



Submission to the Productivity Commission

Data Availability and Use

29 July 2016



1 Summary

- 1.1 CoreLogic welcomes the opportunity to make a submission on the Productivity Commission's Issues Paper: "Data Availability and Use" (April 2016) (the **Issues Paper**).
- 1.2 CoreLogic Australia is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest property data and analytics company in the world. The local operations of CoreLogic provide property information, analytics and services across Australia, New Zealand and Asia. The business assembles a wealth of data across all aspects of the property lifecycle; planning, construction and transactions. With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 3.4 billion decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information.
- 1.3 With over 20,000 customers and 150,000 end users, CoreLogic is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, building services, insurance, developers, wealth management and government. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and geospatial services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic employs over 650 people across Australia and in New Zealand.
- 1.4 As at June 2016, the Australian residential property market is worth an estimated \$6.6 trillion. With approximately 52% of Australians' wealth invested in the residential property asset class and residential mortgages comprising approximately 60% of total assets of authorised deposit-taking institutions, the Australian residential property market is of critical structural importance to the Australian economy.
- 1.5 A pre-requisite to an informed and transparent market is complete, timely and updated information about the asset being purchased, sold or marked to market. Without accurate, timely and complete information market participants (including consumers) are unable to make fully informed and confident decisions, which reduces transparency and ultimately increases risk and undermines confidence and participation in the market. To facilitate this transparency and confidence it is important that all parties involved in a transaction have access to all available information and the information is available consistently across Australia.
- 1.6 CoreLogic sees merit in the Australian residential property market being more transparent, by providing stakeholders, including consumers, with accessible, timely and accurate information.
- 1.7 CoreLogic agrees with the statements in the Issues Paper about the importance of, and benefits associated with, increasing access to data.
- 1.8 CoreLogic's key concern is that property data is not being made available on a consistent, timely basis and that a wide range of data is collected but not made available.
- 1.9 CoreLogic would like to see:
 - (a) standardised data collection and provision across all States and Territories;
 - (b) consistent and complete datasets across all States and Territories;
 - (c) timely provision of data to enable it to be used when it is most relevant; and
 - (d) access to a wider range of data than is currently provided.
- 1.10 If these improvements were made there would be benefits to a variety of stakeholders, including consumers, banks, insurance companies, property professionals and government.
- 1.11 This submission outlines how the provision of property data could be improved and the consequent benefits for market participants and the economy and recommends a standardised property data set.

2 Access to Data

- 2.1 As the Issues Paper highlights, “data is increasingly integral to the economy” (Issues Paper, page 4). Data is a valuable resource and analysis of data, and particularly analysis of big data, is opening up enormous possibilities and benefits in a wide range of industries.
- 2.2 It is also well recognised that only a small percentage of data that is collected is being made available for use. The Productivity Commission has particularly noted that government agencies collect a lot of administrative data in the course of providing services or regulating industries, yet much of that data is not made available to the public (Issues Paper, page 8).
- 2.3 CoreLogic accesses a range of government data relating to property transactions, primarily through State and Territory Valuers General. The frequency, timeliness, content and type of data varies widely from state to state. The quality of the government data influences the way in which data can be used to derive insights and provide benefits to stakeholders. Poor quality data yields poor quality decisions, which can have implications of a range of stakeholders, including consumers and tax payers.
- 2.4 CoreLogic considers it in the best interests of the market for the Valuers General to provide data that is:
- (a) provided in a more timely way;
 - (b) consistent and complete;
 - (c) standardised; and
 - (d) includes a wider range of data fields than is currently provided.

Timeliness

- 2.5 Data quality can be influenced by how recent the data in question is. For example, when considering the market value of a property, one factor that property professionals may consider is the prices paid for similar properties in the area recently. Clearly then, the more quickly data can be made available, the better informed stakeholders will be.
- 2.6 As a result, it is important that data is made available as soon as possible after it is collected.
- 2.7 The following table sets out the variations in property data CoreLogic receives. If all the cells in the matrix were blue, and every jurisdiction provided daily updates it would deliver a significant increase in both timeliness and quality of property data.

