ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into Improving Access to Victorian Public Sector Information and Data

Canberra — 13 August 2008

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Mr D. Hocking, Chief Executive Officer, and

Mr G. Martin, Victorian chapter, Australian Spatial Information Business Association.

The CHAIR — I welcome Mr Martin and Mr Hocking to the parliamentary committee. This is an all-party parliamentary committee, which is hearing evidence today on the Inquiry into Improving Access to Victorian Public Sector Information and Data. Thank you for coming. Whatever you say here today is protected by parliamentary privilege. Enjoy it. Any comments you make outside the hearing are not afforded such privilege. Could I ask each of you to please state your name and address and whether you are attending in a private capacity or representing an organisation. If you are representing an organisation, could you please state what position you hold within that organisation.

Mr HOCKING — My name is David Hocking. I am the Chief Executive Officer of the Australian Spatial Information Business Association. We are located at 27–29 Napier Close in Canberra, and I am representing the organisation.

Mr MARTIN — My name is Graeme Martin. I work for a company called Spatial Vision, and I am representing the Victorian chapter of ASIBA, the organisation of which David is the national representative.

The CHAIR — Excellent, thank you. Now over to you, and then once you have finished your presentation we will ask questions.

Mr HOCKING — Perhaps I will give a brief statement and give you a bit of a run-down on what we are about. The Australian Spatial Information Business Association — and if you do not mind I will use the acronym because the name is a little long — represents about 450 companies throughout Australia that are engaged in activities ranging from surveying and mapping to remote sensing and everything in between. The vast majority of our businesses are classed as small and medium enterprises.

Since the formation of ASIBA in 2001 the issue of access to public sector information, specifically spatial information — which is what we will confine our comments to today — has been a cause of concern and friction. In fact it may be at the root of much of the suspicion that exists between government agencies and the private sector, which is a sad state of affairs. It is arguably the case that the root cause of the drive for cost recovery for public sector information is based more on the failure of governments to adequately fund information programs than on a desire to profit from the sale of products. Irrespective of the rationale behind cost recovery and other access issues, the facts paint a disturbing picture that is inconsistent with the Victorian Government's investment in this industry. The reality is that public sector data is increasingly a significant component cost for many new and exciting technologies and products.

In terms of the impact of cost recovery on industry the following figures demonstrate that we are not talking about an insignificant matter. A report by the Productivity Commission in 2001 noted that agencies are increasingly turning to cost recovery to fund their activities and products. It also noted that when new agencies are created they generally focus their attention on cost recovery as something they have to do in favour of anything else. The report estimated also that cost recovery revenues in 1999–2000 were $3 billion, and that they had grown by 24 per cent since the 1995–96 period, which is huge. Perhaps more disturbing was the conclusion that cost recovery arrangements generally lack the attributes of good policy, and that most arrangements are ad hoc and lack transparency. It went on to say that transparency is lacking, and the process demonstrates poor accountability and review mechanisms. Interestingly, late last year we funded an economic study of the value of spatial information to the economy, and I am happy to make that report available to the committee if you would like.

The CHAIR — Thank you.

Mr HOCKING — In that report, which is an independent report by ACIL Tasman, many of the issues that were uncovered in the Productivity Commission's report were again uncovered in 2007, which suggests that nobody has done anything about the problem. It is

certainly something that needs to be addressed. A more recent study by ACIL Tasman found that cost recovery mechanisms have the potential to distort the allocation of resources in the economy and ultimately reduce living standards, which I thought was a rather interesting statement. As with the earlier report by the Productivity Commission, ACIL Tasman concluded that these arrangements can often create perverse financial incentives that are incompatible with overarching government objectives including reducing competition and innovation and encouraging regulatory creep and cost padding by agencies. If governments are to realise the full potential of spatial information and technologies, both in terms of public good and business growth, then they must recognise the impact of poor policy on an industry that contributes significantly to Australia's GDP.

Mr DAVIS — Just to be clear, that study just related to spatial information?

Mr HOCKING — Yes. The value of spatial information to GDP was conservatively estimated between $6.5 billion and $12.5 billion per annum. One of the comments made in the report by ACIL Tasman was that it could have been much higher had policy settings been better. We will shortly be putting in a submission to the committee, and as I said I am more than happy to provide the economic study. I have also said to Vaughn that I am sure the gentleman who headed up the ACIL Tasman study would be happy to come to speak to you.

Mr DAVIS — Who was that?

Mr HOCKING — Alan Smart. Unfortunately Alan could not be here today. He has been sick and has been behind in his work. Perhaps I will hand over to Graeme to make some more localised comments.

