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- (iv) Managing credibility in good times and in bad

Lockups, Slap Downs and Building Trust in Official Statistics

Submitted by Australian Bureau of Statistics, Australia¹

I. INTRODUCTION

1. It is not usual for people outside the National Statistical Offices (NSO) to know the extent of effort that goes to quality assure official statistics, statistical products and services. As a result they tend to judge the integrity of statistics, the NSO, or the national statistical service based on proxy indicators, e.g. how often are statistics revised, how timely are they, and are there political controversies associated with the statistics.

2. This paper argues that one of the key elements in building trust in official statistics is having protocols for access to pre-release statistics so as to avoid any perception, rightly or wrongly, that there is an unfair advantage given to certain stakeholder groups with the early access, or the statistics are subject to political spin or interference.

II. WHAT IS TRUST?

3. Psychologists, economists and other theorists have made attempts to define and operationalize the construct of trust for a number of decades. Trust has been variously conceptualised as:

- a set of individual or social expectations shared by those participating in an economic or social exchange;
- a characteristic of interpersonal relationships, dependent on the outcomes and consequences of particular actions;
- a construct which is best viewed through the lens of a set of ethical principles;
- a characteristic of institutions (“institutional-based trust”) which is tied to formal mechanisms such as professionalism, contracts and regulations.

4. Taken together, the research literature around trust points to a multidimensional construct which may include elements such as integrity, professional competence, consistency, loyalty, openness and transparency. Additionally, trust operates within a context of past actions and consequences, and in relation to the values and principles important to the trustor.

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III. ELEMENTS OF TRUST IN OFFICIAL STATISTICS

5. In 2008, one of the topics discussed in the OECD Committee of Statistics (CSTAT) was “How to measure and monitor trust in official statistics”. The papers discussed at CSTAT identified the following key elements for trust:

- Professional competence (including technical competence in the production of statistics and the overall quality of the statistical products);
- Objectivity and impartiality (including a non-partisan approach and a lack of interference from politicians or the political process);
- Openness and transparency (including willingness to engage in debate, or to discuss issues around the challenges of measurement);
- Credibility of statistics;
- Relevance (including how well the statistics reflect reality); and
- Effective stakeholder and user management (including management of the media and the quality of communication with stakeholders and users).

6. It should be noted that some of the themes identified above relate to elements of various international statistical data quality frameworks (e.g., relevance, accuracy, and accessibility and interpretability of information for users and stakeholders). In addition, some of the themes reflect an additional dimension of quality which ABS has labelled as “Institutional Environment” in its recent release of its data quality framework (see www.abs.gov.au, cat. no. 1520.0). The “Institutional Environment” dimension specifically addresses issues of institutional credibility, transparency and impartiality, which have been identified here as important for developing trust in official statistics.

IV. A POSSIBLE FRAMEWORK FOR TRUST IN OFFICIAL STATISTICS

7. In 2009, OECD commissioned the ex-Chief Statistician of Statistics Canada, Ivan Felligi, to lead an electronic working group to develop a global instrument to measure trust in official statistics. In the submission to the working group by the Australian Bureau of Statistics (ABS), we proposed a framework for measuring trust to guide the development of the instrument.