Figure 1: General Details

General Details	QLD	NSW	VIC	SA	WA	NT	TAS	ACT
Valuations Feed (Frequency)	W				F			
Sales Feed (Frequency)	T	W	D	W	W	T	D	A
Unique ID								
Lodgement/Created Date								

Frequency Key: W = Weekly, F = Fortnightly, T = Twice Monthly, D = Daily, A = Ad Hoc, blue shading = Data Element is in that jurisdiction’s data feed

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- 2.8 The time lag between a property transaction and receiving advice from the Valuers General for each State and Territory varies considerably, as Figure 1 shows. In essence the market has to wait for 90+ days to be confident that sales events and values can be confirmed by the relevant State or Territory. While Victoria is far slower than other states, the CoreLogic experience for other East Coast jurisdictions are:
- (a) Australian Capital Territory – the first significant supply starts around 42 days and peaks at 63 days, but there is a very long tail of supply stretching out to 120 days;
 - (b) Queensland - the first significant supply also starts at around 42 days but the supply remains consistent and most records are received by day 99; and
 - (c) New South Wales – the first significant supply starts at 35 days, peaks at 56 days and nearly all sales are received by day 84.

Consistency

- 2.9 To be able to provide data and insights across Australia, CoreLogic needs to be able to obtain consistent data across each State and Territory.
- 2.10 Some jurisdictions provide a universal property file, i.e. Valuations Feed, while others only provide property data based on a change of title event, i.e. Sales Feed. In jurisdictions that provide both sets of data the confidence in being able to match property and address data to other sources, for both validation and correction, is higher. This provides a greater level of trust in the data and a higher level of confidence in investment and commercial decision based around property data.
- 2.11 [] IN CONFIDENCE
- 2.12 [] IN CONFIDENCE
- 2.13 [] IN CONFIDENCE
- 2.14 [] IN CONFIDENCE
- 2.15 [] IN CONFIDENCE
- 2.16 [] IN CONFIDENCE
- 2.17 [] IN CONFIDENCE
- 2.18 [] IN CONFIDENCE
- 2.19 [] IN CONFIDENCE
- 2.20 [] IN CONFIDENCE
- 2.21 [] IN CONFIDENCE
- 2.22 [] IN CONFIDENCE

Standardisation

- 2.23 The ability to link datasets to draw comparisons has already been identified as an important theme (Issues Paper, page 8). To enable analysts to match data for comparisons, it is important that data providers apply consistent standards.
- 2.24 Across the various jurisdictions there are inconsistencies in the hierarchy of the elements of a title. It is not as simple as parcels → lots → plans, there are variations across jurisdictions. There are also differences in the nomenclature used in describing a property, or type of property title – for example, not every state describes strata plans as strata.
- 2.25 Ascertaining a complete title requires complex data manipulation as follows:

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- (a) for ACT, Victoria, Western Australia and Tasmania it requires two data elements to determine the title reference;
- (b) for Northern Territory and South Australia it requires three data elements to determine the title reference; and
- (c) for NSW it requires two data elements in some instances and three in others, depending on the type of title.

2.26 Some other examples are:

- (a) In Queensland three separate data sources need to be integrated, all sourced from the Queensland State Government, to ensure a correct matching of property data or information between other government sources and any data obtained from non-government sources, such as addresses.
- (b) In Tasmania sales records are not provided with full title details.

2.27 A standardised extract for all property records and sales transactions, at a minimum should be as set out in Figure 8 below.

Figure 8: CoreLogic's recommended standardised property record and sales transaction extract

General Details		Valuation Details	
Valuations Feed (Frequency)		Unimproved Capital Value	
Sales Feed (Frequency)		Date of Valuation	
Unique ID		Capital Value	
Lodgement/Created Date		Substantive Site Value	
		Substantive Capital Value	
		Notional Site Value	
		Notional Site Value Type	
		Notional Capital Value	
		Notional Capital Value Type	
		Unit Entitlement	
Property Address Details		Owner/Vendor Details	
Property Name		Owner Type	
Unit No		Purchaser Interest	
Floor No		Purchaser Name	
Street Number		Purchaser Address	
Street Name		Vendor Type	
Suburb		Vendor Name	
Postcode		Vendor Address	
Local Authority / Hundred / Municipality / District			
Title Details		Property Attribute Details	
RPD / Lot Plan Details		Land Area	
Previous Lot Plan Associated with Property		Area Type (M2, H)	
Previous Associated Lot/Plan Creation Date		Building Footprint	
Crown Allotment		Building Footprint Type (M2, H)	
Section		Dimensions (Front)	
Parish		Dimensions (Side)	
Dealing No		Zoning	
Volume / Folio		Previous Zoning	
Document Number (inc Prefix & Suffix)		Land Use	
Reference Section			
Title/Plan Reference / Certificate of Title			
Title Indicator			
Survey Plan			
Tenure Reference			

