



Community and Public Sector Union

Melissa Donnelly ♦ Deputy Secretary

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

21 September 2016

Dear Committee Secretary

Inquiry into the 2016 Census

As the primary union representing Australian Bureau of Statistics (ABS) employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates.

ABS employees work hard and are proud of the job they do for the community. The work they undertake plays a critical role in providing quality statistical analysis, which informs monetary, fiscal and social policy development, not only for government but also the private sector and academia.

ABS employees worked on the recent 2016 Census displayed a high level of professionalism under difficult circumstances and significant funding pressures. Had the ABS been funded in a correct and appropriate manner, many of the problems that arose may have been avoided.

The preparation of this CPSU submission has been guided by the experience and expertise of CPSU members working in the ABS. This submission will focus on:

- preparation, administration and management on the part of the ABS and the Government in the lead up to the 2016 Census;
- improvements for future Censuses;
- privacy concerns; and
- the adequacy of funding and resources to the ABS.

Preparation, administration and management of the 2016 Census

The preparation, administration and management of the 2016 Census was significantly affected by uncertainty in the ABS about the funding, scope and future of the Census. Media reports indicated that as early as February 2015, ABS officials were concerned they were not able to deliver the 2016 Census on the current scope, timetable and on budget as a consequence of both budget reductions and program delays.¹

Decisions driven by budgetary pressures

Early last year, it emerged the ABS and the Government were considering discarding the 2016 Census altogether. Members reported that this was to fund an urgent “transformation programme” that needed to occur to upgrade ageing ICT systems and processes. The ABS needed this funding for ‘critically urgent upgrades to [ABS] ICT systems’ in advance of the Budget because the ‘current ICT infrastructure is highly vulnerable to failure and error... the ability of ICT staff to maintain the existing systems is becoming increasingly compromised’.²

¹ Martin, P. (2016, August 13). Code Red: How the Bureau of Statistics bungled the 2016 census. *The Age*. Retrieved from <http://www.theage.com.au/federal-politics/political-news/code-red-how-the-bureau-of-statistics-bungled-the-2016-census-20160811-gqqpxf.html>

² Hockey, J. and O'Dwyer, K. (2015, 7 May). New Investment to Modernise the ABS (Media Release). Retrieved from: <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F3815943%22>

The ABS planned to replace the Census with a large population survey conducted every ten years. Members reported that the plans to move to a large population survey were effectively forced on the ABS because it was in such a dire financial position.

After a public outcry the Census was retained, however, it received reduced funding and the members report the ABS only received half of the money they needed for the ICT transformation programme. While the 2011 Census cost approximately \$440 million,³ no figure has been forthcoming for the cost of 2016 Census but savings of more \$100 million have been projected from the move to an e-census. The ABS expected a doubling of the number of people to complete their Census forms online to 65% or 16 million⁴.

Financial pressures and the need to generate savings has affected Census work. The CPSU notes that budgetary and workload pressures were a factor behind some of the ABS' decisions about keeping data such as keeping it for a longer period of time. According to papers presented to the ABS leadership, personal identifying information will be "critical to driving efficiency in ABS data collection activities"⁵ This has been backed up by members, one stating that "*the issue of data linking is obviously great from a purely statistical issue but much of the drive is due to cost constraints.*"

Members also raised concerns that budgetary pressures to complete Census work within the financial year may affect the quality of work. An example provided by one member was that in one state, the registering of addresses was rushed to get it done before June 30. They had concerns that there would be mistakes by casual staff employed to complete it in time and it would need to be cleaned up afterwards. The quality of work would have been better with fewer casual staff and more time, however, there was no funding to do the work in the following financial year.

Program delays caused by indecision

Indecision meant that critical planning time was lost while the Government considered axing the Census. A common theme from members was that the delays and loss of time had a significant impact, affecting preparation for the 2016 Census. Some comments from members are below:

The decision to try to save money by trying to cancel the Census in 2016 stopped planning for 6 months at a critical juncture. It was then restarted too late to ensure systems would be ready.

We should have had a secure funding commitment in 2013 for the 2016 Census. I worked on Census preparations from February 2014 and progress was continually disjointed due to ICT budget uncertainties.

Indecision over whether Census would proceed meant that at a time when system and programme should have been being finalised no activity or negative progression was occurring. The decision to proceed was too late, resulting in extreme work pressures, programme cuts and patchwork outputs.