Mr MARTIN — Thanks, David. To begin, we talk about spatial information, and that is what we represent. Really it is the information or data that represents location: where is something, where is everything? It relates very much to right across the board, from emergency management, the delivery of health services and community services, to agriculture, forestry — everything has a 'where' component. There are statistics that say that if you look at business data or government data, 80 per cent has a location component. The spatial industry is about — —

Mr DAVIS — Eighty per cent?

Mr MARTIN — Eighty per cent, and the spatial industry is about realising or providing the means to actually realise that information in terms of spatial information to make it available to people in some form. This is a spatial industry magazine from Victoria. It shows a picture of a freeway.

Mr DAVIS — I recognise that.

Mr MARTIN — Do you recognise that? If you look at that freeway, if you think about the location there, surveyors have gone out there and marked out that land. All that information the surveyors have collected is spatial information; it is talking about the alignment of the road here and the land status. Engineers came along and designed that road, in terms of how that road was going to be constructed. That is spatial; it is telling you where things are going to be placed and in what order. The actual road itself is part of a state and national road network, and so the capacity of that road, the speed limits on the road and the cameras on that road are all vital spatial information. They are all part of our economy; they are all about something that is used by the community, so spatial information is really a vital part of our economy.

This is a map book that is used by the emergency services across Victoria. This is one of five books that cover the state of Victoria. It is used by the Country Fire Authority, the police, the SES et cetera. It is done in a government-private enterprise partnership.

Mr DAVIS — Which department is auspicing that? The DSE, is it?

Mr MARTIN — The DSE — the DSE, the Country Fire Authority and Spatial Vision, my company. It is about making sure that all emergency services have the same information when they are responding to an incident or planning their response to an incident. Again, it is mapped-based information, and as you would understand it is vital in terms of emergency management.

Mr CRISP — Can I interrupt for a moment and ask: is Victoria in that suite as well?

Mr MARTIN — Yes, all emergency services are using these books. Just wearing the industry hat, in Victoria there are over 220 companies involved in the spatial industry, and it has been estimated from a survey that has recently been completed that we generate $450 million in revenue per year. We are a very healthy industry in comparison to the other states of Victoria.

The CHAIR — The other states of Australia.

Mr MARTIN — Sorry, the other states of Australia. The national estimate was $1.37 billion, so we are well over a third of the national revenue. I would contend that Victoria is also very innovative in the way it is using the spatial information because it has a healthy industry, and that is based on a good relationship with government. There is a Victorian Spatial Council that has a strategic plan for the use of spatial information, on which industry is represented and contributes to. There are strong lines of communication between the government and private enterprise, and there are good examples of partnerships between the government and private enterprise. I think that all bodes well in terms of making information available and accessible to the community, which is also good to the economy.

There are particular issues, though, that relate to spatial data that we would like to make clear. One is that spatial information is something that should be collected once and used many, many times. A critical feature of spatial information is its accuracy and reliability. If you are going to make decisions about emergency management, you all know that that information is accurate and you provide for it. When you talk about making information or data available, the critical thing is that that data can be relied upon as accurate, it is current — or at least its date status is known — and its degree of reliability is known so you can make decisions based on that degree of reliability. When you look at the question of making information available, the first thing is that information should be available but it has to meet these particular criteria, because it is a significant risk if it is made available and it does not meet those criteria.

When you come to the issue of cost versus free the fundamental issue first of all is: does it meet those criteria? If cost is going to have an implication in terms of how well it will be maintained, then I think the first principle is: make sure the data meets the criteria. If it could be made available for free and have an appropriate amount of revenue or investment put into it to make it reliable, that is well and good. But the first thing is that you have to have that level of trust and reliability in the data.

One other point is that in the process of producing these books, as I said, we work closely with government; we work with many government agencies because these books include a broad range of community information — topographic, as in roads and streams and contours, but also information on the location of hospitals, schools, fire stations, ambulance stations et cetera. That data comes from lots of different organisations. We often — —

Mr TEE — Government organisations?

Mr MARTIN — Sorry, government organisations. We often struggle to get that data out of — —

Mr DAVIS — Not-for-profit organisations would probably be involved — no, it is all government?

Mr MARTIN — No, it is all government. We struggle to get that data out of many of those agencies. In some senses, sometimes it is getting information and in other cases it is actually getting reliable information. I can tell you about examples of hospitals in the middle of town lakes; I can tell you about examples of data sets, such as the location of caravan parks, which are important to emergency response — we cannot get hold of them because they are not available.

