

Barbara Ryan (USGS) welcomed delegates.

Ollie Hedberg (PSMA Australia) presented the paper “Spatially enabling Australia through collaboration and innovation”

The successes and challenges in Australia were outlined.

Challenges include: low population density (has implications for economic maintenance); private sector cannot provide nationally maintained data; balancing supply and demand; technology, which both inhibits and enhanced; governments spending less.

Successes included the creation of various datasets (e.g. points of interest, roads, topo, cadastre).

Zeljko Bačić (State Geodetic Administration, Croatia) presented the paper “Outsourcing whole production out of NMO: Croatia as an example”

The geodetic administration has no capacity to produce maps. The private sector has existed for approximately 25 years. Training of staff is a key issue. Looking to the future, the model has been demonstrated to work. It will be used to produce new datasets at new scales. Web and internet services will be developed later.

Questions

Dave Coleman (USA) asked where donations came from.

Zeljko Bačić replied that donations are typically in the form of technical cooperation with Norway, Sweden, UK and USAID. Croatia typically provides matching funding.

Nevio Rozic (Croatian Geodetic Institute) presented the paper “Strategy and system of quality control of the Official Geographic data produced by private companies in Croatia”

Strategic decisions were taken not to produce the national mapping products, but to produce the national mapping products but these would be outsourced; and managed through QA processes. The paper covers this and how this has been developed.

Peter Holland (GeoScience Australia) Is the objective to model and develop the private sector? And if so how successful has this been?

Zeljko Bačić said that the project had been successful in developing the environment for the private sector.

Nevio Rozic said that they have had very good support from the private sector. This has also helped the transition from analogue to digital mapping.

John Spittal (Land Information New Zealand) presented the paper “Government and industry: the New Zealand experience”

National mapping can be seen as insurance (both preventative and reactive – used in the event of an emergency).

The New Zealand government has the following roles: regulatory; national strategies and policies; programmes, standards, stewardship of government databases; long term retention of land record. Government needs communication skills, abstract thinkers, and project managers.

Private companies bring technical skills (processes, production management).

The New Zealand model revolves around a rigorous contract, outsourcing and low cost data. A negative is only a few contractors can be supported (and some

Session 7: Engaging with the private sector

companies are very dependent on LINZ). However, there are greater opportunities for value add.

Adaptations over time have included producing very good standards, and trusting contractors' QA managers.

Data is only a commodity, and hence will reduce in value. LINZ has removed itself from production as others are better placed.

Conclusions:

- New Zealand land industry is stronger
- Higher productivity
- Implication of outsourcing was not initially recognised
- Loss of skills in New Zealand remains a concern

John Gaisford (Phillips, UK) presented the paper "Publishing partnership – refining the business model"

Philips produce paper mapping products based on Ordnance Survey mapping products. This paper covers the relationship of the private sector company Philips with the Ordnance Survey. The paper talks in detail about the partnership, and shared risks and project developments.

Helge Larsen (Kampsax, Denmark) presented the paper "Some basic principles for building the successful NMA of the future"

Change can be managed by focusing on core activities; controlled outsourcing. To be successful, the public and private organisations need to cooperate in an open and clear way. The partnership needs to understand the value chain to end customers.

Outsourcing is normally used when an NMA has to increase its ability to adapt. Control is needed. The contractor can gain trust by sharing internal reports and information about procedures, progress, information about individual map sheets, roles and responsibilities.

The future depends on partnerships which are based on mutual understanding.

Peter Woodsford (UK). The systems described in the presentation have required investment. How do you handle recovery of investment in pricing? HL replied that you have to invest if you want to remain in business, so it is seen as a business as usual cost. World class products need to be delivered at a fair price.

General discussion

Babu Ram Acharya (Nepal). On what basis are royalties paid, why do you advocate flat royalty fees?

John Gaisford (Phillips): Royalties based on the size of page. If market is to be developed, royalties need to be made similar to other publisher arrangements.

Jarmo Ratia (Finland). Commented on the results of a survey of European NMAs. that production in house as opposed to outsource. 36 responses: 80% of production performed in house. 84% in the European union.

Session 7: Engaging with the private sector

Jean Dotse (Survey Department Ghana). Who does quality control?

Zeljko Bačić: In house QC is done by the institute rather than the administration. In time, reengineering will be accompanied by transfer to the institute.

Ravi Gupta (India). There appears to be variable outsourcing across NMAs. What are the barriers to outsourcing (legal, policy)?

John Spittal. The capacity of private sector is a key barrier. Secondly, where there's a natural monopoly (eg for statutory reasons).

Ollie Hedberg: Outsourcing builds the private sector, and keeps government at arms length from private sector. Customers like to deal with private sector – there is still some distrust of government.

