

STATISTICS . . .

"The Quarterly Business Surveys"

It has long been apparent that there is immense room for improvement in Australia in the provision of statistical information, and that our statistical services, which in quality and range lag behind other advanced industrial countries, do not measure up to modern standards and requirements. No criticism of the Commonwealth and State Statistical Offices is implied in this statement. In any case, nothing is to be gained by attempting to apportion blame; Australia is not a "statistically-minded" country and we are not, on the whole, well versed in the proper interpretation and profitable use of statistical data. In a country with a small population, cost is a more serious obstacle than in larger countries possessed of more generous financial resources. Also, in recent years, business has been hampered by lack of clerical staff and the Commonwealth Bureau of Census and Statistics by dearth of trained personnel.*

However, we have now reached a stage when matters of cost and inconvenience are far outweighed by the compelling need for better information, both for purposes of economic and industrial policy at the national level and for day-to-day business planning. The 22 months' enquiry by the Commonwealth Arbitration Court into the 40 hours' claim served not only to reveal the deficiencies and gaps in much of our statistical material, but also

to emphasise the momentous decisions which, if they are to be soundly based, depend upon comprehensive, accurate and up-to-date statistical material.

Moreover, the inadequacy of factual data has, in the past, been responsible for much unsound theorising about the nature and operation of the economic system. The agitator and propagandist thrive best where the truth is most difficult to ascertain. It is all very well to urge, as many people do, the countering of fabrication with fact. But what if the facts are not available? Private enterprise in Australia has suffered severely over the last two decades from the scarcity of information about its more important activities. It stands to gain much in the future from the improvement and broadening of the nation's statistical services. If anyone should doubt this, he should look at the United States. In no country is there such a wealth of statistical material, or is the ascertainment and measurement of economic and industrial fact pursued more vigorously and persistently.

Sample Surveys.

One of the chief problems arises from the lack of up-to-the-minute information. By the time it is published much of the statistical data in Australia is ancient history and of limited practical use for the determination of current policy. Other countries have endeavoured to overcome this difficulty by the use of sample surveys. A complete population census, one of the main purposes of which is to collect information about the size and com-

*We are informed by the Commonwealth Bureau of Census and Statistics that in proportion to population, Canada has considerably larger statistical services than Australia.

position of the labour force, is, by its nature, costly and laborious. Such a census for Australia costs half a million pounds to collect, and from two to three years to tabulate. By the time the results are published they are of little direct significance for current economic policy, apart from providing a base for the calculation of up-to-date employment estimates and other statistics. In Canada and the United States similar information is obtained by a monthly or quarterly canvass of a carefully chosen sample of 1%, or less, of the population. By this method it is possible to provide a reasonably accurate picture of the size and composition of the labour force within a few weeks at a comparatively small cost.

Complete and accurate information about the levels of wages and salaries being paid in industry, or the extent of investment in new buildings and equipment being undertaken by private business concerns, requires an approach to every business undertaking. However, in the United Kingdom the Ministry of Labour, using the method of sampling, makes a half-yearly survey of but a small proportion of total establishments and publishes information about wages and hours within the space of a few months. Similarly, in the United States, various government departments have been collecting for many years information from a sample of business firms, and publishing up-to-date records of average earnings and hours, labour turnover, stock inventories, sales, past and prospective capital expenditure, and a host of other matters of first concern to the business community.

New Departure.

Following these examples, the Commonwealth Statistician instituted in 1947 a entirely new departure in Australia statistics. The Bureau of Statistics is now endeavouring to collect and publish up-to-the-minute information covering only a sample of firms in a series of Quarterly Business Surveys. The sample of employers used in these Surveys comprises a representative cross-section of firms of all sizes and types—mining, manufacturing, trading, transport.

Of some 50,000 employers subject to payroll tax, about 3,000 have been asked to supply the information. Owing to the greater proportion of large firms approached the actual returns cover some 30 to 40 per cent. of total payrolls. The small sample facilitates speedy analysis and enables the Statistician to circulate with each Survey the results of the previous enquiry conducted three months before.

Data so far requested in the Quarterly Business Surveys has embraced past and prospective capital expenditure and repair and maintenance expenditure changes in the value of stocks, average earnings of various categories of workers and the number of employees covered by Commonwealth and State awards.

Capital Expenditure.