Mr TEE — They are not collected or you cannot access them?

Mr CRISP — Tourism Victoria would know where they are; they just do not release it to you.

Mr MARTIN — The Department of Human Services licences auditor might suggest — they probably have a database on it.

Mr CRISP — So would local government.

The CHAIR — I am sure there will be a question in relation to that. If there are particularly critical items that you believe need to be provided in order to ensure accuracy for emergency services, you may wish to take this on notice and provide that to the secretariat, because that would be useful information for the committee. A number of us probably would have significant vested interests in ensuring that emergency services have reliable and current information.

Mr CRISP — As a matter of humour, if the hospitals are in the town lakes, they are probably dry at the moment.

The CHAIR — We will now move to questions from each person. Should the role of government and the spatial information industry differ in the gathering, distribution and utilisation of spatial data? Is there ever a time they should differ, or should they always dovetail?

Mr MARTIN — From our point of view, the government has a primary role in the collection of data to serve its own purposes. I guess we would contend that a broad view is taken of that, because that spatial data I think has increasingly been recognised as fundamental infrastructure. It is as basic as roads. It is as basic as powerlines. It is something that is fundamental to making good decisions — by the government, by private industry, by the community. We would contend that the government has an obligation to collect and maintain that data.

From an industry point of view, and the 'less and more' question, we see that the role of industry, in many ways, is to find innovative ways of making that information broadly accessible and available in as many formats as possible. That is where the commercial opportunity lies, if you like. Where we may be aggrieved is where we see government competing with industry in terms of trying to make some kind of commercial gain from something which could be perhaps done by industry and — we will not contend — done better by industry.

The CHAIR — Do you have an example of that?

Mr MARTIN — Yes. For example, this map book came about as a result of DSE putting out a tender for expressions of interest to make topographic mapping data broadly available. In 2002 there were major bushfires up in the high country, and in 2003 there was an inquiry by the Office of Emergency Services Commissioner, Bruce Esplin, and one of the findings was that different emergency services were using different maps to respond. They were roundly criticised for that because those maps were not representing the same thing.

DSE was criticised because it did not have a series of current map products broadly available. It had map products but they ranged very much in terms of their currency. So an expression of interest was put out asking for ideas, suggestions, business cases for new approaches to making

maps available. We responded by putting up a proposal to produce these books, and they were to replace directories produced by the Country Fire Authority. The Country Fire Authority has, in the past, had somewhere between 12, 13 and 14 books covering their regions, which they published on somewhere between a five and eight-year cycle — when they could afford to, they would replace a book — and they were used by their brigades, and that was what the CFA used. The police and other services may have or may not have used them. Our proposal was to replace the Country Fire Authority collection of books with five books to cover the entire state. They would be consistent and updated every two years. We have completed the state edition one and are now publishing edition two. They are being used by all the emergency services.

Part of that model is that the emergency services are paying for those books at a reduced rate and they were also sold to the general public at a higher rate. It is all part of the business model so that we can produce these books on a regular cycle. Everybody has the same map base and they are updated frequently. The mapping in the book is also published in a digital format, and now we have negotiated a licence with DSE that all major government agencies — Country Fire Authority, local government, catch management authorities — all have access to this as a map base to use in their mapping systems, in their GIS. That is an example of where the fundamental data is coming from government and working with private enterprise to make that broadly available. There is significant gain to government and also a gain for private enterprise and the community.

The CHAIR — So the roles between the government and the spatial information industry and how they differ, the gathering is entirely done by the government? Do you get any feedback from the community if there are errors in what you do?

Mr MARTIN — Yes, absolutely. We are the messenger.

The CHAIR — And they do some of the distribution and you do some of the distribution, and utilisation is for one and all?

Mr MARTIN — We certainly encourage and facilitate the feedback from the community, and there certainly is a lot of feedback and that is directed to government. Another feature of this program was that when the Country Fire Authority produced these books in the past it collected information, it was used in the books, but largely that information it collected in the books was lost and it did not go into the State Government spatial database. A key part of this program is that we are using the State Government database, and any feedback goes back into the State Government database so it not only goes into the next edition of these books but is available to everybody. Believe me, publishing something like this, that is broadly used, certainly gets lots of response and feedback, and ultimately it is resulting in a lot of changes and improvements to the State's underpinning databases.

The CHAIR — That is a very good case study and example for us. Thank you. Now we will start with Mr Tee.

Mr TEE — Who owns the rights to that book in the sense that if Melway wants to use it and make a squillion, who do they have to negotiate with?

Mr MARTIN — With Spatial Vision.

Mr TEE — With you?

