



Business Banking And Finance Data analysis

Big banks grapple with data ethics

James Evers *Senior Reporter*



Apr 3, 2019 — 12.00am



Major Australian data companies including three of the big four banks have clubbed together to grapple with heightened expectations about data governance and [prepare for an economy powered by artificial intelligence technology](#).

The group, the Data Institute, is not a lobby group and has no political agenda, says its chairman Michelle Pinheiro, an ANZ executive.

Controls around data sharing were evolving quickly and data governance was no longer just about organising and managing data assets but governing advanced data analytics and AI, she said ahead of the institute's launch on Wednesday.

"Data governance has to change and adapt. Data is not just a blunt instrument. There's a lot of power in data, and you have to wield it appropriately," she said.

'Consumer data right'

Along with ANZ, Westpac and Commonwealth Bank, other members are IAG, Qantas, Vicinity Centres, Scentre Group, Frazer Walker, Allens, Data Synergies, Quantum and Data Republic. Each member holds large amounts of data and wants to learn from each other. Membership is expected to grow.



Michelle Pinheiro, chair of The Data Institute: "Data governance has to change and adapt".

The announcement coincides with an industry gathering of chief data and analytic officers in Sydney and comes as [government and regulators are preparing to roll out a "consumer data right" to banks, utilities and telecoms](#) that will give control to consumers to move data around providers.

"Policy has its own path, and regardless of how that turns out, we want to foster a community of safe and ethical data practices to lift Australia's game versus the rest of the world," said Ms Pinheiro, who is also head of enterprise data governance at ANZ.

"We want to set the scene for what 'good' looks like.

"Ownership of data is a thing of the past. This whole area will be driven by regulation. The winners will offer the best customer experience, and customers want to know you are trusted, make decisions transparently, and they have control over how decisions are made about them."

She said chief data officers were talking less about data management and more about the "customer journey" and where things could go wrong.

Catastrophic impact

As [artificial intelligence becomes more prominent](#), there is a growing realisation that companies using algorithms will need to pay close attention to the quality of data being fed into AI systems to reduce biased outcomes.

Ms Pinheiro said the challenge with automated decision-making was that poor data at one end could have a cascade effect: "One poor decision is multiple poor [decisions] and catastrophic impact on the customer.


"There is so much work to be done in the data ethics space," she said.


The Data Institute members will be encouraged to bring to meetings data-related problems and talk about them generically, while some members are planning to publish white papers to help promote common understanding.

The group plans to become a repository of thinking from the big end of town, with information made available to smaller organisations to help them develop data governance policies.

While she recognises that [last year's data scandal involving Facebook and Cambridge Analytica](#) gave data sharing a bad name, Ms Pinheiro said: "We want to demonstrate and foster [that] when done well it can be very beneficial to the community.

"When we do it effectively, we can contribute to the growth of a data economy, and we all want to foster the data economy."

 Saved

 Share

License article

TOPICS [Data analysis](#) [Open banking](#) [AI](#) [Information security](#)

James Eyers writes on banking, fintech and technology. Based in our Sydney newsroom, James is a former Legal Affairs and Capital editor for the Financial Review. *Connect with James on [Twitter](#). Email James at jeyers@afr.com.au*

