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Publications enquiries

Media and Publications, phone: (03) 9653 2244 or email: maps@pc.gov.au

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| The Productivity Commission |
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| 31 March 2017 | | | ***Canberra Office***  Level 2, 4 National Circuit  Barton ACT 2600  GPO Box 1428  Canberra City ACT  Telephone 02 6240 3200  ***Melbourne Office***  Telephone 03 9653 2100  www.pc.gov.au |

The Hon Scott Morrison MP

Treasurer

Parliament House

CANBERRA ACT 2600

Dear Treasurer

In accordance with Section 11 of the *Productivity Commission Act 1998*, we have pleasure in submitting to you the Commission’s final report into *Data Availability and Use.*

Yours sincerely

|  |  |
| --- | --- |
| Peter Harris' signature | Melinda Cilento's signature |
| Peter Harris  Chair | Melinda Cilento  Commissioner |

# Terms of reference

I, Scott Morrison, Treasurer, pursuant to Parts 2 and 3 of the *Productivity Commission Act 1998*, hereby request that the Productivity Commission undertake an inquiry into the benefits and costs of options for increasing availability of and improving the use of public and private sector data by individuals and organisations.

### Background

The 2014 Financial System Inquiry (the Murray Inquiry) recommended that the Government task the Commission to review the benefits and costs of increasing the availability and improving the use of data. The 2015 Harper Review of Competition Policy recommended that the Government consider ways to improve individuals' ability to access their own data to inform consumer choices. The Government has agreed to pursue these two recommendations.

The Australian Government seeks to consider policies to increase availability and use of data to boost innovation and competition in Australia and the relative benefits and costs of each option.

Effective use of data is increasingly integral to the efficient functioning of the economy. Improved availability of reliable data, combined with the tools to use it, is creating new economic opportunities. Increasing availability of data can facilitate development of new products and services, enhance consumer and business outcomes, better inform decision making and policy development, and facilitate greater efficiency and innovation in the economy.

As in Australia, international governments are encouraging greater use of data through open data policies. This will increase the transparency and accountability of government processes.

Increased sharing of data across the public and private sectors could facilitate greater leveraging of technology to improve individuals' and entities' interactions with government, improve the integrity of systems and increase administrative efficiency.

In taking advantage of greater use of data, it is important to give appropriate attention to other interests such as privacy, security and intellectual property.

### Scope of the inquiry

The Commission is to conduct a broad ranging investigation into the benefits and costs of options for improving availability and use of data. In developing recommendations, the Commission is to:

1. Examine the benefits and costs of options for increasing availability of public sector data to other public sector agencies (including between the different levels of government), the private sector, research sector, academics and the community. Where there are clear benefits, recommend ways to increase and improve data linking and availability. The Commission should:
   1. identify the characteristics and provide examples of public sector datasets that would provide high-value to the public sector, research sector, academics and the community to assist public sector agencies to identify their most valuable data
   2. examine legislation or other impediments that may unnecessarily restrict the availability and linking of data, including where the costs are substantial, and consider options to reduce or remove those impediments.
2. Examine the benefits and costs of options for increasing availability of private sector data for other private sector firms, the public sector, the research sector, academics and the community. Where there are clear benefits, consider ways to increase and improve availability. The Commission should:
   1. identify the characteristics and provide examples of private sector datasets that would provide high value to the private sector, public sector, the research sector, academics and the community in developing or providing products and services and undertaking research and developing policy
   2. identify the concerns of private sector data owners and provide recommendations on principles or protocols to manage these concerns
   3. examine legislation or other impediments that unnecessarily restrict the availability of data, including where the costs are substantial, and consider options to reduce or remove those impediments
   4. provide an update on existing data sharing initiatives in Australia, including the uptake of the credit reporting framework. Consider recommendations for improving participation in such initiatives.
3. Identify options to improve individuals' access to public and private sector data about themselves and examine the benefits and costs of those options. The Commission should:
   1. examine how individuals can currently access their data, including data about them held by multiple government agencies, and develop recommendations to streamline access
   2. identify datasets, including datasets of aggregated data on consumer outcomes at the product or provider level, that would provide high value to consumers in making informed decisions and any impediments to their use. Develop guidance to assist in identification of other high value datasets
   3. examine the possible role of third party intermediaries to assist consumers in making use of their data.
4. Examine the options for, and benefits and costs of, standardising the collection, sharing and release of public and private sector data.
5. Examine ways to enhance and maintain individuals' and businesses' confidence and trust in the way data are used. Having regard to current legislation and practice, advise on the need for further protocols to facilitate disclosure and use of data about individuals and businesses while protecting privacy and commercial interests and, if recommended, advise on what these should be. The Commission should:
   1. balance the benefits of greater disclosure and use of data with protecting the privacy of the individual and providing sufficient control to individuals as to who has their information and how it can be used
   2. benchmark Australia's data protection laws, privacy principles and protocols against leading jurisdictions
   3. examine whether there is adequate understanding across government about what data can be made openly available given existing legislation
   4. consider the effectiveness and impacts of existing approaches to confidentialisation and data security in facilitating data sharing and linking while protecting privacy
   5. consider the merits of codifying the treatment and classification of business data.

