and commitment to it has been enhanced over past years as we have been able to learn from the developments in this field being made by other national statistical agencies.

**Data integration projects** using data from the last two Censuses, and in particular 2011 Census data have already led to improvements in **mental health support**, understanding **educational outcomes**, improved estimates of **Indigenous life expectancy** and demonstrating the contribution of **migrants to Australia**. The modest scale of activity by the ABS to date has produced modest benefits to the community.

To provide some illustrations of the sorts of statistical insights that the ABS will be able to deliver in the future, including through safe, more effective use of Census information, we are expecting to provide much better statistical information on:

- the nature, extent and outcomes for employees and families from the industrial changes that are taking place in the economy
- the changes taking place in communities, especially as our population ages and we experience further changes in patterns of work, population mobility and family formation
- the education and health interventions that are more likely to provide improved outcomes
- the outcomes – both positive and negative – achieved for citizens, families and the community as a whole from government programs and services.

Quite simply, this data integration is the future for all statistical agencies – we need to leverage big data to provide the evidence to better inform governments, parliaments and the community.

While the value of the ABS and the statistics it produces is indisputable, we do have a finite budget, through our appropriation and additional user funding, yet we are still able to deliver information that is used extensively in decision making by governments, business, households and the community.

On the economic side, ABS data is used every day to guide the operations of government – from informing the Reserve Bank's interest rate decisions, to assisting the Treasury's understandings of policy impacts and outcomes, as well as supplying much of the core information for fiscal settings and budget forecasts and, financial distributions from the Commonwealth to the states and territories. Business investment decisions are also based on accurate, timely and relevant data from the ABS.

On the social side of the ABS work program, our demographic data is key to the distribution of electorates, while surveys such as the Australian Health Survey help develop and target policies and programs to address disadvantage and disability, improve health and social outcomes, and generally improve everyday life in Australia.

As a public institution, we are focused on delivering public value to the taxpayers who fund our activities and our many key stakeholders. Even though we have a strong sense that we already deliver public value far in excess of the cost of our services, we are seeking to further increase the public value of what we do, and provide information that will help improve the wellbeing of Australians.



## Acknowledgements

I would like to close by again thanking the skilled staff of the ABS for their dedication and perseverance while we undertake change in the ABS; I would like to thank the Australian community for their ongoing support and trust that we will continue to respect their privacy and confidentiality.

It's important to remember that no government agency works in a vacuum; the ABS works with many other national organisations as they supply us with data critical to our statistical collections; we also have the ongoing support of the state and territory Registrars, who supply us with information on Australia's births, deaths and marriages, the varied state and territory agencies that supply us with the financial information critical for the compilation of the national accounts and other economic collections, and information to compile key social indicators of crime, justice and early childhood education.

We also have ongoing partnerships with agencies such as the Department of Immigration and Border Control, Department of Industry, Innovation and Science, Department of Foreign Affairs and Trade, Department of Social Services and the Department of Health who help us take statistics in Australia to a new level of insight and relevance.

Finally, I'd like to acknowledge the support from our recently appointed Minister, the Hon Michael McCormack MP. I would also like to thank our previous Ministers, the Hon Alex Hawke MP and the Hon Kelly O'Dwyer MP for their support during 2015–16.

**David W Kalisch**

Australian Statistician

# Chapter 2

## ABS at a glance



**13.6 million**  
visits to the ABS  
website

**2.5 million**  
downloads of  
ABS products



**2.3 million**  
people saw the Twitter  
posts by the ABS



**7,572** print  
media articles  
attributing the  
ABS in 2015–16



**44,000**  
calls to the  
National  
Information  
and Referral  
Service

**489**  
statistical  
products  
released



**3.3 million**  
people saw the Facebook  
posts by the ABS



**35,000** households in New South Wales and Queensland were involved in a large Census field test on 25 August 2015, part of the preparations for the 2016 online Census on 9 August 2016.



## The ABS vision

Unleashing the power of statistics for a better Australia.

## Who we are

The ABS is Australia's official national statistical agency, with a long history of providing statistics to inform decisions on issues of importance to Australia. The Commonwealth Bureau of Census and Statistics was established over 100 years ago, following enactment of the *Census and Statistics Act 1905*. This agency became the Australian Bureau of Statistics in 1975 with the passing of the *Australian Bureau of Statistics Act 1975*. This Act also established the role of the Australian Statistician and defined the functions of the ABS.

## What we do

The ABS is a trusted provider of information for Australia. The ABS maintains the confidentiality of the individuals and businesses whose information it collects while it strives to make its statistics as accessible and useful as possible. Each year the ABS releases a large number of statistical products covering the economy, society, environment and the population.

The ABS also has an important coordination function with respect to the statistical activities of other official bodies, both in Australia and overseas.

## Where we are

The ABS has nine offices, eight located in each state and territory capital city, and a new office in Geelong. Ongoing engagement with state and territory governments on statistical priorities is achieved at the local level through a Strategic Partnership Manager – an ABS staff member seconded (in part) to a line agency of each state or territory government. Primary responsibility for the delivery of statistical services to each state or territory is managed through relevant subject matter areas, with support from local Strategic Partnership Managers.

In April 2016 the ABS opened the National Data Acquisition Centre and continued a partnership with cutting-edge research institution Deakin University in Geelong. ABS's purpose-built office will be the central data collection point for all ABS business and household surveys.

## Our plan

The ABS Corporate Plan outlining the ABS's vision, strategic direction, strategic priorities, objectives and ABS's transformation agenda can be found on the ABS website at [www.abs.gov.au](http://www.abs.gov.au).

## Our purpose

For over 100 years, the ABS has contributed to the wellbeing of Australians and to Australia's democracy by providing high quality statistical information to governments, researchers and the community.

The ABS operates in a dynamic environment. New opportunities for accessing and interrogating a vast amount of administrative, transactional and other data are becoming available, increasing the potential to provide new insights into matters of importance to Australians. The statistical landscape is becoming more complex, expectations of decision makers are growing, and the ABS is being challenged to deliver the best possible statistical program in more efficient and innovative ways.

In response to these opportunities and challenges, and informed by the Government's Statement of Expectations, recommendations from the 2013 Australian Public Service Commission (APSC) Capability Review of the ABS and engagement with key stakeholders, the ABS is undergoing major transformation (2015–16 to 2019–20). The Government's announcement in the 2015–16 Budget of a major investment in the ABS to modernise its systems and processes is a critical enabler for the wide-reaching transformation agenda being pursued by the ABS. This transformation encompasses how the ABS operates as an organisation, both internally and as part of the wider information community; its statistical infrastructure; its people and culture; and the statistical solutions it delivers.

Statistics, well understood and wisely used, have the power to improve outcomes for Australia. The transformation is key to achieving the ABS vision of **unleashing the power of statistics for a better Australia**.

## Responsible minister

The ABS is an agency under the Treasury Portfolio. During 2015–16, the Hon. Kelly O'Dwyer, MP, Parliamentary Secretary to the Treasurer and Federal Member for Higgins, continued to be the Minister responsible for the ABS until September 2015 when she became the Assistant Treasurer and Minister for Small Business. At that time Alex Hawke, MP, Assistant Minister to the Treasurer and Federal Member for Mitchell took over responsibility for the ABS.



*Hon Kelly O'Dwyer, MP,  
Parliamentary Secretary to  
the Treasurer and Federal  
Member for Higgins*



*Hon Alex Hawke, MP,  
Assistant Minister to the  
Treasurer and Federal  
Member for Mitchell*



## Enabling legislation

The *Australian Bureau of Statistics Act 1975* and the *Census and Statistics Act 1905* set out the primary functions, duties and powers of the ABS.

The *Australian Bureau of Statistics Act 1975* establishes the ABS as an independent statutory authority, with Section 6(1) describing the six functions of the ABS as being to:

- constitute the central statistical authority for the Australian Government and provide services for the state and territory governments
- collect, compile, analyse and disseminate statistics and related information
- ensure coordination of the operations of official bodies in the collection, compilation and dissemination of statistics and related information
- develop standards for statistics and ensure compliance
- give advice and assistance to official bodies in relation to statistics
- provide liaison between Australia, other countries and international organisations on statistical issues.

The *Census and Statistics Act 1905*:

- empowers the Australian Statistician to collect statistical information on a broad range of demographic, economic, environmental and social topics
- enables the Australian Statistician to direct a person to provide statistical information, in which case they are legally obliged to do so
- requires the ABS to publish the results of these statistical collections
- places a life-long obligation on all ABS officers to maintain the secrecy of information collected under the Act, and provides harsh penalties for those who fail to do so.

There were no amendments made to the *Census and Statistics Act 1905* or the *Australian Bureau of Statistics Act 1975* during 2015–16.

The ABS is also subject to by the *Public Service Act 1999*, the principal Act governing the establishment and operation of, and employment in, the Australian Public Service; and is subject to the requirements of the *Public Governance, Performance and Accountability Act 2013*, the *Freedom of Information Act 1982*, the *Privacy Act 1988* and the *Public Interest Disclosure Act 2013*.

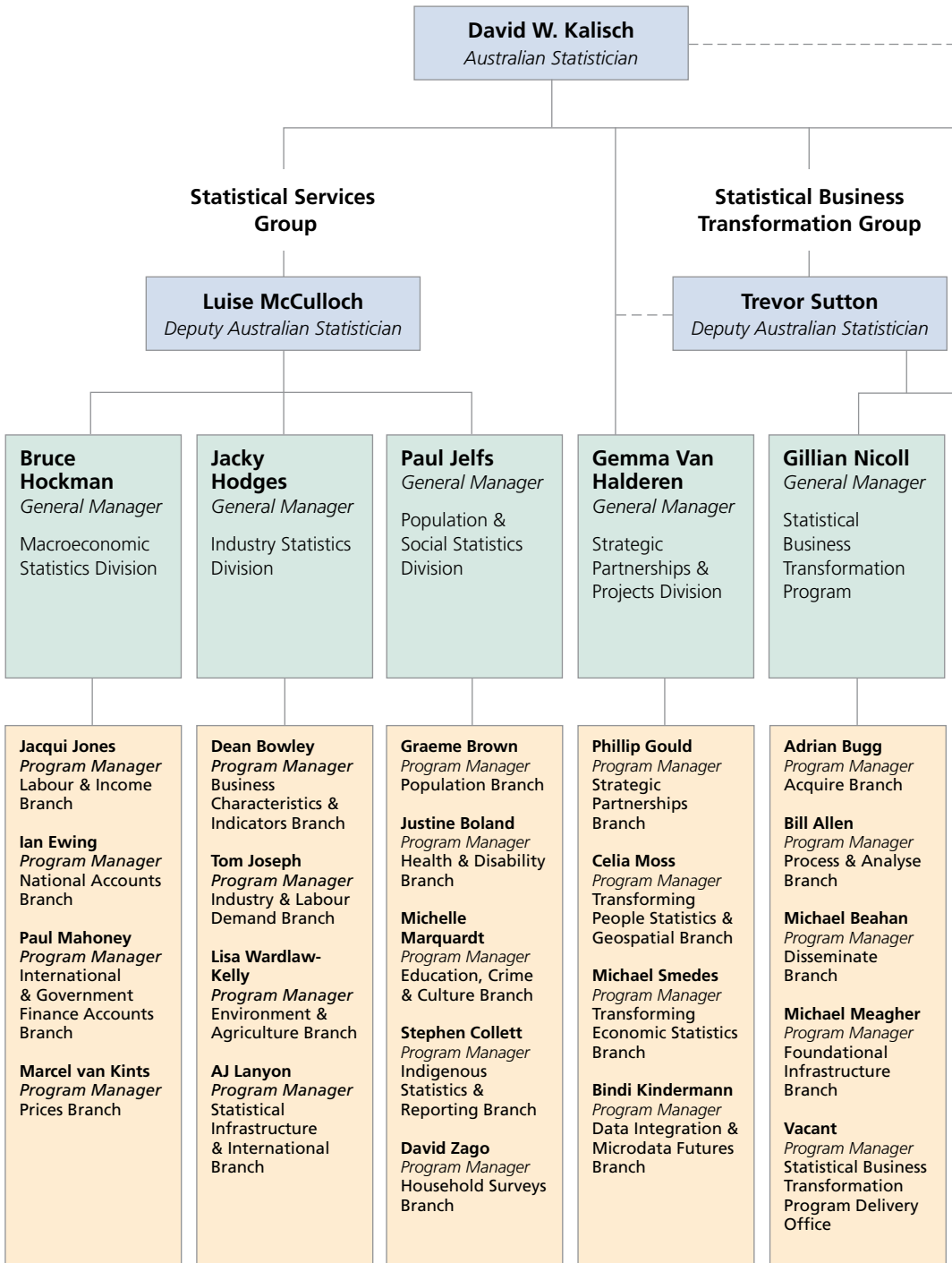
## Organisational structure

The ABS is led by the Australian Statistician – a statutory office established by the *Australian Bureau of Statistics Act 1975*.

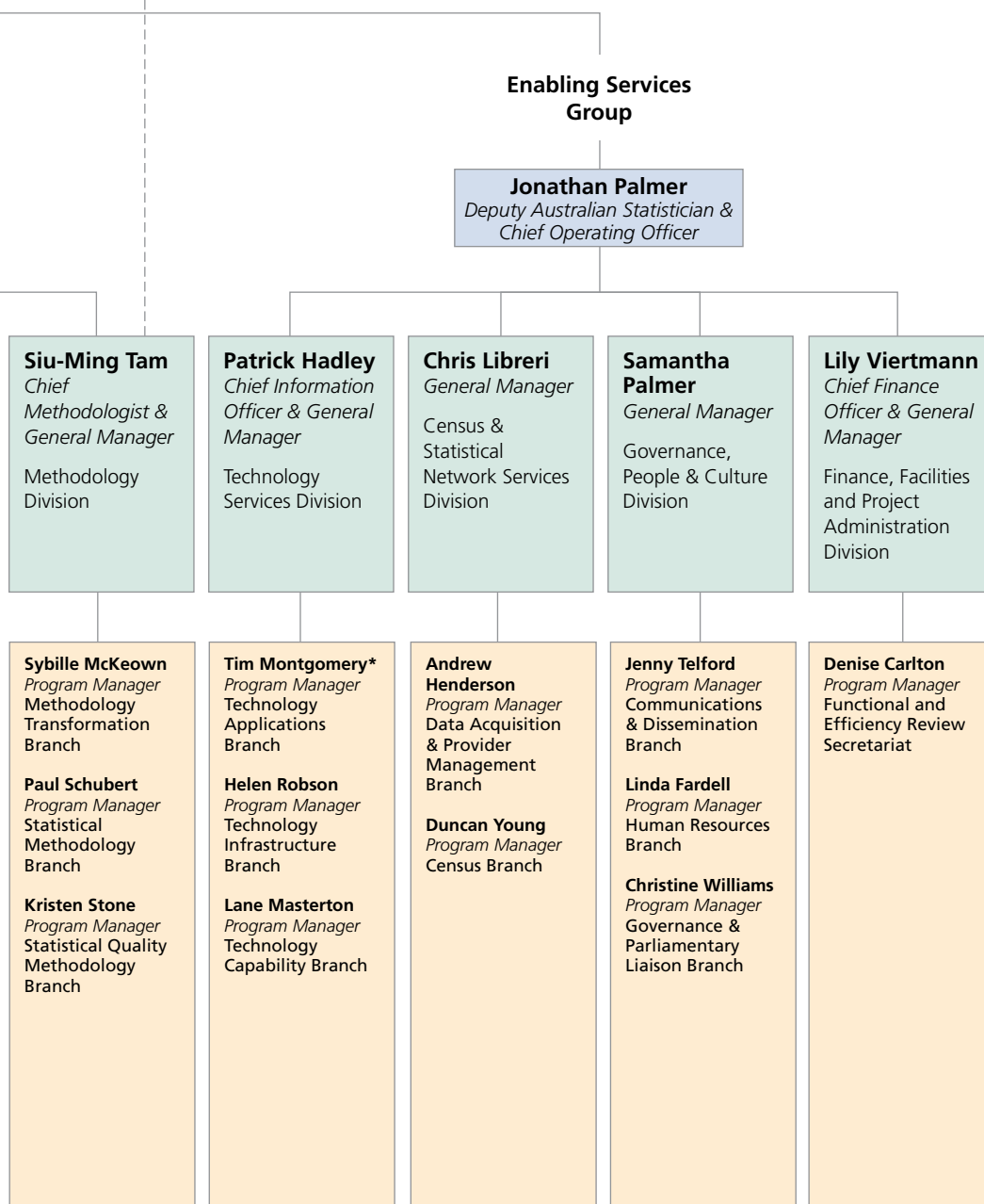
The ABS produces a range of economic and population statistics. The production of these statistics involves extensive data collection through censuses and surveys as well as from administrative and other transactional data sources. We undertake extensive analysis and interpretation of the data to ensure the statistics meet user requirements. The ABS also provides data in a variety of formats. The ABS's statistical collection, production and dissemination programs are supported by services which deliver assistance and advice on statistical collection and compilation methods, data, and metadata arrangements, information technology, data acquisition and collection, client management, dissemination, human resources and other corporate services.

**Figure 2.1: Organisation chart**

as at 30 June 2016



\*Individual is acting in this role



## Australian Statistics Advisory Council

The Australian Statistics Advisory Council (ASAC) is the ABS's key advisory body and was established by the *Australian Bureau of Statistics Act 1975*. ASAC provides independent advice to the Minister responsible for the ABS and the Australian Statistician on longer-term statistical priorities and other relevant matters. It also reports annually to Parliament.

The Chairperson of the Council is Mr Geoff Allen AM, Director of ACIL Allen Consulting. Members represent a broad cross-section of perspectives, covering: federal, state and territory governments; business; academic; and community interests; and are drawn from across Australia. This diversity of perspectives is one of ASAC's key advantages in informing ABS's strategic management and transformation. ASAC also provides valuable input into the directions and priorities of the ABS work program.

As set out in the *Australian Bureau of Statistics Act 1975*, the role of the Council is to advise the Minister and the Statistician in relation to:

- (a) the improvement, extension and coordination of statistical services provided for public purposes in Australia
- (b) annual and longer-term priorities and programs of work that should be adopted in relation to major aspects of the provision of those statistical services
- (c) any other matters relating generally to those statistical services.

## ASAC mission

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

## Blue sky workshop: Over the Horizon: digital disruption, megatrends and the future of official statistics

In addition to the scheduled ASAC meetings in 2016 a workshop was held on 20 June 2016. Members participated in a blue sky workshop titled 'Over the Horizon: digital disruption, megatrends and the future of official statistics'. The workshop included additional guests from government, academia and the private sector. It discussed issues that may impact the future of information and how these may affect the production and use of data 20 years into the future, and beyond.

The themes and discussion confirmed the strength of momentum and uncertainty arising from digital disruption. It was very useful to hear the views of others and how these will inform ASAC deliberations and ABS future directions.

Further information on ASAC including its annual report can be found at <http://www.asac.gov.au>.



*Australian Statistics Advisory Council Meeting – June 2016*

## Outcome and program structure

### ABS outcome

In the Portfolio Budget Statements 2015–16, the ABS has one outcome:

Informed decision-making, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information.

### ABS program

Within the context of the Portfolio Budget Statements, Program 1.1 (Australian Bureau of Statistics), the ABS produces and disseminates statistics to meet the above outcome.

Economic statistics are produced from data collected through the ABS business survey program as well as administrative data sources. They include an extensive range of statistical outputs relating to the structure and performance of the Australian economy.

Population and social statistics are produced from data collected through the ABS household survey program as well as administrative data. They include statistical information relating to the Australian population, including census and demographic statistics, as well as information relating to the social and economic wellbeing of the population.

Program 1.1 – Australian Bureau of Statistics – provides an objective source of information used by governments and the community to inform their decisions. The provision of statistics involves extensive data collection through censuses, surveys and from administrative data sources.

## Program 1.1 deliverables

In 2015–16 the ABS:

- provided a range of quality and timely statistical outputs across key economic, population and social subject matter areas that meet the needs of key users
- improved the relevance, reliability and accuracy of the ABS statistical program by actively engaging with external stakeholders to understand their needs and implementing ongoing methodological developments and statistical standards
- partnered with Australian governments and other key stakeholders to ensure development and coherence of our national statistical system
- integrated data, as a Commonwealth integrating authority, to produce new official statistics to inform society
- reduced respondent burden through implementation of electronic forms and using alternative data sources where possible instead of surveys
- provided advice and guidance on the development and implementation of statistical standards and frameworks internationally
- undertook statistical capability development programs in Australia and the Indo–Pacific region
- provided leadership in data integration by providing both the chair and secretariat services to the Cross Portfolio Data Integration Oversight Board
- continued to transform the ABS's business systems and processes in a digital environment to improve the efficiency and accessibility of the ABS's services, ensuring a central role in Australia's long-term statistical sustainability
- prepared to deliver a primarily digital Census in 2016.

The ABS statistical programs are supported by service and infrastructure areas that deliver assistance and advice on statistical methods, data and metadata management, information technology, client management, dissemination, human resources and other corporate services.



# Chapter 3

## Special Articles

### Special article:

#### **National Aboriginal and Torres Strait Islander Social Survey**

There is an increasing demand for information about Aboriginal and Torres Strait Islander communities and people, extending across the general community, support and service organisations, and policy departments (e.g. Health, Prime Minister and Cabinet, and state and territory Indigenous Affairs). Aboriginal and Torres Strait Islander peoples are also calling for data about themselves, to help them in their own community planning and decision making activities, and so their leaders have an active voice in policy development and debate.

The National Aboriginal and Torres Strait Islander Social Survey (NATSISS) is part of a program of Aboriginal and Torres Strait Islander statistics provided by the Australian Bureau of Statistics to meet this information demand.

The 2014–15 NATSISS provides information on the socio-economic circumstances, experiences and outcomes of Australia's Aboriginal and Torres Strait Islander peoples. This is the fourth in the series of social surveys. It is rich with content that allows investigation of progress over time, and to better understand the issues that contribute to population wellbeing, including cultural identity and cultural participation.

#### **Results**

The 2014–15 NATSISS shows that Aboriginal and Torres Strait Islander Australians have high levels of cultural identity and strong cultural participation. Almost three-quarters of people 15 years and over recognised an area as their homelands or traditional country, and almost two-thirds had been involved in selected cultural events, ceremonies or organisations in the last year. More than a quarter of children (aged 4–14 years) spent time with a leader or elder each week.

National results showed some positive trends since the last NATSISS in 2008, including decreases in smoking and risky drinking, less household overcrowding, better maternal health and preventative actions such as increased folate use, and gains in children's tooth and gum health.

Since 2002, there have also been significant gains in the proportion of Aboriginal and Torres Strait Islander people who have non-school qualifications (such as a Certificate or Diploma), up from 26% to 47%. The improvement was seen in both non-remote (up 21 percentage points) and remote (up 17 percentage points) regions. But this success is yet to translate into improved employment, with results showing employment outcomes at about the same level as in 2008.

The progress measured in NATSISS was not equally shared and some parts of the population are still experiencing significant disadvantage. The population continues to be over-represented with respect to contact with police and the criminal justice system, in their experience of violence (including domestic violence) and in their levels of disability and long-term health conditions.

For the first time, NATSISS 2014–15 has collected information on: past experiences of homelessness; perceptions of community leadership and improved community functioning in remote areas; perceptions of overall life satisfaction; adult participation in organised sport; and patient experiences with their general practitioner or local clinic. The relative outcomes of people suffering mental ill health have also been investigated and released as a feature article.

## **Community engagement**

Providing quality information about and for Aboriginal and Torres Strait Islander peoples and communities requires a high level of support. The development of NATSISS involved a number of important innovations that improved community support and led to strong response rates.

First, a number of high profile Aboriginal and Torres Strait Islanders volunteered their time to act as ambassadors for the survey. Ambassadors lent their support to the initiative within the community. These ambassadors were:

- Adam Goodes, Australian Rules Football player and Australian of the Year 2014
- Xavier Clarke, NT Thunder Coach and former St Kilda Football Club player
- Dr Tom Calma AO, Chancellor of the University of Canberra and former Aboriginal and Torres Strait Islander Social Justice Commissioner and Race Discrimination Commissioner
- Pat Brahim, CEO Julalikari Council Aboriginal Corporation.

Second, the ABS produced a video, explaining the purpose and value of the survey and encouraging respondents to assist the ABS to capture their stories. In developing this video and the survey, the ABS worked closely with its Aboriginal Round Table Advisory Group, a wide range of organisations and individuals and a number of Aboriginal and Torres Strait Islander communities to ensure that the data were collected in a culturally sensitive manner. The ABS also took advice on how the information needs of these groups could best be met.