Mr MARTIN — Yes.

Mr TEE — So the Government has — —

Mr MARTIN — The Government receives a royalty on these books. Every one of these books returns a royalty to government.

Mr TEE — But you own that information, essentially, that is in there? So if Melway wants to use that information to put out its next edition, it has to negotiate with you rather than with Government?

Mr MARTIN — Yes. Certainly; as we would need to do — and have done — with Melway.

Mr TEE — And is that the usual practice? That essentially, as the creator of the document, you then own the copyright to it?

Mr MARTIN — Yes.

Mr TEE — Obviously one of the things we are looking at is the release by government of more information, which is what you are advocating. Yesterday we heard some evidence around the Creative Commons model, whereby government can release that document for general purpose usage, but if that information is going to be used for a commercial purpose, then essentially you need to negotiate that with government. Do you have any comments on that sort of model in terms of how government releases information?

Mr MARTIN — In this example we are dependent upon government for all that data, and we are dependent upon improvements to data. We are working closely to ensure that any improvements or need for improvements is identified and goes back into government. I am not talking about the book in particular, but as a model. That is covered by an agreement, but it is not necessarily covered by a licensed agreement.

Mr TEE — And I am not being critical of that. I think that is an obvious and horses-for-courses model. But I am just thinking in terms of the vast quantities of other information that we have, that there is a view to make that available.

Mr MARTIN — I do have something of an issue with that Creative Commons approach — also known, I think, as crowd sourcing — where you are reliant upon the public to give you feedback, in so far as you get feedback from these kinds of products. My concern comes about if that is seen as a substitute for other good data management and improvement practices. It certainly is a valuable way to get comments back and should be — —

Mr DAVIS — It complements it.

Mr MARTIN — Yes, it complements it. But it should never be seen as a replacement because as people anecdotally will tell you, the best archaeological data is where archaeologists go on holidays, so you will have comprehensive data on places where they go on holidays but that information, if you look at it broadly, does not mean you can infer that that is where the most archaeological heritage sites are. It is only because that is where they have been investigated most significantly. The same applies when you are relying on the public. They will tell you where places of particular interest are, but they do not necessarily cover the state uniformly.

Mr TEE — So if you are putting out information under the Creative Commons model, with that sort of share-alike caveat on it, the information that you get back might not be necessarily the most reliable. Is that really what you are saying?

Mr MARTIN — That is part of it. But also it is not uniform across the state.

Mr DAVIS — The completeness is not there.

Mr MARTIN — That is right. And part of the problem with spatial information is again those key criteria I covered in the beginning: you need to have that completeness and reliability so you can actually treat it all the same or at least know how you can use it and where the boundaries of its effectiveness are.

Mr HOCKING — When Graeme was talking about how difficult it is to get information, a lot of that is because of the silo mentality of agencies. Even if we are talking about the Commonwealth level, within the same agency there have been instances where they would not give each other information.

Mr TEE — They get it off the net.

Mr HOCKING — Yes, and what we are getting then is where is the accurate data? Which is the most accurate data? And who is the custodian? What is their responsibility? If your question is whether or not you sell information to the private sector, then there is that expectation from the private sector that, 'You sold it to me. Now are you going to guarantee it?'. And that is a big question.

Mr TEE — My question is slightly different. My question is: if the information is available for the citizens to use to decide where to send their kids to school, where to live, that is one thing, but if a business wants to use that information that is freely available to make profit, is it something that they then need to come back to government and negotiate around? That is really how the Creative Commons model works, in a sense. I was just going to see if you have got any response to that as a business.

Mr HOCKING — There are a couple of good examples to your point there. There is a website in Canberra called allhomes.com.au. Allhomes uses ACT data that was originally provided free — I do not know whether that still applies. As a result of that, it built a new business that promotes all the houses in the ACT. People go there, they access that information, they can get lots of other information and they do not pay for it, because they are citizens; it is their data, and they get it for free.

Mr DAVIS — Absolutely.

Mr HOCKING — But the profit is made from the advertisers. It was actually before Google started doing that sort of thing. Google now has come along and it has said, 'You've got all this data, and we will make it available'.

Mr DAVIS — In a structured form.

Mr HOCKING — That is right. What people can now do is the general populace can have a look at things and see things, but they do not pay for it because it is really their data. But it is not free. Somebody pays for it through advertising dollars or through some other mechanism.

Mr TEE — And the taxpayer pays for the collection of that data. The question is: should the company that is making the money on the revenue return some of that profit to the taxpayer?

