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Submission to the Productivity Commission's Regulation of Australian Agriculture *Issues Paper*

Introduction

Trusted, high quality and coherent statistics are critical for informed decision-making by government, industry, and the community sector and for the development and evaluation of policy. The information provided by farmers in response to statistical surveys is an important source of these statistics, which support the competitiveness and profitability of the sector. The National Agricultural Statistics Review (NASR), jointly conducted by ABS and ABARES, found that while the data produced from statistical surveys is critical to decision-makers across government and industry, these surveys can be a source of additional burden on farming businesses. These surveys may therefore be considered a form of regulatory burden in scope of the Commission's Inquiry (under the category of 'other' types of regulation as outlined in p.22 of the Issues paper).

The ABS is providing a submission to this Inquiry as an organisation with expertise in ensuring the requirement for timely, high-quality statistical data is balanced against the need to minimise the regulatory burden this incurs for businesses. The submission outlines initiatives that are being undertaken by the ABS in partnership with other organisations to reduce survey burden on the farming community, and how these align with other actions the ABS is taking to reduce survey burden on the broader business community through the ABS Transformation Program. These actions are provided in order to illustrate how survey burden, as a particular type of regulatory burden imposed on farming businesses, may be reduced by organisations, both working alone and in partnership with other organisations. The submission also notes that some forms of regulation, such as those involving the collection of agricultural levies, can also serve as valuable alternative sources of statistical information, which may further assist in reducing burden by providing a substitute for survey collection. The Commission may wish to consider this in its Inquiry.

Background

The NASR was undertaken jointly by the ABS and ABARES over 2013 and 2014 to assess the agricultural statistical system in Australia and its adequacy for informing decision-making, planning and policy making, both now and into the future. Through extensive stakeholder consultation and research the NASR identified that while the Australian agricultural statistical system has informed government and stakeholder needs for more than a century, there are a number of deficiencies and concerns that compromise the capacity of the system to efficiently meet current and emerging information needs. A key finding from the NASR was the recognition that there has been a growing survey burden on the farming sector and that this is having implications for the quality and usefulness of the data produced.

Stakeholders indicated that there were a number of factors contributing to this survey burden – including: the sheer volume of survey requests farmers receive from multiple organisations (both government and industry); the time required to provide a response, which many found too short; the timing of the surveys, particularly where these are received at times of peak business activity; and the cumulative impact of all of those factors.



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The NASR found that survey burden on agricultural businesses has been adversely affecting the agricultural statistical system through its impact on data quality. Farmers who are disengaged with the system due to survey burden are less likely to return survey forms or provide incomplete or less accurate responses, reducing the quality of information provided. This in turn, requires greater effort by agencies such as the ABS to collect, check and validate survey data, affecting the timeliness and usefulness of the survey outputs. This can then lead to an increase in survey activity when organisations initiate additional surveys due to timeliness and quality concerns with the existing data sources, further exacerbating the survey burden on agricultural businesses. In this way the problem of respondent burden can become a self-perpetuating cycle.

The NASR findings identified a number of systemic issues driving the respondent burden issue as follows:

- (a) A **lack of coordination** of survey activity between different organisations, underpinned by poor governance and coordination across the agricultural statistical system and the lack of a clear strategy to guide statistical investment;
- (b) Under-utilisation of **alternative data sources and methods** for producing statistics (such as administrative data and methods that can draw greater value out of existing data sources), leading to an over-reliance on surveys as the key means of obtaining data; and
- (c) The need to identify ways to **improve the reporting experience** for respondents selected in those surveys that are still needed, to reduce their reporting time, make the experience easier and simpler, and find ways to return a value to respondents for their participation.

ABS has long recognised that the need for high-quality statistics must be balanced against the burden imposed on survey respondents, and regularly reports on progress against the organisational commitment to minimise respondent burden in the Annual Report (refer: [Australian Bureau of Statistics – Annual Report, 2014-15 \(cat. No. 1001.0\)](#)). In addition to these ongoing measures, ABS is taking further steps to reduce burden, leveraging the opportunities provided by:

- a) work currently underway to transform the ABS' statistical systems and processes through the ABS Transformation Program;
- b) implementation of the actions recommended from the NASR to address respondent burden and improve data quality; and
- c) undertaking significant transformations to the 2015-16 Agricultural Census and Land Management Practices collections, two of the most significant collections in the ABS agricultural statistics' program and the largest business-based survey collections run by the ABS.

