



DA INFORMATION SERVICES PTY LTD
ACN 006 414 688 ABN 25 006 414 688
648 WHITEHORSE ROAD
MITCHAM VICTORIA 3132 AUSTRALIA
TEL: +61 3 9210 7777
FAX: +61 3 9210 7788
EMAIL: service@dadirect.com.au
WEBSITE: www.dadirect.com.au



18 December 2006

Dear Sir/Madam,

Re: Public Support for Science and Innovation

Productivity Commission Draft Research Report

Statement : - published papers and data from ARC and NHMRC-funded projects should be freely and publicly available;

Background

DA Information Services (DA) is Australia's largest full service Library and Information Supplier with over 55 years experience in servicing Australia's information needs. DA employs nearly 100 people in its head office in Melbourne. DA has built strong relationships with all large international Scientific, Technical and Medical publishers globally to ensure Australia's STM information needs are well served. DA is currently building a South East Asian information dissemination business based on a regional need for an infrastructure to reliably supply quality information products and services and capitalise on the export income opportunity.

The economic model of open access does not provide any incentive for DA or any other Australian companies to develop this business further. However DA will continue to import content as this is demanded by our STM market having an adverse impact on our balance of trade.

Having visited senior management in prestigious publishing companies in China in early December the opportunities to develop an export market for Australian published materials were clearly identified and should be realised. Australia must augment raw materials export with intellectual property and services. Our R&D results should be considered as an asset which can generate export income for further reward.

Issues around Open Access

Suggestions that society would be better off if publicly-funded research be available freely to all online runs into the usual problems:

- a) The market for scientific information is global, not national, so trying to make national cost/benefit arguments are largely futile,
- b) Authors will always want to publish their findings in the most-famous journal they can find (which explains Nature's 98% rejection rate) because this will further their career, so trying to change this behavior without also changing the incentives in academic career paths will probably be insurmountable



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- c) Commercial publishers are responding to OA by offering free access to any author who pays - it's just that the take-up rate is very low
- d) The interesting question is the role of Institutional Repositories (IRs)
A lot of OA advocates are pinning their hopes on these to outflank the commercial publishers. This is also where the legislation/ regulation (if any) can be applied eg NIH's insistence that work they fund has to be lodged on PubMedCentral.
There are two issues:
1. Compliance. How many authors are really going to be bothered (or will remember) to post their work? Current indications suggest that compliance is low (because fundamentally authors are only interested in themselves and their careers, not their readership!).
 2. Quality control. A recent report given at Charleston last month showed that ~85% of all the stuff lodged in the various university IRs in the US was student essays, dissertations and thesi. This suggests a looming quality control problem - who cares if it's free if it's rubbish?
Where's the quality control? Where are the tools like citation linking? Where's that document I linked to last week? The problems are endless because it's being run by the authors themselves, not by publishers. Many IR's are suffering from these problems now.
- e) Bottom line? Publishers will adapt one way or another and keep a grip on the quality end of the market by offering a combination of quality-assured content and user and librarian tools that will justify subscription prices.

Large institutions will understand that their users will be more productive if they subscribe to these services and be happy to pay (including universities). More content will be freely available as well, but if it's free, the reader will be worrying about quality and won't be getting much service beyond a PDF file.

As we endeavour to build economies, wealth and improved living conditions globally during this "intangible economic era" the responsibility on the creators and disseminators of information is to leverage knowledge assets into wealth creating actions.

The taxpayers significant investment in the creation of information resources should not be diluted and devalued to the point of making it free. Rather collaborative effort should be harnessed into an endeavour that is leveraged globally, ie export income, combined with an appropriate licensing model that opens up access to these resources. Broader access is possible if library communities aggregated their buying power and segmented the market where next copy cost reflected the return to the publisher. Segmenting markets has been underdeveloped in Australia.

In the long run we need to build robust systems to facilitate fast convenient access to the highest quality content as that will give sustainable benefits. The publishing process has been designed to ensure the cream rises to the top. If the unmediated pool becomes bigger, the effort and cost involved in filtering 'noise' will increase and have a detrimental impact on decision making as more decisions could be made using the conveniently available information rather than the most appropriate and highest quality.



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The information literacy skills of managers, teachers, students and others in the workforce has been outpaced by the delivery mechanisms. Many sources are only used because a “publisher” can be trusted. With digital manipulation of content so easy to perform publishers develop systems to ensure their delivery mechanisms are secure.

Those who promote a free model may not see the possibilities of generating a new industry for Australia. Australian publishing is dominated by multinational publishers who are not export focused. Whilst Australia continues to be an importer and limited exporter of information the economic arguments for providing free will continue to flourish. Our education sector, closely aligned to scholarly communication has not suggested we make education free; rather it has developed an industry that is one of Australia’s largest export earners.

There is a significant opportunity to further harness Australia’s internationally recognised talent, intellect and creativity by encouraging willing industry participants to assist in developing a policy framework that will promote a quality production and dissemination environment that provides a return on investment.

Reducing the value of information could have a roll on effect of reducing mean incomes in the sector, in the long run reducing our national and corporate ability to improve our competitive advantage internationally.

For example DA Information Services is building a South East Asian information dissemination business based on a regional need for an infrastructure to reliably supply quality information products and services. The economic model of open access does not provide any incentive for us or any other Australian companies to develop this business further.

DA Information Services Pty Ltd employs approx 100 people in Victoria and is Australia’s largest full service library and information supplier.

Alternatives to Open Access

Improve University library buying model

University Library purchasing decisions could be reviewed to allow greater access and more creative licensing model to overcome some of the sectional interests that are prevalent.

The Research Communication Costs in Australia Report (Houghton, Steele, Sheehan Sept, 2006) outlines benefits based on current library purchasing. Australian material purchased by Universities is only a fraction of the overall expenditure.

Leverage public library infrastructure.

Public libraries are an underutilised resource. Creative licensing can improve dissemination and access dramatically. The opportunity for wider distribution of electronic content is very real given the low marginal cost of the next copy.



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Encourage companies to invest in information

Incentives should be provided for corporations to invest in information. Tax incentives would encourage even SME's to invest more quality information. The information industry should be given incentives to grow by increasing the size of the market.

Improve financial model by asking for royalties from publishers for Journals – just like books.

In the future less emphasis will be placed on the “container” in which information is packaged. An opportunity is use the book royalty model to create real incentive for the journal article author to produce better and higher quality content.

Internationally uniform system

Few if any non Anglo-Saxon countries have put Open Access on the agenda. Globalisation offers us standardisation opportunities. Repositories in one country and a commercial publishing model in another, jeopardises the benefits of improved global communications and ICT infrastructure.

Given the importance of this topic we felt it important to respond and provide an alternative view. We have the opportunity to create a bright future for Science and Innovation publishing in Australia.

I would be happy to provide further input should that be of interest.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Richard Siegersma', written over a horizontal line.

Richard Siegersma
Executive Chairman