National Freight Data Hub: Options Discussion Paper - Response Template

Please note: Submissions close on 11 September 2020 at 17:00, and should be emailed to freightdatahub@infrastructure.gov.au.

We welcome all responses. You may use this template, or simply email your response. You may address all questions, or you may choose to respond to selected questions of interest to you.

Your submission will be published on the website unless you request otherwise. Information collected during this consultation process may be provided to persons making an application under freedom of information laws. Personal details will not be published in any report.

Respondent details

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<tr>
<th>Organisation name</th>
<th>iMOVE Australia Ltd</th>
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<th>Contact details (to whom any correspondence in relation to this submission can be addressed)</th>
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<th>Why your organisation is interested in the National Freight Data Hub</th>
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<td>iMOVE was established to support companies and organisations in Australia to develop technologies that would improve the movement of people and freight. The high dependence of Australia on freight transport demands ongoing investment in its efficiency and effectiveness. iMOVE’s believes that improving information flow across the sector offers the greatest opportunities to improve sector performance, and the National Freight Data Hub will play a central role in facilitating that flow of information.</td>
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Questions for discussion – Design Principles

1. Please share your organisation’s perspectives on the proposed design principles, including any which are not represented here.

iMOVE supports all five design principles.
Questions for discussion – Data

2. What specific benefits would each data priority provide to your organisation?
3. What level of data fidelity (i.e. transaction level data or aggregated data) and frequency (i.e. near real-time, weekly, monthly, quarterly) would be required to make the data priorities you’ve identified be of value?

iMOVE’s responses to the data priorities will vary according to the projects that it has underway at a point in time.

Questions for discussion – Technology

4. If a centralised or federated architecture model were pursued, what would be the benefits and challenges to your organisation to participate in the Hub?
5. What are the preferred methods and technologies to integrate with the data exchange platform?

4 iMOVE anticipates that it could contribute to the operations and governance of the freight data hub under whatever architecture is adopted. Depending on the governance arrangements that are made, the iMOVE company would consider delivering aspects of hub functionality, including providing the corporate structure if that was considered appropriate.

iMOVE would bring:

- neutrality vis a vis: industry, technology, commercial and government interests
- an established, independent, not for profit corporate structure
- extensive existing contact and engagement across the transport sector
- strong interest and understanding of the Freight Data Hub objective
- sufficient flexibility in corporate structure and contracting processes to create a well adapted solution to the hubs governance and operational needs.
- Long experience in engagement of diverse stakeholders and facilitation of collaboration

5 iMOVE anticipates there will evolve several data transmission mechanisms under the auspices of the FDH including potentially:

- a ‘data trading platform’ (wherein data owners have control of the terms under which their data is shared)
- an automated data ingestion and aggregation mechanism
- automated generation and publication of ‘public interest information’ (derived from traded and aggregated data)
- generation of industry insights from skilled analysts who may draw on all the preceeding data flows

iMOVE is interested to engage in, and potentially deliver all of these mechanisms
Questions for discussion – Governance

6. Which governance structure could enable the Hub to be established quickly and generate quick wins, and should it change over time?

7. Which governance structure is most likely to facilitate the greatest use and participation?

Evolution and growth of the FDH is a ‘chicken and egg’ problem.

Getting the hub off to a good start will initially require a simple robust structure with a relatively narrow, but readily achievable scope.

iMOVE’s view is that this STARTING point could well be delivered by a separate dedicated team within the Department of Infrastructure, supported by a small ‘steering committee’, and charged to deliver an achievable set of outcomes over a two year period.

On success, that team and its infrastructure would be ‘converted’ into a discrete corporate entity. This entity would be given a mandate and funding over the following 2-3 years to grow the hub functionality and scope, and to develop a targeted level of independent income.

As delivery of public good is likely to always be an important aspect of the Hub’s operation, iMOVE recommends that the discrete entity be a public company limited either by shares or by guarantee. Subject to establishing a stable funding regime (from State and federal govts, ‘industry’, and self-generated revenue) iMOVE would recommend the entity to be established as a not-for-profit (= a ‘purpose driven’) company.

High levels of use and participation depend first and foremost on delivering attractive value propositions to potential partners in the community. These value propositions need to take into account transaction costs and information asymmetry as well as the usual financial measures.