Barma Nand (Fiji). The private sector can be weak. Only a few companies are reputable. The cost of outsourcing would exceed Fiji's budgets. Quality control is difficult because of skills shortage.

Fraser Taylor (Canada). What are the barriers to trans-national outsourcing? China can compete successfully, but what are the issues related to sourcing outside borders?

Zeljko Bačić: In principle, there are no barriers. The Croatian sector needs to be prepared for the opening up.

Helge Larsen: Less than 20% of Kampsax turnover is derived from Denmark.

John Spittal. Exchange rates and their variations are often significant.

Dietmar Gruenreich (Germany). A question regarding Address points.

Licensed from Ordnance Survey, these can result in high prices. Why cannot private sector data be used?

John Gaitsford. The private sector hasn't licensed data for printed applications.

Magnus Gudmundsson (Iceland). How many employees does LINZ have? Quality and price

John Spittal. For the Topographic and hydrographic department, 200 employees have been reduced to 17. the remainder went to private sector. Cost has decreased by 50% over last 6 years. This is likely to continue to go down. Private companies working 2-3 shifts a day are more efficient.

Peter Holland (Australia). Globalisation is rife. Some believe that GI globalisation will increase. Governments like to be globally competitive and also foster own industry. What are the respective roles of the public and private sectors in business?

Helge Larsen. The private sector is not uniform. NMAs should pick and mix requirements as they need, but look to build longer term relationships. Private sector partners can help transfer knowledge between countries.

Zeljko Bačić: Comment. NMAs have responsibilities to govt and citizen in variable proportion. There were 92 Croatian public tenders last year. Almost all contracts were co-financed by another public body (which led to extra work for the contractor). There is great scope for further development of GI.

Session 7: Engaging with the private sector

Ollie Hedberg: PSMA is wholly owned govt company to facilitate access to data. The private sector provides data managers and integrators. Let the private sector do what it does well.

John Spittal. The aim is to transfer risk of high salaries and production costs because the private sector handles this better than public.

Jean-Phillippe Lagrange (France). Experience shows that production of orthoimagery is more expensive when outsourced. is not the role of NMA is to make data available (needs relations with VARs) rather than with Production of base data.

Nick Land (Eurogeographics). Did PSMA get funding to start up?

Ollie Hedberg. Yes, from bureau of statistics.

Nick Land. Now you are running, you need to make a profit?

Ollie Hedberg. Yes – this is invested in new products, and return dividends to states.

Amitabha Pande (India). What is the distinction between govt and those who provide input to government?

Ollie Hedberg. Governments make decisions about NMAs and change the framework they operate in

John Spittal. It depends on the taste of government of day for devolving services. NZ govt doesn't devolve land registration system. Emergency service dispatch system was run by private company which went bankrupt.

Peter Jakobsen (Denmark). You need to balance short term risk reduction with the longer term risk of losing control.

Zeljko Bačić Yes, there are risks (on both sides). IT outsourcing does not remove the need for a certain level of expertise in NMAs.

Joakim Ollen (Sweden). Some core business critical activities are being pulled back from outsourcing companies. Workflow management is vital.

John Spittal. NZ tends to go to the extremes. There has been a move to build capacity in the public service in terms of staff skills.

Helge Larsen. You need to set up the concepts and then remain true to them. Define measures and means to manage.

Mark de Mulder (USA). Not outsourcing locks you in to the skills that the NMA staff have – or requires constant retraining of a fairly large workforce. Organisations that have outsourced may be more flexible.

Zeljko Bačić: recent example. First sheet paid for training costs, next contracts at the risk of the contractor.

John Spittal. Risk transfers form the contractor to NMA when data is accepted and made available to public. Costs are down, but quality is now the issue?

Kate Lance (USGS). In the countries which have actively outsourced in the GI sector, are the same policies evident in other sectors?

Session 7: Engaging with the private sector

Zeljko Bačić. Transition countries typically outsource in a wide range of activity areas.

Ollie Hedberg. Australian policy is similar.

Peter Jakobsen (Denmark). KMS is now half the size that they were 10 years ago. Work is now done abroad by people who are paid 10% of Danish salaries.

Fraser Taylor. Is there not an international market. Are NMAs not operating as private businesses in some cases? Selling expertise internationally, rather than downsizing?

John Spittal. It is hard to explain the benefit of international contracts to people who lose their jobs in NZ.

Zeljko Bacic. When work associated with advanced technology is transferred, salaries will ultimately increase.

Helge Larsen. Private companies have to both work with organisations and compete with them.

Barbara Ryan. May be acceptable to seek reimbursable funding in the short term but this can change the focus of NMAs core business.