8. The proposed framework, which has been adopted by the working group, is as follows :

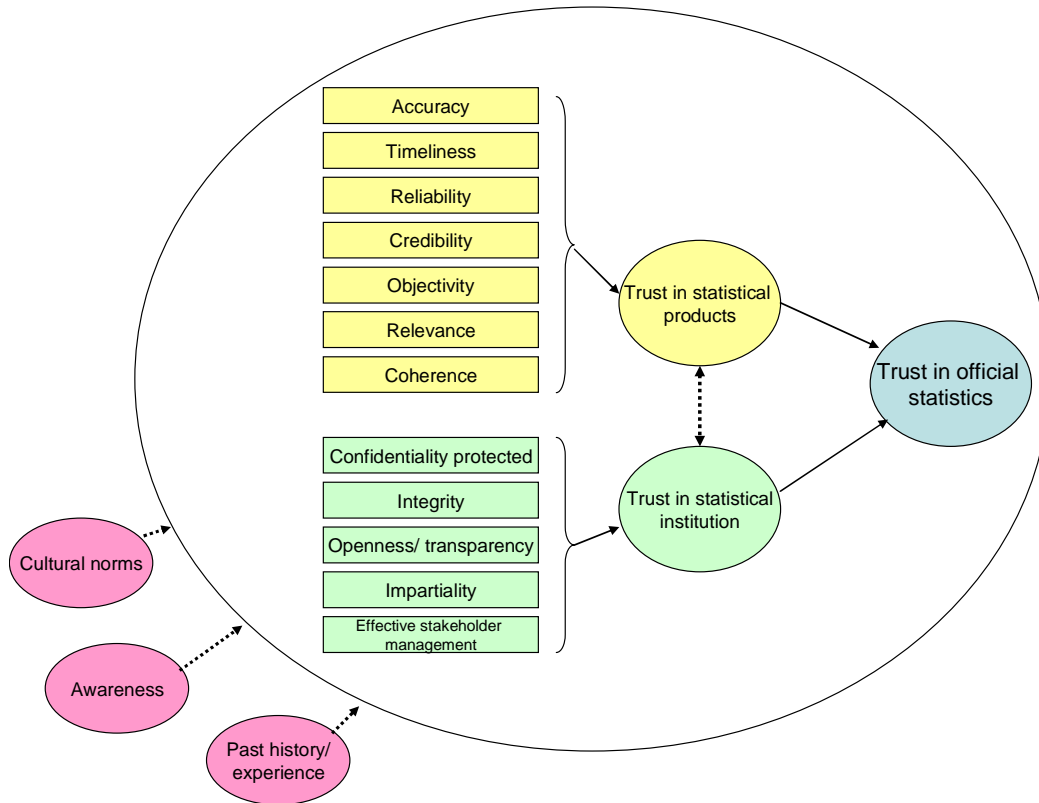


Figure 1. Draft framework for measurement of trust in official statistics.

9. Basically, three components are recognised in measuring trust:

- External influences e.g. cultural norms, awareness of the products and services provided by the National Statistical Office;
- Trust in the statistical products, e.g. accuracy, timeliness etc which are well articulated in the Quality Frameworks; and
- Trust in the statistical institution, e.g. integrity, openness, transparency etc.

10. It should be noted that none of these factors operate in a direct, cause and effect manner. For example, an increase in process or output quality (the second factor above) does not necessarily translate into higher levels of public trust. In other words, while low levels of quality will very likely directly reduce trust in official statistics, high levels of quality may not necessarily reverse this, at least not in the short term.

Objectivity, impartiality and official statistics

11. In the rest of this paper, we will concentrate on one aspect of the Trust Framework, integrity of statistics and statistical systems, and how pre-release access to embargoed official statistics to politicians may create a perception of unfair advantage, political interference or ‘spin’.

12. So how does this perception, right or wrongly, come about?

13. An English philosopher, jurist and author, Sir Francis Bacon, once said: “Knowledge is power; and when you have access to it, as government ministers do, it is hard to resist the temptation to abuse such a privilege. This is particularly so with the statistics that enable us to hold them to account for the vast amounts of our money that they spend and the actions they take.”

14. Certainly stories like the following will not be very helpful to build confidence in official statistics:

“Pre-release gives the PM a head start

Sue Cameron points out in the Financial Times today that Gordon Brown will see the economic statistics showing whether we are pulling out of recession before tomorrow’s TV debate, while the other two party leaders won’t.

Due for release on Friday is the preliminary estimate for gross domestic product for the first quarter of 2010, an eagerly awaited indicator. In line with the rules, ministers get a 24-hour advance look at the data, so it’ll be on the Prime Minister’s desk at 9.30 am tomorrow morning. David Cameron and Nick Clegg won’t see it until Friday.

This is a perfect illustration of the inequities of the present system of pre-release access, which Sir Michael Scholar and the UK Statistics Authority want changed. Sue Cameron calls it “legalised cheating” and calls on the Cabinet Office to see to it that all party leaders have the same access. “Stuff the rules” she says. “The rules are wrong.”

It’s true that the debate tomorrow is on foreign affairs, not the economy. But in the middle of an election it’s an anomaly that ministers should get privileged access to key economic figures.”

– Straight Statistics, 21 April 2010.

and

“General Election 2010: Gordon Brown accused of misusing immigration figures

Gordon Brown has been accused by the head of the independent statistics watchdog of misusing official figures to justify Labour’s immigration policies.

Sir Michael Scholar, chairman of the UK Statistics Authority, is said to have written to the Home Office to complain that the Prime Minister had broken the strict Whitehall code of conduct by making use of figures which had not been yet been released to the public.

Mr Brown used the statistics, which showed a reduction of 20,000 skilled computer workers since the introduction of the Government’s points based immigration system, in a keynote speech at the start of the election.

They had been passed by the statistics authority to the Home Office, but had not been published, and so were not available to the other party leaders.

Following the speech, Sir Michael launched an official inquiry into the use of the figures. He has now written to the senior civil servant at the Home Office to say that ministers should not be allowed to exploit unpublished statistics.

He is said to have warned that figures should be issued: “in as accessible a way as possible, treating them ... as official statistics”.

Sir Michael’s probe followed an official complaint from Sir Andrew Green, chairman of Migrationwatch.

He said: “This saga has all the hallmarks of another Home Office cover-up. No wonder public confidence in the government’s statements on immigration is at rock bottom.”

The Home Office and the UK Statistics Authority did not comment.”

– Telegraph, 7 May 2010.