Each June and December, information is being sought of approximate capital expenditure for the preceding half-year and of estimated expenditure for the two succeeding half-yearly periods. By September this year, the Statistician had published a series of half-yearly figures

knowing, for major industrial groups, the trend in capital and maintenance expenditure from the beginning of 1947 to mid-1948, together with forecasts up to June, 1949.

This information should prove of considerable value to businesses in assessing which industries are being under or over developed, and to governments in timing their capital expenditure programmes. The data will reveal when private investment shows signs of slackening off, and this will assist governments to expand their public works at the right time so as to avoid the disastrous consequences of unemployment and declining public purchasing power in the community.

Stock Inventories.

The Surveys will also provide data about stocks held by business at various periods. Values at the last annual stock-taking are being requested each September, together with an estimate of holdings to date. Estimated changes since September are indicated in the March survey, thus providing the basis for an interim estimate of stock movements during the financial year.

It is recognised that overall figures of stocks, though of key importance in assessing general economic trends, may be only of limited direct value to businesses. However, it is hoped eventually to estimate stock movements in separate industrial groups for the special convenience of businessmen. This data should fill a large gap in business statistics. The information will point the danger-sign to over-accumulation of stocks, and thus help to avoid the tragic bankruptcies which followed overstocking in the early 1930's.

Labour.

In addition to information on stocks, the Commonwealth Statistician intends that the September and March Surveys should cover some aspect of labour conditions. The Survey for September, 1947, yielded details for each major industrial group of the average wages or salaries paid to eight separate classes of employees—manual and non-manual, each divided into adult and junior males and females. Unfortunately, this information is fairly difficult for employers to extract and will not be repeated, annually, while present staff shortages persist.

In March of this year the Survey asked for details of employees covered, or not covered by awards. Preliminary results already published show the approximate proportions of males and females in various industries and States which are not covered by awards, or which are covered by State and Commonwealth awards respectively. It is later hoped to estimate the numbers of employees coming under some of the more important individual awards. This data has been lacking in the past, and, in view of the far-reaching effects of awards made by industrial tribunals, will be of the utmost value. It will also facilitate a long overdue re-weighting of the index of average weekly wage rates published by the Commonwealth Statistician and thus a more accurate assessment of average wage levels.

Following the practice of the United States, it is intended in due course to extend the scope of these Surveys to such matters as labour turnover and absenteeism in various industries.

The Future of Quarterly Business Surveys.

Much extremely valuable information on the national economy is being obtained from the Quarterly Surveys and it is altogether desirable that this information should continue to be made available. The potentialities of the Surveys are far-reaching, but if they are to be realised the full co-operation of business firms with the Commonwealth Bureau of Census and Statistics is essential. The Surveys are at present voluntary—there is no compulsion on businesses to provide the data on which the Surveys are based. The questionnaires are framed as simply as possible so as to cause the minimum of inconvenience to business organisations. Whilst it is realised that there has been a virtual epidemic of form-filling in recent years, the I.P.A. considers the importance of these Surveys to be such as to far outweigh the time and trouble necessary for their compilation, and that it is in the interests of the business community itself to assist fully in the provision of the necessary information.

The Commonwealth Statistician has informed us that, while the response up to the present is promising, there is a great deal of room for improvement. There are still numbers of firms neglecting to fill in the returns, while others are delaying unduly in submitting the information requested. Absolute accuracy is not necessary; speed is the all-important requirement.

Potentialities of the Surveys.

The scope of these Surveys is flexible and their potentialities, so far as range of information is concerned, virtually unlimited. There is no fixed pattern to the questionnaires, which can be varied from time to time to provide current statistics in any new field where the need is felt and where a sample collection is practicable. The Commonwealth Statistician is eager to hear from businessmen who wish to have statistics in fields where they are not at present available. The Statistician's function is, at all times, to provide the best service possible to the business community. But his success in carrying this out is vitally dependent on the collaboration of businessmen, both in supplying the information requested and in making known their own statistical requirements.

The traditional economic system of the British communities, free private enterprise, is in danger, not from excess, but from paucity of information. The prodigious statistical resources of the United States have been built up only through the closest co-operation and understanding between the business world and public statistical authorities. In this there is a lesson for Australia, and indeed for all countries, where unscrupulous propagandists are able to fool the public because of the inadequacy or misleading nature of official statistics on the nation's economic life.

