



METSERVICE

A world of valuable information

Corporate Office

30 Salamanca Rd. PO Box 722

Wellington, New Zealand

Telephone +64-4-472 9379

Facsimile +64-4-473 5231

www.met.co.nz

1 March 2001

(Original to Cost Recovery team).

MRS H.J. OWENS,
Presiding Commissioner
The Productivity Commission
Level 28
35 Collins Street
MELBOURNE VIC 3000

Dear Mrs Owens,

**Productivity Commission inquiry into cost recovery arrangements by
Commonwealth Government Regulatory Administration and Information
Agencies**

Bureau of Meteorology - Canberra - 27 November 2000

The transcript of this meeting has been brought to my attention, and I feel it is necessary to clarify the data dissemination and commercial value adding aspects of the "New Zealand Model". I have raised the need for this with Dr Zillman, and he has suggested that I write to you about it.

In New Zealand the Ministry of Transport administers the Meteorological Services Act. The Minister is required to provide for meteorological data acquisition, forecasts and warnings. In order to do this the Minister currently has a commercial agreement with a state owned service provider, Meteorological Service of New Zealand Limited (MetService). The agreement specifies a set of core services that are in effect taxpayer funded. The dissemination of the data required to meet international obligations is part of the agreement, and New Zealand data is available to anyone anywhere with no restrictions or data charges. There is no cost recovery for any of the services covered by this agreement.

MetService, and its subsidiary Metra Information Limited, also market services to the private sector. Aviation meteorological services, both domestic and international, are sold directly to airline operators, under a certification provided by New Zealand's Civil Aviation Authority, and in accordance with ICAO Rules. Weather forecast presentations are tailored for newspaper and television clients, again domestic and international.

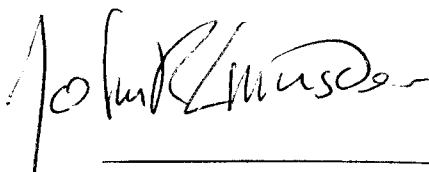
In order to provide value added services to the Australian newspaper industry, the company did not want to use data that it was receiving only as a consequence of being the national weather service provider to the NZ Ministry of Transport, so in 1994 it requested Australian domestic weather information from the Bureau of Meteorology - information that was understood to be available to the community in general. Agreement to this request was not immediately forthcoming, and the matter was eventually resolved with the intervention of the ACCC.

I hope this clarification explains that the "New Zealand Model" enshrines the free and unrestricted availability of data, and basic public interest forecasts and warnings, for any one who seeks them. It also provides for a commercial weather services industry, serving those who require value added services. Any data restrictions or wars referred to by Dr Zillman have emanated from those who do not agree with the dissemination of publicly funded data for commercial value adding purposes, certainly not from NZ.

I would be happy to appear before the Productivity Commission to elaborate on these and any other points pertaining to meteorological services. As you may be aware, Metra Information Limited has raised with your CCNCO the issue of the lack of regulatory processes to permit entry into the Australian aviation weather market, and subsequently CASA and the DoTRS began a review of this situation.

There are two points of view here - meteorology principally carried out as a public service, suppressing any commercial developments "in the public interest", or government funding to support the core services, with a competitively neutral environment in place for additional services. The behaviour and attitudes of the Bureau of Meteorology appear to be more closely aligned with the first, whereas the presence and influence of the ACCC, the CCNCO and indeed "the New Zealand model" are aligned with the second.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John R Lumsden', written over a horizontal line.

John R Lumsden
Chief Executive
Meteorological Service of New Zealand Limited

CC Dr Zillman, Director, Bureau of Meteorology