## **Making information accessible**

The ABS has showcased NATSISS results through a wide range of channels (e.g. social media, web sites, presentations, data tables and microdata) and at different levels of detail to meet the audience needs. This included a highly successful launch on 27 April 2016 at the National Museum of Australia. The launch presented stories about the data, a video infographic, a panel of experts reflecting on the key findings, social media stories, and a website release of feature articles and data tables. Indigenous Engagement managers have now commenced their work in connecting to communities to share information from the survey while also engaging around the 2016 Census.

The impact of this rich information source will take some time to become clear; however there has already been strong take-up by the media, and on social media. It has also been used for formal program performance reporting, for NAIDOC celebrations and for cultural awareness programs. Importantly, the key stakeholders in the government and Aboriginal and Torres Strait Islander sectors have been made aware of the NATSISS and are actively engaged in using the data.

The ABS thanks all those who participated in shaping the survey, acting as advocates and responding to the survey. We look forward to working with many of the same stakeholders again as we plan for the 2018–19 National Aboriginal and Torres Strait Islander Health Survey.

## Special article:

**Data integration**

For well over 100 years, the ABS has been Australia's trusted national statistical agency, providing official statistics to inform on a wide range of matters of importance such as parliamentary representation, the environment, the economy, and jobs. As the economy and society become more complex and interconnected, official statistics must also change to keep pace and remain relevant.

Like many national statistical offices around the globe, the ABS has been adopting data integration techniques to increase the depth and breadth of information available to support research and public policy in a way that is less costly and less intrusive on households and businesses than traditional survey methods. Evolving technology and advances in analytical capability have replaced the need for manual processes and are delivering new insights and value in a way that could not have been envisaged even two decades ago.

In simple terms, **data integration** is a well-established method of bringing together existing information about people, places, businesses or events in a way that protects privacy and confidentiality.

In recognition of this evolving information environment, the ABS began investing in a dedicated data integration facility in 2005. The facility was subsequently independently accredited as a Commonwealth data integration facility in 2012. These investments have enhanced the internal mechanisms the ABS uses to keep personal information more secure, over and above the ABS's already strong protections.

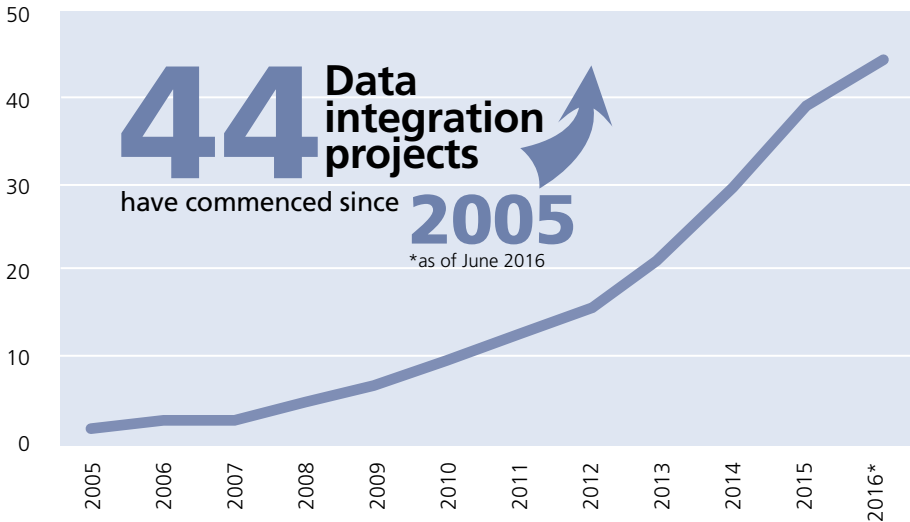
The ABS's data integration facility requires all data integration project proposals to go through a rigorous assessment and approval process to ensure the project provides a significant public benefit and takes a privacy-by-design approach. In addition, staff members assigned to a project are never able to see all of an individual's information together at any point of the data integration process and data access rights are only provided on a 'needs to know' basis – this is known as the 'separation principle'. These protections are in addition to existing strong protections that all ABS staff are legally bound to never release personal information to any individual or organisation outside of the ABS.

Investments in ABS data integration capability and methodological expertise over the past decade are seeing strong demand from government, academic and research use of the ABS data integration facility. The ABS is transitioning from undertaking a small, discrete array of projects to a rich, diverse and expanding program of projects across social, economic and environmental domains.



**Over 90%** of **ABS data integration projects** are in collaboration with another organisation

**Figure 3.1: Data integration projects**



Since 2005, over 100 separate data sources have been used in 44 data integration projects internally and in partnership with over 25 different organisations including Australian and state government departments and a small number of non-government organisations.

The ABS has used data integration in the production of several nationally significant statistical and research datasets. Some of these are detailed below.

### **Business Longitudinal Analysis Data Environment**

The ABS and the Department of Industry, Innovation and Science have developed the Business Longitudinal Analysis Data Environment (BLADE), which contains detailed information on the characteristics and finances of Australian businesses.

Formerly known as the Expanded Analytical Business Longitudinal Database (EABLD), this integrated data environment draws on several years of administrative data from the Australian Taxation Office (ATO) and survey data from the ABS, enabling analysis of businesses over time and the micro-economic factors that drive performance, innovation, job creation, competitiveness and productivity. The BLADE therefore improves the evidence base for policy development and reform.

For example, the BLADE has been used to examine the contribution of start-ups to job creation in the Australian economy, revealing that it is young small to medium enterprises that make the greatest contribution to overall jobs growth.

### **Australian Census Longitudinal Dataset**

The Australian Census Longitudinal Dataset (ACL D) brings together a 5% random sample of records from the 2006 Census with corresponding records from the 2011 Census. This provides a unique opportunity for researchers to access a very large and detailed longitudinal dataset and examine pathways and transitions for different population groups.

Following the 2016 Census, the ABS will expand the ACL D to include a third time point. Over time, the ACL D will continue to grow in value as records from each successive Census are linked, providing a much more detailed longitudinal picture of changing patterns in social and economic conditions in the lives of Australians.

The ACLD was created by linking data from the 2006 Census and the 2011 Census using personal characteristics and geographic region. The utility of the dataset has also been enhanced by linking the ACLD with selected administrative datasets, including information on migrant settlements. This allows outcomes of particular groups of migrants (such as those on study, family or humanitarian visas) to be examined using the range of topics collected in the Census.

The ACLD is available to registered users in TableBuilder, where users can create their own customised tables. In addition, the ACLD is available in the ABS DataLab facility as a microdata product that enables researchers to unlock the full power of the longitudinal Census data by performing more detailed analytical techniques using a range of statistical software packages.

Researchers and policy makers have used the ACLD to:

- better understand the factors associated with the increase in people choosing to identify as Aboriginal or Torres Strait Islander
- investigate employment outcomes for retrenched workers leaving the motor vehicle industry
- investigate changes in family relationships and fertility.

## Multi-agency Data Integration Project

The Multi-agency Data Integration Project (MADIP) is a collaborative partnership between five Australian Government agencies: the Department of Health, Department of Social Services, Department of Human Services, ATO, and the ABS.

MADIP is currently in an evaluation phase, with the partner agencies working together to maximise the value of existing data, address and resolve barriers to data sharing, and create an enduring data resource with cross-portfolio information readily available to support analysis and evaluation as it is needed.

MADIP has at its core a high quality snapshot of 2011 data, combining administrative data on health services, income tax and government support payments with the detailed demographic and family data from the Census.

An evaluation of the integrated data and its potential to inform policy development and evaluation is currently being undertaken by data experts from all five partner agencies. Preliminary analysis suggests that this project has significant potential to improve Australia's health, welfare and education systems through a better understanding of the impact of social and economic policies and industry changes.

The shared vision for this resource is that the dataset will be expanded over time (both longitudinally and in terms of new data), and will become available for broader use by other Australian Government agencies, states and territories, academics, and the public.

## Linked Employee–Employer Database

The foundational Linked Employee–Employer Database (LEED) project joins personal income tax data from the Australian Taxation Office with business-level data from the EABLD, linking person-level data with business-level data for the first time.

This foundation project represents an important first step towards a future LEED, which will contain data linked across multiple years and include more detailed socio-economic and demographic information relating to employees. Through further linkage with other datasets, additional characteristics could be used to explore the drivers of firm-level performance, such as the educational qualifications of employees.

The ultimate longer term goal is to enhance understanding of productivity, changes in employment by industry, entry and exit to the labour market, and other important labour market dynamics. This addresses a longstanding information gap in Australian labour market statistics and provides a solid evidence base for policy development and evaluation.

## Access to research datasets

The ABS is committed to streamlining access to the data from data integration projects such as these (and to ABS data more generally), while maintaining appropriate protection of individuals' personal information. The ABS facilitates safe access to appropriately de-identified microdata through the Five Safes framework. This framework unlocks the value of existing data while ensuring the privacy and confidentiality of individuals.

The Five Safes Framework has been adapted from the UK model. The Five Safes cover:

1. safe people
2. safe projects
3. safe settings
4. safe data
5. safe output.

**Figure 3.2: Five Safes Framework**



Taken together the Five Safes ensure that a comprehensive assessment is undertaken and that appropriate controls are put in place prior to data access being undertaken. This ensures data is not able to be used in a way that is likely to enable the identification of any individuals or organisations.

The ABS is improving access to data by increasing the use of in-postings of Government officials under the *Australian Bureau of Statistics Act 1975*, where officials are subject to the same stringent secrecy and data security requirements as ABS officers, and through increased use of the ABS DataLab, a secure physical environment allowing access to detailed microdata files. ABS has also commenced trials of a 'virtual' DataLab, giving more convenient yet still secure and legal access to other Commonwealth officials

### Next steps

For more than a decade, the ABS has demonstrated the considerable public value that comes from unleashing the power of data through data integration, and shown that data can be brought together in a way that upholds the privacy, confidentiality and security of the information while safely meeting the growing demand for richer data to inform on complex policy issues.

While data integration is already integral to many key official statistics routinely produced by the ABS, the ABS will continue to expand its use of data integration as a standard statistical tool to increase the depth and breadth of available statistics, and maximise the use of existing data. As part of this, the ABS will continue to develop and improve data linkage methods and techniques to take advantage of new technologies and new and emerging data sources available from government, commercial or community sources.

The ability to get the most value out of existing data through improved access and use depends on arrangements that maintain the trust and support of the community. We will continue to support and drive best practice in data integration. Importantly, we will continue to invest in best practice to ensure the data which ABS collects and curates is secure and that privacy and confidentiality is assured whilst enhancing the utility and accessibility of the data for public policy and research use.

We will continue to build and maintain relationships with data custodians and continue to undertake data integration projects in partnership with other Australian Government and state and territory agencies to improve accessibility to public information.

Data integration not only helps meet the need for richer and more detailed data on discrete topics such as social policy or firm-level productivity, it also meets the need for data across sectors, such as linked employer–employee data. As a result, the ABS is maturing its data integration program from a series of discrete projects into an enduring public resource covering nationally significant integrated data across economic, social, and geospatial domains.

### **A flexible working environment**

In 2013 the ABS embarked on the implementation of a flexible working environment strategy, which enables employees and their line management to decide where and when work is done.

The goal was to increase employee satisfaction and reduce costs while at least maintaining productivity, and ideally improving it. Cost savings would come from lower rents due to smaller offices. A more pleasant and productive office environment and the opportunity to do more work from home would lead to increased employee satisfaction. Productivity would come from enhanced collaboration.

Three years later, the ABS can claim to have delivered on these objectives.

The key elements of the strategy are:

- incremental implementation, office by office, starting with a large scale, but low risk, pilot projects
- effective employee engagement
- new office spaces that support 'activity-based working' – a mix of furnishings and room sizes to support different types of work and sharing of space
- information technology that enables mobility
- teleworking policies that allow many staff to regularly work one day a week, or more, from home
- training and education.

### **Adelaide office pilot project**

The ABS Adelaide office, with a staff of 200, was the first office to embrace a flexible working environment. In 2014, the opportunity arose to sub-let one under-utilised floor of the building. The saving from reduced rent was applied to a refit of the remaining two floors, with a cash payback in eighteen months. The teleworking element of the pilot drew on lessons learnt from an earlier trial in the Melbourne office where staff were encouraged to work from home at least one day a week. With only two years remaining on the lease, Adelaide office employees were assured that the new arrangement could, and would, be abandoned if the new approach didn't work for managers and staff.

It was agreed that the Adelaide pilot would be a success if two conditions were met: staff had to prefer the new office arrangement to the old one, and management had to be satisfied that the office was at least as productive.

The new office design comprised 164 standard workstations for general use and a range of meeting rooms, collaborative spaces and non-standard work-points. Staff no longer had dedicated desks nor did Directors (EL2s) have offices. Mobility was enabled by issuing laptops to all staff, with docking stations at each workstation. Work health and safety considerations were at the forefront of these flexible working initiatives.

The physical change to the office needed to be accompanied by behavioural change. Each workgroup was assigned to a home zone, within a 'neighbourhood' of similar workgroups, that provided staff with a group of workstations. The new environment required staff to identify and occupy a vacant workstation in their home zone or choose a work-point that met their work requirement at that time. All personal belongings and work tools were stored in individual lockers and accessed daily. Workpoints were cleared of all personal items either when desks were vacated for extended periods of time, or at the end of the day, with items returned to lockers.



The Adelaide office pilot was championed by the Adelaide Head of Office. Operational responsibilities were overseen by the Flexible Working Environment Project Director and divided between two working groups:

1. National Property Working Group, with overall responsibility for implementing the fitout process
2. Adelaide Office Working Group, with responsibility for consultation and planning of all facets of working in the newly refitted office.

Innovatively for the ABS, many responsibilities and decisions were delegated to the Adelaide Office Working Group whose members were predominantly non-managerial staff. This resulted in significant empowerment and buy-in by all Adelaide office staff.

Throughout the process, the Good Work Design 'Why' and 'What' principles were foremost in the ABS planning and implementation of the change. In particular:

- maintaining a physically and mentally safe work environment
- providing physical equipment and information to allow staff and their line management to work in the new environment in a safe manner
- allowing staff ongoing opportunities to discuss how the changes affected them and their team, and having local management empowered to adjust work while maintaining business outputs.

The key to the successful implementation of a flexible working environment in the Adelaide office was the empowerment by senior management of the two working groups. This was accompanied by regular communication that included:

- written updates to all staff in the Adelaide office
- feedback and consultation with all workgroups by their Adelaide Office Working Group representative
- regular 'town hall' meetings where senior managers explained progress in the strategic context and staff were able to question why certain decisions were made.

Being a pilot project it was expected the outcome would not be perfect and that lessons learned would be applied to the fitouts of the other ABS offices. Two separate evaluations were conducted to determine the degree of success of the project:

1. an Adelaide office staff perception evaluation conducted internally in two stages: upon occupation of the activity-based work environment and six months later
2. a facilities usage survey conducted across months two to seven of occupation.

Evaluation of changing work practices and work program outputs commenced at the beginning of the pilot and were monitored throughout. Results of the evaluation were used to adjust the physical environment of the office, use of spaces and management of team logistics with increased teleworking.

The evaluation indicated that most were generally happy with the process and the outcome of an improved work environment. The main concern was the ergonomics of some of the furniture and the need for staff to learn how to set up their work environment correctly each time they moved. To overcome this, an education campaign was run initially, with six-monthly reminders about safe use of the environment.

The transition was not easy and staff overcame many challenges – including maintaining wellbeing while working beside a construction zone, and developing new ways of working in an unfamiliar environment.

The lessons learned from the Adelaide office have been used to inform the rollout of flexible working environments in other ABS offices. Most importantly, the enthusiasm of Adelaide staff about their new office saw other offices keen to embrace the new approach.

### **Applying lessons learned to other office rollouts**

Lessons learned from Adelaide were next applied in Brisbane then Melbourne. These were followed by the establishment of a brand new office in Geelong and re-location of the ABS office in Melbourne.

Since the Adelaide pilot, many refinements have been made to both the process and the office environments.

Additional training has been built into the flexible working environment implementation strategy including coaching workshops; enhanced change management training; e-learning modules for managers and staff on the technology, security and physical and psycho-social health and safety impacts of teleworking; and additional activity-based work documentation.

Occupational therapists were employed over the first week of opening the new Brisbane office to assist staff in adjusting to the new activity-based work settings.

All other ABS offices are expected to be operating in a fully flexible working environment by the end of 2017.

### **Training to support staff**

To support the move to a flexible working environment a number of compulsory e-learning modules have been developed to assist staff transitioning to the new way of working. The modules include:

- Working in a Virtual Environment – how to work successfully as a team when team members are geographically dispersed
- Managing in a Virtual Environment – how to manage a team successfully when team members are geographically dispersed
- Teleworking and Security – covering ABS security requirements and applying ABS security policy when teleworking
- Teleworking in Practice – practical teleworking issues and hints and tips on how to telework successfully
- Transitioning to Flexible Working Arrangements – providing staff with a range of resources and experiences to assist in transitioning to flexible working arrangements
- Work Health and Safety: Telework Considerations – covering physical and psycho-social considerations that may affect the health and wellbeing of an employee while teleworking.

### **Benefits**

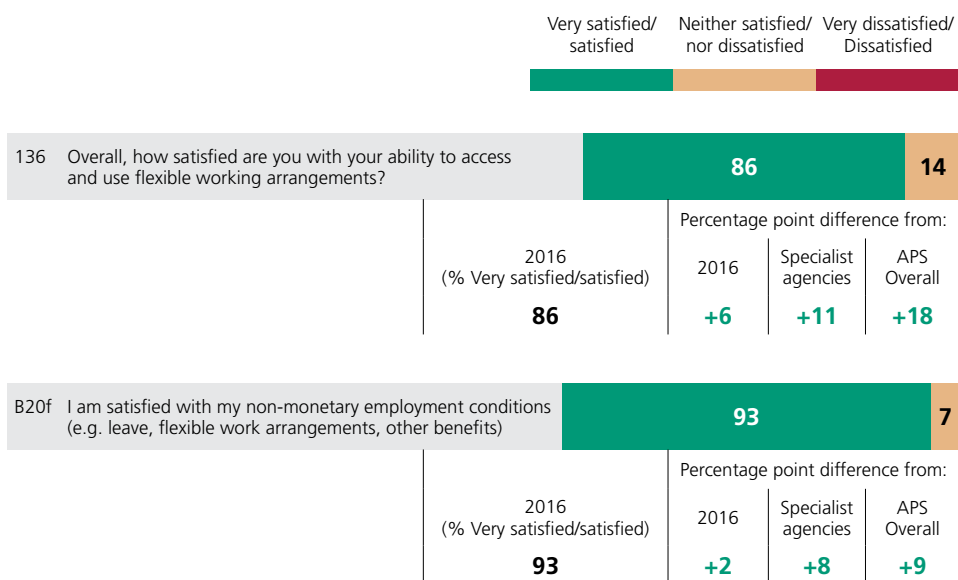
The introduction of a flexible working environment has allowed the ABS to move away from fixed headcount to workstation ratios of 1:1 to an average of 1:0.8. For the new Brisbane and Melbourne offices, this represents an annual saving of \$770,000 per annum. By the end of 2018–19, when all nine ABS properties have transitioned to the new environment, the annual property operating savings are expected to total more than \$5.5 million.

In addition to this cost saving, employee satisfaction with access to flexible arrangements is well above APS averages.

The use of lockers and shared work-points is resulting in reduced use of paper and fewer breaches of the ABS's clear desk security policy.



**Figure 3.3: ABS Employee satisfaction with the flexible working environment**



Source: APSC 2016 APS Employee Census





## Section Two

### Report on performance



# Chapter 4

## Annual performance statement



### Introductory statement

I, as the accountable authority of the Australian Bureau of Statistics (ABS), present the 2015–16 annual performance statements of the ABS, as required under paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, based on advice from ABS management and the Audit Committee, the performance statements accurately reflect the performance of the ABS against the performance criteria included in its Portfolio Budget Statements and Corporate Plan, and comply with subsection 39(2) of the PGPA Act.

Signed .....

David W. Kalisch

Australian Statistician

### ABS purpose

The ABS Purpose is to provide trusted official statistics on a wide range of economic, social, population and environmental matters of importance to Australia (related to Outcome 1: Informed decision-making, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information).

### Results

Results against the criteria from the *ABS Corporate Plan 2015–19* and the ABS Portfolio Budget Statement (PBS) are described below. In a few cases there has been a slight wording change from the criteria in the Portfolio Budget Statement to the later version in the Corporate Plan. Footnotes are used to highlight the change. All results relate to the one program in the ABS Portfolio Budget Statement: *1.1 Australian Bureau of Statistics*.

Performance criterion 1	Criterion source
Australia's key decisions, research and discussions continue to be underpinned by trusted official statistics and Australia's public sentiment about ABS statistics remain positive <sup>1</sup> .	ABS Corporate Plan & Portfolio Budget Statement

*The value and impact of ABS statistics on key decisions, research and discussions is very difficult to measure. Many headline statistics are stated as 'fact' and not referenced where used across the community. Academic researchers and print journalists are generally better at referencing ABS statistics. Media reporting of concerns about the quality of ABS statistics may indicate distrust in ABS official statistics and could deter reliance on them for decision making.*

## Results

In 2015–16 ABS products and services continued to inform decisions by governments and the community. Key ABS statistics included: national accounts information; labour force data; the Consumer Price Index and other prices indexes; Census of Population and Housing information; and estimated resident population. These informed decisions on:

- the indexation of government payments, superannuation payments, Government taxes and charges, and the distribution of funding to states and territories (e.g. the apportionment of shares of Goods and Services Tax funding) and funding to other entities (e.g. hospitals)
- salary and wage negotiations
- the assessment of legislated decisions such as the setting of minimum wages by Fair Work Australia and the setting of the cash rate by the Reserve Bank of Australia
- the distribution of electoral boundaries by the Australian Electoral Commission.

Population and social statistics are also used in investment decisions on social services (e.g. payment types and distribution, support and management services), transport and infrastructure, education and health services. Decisions based on this information impact on the general population as well as vulnerable populations (e.g. socio-economically disadvantaged groups) and are made by all levels of government.

ABS microdata citations in academic journals have continued, with 97 citations, showing an active use of official statistics for research purposes. The trust in ABS official statistics is reflected in the sentiment of media articles citing ABS statistics. In 2015–16, 96% of selected print articles<sup>2</sup> cited ABS statistics without concerns about quality.

<sup>1</sup> Combines two related criteria into one criterion.

<sup>2</sup> Based on assessment of articles in seven major newspapers citing ABS statistics (located through a contracted media monitoring service).

Performance criterion 2	Criterion source
Community trust in official statistics increases or is maintained.	ABS Corporate Plan

*The ABS needs community trust to maintain high rates of administrative and transaction data provision, survey responses and response quality. For ABS, loss in trust impacts on the quality and cost of its statistics. Maintaining community trust in the ABS is therefore an investment which is measured every five years via the Community Trust in ABS Statistics Survey (CTASS).*

## Results

The *Community Trust in ABS Statistics Survey* (cat. no. 1014.0), undertaken in June and July 2015, found that 81% of the general community respondents indicated they trust or greatly trust the ABS (with 13% indicating distrust and 3% indicating they greatly distrust the ABS). Of the same group, 76% indicated they trust or greatly trust ABS products (with 14% indicating distrust and 2% indicating they greatly distrust ABS products). This is consistent with the results from the 2010 Community Trust in ABS Statistics Survey.

Performance criterion 3	Criterion source
High-quality statistical information is available to describe Australia's most important issues.	ABS Corporate Plan & Portfolio Budget Statement

*ABS has quality management processes to ensure high quality statistical information is released. In the event of errors, affected statistics are re-issued as soon as feasible and incidents are investigated to identify improvements in order to avoid future issues.*

## Results

Of the 165 releases of ABS key statistics<sup>3</sup> there were four reissues for corrections which were rated as medium impact<sup>4</sup>.

Performance criterion 4	Criterion source
Australia's leading indicators adhere to appropriate statistical standards, frameworks and methodologies to maintain quality, and support comparability in the global statistical system.	ABS Corporate Plan & Portfolio Budget Statement

*To ensure comparability between countries, the standards, frameworks, classifications and methodologies governing official statistics are agreed internationally. The ABS publishes the concepts, sources and methods it uses for all key macroeconomic and demographic statistics. The ABS releases publications that include information on the applications of internationally agreed practices in ABS statistics.*

Most years, the International Monetary Fund (IMF) assesses Australia's observance of its Special Data Dissemination Standards. These standards provide an accepted benchmark for the main economic and population indicators for subscribing countries.

<sup>3</sup> Includes Main Economic Indicators, Australian Demographic Statistics, National Regional Profiles, selected Census releases, ABS.Stat and TableBuilder releases.

<sup>4</sup> Medium impact errors are unlikely to mislead users, or at most, only a small group of users are at risk of being misled.



## Results

The most recent IMF Country Report on Australia was published in September 2015 and it noted that:

'Data provision is adequate for surveillance' [of the economy]<sup>5</sup>.