The ABS Transformation Program is a five-year program funded by additional investment from the Australian Government that will enable the ABS to modernise ageing systems and processes and develop the statistical capabilities required to be a high-performing national statistical organisation in the 21st century. The transformation will enable the



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ABS to improve responsiveness, reduce regulatory burden, and reduce statistical risk as well as position the organisation to exploit new opportunities and better meet the needs of users, with enhanced capability to extract greater value from all available data.

The following outlines the specific actions that are being undertaken through each of these three initiatives to address the underlying drivers of respondent burden for the farming sector.

1. Reducing total survey burden (number of businesses surveyed)

Total survey burden is a function of the number of surveys in the field at any one time, the number of businesses selected in those surveys, and the time cost to those businesses in completing those surveys. ABS agricultural surveys are a significant contributor to the ABS' total respondent burden due to their large scale, and in recognition of this, and to align with the findings of the NASR and the goals of the ABS Transformation Program, ABS is making an important change to the 2015-16 Agricultural Census and to the 2015-16 Land Management Practices Survey (LaMPS) which will be run concurrently with the Agricultural Census.

The ABS is changing the scope of the Agricultural Census and LaMPS to businesses with an Estimated Value of Agricultural Operations (EVAO) (or equivalent) of greater than \$40 000, a change from the previous scope which included businesses with an EVAO greater than \$5 000 EVAO (or equivalent). This reduction in scope is anticipated to have minimal impact on the quality of the estimates (as the majority of agricultural activity and agricultural land is accounted for by businesses above the \$40 000 EVAO) but will have the benefit of enabling a significant reduction in burden on small businesses. ABS estimates that this reduction in burden represents a saving of approximately \$3 million in businesses' time. In addition to these changes, ABS is exploring ways to reduce the time cost for businesses in completing surveys and improve the ease of responding – this is outlined under point 4 below.

2. Improving the coordination and targeting of statistical activity

Demand for timely, high-quality agricultural statistics has increased as Australia's agricultural industries have developed, leading to an ever-widening range of information needs and the requirement for more accurate and timely data. The NASR found that over time, stakeholders from government, industry and the research sector have stepped in to meet this increasing demand with a range of additional statistical collections, and a lack of any coordinating mechanism for this activity has led to duplication of effort, inefficiencies and an increased burden on respondents.

To address these issues, the NASR identified the following actions, which are being implemented by the ABS and ABARES in partnership with stakeholders across the agricultural statistical system:

- A. An **agricultural statistics consultative forum** will be established to engage stakeholders and drive effective coordination and improved outcomes across the Australian agricultural statistical system. The forum will pursue data gaps and overlaps and mechanisms to address them while identifying additional ways to improve data quality and reduce respondent burden;



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- B. An **annual calendar of planned statistical collections** requested of farmers, fishers and foresters will be published to improve public accountability of survey managers and to more effectively manage respondent burden through greater transparency. The calendar will guide planning by organisations undertaking surveys to minimise duplication and provide farmers, fishers and foresters and their industry bodies with information about the range of surveys being undertaken, their purpose and timing; and
- C. A **foundation dataset for agricultural statistics** will be established to inform the enduring policy needs of the sector, address data gaps and better target future investment. The foundation agricultural dataset will provide a common reference for the assembly and maintenance of foundation level data in order to serve the widest possible variety of users. It would deliver a national coverage of the best available, most current, authoritative source of agricultural data, which is standardised and quality controlled.

Work is currently underway on implementing these actions, with the first meeting of the consultative forum and the first release of the survey calendar planned for the first half of the calendar year, and the first draft of the foundation dataset planned for release by July 2016.

Implementation of these initiatives to improve coordination of statistical activity for agriculture aligns with the broader legislated role the ABS has to improve the coordination of statistics among official bodies, and to ensure respondent burden is minimised. The ABS is active in this role on a range of fronts, including hosting of the Statistical Clearing House, which is the central clearance point for Australian Government business surveys of greater than 50 businesses and aims to minimise burden by reducing survey duplication and ensuring the surveys conducted are best practice. ABS is also actively engaging in whole-of-government collaborative initiatives to reduce reporting burden and extract greater value from existing data sources, including the Public Sector Data Management project and the Australian Government's Digital Transformation Agenda.

