

20 May 2014

National Agricultural Statistics Review
Australian Bureau of Statistics
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Dear NASR Project Team

The National Farmers Federation (NFF) welcomes the opportunity to provide a submission to the National Agricultural Statistics Review (NASR). The NFF supports the review to identify opportunities to improve the National Agricultural Statistical Information System (NASIS) and develop a framework for ongoing assessment, coordination and governance of information needs into the future.

The NFF supports the proposed set of enduring goals NASR has established for Australian agriculture to guide future needs for statistical information. The enduring goals are: Competitive and profitable agriculture sector, Prosperous communities, Sustainable natural resource use, Growing trade and market access and Protecting animal, plant and human health and welfare.

While there is no absolute benchmark available to judge the adequacy of the Australian agricultural statistical system, the NFF supports the findings presented by the Australian Farm Institute (AFI) in their recent report *Is Counting Farmers Harder than Counting Sheep? A Comparison of agricultural statistical systems in Australia, United States and France*¹.

The NFF provides the following comments and directly references the AFI report which highlighted a number of the priority issues.

¹ Potard, G., Keogh, M., (2013) *Is Counting Farmers Harder than Counting Sheep? A Comparison of agricultural statistical systems in Australia, United States and France*, Australian Farm Institute, Surry Hills Australia.

1. If the dimensions of ‘data quality’ adequately capture areas of opportunity for reducing respondent burden and increasing data quality in the NASIS

The dimensions of ‘data quality’ that are listed by the NASR fall in line with the recommendations and findings of the AFI report.

In reference to the first dimension of ‘data quality’, Institutional Environment, the AFI report stated issues with the Australian Bureau of Statistics (ABS) not allocating enough importance to the agriculture sector, despite its previous dominance. ABS is the sole Australian government agency afforded ‘statistical authority’, which means that ABS is the only government agency empowered to conduct compulsory surveys for the purposes of compiling national statistics and be able to guarantee the confidentiality of data collected. Aside from ABS’ general objectives there is no specific strategy or objective associated with the agriculture sector. This is similar to Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and the limited high-level documentation about its role or future strategies. The lack of a specific strategy or defined objectives for both these organisations in relation to agricultural statistics makes it hard to judge the extent to which the activities of the agencies are effective or relevant. NFF supports that AFI recommendation that the Department of Agriculture (DAFF) and ABARES be given responsibility to lead and oversee the Australian agriculture statistics system under delegated authority.

The AFI report also identified problems in regards to the relevance of the data quality, with poorly integrated statistical collections involving land and water use and the collection of agricultural commodity price information. The more specialised commodity sectors such as fruit, eggs and vegetables are not specifically included in annual Australian production surveys. As a result, the sampling methodology utilised for the yearly ABS survey may have a large impact on the accuracy and the quality of the resulting estimates for these commodities. This also impacts on the accuracy of the data collected, with most of the ABS surveys being conducted via mail or online. This increases the possibility of non-sampling errors or measurement errors. ABS also only includes farms that produce \$5000 or more per annum.

Issues with Timeliness, Coherence and Interpretability are ongoing issues which will impact on the farm sectors use of data. There are issues with data being collected and produced 6 months to a year later, meaning that producers are not able to utilise the given data for their current season. Data published by the ABS in some cases is poorly organised, difficult to locate and has major gaps. This also appears to be reflected in ABS activities associated with agricultural statistics, with some statistics no longer being collected, and other statistics being collected less frequently. With late, poorly organised data that is inaccessible even to the most computer literate, the interpretability and usefulness of the data is wasted.

Accessibility issues were found around the level of difficulty for users to identify and locate relevant datasets within the ABS website, this clearly decreases the perceived transparency of the statistical system. For instance, with the current website, datasets can only be found if the user already knows the title of the collection or the date of its publication. It is also difficult to extract historical series for many statistics relevant to agriculture. To add to the complexity, in some instances both ABS and ABARES publish the same statistics but in different ways and sometimes with different values.

2. Considering the statistical cycle, where the key opportunities are for innovation to reduce respondent burden and increase data quality in the NASIS:

- a. **Planning**
- b. **Content development**
- c. **Data collection**
- d. **Data processing**
- e. **Analysis**
- f. **Dissemination**
- g. **Evaluation**

The AFI report suggests the use of an area frame or surveying methods, similar to that of the USDA-NASS system would help to reduce respondent burden. AFI's report recommends, 'Irrespective of any future changes to the structure or organisation of the Australian agricultural statistical system, appropriate statutory provisions should be implemented to reinforce the impartiality and objectivity of ABARES agricultural survey activities and the reporting of the results of those activities'. NFF is of the view that if ABARES were to become the leader of the Australian agricultural statistics system, its impartiality would be strengthened through an appropriate statistical skills program.