'Australia participates in the G-20 Data Gaps Initiative (DGI) and has implemented all the recommendations of the first phase of the DGI, with the exception of semi-annual Coordinated Portfolio Investment Survey (CPIS) data. The Australian Bureau of Statistics (ABS) has taken several initiatives to further improve the quality of the data, such as issues relating to seasonal adjustment of unemployment and employment statistics. Adding monthly inflation data to the suite of statistics would assist surveillance' [of the economy]<sup>5</sup>.

*IMF Country Report No. 15/274: Australia, September 2015*

Performance criterion 5	Criterion source
ABS builds partnerships through active engagement with key stakeholders and increases the support of key stakeholders. <sup>6</sup>	ABS Corporate Plan & Portfolio Budget Statement

*While it is imperative that the ABS acts independently and objectively in performing its functions and exercising its powers as set out in legislation, key stakeholders expect the ABS to engage and be sensitive and responsive to their needs and preferences. They want to partner with the ABS and be connected with opportunities across the statistical system.*

*In response to the Australian Public Service Commission Capability Review, the ABS has become more open to stakeholder needs and expectations through a refreshed approach to engagement, placing it as a central pillar of the new organisational culture of the ABS. Strengthening partnerships is a priority in the ABS Transformation.*

## Results

The biennial 2016 Stakeholder Relationship Health Assessment showed that ABS relationships with key stakeholders have greatly improved since the APSC Capability Review in 2013<sup>7</sup>. Of those interviewed, 93% rated ABS performance as having improved. These results were consistent across stakeholders in academia, business, media, non-government organisations and Australian, state and territory governments. Stakeholders want the ABS to succeed; are prepared to help its reform agenda; and praised the technical ability of its staff.

The ABS held a number of strategic engagement forums during 2015–16 including: three of the Australian Statistics Advisory Council; four of the State Government Statistical Priority Forum; two of the Australian Government Statistical Forum; two Economic Statistics Advisory Group meetings; as well as the inaugural meeting of the Population and Social Statistics Advisory Group.

ABS also increased connections with other agencies through 41 outpostings and 26 inpostings of staff.

<sup>5</sup> The IMF monitors developments in its member countries, as well as at regional and global levels, to ascertain potential sources of economic and financial instability. This process is known as surveillance.

<sup>6</sup> This combines two Corporate Plan criteria.

<sup>7</sup> In order to allow for more accurate reflections by stakeholders, the time frame for consideration of improvements was in relation to the arrival of the new Australian Statistician in December 2014 as opposed to the APSC Capability Review undertaken in 2013. This assumes that the performance of the ABS in relation to stakeholders did not deteriorate over the 12 months prior to the new Statistician's arrival.

Performance criterion 6	Criterion source
The quality and accuracy of Australia's official statistics is maintained or improved.	Portfolio Budget statement

*The ABS engages in continuous improvement to its primary economic and population statistics to ensure information on economic activity, employment and unemployment, inflation (CPI) and the size and distribution of the population are accurate and reliable.*

## Results

Developments to improve the quality of ABS headline measures during 2015–16 included:

- development and endorsement of an improved approach to risk management for Labour Force estimates, the National Accounts, CPI and Estimated Resident Population
- continued implementation of all recommendations that have a substantive bearing on the quality of the monthly labour force estimates from the 2014 Independent Technical Review of the Labour Force Survey. In 2015–16 this also included a change to the release schedule for *Labour Force, Australia* (ABS cat. no. 6202.0), to afford an additional week each month for additional quality assurance of estimates and increased resources for the production of the estimates. Monitoring of the collection and production of labour force estimates continued, to enhance quality and coherence with other macroeconomic statistics
- research undertaken to maximise use of transactions data in the CPI and development of standards for the use of transactions data in the CPI. Research was undertaken to investigate alternative sources of information to update the CPI basket of goods and services more frequently
- release of a 19 year KLEMS time series providing analysis of the contribution of capital (K), labour (L), energy (E), materials (M) and services (S) inputs to industry productivity
- improvements to the accuracy of capital statistics within the National Accounts, including asset values, estimates of capital consumption (depreciation) and capital service estimates
- release of statistics on the distribution of household income and wealth incorporating the effects of tax, transfers and provision of individualised services (such as health and education)
- release of analysis of capital investment by mining and non-mining industries.

Performance criterion 7	Criterion source
Statistical data integration projects involving primarily cross government data increase and progress.	ABS Corporate Plan

*Producing microdata and integrating survey and administrative datasets significantly enhances the potential of public sector data to drive innovation, efficiency, productivity and economic growth.*

*Data access systems (such as virtual data laboratories) continue to be enhanced to allow trusted users to access microdata while protecting the identities of individuals and organisations.*

## Results

The number of registered users of ABS statistical data integration products increased by 46% in 2015–16 from 2014–15. Trials of a 'virtual' DataLab, giving convenient and secure access to selected researchers drove the increase.

Performance criterion 8	Criterion source
Use of ABS data increases.	ABS Corporate Plan & Portfolio Budget Statement

*ABS statistics make an impact through use by stakeholders, however use is very difficult to measure. Traditional measures of use are reported, including for social media in which the ABS has invested as a further method to raise awareness of and promote the use of statistics.*

### Results

In 2015–16 there were over 13.6 million visits to the ABS website and 2.5 million downloads; over 44,000 calls to the National Information and Referral Service; 183 Facebook posts with a Facebook Newsfeed reach of over 3.3 million; 770 tweets generating almost 2.5 million tweet impressions and over 3,700 retweets.

Examining whether use has increased over time is challenging. Use of the internet as a primary research tool is still increasing and, as expected, use of printed statistical products has declined over time. These measures are not adjusted for changes from year to year in ABS product releases and dissemination channels. Enhanced measures are being considered which may deliver a more meaningful report on ABS performance.

Performance criterion 9	Criterion source
Customer service performance meets the ABS's Service Delivery Charter standards.	Portfolio Budget Statement

*The ABS Service Delivery Charter outlines the ABS's commitment to providing a high level of customer service.*

### Results

In 2015–16 the ABS met its commitments by:

- providing a telephone enquiry service 9:00 am to 5:00 pm (Australian Eastern Standard Time) from Mondays to Fridays
- ensuring the website was available 24 hours a day, 7 days a week, other than for scheduled maintenance
- advertising website unavailability for maintenance purposes one working day prior to the website being unavailable
- fixing all broken web page links within three working days of notification by a customer
- referring any requests for translation of any web product which is not suitably accessible for visually impaired users, to an appropriate translation service within three working days
- responding to customer enquiries as soon as possible<sup>8</sup>
- providing a quote on the customer specified work as soon as possible<sup>9</sup>
- delivering information requested within the time frame negotiated between customer and the ABS consultant<sup>10</sup>
- processing Confidentialised Unit Record File (CURF) microdata product access requests as soon as possible following receipt of completed CURF application forms<sup>11</sup>.

8 84 per cent of all telephone calls were answered within 15 seconds of the calls entering the queue. Written requests to the information referrals team were completed on average within a fortnight.

9 97 per cent were responded to within 14 days, with an average of 2.4 days.

10 57 per cent were completed in 14 days, with an average of 26.6 days.

11 The average request took three days with a median period of two days.

Performance criterion 10	Criterion source
Deregulation is delivered by reducing provider burden <sup>12</sup> .	ABS Corporate Plan & Portfolio Budget Statement

*The principal objective of the ABS in respect of providers is to impose the lowest load possible while meeting its obligations to provide Government and the community with a high quality official statistical service.*

## Results

In 2015–16<sup>13</sup>, the ABS delivered an estimated net annualised decrease of regulatory burden of \$807,600<sup>14</sup>. Decisions contributing to deregulation include the following changes to selected collections:

- improved sample design reducing sample sizes
- increased take-up of e-forms
- cancellation of surveys
- substitution of survey data with administrative and transactional data.

Performance criterion 11	Criterion source
The ABS continues to provide and improve products, services and tools to help providers meet their obligations.	Portfolio Budget Statement

*The cooperation of Australian businesses and households is critical to the quality of ABS statistics. The ABS continues to improve interaction with providers in order to reduce the complexity in providing a response.*

## Results

Respondents in all ABS surveys have the option to report via a number of channels. These may include paper forms, electronic reporting or interviewer driven modes. Where available, approximately 90% of businesses used electronic reporting. Online take up rates for households exceed the introductory target of 20%.

In 2015–16, the ABS has continued to develop, test and refine interactions with providers. The main areas of focus were:

- a new respondent online survey interface for business surveys and the Monthly Population Survey
- development of the electronic form for the 2016 Census
- the development of new approach materials with CSIRO and other organisations to make responding to ABS surveys easier. This included producing and testing approach materials for the 2016 Agricultural Census and the 2016 Census of Population and Housing.

<sup>12</sup> Corporate Plan wording. Related PBS criterion is 'ABS commitment to reducing provider burden is demonstrated through availability of online or alternative reporting and minimisation of provider load'.

<sup>13</sup> Caution is advised when comparing the provider burden from one year to the next as different collections are run each year (with some collections run every year, others every two or three years, and a small number on less frequent or one-off basis).

<sup>14</sup> In line with the Office of Best Practice Regulation Regulatory burden measurement framework guidance note.

Performance criterion 12	Criterion source
Continued provider cooperation <sup>15</sup> .	ABS Corporate Plan & Portfolio Budget Statement

*The ongoing cooperation of providers is critical for the ABS to provide the statistical information needed to foster informed debate and drive evidence based policy making.*

## Results

The ABS sets high target response rates for collections to ensure surveys are representative of the whole population. Overall, the ABS continues to achieve very high response rates compared to other National Statistics Offices and private data collections. However, ABS has been experiencing a general decline in response rates across most surveys resulting in most not meeting their targets in 2015–16. There is a downward trend in survey response rates globally and the reasons for the decline are still elusive<sup>16</sup>. ABS research on response trends suggests strong statistical evidence of a small but steady growth in the number of households not able to be contacted across most areas of Australia.

**Table 12.1: Response rates achieved for selected surveys**

	Target response rate (%)	2015–16 Final response rate (%) (a)
<b>Business surveys</b>		
Retail Business Survey	95	92
Quarterly Business Indicators Survey	85	83
Capital Expenditure Survey	90	84
Economic Activity Survey	90	86
Business Characteristics Survey	95	94
Survey of Average Weekly Earnings	98	93
Survey of International Trade in Services	90	92
<b>Household surveys</b>		
Labour Force Survey	94	94
Multi-purpose Household Survey (b)	80	75
Survey of Income and Housing	84	80
National Health Survey	87	(c)

(a) Average response rates over the year for quarterly or monthly surveys.

(b) The Multi-purpose Household Survey covers a number of individual topics, enumerated monthly. Response rates are a simple average across all topics.

(c) Survey not conducted during the year.

<sup>15</sup> Corporate Plan wording. PBS wording is 'Provider cooperation is demonstrated through the achievement of target survey response rates'.

<sup>16</sup> National Research Council. (2013). *Nonresponse in Social Science Surveys: A Research Agenda*. Roger Tourangeau and Thomas J. Plewes, Eds. Panel on a Research Agenda for the Future of Social Science Data Collection, Committee on National Statistics. Division of Behavioral and Social Sciences and Education. Washington, DC: The National Academies Press. Retrieved from [http://www.nap.edu/catalog.php?record\\_id=18293](http://www.nap.edu/catalog.php?record_id=18293).

Performance criterion 13	Criterion source
Complaint resolution performance meets ABS Surveys Charter standards.	Portfolio Budget Statement

*The ABS relies on the support of thousands of people across Australia who participate in ABS business and household surveys. The ABS Surveys Charter includes information on how surveys are conducted, and outlines the rights and obligations of the ABS and survey participants. The charter explains what people can expect when dealing with the ABS and ABS interviewers, including standards expected of the ABS when responding to complaints.*

## Results

In 2015–16 the ABS received 460 written queries or complaints from businesses and 240 from households. Most approaches from businesses were seeking exemption from the requirement of participation in the ABS Survey Program. The ABS does at times provide general exemptions from surveys to certain small businesses in exceptional circumstances. Some providers are also granted temporary exemptions on compassionate grounds.

On average, the ABS responded to written queries and complaints within 10 days of receipt of the correspondence with 92% being sent written advice of the outcome within 28 days<sup>1718</sup>.

Performance criterion 14	Criterion source
The National Statistical Services priorities are progressed or met	Portfolio Budget Statement

*The ABS has an important leadership role, coordinating statistical activities and collaborating with official bodies in the collection, compilation and the analysis and distribution of statistics. This assists in maximising the value of government investment on these activities, and ensures outputs are fit-for-purpose. This role has previously been played out through ABS leading the National Statistical Service. This leadership role is now shifting to ABS business-as-usual activities.*

## Results

The Commonwealth data policy landscape has shifted in the last few years, impacting the direction of initiatives previously commenced as National Statistical Service (NSS) priorities. The release of the Public Sector Data Management Report by the Department of the Prime Minister and Cabinet in July 2015 and the Australian Government Public Data Policy Statement in December 2015 acknowledges data collected by Australian government entities as a strategic national resource and recognises the importance of effectively managing and sharing data.

During 2015–16, the NSS released *Essential Statistical Infrastructure for Australia 2015* (cat. no. 1395.0). This release was the third and final in a series of outputs from the Essential Statistical Assets for Australia initiative.

<sup>17</sup> Based on data available for written correspondence and outcomes from business survey providers only.

<sup>18</sup> The ABS Survey Charter states that ABS will advise the outcome of complaints within 4 weeks.

Performance criterion 15	Criterion source
The ABS is actively involved in the development of statistical frameworks, methods and standards.	Portfolio Budget Statement

*As Australia's central statistical authority the ABS is responsible for developing and implementing statistical standards. To ensure comparability between countries, the standards, frameworks, classifications and methodologies governing official statistics are agreed internationally. The ABS publishes the concepts, sources and methods it uses for all key macroeconomic, industry and demographic statistics. These publications include information on the applications of internationally agreed practices in ABS statistics. Where possible, the ABS meets agreed standards, and in some cases the ABS is a world leader in the implementation of newly agreed or updated standards.*

### Results

During 2015–16 the ABS continued its significant involvement in the development of statistical frameworks, standards and methods. Key contributions include:

- release of the *Standard for Sex and Gender* (cat. no. 1200.0.55.012) which aligns with the Australian Government Guidelines on the Recognition of Sex and Gender, November 2015 (Attorney-General's Department)
- update of the *Standards for Income Variables* (cat. no. 1287.0)
- contributed to the review of the Classification of Individual Consumption According to Purpose (COICOP) through membership on the United Nations Technical Subgroup
- reviews of the *Standards for Statistics on Cultural and Language Diversity* (cat.no.1289.0) relating to:
  - country of Birth and the Standard Australian Classification of Countries
  - language standards (includes first language spoken, languages spoken at home, main language other than English spoken at home, main language spoken at home and proficiency in spoken English) and the Australian Standard Classification of Language
  - Australian Standard Classification of Cultural and Ethnic Groups
  - religious Affiliation Standard and the Australian Standard Classification of Religious Groups
- publication of the *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (cat. no. 5514.0) on 23 December 2015, fully coherent with the IMF Government Finance Statistics Manual 2014, for implementation by Australian governments
- presentation of two papers to the IMF Committee on Balance of Payments Statistics in discussion of the next revision of the IMF's *Balance of Payments and International Investment Position Manual*.

Performance criterion 16	Criterion source
Increased shared use, and development of, services and infrastructure across government and the statistical community.	ABS Corporate Plan

*ABS embraces the sharing of infrastructure across government to increase efficiency.*

### Results

ABS is implementing a shared service Financial Management Information System with the Department of the Treasury. ABS also signed a Memorandum of Understanding with the Australian Taxation Office (ATO) to provide a call centre for the 2016 Census of Population and Housing inquiry service.

Performance criterion 17	Criterion source
The ABS progresses new sustainable solutions to support better and more cost effective statistical solutions.	ABS Corporate Plan & Portfolio Budget Statement

*The Statistical Business Transformation Program is one year into its five year program. The \$257m Government investment to modernise ABS infrastructure and business will reduce risks to statistical outputs; reduce costs; and achieve faster turnaround in dissemination of statistics.*

## Results

The ABS is undertaking a major transformation program which will deliver a range of re-engineered business process supported by a significant refresh of the information and communications technology platforms and applications that support ABS statistical processing. The Statistical Business Transformation Program underwent, and passed, a rigorous and independent assurance process in the form of a Gateway Review<sup>19</sup>.

Performance criterion 18	Criterion source
An increase in the statistical capability of national statistical offices in Asia and the Pacific region through effective delivery of international programs <sup>20</sup> .	ABS Corporate Plan & Portfolio Budget Statement

*ABS partners with the Department of Foreign Affairs and Trade (DFAT) to deliver on its program of assistance to the Indo-Pacific region. Increasing statistical capability aims to increase informed decision making in the governance of the region.*

## Results

In 2015–16 the ABS continued to take a strong lead in the Indo-Pacific region to support increased statistical capability, and high-quality, comparable statistics. During 2015–16 the ABS:

- partnered with the DFAT to provide technical assistance and capability development to national statistics offices in Indonesia, Timor Leste, Fiji, Papua New Guinea, and other countries as part of a regional program in the Pacific
- supported regional improvement in Civil Registration and Vital Statistics through the Brisbane Accord Group, particularly in Solomon Islands, Kiribati and Fiji, and commenced planning to assist the DFAT-funded Data for Health Program in the Philippines and potentially Sri Lanka
- contributed as a member of the Governing Council of the United Nations Statistics Institute of Asia and the Pacific.

Performance criterion 19	Criterion source
National statistical literacy programmes effectively engage target audiences.	Portfolio Budget Statement

*In order to unleash the power of statistics, users of ABS statistics need to understand how to use the available information effectively to make better decisions. ABS staff also need to develop statistical capability to develop products that engage the intended audience and deliver information that is fit-for-purpose.*

<sup>19</sup> The Gateway Review Process is led by the Department of Finance. Gateway Reviews serve to strengthen governance and assurance practices and to assist non-corporate Commonwealth entities to successfully deliver major projects and programs. See Department of Finance website.

<sup>20</sup> Corporate Plan wording. PBS wording is 'Effective delivery of international engagement programmes to increase the statistical capability of national statistical offices in Asia and the Pacific region'.



## Results

The most significant achievements over 2015–16 to engage target audiences in statistical capability development initiatives included:

- release of three Foundational Statistical e-learning programs accessible to all ABS staff
- sharing of two Foundational Statistical e-learning programs with the ATO and Australian Public Service Commission (APSC) staff to help build statistical capability across the Australian Public Service (APS)
- collaborating with APSC in regards to the development of an APS-wide Data Literacy Skills Program, stemming from the Public Sector Data Management agenda.

## Analysis of performance against purpose

During 2015–16, the ABS fulfilled its purpose of providing trusted official statistics on a wide range of economic, social, population and environmental matters of importance to Australia. Fulfilling the purpose of the ABS means that governments, businesses and the community are better informed to discuss, research and make decisions, which enhances the wellbeing of all Australians.

The environment in which the ABS operates is becoming more complex, expectations of decision makers are growing, and ABS is being challenged to deliver the best possible statistical program in more efficient and innovative ways.

In response to these opportunities and challenges, and informed by the Government's Statement of Expectations; recommendations from the 2013 APSC Capability Review of the ABS; and engagement with key stakeholders, the ABS commenced a major transformation (due for completion in 2020) across six dimensions of environment, strategy, governance, people, culture and infrastructure.

In 2015–16 the ABS delivered its planned work program with 489 statistical releases while also completing the first year of the five-year transformation program. Key stakeholders have recognised that ABS engagement has improved since the APSC Capability Review was undertaken (criterion 5) and community trust has been maintained (criterion 2). ABS had increased communication of statistics in part through new social media channels (criterion 9).

Media sentiment in relation to ABS statistics was strongly positive (criterion 1) and there was a minimal number of corrections to data releases (criterion 3). Continuous improvement of ABS statistics has had to balance cost-effectiveness and minimising the imposition of red tape on businesses and the community (criterion 10). Responsive to stakeholders' needs: more focus has been placed on better measuring industry productivity, including in the non-market sector and at the firm-level. Managing risks to maintaining the quality of key statistics has become a focus (criterion 6).

The ABS also contributed to whole-of-government public data management and data integration with a number of projects to integrate ABS survey data with administrative data from other agencies (for example, ATO, Health, Social Services) complying with the principles for Commonwealth data integration. These new products have shown a growing number of users the potential for richer, integrated information about the economy and society and the effectiveness of policy intervention (criterion 7).

This is the first year that the performance statement has been produced in this format. The work surrounding this year's Performance Statement will lead to a set of performance criteria that are better aligned with the proposed outcomes of the transformation program and ABS strategy.





## **Section Three** Management and accountability



# Chapter 5

## Corporate governance



### Introduction

The ABS, as an agency of the Australian Government, is accountable to the Parliament, and ultimately to the public, through the Treasury Ministers, the Parliamentary Committee process and the tabling of its annual report.

As the accountable authority for the ABS, the Australian Statistician is required to establish and maintain an appropriate system of risk oversight and management for the ABS and an appropriate system of internal controls.

The ABS's Internal Control Framework sets out corporate governance structures and processes. This assists ABS staff members to undertake their responsibilities effectively, in a way that meets community expectations of public accountability, probity and openness.

Corporate governance arrangements ensure the effective operation of the ABS, including transparency in decision making, operation and accountability by promoting strong leadership, sound management and effective planning and review processes.

### Governance committees

An important feature of ABS corporate governance is the role played by governance committees, which are active in developing policies and strategies, identifying ABS priorities, assessing and responding to risks and opportunities, and monitoring ABS performance. The major governance committees in place during 2015–16 are outlined in Table 5.1.

Table 5.1: Governance committees for 2015–16

<b>Executive Leadership Group</b>	<p>The Executive Leadership Group (ELG) advises the Australian Statistician. Its role is to provide strategic oversight of the organisation and determine policy. This includes high-level focus on strategic client engagement, internal leadership and the key priorities of the organisation. ELG meets fortnightly to ensure ongoing attention is given to strategic issues affecting the future of the organisation, including statistical business transformation, statistical risk management and strategic client engagement. ELG sets the strategic directions for the ABS and refers its strategic decisions to the Senior Management Group for implementation.</p> <p>ELG membership consists of the Australian Statistician (chair), the Deputy Australian Statisticians and the General Manager, Strategic Partnerships and Projects Division.</p>
<b>Senior Management Group</b>	<p>The Senior Management Group (SMG) is an advisory body chaired by the Chief Operating Officer. It focuses on cross-cutting issues to support ABS transformation, manage risks and ensure the efficient and effective delivery of the ABS work program. SMG meetings also address other issues, including statistical and corporate policy, financial management, dissemination matters, and human resource management. SMG membership consists of the Chief Operating Officer (chair) and the 10 General Managers. Other senior officers attend as required for particular items. SMG meets weekly.</p>
<b>ABS Management</b>	<p>ABS Management Meetings play a major role in setting and communicating ABS strategic directions and priorities. The meetings are held twice a year and involve all ABS Senior Executive staff (SES). They provide an opportunity for SES to discuss big picture issues, take stock of lessons learnt, look ahead and discuss strategic issues and plans. Recently the Management Meetings have included workshops on risk management, developing a high performing workforce, and working with Ministers.</p>
<b>Audit Committee</b>	<p>The Audit Committee is responsible for providing independent assurance and assistance to the Australian Statistician on the ABS's financial and performance reporting responsibilities, risk oversight and management, and system of internal controls, including those applied to ensure legislative compliance and the execution of the functions of the ABS.</p> <p>The committee meets a minimum of five times a year. It consists of five members, three of whom are external. Their appointments are based on their personal qualities, experience and skills, including their ability to demonstrate independence on matters before the Committee. An external member (currently Ms Jennifer Clark) chairs the Committee.</p>

<p><b>Protective Security Management Committee</b></p>	<p>The ABS maintains a comprehensive security framework, overseen by a Protective Security Management Committee chaired by a Deputy Australian Statistician. The security framework ensures that both physical and computer security are maintained.</p> <p>The committee is a key means of ensuring the ABS meets its legal requirement not to divulge identifiable information and to ensure there is policy to meet the security and privacy related requirements of legislation including:</p> <ul style="list-style-type: none"> <li>• <i>Public Governance, Performance and Accountability Act 2013</i></li> <li>• <i>Census and Statistics Act 1905</i></li> <li>• <i>Australian Bureau of Statistics Act 1975</i></li> <li>• <i>Privacy Act 1988</i></li> <li>• <i>Crimes Act 1914.</i></li> </ul>
<p><b>Statistical Strategy Committee</b></p>	<p>The Statistical Strategy Committee is an advisory committee to the Deputy Australian Statistician, Statistical Services Group, for the ABS statistical work program, with outcomes of strategic importance being reported to the Executive Leadership Group. Key areas include statistical risk management, cross-cutting statistical issues and overall priorities, and strategic relationships. Membership includes the Deputy Australian Statistician (chair) and General Managers from Statistical Services Group, General Managers from the Statistical Business Transformation Group and the General Manager Census and Statistical Network Services.</p>
<p><b>Statistical Business Transformation Program Executive Board</b></p>	<p>The Statistical Business Transformation (SBT) Program is the major business transformation program for the ABS. The SBT Program Executive Board is chaired by the Australian Statistician with membership consisting of the three Deputy Australian Statisticians and three external members, Mr David Whiteing (CIO, Commonwealth Bank of Australia), Mr David Borthwick (Senior Consultant) and Mr Peter Harper. The Board has the overarching authority of the SBT Program and is responsible for the investment decision and associated commitments to government, ensuring the ongoing alignment of the Program with the strategic direction and goals of the ABS.</p>
<p><b>Statistical Business Transformation Program Delivery Board</b></p>	<p>The Statistical Business Transformation (SBT) Program Delivery Board is responsible for driving the program forward and delivering outcomes and benefits. Members provide resource and specific commitments to support the Senior Responsible Officer (and Chair), who is accountable for the successful delivery of the SBT Program.</p> <p>The SBT Program Delivery Board meets fortnightly and also reports to the SBT Program Executive Board.</p>
<p><b>2016 Census Program Board</b></p>	<p>The Census 2016 Program Board provides oversight and support to the Program to meet its stated targets and deliver on its goals for the 2016 Census. The Board is chaired by the Chief Operating Officer. It monitors and reviews the performance of Census projects through monthly Census 2016 project progress reports, reviews risks and issues and provides advice to the Census Program Manager and Program Owner.</p>

## Risk oversight and management

The ABS risk management framework aligns with the Commonwealth Risk Management Policy and is subject to continual improvement. The framework ensures there is a mechanism for monitoring and identifying shifts in risk exposure and the emergence of new risks. It also articulates tolerances for new risks and actions required when risks reach certain levels.

