



21st October 2022

Response to Productivity Inquiry

To whom it may concern

We are writing on behalf of the ANU Centre for Social Research and Methods (CSRM) in response to the second interim report of the Productivity Commission's (PC's) Productivity Inquiry (Australia's data and digital dividend).

As Associate Director (Biddle) and Director (Gray) of CSRM, we agree with the reports main conclusion that data is increasingly available at scale and that many of the fastest growing companies in Australia are built on data and data analytics. Making more, better, and better documented data available definitely has the potential to enhance the growth of these companies and facilitate the development of new companies, both of which will have employment and income benefits for Australia.

Although it was less of a focus of the PC's second interim report, it is also clear that governments are increasingly using data for service delivery and to a lesser extent policy development and evaluation. Making better use of data within government and in partnership with researchers also has the potential for productivity improvements.

In April 2022 the Australian Parliament passed the Data Availability and Transparency Act 2022 which is designed to help facilitate Australian Commonwealth bodies sharing data. Initially this sharing will take place within government, and also between government and universities. This is an important first step as regulating and managing the increasing availability and use of data by the public, community and private sectors requires new approaches and laws. A key aspect of our submission though is that while the legislation and associated regulation is important, so are the levels of community data trust and attitudes to data privacy. This is touched on in the PC's second interim report, but in our view could benefit from a much greater and more systematic focus.

The paper written by the ANU CSRM that supports this submission reports data on Australian's attitudes to data trust and data privacy and how these have changed since October 2018 using data from the ANUpoll series of surveys collected in October 2018, October 2019, May 2020, August 2021 and August 2022. This provides information on how attitudes have changed during the COVID-19 period and during a period of rapid digitisation and increasing availability and use of data.

The data shows that trust in key institutions with regards to data privacy increased during the early stages of COVID-19 period, and has stayed high through to mid-2022. Australians also for the most part think governments should be sharing data with researchers (particularly in universities) and making use of data internally.

However, a second key finding from the report is that support for such uses of data is slipping. As outlined in the report, there has been a drop by half in the per cent of Australians who think governments definitely should provide 'data to researchers to research ways to improve outcomes for individuals and communities' between October 2018 and August 2022 (from 28.0 to 14.1 per cent) and an almost as large a decline in the per cent of Australians who thought that governments themselves should use data 'within government to evaluate the effectiveness of government programs' from (41.6 per cent to 25.5 per cent). Australians are less comfortable in their data being shared and used than they were four short years ago.

One of the reasons for this reluctance to use data is that a low percentage of Australians and fewer Australians than in 2018 agreed that governments 'could respond quickly and effectively to a data breach' – down from 34.0 per cent in October 2019 to 30.3 per cent in August 2022, with a halving of those who strongly agree – from 10.0 to 5.5 per cent.

Part of the response to these trends is to make sure that when data is used, it is done so in a way that maximises benefits to society. Collectively, the Australian research and policy community also needs to better understand who is reluctant for their data to be used, why they are reluctant, and what the possible responses and safeguards might be to make better use of such resources whilst still maintaining a social licence.

The full report is available on the CSRM website and as an attachment to this submission. The data collected in the survey is also available for download from the Australian Data Archive. If the PC or other interested parties wish to discuss the implications further and/or discussion initial data collection/analysis, then please contact email

Sincerely

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