V. WHAT IS GOOD PRE-RELEASE ACCESS POLICY?

15. In a nutshell, too loose pre-release access arrangements applied to too many statistical releases may create a perception, rightly or wrongly, of unfair advantage, political interference or spin with the statistics, which could undermine the public's confidence or trust in Official Statistics

16. An independent review of the statutory arrangements for pre-release access to official statistics in the by the Statistics Authority, UK recommended, amongst other things:

- the pre-release access to official statistics be restricted to a maximum period of three hours; and
- to maximise attention on statistical releases, and to minimise any impression that there has been collusion to align statistical releases with ministerial statements, an interval of one hour should be respected, on a voluntary basis, between the release of statistics and the release of ministerial comments about them.

VI. PRE-RELEASE ACCESS POLICY BY THE ABS PRIOR TO MID 2007

17. Where approved by the Australian Statistician, copies of designated statistical releases, largely confined to the Main Economic Indicator (MEI) publications, were provided to departmental and ministerial staff in their offices up to three hours early on the day when the statistics were to be released.

18. Not all publications could be accessed by all staff, however. The key consideration was whether there was sufficient media interest in the release and whether the Minister was expected to be interviewed by the media soon after the statistical release.

19. An undertaking had to be signed by those authorised for pre-release access not to divulge the information prior to official release. In addition, the undertaking also required departmental and ministerial staff not to release any press releases on the statistics until at least 15 minutes after the official release by the ABS.

VII. CONTEMPORARY ABS PRE-RELEASE ACCESS POLICY

20. In 2007, the pre-release policy was reviewed and, even though there was no leak in the statistics through the pre-release access arrangements, ABS was concerned about the perception of political interference with official statistics.

21. As a result, the ABS introduced a new policy, essentially requiring access to pre-release statistics to take place in a "lock up", in which those authorised for access are not allowed to leave the lock up, or communicate with people outside the lock up, until the embargo for the statistics have been lifted. Statistical releases approved for pre-release access in the lock up are published on the ABS website for transparency purposes.

22. In addition, the pre-release access time was reduced from the previous three hours to between 30 minutes to 2 hours for authorised lock-up publications, with the exception of the national accounts publication, which continued to be pre-released on the afternoon of the day before its official release to Treasury officials.

A. Purpose of a secure lockup

23. A secure lock up is designed to give participants enough time to digest the headline features of key market sensitive statistical releases so they can avoid inadvertent misinterpretation or misreporting once the embargo is lifted.

24. Access to statistics under such lock ups by relevant government officials, ministerial staff and ministers is not intended to facilitate more comprehensive analyses of the statistics. Such analyses should be conducted after the embargo is lifted.

B. Criteria for approving a secure lockup

25. The Australian Statistician may grant access to statistical products under embargo when:
- a. there is high public interest in an issue of direct and substantial relevance to the statistics being released;
 - b. a relevant government minister is highly likely to be asked to provide public comment on the statistics shortly after their official release; and/or
 - c. the release is sufficiently complex that some advance analysis of the statistics and preparation of a ministerial brief by officials is considered essential to ensure that initial comments made by relevant ministers regarding the headline features are well informed, thereby minimising the risk of misleading the public or, particularly, the financial markets, on an issue of national significance.

C. Lock up policy

26. The ABS policy for access to statistical products under embargo is that it:
- a. must be approved by the Australian Statistician, in relation to
 - i. the product to be made available;
 - ii. the length of time of availability prior to the embargo being lifted; and
 - iii. the agencies to be provided with access;
 - b. must occur through a secure lock up (or pre-release of the Australian National Accounts: National Income, Expenditure and Product to the Commonwealth Department of the Treasury);
 - c. be restricted to government officials, ministerial staff and ministers, unless otherwise determined by the Australian Statistician; and
 - d. be granted only after those requesting access sign a security undertaking not to attempt to disseminate statistics, nor any information or interpretations derived from them, until their embargo is lifted..

D. Slap downs

27. A trial lock up is also available to the wire services. However, as it is still a trial, ABS has only decided to allow them access to a subset of the publications available for the government official/ministerial staff lockups. For example, highly sensitive MEI releases like the CPI, Labour Force and National Accounts are not accessible in wire service lockups.

28. Instead, a “slap down” arrangement is made for these publications. Under this arrangement, wire services journalists come to the ABS Office in Sydney on the day of the release of these publications. As soon as the embargo is lifted, they are given a copy of the release by ABS staff, which they in turn use to ring their Office about the key numbers for further dissemination by the wire services.

VIII. CONCLUDING REMARKS

29. Since its establishment in 1905, the ABS (or Commonwealth Bureau of Census and Statistics as it was formerly known) has enjoyed a high level of trust in its statistics by the Australian public. It is clearly outside the scope of this paper to describe the reasons that may have contributed to the community confidence in the ABS as a public institution; suffice it to say that release practices play a major role.

30. In this paper, it is argued that a vital release practice in building that trust in ABS statistics is to have lockups in place, so as to avoid any perception of unfair advantage or political interference, whilst acknowledging the need for certain users to have early access to certain statistics to ensure well informed comments can be made after the release of these statistics. In 2008, a review undertaken by the ABS in consultation with the stakeholders concluded that while a limited number of statistical releases need to have a longer duration for the lockups, the new protocols for pre-embargo access to ABS statistics were strongly supported.

IX. REFERENCES

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