Mr HOCKING — Absolutely, and I think they do. The thing is it is all hidden. It is very much like the cost of looking at Google. It is in those advertising dollars. When you buy a pair of shoes, it is in that pair of shoes, so ultimately you pay. But remember, in this particular microcosm here of allhomes, it is now employing three people. It is paying GST on all the things it buys and all the things it sells. It is paying all its taxes and so on, so it is contributing to that. Arguably there has been a growth in the economy as a result of what it did. Sometimes free data is an investment. I think what Graeme is saying — —

Mr DAVIS — It is returned in other ways.

Mr HOCKING — Yes, exactly. The most important thing, to my mind, is that governments start to recognise that there is a value in spatial information that is incalculable. My son, who works for the tax office, had this argument with the IT people, who said the value, the real cost and the investment must be in IT. And he said, 'No, it must be in the data.' They said,

‘But we don’t sell the data. We keep it, we manage it, we do not let it out.’ He said, ‘And how much money do you spend on that? A lot more than you do on the IT’.

The data actually is the most important thing. Where is Google making its money on Google Earth and Google Maps? They are making it on people looking at that information — information that citizens have paid for and they have a right to look at. But some clever person came along and said, ‘We can present it in a way that is meaningful.’ I think that is what the difference is. Government is responsible for producing data to allow it to do its job to support the community. Private sector’s job is to then say, ‘There is an asset. It is sitting there. If we did not use it, you have still paid for it, but it is not getting any value. If we take that and add value, then isn’t that good?’.

Mr DAVIS — It is a win for everyone.

Mr HOCKING — It is a win for everyone.

Mr CRISP — To lead on from that, is there any role, do you think, for government in the spatial industry, the commercial side of it, other than just to release its data?

Mr HOCKING — The short answer is no. I think that we need to understand that where we see government failing to deliver — and this is my hypothesis here — on its promise to the community it is because the public servants spend more time trying to create business opportunities within government instead of doing their job. One of the really frustrating things — and it was found in our economic study — is that when government competes with the private sector it takes away an opportunity for export. Whether it be exporting to another state, which is pretty important to Victoria — and the figures are showing that is pretty good — they can get more value by doing that.

One of the things about private sector is that to export, to take risks and to go over to China is not cheap. You have to spend a lot of time there and a lot of money. To do that sort of thing, you really have to have a very strong base at home. To do that, the worst thing you can possibly have is government competing with you. Why is the mining industry doing so well? Why is the development sector doing so well? You can point to all of those. There are reasons about demand, but there is also an area government does not get involved in.

Mr DAVIS — Government crowds out other opportunities.

Mr HOCKING — They do. And they crowd out opportunities for us to use our innovation. We have had one magnificent company in WA, which invented a product. It has now been bought out by a foreign company. It now owns that intellectual property. It is making profit out of that and selling it back to us.

Mr TEE — But what you are saying is not going to turn that around. What you are saying is that government should probably hang on to more of it so that it is not bought out overseas.

The CHAIR — I took that as a counterargument.

Mr HOCKING — No, the counterargument is that if government had supported that company by buying its products and by using its products, it would have been able to build a capacity within Australia.

Mr TEE — Or it would have been more attractive for an overseas takeover.

Mr HOCKING — Yes, I suppose you could always go on and on.

The CHAIR — You cannot deny Australian companies the opportunity to sell their products if an overseas company offers them a good price.

Mr HOCKING — We should be encouraging Australian companies to grow. BHP has grown by absorbing other companies. Why cannot we do that in other countries? We are always on the receiving end rather than on the giving end. Our industry is unique in that traditionally government has been very heavily involved. When we found Australia it was government surveyors who went out and did all the work. When there was involvement in remote sensing, it was very expensive. It was mainly government stuff, so government got involved in that. That is all changing now. We are moving into a completely new era where we need government to be initially partnering with the private sector to build these skills and capacities.

It could be that Spatial Vision will start selling this IP overseas and start developing products overseas, because it has been very clever here. That is what governments should be helping to do — not competing against them, which is just insane.

Mr MARTIN — Excuse me — I am being a nitpicker here — but in terms of industry, government plays a vital part in the spatial industry. We are talking about commercial industry, but I think we should just note that government is a key player in the spatial industry. Just on your question there, I think we should note that.

