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Digital Technology Taskforce
Department of the Prime Minister and Cabinet
By email: digitaltechnologytaskforceinbox@pmc.gov.au

Dear Sir / Madam,

Submission on Digital Australia Strategy 2030

Who we are

Governance Institute of Australia (Governance Institute) is a national membership association, advocating for our network of 40,000 governance and risk management professionals from the listed, unlisted, public and not-for-profit sectors.

As the only Australian provider of chartered governance accreditation, we offer a range of short courses, certificates and postgraduate study. Our mission is to drive better governance in all organisations, which will in turn create a stronger, better society.

Our members have primary responsibility for developing and implementing governance frameworks in charities and not-for-profit organisations, public listed, unlisted and private companies, as well as the public sector. They have a thorough working knowledge of the operations of the markets and the needs of investors. We regularly contribute to the formation of public policy through our interactions with Treasury, ACNC, ASIC, APRA, ACCC, ASX and the ATO.

Our activities in the digital space

Governance Institute members have a strong interest in digital technology policy. Many of our members are working as governance and risk professionals in a range of organisations that are part of or connect with the digital economy, from the largest listed companies responsible for critical infrastructure to small businesses and not-for-profits. They are experienced in considering the industry and economy-wide implications of emerging technology and digital transformation. Our members consider it is vital that governments, academics, businesses and the community work collaboratively to promote the digital economy and Australia's digital future. In a recent Governance Institute research report published in 2020, survey respondents identified cybersecurity, artificial intelligence and digital disruption as key trends likely to impact on the risk management professional by 2025.¹

As a membership organisation, Governance Institute has long advocated for digital transformation and modernisation in many areas of corporate regulation, including supporting virtual and hybrid AGMs, digital document execution, digital shareholder communications, and the introduction of Director Identification Numbers. We have a standing policy committee focused on risk and technology which comprises governance and risk professionals with digital technology expertise. Governance Institute also produces thought leadership and industry guidance on digital technology topics including cybersecurity, digital transformation, technology governance, and ethical artificial intelligence.

¹ Governance Institute, 2020, *Future of the Risk Management Professional*, p 19.

Governance Institute has previously contributed to a range of consultations on digital themes including Australia's 2020 Cyber Security Strategy. In 2020, Governance Institute collaborated with CSIRO Data61 to compile the report: [Digital Trust – Corporate awareness and attitudes to consumer data](#).

Executive Summary

Governance Institute members welcome the Commonwealth Government's creation of the Digital Technology Taskforce and its ongoing commitment to ensuring Australia is a leading digital economy and society. Our members are encouraged by the fact that this policy development process has the year 2030 as its horizon and they support continued long-term planning.

The COVID-19 pandemic has accelerated digital adoption. Our members have seen digital technology become a critical enabler of connectivity and business success in their industries and workplaces.

Our members also welcome the Government's significant funding commitment of \$1.2b for a Digital Economy Strategy announced in Federal Budget 2021-22. This strategy is a promising start, and our members hope to see sustained efforts to ensure Australia becomes a leading digital economy and society by decade's end.

Locating this initiative within the Department of Prime Minister and Cabinet gives a strong signal of the importance of the issue to Australia's overall future not just its digital future to 2030. The change required to implement the strategy will require concerted leadership at a prime ministerial level and strong support from the highest level of government. There will also need to be close collaboration across all levels and areas of government.

Governance Institute recommends that the Commonwealth Government consider the following digital enablement priorities. These priority areas are where our members consider attention may be needed to reach the desired end state by 2030 – a safe and internationally competitive Australian digital economy and society.

Digital enablement priorities for 2030:

1. Australia's digital regulatory frameworks are agile and responsive to emerging technologies.
2. Australia's fundamental critical communication and internet infrastructure networks have sufficient capacity, redundancy, reliability, and assurance to enable and sustain a digital economy and support growth.
3. A Digital Charter to recognise, respect and protect Australians' digital data and privacy rights is considered.
4. The Commonwealth Government ensures services gain and sustain digital trust with business and the public.
5. Digital access, affordability and ability for business and individuals is significantly addressed to enable full participation in a digital economy.
6. Public service departments and agencies collaborate to adopt a 'report once, use often' approach.
7. Business and individuals can receive business and regulatory communications in their chosen format.

8. Terms and conditions for critical digital services are available in accessible language to support informed consent in the digital age.
9. Digital capability is promoted across all sectors.
10. There are strong protections against online disinformation to protect the integrity of and trust in Australian institutions, government, business and society.
11. Businesses, individuals and government are offered the best available government defences from cyber fraud, cybersecurity attacks and cyber warfare.

Our submission discusses these priority areas in more detail and provides responses on the consultation themes of most concern to our members.

General comments on proposed digital enablement priorities

Priority 1: Australia's digital regulatory frameworks are agile and responsive to emerging technologies.