In addition to general risk management, the Accountable Authority Instructions (AAs) and the framework identify mechanisms for specialist risk management which address persistent risks. These include: fraud (managed consistently with the Commonwealth Fraud Control Framework); work health and safety; information and communication technology security; and disclosure risk (relating to privacy and confidentiality which is part of ABS core business).

The ABS Audit Committee takes an overarching perspective of the independent assurance activities of the ABS providing independent assurance and assistance to the Australian Statistician on the ABS's financial and performance reporting responsibilities; risk oversight and management; and system of internal controls, including those applied to ensure legislative compliance and the execution of the functions of the ABS.

The ABS is undergoing a major transformation. The Australian Government investment of \$257 million to modernise ABS infrastructure over five years is the foundation for the ABS to transform for the 21<sup>st</sup> Century. This once-in-a-generation opportunity to improve the infrastructure, capacity and capability of the ABS brings with it a period of rapid change and an increased exposure to risk.

In response to this, the ABS has given increased priority to ensuring that statistical risk is well managed. A new framework has been applied to the Labour Force, National Accounts, Consumer Price Index and Estimated Resident Population. Key statistics which contribute to these series are being progressively brought onto the new framework throughout 2016–17.

The 2016 Census Program undertook reviews of overall program risks, statistical risks and financial risks during 2015–16 as part of its broader risk management strategy. The 2016 Census Program Board reviews and provides guidance on risk management for the Census of Population and Housing, including financial, operational, information technology and statistical risks.

## Fraud control

The ABS has a Fraud Control Plan to provide the framework and associated guidance for fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the ABS and broader government obligations. It is supported by a fraud risk assessment which records identified fraud risks, treatment strategies, responsibilities, dates for implementation and reporting obligations.

The ABS Fraud Control Plan is reviewed and updated biennially. The fraud risk assessment is reviewed biannually or more frequently where the ABS has identified significant changes to fraud risk exposure.

The ABS Audit Committee has oversight of ABS fraud control activity.

## Security

Security of information provided to the ABS is key to maintaining the high levels of trust that enable the ABS to operate effectively and fulfil its mission.

All ABS premises are physically secured against unauthorised access. Entry is through electronically controlled access systems, activated by individually coded access cards and monitored by closed circuit television. Areas of the ABS producing particularly sensitive data, such as main economic indicators, are subject to further protective security measures.

The ABS computer network has a secure gateway, which allows connection to Internet services including the ABS website. The secure gateway was established in accordance with Australian Government guidelines and is reviewed annually by an accredited independent assessor. Access to ABS computing systems is based on personal identifiers and strong authentication services. Databases are accessible only by approved users. The computer systems are regularly monitored and usage audited. There were no unauthorised access incidents into ABS computing systems during 2015–16.

## Privacy

As an Australian Government agency, the ABS must comply with the *Privacy Act 1988*, including the Australian Privacy Principles. These govern the way personal information about any person – including staff, clients and respondents – should be collected, stored, used and disclosed. The ABS has a Privacy Policy published on the ABS website.

The ABS has a Privacy Officer who advises on privacy issues internally, investigates allegations of misuse or unauthorised disclosures regarding personal information, and monitors the external environment to keep up-to-date on privacy issues that could affect ABS operations.

The ABS maintains a close relationship with the Office of the Australian Information Commissioner, advising the Commissioner regularly of the ABS's forward work program, providing documents pertaining to surveys collecting personal information and seeking advice on any new ABS initiatives about which privacy advocates may have concerns.

During 2015–16 the ABS participated in Privacy Awareness Week, which is an initiative of the Asia Pacific Privacy Authorities Forum to promote awareness of privacy issues and the importance of the protection of personal information.

## Information Publication Scheme

As an agency subject to the *Freedom of Information Act 1982* (FOI Act), the ABS is required to publish information to the public as part of the Information Publication Scheme (IPS). Each agency must display a plan on its website showing what information it publishes in accordance with the IPS requirements.

The ABS's IPS plan is available on the ABS website: <http://www.abs.gov.au/websitedbs/D3310114.nsf/home/information+publication+scheme>

## Statistical Clearing House

The Statistical Clearing House (SCH) is the mandatory central clearance point for business surveys that are run, funded, or conducted on behalf of the Australian Government. Its key objectives are to minimise the load placed on businesses by Australian Government surveys, reduce unnecessary survey duplication, and ensure surveys are fit-for-purpose.

In 2015–16, 144 surveys were submitted for clearance. Of these, 71 received a full SCH review and approval, 13 received fast track approval, 5 were cancelled by agencies after submission, 19 were still being reviewed, and 36 were out of scope of SCH review. There was also one survey that did not receive SCH approval due to duplication concerns. Surveys categorised as 'fast track approval' are those where the overall respondent burden is considered minimal.

The SCH has also helped promote good statistical practices through the release of survey information guidelines on their website ([www.nss.gov.au](http://www.nss.gov.au)).



## External scrutiny

### Statistical Business Transformation Program – Gateway Reviews

The ABS was subject to mid-stage Gateway Reviews of the Statistical Business Transformation (SBT) Program in October 2015 and June 2016, both conducted by review teams led by Michael Roche on behalf of the Department of Finance. Both reviews resulted in a Delivery Confidence Assessment (DCA) of Green/Amber, with the June 2016 review report indicating that 'delivery confidence is trending towards Green'. A Green/Amber DCA indicates that 'Successful delivery of the Program seems probable however constant attention will be needed to ensure risks do not become major issues threatening delivery'. While the October 2015 review report included 13 recommendations, of which five were deemed critical and five essential, the June 2016 review report included six, of which two were essential. The critical recommendations in the October 2015 review report focused on risk management, assurance, change management, and program monitoring and reporting, as well as on establishing clear deliverables for the design phase and re-engineering. The essential recommendations in the June 2016 report were focused on re-engineering, and the data processing and analysis component of the program.

The ABS is working to address the recommendations, noting the review team's observation that the organisation had already identified the areas of focus noted in the June review report. The next Gateway Review of the SBT Program is planned for October 2017.

### Other reviews

There were no other external reviews in 2015–16, with no reports issued by the Attorney-General, Parliament or the Commonwealth Ombudsman. There were no individual or administrative review decisions of relevance to the ABS.

There were no adverse comments relating to the ABS from the Auditor-General, the Ombudsman, Parliamentary Committees, or courts or tribunals during 2015–16.

## Submissions to parliamentary committees

*Table 5.2: ABS submissions to parliamentary committees in 2015–16*

Committee/Inquiry	Description of submission/information provided
Senate Education and Employment Standing Committee Inquiry into current levels of access and attainment for students with disability in the school system, and the impact on students and families associated with inadequate levels of support.	In August 2015, the ABS provided a submission to the Senate Education and Employment Standing Committee. The submission responded to issues of relevance.
House of Representatives Standing Committee on Indigenous Affairs Inquiry into the harmful use of alcohol in Aboriginal and Torres Strait Islander communities.	In September 2015, the ABS provided a submission to the House of Representatives Standing Committee on Indigenous Affairs. The submission provided input for the government response in relation to recommendation no. 23 of the report.

## Purchasing

### Purchasing and competitive tendering and contracting

The ABS undertakes its procurement and contracting activities in accordance with the Commonwealth Procurement Policy Framework, the Commonwealth Procurement Rules, and AAls. The ABS advertises an annual procurement plan on AusTender. The plan is reviewed and updated throughout the year.

The ABS has a centralised area of expertise, which provides procurement and contracting support to operational areas, as well as providing direct involvement for more complex procurement projects. Information on procurement policy and practices is available to staff through an internal procurement portal.

The ABS continues to invest in developing procurement skills and reviewing processes to ensure that efficiency and value-for-money outcomes are achieved.

Information relating to expenditure on contracts and consultancies is available on the AusTender website: [www.tenders.gov.au](http://www.tenders.gov.au).

### Procurement initiatives to support small business

The ABS supports small business participation in the Australian Government procurement market. Small and Medium Enterprises and Small Enterprise participation statistics are available on the Department of Finance website: [www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/).

ABS support for small business includes using the Commonwealth Contracting suite for low-risk procurements under \$200,000 and communicating in clear, simple language as well as presenting information in an accessible format.

The ABS recognises the importance of ensuring that small businesses are paid on time with electronic systems or other processes, such as payment by credit card. The results of the Survey of Australian Government Payments to Small Business are available on the Department of the Treasury website: [www.treasury.gov.au](http://www.treasury.gov.au).

## Consultants

The ABS engages consultants when it requires specialist expertise or when independent research, review or assessment is required. Before engaging consultants, the ABS takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

Annual reports contain information about actual expenditure on consultancies. Information on the value of contracts and consultancies is available on the AusTender website: [www.tenders.gov.au](http://www.tenders.gov.au)

Consultancy contracts from 2013–14 to 2015–16 are shown in Table 5.3. During 2015–16, 14 new consultancy contracts were entered into, involving total actual expenditure of \$4.9 million. In addition, three ongoing consultancy contracts were active during the 2015–16 year, involving total actual expenditure of \$0.1 million.

**Table 5.3: Consultancy contracts from 2012–13 to 2015–16**

	New consultancy contracts		Ongoing consultancy contracts	
	Number of new contracts	Amount (\$m)	Number of ongoing contracts	Amount (\$m)
2013–14	14	\$0.7	4	\$0.3
2014–15	21	\$0.9	9	\$0.3
2015–16	14	\$4.9	3	\$0.1

### Exempt contracts

During the 2015–16 financial year the ABS did not exempt any contracts or standing offers from publication on AusTender on the basis that they would disclose exempt information under the *Freedom of Information Act 1982*.

### Asset management

The ABS's asset management policies are set out in the AAls and supporting financial management procedures. Further details on the ABS's asset policies are contained in note 2.2 of the ABS's Financial Statements.

An asset register records details of all assets held by the ABS. An annual stocktake process is conducted to ensure the accuracy and completeness of the information held on the register.

The capital management plan sets out the ABS's longer term asset requirements and funding sources for ongoing asset replacement and investment. The capital budget process is integrated with strategic planning and is conducted in conjunction with the annual operating budget process.

### Advertising and market research

During 2015–16, the ABS delivered one advertising campaign. The campaign was to raise and maintain the levels of public awareness and participation for the 2016 Census of Population and Housing.

Further information on the campaign is available at [www.abs.gov.au](http://www.abs.gov.au) and in the reports on Australian Government advertising prepared by the Department of Finance and published at [www.finance.gov.au/advertising](http://www.finance.gov.au/advertising).

Under section 311A of the *Commonwealth Electoral Act 1918*, the ABS is required to disclose payments over \$12,700 (including GST) for advertising and market research.

During 2015–16, the ABS's total expenditure for advertising and market research over the reporting threshold was \$3,430,958 (Table 5.4).

**Table: 5.4 Advertising and market research payments over \$12,700 in 2015–16**

Organisation	Purpose	Expenditure (\$, inc. GST)
<b>Market research organisations</b>		
Whereto Research Based Consulting Pty Ltd	2016 Census – Creative concept testing	186,926
<b>Media advertising organisations</b>		
BWM Dentsu	2016 Census – Communications campaign	2,334,349
Dentsu Mitchell Media Australia Pty Ltd	Recruitment advertising	706,977
Ethnic Communications	2016 Census – Multicultural communications campaign	111,900
<b>Public relations organisations</b>		
Fenton Strategic Communications Pty Ltd	2016 Census – Management and implementation of media and public relations	90,806
<b>Total payments over \$12,700</b>		<b>\$3,430,958</b>

# Chapter 6

## Management of human resources

### Introduction

It is our people who will ensure we can meet the challenge of transforming the ABS to better engage with partners, develop responsive processes, make the best use of modern technologies, and be a high performing and accountable organisation. Preparing our people for the future will enable us to work towards achieving our vision. Human resource (HR) management is a critical function within the agency. The ABS needs employees who:

- understand Australia's evolving information needs, and can help the ABS meet these needs
- recognise the changes to the ABS operating environment, and can help the ABS to adapt to these changes
- possess professional competencies and a commitment to the Australian Public Service (APS) Values.

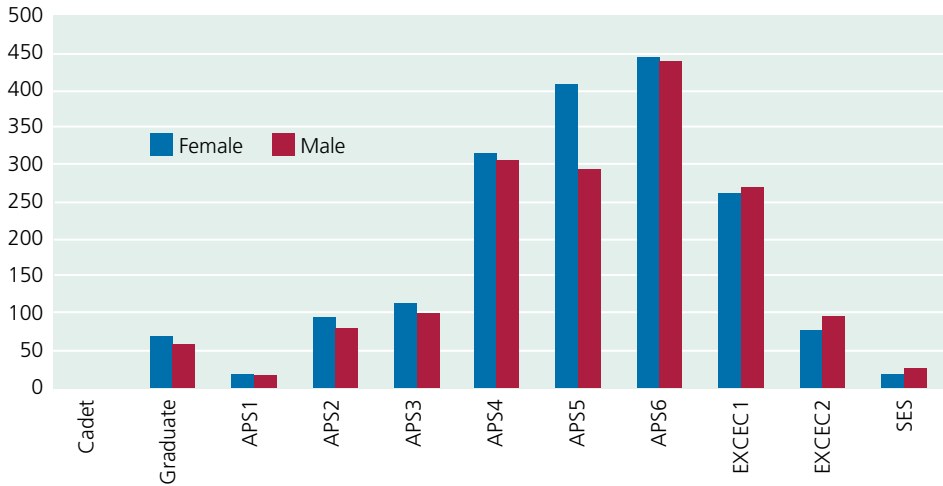
Good people management is the key to ensuring the engagement and retention of a workforce that can deliver the ABS work program now and into the future.

As at 30 June 2016, there were 3,586 operative and inoperative staff (60 of these are unpaid inoperative staff) employed at the ABS under the *Public Service Act 1999*: 1,711 males and 1,875 females.

There were also 3,482 staff employed to assist with data collection under Regulation 3 of the Statistics Regulations, and appointed as authorised officers under Section 16 of the *Census and Statistics Act 1905*. Of these, 3,039 were Census Field Officers and 443 were household survey interviewers.

Figure 6.1 and Tables 6.1, 6.2 and 6.3 show the profile of ABS staff by employment classification and sex, and by location and type of employment for operative and paid inoperative staff. Staff employed under the *Australian Bureau of Statistics Act 1975* (interviewers and Census field staff), and 60 unpaid inoperative staff are excluded from the tables.

**Figure 6.1: Employment classification by sex, 30 June 2016 (a) (b)**



(a) Includes operative and paid inoperative staff.

(b) Excludes the Australian Statistician (statutory appointment).

**Table 6.1: Employment classification by sex and employment type, 30 June 2015 & 2016 (a)(b)**

Classification	As at 30 June 2016				Total	As at 30 June 2015				Total
	Ongoing		Non-ongoing			Ongoing		Non-ongoing		
	Female	Male	Female	Male		Female	Male	Female	Male	
Cadet	0	0	0	0	0	0	0	0	0	0
Graduate	72	58	0	0	130	26	17	0	0	43
APS1	2	1	17	17	37	2	1	11	11	25
APS2	1	5	96	76	178	1	6	48	44	99
APS3	32	28	79	76	215	61	43	34	30	168
APS4	200	186	116	120	622	265	254	50	48	617
APS5	340	242	68	53	703	310	183	16	6	515
APS6	410	373	35	67	885	337	348	6	21	712
EXEC1	245	252	17	18	532	222	224	8	6	460
EXEC2	72	90	8	7	177	58	83	2	6	149
SES	19	24	1	3	47	7	28	1	0	36
<b>Total</b>	<b>1393</b>	<b>1259</b>	<b>437</b>	<b>437</b>	<b>3526</b>	<b>1289</b>	<b>1187</b>	<b>176</b>	<b>172</b>	<b>2824</b>

(a) Includes operative and paid inoperative staff.

(b) Excludes the Australian Statistician (Statutory appointment).

**Table 6.2: Number of ABS staff by location, employment type and status, at 30 June 2015 & 2016 (a)(b)**

	As at 30 June 2016					As at 30 June 2015				
	Ongoing		Non-ongoing		Total	Ongoing		Non-ongoing		Total
	Full-time	Part-time	Full-time	Part-time		Full-time	Part-time	Full-time	Part-time	
Canberra	1084	183	210	71	1548	1059	195	62	24	1340
Dandenong	16	0	3	0	19	0	0	0	0	0
Geelong	111	4	10	80	205	0	0	0	0	0
Melbourne	275	56	77	14	422	250	61	15	8	334
Sydney	189	42	40	92	363	194	47	21	60	322
Darwin	31	6	23	0	60	32	8	5	0	45
Brisbane	176	28	37	5	246	154	35	22	25	236
Adelaide	142	58	43	10	253	149	51	9	5	214
Hobart	90	27	20	10	147	85	26	17	5	133
Perth	103	31	101	28	263	100	30	35	35	200
<b>Total</b>	<b>2217</b>	<b>435</b>	<b>564</b>	<b>310</b>	<b>3526</b>	<b>2023</b>	<b>453</b>	<b>186</b>	<b>162</b>	<b>2824</b>

(a) Includes operative and paid inoperative staff.

(b) Excludes the Australian Statistician (Statutory appointment).

**Table 6.3: Number of ABS SES officers by level, sex and year (a)**

Year (at 30 June)	SES Level			Sex		Total
	1	2	3	Male	Female	
2008	33	6	3	27	15	42
2009	26	7	3	26	10	36
2010	27	6	4	29	8	37
2011	26	7	4	26	11	37
2012	23	7	4	24	10	34
2013	28	8	4	30	10	40
2014	29	7	3	30	9	39
2015	26	6	2	26	8	34
2016	29	9	3	22	19	41

(a) Includes only operative, substantive SES officers as at 30 June 2016, but excludes the Australian Statistician, who is a statutory office holder appointed under the *Australian Bureau of Statistics Act 1975*. Excludes SES officers outposted to another department, i.e. one SES Officer for 2008–10 and 2011–12.

At 30 June 2016 there were 19 women in the ABS Senior Executive Service (SES), representing 46.3% of the total number of ABS SES officers.

## ABS Workforce Strategy 2015–19

The ABS recognises that our people are essential to successfully realising our transformation goals and achieving our vision and objectives. To deliver our ambitious transformation agenda, we are changing our culture, driving high performance, and building capability.

The *ABS Workforce Strategy 2015–19* provides a five-year strategic outlook for transforming our workforce through driving high performance. It is aligned with the *ABS Corporate Plan 2015–19*, and focuses exclusively on the workforce (our people and culture) elements of transformation.

The *ABS Workforce Strategy 2015–19* is implemented through annual ABS People and Culture Action Plans, which set out the national operational strategies and actions to progress us towards our desired outcomes.

The four high-level strategies outlined in the *ABS Workforce Strategy 2015–19* are delivering our transformation agenda by:

- reshaping our workforce capability
- aligning our staffing profile and structure to a rationalised and responsive Forward Work Program
- building a high performing culture and improving our diversity
- improving our leadership to drive a high performing culture.

## Workplace diversity and inclusion in the ABS

The ABS is committed to creating workplaces that are accessible and inclusive for all staff. The ABS recognises that valuing our employee diversity and capitalising on their unique perspectives and talents encourages an innovative, productive and fulfilling workplace that will continue to attract and retain employees and make the ABS an employer of choice.

The following plans form the ABS Workplace Diversity Program:

- *ABS Workplace Diversity Action Plan 2013–2017 (ABS cat. no. 1010.0)*
- *ABS Reconciliation Action Plan 2013–2016 (ABS cat. no. 1011.0)*
- *ABS Gender Diversity Action Plan 2014–17 (ABS cat. no. 1013.0)*

These plans are integrated with the *ABS People and Culture Action Plan 2015–16* and the *ABS Workforce Strategy 2015–19*. Actions that support delivery focus on:

- recruitment of staff with diversity of backgrounds, experiences and expertise
- embracing diversity of skills, thinking and experiences of staff
- motivating and challenging staff
- providing a working environment that supports productive and flexible ways of working.

In addition, the ABS demonstrated its commitment to access and equity through the *ABS Agency Multicultural Plan 2013–15 (ABS cat. no. 1012.0)*, which has been replaced by the new Government requirements as set out in the revised Multicultural Access and Equity Policy.

### Workplace Diversity Action Plan

Through the *ABS Workplace Diversity Action Plan 2013–2017*, we will continue our commitment to identifying and addressing barriers to inclusion that may be experienced by some people in our community and workforce. The *Workplace Diversity Action Plan 2013–2017* sets out four key strategies:

- strengthening a respectful and inclusive work environment and culture



- improving our ability to attract, recruit and retain people of diverse backgrounds and targeting under-represented diversity groups (Aboriginal and Torres Strait Islander peoples and people with disability)
- improving our understanding of workplace diversity issues and increasing the analysis and use of workplace diversity metrics
- as a statistical services provider, ensuring accessible services, products and data collection practices are provided for people with disability and people from culturally and linguistically diverse backgrounds.

### Reconciliation Action Plan

The ABS is committed to reconciliation. The ABS leads and coordinates statistical activity involving and relating to Aboriginal and Torres Strait Islander peoples.

The *ABS Reconciliation Action Plan 2013–2016* sets out actions the ABS will take to:

- increase the recruitment, retention and development opportunities for Aboriginal and Torres Strait Islander peoples in the ABS (Table 6.4)
- build the capability of ABS employees to respond effectively to Aboriginal and Torres Strait Islander peoples and communities through respect and understanding of Aboriginal and Torres Strait Islander peoples and culture
- ensure ABS policies, programs and services effectively respond to Aboriginal and Torres Strait Islander peoples and communities
- develop the statistical literacy skills of Aboriginal and Torres Strait Islander peoples and communities to enable them to make informed decisions about themselves, their families and their communities.

**Table 6.4: Number of Aboriginal and Torres Strait Islander peoples employed in the ABS, 2015–16 (a)**

	30 June 2015	30 June 2016
Ongoing employees	21	30
Non-ongoing employees	1	7
<b>Total</b>	<b>22</b>	<b>37</b>

(a) Includes operative and paid inoperative office based staff as at 30 June 2016.

### Disability reporting mechanism

Since 1994, Commonwealth non-corporate entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission (APSC) *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the *National Disability Strategy 2010–2020*, which sets out a ten-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports was made available in late 2014, and can be found at [www.dss.gov.au](http://www.dss.gov.au).

At 30 June 2016 there were 76 staff (excluding unpaid inoperatives) who identified as having a disability, representing 2.1% of the total number of office-based staff in the ABS.

**Table 6.5: Number of staff identifying as having disability employed in the ABS, 2015–16 (a)**

	30 June 2015	30 June 2016
Ongoing employees	57	73
Non-ongoing employees	3	3
<b>Total</b>	<b>60</b>	<b>76</b>

(a) Includes operative and paid inoperative office based staff as at 30 June 2016.

### Gender Diversity Action Plan

In November 2014, the *ABS Gender Diversity Action Plan 2014–17* was introduced. It sets out the organisation's commitment to achieving gender diversity at all levels in the ABS. It aims to do this by identifying and removing barriers to allow women the same access to, and participation in, leadership roles as their male colleagues.