While a decision was eventually made to provide funding for a 2016 Census the time lost could not be recovered. Some preparation did continue during this period of uncertainty, however, it was at nowhere near the level required. The end result was that systems testing were still more than 6 months behind and decisions to prioritise key issues had to be made. A lot of the systems being used are a long way short of ideal simply because we did not have enough time to build them properly.

The delays meant that deadlines were missed and testing was not as extensive as it had been in the past. With limited time and resources as a result of Government indecision and budget cuts, ABS employees did the best they could but were not as thorough as they would have liked.

³ Australian Bureau of Statistics (2011, February 11). *2011 Census Fact Sheet: General*. Retrieved from <http://www.abs.gov.au/websitedbs/D3310114.nsf/home/2011+Census+Fact+Sheet:+General>

⁴ Bajkowski, J. (2015, 27 August). Census shake-up saves more than \$100 million. *GovernmentNews*. Retrieved from <http://www.governmentnews.com.au/2015/08/census-shake-up-saves-more-than-100-million/>

⁵ Keane, B. and Taylor, J. (2016, 1 June). ABS census privacy attack driven by budget cuts. *Crikey*. Retrieved from <https://www.crikey.com.au/2016/06/01/abs-census-privacy-attack-driven-by-budget-cuts/>

With all the delays, we had to descope and as part of this, we were unable to run our dress rehearsal (an end to end test of systems and processes) in 2015. Instead, we only ran tests on a couple of targeted systems and processes. While it wouldn't solve all the problems, we definitely would have benefited from doing this test as we always have in the past.

Testing of the new methodology and technology systems was not sufficient. There was too much change too soon regarding operations for the Census. We started 6 months late and the address register was not ready for a Census and the mail out method. We should have run a traditional Census and used it as the address canvassing exercise and introduced the new systems for field staff.

A number of members also indicated that the ABS seemed ill-prepared to deal with any problems that may arise in the running of the survey. In hindsight, it is of little surprise that problems emerged as because of the time and funding pressures.

I was alarmed by how ill prepared ABS was for the major incident. It seemed like the approach to risk managing was to risk assess the hell out of it - 'yep it could go pear shaped'but there did not seem to be any preparation/contingencies ready to go. There was a lot of scrambling to put together a response. Good risk management is not 'crossing fingers and hoping for the best' and in such high level, high profile work - there should have been multiple redundant systems and a plan for each of the most likely scenario's (potential critical incidents) ready to go - in the event of such a serious business continuity critical incident. My work area is an area that had a role to play, post incident - we had nothing and had not been required to prepare anything or 'practice' any kind of responsiveness ahead of the main event. We spent a few days scrambling to pull something together.

It was clear from the start of my contract that the Census would probably fail. Very few aspects of the project were free of mistakes and delays. Obstacles that were obvious to me were ignored. WHS hazards were also ignored.

It is clear that the continual budget cuts to the ABS and indecision and delays caused by the Government were significant contributions to the problems experienced in the 2016 Census.

Improvements for future Censuses

CPSU members are committed to improving the services they deliver. ABS members have provided comments as to what could have been done before, during and after to better manage the Census in the future.

A common theme was funding. A number of members emphasised funding certainty to allow better planning and ensure that Census questions are up to date.

Funding certainty would have allowed better planning - the on-off phase we went through wasted time. Funding constraints have also meant there has been no change in questions for a while - this begs the question, are we still asking the right questions?

Members also thought that better ICT would make a significant difference. A lack of internal capacity and skills were highlighted which should be addressed. Comments focused on ICT included that:

The ABS is drastically under skilled in the areas of modern web based ICT and public relations. Given this, they sought outside advice, which turned out to be insufficient but still seems like the right call. Increasing skills across these areas should be a priority.

Better external specialist IT support. Anyone even peripherally involved in ICT would say that there should have been multiple back up sites available - clearly if the Census had one it should have had more. The attacks were basically going to happen, it's such a big event it's just a no brainer. They needed better contingency plans, for this and probably for other areas we haven't seen from outside.

Addressing these funding and ICT skills will help ensure that there will not be a repeat of what occurred and assist in avoiding future problems.