Mr DAVIS — Just picking up on that before I move to my question, it is a key player in several ways: as a purchaser of information, as a gatherer of information and also as an incidental gatherer. In your example of caravan parks registered by DHS under a statute, the information is in effect gathered circuitously and then is of significance to the spatial information. It is also a regulator in the sense of surveyors, the maintenance of the survey control network and things like that and the maintenance of the cadastral system. Is that fair to — —

Mr MARTIN — Absolutely, but I think the last point is it is also a facilitator of innovation in a significant way. Twenty years ago I was in the spatial industry and I was in government and that was basically where the spatial technology was only used. Government is still a major user of it in terms of systems to deliver services to the community. Some of those things they do themselves and some they contract out to companies like ourselves.

Each one of those iterations of those systems or means to deliver information often represents innovation. Government, in terms of putting out a request to produce something to better serve the community, has companies responding to it to produce something or to develop something, so for the first time people can see some piece of information they have not been able to see before. That is part of the development of the industry, because it will represent a new step in innovation. From that, often companies like us will take that development to then be able to offer a better innovation to the next government agency that comes along or the next client that comes along. Each one of those agencies will then set a benchmark for the next agency.

Mr DAVIS — Just to return to my question after having got that addition to the list of things there in the sense of what government does, am I correct in thinking that it would be fair to say that both of you think that if government were to make more information available at low or no cost, that that would be more of the information that it holds and that would be of benefit to the community, would be of benefit to your industry and would be a broader benefit, if you like, as an incubator for businesses and so forth?

Mr MARTIN — Agreed, and it would also be of benefit to government, because in exercises like this you realise too often that you have different government agencies collecting and maintaining the same information for their own purposes, so you will have a duplication of effort between agencies. If information is authoritatively collected by one agency and is accessible and made known to other agencies, there will be a value to the other agencies as well across government.

Mr DAVIS — So then we look at some of the information we have heard in the last few days and look at some models for that. In Queensland we heard about the existence of what you

might call metadata, which is the existence of data or linkages that show that certain data is held. Would the existence of metadata like that be of assistance in the first instance?

Mr MARTIN — It is a primary thing of spatial information. You must have metadata, yes.

Mr DAVIS — Because we do not necessarily know what is actually held by government departments at the moment.

Mr HOCKING — That is right.

Mr DAVIS — If the metadata were available, you then could request data and government might, with appropriate mechanisms for the control of privacy and so forth, release data?

Mr MARTIN — Yes, it is that first point of discoverability — of how do you know something is there.

Mr HOCKING — One of the arguments that has been around since probably before 2001 but certainly since 2001, which was when the action agenda on the industry was conducted, is that we need an Australian spatial data infrastructure that includes that metadata that you were talking about so that we can discover what everybody has got and we can know what quality it is, what age it is and all of those sorts of issues. That still does not exist. What we have lacked, I guess, up to this point is somebody at the Commonwealth level to say, 'Let's just do it!'.

Mr DAVIS — Or even just at a state level, where a huge amount of spatial data is held. The states are the primary land managers, in a sense, so a lot of that spatial data is held there.

Mr HOCKING — It is.

Mr DAVIS — In Victoria — we are Victorian MPs, and we cannot control what happens in other states — if that metadata were available, that would be of advantage to the industry and the community and would perhaps, I think I am right in saying you would agree, give the industry a very firm foundation.

Mr HOCKING — It would.

The CHAIR — Given your success, Mr Martin, in *Vicmap Book* series, have you been able to take this concept interstate and build your business based upon what success you have had in Victoria?

Mr MARTIN — We are in the process of negotiating with a couple of other states in terms of this model, but most of the other states are still in the camp where they do this themselves. In Western Australia and South Australia they have been producing something like this themselves, and they had the same issues that the Country Fire Authority had in that they struggled to be able to produce them on a regular basis. Some other states have not got to this point, and we have the example where we are competing with government agencies because government agencies are producing map product and, although they like this concept, they see that as cutting into their business.

The CHAIR — Okay. Can we just keep going on this, because your argument is 'Release the information, and it allows private enterprise to build its business'.

Mr DAVIS — Perhaps to build an industry as well.

The CHAIR — And build an industry. Victoria has released this information, albeit because of a horrendous bushfire and an inquiry, but it has been done. The evidence is clear from what you have presented to us that it is a substantial product. My understanding is that it is an

extremely good product, having had a recent example of the usage of it on a particular country road. You have what I think is a very good product. Do we have to have bushfires the like of Victoria's to get other states to realise the value of it? I am struggling with people in the private industry saying, 'Release everything. This is going to enable us to build product', but unless you have got a market for the product, it is falling on deaf ears.

Mr MARTIN — That is why I want to go back to some of my earlier statements that the spatial industry is very strong in Victoria, much stronger than in any of the other states, and that is because there is a good relationship and there is this kind of opportunity. I could name other states, big ones in particular, where the spatial industry is stifled and innovation in the state is stifled because government hangs tightly on to data and does not make it available.

