# **Cover for: Data Availability and Use, Productivity Commission Draft Report, Overview and Draft Recommendations, October 2016**Data Availability and Use

Productivity Commission Draft Report

Commonwealth of Australia 2016



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| The Productivity Commission |
| The Productivity Commission is the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.  The Commission’s independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.  Further information on the Productivity Commission can be obtained from the Commission’s website ([www.pc.gov.au](http://www.pc.gov.au/)). |
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# Opportunity for further comment

You are invited to examine this draft inquiry report and comment on it by written submission to the Productivity Commission, preferably in electronic format, by **12 December 2016** and/or by attending a public hearing.

The final report will be prepared after further submissions have been received and public hearings have been held and will be forward to the Australian Government by the 21 March 2017.

### Public hearing dates and venues

|  |  |  |
| --- | --- | --- |
| **Location** | **Date** | **Venue** |
| Melbourne | 21 November 2016 | Rattigan Rooms  Level 12, 530 Collins Street |
| Sydney | 28 November 2016 | SMC Conference & Function Centre  66 Goulburn Street |

Commissioners

For the purposes of this inquiry and draft report, in accordance with section 40 of the *Productivity Commission Act 1998* the powers of the Productivity Commission have been exercised by:

|  |  |
| --- | --- |
| Peter Harris | Presiding Commissioner |
| Melinda Cilento | Commissioner |

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).

# 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]

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The full report is available from [www.pc.gov.au](http://www.pc.gov.au)