Privacy concerns

ABS members have told the CPSU that the senior management did not properly consider impact of the privacy consultation process after deciding to retain names and addresses for Census 2016. The process was far from adequate with less than a month provided for comment, just before Christmas.⁶ Unsurprisingly public feedback to the Privacy Impact Assessment was minimal, only consisting of three responses.⁷

Members have informed the CPSU that it has led to the perception of a consultation process that occurred lacked transparency. The process meant that members of the public were already concerned about the Census before any of the other problems occurred. As one member stated:

The idea of retaining names for longer and essentially creating linking identifiers was poorly handled with respect to engaging the public. No matter what the motivation the perception [was the ABS is] "trying to slip one under the radar whilst no one was watching".

The perception created has affected public confidence in the Census and also how staff are being treated in the field.

It highlights that, in the future, effective consultation processes and awareness raising by the ABS needs to be adequately resourced in the future to actively seek out feedback and comment to help rebuild public confidence.

The adequacy of funding and resources to the ABS

While the 2016 Census has garnered most of the public attention, members are deeply concerned about the longer term impact of current funding arrangements on the ABS. The ABS is under significant pressure and trying to do as much as possible with inadequate resourcing. Unless the underfunding is addressed, problems are only going to get worse.

Funding pressures

The CPSU has raised concerns about the adequacy of funding and resources to the ABS in every Commonwealth Budget submission for the past three years. The constant pressure for further savings has affected the ABS' ability to collect data. For example, earlier this year, the CPSU raised concerns about attempts to move away from a stable, well-trained ABS interviewer workforce and the impact it may have on the collection of data.⁸

The CPSU has not been alone in raising concerns about inadequate resourcing.

The ABS itself previously reported that it is negatively affected by the ongoing impact of budget cuts. In 2013 the then Australian Statistician expressed concerns over the 'wide range of ageing and fragile business processes and supporting infrastructure used by the ABS' together with the ABS' 'difficult capital position, which is barely adequate to 'keep the lights on''⁹. Similar concerns regarding ABS systems were expressed by then acting Australian Statistician in 2014.¹⁰

⁶ Australian Bureau of Statistics (2015, 11 November). *ABS to conduct a Privacy Impact Assessment (Media Release)*. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbyReleaseDate/080BA8A92516B088CA257EF9007CD28A?OpenDocument>

⁷ Australian Bureau of Statistics (2015, December). *Privacy Impact Assessment: Proposal to Retain Name and Address Information from Responses to the 2016 Census of Population and Housing*. Retrieved from <http://www.abs.gov.au/websitedbs/d3310114.nsf/home/privacy+impact+assessment>

⁸ Community and Public Sector Union (2016, 12 February). *Data quality threatened by attack on ABS interviewers (media release)*. Retrieved from <http://www.cpsu.org.au/content/data-quality-threatened-attack-abs-interviewers>

⁹ Australian Bureau of Statistics (2014, September). *Annual Report 2013-14*. Retrieved from [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/0BCB69DE782667DACA257D7200114E5D/\\$File/abs_annual_report_2013_14_web.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/0BCB69DE782667DACA257D7200114E5D/$File/abs_annual_report_2013_14_web.pdf)

¹⁰ *ibid*

While the Government did provide \$219.6 million over 2015–19 for a ‘business transformation programme’ in the 2015-16 Budget¹¹ to upgrade systems, as previously mentioned this is half of the funding required. Members also reported that the ABS paid more for one part of the system than they budgeted for, raising questions as to whether there will be enough funding for the rest of the programme.

Until the 2015-16 Budget provided additional funding, the ABS had suffered a series of budget cuts that had undermined the quality of, among other series, its unemployment numbers— the bureau now emphasises trend numbers rather than seasonally adjusted numbers due to concerns about the quality and volatility of the latter.

Since the 2010-11 Budget, there have been \$94.7m in measures that have cut funding from the ABS. The majority of the cuts have occurred over the past three years. In the 2014-15 Budget, \$68 million was cut from the ABS, on top of a \$10 million reduction the previous year under the previous Government.

Staffing levels have been affected by these budget cuts. There are 700 fewer staff in the ABS than there were at the last Census. In 2011-12, there was an Average Staffing Level of 3,530.¹² The Average Staffing Level for 2016-17 is 2,830.¹³

One of the impacts of these budget cuts has been the loss of experienced staff from key positions. Members spoke about the continual loss of expertise and knowledge. The constant shedding of staff has meant that corporate knowledge is not maintained which makes it increasingly difficult to address issues when they arise.