The CHAIR — If we were making recommendations, and we can only make recommendations to the Victorian Government, we could make recommendations to build Victorian industry.

Mr MARTIN — Yes.

The CHAIR — What would your recommendation be that we should write in our final report in relation to the Victorian Government helping the Victorian spatial industry expand? You might like to think about this.

Mr MARTIN — It would be very much about working in partnership with private industry to find opportunities, to make opportunities and to share information. As I say, I will harp on it, but I think that model is one that is quite unique for Victoria and the other jurisdictions could learn from that.

The CHAIR — And who would you suggest is the person or what level of the public service should go to the interstate people and shout the equivalent of your praise?

Mr HOCKING — It needs to go through COAG.

The CHAIR — COAG?

Mr HOCKING — COAG has got to be the driver for change across the country. You can have Victoria leading the way, having the best systems in the world, and you will not necessarily be able to export that knowledge and skill base if the other states are all — —

Mr DAVIS — Locked up.

Mr HOCKING — Yes, they are done. One state, which we will not mention, which has a lot more people than Victoria, is the only state that I am aware of which, when studies were done on water data, found that it had overallocated in a number of catchments by 160 per cent. We know that that water was not used, but now it is buying that back and telling the people that it is returning water to the Murray. This is not happening.

The CHAIR — Is not happening?

Mr HOCKING — It is not. It cannot happen. It overallocated by 160 per cent; it is buying back fresh air.

Mr DAVIS — Buying back overallocations.

Mr HOCKING — It is buying back from states. That is the sort of thing that happens, and you wonder why that has not been fixed. It still has not been fixed. It is very difficult for Graeme to say, 'If you do this one thing, we will be able to export our knowledge across the country'; we still need the rest of the country to catch up to Victoria, but I am not saying you should drop back, and that is an important thing.

The CHAIR — We want, in our report, to come up with innovative ways to build Victorian businesses. If you want to come down with one, two, three, four, five or more recommendations that you think would help the Victorian spatial industry grow as a result of our report, we would be happy to consider them. I am not saying that we will adopt all your recommendations.

Mr HOCKING — We will certainly do that as part of our submission. I would not want to embarrass ourselves by coming up with one when there might be six, but in our economic study you will see a series of recommendations relating to the whole of Australia. You can easily pull those into making Victoria a better business environment too.

Mr DAVIS — Talk to the whole of Australia.

The CHAIR — Just let me finish this, if you do not mind. Mr Hocking, you are the CEO of the Australian Spatial Industry Business Association. What I am perhaps giving as an extra carrot to Mr Martin is if you and your Victorian colleagues want to do particular value adding of a Victorian nature, we will be keen to receive that.

Mr DAVIS — Can I also ask, and this might be picking up your point about national issues, are there recommendations about what the Commonwealth Government could do as well?

Mr HOCKING — Most of the recommendations relate to COAG, and this is why I mentioned COAG, because the Victorian Government has actually been a leader — I do not know whether you are aware of this — within one of the COAG committees on IT where Spatial has come forward, and the propositions that were put forward were put forward by the Victorian Government. Victoria has been shown to lead the way in COAG and have influence, so I think that needs to continue, and certainly whatever Graeme can come up with and Victorian members can come up with will only be positive.

The CHAIR — Thanks. Now Mr Tee has some more questions.

Mr TEE — Clearly one of your key recommendations would be in terms of the release of as much data as possible in the sense that if you look at the information on caravan park locations, it is not obvious that that is going to be of value, so it should not be governments — I do not want to pre-empt anything — that are pre-empting what would be advantageous. It is more about putting it out there, and business may well pick it up or may not pick it up, but unless you put it out there you are never really going to know because you will not second-guess. Really governments of all persuasions are now in the market of putting out material, and that is, I suspect, the trend, and I want to come back to the issue that we started off at, and that is that the information is out there, and if business is going to use it, should the taxpayer be reimbursed some of that cost by way of creaming up some of the profits that you are going to make? Essentially what you said earlier was, 'No, government gets its return by way of GST', and you used your example of the housing, where the community ultimately benefits. I suppose the question I want to ask is: can you envisage any circumstances whereby government ought to say, 'If you are going to use that information that we make freely available, then you ought to return some of that profit that you are going to make'? For example, if there is a patent around — and I am thinking about Montesano — in a medical type example where a government releases information and an overseas company is going to make squillions of dollars, is that perhaps a circumstance where you say the information is freely available, but if business is going to make a fortune out of it, there are circumstances where the ownership of that information by a government means that there ought to be some negotiation and some profit sharing really around the use of that information by a private industry to make a squillion dollars?