The *ABS Gender Diversity Action Plan 2014–17* has four strategies:

- recruiting and deploying for diverse leadership (to ensure our SES selection processes are best practice and free from unintended bias)
- working flexibly (to support increased use of flexible job design arrangements for senior staff, both in terms of locations and working arrangements)
- staying connected (to ease the transition of staff entering into or returning from long periods of leave, and capitalise on the talent and expertise of former ABS staff)
- building a more inclusive corporate culture (to promote a working environment where diverse leadership styles can flourish).

**Table 6.6: ABS staff by level by sex 2015–16**

Classification	Female	Male	Total
Cadet	0	0	0
Graduate	70	60	130
APS1	19	18	37
APS2	97	81	178
APS3	113	102	215
APS4	316	306	622
APS5	408	295	703
APS6	445	440	885
EXEC1	262	270	532
EXEC2	80	97	177
SES	20	27	47
<b>Total</b>	<b>1830</b>	<b>1696</b>	<b>3526</b>

(a) Includes actual operative and paid inoperative staff.

(b) Excludes the Australian Statistician (statutory appointment).

## Agency Multicultural Plan

The ABS is committed to improving how we engage and respond to the needs of Australians from diverse cultural and linguistic backgrounds and we foster an organisation that recognises and supports them.

The *ABS Agency Multicultural Plan 2013–15* was released in July 2013, under the requirements of the Australian Government Multicultural Access and Equity Policy.

Under streamlined arrangements for the implementation of the Multicultural Access and Equity Policy implemented in early 2016, departments and agencies are no longer required to develop and implement individual Agency Multicultural Plans. Instead, a single, whole-of-government plan covers the multicultural access and equity efforts of all departments and agencies, and the ABS continues to demonstrate its commitment to multicultural service delivery through strategies and policies.

## Key diversity and inclusion program achievements in 2015–16

- The ABS is committed to supporting the employment and career development of people with disability. In 2015–16, ABS joined the Australian Network on Disability (AND). We will work collaboratively with AND to develop and embed ABS diversity and inclusion strategies to attract, support and retain people with disability
- The ABS also became a member of Diversity Council Australia (DCA), which provides us with a knowledge bank of research, practice and expertise around diversity. The services and support available from DCA will help us enhance our strategies to promote diverse, inclusive and respectful workplaces
- In 2015–16, flexible working environments were implemented in our Brisbane, Melbourne and Geelong offices. These provide an office environment specifically designed to support the operations of the ABS and support teleworking to allow staff to work from outside the office (usually from home). Flexible working environments support diversity by providing opportunities for employees to do their work in a more flexible, collaborative and innovative way
- Mutually beneficial partnerships with Indigenous communities were strengthened in 2015–16 with two staff completing secondments to Indigenous community organisations as part of the Jawun Indigenous APS Community Secondment Program. The key objectives of the program were to:
  - support Indigenous organisations to deliver their own strategies and visions, and to contribute to the capability development of Indigenous people and organisations
  - provide participants with increased cultural awareness and personal development
  - benefit the ABS through greater cultural awareness and broader awareness of Indigenous matters.
- The ABS continues to promote and support the Youmpla Network (National Aboriginal and Torres Strait Islander Employee Network). Members meet on a monthly basis in a friendly, informal environment to share knowledge, information and experiences. Youmpla Network members attended their first face to face meeting and planning session to identify individual, network and organisational goals
- In August 2015, the ABS engaged 14 Indigenous Australian Government Development Program (IAGDP) participants. The IAGDP is a 15-month program that combines entry level ongoing employment with structured learning
- A key deliverable in the *Gender Diversity Action Plan 2014–17* is increased awareness of unconscious bias among ABS senior leaders and recruitment selection panels. In 2015, unconscious bias training was delivered to senior leaders (the Senior Executive Service) and recruitment selection panels, and a condensed one-hour session was presented to all other ABS staff. The seminar covered the concepts that underpin unconscious bias, its effects in the workplace, and strategies for managing unconscious bias in the ABS

- The *Gender Diversity Action Plan 2014–17* focuses on success in improving gender balance in our senior leadership. At the end of June 2015, 21% of SES were women. This has risen to 46% following a recruitment exercise for SES conducted in late 2015 where 17 of the 19 appointments were female
- The ABS undertook significant recruitment activity in 2015. Prior to the assessment of applications, in an effort to reduce the effects of unconscious bias in the selection process, identifiers (including name, gender, birthdate) were redacted from applications, CVs and referee reports. A recent review of the recruitment exercise at the APS and Executive Level classifications suggests that ABS has made improvements in attracting and placing women at higher rates than in the past
- In November 2015, Jacky Hodges, General Manager, Industry Statistics, made the Part-Time Power List which recognises people who work in leadership positions in large organisations in a flexible or part-time role.

## Training and development

Training statistics from 2005–06 to 2015–16 are presented in Table 6.7.

In line with the *ABS Workforce Strategy 2015–2019* and the *ABS People and Culture Action Plan 2015–16*, the ABS is reshaping its workforce capability to ensure we have the right people with the right skills to transform, while continuing to deliver high quality official statistics.

### Key achievements in 2015–16

- A new Learning Management System (LMS), known as CapabilityPlus, has been implemented. This system facilitates design and delivery of blended learning solutions, reducing the reliance on face-to-face delivery
- Improvements in leadership and management development have been achieved through initiatives such as Peer Based Learning Circles for the Senior Executive Service and transformation-focused orientation for newly promoted EL1s
- Executive Coaching for Executive Level and SES staff is building their leadership capability, with 34 employees accessing this service this year
- A complete review of all ABS statistical learning and development courses was conducted, with the intent of retiring courses (internal and external) that are no longer relevant during nor after transformation
- Three Foundational Statistical e-learning programs are now accessible to all ABS staff through CapabilityPlus, comprising 35 separate online learning solutions/modules
- Sharing of these online modules has commenced with key external government stakeholders, including the ATO and the APSC, with further sharing to take place with other federal and state/territory government agencies over the next 12 months
- Twenty-nine ABS staff successfully completed the Graduate Certificate in Statistics Program delivered by the University of Canberra.

To enable transformation the ABS is embarking on a Statistical Transformation Learning and Development Pathway Program which focuses on upskilling and reskilling traditional processing type staff in the areas of data analysis and conceptual and critical thinking capabilities. This program will include foundational, intermediate and advanced level pathways. Staff participating in these pathways will need to graduate successfully through the relevant assessment gates in order to access the higher-end development options. The program will be a blended program with a range of online learning solutions, face-to-face masterclass sessions, on-the-job development opportunities and access to university-accredited courses.

Table 6.7: ABS employee training days (a)

	Total ABS operative staff (b)	Attendance days	Average training days
2005–06	2865	16163 (c)	5.6
2006–07	3065	13491 (c)	4.4
2007–08	2733	9907	3.6
2008–09	2489	6179	2.5
2009–10	2593	7397	2.9
2010–11 (d)	3416	12054	3.5
2011–12	3213	15541	4.8
2012–13	2919 (g)	7547 (e)	2.6
2013–14	2723 (g)	5935	2.2 (g)
2014–15	2750 (g)	2970 (f)	1.1 (g)
2015–16	3446	7689	2.2 (h)

(a) Excludes on the job and Census Data Processing training.

(b) Comprises full-time and part-time staff operative headcount.

(c) Figures revised down since first published.

(d) Increase due to Census Management Unit operations.

(e) Decrease partly due to move to e-learning approaches.

(f) Significant decrease in face to face sessions with more emphasis on e-learning/blended learning approaches.

(g) Minor correction to published numbers.

(h) Rise in average training days due to significant graduate intake, mandatory e-learning modules for new recruits and new telework arrangements, availability of new e-learning modules for self-directed learning, and focus on skills for transformation such as Agile Methodology and EL1 orientation.

## Recruitment

### Key achievements in 2015–16

In 2015–16 the ABS undertook a number of recruitment processes, including:

- an SESB1/2/3 recruitment processes, resulting in 19 promotions and appointments
- finalisation of the 2015 national APS/EL recruitment exercise, resulting in over 600 promotions and over 160 transfers at level
- the formal graduate program commencing in February 2016 with 134 graduates
- recruiting over 170 ongoing and non-ongoing staff for the new ABS office in Geelong
- recruitment campaigns to hire over 38,000 field staff for the 2016 Census of Population and Housing
- commencement of recruiting over 800 non-ongoing staff for the Data Operations Centre in Canberra and the Data Capture Centre in South Dandenong to process Census data, and a further 100 for the Census Help Line in Geelong
- recruitment of non-ongoing Transformation Support Officers.

A number of initiatives were implemented in the 2015 national APS/EL recruitment exercise to reflect best practice and provide maximum flexibility for future staffing decisions. In particular, initiatives to address potential unconscious bias (unconscious bias training for panel members and blind recruiting) resulted in an improvement in attracting and placing women in positions across the ABS at higher rates than in the past.

## Workplace health and safety

### Overview

The ABS is committed to fostering a proactive and collaborative approach to the management of work health, safety and wellbeing in the workplace. Specialist teams of work health and safety (WHS) advisors and rehabilitation specialists focus on wellbeing at work, preventing injury and illness, early intervention if injury or illness occurs, rehabilitation and return to work programs.

In 2015–16, the ABS completed the second year of its Work Health and Safety and Rehabilitation Management System Strategy (2014–17). It is underpinned by the ABS Work Health and Safety and Rehabilitation Management Statement of Commitment which focuses on:

- a strong safety culture
- accountable leadership
- effective communication and consultation between the ABS, workers and their representatives
- early identification and effective management of workplace hazards, including psychological hazards, to eliminate or reduce risk
- continuous improvement through regular monitoring, reporting and reviewing of performance, based on measurable objectives and targets
- ensuring all workers and other stakeholders understand their roles and responsibilities in eliminating work-related illness and injury through training, continuous education and support
- effective and sustainable injury prevention, early intervention, injury management, rehabilitation and return-to-work processes following injury or illness.

The Senior Management Group is the senior executive forum with responsibility for oversight of the ABS WHS and Rehabilitation Management System.

### Key achievements in 2015–16

Measures taken to ensure the health, safety and wellbeing of employees during 2015–16 included:

- a continuing focus on the health and safety of ABS field-based staff including use of technology to enhance supervision and communications while in the field
- development of the ABS Psychosocial Health at Work Strategy (2015–20), identifying priority areas for the ABS over the next five years and drawing on best practice principles from the APSC and Comcare guide, *As One – Working Together: promoting mental health and wellbeing at work*
- ongoing review of the ABS WHS Manual, with priority on content relating to fieldwork in preparation for the 2016 Census
- extended access to flexible work with the implementation of flexible working arrangements in five of nine ABS offices, and access to teleworking by all staff
- a nationally broadcast seminar by Beryl Women Inc. to recognise White Ribbon Day (Australia's campaign to stop violence against women)
- release of a Family and Domestic Violence Information Resource and a Mental Health Information Resource to assist staff and their families
- support for a range of health and safety initiatives including women's and men's health weeks, Healthy Weight Week, National Stroke Week, Mental Health Week, RUOK Day, Movember, Safe Work Month, and World Day for Safety and Health at Work

- release of a WHS Risk Management e-learning module to help staff apply WHS risk management processes in eliminating and controlling workplace hazards
- presentation of six nationally broadcast and video-recorded worklifeAssist™ seminars for staff as part of the Employee Assistance Program (EAP)
- delivery of a national influenza vaccination program to 1,229 office-based staff in autumn 2016
- conduct of the annual national hazard inspection program, with 61% fewer hazards identified than in 2014
- ninety-seven newsletter articles and alerts on WHS matters distributed to office-based staff.

### Consultation and communication

The ABS has one National, one Interviewer and eight Regional Health and Safety Committees. Health and Safety Committees are required to meet at least once every three months. All ABS Health and Safety Committees met at least four times in 2015–16, with 92% of meetings held three-monthly.

Revised and new WHS policies and guidelines regarding WHS Issue Resolution, Indoor Air Quality, Thermal Comfort and First Aid were released in 2015–16, following consultation with staff and their representatives.

### Training

WHS modules are available to all staff via the ABS e-learning system. In 2015–16:

- 885 staff completed the Introduction to WHS module
- 63 staff completed the WHS Risk Management module.

In the ABS there are a number of specific WHS roles filled by trained staff:

- First Aid Officers must complete an accredited First Aid training course initially and attend a refresher course every 12 months. Fifty-six staff undertook first aid training in 2015–16
- Health and Safety Representatives (HSRs) have the option of completing a five-day training course upon commencement in the role, and the option of attending a one-day refresher course every 12 months. Eight staff undertook HSR training in 2015–16
- Wardens are required to attend skills retention training every six months. In addition, wardens are required to participate in a trial evacuation at least once annually. One hundred and thirty-five staff undertook fire warden training in 2015–16.

### Provisional Improvement Notices

No Provisional Improvement Notices were issued to the ABS during 2015–16.

### Comcare investigations and inspections

There were no Comcare investigations or inspections during 2015–16.

### Comcare premium

The ABS Comcare premium rate for 2015–16 was 2.21% of total salary (excluding GST).

**Table 6.8: Comcare workers compensation premium rate**

	2012–13	2013–14	2014–15	2015–16
ABS premium rate	1.75	2.07	2.46	2.21
Overall scheme premium rate	1.61	1.65	1.93	1.85

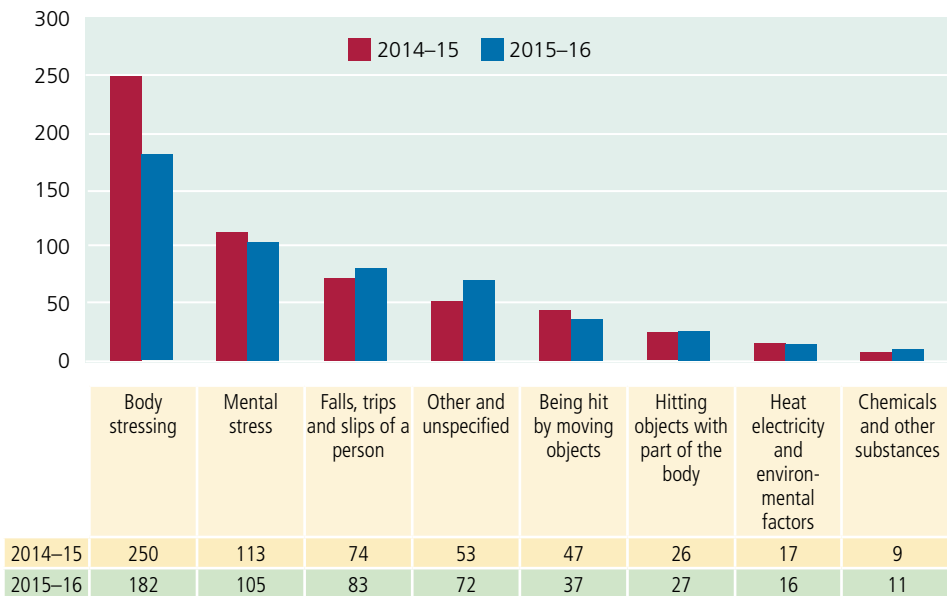
## Incidents and investigations

Under the *Work Health and Safety Act 2011*, the ABS is required to report all notifiable incidents which arise from undertaking the business of the ABS. Notifiable incidents include the death of a person, serious injury or illness, or a dangerous incident. There were eight notifiable incidents in 2015–16 (three serious injuries or illnesses and five dangerous incidents).

## Workplace injuries and illnesses

The top three mechanisms of incident resulting in injury or illness reported in the ABS during 2015–16 were body stressing, mental stress, and falls, trips and slips (Figure 6.2). In addition, there were 247 safety incidents reported that resulted in no injury or damage only to property.

**Figure 6.2: Number of injuries and illnesses by mechanism of incident 2015–16**



## Workers compensation

There were 11 accepted workers compensation claims with a date of injury occurring within 2015–16, compared to 28 in 2014–15. (Table 6.9)

**Table 6.9: Accepted ABS compensable claims by date of injury, 2012–13 to 2015–16(a)**

Accepted claims	2012–13	2013–14	2014–15	2015–16	TOTAL
ABS office-based	27	29	14	4	74
Interviewers	13	10	10	6	39
Census	0	0	4	1	5
<b>Total</b>	<b>40</b>	<b>39</b>	<b>28</b>	<b>11</b>	<b>118</b>

(a) When comparing recent periods with previous years' data it should be noted that the data on the current period is the least mature and may not give a definitive view of related performance.

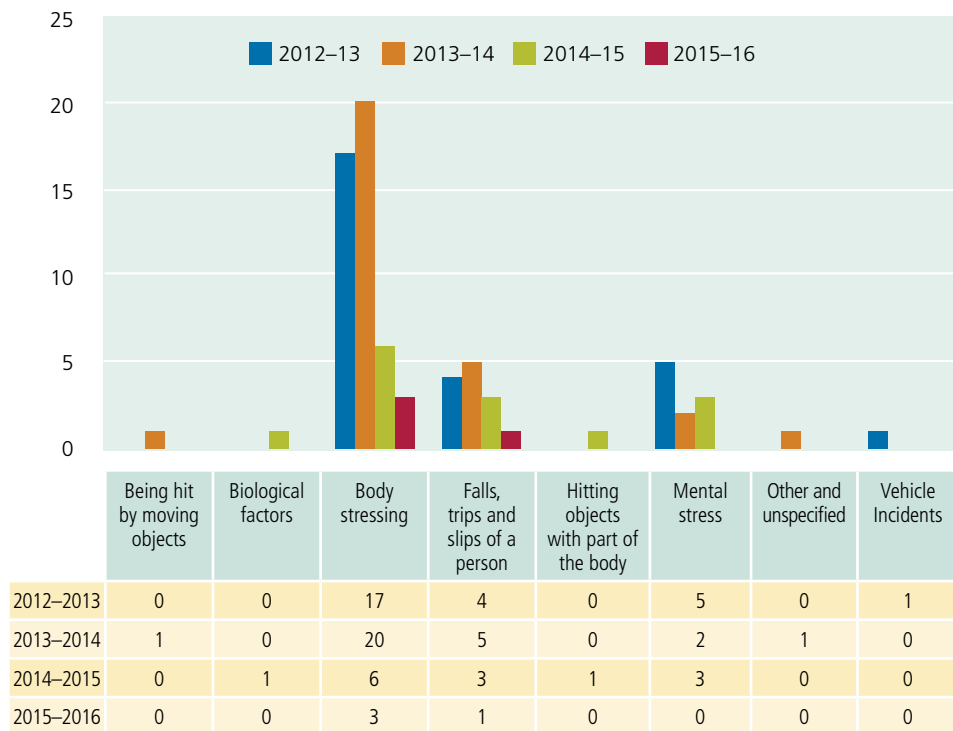


The ABS is committed to minimising the impact of injury, illness and disease in employees. The People Management and Wellbeing Section manages Comcare compensation claims to assist in returning ill and/or injured staff to work, health and independence by providing a safe, supportive environment and setting achievable goals.

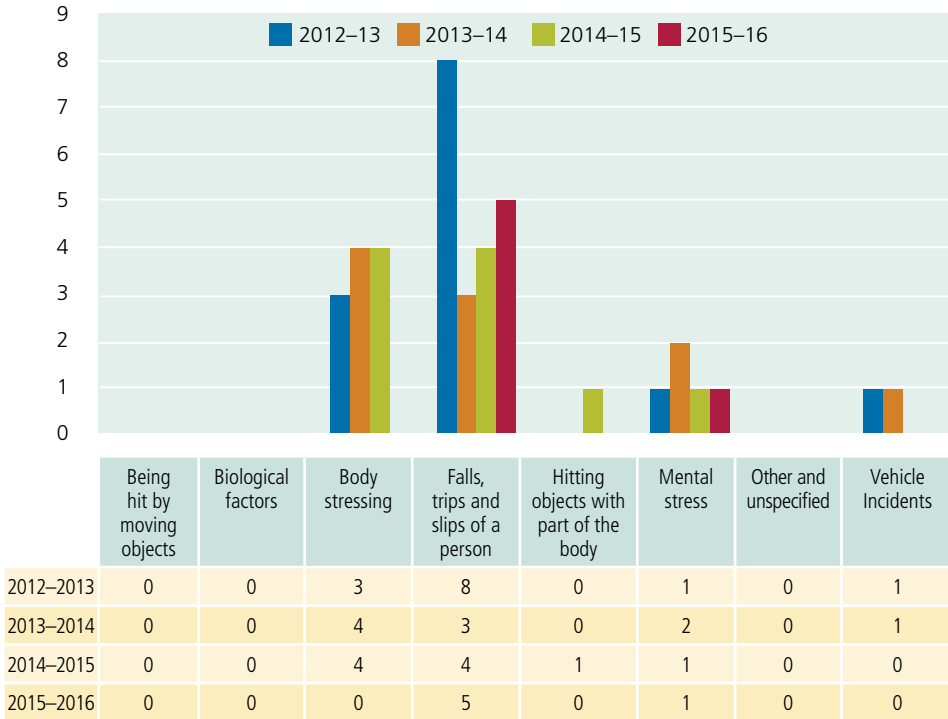
The Section developed a Rehabilitation Management System (RMS) following a Comcare audit in March 2014. The Corrective Action Plan resulting from the audit was signed off as completed in December 2015. The RMS is used to ensure the ABS has the necessary controls in place to understand and comply with relevant legislation, guidelines and corporate policy; to establish and maintain the ABS’s performance against relevant requirements; and to ensure continual improvement particularly through the implementation of any future corrective action plans.

Figures 6.3, 6.4 and 6.5 show the number of accepted claims by mechanism of incident. Current priorities include addressing long-term and high-cost claims in partnership with Comcare and working towards an active case management approach through staff education and early intervention initiatives.

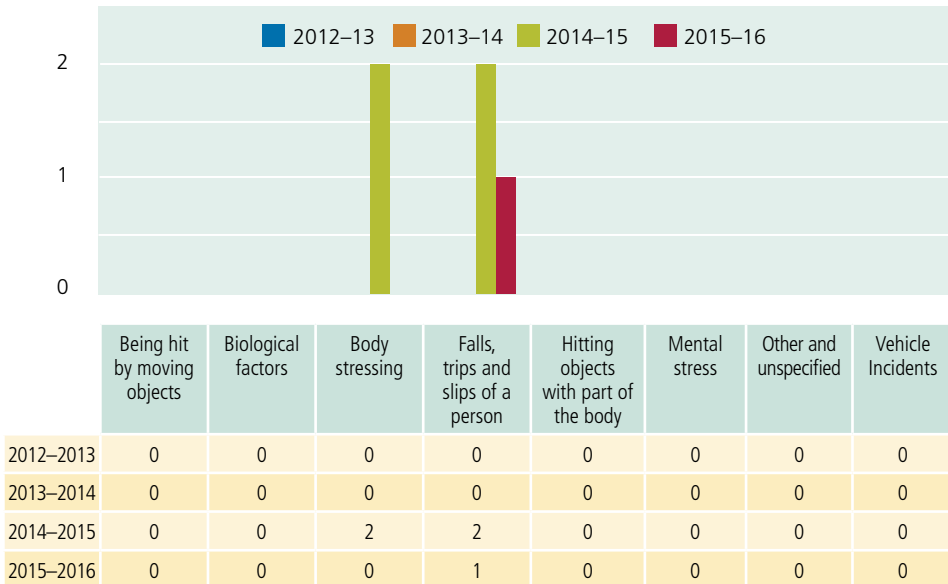
**Figure 6.3: Accepted ABS office-based claims by mechanism of incident 2012–13 to 2015–16**



**Figure 6.4: Accepted ABS Interviewer claims by mechanism of incident 2012–13 to 2015–16**



**Figure 6.5: Census accepted claims by mechanism of incident 2012–13 to 2015–16**



## Attendance management

In 2015–16, the average number of days of unscheduled absence per full-time equivalent (FTE) was 11.9 days (Table 6.10). This is less than the Australian Government (Large Agency) median over the previous two years (12.4 days per FTE in 2014–15 and 12.3 days per FTE in 2013–14).

**Table 6.10: Unscheduled absence: days per FTE (a) (b)**

	2013–14	2014–15	2015–16
ABS	12.3	12.4	11.9
Australian Government (Large Agency) median	12.3	12.4	n/a (c)

(a) Excludes interviewers, non-ongoing Census Data Processing Centre staff, and Census field staff.

(b) Totals do not include workers compensation due to a change in APSC reporting in the 2014–15 year. Figures may not match those contained in previous ABS reports as a result.

(c) The Australian Government (Large Agency) median for 2015–16 was not available at the time of preparing this report.

## Employee Assistance Program utilisation

The EAP utilisation rate for ABS office-based staff during 2015–16 was 9.1% compared with 10.4% in 2014–15. The EAP utilisation rate for ABS Interviewer staff during 2015–16 was 5.1% compared with 5.9% in 2014–15.