How recent budget cuts are affecting the ABS

A recent CPSU poll of members found that the ABS employee have felt the impact of budget cuts over the past twelve months:

- 70% reported vacant positions not being filled;
- 55% reported voluntary redundancies, cuts to non-ongoing staff;
- 63% reported cuts to permanent staff numbers;
- 60% reported outsourcing; and
- 85% reported greater use of non-ongoing and casual staff.

Members provided a number of examples of how cuts had increased workload pressures in the ABS.

Cuts to permanent staffing in support areas along with an increase in casual workers have caused many errors in pay and HR processes. Cuts to permanent staffing caused multiple extended delays to important economic publications, including those feeding into the national accounts.

More and more work while within the same role. Everything is taking ages and they are just not backfilling staff. Though the “quality” of work is still there, pretty much anything beyond the absolutely necessary doesn’t get done. This includes things that would make longer-term efficiencies or provide better structure to what we do.

Fewer staff means we are all working longer hours, and our agency has lost a lot of subject matter experts.

¹¹ Commonwealth of Australia (2016, May 3), 2015-16 Budget Paper No.2: Budget Measures. Retrieved from http://www.budget.gov.au/2015-16/content/bp2/html/bp2_expense-21.htm

¹² Commonwealth of Australia (2012, May 8). 2012-13 Budget Paper No.1. Retrieved from http://www.budget.gov.au/2012-13/content/bp1/html/bp1_bst6-10.htm

¹³ Commonwealth of Australia (2016, May 3). 2016-17 Budget Paper No.4. Retrieved from http://www.budget.gov.au/2016-17/content/bp4/html/09_staff.htm

The new Statistician's decision to transform everything at once (not just the statistical infrastructure) while trying to continue with business as usual has doubled the workload and stretched all areas thinner than they've ever been (and they were already overloaded prior to this).

Many ABS employees feel overworked and underappreciated. The budget cuts have increased workload pressures such that:

- 83% indicated that training was affected, resulting in reduced access or a decline in the quality of training;
- 31% reported increase in unpaid overtime; and
- 30% reported problems accessing leave.

Teams in the ABS are understaffed as a result of budget pressures. There is a huge impost on dedicated staff. The impact on staff in Census related teams, in particular, is substantial. One member stated that they had over 150 hours of flextime and worked at least a day every weekend for months. While this demonstrates how dedicated ABS staff are to the important work they do, there is clearly a need to re-examine the funding model to ensure that people do not get into the circumstances where they are working an extra 4-5 weeks extra in flex on projects.

The training problems are a particular concern given the transformation the ABS is going through. Members have raised concern that adequate training is not occurring and it will affect the work employees do.

Partially complete transformation processes have been rolled out just in time with little training. This is while budgetary savings through staff reductions, changing work environments and ineffective new infrastructure continue. Staff morale and spirit have also been eroded. As a result work has not been completed to the quality standards of the past.

These ongoing budget cuts that have increased workloads are affecting the work that ABS employees are able to deliver for the community. Members provided a number of examples of how cuts had affected their work. Many spoke about how cuts increased workloads which affected the quality and/or timeliness of their work.

62% staff said that cuts over the last twelve months had resulted in a reduction of the standard of work in the ABS. Examples provided included:

Mistakes get made and it takes a lot of effort to fix them after they have been disseminated. Expanded work program with less staff. Older staff (aged 50+) are being pressured to leave as a way of avoiding letting younger staff go.

Whole survey areas were left with half the staffing to produce the same sized publications, and as a result, statistical validation was unable to be run effectively. Flow on effects of this has meant morale within the work place has decreased, stress and ad hoc leave increased and staff were required to work excessive hours without receiving overtime. Whilst it is wonderful to see that the ABS has committed and motivated/driven staff, it is also unfair to whole project areas who are suffering due to cuts.

In remote teams we have been in very precarious situations having to re-schedule operational targets on a daily basis. The quality and quantity of the material submitted to Aboriginal and Torres Strait Islander communities is unrealistic and pressure could jeopardise community engagement at local level.

Operational aspects have had to move to a new location. As a result there is a lack of experienced staff to the work, with extensive training required. There are also less staff being employed to do the work than previously. Both of these factors (less staff and lack of experience) are likely to impact on the quality of our collections.

In many cases, cuts went beyond a degradation of work with 44% stating that survey programmes had been cut. One member stated that “the agency is so underfunded due to the continuing efficiency dividend and other cuts from Government coupled with the practice 10 years ago of putting savings into new programs rather than getting new funding.”

