

The Relationship of Central Banks and National Statistics Offices: The Australian Experience

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Australia has a centralised system of economic statistics with the ABS producing most macro economic data for Australia. In many countries some macro economic data is produced by the Central Bank. Under Australian legislation, the Australian Statistician has sole responsibility for determining the scope and content of the Bureau's statistical program and methodology. This authority must be exercised responsibly, and given the importance of the RBA as an economic agent, the Statistician gives due weight to the views of the RBA, especially regarding economic statistics, with RBA representatives involved in formal consultative and advisory mechanisms. The RBA sets the overnight cash rate, this influences lending and deposit interest rates across the financial system and in turn has a big effect on the Australian economy. The RBA is a prominent analyst of the Australian economy, and public statements by senior RBA personnel about prospects for the Australian economy, and by implication for economic policy, are widely reported and influential. ABS statistics are a major influence shaping the RBA's economic assessments. The RBA makes use of statistics compiled by international organisations such as the OECD and IMF, as well as data produced by statistical authorities of Australia's major trading partners and private sector data providers. Accuracy and timeliness are statistical characteristics of value to the RBA. The RBA would welcome improvements in timeliness and frequency, in particular an earlier release of quarterly National Accounts and the publication of a monthly CPI, but it recognises that improved timeliness and frequency can come at the cost of a reduction in accuracy. The basis on which the RBA assesses the accuracy of ABS statistics is coherence. There are two dimensions to coherence: firstly, that related statistics tell a consistent economic "story" and secondly that the statistical picture is consistent with observational evidence. Frequency and size of revisions are also of concern, especially where they reflect a lack of coherence. The RBA does not seek to be publicly critical of the ABS, however it can be difficult for the RBA to avoid the appearance of criticism when comparing the signal from different data sources. In support of its policy decisions the RBA publishes its supporting economic analysis, which can reveal or imply data inconsistencies. Both agencies benefit from a relationship characterised by collaboration and respect.

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