

The new black gold: the \$48B open data bonanza

The government's 'silo mentality' has created internal red tape around data exchange, which is preventing the open data movement from taking flight

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Kudos to the government for its open data movement. Government inhales massive amounts of data from every sector of the economy, and the dynamics of this data ingestion are about to significantly expand with the [data retention legislation](#).

In the digital age, data is the new black gold – with the potential to drive an additional \$48 billion in economic innovation, according to the recent [PWC Report on Data Driven Innovation](#).

And with government contributing one third of economic activity, the report rightly says that the public sector's use of data and provision of open data has ramifications for the rest of the economy. Indeed it does.

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Government is structured around ingesting data – tens of thousands of forms, transactional data and retention regimes; various government identifiers – tax file numbers, ABNs, Medicare and passport numbers, client identifiers, and various geospatial and state-based identifiers.

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This ingestion machine is by no measure efficient; just ask businesses who spend 90 per cent of their intersection with government providing data and doing manual data entry into forms. Government is structured in silos to ingest data.

Over the past 15 years or so, much effort and many hundreds of millions of dollars has been spent on cross agency data exchange mechanisms to cut across these silos.

This is always complicated by any machinery of government change. And while data ingestion by silo has been a natural, albeit inefficient function of government, data exchange across the public sector has not been so much of a natural function. It has also required considerable breakthrough thinking and investments.

However, there have been some standout success stories such as an Australian government initiative to work with commercial software developers to provide standard business reporting in business software. This initiative helps decrease the time organisations spend on collating records, and reporting to government.

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But the bureaucratic silo mentality and focus has built internal red tape around data exchange and a bureaucracy that feeds on itself with cost recovery arrangements and processes between agencies.

But who pays? This is the key question and it's a symptom of the unnatural act of data exchanges between government silos.

And then we come to the most unnatural act of government when viewed from the pre-digital era – open data.

Except for a few agencies such as Australian Bureau of Statistics and Geoscience Australia, government has not been structured and nor have investments been made to support the natural release of data.

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Rather than reform internal and cross-agency processes, government "pay walls" (internal within government and externally to the public who have already paid via direct costs and through taxes) have spread in bizarre attempts to supplement an agency's budget.

And all these internal and external pay walls are examples of a self-feeding bureaucracy not linked to outcomes.

Notwithstanding the good intentions, policy, and phenomenal efforts of the open data movement, there is administrative friction and cultural resistance to releasing open data sets.

There's the high cost and dubious quality of data. People need to decide which data sets are more valuable so they can be used by the agency to prioritise the efforts.

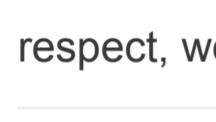
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In addition, not all data sets are held electronically, staff are overworked and too focused on 'business as usual' activities, and there are potential liability issues to consider.

So there's apparent insurmountable administrative friction – a trade barrier of sorts – to unlocking the \$48 billion digital black gold.

The friction to the open data effort is a symptom of the digital disruption of government. Public sector structures, processes and funding were never geared – except in a few areas – to the release (as well as the ingestion) of data.

Government open data sets are valuable – but there is a related concept which could effectively break through this impasse and in that respect, would be even more valuable.

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Government agencies should be required to release their data taxonomies and definitions.

I have spoken about architecture and data taxonomies across government for many years. This could be done very readily and would do a number of things.

Across government these taxonomies would reveal significant duplication; and vastly different standards.

Taken together, the taxonomies would stimulate thinking and innovation about the machinery of government and new ways of doing things. They would bring transparency to the structure of government, and the unnecessary administrative costs and economic impact driven by duplication.

Importantly, the taxonomies would reveal the categories of data sets held - potentially bringing new insight to the initiatives being driven by researchers, policy analysts, and entrepreneurs.

For many years, I have advocated publishing whole-of-government architecture and data taxonomies – the town plan if you like – as a blueprint for planning.

Together with the taxonomies, agencies should be required to publish a release schedule of its data sets - to which interested stakeholders could subscribe - bringing certainty as well as transparency.

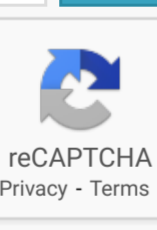
It's time for the paywalls to come down, it's time to publish; \$48 billion is on the table.

Marie Johnson is the managing director and chief digital officer at the Centre for Digital Business. She has extensive public and private sector experience in Australia and internally in technology and innovation, and has led the strategy and implementation of reform programs across government.

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