## Consultation in the ABS

The ABS is committed to effective workplace relations that value communication, cooperation and effective consultation with employees and their chosen representatives, including union representatives, about matters that affect their workplace.

The ABS consultative framework comprises the following elements:

- line managers
- consultative forums
- the National Forum
- employee representatives.

A meeting of the National Forum was held in November 2015 to discuss the ABS State of the Service Census results, the ABS Workforce Strategy and the Reconciliation and Diversity Action Plans. The National Forum also met in March 2016. The Forum had a strong focus on our people and the future direction of the ABS.

## Agreement making

The ABS has a number of industrial instruments in place to cover the employment arrangements for various ABS workforces. The instruments that apply to employees engaged under the *Public Service Act 1999* are:

- the *Australian Bureau of Statistics Enterprise Agreement 2016* which covers all ABS employees employed under the *Public Service Act 1999* except Senior Executive Service employees
- individual Determinations under section 24(1) of the *Public Service Act 1999* which cover Senior Executive Service employees.

The instruments that apply to employees engaged under the *Australian Bureau of Statistics Act 1975* in accordance with the Statistics Regulations are:

- the *Australian Bureau of Statistics Interviewers Enterprise Agreement 2011–2014* which covers home-based ABS Interviewers

- a collective Determination under s.16(3) of the *Australian Bureau of Statistics Act 1975* which covers Census field employees undertaking the 2016 Census dress rehearsal and the 2016 Census of Population and Housing.

Details of the number of employees covered by an Enterprise Agreement, Individual Flexibility Arrangement, a Determination under s. 24(1) of the *Public Service Act 1999* or a Determination under s. 16(3) of the *Australian Bureau of Statistics Act 1975* as at 30 June 2016 are as follows:

- ABS employees covered by the *Australian Bureau of Statistics Enterprise Agreement 2016*: 3,541
- ABS employees covered by the *Australian Bureau of Statistics Interviewers Enterprise Agreement 2011–2014*: 443
- Individual Flexibility Arrangements made under the *Australian Bureau of Statistics Enterprise Agreement 2016*: 6
- SES employees covered by s. 24(1) Determination: 45
- Employees covered by s. 16(3) Determination: 3,039.

## The ABS salary system

### Salary arrangements

The *ABS Enterprise Agreement 2016* outlines the salary arrangements for non-SES ABS employees employed under the *Public Service Act 1999* for the period 3 June 2016 to 2 June 2019. A general salary increase of 3% was effective from 3 June 2016. Table 6.11 shows the salary ranges for ABS employees.

Prior to 3 June 2016 the *ABS Enterprise Agreement 2011–2014* outlined the salary arrangements for non-SES ABS employees employed under the *Public Service Act 1999*.

**Table 6.11: Salary ranges by classification as at 30 June 2016**

Classification	Minimum (\$)	Maximum (\$)
<b>Australian Public Service (APS) level</b>		
APS1	41,606	47,400
APS2	47,577	53,647
APS3	54,201	61,098
APS4	61,149	68,780
APS5	68,784	77,263
APS6	77,271	87,263
<b>Executive Officer level (EL)</b>		
EL1	94,933	109,741
EL2	118,516	142,578
<b>Senior Executive Service (SES) level</b>		
SES Band 1	156,704	194,511
SES Band 2	194,511	225,882
SES Band 3	225,882	N/A(a)

(a) Not applicable (as there is not a maximum level for this classification).

## Recognition and reward

The ABS operates a Recognition and Reward Scheme that acknowledges exceptional one-off achievements by individual employees and work groups. The awards may include a certificate or medallion of commendation together with a gift voucher or in-kind award such as a work group morning tea or lunch.

Organisational guidelines have been developed to ensure consistent conduct of recognition and reward in the ABS. The current Recognition and Reward Scheme will be reviewed in 2016–17.

Total ABS expenditure for the scheme in 2015–16 was \$67,456.

There is also an annual Australian Statistician's Award that recognises extraordinary contributions made to the ABS by individual employees.

In January 2016, Australian Statistician's Awards were presented to 12 staff.

## Performance management in the ABS

The ABS is committed to being a high-performing public agency, promoting a people-oriented culture through focus on leadership, communication, innovation and engagement.

The ABS Development and Performance Framework (DPF) is designed to increase organisational performance by supporting all employees to maximise their performance through individual development, job satisfaction and positive, trusted working relationships.

The ABS Development and Performance Agreement was updated to accommodate feedback from a national series of workshops. These workshops captured staff and manager experiences and perceptions of the effectiveness of performance and development in the ABS.

Where there are concerns about employee performance, ABS managers work with their employees by implementing an informal Performance Improvement Plan (PIP). ABS initiated ten PIPs for ongoing office-based staff during 2015–16. Where an employee's performance has not improved through a PIP a formal underperformance process commences. Five employees were the subject of formal processes to manage underperformance. This resulted in a range of outcomes including employees meeting the expected level of performance, having their employment terminated or having their classification reduced. In addition, the contracts of two non-ongoing employees were terminated due to underperformance.

The DPF and the ABS implementation of it demonstrate ABS's commitment to the APS employment principle that requires effective performance from each employee.

During 2015–16 ABS completed eight investigations into suspected breaches of the APS Code of Conduct by ABS employees. None involved privacy breaches. Where breaches were determined, a range of sanctions were implemented including formal reprimands, fines, and reduction in classification. Two employees resigned their ABS employment following a preliminary sanction decision of termination of employment.

## Ecological sustainability

### Introduction

During 2015–16, the ABS remained committed to the principles of ecological sustainable development as outlined in the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

In accordance with the EPBC Act, which requires agencies to report on aspects of their performance relating to ecologically sustainable development, the ABS has two key roles. The first of these is the ABS's responsibility for providing statistics on the environment and environmental issues to enable informed decision making. The second role relates to the impact of the ABS's operations on the environment and the action being taken by the ABS to minimise that impact.

The ABS's response to the five components of Sub-section 516A (6), as required by the EPBC Act, is described below.

### **516A (6) (a) How do the activities of the organisation, and the administration of legislation by the organisation, accord with the principles of ecologically sustainable development?**

The ABS Environmental Policy Statement articulates our commitment to the identification and pursuit of effective environmental practices. In accordance with the principles of ecologically sustainable development, the ABS pursues environmentally positive practices by:

- seeking to minimise adverse environmental impacts from its operations
- complying with relevant Commonwealth and territory environment legislation and the Australian Government's environmental policies and initiatives
- working towards continuously improving our environmental performance.

In 2012–13, the ABS implemented an Environmental Management System (EMS), which set the environmental activities for 2015–16:

- identifying, implementing and promoting environmentally sensitive operations
- targeting reductions in energy usage and the generation of waste
- complying with relevant Commonwealth and territory environment legislation and the Australian Government's environmental policies and initiatives
- encouraging and promoting environmentally sound procurement practices
- providing for an environmentally sound workplace and implementing environmentally sound work practices
- monitoring our energy performance and green lease commitments and implementing processes of continuous improvement
- supporting and promoting an environmentally responsible culture.

### **516A (6) (b) How do the outcomes specified in a relevant Appropriations Act contribute to ecologically sustainable development?**

The ABS receives appropriation for the purpose of producing statistics that inform decision making on a wide range of social and economic matters.

The ABS works closely with the community and governments to further build information on environmental statistics, to complement the more established information bases on population, society and the economy. The focus of this development work is the integration of environmental statistics with Australia's economic and social statistics.

For more information on ABS statistical publications and developments, please refer to the ABS website <http://www.abs.gov.au> for:

- Agriculture
- Rural and Regional Statistics
- Environment
- Energy
- Water.

### **516A (6) (c) What is the effect of the organisation's activities on the environment?**

The ABS has sought to minimise its impact on the environment through a number of measures.

#### **Operate in an environmentally responsible manner and where practical, reduce energy, waste and other resources**

Flexible working environments have been introduced in five of the nine ABS sites across Australia, which has reduced the required tenancy footprint by 20% and staff need to attend ABS offices daily. This has reduced the environmental impact of fitout, furniture production, and necessary operational services, particularly electricity.

To reduce energy consumption and waste, fitouts have included energy efficient LED lights and smart lighting technologies in all tenanted areas.

ABS publications are available on the ABS website, reducing demand for print copies of publications.

Computer assisted interviewing is used in place of paper forms where possible.

Improvements in video conferencing equipment software and increasing the number of video conferencing facilities supports virtual teams and has reduced the requirement to travel.

Recycling services are provided to all office-based staff, including

- recycling paper, bottles, aluminium cans, steel cans, plastic and cardboard products in all offices
- recycling mobile phones, batteries, polystyrene in all sites where contractor packaging removal was not part of the contracts or service agreements
- maintaining organic recycling of kitchen waste at ABS House Canberra
- rationalising the office vehicle fleet.

#### **Comply with relevant Commonwealth and territory environment legislation and the Australian Government's environmental policies and initiatives**

An ABS ICT Energy Management Plan has been developed in alignment with requirements and targets set under the *ICT Sustainability Plan 2010–2015*, which includes:

- a project to relocate the in-house data centre to an off-site commercial data centre in 2016–17, with more efficient infrastructure and economies of scale
- a continual refresh program for desktops, servers and storage, utilising latest available technology
- introduction of virtual desktops and replacement of desktop fleet with tablets, which should result in a reduction in power consumption of approximately 50% across the fleet

- server virtualisation
- utilising 'Print on Demand' functionality on all printers and multi-function devices (MFDs)
- utilising duplex printing and copying
- utilising reduced standby timeout period on MFD's from 90 to 60 minutes
- utilising 100% recycled content copy paper
- high-level metering of data centre (located in Central Office) and communications equipment energy consumption
- utilising an intelligent management system for data centre air-conditioners to increase efficiency
- utilising variable speed drives in data centre condenser water pumps and cooling fans for increased efficiency
- utilising intelligent server management system to maximise energy efficiencies.

### **Encourage and promote environmentally sound procurement practices in compliance with Commonwealth Procurement Rules**

Procurement of 10% green energy as part of the whole-of-government energy contract for ABS House and 10% green energy for the Sydney, Melbourne, Geelong, Dandenong and Adelaide offices continued.

Environmental and whole-of-life-cycle clauses are included as part of the tender and evaluation process in most procurement activities.

Vehicles with 10.5 GVG rating, in accordance with the Green Vehicle Guide, are leased.

100% recycled paper is procured for general office use.

### **Provide an environmentally sound workplace and implement environmentally sound work practices**

Progressive introduction of flexible working arrangements has reduced the need for staff to work full-time in ABS offices. This has reduced staff travel to and from offices, reduced office footprint by 20%, and reduced associated office resources use such as paper and furniture.

A knowledge framework has been implemented, incorporating digital recordkeeping rather than paper records, with automatic recordkeeping facilities for ABS workgroup databases.

Environmental efficiency measures have been incorporated into the market testing process for new leases with the integration of green lease schedules in each new tenancy.

A building management system controls lighting and reduces energy use.

Re-manufactured and recycled cartridges for photocopiers, faxes and printers, and recycling used printer cartridges are used wherever possible.

White goods with heavily weighted energy ratings are purchased, and we monitor our programs and implement processes of continuous improvement.

The ABS monitors its:

- office energy consumption for all sites
- Canberra office waste, organic waste and water consumption
- national staff numbers
- national paper consumption
- national fleet operations.



### **Develop an environmentally responsible culture across all levels of our organisation and consult, educate, train and motivate staff about their environmental responsibilities**

ABS promotes, participates in, and celebrates environmental and energy programs around national and international events such as World Environment Day, Earth Hour and Walk and Ride to Work days.

All offices are encouraged to support local Green Teams to raise awareness and develop local initiatives.

#### **516A (6) (d) What measures are taken by the organisation to minimise the impact of its activities on the environment?**

The ABS's activities have the potential to affect the environment through consumption of energy and water, waste production and waste sent to landfill. The ABS seeks to improve its performance by measuring and managing:

- energy consumption and greenhouse gas pollution across its offices
- paper consumption
- carbon emissions in transportation
- water usage
- waste sent to landfill, whilst increasing recycling of packaging and waste
- the procurement of environmentally friendly products.

#### **516A (6) (e) What are the mechanisms for reviewing and increasing effectiveness of these measures?**

The ABS implemented an EMS in 2012–13 at its largest site, ABS House in Canberra. This set a number of environmental performance objectives which continue to be used. Leases negotiated in Brisbane, Geelong, and Melbourne in 2015–16 have incorporated green lease schedules which will be used to build a collaborative approach to managing environmental impacts of the ABS and the buildings it occupies. In 2016–17, as the ABS develops the new lease and fitout of its largest office, the EMS will be revisited and used to set the future objectives of the ABS approach to environmental management and performance.





## Section Four

### Financial reporting



# Chapter 7

## Resource statements



### Entity Resource Statement 2015–16

		Actual available appropriation 2015–16 \$'000	Payments made 2015–16 \$'000	Balance remaining 2015–16 \$'000
		(a)	(b)	(a) – (b)
<b>Ordinary Annual Services<sup>1</sup></b>				
Departmental appropriation <sup>2</sup>		529,836	477,155	52,681
<b>Total</b>		<b>529,836</b>	<b>477,155</b>	<b>52,681</b>
<b>Total ordinary annual services</b>	<b>A</b>	<b>529,836</b>	<b>477,155</b>	<b>52,681</b>
<b>Other services<sup>3</sup></b>				
<b>Departmental non-operating</b>				
Equity injections		32,786	25,538	7,248
<b>Total</b>		<b>32,786</b>	<b>25,538</b>	<b>7,248</b>
<b>Total other services</b>	<b>B</b>	<b>32,786</b>	<b>25,538</b>	<b>7,248</b>
<b>Total resourcing and payments</b>	<b>A+B</b>	<b>562,622</b>	<b>502,693</b>	<b>59,929</b>

1. *Appropriation Act (No.1) 2015–16*. This may also include prior year departmental appropriation and section 74 Retained Revenue Receipts.
2. Includes an amount of \$20.750 million in 2015–16 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.
3. *Appropriation Act (No.2) 2015–16*. This may also include prior year equity injections.

## Expenses for Outcome 1

Outcome 1: Informed decision-making, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information	Budget* 2015–16 \$'000	Actual Expenses 2015–16 \$'000	Variation 2015–16 \$'000
	(a)	(b)	(a) – (b)

### Programme 1.1: Australian Bureau of Statistics

Departmental expenses

Departmental appropriation <sup>1</sup>	452,188	452,725	(537)
Expenses not requiring appropriation in the Budget year	36,822	30,889	5,933
<b>Total for Programme 1.1</b>	<b>489,010</b>	<b>483,614</b>	<b>5,396</b>

	2014–15	2015–16
<b>Average Staffing Level (number)</b>	<b>2,641</b>	<b>2,888</b>

\* Full year budget, including any subsequent adjustment made to the 2015–16 Budget at Additional Estimates.

## Compliance with PGPA Act and PGPA Rule

Sections 17AG and 17BE of the PGPA Rule require that Commonwealth entities' annual reports must include a statement of any significant issues or instances of non-compliance in relation to the finance law. Entities must also notify the responsible Minister under paragraph 19(1)(e) of the PGPA Act during the reporting period and outline the actions taken to remedy the non-compliance. As the Finance Minister has responsibility for the finance law, accountable authorities should also provide a copy of their notifications of significant non-compliance with the finance law to the Finance Minister.

The ABS has not identified any instances of significant or systemic non-compliance in 2015–16.



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Small Business

I have audited the accompanying annual financial statements of the Australian Bureau of Statistics for the year ended 30 June 2016, which comprise:

- Statement by Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements.

### Opinion

In my opinion, the financial statements of the Australian Bureau of Statistics:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Bureau of Statistics as at 30 June 2016 and its financial performance and cash flows for the year then ended.

### Accountable Authority's Responsibility for the Financial Statements

The Australian Statistician of the Australian Bureau of Statistics is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and is also responsible for such internal control as the Australian Statistician determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Peter Kerr  
Executive Director  
Delegate of the Auditor-General  
Canberra  
18 August 2016

**Australian Bureau of Statistics**  
**STATEMENT BY ACCOUNTABLE AUTHORITY AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Bureau of Statistics will be able to pay its debts as and when they fall due.

Signed 

David W. Kalisch  
Australian Statistician  
18 August 2016

Signed 

Lily Viertmann  
Chief Finance Officer  
18 August 2016





**Australian Bureau of Statistics**  
**Statement of Comprehensive Income**  
*for the period ended 30 June 2016*

	Notes	2016 \$'000	2015 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	1.1A	327,079	275,897
Suppliers	1.1B	125,199	87,369
Depreciation and amortisation	2.2A	30,889	29,484
Write-down and impairment of assets	1.1C	230	1,017
Other expenses	1.1D	217	269
<b>Total expenses</b>		<b>483,614</b>	<b>394,036</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	1.2A	35,823	40,997
Other revenue	1.2B	3,447	2,376
<b>Total own-source revenue</b>		<b>39,270</b>	<b>43,373</b>
<b>Gains</b>			
Other gains	1.2C	237	2
<b>Total gains</b>		<b>237</b>	<b>2</b>
<b>Total own-source income</b>		<b>39,507</b>	<b>43,375</b>
<b>Net (cost of)/contribution by services</b>		<b>(444,107)</b>	<b>(350,661)</b>
Revenue from Government		407,509	321,461
<b>Surplus/(Deficit) attributable to the Australian Government</b>		<b>(36,598)</b>	<b>(29,200)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Changes in asset revaluation surplus/(deficit)		58	(171)
<b>Total other comprehensive income</b>		<b>58</b>	<b>(171)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>		<b>(36,540)</b>	<b>(29,371)</b>

The above statement should be read in conjunction with the accompanying notes.

**Accounting Policy**

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ABS gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Revenue from Government received by the ABS is inclusive of the cyclical appropriation related to the five yearly Census of Population and Housing. The next Census will be conducted in August 2016.

**Australian Bureau of Statistics**  
**Statement of Financial Position**  
*as at 30 June 2016*

	Notes	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents		9,684	2,079
Trade and other receivables	2.1A	63,260	56,084
Accrued revenue - goods and services		-	1,270
<b>Total financial assets</b>		<u>72,944</u>	<u>59,433</u>
<b>Non-financial assets</b>			
Leasehold improvements	2.2A	20,219	14,154
Property, plant and equipment	2.2A	26,176	18,628
Intangibles	2.2A	76,848	70,069
Prepayments	2.2B	10,250	8,604
<b>Total non-financial assets</b>		<u>133,493</u>	<u>111,455</u>
<b>Total assets</b>		<u>206,437</u>	<u>170,888</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	2.3A	31,617	18,992
Unearned revenue	2.3B	31,954	28,929
Other payables	2.3C	7,709	14,237
<b>Total payables</b>		<u>71,280</u>	<u>62,158</u>
<b>Provisions</b>			
Employee provisions	4.1A	93,076	83,107
Other provisions	2.4A	6,120	6,571
<b>Total provisions</b>		<u>99,196</u>	<u>89,678</u>
<b>Total liabilities</b>		<u>170,476</u>	<u>151,836</u>
<b>Net assets</b>		<u>35,961</u>	<u>19,052</u>
<b>EQUITY</b>			
Contributed equity		209,826	156,377
Reserves		23,980	23,922
Accumulated deficit		(197,845)	(161,247)
<b>Total equity</b>		<u>35,961</u>	<u>19,052</u>

The above statement should be read in conjunction with the accompanying notes.

**Australian Bureau of Statistics  
Statement of Changes in Equity  
for the period ended 30 June 2016**

	Retained earnings		Asset revaluation reserve		Contributed equity		Total equity	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	(161,247)	(132,047)	23,922	24,093	156,377	129,877	19,052	21,923
<b>Adjusted opening balance</b>	<b>(161,247)</b>	<b>(132,047)</b>	<b>23,922</b>	<b>24,093</b>	<b>156,377</b>	<b>129,877</b>	<b>19,052</b>	<b>21,923</b>
<b>Comprehensive Income</b>								
Surplus/(Deficit) for the period	(36,598)	(29,200)					(36,598)	(29,200)
Other comprehensive income	-	-	58	(171)	-	-	58	(171)
<b>Total comprehensive income</b>	<b>(36,598)</b>	<b>(29,200)</b>	<b>58</b>	<b>(171)</b>	<b>-</b>	<b>-</b>	<b>(36,540)</b>	<b>(29,371)</b>
<b>Transactions with owners</b>								
<b>Contributions by owners</b>								
Equity injection - Appropriations	-	-	-	-	32,699	5,191	32,699	5,191
Departmental capital budget	-	-	-	-	20,750	21,309	20,750	21,309
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,449</b>	<b>26,500</b>	<b>53,449</b>	<b>26,500</b>
<b>Closing balance as at 30 June</b>	<b>(197,845)</b>	<b>(161,247)</b>	<b>23,980</b>	<b>23,922</b>	<b>209,826</b>	<b>156,377</b>	<b>35,961</b>	<b>19,052</b>

The above statement should be read in conjunction with the accompanying notes.

**Accounting Policy**

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity.

**Australian Bureau of Statistics**  
**Cash Flow Statement**  
*for the period ended 30 June 2016*

	Notes	2016 \$'000	2015 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		454,329	370,727
Sales of goods and rendering of services		41,095	41,479
Net GST received		12,048	7,738
Other		1,718	2,066
<b>Total cash received</b>		<b>509,190</b>	<b>422,010</b>
<b>Cash used</b>			
Employees		326,384	282,658
Suppliers		124,553	97,390
Section 74 receipts transferred to OPA		47,691	42,719
<b>Total cash used</b>		<b>498,628</b>	<b>422,767</b>
<b>Net cash from/(used by) operating activities</b>	3.2	<b>10,562</b>	<b>(757)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		64	38
<b>Total cash received</b>		<b>64</b>	<b>38</b>
<b>Cash used</b>			
Purchase of leasehold improvements		11,868	1,019
Purchase of property, plant and equipment		16,202	9,684
Purchase of intangibles		23,315	16,313
<b>Total cash used</b>		<b>51,385</b>	<b>27,016</b>
<b>Net cash from/(used by) investing activities</b>		<b>(51,321)</b>	<b>(26,978)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		25,538	20,918
Departmental capital budget		22,826	5,191
<b>Total cash received</b>		<b>48,364</b>	<b>26,109</b>
<b>Net cash from/(used by) financing activities</b>		<b>48,364</b>	<b>26,109</b>
<b>Net increase/(decrease) in cash held</b>		<b>7,605</b>	<b>(1,626)</b>
Cash and cash equivalents at the beginning of the reporting period		2,079	3,705
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>9,684</b>	<b>2,079</b>

The above statement should be read in conjunction with the accompanying notes.



**Australian Bureau of Statistics**  
**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2016*

	2016	2015
Notes	\$'000	\$'000
<b>NET COST OF SERVICES</b>		
<b>Income</b>		
<b>Revenue</b>		
<b>Non-taxation revenue</b>		
Fines	2	-
Other	1	-
<b>Total non-taxation revenue</b>	3	-
<b>Total income</b>	3	-
<b>Net contribution by services</b>	3	-
<b>Surplus</b>	3	-
<b>Total comprehensive income</b>	3	-

The ABS had no administered expenses for the period ended 30 June 2016 (2015: Nil).

The above schedule should be read in conjunction with the accompanying notes.

**Accounting Policy**

Revenue

All administered revenues are revenues relating to ordinary activities performed by the ABS on behalf of the Australian Government.

Revenue is generated from fines applied by the courts, which is recognised upon payment. Court costs awarded against the ABS, as opposed to fines, are recorded as a departmental expense.

Fines

The *Census and Statistics Act 1905* provides the Australian Statistician with the authority to conduct statistical collections and, when necessary, to direct a person or an organisation to provide statistical information. Where information is not provided, the ABS can impose a fine on the person or organisation. Such fines are reported in the Financial Statements as Administered Income.

Other Income

Unidentified receipts returned to the Consolidated Revenue Fund.

**Australian Bureau of Statistics**  
**Administered Schedule of Assets and Liabilities**  
*as at 30 June 2016*

The ABS had no administered assets or liabilities at 30 June 2016 (2015: Nil).

**Australian Bureau of Statistics  
Administered Reconciliation Schedule**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>Opening assets less liabilities as at 1 July</b>	-	-
<b>Net contribution by services</b>		
Income	<b>3</b>	-
<b>Transfers to the Australian Government</b>		
Appropriation transfers to OPA		
Transfers to OPA	<b>(3)</b>	-
<b>Closing assets less liabilities as at 30 June</b>	<b>-</b>	-

The above schedule should be read in conjunction with the accompanying notes.

**Accounting Policy**

*Administered Cash Transfers to Official Public Account*

Revenue collected by the ABS for use by the Government rather than the ABS is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. These transfers to the OPA are adjustments to the administered cash held by the ABS on behalf of the Government and reported as such in the schedule of administered cash flows, and in the administered reconciliation table.