A number of members spoke about cuts to the State and Territory Statistical Services (STSS). State and Territory Statistical Services programs were how the ABS collaborated on statistical priorities and emerging issues with state and territory governments and with communities. Members' comments included:

State and territory statistical services (STSS) were almost completely cut last year then displaced staff were shuffled around and not given a meaningful work program. STSS were completely cut this year. There is discussion about the need to prioritise but then no clear direction is given about what is OK to discontinue. Senior staff say it is OK to reduce quality on work but a very high standard is still expected.

The State and Territory Statistical Services (STSS) section in each state has been reduced to 1 out posted officer to Treasury as part of the Engagement Strategy. Those staff in each state has had to be absorbed into other roles within the agency. As such, there is no state based engagement focus with key agencies any longer.

Members also reported increased pressures meaning work took longer to do or they had to deprioritise less urgent work such as strategic work and how to be more innovative. Members provided a number of examples of work that is no longer done or has been deprioritised.

My team can't get responses out of our IT section regarding services they should be able to provide. I think they're just run off their feet. I think many sections across the ABS have been overstretched, understaffed, and under-delivering for several years.

Working in the national, corporate area - all of our work, key milestones take a lot longer to achieve. Our team is delivering much more 'operational' support - and this leaves much less resource for strategic work and continuous improvement i.e. we are fighting lots of 'fires'(urgent work) and not able to put resources into non urgent but important work.

An overwhelming number of members raised concerns about inadequate resourcing for ICT. 83% said there had been ICT and tech issues. Comments included that:

The IT problems at ABS are crippling. We experience constant and ongoing technical problems with all our systems, both those externally and internally facing. This severely affects our ability to do our work in a timely way and with high quality. There is also a severe lack of training for all staff, both permanent and contract.

In the support of existing systems, we're told that we are not allowed to fix anything that is not an emergency and/or prioritized as critical. (At the same time we're told we should be innovating!) There are sometimes insufficient resources for multiple people to be able to take on each others' support roles, and client areas have insufficient resources to test system changes in a timely manner.

Given the vital role played by the ABS in economic and social policy development, these reports are alarming. They reflect an environment of frustrated staff, working long hours on fewer surveys.¹⁴ It is consistent with a wider degradation of public service work.

The threat of further budget cuts

There is concern that the ABS will experience further cuts. The CPSU notes that the ABS will be undergoing a functional and efficiency review to be completed in November this year.¹⁵ These reviews

¹⁴ Barry, A. (2014, October 9). ABS staff say data undermined by funding cuts, lack of leadership. *ABC Online*. Retrieved from <http://www.abc.net.au/news/2014-10-09/abs-staff-say-data-undermined-by-funding-cuts/5801844>

¹⁵ Cowan, P. (2016, August 18). Beleaguered ABS cops yet another review. *ITNews*. Retrieved from <http://www.itnews.com.au/news/beleaguered-abs-cops-yet-another-review-434129>

are part of the Commonwealth's Contestability Programme and the experience of these efficiency reviews has been substantial budget and staff cuts of \$2.7b from six agencies as at the 2016-17 Budget.¹⁶

Furthermore, the increased efficiency dividend has been extended to 2019-2020. Instead of returning to 1 per cent in 2017-18 as scheduled, it will be 2.5 per cent in 2017-18, 2.0 per cent in 2018-19 and 1.5 per cent in 2019-20.¹⁷ The Portfolio Budget Statements are not clear as to the exact impact on the increased efficiency dividend on ABS but it will add further pressure to an agency already under stress.

ABS staff are doing their best under trying circumstances but there are limits to what they can do with limited resources. As one ABS member stated, *"staff have just tried their best with what they were presented with by government and senior management. There have been a lot of undue changes and over an extended time it has had an impact on staff wellbeing."* Addressing these funding issues must be a priority if the Government wants to avoid more problems in the future.

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues.

Yours sincerely,

Melissa Donnelly
Deputy National Secretary
Community and Public Sector Union

¹⁶ Commonwealth of Australia (2016, May 3). 2016-17 Budget Paper No.4: Preface. http://www.budget.gov.au/2016-17/content/bp4/html/02_preface-01.htm

¹⁷ Commonwealth of Australia (2016, May 3), 2015-16 Budget Paper No.2: Budget Measures. Retrieved from http://www.budget.gov.au/2016-17/content/bp2/html/bp2_expense-08.htm