Mr HOCKING — I think trying to pick one would be very difficult.

Mr TEE — Yes. Can you hypothetically envisage such a situation?

Mr HOCKING — To be honest — —

Mr DAVIS — Somebody making a profit.

The CHAIR — Let us be kind to Hansard.

Mr MARTIN — David and I have in some sense a differing view. I am not quite sure where you draw the line, but in some senses putting in place an agreement with government to return a royalty — like, for example, with a book — I do not see as being a huge constraint. Probably where I would draw the line is when there is some basic core data that probably should be made available, I think, for free and for all sorts of reasons. If there is other information where you could draw a line, and maybe it is an evolutionary thing where government can force some kind of return to make sure it can maintain that data — —

Mr DAVIS — What about incidental data that they have just collected through some other process? Do you think they should then be screwing back a return from that and closing down an industry that way?

Mr HOCKING — There is a legitimate time that they can and should charge for data, and again it is a fine line, but where government has added value, for example — let's take the ABS, which provides raw data — if it makes a product out of that to make it easier to go out to the market, not to make a profit, then I think somebody should pay for that, because it is not just the collection of the raw data that would normally be available. It would have a value adding that perhaps the private sector would not want to do or it would not be cost effective. You cannot just say everything should be free, and I think that we are probably in agreement on that; it is just that it is very difficult to define an exact circumstance when we should, but here is the risk. The Commonwealth has fortunately wiped out the charging part, but if the states continue to raise the prices — and we saw that in the study, where $3 billion went up 24 per cent — what is the risk? The risk is this: Google, Microsoft and Nokia own more data than Victoria or the rest of Australia could ever own — they own it, particularly Nokia, which bought out Navteq — and these people can do it, and they will become ultimately the sole source of accurate data, while governments all play around at this level.

Mr DAVIS — The government will always — —

The CHAIR — Let the witness finish.

Mr HOCKING — It is not necessarily the case, because a company of that size can ultimately collect whatever data it wants. Yes, they will sell it, but they will not sell it up-front to the consumer. They will sell it through marketing and various other mechanisms that they have. Governments do not have that flexibility. Do you want a situation where you inadvertently create a monopoly? I have spoken to both of those organisations, and I have said to them, 'What is the most irritating thing to you?', and they said two things: cost of government data and the lack of accuracy, because they get all the blame. I sat in a room where they got the blame, and the guy said, 'It wasn't me. I got it from the government'. Originally Google had just said, 'Wouldn't this be cool to put this out on the web?'. All of a sudden people are saying, 'Gee, this is really important'. The Queensland Government complained the other day that Google had not updated their satellite imagery to show the new infrastructure they had put in place, and it said, 'This is embarrassing, because the public will think we are not doing anything'. So there is a very big incentive for them to move into this market. I am not sure whether you are aware what Nokia paid for Navteq, which is the biggest data company in the world — $9 billion US.

Mr TEE — But the criticism then by Nokia is that they want the taxpayer to pay for the data that is provided, and then they criticise the taxpayer because the data that is provided is inaccurate.

Mr MARTIN — But they are paying a licence for that data.

Mr TEE — Okay. But I suppose that comes back to my point: let's have the agreement and then — —

Mr HOCKING — It is a matter of finding that fine line. I do not think we have ever suggested that it should be free.

Mr TEE — And it is horses for courses.

Mr HOCKING — I do not think we have ever suggested the term that it should be free because we will pay for our taxes. If you have to recover the data, we will pay, but I think what we need to do is concentrate — and I think Graeme said this earlier — on those fundamentals. We have got to have accurate data. If government is not collecting accurate data, that frightens me as a citizen because they are making decisions on that, and those are the issues that the focus should be on. Let's not talk about whether we charge or not charge. Let's focus on getting it right, and then the value of that data will increase.

The CHAIR — This is the last sentence.

Mr MARTIN — The rub there is that you pay a lot of money for data at the moment, and you are paying for data that is inadequate and that is not reliable.

The CHAIR — Except for yours, I am sure.

Mr MARTIN — No, that is your data — this is government data.

The CHAIR — Thank you much to Mr Hocking and Mr Martin. You will receive copies of the transcript from Hansard within about a fortnight. You are free to correct typographical errors but not the substance.

Mr DAVIS — We look forward to the submission.

Mr HOCKING — Thank you very much. We enjoyed it.

Witnesses withdrew.