**Australian Bureau of Statistics**  
**Administered Cash Flow Statement**  
*for the period ended 30 June 2016*

	2016	2015
Notes	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Fines	2	-
Other	1	-
<b>Total cash received</b>	<b>3</b>	<b>-</b>
<b>Net increase in cash held</b>		
	<b>3</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash to the Official Public Account	3	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>-</b>	<b>-</b>

The above statement should be read in conjunction with the accompanying notes.

**Accounting Policy**

*Administered Cash Transfers to Official Public Account*

Revenue collected by the ABS for use by the Government rather than the ABS is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. These transfers to the OPA are adjustments to the administered cash held by the ABS on behalf of the Government and reported as such in the schedule of administered cash flows, and in the administered reconciliation table.

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## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Overview

#### Objective of the Australian Bureau of Statistics

The Australian Bureau of Statistics (ABS) is an Australian Government controlled entity. It is a non-corporate Commonwealth entity. The mission and outcome of the ABS is to assist and encourage informed decision making, research and discussion within Governments and the community, by leading the collection, analysis and provision of high quality, objective and relevant statistical information.

The ABS is structured to produce the above mentioned outcome through its economic and environment statistics and population, labour and social statistics.

ABS activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the ABS in its own right. Administered activities involve the management or oversight by the ABS, on behalf of the Government, of items controlled or incurred by the Government.

Further information on ABS outcomes and outputs can be found in this Annual Report.

The continued existence of the ABS in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the ABS' programs and administration.

#### Basis of Preparation of the Financial Statements

The financial statements are general purpose Financial Statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values, and are rounded to the nearest thousand dollars unless otherwise specified.

#### New Australian Accounting Standards

##### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

##### Future Australian Accounting Standard Requirements

The following new and revised standards that were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Australian Statistician and Chief Finance Officer are expected to have a material impact on the ABS' financial statements for future reporting periods:

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

Standard	Application Date for the ABS	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	1 July 2016	AASB 2015-6 extends the scope of AASB 124 <i>Related Party Disclosures</i> to include application by not-for-profit public sector entities. Under the amendments, transactions between not-for-profit government entities and their related parties will be required to be disclosed under an Australian Accounting Standard. Remuneration of key management personnel will also be required to be disclosed under the Standard.  Likely Impact: The introduction of AASB 2015-6 is not expected to have a material impact on the financial statements; however its implementation will require enhanced disclosure.
AASB 15 <i>Revenue from Contracts with Customers</i>	1 July 2018	AASB 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  Likely Impact: The introduction of AASB 15 is not expected to have a material impact on the financial statements; however its implementation will require enhanced disclosure.
AASB 16 <i>Leases</i>	1 July 2019	AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.  Likely Impact: The new requirements will significantly increase the assets and financial liabilities recorded on the ABS' balance sheet. The recognition of a right-of-use asset and a lease liability will also lead to depreciation and interest expense (which will be front loaded), rather than the current (straight-lined) operating lease expenses.

All other new standards, revised standards, amending standards and interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the ABS' financial statements.

**Historical Statistical Data**

Statistical data accumulated over many years is stored for reference purposes. This historical time series data plays an important part in the operations of the ABS as Australia's official statistical provider. The cost of storing and maintaining this data is treated as an operating expense.



## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Taxation

The ABS is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

### Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance provided information to all agencies regarding the need to assess payments where statutory conditions in the underlying legislation have a high level of specificity. This includes payments made under generic schemes from annual appropriations, including payments made under the *Remuneration Tribunal Act 1973 (RT Act)*, *Long Service Leave (Commonwealth employees) Act 1976 (LSL Act)* and the management of Goods and Services Tax (GST) payments.

The ABS undertook a risk assessment as at 30 June 2016, including potential risks relating to long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal, and assessed that the overall risk of a breach was considered low. During 2016, there were no breaches of Section 83. During 2015 there were 20 LSL overpayment breaches of Section 83, totalling \$46,762, with all funds expected to be recovered.

Breaches of Section 83 will continue to be assessed as part of the Compliance Report process each financial year.

### Prior year adjustments

Minor changes were made to the comparatives as a result of the reclassification of some line items between notes to the financial statements. Comparative amounts relating to resources received free of charge that were previously reported as other gains have been reclassified to other revenue. There was no change to the comparative operating result or net assets reported.

### Reporting of Administered Activities

Administered revenues, assets, and cash flows are disclosed in the administered schedules and related notes. There are no administered expenses, liabilities, contingencies or commitments in 2016, nor were there any in 2015.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

### Events after the Reporting Period

#### Departmental

There have been no events occurring subsequent to balance date that would affect the ABS Financial Statements for the financial year ended 30 June 2016.

#### Administered

There have been no events occurring subsequent to balance date that would affect the ABS Financial Statements for the financial year ended 30 June 2016.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**1. Financial Performance**

This section analyses the financial performance of the Australian Bureau of Statistics for the year ended 2016.

**1.1. Expenses**

	2016	2015
	\$'000	\$'000
<b>Note 1.1A: Employee Benefits</b>		
Wages and salaries		
ABS staff	241,316	219,353
Interviewers	13,669	14,697
Census field staff	13,199	4,517
<b>Total wages and salaries</b>	<b>268,184</b>	<b>238,567</b>
Superannuation		
Defined contribution plans		
ABS staff	21,050	16,811
Interviewers	1,514	1,533
Census field staff	1,203	341
<b>Total defined contribution plans</b>	<b>23,767</b>	<b>18,685</b>
Defined benefit plans		
ABS staff	24,340	24,196
Interviewers	817	856
Census field staff	53	-
<b>Total defined benefit plans</b>	<b>25,210</b>	<b>25,052</b>
Leave and other entitlements	13,901	2,704
Separation and redundancies	3,715	1,877
Other employee expenses	1,700	591
	<b>336,477</b>	<b>287,476</b>
Less amounts capitalised for internally generated software	<b>(9,398)</b>	<b>(11,579)</b>
<b>Total employee benefits</b>	<b>327,079</b>	<b>275,897</b>

**Accounting Policy**

Accounting policies for employee related expenses are contained in the People and Relationships section.



## Australian Bureau of Statistics Notes to and forming part of the financial statements

	2016	2015
	\$'000	\$'000
<b>Note 1.1B: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	5,064	1,161
Contractors	12,846	5,976
IT services and communications	15,822	12,795
Printing and subscriptions	6,515	2,973
Building expenses (excluding lease payments)	8,341	8,129
Population Survey Operations interviewer	4,997	4,929
Recruitment and employment related	6,034	2,555
Stationery and postage	5,381	2,186
Travel and training	17,228	11,747
Advertising and market research	3,431	683
Other	5,449	2,055
<b>Total goods and services supplied or rendered</b>	<b>91,108</b>	<b>55,189</b>
Goods supplied	25,723	14,788
Services rendered	65,385	40,401
<b>Total goods and services supplied or rendered</b>	<b>91,108</b>	<b>55,189</b>
<b>Other suppliers</b>		
Operating lease rentals - external entities		
Minimum lease payments	26,232	25,401
Workers compensation expenses	7,859	6,779
<b>Total other suppliers</b>	<b>34,091</b>	<b>32,180</b>
<b>Total suppliers</b>	<b>125,199</b>	<b>87,369</b>

### Leasing commitments

The ABS in its capacity as lessee has the following types of operating leases:

#### Leases for office accommodation

Lease payments are subject to annual increases which are either fixed as outlined in the rental agreement or in accordance with upwards movements in the Consumer Price Index. Office accommodation leases may be renewed for up to five years at the ABS' option following a one-off adjustment of rentals to current market levels.

#### Leases for the provision of motor vehicles

No contingent rentals exist. There are no renewal or purchase options available to the ABS.

### Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	20,106	27,639
Between 1 to 5 years	30,586	33,905
More than 5 years	26,847	14,476
<b>Total operating lease commitments</b>	<b>77,539</b>	<b>76,020</b>

### Accounting Policy

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

	2016	2015
	\$'000	\$'000
<b>Note 1.1C: Write-down and Impairment of Assets</b>		
Impairment on financial instruments	4	(30)
Impairment on intangible assets	163	1,007
Asset write-offs	63	40
<b>Total write-down and impairment of assets</b>	<b>230</b>	<b>1,017</b>
<b>Note 1.1D: Other Expenses</b>		
Unwinding of discount - make good provisions	183	234
Other	34	35
<b>Total other expenses</b>	<b>217</b>	<b>269</b>

**1.2. Own-Source Revenue and Gains**

	2016	2015
	\$'000	\$'000
<b>Own-Source Revenue</b>		
<b>Note 1.2A: Sale of Goods and Rendering of Services</b>		
Sale of goods	1,246	567
Rendering of services	34,577	40,430
<b>Total sale of goods and rendering of services</b>	<b>35,823</b>	<b>40,997</b>

**Accounting Policy**

Sales of goods and services include revenue from the sale of publications, other products, and the provision of statistical services. Revenue from the sales of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the agency retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the ABS.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the ABS.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Other revenue includes all miscellaneous revenue such as officer contributions, Comcover recoveries and recoveries of salary from seconded agencies.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.



**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

	2016	2015
	\$'000	\$'000
<b>Note 1.2B: Other Revenue</b>		
Resources received free of charge		
Remuneration of auditors	125	125
Services received from the Australian Taxation Office	1,604	185
Rental income	1,571	1,278
Other	147	788
<b>Total other revenue</b>	<b>3,447</b>	<b>2,376</b>

**Accounting Policy**

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

**Note 1.2C: Other Gains**

Makegood provision reversals	194	-
Sale of assets	43	2
<b>Total other gains</b>	<b>237</b>	<b>2</b>

**Accounting Policy**

Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**2. Financial Position**

This section analyses the Australian Bureau of Statistics' assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

**2.1. Financial Assets**

	2016 \$'000	2015 \$'000
<b>Note 2.1A: Trade and Other Receivables</b>		
Appropriations receivable	59,623	53,667
Goods and services	754	960
GST receivable from the Australian Taxation Office	2,790	1,439
Sundry receivables	93	18
<b>Total trade and other receivables (gross)</b>	<b>63,260</b>	<b>56,084</b>
<b>Less impairment allowance</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>63,260</b>	<b>56,084</b>

All trade and other receivables are expected to be recovered in no more than 12 months.

**Trade and other receivables (gross) aged as follows**

Not overdue	62,884	55,894
Overdue by		
0 to 30 days	50	168
31 to 60 days	305	20
61 to 90 days	18	1
More than 90 days	3	1
<b>Total trade and other receivables (gross)</b>	<b>63,260</b>	<b>56,084</b>

Credit terms for goods and services were within 30 days (2015: 30 days).

The ABS has no provision for doubtful debts and all receivables are expected to be recovered.

**Accounting Policy**

Trade and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Loans and receivables are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable. Receivables are derecognised upon payment.



Australian Bureau of Statistics  
Notes to and forming part of the financial statements

**2.2. Non-Financial Assets**

**Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles**

**Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles 2016**

	Leasehold improvements \$'000	Property, plant and equipment \$'000	Computer Software <sup>1</sup> \$'000	Total \$'000
<b>As at 1 July 2015</b>				
Gross book value	20,475	29,314	214,344	264,133
Accumulated depreciation, amortisation and impairment	(6,321)	(10,686)	(144,275)	(161,282)
<b>Total as at 1 July 2015</b>	<b>14,154</b>	<b>18,628</b>	<b>70,069</b>	<b>102,851</b>
<b>Additions</b>				
Purchased	11,868	16,202	13,920	41,990
Internally developed	-	-	9,395	9,395
Revaluations and impairments recognised in other comprehensive income	-	127	-	127
Impairments recognised in net cost of services	(3)	(60)	(163)	(226)
Depreciation and amortisation	(5,797)	(8,719)	(16,373)	(30,889)
Reclassification	(3)	3	-	-
Disposals	-	-	-	-
Other	-	(5)	-	(5)
<b>Net book value 30 June 2016</b>	<b>20,219</b>	<b>26,176</b>	<b>76,848</b>	<b>123,243</b>

**Net book value as of 30 June 2016 represented by:**

Gross book value	31,510	43,780	238,700	313,990
Accumulated depreciation, amortisation and impairment	(11,291)	(17,604)	(161,852)	(190,747)
<b>Net book value 30 June 2016</b>	<b>20,219</b>	<b>26,176</b>	<b>76,848</b>	<b>123,243</b>

1. The carrying amount of computer software included \$20,992,000 purchased software and \$55,856,000 internally generated software.

## **Australian Bureau of Statistics Notes to and forming part of the financial statements**

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### **Revaluations of non-financial assets**

Australian Valuation Solutions Pty Ltd reviewed the fair value of property plant and equipment as at 30 June 2016. A revaluation increment of \$127,000 (2015: Decrement of \$171,000) was credited to the asset revaluation reserves and included in the Equity Section of the Statement of Financial Position for property plant and equipment in 2016. Australian Valuation Solutions Pty Ltd has subsequently issued a certificate of fair value for this asset class as at 30 June 2016.

No leasehold improvements and property, plant and equipment are expected to be sold or disposed of within the next 12 months.

No intangibles are expected to be sold or disposed of within the next 12 months.

## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles 2015

	Leasehold improvements \$'000	Property, plant & equipment \$'000	Computer Software <sup>1</sup> \$'000	Total \$'000
As at 1 July 2014				
Gross book value	35,474	23,125	201,494	260,093
Accumulated depreciation and impairment	(15,218)	(7,267)	(131,050)	(153,535)
Total as at 1 July 2014	20,256	15,858	70,444	106,558
Additions				
Purchased	1,019	9,684	4,733	15,436
Internally developed	-	-	11,580	11,580
Revaluations and impairments recognised in other comprehensive income	(108)	(63)	-	(171)
Impairments recognised in net cost of services	(17)	(23)	(1,007)	(1,047)
Depreciation and amortisation	(6,206)	(7,597)	(15,681)	(29,484)
Reclassification		790	-	-
Disposals	(790)			
Other		(21)		(21)
Net book value 30 June 2015	14,154	18,628	70,069	102,851
Net book value as of 30 June 2015 represented by:				
Gross book value	20,475	29,314	214,344	264,133
Accumulated depreciation, amortisation and impairment	(6,321)	(10,686)	(144,275)	(161,282)
Net book value 30 June 2015	14,154	18,628	70,069	102,851

1. The carrying amount of computer software included \$12,222,000 purchased software and \$57,847,000 internally generated software.

## Australian Bureau of Statistics Notes to and forming part of the financial statements

### **Accounting Policy**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

#### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000 (\$1,000 for IT hardware assets), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the ABS where there exists an obligation to restore the property to its original condition. These costs are included in the value of the ABS' leasehold improvements with a corresponding provision for the 'make good' recognised.

#### Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the ABS using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2016</u>	<u>2015</u>
Leasehold improvements	Lease term	Lease term
Property, plant and equipment	5-10 years*	5-10 years*

\*Within this class, Artwork and Curios has a useful life between 10-100 years.

#### Impairment

All assets were assessed for indications of impairment at 30 June 2016. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment loss recognised if the asset's recoverable amount is less than its carrying amount.

#### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.



## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Intangibles

The ABS' intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

All software assets were assessed for indications of impairment as at 30 June 2016.

#### Internally Generated Software

In its role as Australia's national statistical agency, the ABS builds and maintains a significant set of internally generated software assets (IGSW) assets. These assets are added to over time, in line with the increasing range of statistical information sought by Government, business and the general community, and the increasing use of technology, particularly in relation to collection, analysis and dissemination activities.

All software developed in-house since 1 July 1994 has been capitalised. The costing methodology capitalises direct salary and on costs for programmers. General administration, and overhead costs relating to software development have not been capitalised. The data capture systems in place to collect effort recording data for programmers are in line with the requirements of the FRR.

#### Asset Recognition Threshold

Purchases of intangible assets are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000 for purchased software, and \$100,000 for IGSW, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

#### Amortisation

Software is amortised on a straight-line basis over its anticipated useful life.

The ABS has long term commitments to survey and data collection programs. These are supported by software packages that are required to be maintained for the same time period as the data collection and analysis programs, to ensure consistency in approach and of data treatment.

The useful lives of the ABS' software are:

	<u>2016</u>	<u>2015</u>
Computer software (purchased)	2-14 years*	2-14 years*
Computer software (internally generated)	5-16 years*	5-16 years*

\*The above table outlines the range of life in years for computer software; however, the average life is currently 9 years (2015: 9 years).

#### Capital Work in Progress

Capital work in progress represents two main asset types: software assets under development, and office refurbishments. Work in progress is disclosed in the intangibles, and property, plant and equipment balances respectively.

Software assets are not amortised until the year in which the development phase is completed and the asset is operational. Where use of the asset commences after substantial completion of the development phase, but some improvements or enhancements to the system continue to be made, the date of substantial completion is treated as the date of completion and amortisation commences from that date

<b>2016</b>	2015
<b>\$'000</b>	<b>\$'000</b>

#### Note 2.2B: Prepayments

##### **Prepayments expected to be recovered**

No more than 12 months	<b>8,581</b>	7,697
More than 12 months	<b>1,669</b>	907
<b>Total prepayments</b>	<b>10,250</b>	<b>8,604</b>

No indicators of impairment were found for prepayments.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**2.3. Payables**

	2016	2015
	\$'000	\$'000
<b>Note 2.3A: Suppliers</b>		
Trade creditors and accruals	26,229	11,375
Operating lease rentals	5,378	7,578
Sundry creditors	10	39
<b>Total suppliers payables</b>	<b>31,617</b>	<b>18,992</b>
<b>Suppliers expected to be settled</b>		
No more than 12 months	28,476	14,458
More than 12 months	3,141	4,534
<b>Total suppliers</b>	<b>31,617</b>	<b>18,992</b>
Settlement was usually made within 30 days.		
<b>Note 2.3B: Unearned Revenue</b>		
<b>Total unearned revenue is expected to be settled in:</b>		
No more than 12 months	23,246	14,225
More than 12 months	8,708	14,704
<b>Total unearned revenue</b>	<b>31,954</b>	<b>28,929</b>

**Accounting Policy**

Unearned revenue includes revenue from subscriptions to statistical publications, provision of statistical consultancies, and revenue from other agencies for statistical surveys. The unearned revenue is recognised on a stage of completion basis over the period of subscriptions or the provision of services as provided.

**Note 2.3C: Other Payables**

Salaries and wages	2,601	10,400
Superannuation	466	1,686
Separations and redundancies	957	866
Lease incentives	3,685	1,285
<b>Total other payables</b>	<b>7,709</b>	<b>14,237</b>
<b>Other payables expected to be settled</b>		
No more than 12 months	4,700	13,893
More than 12 months	3,009	344
<b>Total other payables</b>	<b>7,709</b>	<b>14,237</b>

**Accounting Policy**

The ABS has entered into a number of accommodation leases, which include lease incentives taking the form of 'free' leasehold improvements. Under interpretation 115 Operating Lease Incentives, all incentives in relation to operating leases are required to be classified as an integral part of the net consideration of the lease for the leased asset, irrespective of the incentives nature, form, or timing of payments.

Where an asset is acquired by means of an incentive under an operating lease, the asset is capitalised at the fair value of the lease incentive at the inception of the contract, and a liability is recognised at the same time, for the same amount.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.



**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**2.4. Provisions**

**Note 2.4A: Other Provisions**

	Make good provision	
	\$'000	
<b>As at 1 July 2015</b>	<b>6,571</b>	
Additional provisions made	-	
Amounts used	(509)	
Amounts reversed	(194)	
Unwinding of discount or change in discount rate	252	
<b>Total as at 30 June 2016</b>	<b>6,120</b>	
	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>Total other provisions are expected to be settled in:</b>		
No more than 12 months	<b>5,255</b>	703
More than 12 months	<b>865</b>	5,868
<b>Total other provisions</b>	<b>6,120</b>	6,571

The ABS currently has two (2015: three) agreements for the leasing of premises which have provisions requiring the ABS to restore the premises to their original condition at the conclusion of the lease. The ABS has made a provision to reflect the present value of this obligation.

**Significant Accounting Judgements and Estimates**

Make good

The ABS currently holds ten leases for office space around Australia. All of the lease agreements include a make good clause.

It is considered that two make good arrangements are likely to be exercised as it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably determined.

For the remaining eight leases, it is considered probable that the make good requirement would not be exercised as it is the current intention for the ABS to leave the fittings with the premises intact for the landlord at lease end, therefore negating the requirement for a make good. These arrangements are reviewed annually.

## Australian Bureau of Statistics Notes to and forming part of the financial statements

### 3. Funding

This section identifies the Australian Bureau of Statistics' funding structure.

#### 3.1. Appropriations

##### Note 3.1A: Annual Appropriations ('Recoverable GST exclusive')

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2016 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
	Annual Appropriation <sup>1</sup> \$'000	Advance to the Finance Minister \$'000	Section 74 Receipts \$'000	Section 75 Transfers \$'000			
<b>Departmental</b>							
Ordinary annual services	407,815	-	47,691	-	455,506	454,329	1,177
Capital Budget <sup>3</sup>	20,750	-	-	-	20,750	22,826	(2,076)
Other services	32,699	-	-	-	32,699	25,538	7,161
Equity Injections	461,264	-	47,691	-	508,955	502,693	6,262
<b>Total departmental</b>							

1. In 2016, \$306,000 was withheld from Appropriation Act No. 1 2015-16 to reflect a Government decision made in the 2015-16 Mid-Year Economic and Fiscal Outlook. This amount is included in the above table.
2. The variances represent available current year funding less prior year funding that was expended in the current year.
3. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.



## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Annual Appropriations for 2015

	Appropriation Act		PGFA Act		Total appropriation \$'000	Appropriation applied in 2016 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
	Annual Appropriation <sup>1</sup> \$'000	Advance to the Finance Minister \$'000	Section 74 Receipts \$'000	Section 75 Transfers \$'000			
Departmental							
Ordinary annual services	321,461	-	42,719	-	364,180	372,217	(8,037)
Capital Budget <sup>3</sup>	21,309	-	-	-	21,309	20,918	391
Other services							
Equity injections	5,191	-	-	-	5,191	5,328	(137)
Total departmental	347,961	-	42,719	-	390,680	398,463	(7,783)

1. Appropriation reduced under Appropriation Acts (No. 1, 3 & 5) 2014-15: sections 10, 11, 12 and under Appropriation Acts (No. 2, 4 & 6) 2014-15: sections 12, 13 and 14. Departmental appropriations \$137,000 lapsed due to Annual appropriations for 2011-12 or earlier periods were extinguished under the *Statute Stocktake (Appropriations) Act 2013* and the *Omnibus Repeal Day (Autumn 2014) Act 2014*.

2. The variance between the total Departmental appropriation and the appropriation applied is due to prior year undrawn appropriation being used. The undrawn appropriation at 30 June 2015 is detailed in Table C.

3. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**Note 3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>Departmental</b>		
Departmental Appropriation Act 1 2014-15	-	50,496
Departmental Appropriation Act 5 2014-15	-	1,726
Departmental Act 2 - Non Operating - Equity Injection 2013-14 <sup>1</sup>	<b>87</b>	87
Departmental Appropriation Act 1 - Capital Budget (DCB) - Non Operating 2014-15	-	3,436
Departmental Appropriation Act 1 2015-16	<b>51,321</b>	-
Departmental Appropriation Act 1 - Capital Budget (DCB) - Non Operating 2015-16	<b>1,360</b>	-
Departmental Act 2 - Non Operating - Equity Injection 2015-16	<b>7,161</b>	-
<b>Total departmental</b>	<b>59,929</b>	55,745

In 2016, \$87,000 was quarantined from *Appropriation Act No. 2 2013-14* to reflect the planned repeal of Annual Appropriation Acts from 2013-14.



**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**3.2. Cash Flow Reconciliation**

	2016	2015
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash flow statement	9,684	2,079
Statement of financial position	<u>9,684</u>	<u>2,079</u>
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities:</b>		
Net (cost of)/contribution by services	(444,107)	(350,661)
Revenue from Government	407,509	321,461
<b>Adjustments for non-cash items</b>		
Gain on disposal of assets	(59)	(17)
Depreciation/amortisation	30,889	29,484
Revaluation (increment) / decrement - make good provision	(69)	-
Net write-off of non-financial assets	226	1,047
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/Decrease in net receivables	(2,091)	7,655
(Increase)/Decrease in accrued revenue	1,270	(760)
(Increase)/Decrease in prepayments	(1,646)	1,655
<b>Liabilities</b>		
Increase/(Decrease) in suppliers payable	12,625	(1,073)
Increase/(Decrease) in unearned revenue	3,025	(1,610)
Increase/(Decrease) in other payables	(6,528)	(4,506)
Increase/(Decrease) in employee provisions	9,969	(3,522)
Increase/(Decrease) in other provisions	(451)	90
<b>Net cash from/(used by) operating activities</b>	<u>10,562</u>	<u>(757)</u>

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**4. People and Relationships**

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

**4.1. Employee Provisions**

	2016	2015
	\$'000	\$'000
<b>Note 4.1A: Employee Provisions</b>		
<b>Total employee leave provisions are expected to be settled in:</b>		
No more than 12 months	26,969	22,572
More than 12 months	<u>66,107</u>	<u>60,535</u>
<b>Total employee provisions</b>	<b><u>93,076</u></b>	<b><u>83,107</u></b>

**Accounting Policy**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the ABS is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, plus the ABS' employer superannuation contribution rates and applicable on-costs, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of the Australian Government Actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

An independent actuarial valuation of employee benefit liabilities is conducted every three years. The last review was performed by the Australian Government Actuary in May 2014.