In developing its recommendations, the Commission should take into account the Government's policy to improve the availability and use of public sector data (the *Public Data Policy Statement*) as part of its *National Innovation and Science Agenda* and to improve government performance through the *Efficiency through Contestability Programme*, as well as the findings of the *Public Sector Data Management Project*.

The Commission should consider domestic and international best practice and the measures adopted internationally to encourage sharing and linking of both public and private data.

### Process

The Commission is to undertake an appropriate public consultation process, inviting public submissions and releasing a draft report to the public. A final report should be provided to the Government within 12 months from the date of receipt of the reference.

Scott Morrison

Treasurer

[Received 21 March 2016]

Disclosure of interests

The *Productivity Commission Act 1998* specifies that where Commissioners have or acquire interests, pecuniary or otherwise, that could conflict with the proper performance of their functions during an inquiry they must disclose the interests.

Ms Cilento has advised the Commission that she is a director of Australian Unity (which made a submission to this Inquiry) and of Woodside Petroleum (which is referred to in an included example in the Report). Ms Cilento is also co-chair of the National Australia Bank’s Advisory Council on Corporate Responsibility.

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# Acknowledgments

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# Abbreviations

|  |  |
| --- | --- |
| ABS | Australian Bureau of Statistics |
| ACCC | Australian Competition and Consumer Commission |
| ACMA | Australian Communications and Media Authority |
| AGD | Attorney-General’s Department |
| AGIMO | Australian Government Information Management Office |
| AGLDWG | Australian Government Linked Data Working Group |
| AIHW | Australian Institute of Health and Welfare |
| ALRC | Australian Law Reform Commission |
| ANAO | Australian National Audit Office |
| ANDS | Australian National Data Service |
| API | Application Programming Interface |
| APP | Australian Privacy Principle |
| APRA | Australian Prudential Regulation Authority |
| ARA | Accredited Release Authority |
| ARC | Australian Research Council |
| ARCA | Australian Retail Credit Association |
| ASAC | Australian Statistics Advisory Council |
| ASIC | Australian Securities and Investments Commission |
| ATO | Australian Tax Office |
| AURIN | Australian Urban Research Infrastructure Network |
| AUSTRAC | Australian Transactions Reporting and Analysis Centre |
| BLADE | Business Longitudinal Analytical Data Environment |
| CCR | Comprehensive Credit Reporting |
| COAG | Council of Australian Governments |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |
| DFAT | Department of Foreign Affairs and Trade |
| DHS | Department of Human Services |
| DPMC | Department of Prime Minister and Cabinet |
| DSS | Department of Social Services |
| DTA | Digital Transformation Agency |
| DTO | Digital Transformation Office |
| FOI | Freedom of Information |
| GIF | Graphics Interchange Format |
| GIS | Geographic Information System |
| G-NAF | Geocoded National Address File |
| GPS | Global Positioning System |
| HILDA | Household, Income and Labour Dynamics Australia |
| HREC | Human Research Ethics Committee |
| ICT | Information and Communications Technology |
| IDI | Integrated Data Infrastructure |
| IP | Internet Protocol |
| IT | Information Technology |
| IoT | Internet of Things |
| JSON | JavaScript Object Notation |
| MADIP | Multi‑Agency Data Integration Project |
| MBS | Medicare Benefits Schedule |
| MOG | Machinery of Government |
| MOU | Memorandum of Understanding |
| NAA | National Archives Australia |
| NCRIS | National Collaborative Research Infrastructure Strategy |
| NDC | National Data Custodian |
| NHMRC | National Health and Medical Research Council |
| NID | National Interest Dataset |
| NSS | National Statistical Service |
| NSW DAC | New South Wales Data Analytics Centre |
| OAIC | Office of the Australian Information Commissioner |
| OECD | Organisation for Economic Co-operation and Development |
| PBS | Pharmaceutical Benefits Scheme |
| PC | Productivity Commission |
| PHRN | Population Health Research Network |
| RBA | Reserve Bank of Australia |
| SURE | Secure Unified Research Environment |
| WWWF | World Wide Web Foundation |