3. Making greater use of alternative data sources and methods

Direct collection from survey respondents is still the predominant method in use among both official and non-official organisations for producing agricultural statistics, despite the increasing range of alternative data sources available (such as administrative data), which could be used to generate statistics without imposing additional survey burden. Administrative data is generated as a by-product of administrative processes and includes data collected by both government and industry at various points of the agricultural supply chain. For example, data collected through the agricultural levies system; grain storage information and wool testing data; and information collected through biosecurity databases such as the National Livestock Identification System (NLIS) and Pigpass. ABS and ABARES have begun work in investigating these administrative sources, working towards the future implementation of the NASR action to establish an agricultural statistics data initiative, which will develop methods for broader use of administrative data sources within the agricultural statistical system.

The ABS encourages the Productivity Commission to consider as part of the Inquiry the potential statistical value that can be gained from regulation. The levies system and biosecurity databases are important examples of how existing regulation has the potential to generate valuable statistical information, which may reduce reporting burden through



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providing a substitute for survey collection. Conversely there may also be the potential for increased survey burden where regulation is reduced, in cases where that regulation has actual or unrealised potential as a statistical source.

More broadly through the ABS Transformation Program, ABS is exploring ways to tap into the potential of administrative and transactional data sources and new statistical methods as a means of delivering statistics which are less intrusive and less costly on businesses and households, while also meeting current and emerging information needs. This includes drawing on sophisticated statistical modelling and estimation capabilities, improving access to microdata, and improving data integration capabilities. The ABS role as an Integrating Authority and custodian of several important large-scale micro-datasets means the organisation is well-positioned to lead and undertake data integration activities, including data integration for agricultural collections.

4. Improving the reporting experience

An important further consideration in reducing respondent burden is to ensure that, for those surveys that are necessary and for which no other sources are available to produce the required data, the surveys are as easy-to-complete for the respondents as possible, and opportunities are explored to return a value to respondents for their participation in order to encourage strong response.

The NASR identified web form technology as a key means through which statistical producers can improve the efficiency and effectiveness of data collection while improving the timeliness and ease with which respondents can fill out the form. The ABS is making additional enhancements to the online reporting option for the 2015-16 Agricultural Census and LaMPS collections which include making the form design more intuitive, having some basic information pre-filled (where possible) and intelligently streaming businesses past sections that are not relevant to them. Furthermore, respondents selected in both the Agricultural Census and LaMPS will receive one combined online form, where questions common to both collections will only be asked once. This will significantly assist agricultural businesses to manage their reporting requirements in a faster and more convenient manner.

These opportunities identified through the NASR align with the goals of the ABS Transformation Program, which seeks to reduce survey burden on businesses through strengthened relationships with business data providers, significant improvements to digital collection methods, a reduced and consolidated business survey program, and greater use of alternative data sources.

Conclusion

As mentioned in the *Issues Paper* “regulation can be of benefit to the agriculture sector (and the community more broadly) where it meets economic, social and/or environmental objectives, and is designed and implemented efficiently and effectively.” (p. 1). While statistical collections provide essential data to inform decision-making and improve the competitiveness and productivity of the agricultural sector, this needs to be balanced against the survey burden imposed. An important means of reducing respondent burden is harnessing the statistical value in the necessary and effective regulation imposed on agricultural businesses, where that information can be made available and used to



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replace survey data. The NASR identified the acquisition and use of government and industry-held data sources as an effective means of minimising survey burden, maximising data quality and making best use of all available data sources.

The ABS and ABARES will continue to work together with stakeholders to improve coordination and collaboration of agricultural statistical activity and drive implementation of NASR recommendations outlined above, to reduce survey burden and improve the quality and availability of agricultural statistics to support informed decision-making in the sector. These initiatives will be supported by changes being made this year to the Agricultural Census and LaMPS and the broader transformations ABS is making to its statistical program to reduce burden, improving the reporting experience for respondents, improved access and increase use of alternative data sources to reduce reliance on surveys.

References

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