Superannuation

The ABS' staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other elected defined contribution schemes.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The ABS makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government, and accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

Australian Bureau of Statistics  
Notes to and forming part of the financial statements

**4.2. Senior Management Personnel Remuneration**

**Note 4.2A: Senior Management Personnel Remuneration**

	2016 \$'000	2015 \$'000
<b>Short-term employee benefits</b>		
Salary	9,202	8,292
Performance bonuses	6	2
Motor vehicle and other allowances	1,127	1,070
<b>Total short-term employee benefits</b>	<b>10,335</b>	<b>9,364</b>
<b>Post-employment benefits</b>		
Superannuation	1,786	1,805
<b>Total post-employment benefits</b>	<b>1,786</b>	<b>1,805</b>
<b>Other long-term employee benefits</b>		
Annual leave	(146)	178
Long-service leave	461	276
<b>Total other long-term benefits</b>	<b>315</b>	<b>454</b>
<b>Termination benefits</b>		
Voluntary redundancy payments	195	529
<b>Total termination benefits</b>	<b>195</b>	<b>529</b>
<b>Total senior executive remuneration expenses</b>	<b>12,631</b>	<b>12,152</b>

The total number of senior management personnel that are included in the above table are 57 (2015: 46). Fluctuations in the reportable number of senior management personnel occurred where two officers occupied the same position for different parts of the financial year. This occurred due to staff movements associated with retirement, recruitment and promotion.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**5. Managing Uncertainties**

This section analyses how the Australian Bureau of Statistics manages the financial risks within its operating environment.

**5.1. Contingent Assets and Liabilities**

The ABS had no contingent assets or liabilities as at 30 June 2016 (2015: Nil).

The ABS had no administered contingent assets or liabilities as at 30 June 2016 (2015: Nil).

**5.2. Financial Instruments**

	2016	2015
	\$'000	\$'000
<b>Note 5.2A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	9,684	2,079
Trade and other receivables	847	978
<b>Total financial assets</b>	<b>10,531</b>	<b>3,057</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors and accruals	26,229	11,375
<b>Total financial liabilities</b>	<b>26,229</b>	<b>11,375</b>

**Accounting Policy**

**Financial Assets**

Cash

Cash and cash equivalents includes cash on hand, cash held by outsiders, cash in special accounts and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

Receivables

For the purposes of Note 5.2 Financial Instruments, 'Trade and other receivables' excludes both appropriation and GST receivables.

**Financial Liabilities**

The ABS classifies its financial liabilities which comprise supplier payables as 'other financial liabilities'.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having being invoiced). Supplier and other payables are derecognised upon payment.

**Note 5.2B: Net Losses on Financial Assets**

**Loans and receivables**

Bad debts written off	4	(30)
<b>Net losses on financial assets</b>	<b>4</b>	<b>(30)</b>

**Note 5.2C: Fair Value of Financial Instruments**

The fair value of all financial assets and liabilities approximate their carrying amounts.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**Note 5.2D: Credit Risk**

The ABS is exposed to minimal credit risk with the maximum exposure arising from potential default of a debtor. This amount is equal to the total amount of trade and other receivables excluding appropriation receivable and GST receivable from the Australian Tax Office (2016: \$847,000 and 2015: \$978,000).

The ABS has policies and procedures in relation to debt recovery techniques that are applied as appropriate. The ABS holds no collateral to mitigate against credit risk.

**Credit quality of financial instruments not past due or individually determined as impaired**

	<b>Not past due nor impaired 2016 \$'000</b>	Not past due nor impaired 2015 \$'000	<b>Past due or impaired 2016 \$'000</b>	Past due or impaired 2015 \$'000
Cash and cash equivalents	9,684	2,079	-	-
Trade and other receivables	471	788	376	190
<b>Total</b>	<b>10,155</b>	<b>2,867</b>	<b>376</b>	<b>190</b>

Note 2.1A provides ageing of gross receivables past due and an analysis of impaired receivables.

**Note 5.2E: Liquidity Risk**

The ABS' financial liabilities were trade and sundry creditors. The exposure to liquidity risk was based on the notion that the ABS will encounter difficulty in meeting its obligations associated with financial liabilities.

This was highly unlikely as the ABS is appropriated funding from the Australian Government and the ABS manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the ABS has policies in place to ensure timely payments are made when due and has no past experience of default.

All non-derivative financial liabilities are expected to mature within 1 year in both the current and prior years.

**Note 5.2F: Market Risk**

The ABS holds basic financial instruments that do not expose the ABS to 'currency risk' or 'other price risk'.

The ABS had no administered financial instruments as at 30 June 2016 (2015: Nil).

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**5.3. Fair Value Measurements**

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

**Note 5.3A: Fair Value Measurements, Valuation Techniques and Inputs Used**

	Fair value measurements at the end of the reporting period			
	2016	2015	Category	Valuation Technique(s) and
	\$'000	\$'000	(Level 1, 2 or 3)	Inputs Used
<b>Non-financial assets:</b>				
Leasehold Improvements	20,219	14,154	Level 3	<b>Depreciated Replacement Cost</b> - Consumed economic benefit - Obsolescence of asset - Replacement cost (new)
Property, plant & equipment	20,685	13,105	Level 2	<b>Market Approach</b> - Adjusted market transactions
Property, plant & equipment	5,491	5,523	Level 3	<b>Depreciated Replacement Cost</b> - Consumed economic benefit - Obsolescence of asset - Replacement cost (new)

1. The ABS did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2016 (2015: None).
2. The highest and best use of all non-financial assets is the same as their current use.
3. The remaining assets and liabilities reported by the ABS are not measured at fair value in the Statement of Financial Position.

**Recurring Level 3 fair value measurements - valuation processes**

ABS tests the procedures of the valuation model as an internal asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The entity engaged Australian Valuation Solutions (AVS) to undertake a materiality review and confirm that the models developed comply with AASB 13.

**Note 5.3B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements**

There were no transfers between Levels 1 or 2 during the period.



**Australian Bureau of Statistics  
Notes to and forming part of the financial statements**

**Note 5.3C: Reconciliation for Recurring Level 3 Fair Value Measurements**

**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets					
	Property, Plant and Equipment		Leasehold Improvements		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>As at 1 July</b>	<b>5,523</b>	<b>5,502</b>	<b>14,154</b>	<b>16,654</b>	<b>19,677</b>	<b>22,156</b>
Total gains/(losses) recognised in net cost of services <sup>1</sup>	(3,069)	(2,778)	(5,803)	(6,147)	(8,872)	(8,925)
Total gains/(losses) recognised in other comprehensive income <sup>2</sup>	-	(1)	-	(108)	-	(109)
Purchases	3,049	1,617	11,868	3,638	14,917	5,255
Transfers into Level 3	617	1,183	-	117	617	1,300
Transfers out of Level 3	(629)	-	-	-	(629)	-
<b>Total as at 30 June</b>	<b>5,491</b>	<b>5,523</b>	<b>20,219</b>	<b>14,154</b>	<b>25,710</b>	<b>19,677</b>

1. These gains/(losses) are presented in the Statement of Comprehensive Income under:

Depreciation and amortisation 2016: (\$8,906,000)  
Other gains (Sale of Assets) 2016: Nil

2. These gains/(losses) are presented in the Statement of Comprehensive Income under:

Changes in asset revaluation surplus/(deficit) 2016: Nil  
2015: (\$109,000)

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**6. Other Information**

**6.1. Reporting of Outcomes**

**Note 6.1A: Net Cost of Outcome Delivery**

	Outcome 1		Total	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Departmental</b>				
Expenses	(483,614)	(394,036)	(483,614)	(394,036)
Total own-source income	39,507	43,375	39,507	43,375
<b>Administered</b>				
Expenses	-	-	-	-
Income	3	-	3	-
<b>Net cost/(contribution) of outcome delivery</b>	<b>(444,104)</b>	<b>(350,661)</b>	<b>(444,104)</b>	<b>(350,661)</b>

Outcome 1 is described in the overview.

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

**6.2. Budgetary Reports and Explanations of Major Variances**

The following tables provide a comparison between the original budget as presented in the 2015-16 Portfolio Budget Statements (PBS) and the final financial outcome in the 2015-16 financial statements.

The Budget is not audited and does not reflect additional budget estimates provided in the 2015-16 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2015-16 PBS. However, major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

As a guide, variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- the variance between budget and actual is greater than 2% of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of an entity.

An explanation for a major variance may not be provided where the item is considered small in the overall context of the financial statements.

Where an estimate has not been provided for in the PBS, for example non-cash items such as asset revaluations, asset write-offs and sale of asset adjustments unless the variance is considered to be 'major' no explanation has been provided.



## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Note 6.2A: Departmental Budgetary Reports

#### Statement of Comprehensive Income for Australian Bureau of Statistics for the period ended 30 June 2016

	Actual	Budget estimate	
	2016	Original <sup>1</sup>	Variance <sup>2</sup>
	\$'000	2016	2016
		\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	327,079	325,927	1,152
Suppliers	125,199	125,761	(562)
Depreciation and amortisation	30,889	36,822	(5,933)
Write-off and impairment of assets	230	-	230
Other expenses	217	500	(283)
<b>Total expenses</b>	<b>483,614</b>	<b>489,010</b>	<b>(5,396)</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	35,823	41,000	(5,177)
Other revenue	3,447	3,273	174
<b>Total own-source revenue</b>	<b>39,270</b>	<b>44,273</b>	<b>(5,003)</b>
<b>Gains</b>			
Other gains	237	100	137
<b>Total gains</b>	<b>237</b>	<b>100</b>	<b>137</b>
<b>Total own-source income</b>	<b>39,507</b>	<b>44,373</b>	<b>(4,866)</b>
<b>Net cost of contribution by services</b>	<b>(444,107)</b>	<b>(444,637)</b>	<b>530</b>
Revenue from Government	407,509	407,815	(306)
<b>Deficit attributable to the Australian Government</b>	<b>(36,598)</b>	<b>(36,822)</b>	<b>224</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Changes in asset revaluation surplus	58	-	58
<b>Total other comprehensive income</b>	<b>58</b>	<b>-</b>	<b>58</b>
<b>Total comprehensive loss</b>	<b>(36,540)</b>	<b>(36,822)</b>	<b>282</b>

1. Australian Bureau of Statistics' original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Australian Bureau of Statistics' 2015-16 Portfolio Budget Statements (PBS)).

2. The variance represents the difference between the actual and original budgeted amounts for 2016. Explanations of major variances are provided at Note 6.2B.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**Statement of Financial Position for Australian Bureau of Statistics**  
*as at 30 June 2016*

	Actual	Budget estimate	
		Original <sup>1</sup>	Variance <sup>2</sup>
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	9,684	660	9,024
Trade and other receivables	63,260	66,348	(3,088)
Accrued revenue - goods and services	-	510	(510)
<b>Total financial assets</b>	<b>72,944</b>	<b>67,518</b>	<b>5,426</b>
<b>Non-financial assets</b>			
Leasehold improvements	20,219	22,656	(2,437)
Property, plant and equipment	26,176	25,187	989
Intangibles	76,848	75,123	1,725
Prepayments	10,250	10,259	(9)
<b>Total non-financial assets</b>	<b>133,493</b>	<b>133,225</b>	<b>268</b>
<b>Total assets</b>	<b>206,437</b>	<b>200,743</b>	<b>5,694</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	31,617	21,065	10,552
Unearned revenue	31,954	30,539	1,415
Other payables	7,709	18,743	(11,034)
<b>Total payables</b>	<b>71,280</b>	<b>70,347</b>	<b>933</b>
<b>Provisions</b>			
Employee provisions	93,076	88,629	4,447
Other provisions	6,120	6,481	(361)
<b>Total provisions</b>	<b>99,196</b>	<b>95,110</b>	<b>4,086</b>
<b>Total liabilities</b>	<b>170,476</b>	<b>165,457</b>	<b>5,019</b>
<b>Net assets</b>	<b>35,961</b>	<b>35,286</b>	<b>675</b>
<b>EQUITY</b>			
Contributed equity	209,826	209,963	(137)
Reserves	23,980	24,093	(113)
Accumulated deficit	(197,845)	(198,770)	925
<b>Total equity</b>	<b>35,961</b>	<b>35,286</b>	<b>675</b>

1. Australian Bureau of Statistics' original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Australian Bureau of Statistics' 2015-16 Portfolio Budget Statements (PBS)).

2. The variance represents the difference between the actual and original budgeted amounts for 2016. Explanations of major variances are provided at Note 6.2B.

## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Statement of Changes in Equity for Australian Bureau of Statistics for the period ended 30 June 2016

	Retained earnings			Asset revaluation reserve			Contributed equity			Total equity		
	Actual	Budget estimate	Variance <sup>2</sup>	Actual	Budget estimate	Variance <sup>2</sup>	Actual	Budget estimate	Original <sup>1</sup>	Actual	Budget estimate	Variance <sup>2</sup>
	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>												
Balance carried forward from previous period	(161,247)	(161,948)	701	23,922	24,093	(171)	156,377	156,514	(137)	19,052	19,659	393
<b>Adjusted opening balance</b>	(161,247)	(161,948)	701	23,922	24,093	(171)	156,377	156,514	(137)	19,052	19,659	393
<b>Comprehensive income</b>												
Surplus/(Deficit) for the period	(36,598)	(36,822)	224	-	-	-	-	-	-	(36,598)	(36,822)	224
Other comprehensive income	-	-	58	58	-	58	-	-	-	58	-	58
<b>Total comprehensive income</b>	(36,598)	(36,822)	224	58	-	58	-	-	-	(36,540)	(36,822)	282
<b>Transactions with owners</b>												
<b>Contributions by owners</b>												
Equity injection - Appropriations	-	-	-	-	-	-	32,699	32,699	-	32,699	32,699	-
Departmental capital budget	-	-	-	-	-	-	20,750	20,750	-	20,750	20,750	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	53,449	53,449	-	53,449	53,449	-
Transfers between equity components	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance as at 30 June</b>	(197,845)	(198,770)	925	23,980	24,093	(113)	209,826	209,963	(137)	35,961	35,286	675

1. Australian Bureau of Statistics' original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Australian Bureau of Statistics' 2015-16 Portfolio Budget Statements (PBS)).

2. The variance represents the difference between the actual and original budgeted amounts for 2016. Explanations of major variances are provided at Note 6.2B.

**Australian Bureau of Statistics**  
**Notes to and forming part of the financial statements**

**Cash Flow Statement for Australian Bureau of Statistics**  
*for the period ended 30 June 2016*

	Actual	Budget estimate	
	2016	Original <sup>1</sup>	Variance <sup>2</sup>
	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations	454,329	451,968	2,361
Sales of goods and rendering of services	41,095	41,000	95
Net GST received	12,048	7,528	4,520
Other	1,718	3,153	(1,435)
<b>Total cash received</b>	<b>509,190</b>	<b>503,649</b>	<b>5,541</b>
<b>Cash used</b>			
Employees	326,384	325,927	457
Suppliers	124,553	133,169	(8,616)
Section 74 receipts transferred to OPA	47,691	44,153	3,538
Other	-	500	(500)
<b>Total cash used</b>	<b>498,628</b>	<b>503,749</b>	<b>(5,121)</b>
<b>Net cash from/(used by) operating activities</b>	<b>10,562</b>	<b>(100)</b>	<b>10,662</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment	64	100	(36)
<b>Total cash received</b>	<b>64</b>	<b>100</b>	<b>(36)</b>
<b>Cash used</b>			
Purchase of leasehold improvements	11,868	12,072	(204)
Purchase of property, plant and equipment	16,202	15,904	298
Purchase of intangibles	23,315	25,473	(2,158)
<b>Total cash used</b>	<b>51,385</b>	<b>53,449</b>	<b>(2,064)</b>
<b>Net cash used by investing activities</b>	<b>(51,321)</b>	<b>(53,349)</b>	<b>2,028</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity	48,364	53,449	(5,085)
<b>Total cash received</b>	<b>48,364</b>	<b>53,449</b>	<b>(5,085)</b>
<b>Net cash from financing activities</b>	<b>48,364</b>	<b>53,449</b>	<b>(5,085)</b>
<b>Net increase/(decrease) in cash held</b>	<b>7,605</b>	<b>-</b>	<b>7,605</b>
Cash and cash equivalents at the beginning of the reporting period	2,079	660	1,419
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,684</b>	<b>660</b>	<b>9,024</b>

1. Australian Bureau of Statistics' original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Australian Bureau of Statistics' 2015-16 Portfolio Budget Statements (PBS)).

2. The variance represents the difference between the actual and original budgeted amounts for 2016. Explanations of major variances are provided at Note 6.2B.



## Australian Bureau of Statistics Notes to and forming part of the financial statements

### Note 6.2B: Departmental Major Budget Variances for 2016

Explanations of major variances	Affected line items (and schedule)
<b>Depreciation and amortisation</b>	
The \$5.933 million variance is due to timing differences associated with the acquisition of assets under the Statistical Business Transformation Program.	<i>Depreciation and amortisation (Statement of Comprehensive Income)</i>
<b>Sale of goods and rendering of services</b>	
Revenue from the sale of goods and rendering of services is \$5.177 million lower than originally budgeted due to activities deferred until 2016-17.	<i>Sale of goods and rendering of services (Statement of Comprehensive Income)  Trade and other receivables (Statement of Financial Position)</i>
<b>Cash and cash equivalents</b>	
The \$9.024 million variance is due to large deposits received into the ABS's bank accounts on 30 June 2016 for the provision of user funded activities in future years.	<i>Cash and cash equivalents (Statement of Financial Position)</i>
<b>Suppliers payable</b>	
The \$10.552 million variance primarily related to financial year-end accruals and timing, as well as the ramping up of activities for the 2016 Census.	<i>Suppliers (Statement of Financial Position / Cash Flow Statement)</i>
<b>Other payables</b>	
The \$11.034 million decrease in other payables relates to a reduction in accrued salaries, with the 2016 accrual being one day as opposed to the 2015 being nine days. In addition the original Budget included \$6.5 million related to voluntary redundancies payable that was adjusted to \$0.8 million in the subsequent Budget estimate update.	<i>Other payables (Statement of Financial Position)</i>







## Section Five

### Glossary and index



# List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table to be included in entities' annual reports as an aid of access.

PGPA Rule Reference	Part of Report	Description	Requirement	Page no.
17AD(g)	Letter of transmittal.			
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.		Mandatory	iii
17AD(h)	Aids to access.			
17AJ(a)	Table of contents.		Mandatory	v
17AJ(b)	Alphabetical index.		Mandatory	131
17AJ(c)	Glossary of abbreviations and acronyms.		Mandatory	129
17AJ(d)	List of requirements.		Mandatory	124
17AJ(e)	Details of contact officer.		Mandatory	iv
17AJ(f)	Entity's website address.		Mandatory	iv
17AJ(g)	Electronic address of report.		Mandatory	iv
17AD(a)	Review by accountable authority.			
17AD(a)	A review by the accountable authority of the entity.		Mandatory	2–9
17AD(b)	Overview of the entity.			
17AE(1)(a)(i)	A description of the role and functions of the entity.		Mandatory	10–18
17AE(1)(a)(ii)	A description of the organisational structure of the entity.		Mandatory	10–18, 14–15
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.		Mandatory	2–9, 10–18, 32–43
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.		Mandatory	2–9
17AE(1)(b)	An outline of the structure of the portfolio of the entity.		Portfolio departments	n/a
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.		If applicable, Mandatory	n/a

PGPA Rule Reference	Part of Report	Description	Requirement	Page no.
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b>			
	<b>Annual performance Statements</b>			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	32–43
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	2–9, 78–79, 80–121
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	78–79
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	n/a
<b>17AD(d)</b>	<b>Management and Accountability</b>			
	<b>Corporate Governance</b>			
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory	47–49, iii
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	iii
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	47–49, iii
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	iii, 49
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	46–54
17AG(2)(d)–(e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory	79
	<b>External Scrutiny</b>			
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	51
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	n/a
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	n/a
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	n/a

PGPA Rule Reference	Part of Report	Description	Requirement	Page no.
<b>Management of Human Resources</b>				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	55–75
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> <li>• Statistics on staffing classification level;</li> <li>• Statistics on fulltime employees;</li> <li>• Statistics on parttime employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location;</li> <li>• Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	55–75
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	69–70
17AG(4)(c)(i)		Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	70
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	70
17AG(4)(c)(iii)		A description of nonsalary benefits provided to employees.	Mandatory	71
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	n/a
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	n/a
<b>Assets Management</b>				
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory	53, 83–84, 99–103
<b>Purchasing</b>				
17AG(6)		An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	52–54
<b>Consultants</b>				
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	52–53

PGPA Rule Reference	Part of Report	Description	Requirement	Page no.
<b>Consultants (cont.)</b>				
17AG(7)(b)		A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory	52–53
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	52
17AG(7)(d)		A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."</i>	Mandatory	52–53
<b>Australian National Audit Office Access Clauses</b>				
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a
<b>Exempt contracts</b>				
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	53
<b>Small business</b>				
17AG(10)(a)		A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory	52
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	52
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that <i>"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."</i>	If applicable, Mandatory	52
<b>Financial Statements</b>				
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	80–121

PGPA Rule Reference	Part of Report	Description	Requirement	Page no.
<b>17AD(f)</b>	<b>Other Mandatory Information</b>			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	If applicable, Mandatory	53–54
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	n/a
17AH(1)(b)		A statement that <i>“Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	If applicable, Mandatory	n/a
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	58–62
17AH(1)(d)		Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	50
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, Mandatory	n/a
17AH(2)		Information required by other legislation	Mandatory	50

# Glossary

AAIs	Accountable Authority Instructions
ABS	Australian Bureau of Statistics
ACLD	Australian Census Longitudinal Dataset
AND	Australian Network on Disability
APS	Australian Public Service
APSC	Australian Public Service Commission
ASAC	Australian Statistics Advisory Council
ATO	Australian Taxation Office
BLADE	Business Longitudinal Analysis Data Environment
cat. no.	catalogue number
Census	Census of Population and Housing, conducted every five years under the authority of the <i>Census and Statistics Act 1905</i> . The Census aims to measure accurately the number of people and dwellings in Australia on Census Night, and a range of their key characteristics.
COICOP	Classification of Individual Consumption According to Purpose
CPI	Consumer Price Index
CPIS	Coordinated Portfolio Investment Survey
CTASS	Community Trust in ABS Statistics Survey
CURF	Confidentialised Unit Record File
DCA	Delivery Confidence Assessment
DCA	Diversity Council Australia
DFAT	Department of Foreign Affairs and Trade
DGI	G-20 Data Gaps Initiative
DPA	Development and Performance Agreement
DPF	Development and Performance Framework
EABLD	Expanded Analytical Business Longitudinal Database
EAP	Employee Assistance Program
EL	Executive Level
ELG	Executive Leadership Group
EMS	Environmental Management System

EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FOI Act	<i>Freedom of Information Act 1982</i>
FTE	full-time equivalent (employees)
Gateway review	The Gateway Review Process is led by the Department of Finance. Gateway Reviews serve to strengthen governance and assurance practices and to assist non-corporate Commonwealth entities to successfully deliver major projects and programs.
HSR	Health and Safety Representative
HR	human resources
IAGDP	Indigenous Australian Government Development Program
ICT	information and communications technology
IMF	International Monetary Fund
in-posted	An officer of another agency posted to ABS
IPS	Information Publication Scheme
ICT	information and communications technology
KLEMS	capital (K), labour (L), energy (E), materials (M) and services (S) inputs
LEED	Linked Employee–Employer Database
LMS	Learning Management System
MADIP	Multi-agency Data Integration Project
MFD	multi-function device
N/A	not applicable
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NSO	national statistical organisation
NSS	National Statistical Service
OECD	Organisation for Economic Co-operation and Development
outposted	An ABS officer posted to another agency
PBS	Portfolio Budget Statement
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PIP	Performance Improvement Plan
RBA	Reserve Bank of Australia
RMS	Rehabilitation Management System
s.	section (legislation)
SBT Program	Statistical Business Transformation Program
SCH	Statistical Clearing House
SES	Senior Executive Service
SMG	Senior Management Group
WHS	work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>



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