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Tenure Number/Type
Map Reference Code
Map Scale / Map Sheet Number
Instrument Number
Allotment ID
Graphic Index
Assessment Number
Water Corporation Account Number
Interest Holder & Details
Latitude / Longitude

Sale Details

Unique Sale ID
Contract Date
Settlement Date
Sale Price
Sale Type / Status / Tenure
Parties related / Buyer Seller Relationship
% Interest in sale
Considerations
Other Parcels with this sale
GST Value
Previous Sale Price
Previous Considerations
Previous Sale Date
Previous Unique Sale ID
Cash/Terms
Deposit
Installment
Frequency
Years
Interest

Encumbrance Details

Mortgage Registered
Mortgagor
Lien Lodged
Lien Beneficiary
Caveat Registered
Caveator

Energy Sources Available

Mains Electricity
Mains Natural Gas
Solar Energy Panels Fitted

Previous Land Use
Property Land Type / Use
Total Living Area
Improvements
Construction Type
Bedrooms
Ensuites
Room Count
Building Area
Unit Area
Original Construction Year / Building Age
Current Style Decade / Renovated
Wall Construction
Roof Construction
Condition
Style
Clearance
Storeys
Heritage Indicator
Plant / Licence / Chattels
Free Lease
Bathrooms
Separate Toilet
Dining Room
Car Port - Attached, Detached or UMR
Garage - Attached, Detached or UMR
Car Spaces - Open, Tandem, Carport
Kitchens
Family Rooms
Games Rooms
Meals Rooms
Lounge Rooms
Studies
Units
Tennis Court
Swimming Pool
Floor Level Type
Floor Number
Commercial Area Type

Additional data

- 2.28 In addition to the inconsistencies of data across States and Territories, there is a wealth of other data being collected that could be used to benefit various groups of stakeholders, but is not being made available.
- 2.29 The Issues Paper provides a table that illustrates open data availability in the UK compared to Australia (see Issues Paper, Figure 2, page 13). CoreLogic notes that while in some areas Australia is close to the UK, a key category in which there is a large discrepancy is in relation to land data.
- 2.30 [] IN CONFIDENCE
- 2.31 [] IN CONFIDENCE
- 2.32 [] IN CONFIDENCE
- 2.33 [] IN CONFIDENCE
- 2.34 [] IN CONFIDENCE

3 Benefits gained through open data

- 3.1 There are real benefits in enabling the property data described above to be made available. Property transactions are often the most significant transactions Australians will make in their lifetime. The Australian residential property market is worth an estimated \$6.6 trillion and approximately 52% of Australians' wealth is invested in the residential property asset class. The residential property market is critical to the Australian economy.
- 3.2 It is important that everyone is as informed as possible when making decisions about property, from consumers buying and selling homes, through to property professionals, banks, insurance companies and government.
- 3.3 A pre-requisite to an informed and transparent market is complete, timely information about the asset being purchased or sold. Without accurate, timely and complete information market participants (including consumers) are unable to make fully informed and confident decisions, which ultimately undermines confidence and participation in the market.
- 3.4 Another example is foreign investors. Foreign investment in Australia is not well understood. The more data available, the more governments would be able to understand and plan for foreign investment.
- 3.5 CoreLogic has previously made submissions to Government on this issue, commenting on the shortcomings of the data that is available through the Foreign Investment Review Board. CoreLogic's view remains that to assist policy makers to administer the policy and generally provide transparency to the broader market, Australia needs to implement and administer a system that captures timely and reliable statistics, which are made publicly available to relevant stakeholders.
- 3.6 Similarly, in areas where foreign investment is to be encouraged the information available to those making investment decisions must be comparable, or better than, the information used in other jurisdictions. Otherwise foreign investors will favour other markets.
- 3.7 For these reasons it is clearly critical that data is made available to everyone. If data is not available the market is not informed. If data is made available to some but not others, then there is an asymmetry of information which leads to some market participants being unfairly disadvantaged.
- 3.8 There is also an advantage in providing data not just to the public, but to businesses who can innovate to provide insights and analysis. Government's role to enable innovation is to liberate public data in a national, consistent, granular and timely way.
- 3.9 Below are some specific examples of how some of the data CoreLogic is seeking could be used to benefit the market.

