

1 August 2018

Department of Prime Minister and Cabinet
1 National Circuit
Barton ACT 2600

By email: datalegislation@pmc.gov.au

Dear Sir/Madam

New Australian Government Data Sharing and Release Legislation – Issues Paper

The Insurance Council of Australia¹ (the Insurance Council) appreciates the opportunity to comment on the proposed Australian Government data sharing and release legislation (the proposed legislation). As a major user of government-held data, the general insurance industry is supportive of a more streamlined approach to its access.

The industry relies heavily on access to a broad range of data to identify, measure and price risk in providing insurance coverage to individual consumers and businesses. Some of this data is obtained and held by a range of government entities. Foundational data, such as asset location, population and topography, and hazard-specific data, such as bushfire and flood mapping, are critical data that the industry relies on to ensure it assesses risk accurately. In addition to these datasets, the Insurance Council's submission² to the Productivity Commission's review into data access and use also identified data on building standards and mental health as areas where improved access would be beneficial.

Increased accessibility to this data would improve understanding, not just by insurers but also households, of significant risks faced by the community. Access to data could also drive innovation and help the industry to design products targeted at meeting individual consumer needs.

Our submission comments on the proposed legislative framework and provides examples of where a more streamlined approach to accessing government-held data could help address data gaps in the general insurance industry.

¹ The Insurance Council of Australia is the representative body of the general insurance industry in Australia. Our members represent approximately 95 percent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system. December 2017 Australian Prudential Regulation Authority statistics show that the private sector insurance industry generates gross written premium of \$44.9 billion per annum and has total assets of \$118.6 billion. The industry employs approximately 60,000 people and on average pays out about \$132 million in claims each working day.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).

² Insurance Council of Australia (July 2016), Submission in response to the Productivity Commission Inquiry into Data Availability and Use, http://www.insurancecouncil.com.au/assets/submission/2016/2016_07_29_Submission_PC_Data%20Access%20and%20Use.pdf.

The proposed legislative framework

The Insurance Council is supportive of a national legislative framework, as proposed, which would streamline access to government-held data. We note that the Productivity Commission had proposed a new Data Sharing and Release Act to govern the collection, storage and use of data in the public and private sectors, which is broader than the focus on access to government-held data in the Issues Paper. We concur with the Productivity Commission on the importance of a legislative framework to govern not just access arrangements, but also the collection and storage of data.

The Insurance Council also notes the importance of work to establish National Interest Datasets (NIDs), as recommended by the Productivity Commission, to prioritise the release of critical data, which from our perspective should include the foundational and natural hazard data identified in our submission. While not the focus of the Issues Paper, we assume that the legislative framework will also need to establish how NIDs will be identified and established.

The Issues Paper notes that the objective of the proposed legislation is to streamline the way public data is shared within government and with trusted users. The Productivity Commission found that existing data sharing arrangements across government are complex and hinder the use of data. Certainly, the general insurance industry's experience would support this observation.

For example, most of the data for flood, fire, cyclone and earthquake hazards is currently collected and held by the various levels of government (federal, state and local). Local and state governments, and government-funded research agencies are particularly important sources of foundational and hazard data. Key sources of public sector data include the Bureau of Meteorology (BoM), Geosciences Australia, CSIRO and state and local governments for bushfire and flood mapping. While several states are now publishing hazard-related data in portals that can be accessed by the public, there is little consistency in what data is available, how it is developed, licensing conditions and how it is made available.

While the Insurance Council supports a nationally consistent legislative framework, we are concerned that the proposed legislation would not substantially increase access to data by industry or the community. The Issues Paper suggests that the legislation will enable data sharing for specific purposes only, including:

- To inform government policy making;
- To support the efficient delivery of government services or government operations;
- To assist in the implementation and assessment of government policy; and
- For research and development with clear and direct public benefits.

However, if the aim as stated in the Issues Paper is to increase social and economic outcomes for Australians, then the proposed purpose test appears to be too narrow. Certainly, there would be limited opportunities for industry to be able to access government-held data under this test.