Beyond value proposition, the next most important motivation for high use and participation is trust; trust in the data, trust the uses being made of the data, trust that the Hub and its resources are not subject to ‘capture’ by any particular interest group. Many things contribute to the development of trust, but independence, neutrality, and transparency are key among them. iMOVE argues that this is a compelling reason for the Hub and its governance to be as independent of key stakeholders as possible.

Questions for discussion – Funding

8. What funding arrangements could ensure users gain the value they are seeking from the Hub?

9. What services could the Hub provide that could be paid for by users?

Some freight data has obvious value (such as reliable forecasts of future levels of freight task) whereas other data may have negligible value due to its inaccuracy, or insufficiency (eg traffic counts from a single location on the network). Additionally, some data provides small benefits to large numbers of users, while other data may be highly valuable but only to a small number of users.

When users are large in number but gain only small benefits from their interaction, it is not usually possible to get them to contribute directly to the funding. If the user group is large group in society, a call on taxpayer funds ie government funding may be justified. In situations where the number of beneficiaries is
small and/ or the benefit is measurable and large, it is unreasonable to demand the work be paid for from tax revenue.

iMOVE believes that the ‘data’ (information) that users take/receive from the Hub can be classified according to the amount of work that the Hub undertook to create it. We anticipate that an appropriate ‘cost’ could be imposed on the user, subject to some constraints. For example, the data that the Hub could deliver to ‘users’ could be considered in 5 steps of increasing elaboration:

- raw data
- cleaned and curated data
- aggregated data
- analysed data
- insight data

iMOVE argues that, subject to obligations of confidentiality, privacy etc., the hub should:

- not release raw data,
- release cleaned, curated and aggregated data free of charge and without constraint
  - in line with Govt open data policies
  - and possibly provide this data back directly to the contributors of raw data as part of the value proposition to them
- release analysed data on a subscription basis
- create and sell insight data on the basis of an exclusive contract with the user.

So how should the hub be funded?

Given the mix of public and private benefits that are expected to be generated, iMOVE proposes that:

- The Commonwealth contribute core funding to cover:
  - set up,
  - capex (including leasing of cloud capacity)
  - opex costs associated with the receiving, cleaning, curating, aggregating and disseminating hub data.
  - opex costs associated with core administration, governance and marketing
  - the development and deployment of data standards
  - administration of a federated data exchange.
  - operating a data trading facility (should that be required)
- The Commonwealth, all States and Territories, and Leading industry participants all be encouraged to pay for subscriptions to series of periodic analysed data.
- The Hub be willing and able to undertake contract analysis for paying clients
- The Hub be willing and able to sell access to aggregated and analysed data to external analysts to enable them to provide analytical services to third party clients.

Questions for discussion – Regulatory

10. To support the Hub’s governance, ability to collect and share data, setting of standards and funding model, which regulatory option is best suited?
11. Would there be significant costs or benefits for your organisation associated with each of the regulatory options?
12. Are there additional circumstances to those outlined above, that may warrant a change, introduction or removal of a regulatory mechanism?

In principle iMOVE would prefer regulatory intervention to be kept at the minimum level needed for the Hub to function. So long as appropriate value propositions are available for all stakeholders, they can be expected to participate and contribute data willingly and voluntarily. If that doesn’t happen, regulation is but one option amongst several, to achieve the desired outcome. Understanding what the value proposition has to look like to induce participation is more important than crafting new regulations.

Having said that trust is also an essential ingredient. Trust is diminished by inappropriate behaviour, so the case can be made to establish such regulation as necessary as to discourage poor behaviour. (including poor behaviour by the Hub)

Then there is the issue of the role and standing of the Hub within the ‘freight community’. However the Hub is set up, it will need to be given a charter and mandate that defines the leadership it is expected to give, respects the centrality of its role, and protects it from political interference. (eg Reserve Bank, ABS)

Finally, there is the question of development and deployment of standards. Given that non-compliance with standards by one party typically imposes unavoidable costs on all other parties, imposition of standards (with appropriate phase in periods) is the one regulatory area in which iMOVE would recommend a firmer stance be taken. Despite occasional grumbles, all companies accept and apply accounting standards, because only through standardisation can financial results be reliably interpreted. The same applies to reporting freight data; it will only be valuable if all the component data conforms to the same data and definition standards. In the end, iMOVE believes data standards will need to be compulsory.