

Cumpston Sarjeant Pty Ltd

Consulting Actuaries

Sub no. 02133
15 no. 1405

4 June 2001

Mrs HJ Owens
Presiding Commissioner
Cost Recovery Inquiry
Locked Bag 2
Collins Street Post Office
Melbourne Vic 8003



Dear Mrs Owens

Restrictions on public access to APRA & ABS data

Your draft report on cost recovery suggests that detailed information is increasingly available from APRA. Most of the detailed data supplied by general insurers to APRA are however not available. This has prevented informed analysis by brokers, rating agencies, investment analysts and insurance buyers. Detailed data on individual insurers are available in the USA and the UK. Similar availability in Australia might have helped prevent the HIH collapse, or at least reduce its cost to policyholders. Data confidentiality has resulted in misplaced reliance on a single agency.

ABS confidentiality restrictions and data costs are also resulting in excessive reliance in government agencies. For example, traditional sheep dips are now recognised as a major health threat to farmers. Any systematic comparison of regional mortality and industry patterns is impossible for anyone outside government, as ABS has a policy of not releasing any cell numbers below 5. Similarly, any regional analyses of disease, poverty or land degradation are impossible or very costly.

Australians are well educated, and often have good computers and analysis skills. Many individuals and non-government organizations are unwilling to rely solely on government agencies, particularly when these agencies are defunded and discredited. Data are essential to healthy democracy.

Yours sincerely

Richard Cumpston

A handwritten signature in black ink, appearing to be "RC", written over a large, faint, stylized "Z" or "S" shape.

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