

## Australian Geoscience Council Inc.

The Council of Earth Science Societies in Australia



7 Landsborough Street  
Griffith, ACT 2603

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Productivity Commission  
LB2 Collins Street East  
Melbourne Vic. 8003



### **Cost Recovery: comments by the Australian Geoscience Council on Draft Report**

I am responding, on behalf of the Australian Geoscience Council, to your invitation to comment on the draft report on *Cost Recovery*.

The AGC comprises nine societies and associations, represents most of the geoscientists in Australia, and has a total membership of about 8000 people. Our main aim is to promote the geosciences, in the best interests of both our constituent organisations and the Australian nation as a whole.

We are very supportive of the general findings in the clear, well written Draft Report, and in particular Draft Recommendation 6.5:

*Information agencies should carefully define the boundaries of their core and non-core activities determined with reference to:*

- *The agencies' broad public policy objectives;*
- *The public good characteristics of the activity; and/or*
- *Any positive spillovers associated with the activity.*

and Draft Recommendation 6.6:

*The core activities of information agencies (which may include some defined level of dissemination) should be wholly budget funded and not subject to cost recovery.*

Many of our members make use of the information generated by agencies such as AGSO, ABARE, ABS and AUSLIG. Of particular concern are the data provided by AGSO, which are widely used in the mineral and petroleum exploration industries, as research inputs by CSIRO and universities, and as geoscience teaching resources in tertiary institutions.

One of the key functions of AGSO is to provide geoscience information to encourage mineral and petroleum exploration. With the current pricing arrangements, only the larger exploration companies can afford to use its important regional geophysical data sets, and hence its current pricing policy is inhibiting the outcomes of its core business.

The State/Territory Geological Surveys have reduced the prices for their data significantly in recent years so that these are used as widely as possible, and the NT Survey provides data sets

free of charge. This policy has resulted in an increase in exploration activity and in the long term will, we believe, pay off handsomely in terms of generating national wealth.

It is time for the Commonwealth agencies to change their practices and the recommendations in your report are very timely.

We note Draft Recommendation 6.7:

*'Non-core activities of information agencies should be charged at marginal (incremental) cost or, where relevant, at prices in keeping with competitive neutrality principles.'*

and also your concern on the difficulty in clearly defining the boundary between core and non-core activities. We would suggest that consideration be given to reducing the prices of *'non-core information'* after a fixed time period of say three years, so that these data sets are eventually available in the public domain outside the cost recovery framework. After all, government information agencies were originally established to provide public good services and products, and activities which may at present appear to be non-core could well be of general interest in the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Denham', with a stylized, cursive script.

David Denham  
President