The Insurance Council suggests a more principles-based criteria for accessing government-held data. The criteria suggested by the Productivity Commission for assessing options to improve data availability and use may be instructive in this regard. Specifically, the Productivity Commission suggested that opening access to data must:

- i) deliver net benefits to the community;

- ii) increase the availability of data;
- iii) increase the usefulness of data;
- iv) engender community trust and confidence in how data is used;
- v) enable individuals to understand, access, use and benefit from their data;
- vi) preserve commercial incentives to collect, maintain and add value to data;
- vii) promote transparency and accountability of governments’;
- viii) address potential risks to privacy; and
- ix) establish adaptability in policy settings/processes to account for different data types, different data users and changes that innovation will bring.

The Issues Paper suggests that it will be at the discretion of the data custodian as to whether data should be released. To encourage increased accessibility to data, we suggest the legislation should specify that access requests should not be unreasonably denied where the purpose test and five safes criteria have been met.

Examples of data gaps

While the general insurance industry already has access to a wide range of data collected by a range of government entities, there are some gaps in access to data that the legislative framework should seek to address. We provide these examples to aid the Department in developing legislation to increase accessibility of data in a meaningful way.

National high-resolution elevation/terrain data

This data is currently collected by the states and aggregated into a national dataset at a lower resolution by Geoscience Australia through the National Elevation Data Framework. The states share high-resolution versions of this data through their various open data portals, and the data is largely accessible in areas where the states have collected data (mostly areas with high population density). The remaining data gap is coverage in low-density areas. The fragmentation in the way data is collected and published hinders the identification of accountable parties for addressing gaps in the data.

Historical weather data

Most basic historical weather data is readily available with nominal fees to cover the cost of data supply. The gaps are historical radar, geostationary satellite imagery and historical flood/tide data. In some cases, these datasets are available but expensive (e.g. radar). The historical flood height and tide gauge data is held by the BoM but actually owned by many other agencies (e.g. local water authorities, councils, state governments etc.) which makes it difficult and expensive to access. Other historical weather data from BoM (e.g. a recent reanalysis dataset funded by the various fire agencies) may be available through negotiation, but the existence of such datasets is not publicly advertised.

Building attribute data

There are two products that should be targeted for public release:

- **GeoScape**, released by PSMA Australia for a fee, gives an accurate location for buildings, roof area, roof complexity, and estimated floor height. Accurate building location is very important for understanding flood and storm surge risk, as most address databases assume that the building is in the middle of the land parcel; this is often not true on large or rural land parcels, and can result in over-estimated flood risk. Other

attributes in GeoScape could be useful for calculating accurate sum insured for buildings, or for identifying the presence/location of outbuildings on rural properties.

- **NEXIS** is a freely available dataset compiled by Geoscience Australia which estimates the value of buildings and contents and provides information about property attributes such as age and construction type. This is currently only available on an aggregated basis. Any available per-building dataset would be very useful in quantifying natural hazard risk.

Building standards and zoning

In recent years, the insurance industry has worked to provide greater guidance to consumers purchasing home building insurance on the potential cost of rebuild in the event of a total loss (for example, a home is completely destroyed by a bushfire). Having an accurate estimate of the potential costs of rebuild is essential to determining a policy's sum insured, which is the total amount that will be paid out by an insurer in the event of total loss. However, the accuracy of insurer rebuilding estimates is inhibited by a lack of information about the rebuilding standards applicable in each specific location. This information should be consolidated and made publicly available.

Flood data

Flood data is largely collated by the states, particularly new flood studies. Geoscience Australia prepared a national flood data portal, but it does not appear to be widely used. An issue arises where existing flood studies are old and unlikely to be updated any time soon. These are typically owned by local governments with little incentive to expend resources to digitise old reports and mapping and making these publicly available. Local governments that restrict use of their data also presents another barrier to the accessibility of data; for example, local governments may only release a small subset of data (e.g. 1-in-100-year flood extents) whereas insurers and the general community would benefit from knowledge of the full range of flood behaviour (e.g. frequent events like 1-in-20 up to really extreme events like the Probable Maximum Flood). The proposed legislation should provide an avenue for the industry to access this data; although from our perspective, there are broader community wide benefits to making this data publicly available and should be a designated NID.

If you have any questions or comments in relation to our submission, please contact John Anning, the Insurance Council's General Manager Policy, Regulation Directorate, on (02) 9253 5121 or janning@insurancecouncil.com.au.

Yours sincerely



Robert Whelan
Executive Director & CEO