The opportunity to derive additional value from the relatively expensive task of collecting and reporting statistics arises from the ability to integrate data from different sources. For example, the use of satellite remote sensing technology coupled with ground-truth information about farm management practices.

The NFF understands ABS and ABARES use different financial thresholds to define what is considered to be a farm business. ABS has ceased their statistical activities about farm business performance some years ago. Statistical collections involving land and water use information are poorly integrated with other agricultural statistical information, and the collection of agricultural commodity price information by the ABS appears to be a haphazard activity, despite the importance of this information for a wide range of both national and industry purposes.

All the ABS surveys rely on indirect questionnaires (no face-to-face surveys) increasing the possibilities of non-sampling errors or measurement errors. There is no ground-truth data relating to production and there is no specific survey aimed at assessing acreage and possible production. ABARES has the benefit of using face-to-face interviews, which can be very important for production forecasts, based on these surveys. The production forecasts used to calculate agricultural GDP and other data used for the agricultural and economic accounts are said to be sources from ABARES. It appears that this refers to the output from specific agricultural production models operated by ABARES using data from the ABS survey.

The AFI report suggested that when the Australian system is compared to the USDA NASS production forecast system, the principal weaknesses of the Australian system relates to the accuracy and timeliness of the information that is produced. The absence of the use of an area frame or surveying methods (online or phone surveys) which reduce the burden on respondents is also a limitation of the Australian system.

- 3. If there are existing innovations that could be adopted or adapted to meet the needs of stakeholders of the NASIS.**

The US and French system examples reviewed in the AFI report, show that the key to maintaining statistical impartiality while being closely integrated with stakeholder is to ensure the system has highly skilled statistical staff available and consistent and transparent processes.

One of the recommendations of the AFI report to improve the statistics system is ‘To ensure that data and agricultural statistics in Australia are readily accessible to stakeholders, the creation of a unique, interactive data warehouse is recommended.’ The NFF would support this recommendation.

4. Considering the capability component of resourcing, where the highest priorities are for improving coordination in the NASIS:

- a. People**
- b. Methods**
- c. Processes**
- d. Systems**
- e. Standards/frameworks**
- f. Other resources**

AFI identified a number of resourcing issues around the Australian agricultural statistics system. The ABS and ABARES use different financial thresholds to define what is considered to be a farm business, and these thresholds appear to have been changed in the past with little coordination between the two organisations. Statistics about farm business performance are only available for a limited population of farm businesses, with the ABS having ceased its statistical activities in this area some years ago.

The prime responsibility for the strategic direction and performance of the ‘system’ lies with the national activities under the delegated authority of the national statistics agency. This means that those responsible for collecting and reporting the relevant agricultural industry information are engaged with, and should have a good understanding of the sector, and be able to make decisions that are sensible and efficient in the context of the way in which businesses in the sector operate.

The strategies that guide the future direction and performance of both the French and US agricultural statistical systems reportedly are well defined and understood. Resource constraints have clearly been a major issue, more generally, for the ABS over recent years, and this has been identified in statements from groups such as the Australian Statistics Advisory Council. This also appears to be reflected in ABS activities associated with agricultural statistics, with some statistics no longer being collected, and other statistics being collected less frequently. Comments about this change are necessarily qualified by the fact that neither of the two principal agencies involved in the Australian system publish information about the cost of their agricultural statistics activities.

5. If there are any other innovation and collaboration opportunities that could improve the coordination and efficiency of the NASIS.

NFF is supportive of the AFI recommendation to improve innovation and collaboration, ‘In transferring leadership and responsibility of the Australian agricultural statistical system to DAFF, negotiations should be entered into between DAFF and the ABS to ensure suitable

long-term funding arrangements are in place for the current operations and future development of the Australian agricultural statistical system to better meet government and industry needs' and 'Urgent steps should be taken to ensure the various components of the Australian agricultural statistical system are better integrated, and that there is close cooperation between the ABS, ABARES and state agricultural agencies in order to enhance the value of the agricultural statistical system and improve its performance in the future.'

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