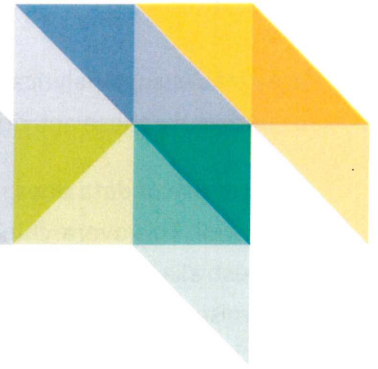




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Australian Statistician

Mr David Thodey AO
Chair
Australian Public Service Review Panel
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Dear Mr Thodey

I am responding to the recent consultation report and a number of speeches you and other Review Team members have made recently. This was recently discussed at a meeting of Treasury Portfolio Agency Heads in Sydney on 25 February 2019.

I have valued the engagement and consultation undertaken by the APS Review team, and like you, do not under-estimate the transformation needed across the APS to meet the challenges and opportunities of the future.

I would like to highlight both the critical need for the APS to invest in building data capability in its workforce; and the role the Australian Bureau of Statistics could play in meeting this need.

A central theme emerging from the APS Review consultation has been the need for data to inform important decisions across policy development and implementation, program management, regulatory systems, and service delivery. This evidence-based approach to government and decision making is underpinned by legislation, policy, procedures, technology and most importantly skilled expertise within the APS or employed outside the APS.

As a major user of data throughout my public service career, a champion of evidence based policy and service delivery, and now as Australian Statistician, I am very encouraged by this focus.

APS employees with strong data skills are required to ensure the evidence (i.e. data) to inform and evaluate decisions and measure progress and outcomes is of sufficient quality that is fit for purpose, appropriately acquired, stored, managed, shared, integrated, analysed, published, communicated and builds the trust of the Australian community. The same data skills are also needed for the increasingly important fields of artificial intelligence, algorithm development, machine learning, quantum computing and cyber security.

While the APS Review has focussed heavily on the need for data to inform decisions, the data capability gap that I see across the APS has received less attention. Data capability is, in my view, a key element of the *Talented Workforce* transformation agenda of the Review. I encourage the Review Team to explore further the current data capability gap in the public sector; and the likely increase in this gap in coming years as the demand for data analysts/scientists increases across the economy.

Existing APS staff with data expertise and experience are in short supply and are moving quickly between agencies to meet short-term agency needs. A positive development is that many Commonwealth agencies

are establishing analytical units and are more focused on data management, however too few staff exist to undertake these activities well.

Greater use of data does not necessarily lead to improved policy and service delivery insights if data is not used well. This overarching APS skill shortage has also surfaced during the Data Integration Partnership for Australia (DIPA) project. The DIPA is a cross-APS investment by the Australian Government to maximise the use and value of the Government's data assets. Through data integration and analysis, the DIPA aims to create new insights into important and complex policy questions.

The DIPA has shone a bright light on the gap in the public sector's data analytical capabilities. DIPA agencies are undertaking projects to tight deadlines utilising complex integrated datasets. Many of these datasets have been developed and maintained by the ABS over many years. The gap in data analytical capabilities of the DIPA agencies has become evident in a number of ways. Analysis by the DIPA agencies may take longer than expected, and require ABS support; and the DIPA agencies have sought to engage analytical capabilities from outside the public sector - particularly consultants and academics, where there are also prevailing skill shortages.

Historically, the ABS has played a critical role building and developing data and analytical capability across the APS and beyond. This aligns with the purpose of the ABS *to inform Australia's important decisions by partnering and innovating to deliver relevant, trusted, objective data, statistics and insights.*

My view is that we need to take an APS-wide approach to building a larger cohort of staff with data related skills. Taking an APS-wide professions model approach to data capability would ensure a competency framework, establish career pathways and produce consistently high quality APS staff to undertake data related roles. The ABS could provide overarching professional guidance and direction.

Inherent in this model would be the creation of an APS wide approach to the recruitment of data graduates from a variety of disciplines to target the required skills and build capability; and provide an internal labour market for these skills that more effectively utilise a scarce resource across the APS. I expect that an early rotation of new recruits into and out of the ABS could be an important element to complement tertiary education with practical application of their skills in a data rich environment.

The benefits of the professions model across the APS will take some time to be fully realised and require funding. In the interim, the ABS recognises we are better positioned than most others to contribute to reducing the data capability gap in the short term. A secondment program for existing APS staff who wish to build their data insight and skills, perhaps coupled with a *Data Capability Centre* with a curriculum (that could lead to formal qualifications) would generate a clear focus and benefits. Other options will need to be considered.

Addressing the data capability gap of the public sector will be important to meeting a number of broader objectives of the APS Review. In the absence of effective strategies to build more data expert analytical capability some of your clear and compelling directions for the APS to make more effective use of data will have limited likelihood of success in the medium term.

I would be happy to discuss this topic in more detail with you.

Yours sincerely



David W. Kalisch
14 March 2019