

## 2. Introduction to data governance

### 2.1 What is data governance?

The Data Management Body of Knowledge defines data governance as “the exercise of authority, control and shared decision-making (planning, monitoring and enforcement) over the management of data assets” (DMBOK, 2017). Put simply, data governance is about implementing a set of policies, processes, structures, roles and responsibilities to ensure that an agency’s data is managed effectively, and that it can meet both its current and future business requirements.

An effective Data Governance Framework typically covers the following best practice content:

- Strategy and Planning
- Policy
- Functions or Roles and Responsibilities
- Data Management

*Source:* DAMA Guide to the Data Management Body of Knowledge, Edited by M. Brackett, S. Early and M. Mosley. Bradley Beach, NJ: Technics Publications LLS, 2017 (second edition).

### 2.2 Why is data governance important?

Data governance is as important to an agency as any other corporate, business or IT governance process. It ensures that data is understood, trusted and appropriately used. It ensures that the people who collect, manage and use data understand their responsibilities and see the value it adds to their work, the objectives of the organisation, as well as broader agency outcomes. Data governance is also an exercise in risk management because it allows agencies to minimise risks around the data it holds, while extracting the maximum value from it.

### 2.3 What are the benefits of data governance?

Data governance, like any other program or process, must have a clear purpose for it to be beneficial. Instead of doing data governance for its own sake, it should be established to help an agency achieve its strategic objectives and it should be closely aligned to their business needs.

When data governance is aligned to the organisation's needs, it can deliver specific benefits across three areas: business value, efficiency and risk mitigation.

### **Business value**

- Improved decision-making by ensuring decisions are based on higher quality data
  - Increased competitiveness through improved customer satisfaction
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- Increased public trust through improved data management and transparency

### Efficiency

- Reduction in duplication and waste created by information silos
- Increased data sharing through improved trust and standardisation
- Reduction in costs by improving resource and process efficiencies
- Reduction in time spent by employees finding, acquiring and processing data

### Risk mitigation

- Reduction of risk and costs as data is better managed to support regulatory compliance
- More robust consideration of ethical and privacy issues to avoid reputational damage

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Source: Adapted from [Information Governance ANZ](#)

## 2.4 Guiding principles of data governance

The [NSW Government Data Strategy](#) contains four themes, each of which is supported by key principles and sector-wide actions. A state government Agency's data governance framework should support these themes.

### 1. Accelerating actionable insights

This theme aims to accelerate the delivery of actionable insights to decision-makers by leveraging data and analytics to make informed decisions that drive positive outcomes for the community. By aligning insights with strategic priorities, providing context, and making them readily accessible, ensures that data-driven decision-making is at the heart of its operations. Utilising a range of data analytics techniques, including machine learning and predictive modelling, to extract valuable insights from linked data assets. These insights are then delivered to decision-makers through self-service and user-friendly platforms, ensuring that data is effectively utilised to inform decisions and actions.

### 2. Treating data as an asset

This theme recognises data as a valuable asset by identifying, governing, and managing it effectively across its lifecycle, and using and sharing it to generate insights and

support decision making. Key actions include identifying data and associated metadata as a significant state asset, creating a spend category for government procurement of data and data services, developing guidelines on calculating the cost and value of data, supporting data sharing across the sector, and procuring and sharing private and non-government sector data.

### **3. Strengthening transparency and trust**

This theme aims to strengthen transparency and trust in the way it collects, manages, uses and shares data by protecting customers' rights, taking a fit-for-purpose design approach to data projects, ensuring data quality, cultivating a culture of trust, and encouraging sharing and publication of methodologies, algorithms and models.

### **4. Fostering data-driven culture, leadership and capability**

The theme aims to develop a data-driven culture within government by investing in leadership and capability, making data more accessible, and accelerating the delivery of insights.