Property Sales Information and Other Datasets

3.10 [] IN CONFIDENCE

3.11 [] IN CONFIDENCE

3.12 [] IN CONFIDENCE

3.13 [] IN CONFIDENCE

3.14 [] IN CONFIDENCE

Property Attribute Data

3.15 [] IN CONFIDENCE

3.16 [] IN CONFIDENCE

3.17 [] IN CONFIDENCE

3.18 [] IN CONFIDENCE

3.19 [] IN CONFIDENCE

3.20 [] IN CONFIDENCE

3.21 [] IN CONFIDENCE

3.22 [] IN CONFIDENCE

Mortgagor and Mortgagee information

3.23 [] IN CONFIDENCE

3.24 [] IN CONFIDENCE

3.25 [] IN CONFIDENCE

3.26 [] IN CONFIDENCE

Unimproved Land Value and Zoning

3.27 [] IN CONFIDENCE

3.28 [] IN CONFIDENCE

3.29 [] IN CONFIDENCE

3.30 [] IN CONFIDENCE

Undisclosed sale prices

3.31 [] IN CONFIDENCE

3.32 [] IN CONFIDENCE

3.33 [] IN CONFIDENCE

4 Potential Issues with Open data

Costs

- 4.1 One issue identified in relation to making more and better quality data available is that there is cost associated.
- 4.2 It is certainly true that the benefits outlined above to government and the market would outweigh the costs. However, CoreLogic also suggests that government taxes associated with property could fund the provision of data.
- 4.3 Property is one of the more heavily taxed asset classes. Data from the ABS shows that over the 2014/15 financial year, state and local governments collected \$45.203 billion worth of taxes from property (this includes residential and non-residential). This \$45.203 billion in tax revenue accounted for a majority (50.6%) of all tax revenue to the state and local governments. New South Wales, Western Australia and the Northern Territory were the only states and territories where less than 50% of total state and local government revenue was derived from property.
- 4.4 Looking at the largest sources of revenue within property, they were:
 - 4.4.1 stamp duties on conveyances (\$18.422 billion, 40.8%);
 - 4.4.2 municipal rates (\$16.013 billion, 35.4%);
 - 4.4.3 land taxes (\$6.674 billion, 14.8%).
- 4.5 Importantly, the land tax component of taxation revenue is largely funded through residential property investors, with owner occupier homes typically exempt from land tax.
- 4.6 Municipal rates are payable on all properties however, some local governments charge higher rates for investors.
- 4.7 Finally, stamp duty is payable on all property transfers, with some states charging higher rates for investors.
- 4.8 Stamp duty and rates have seen substantial increases over recent years due to increasing land and property values. The increase in the value of homes and higher transaction volumes have provided state and local governments with a significant financial windfall at the expense of residential property owners.
- 4.9 Using a small proportion of these funds to support greater market transparency would be a significant benefit to all stakeholders in the property ecosystem. Further, governments would in fact benefit, and potentially increase collections, through greater data being made available to increase accuracy of identifying investors (who in many cases pay greater taxes in relation to property transactions).

Privacy Act

- 4.10 As noted above, there can be issues with making personal information available. However, CoreLogic's view is that legislation such as the Privacy Act ensures an appropriate balance between privacy and data availability. CoreLogic also notes that at times some data providers use the Privacy Act as a reason for not providing data, but not always in a consistent manner. CoreLogic would support greater clarification of Privacy Act restrictions in relation to government data to ensure that the Privacy Act is not used to prevent data sharing unnecessarily.

5 Conclusion

- 5.1 CoreLogic sees significant benefits in increased access to data through government agencies. At present, data is not consistent, not standardised and not always provided in a timely manner. Data sets are collected but not provided to the public, including businesses who could innovate to provide more information to the market, delivering benefits to a range of stakeholders.
- 5.2 CoreLogic hopes that through the Productivity Commission's Inquiry into Data Availability and Use, State and Territory governments will take the opportunity to improve data availability.