As the world becomes increasingly digitised, Australia's governments and regulators must foster a regulatory environment where Australians are able to access the benefits of the digital economy while being protected from potential harms. Governance Institute members consider this regulatory framework must keep pace with the rate of change without stifling innovation and competition.

Digital technology is developing quickly in artificial intelligence (AI), distributed ledgers, cryptocurrency, Internet of Things (IoT), mobility, drones, assisted-driving and self-driving vehicles and many other areas. An example where Australia has been slow to develop digitally responsive regulation is the digital execution of documents, digital shareholder communications and the holding of shareholder meetings using technology, regulated by the Corporations Act. The global pandemic accelerated the Government's actions in this area, however Governance Institute members hope to see more proactive regulatory action in future.

Government should also consider cross-border regulatory issues. The digital economy is an international economy, not an Australian economy. An example is data sovereignty measures such as the European Union's General Data Protection Regulation (GDPR). There is inevitable tension when digital services and products are regulated at the national, state and territory level but globally connected and integrated. Australia may consider greater global coordination and the promotion of consistent global standards to ensure a level playing field and avoid market fragmentation and regulatory inconsistencies.

Governance Institute members recommend that Government consider adopting an agile and responsive approach to digital regulation that is characterised by:

- The use of a combination of 'black-letter' law, legislative instruments, industry standards (local and international), inter-governmental and industry codes to promote effective regulation.
- A cooperative and collaborative approach between Commonwealth, state and territory governments, departments and regulators. However, the Commonwealth should consider taking a leadership role where a collaborative approach is not adopted within a reasonable time.
- A mechanism for Government to continuously evaluate and engage early with new digital technologies, including through consultation processes, trials, pilot programs and sandboxes to consider their potential use cases, impacts and regulatory implications.
- Carefully designed regulatory frameworks that mitigate the threats of emerging technologies and take into account the potential human rights implications, environmental impacts, cross-border regulatory issues, harmonisation with other existing technologies, awareness of legal liability, and other relevant factors.

- Frequent consultation with industry and engagement of specialist advice to determine if digital regulations remain effective in the face of rapid change.
- A risk-based approach to the adoption of digital processes, for example the digital execution of documents.
- Regulatory frameworks that allow for digital reporting and the provision of real-time data to support business efficiencies and reduce data re-entry errors.

Priority 2: Australia's fundamental critical communication and internet infrastructure networks have sufficient capacity, redundancy, reliability, and assurance to enable and sustain a digital economy and support growth.

To support the development of a leading digital economy, Government must develop policies and take proactive measures to enable private operators to provide fit-for-purpose digital infrastructure networks. Governance Institute members consider that the need to access reliable digital infrastructure is becoming increasingly important, especially after COVID-19. Australia's NBN rollout is complete and the 5G rollout has made significant progress. However, demand for and volumes of internet-based services are also increasing continuously. Networks therefore must be constantly reviewed, upgraded and modernised to ensure sufficient reliability, security, speed, and capacity to support a growing digital economy.

Governance Institute supports the notion of communications networks now being defined as critical infrastructure in the CI Act review. Our members strongly support this inclusion and consider that, like other critical infrastructure, network capability and capacity need to adapt to growing digital demand, whilst ensuring integrity, reliability, security and resilience.

Governance Institute members recommend that Government consider:

- Taking a holistic view of investment in new digital infrastructure that emphasises the long-term benefits and likely growth in demand for and uptake of digital services in a digital economy.
- Ways for government and industry to collaborate, coordinate and partner to achieve successful deployment of new digital infrastructure.
- Adjustments to regulatory frameworks that stimulate investment in digital infrastructure without compromising market competition.
- Ways to build public confidence in the safety and security of digital infrastructure.
- Policy settings to encourage and incentivise private industry to invest in the significant capital investment in the digital economy, such as tax incentives and instant write-offs.
- The promotion of skills training to ensure a sufficiently skilled local workforce to further support integrity and sovereignty of this critical asset.
- Possible requirements for alternate/ redundant infrastructure so that a digital economy can function reliably and with minimal disruption.
- The potential to create local industry or manufacturing opportunities for new digital infrastructure in Australia.
- Opportunities for participation in international harmonisation and standardisation in infrastructure provision to ensure global connectivity, interoperability but also cyber security.

Priority 3: A Digital Charter to recognise, respect and protect Australians' digital data and privacy rights is considered.

To create solid foundations for a leading digital economy and society, the need for robust data and privacy protections should be considered as a way of carefully balancing the promotion of competitiveness and innovative uses of data with consumer protections and digital trust. With the increasing use of and demand for data to support a digital economy, Governance Institute members consider it prudent to consider the creation of a Digital Charter to ensure both economy-wide consistent treatment and use of data and shore up digital trust by Australian businesses and individuals.

Our members consider a charter is an effective and explicit tool applicable to digital and privacy rights. A Digital Charter could be used to articulate and protect the roles, rights, responsibilities and authorities of Australians, industry and government in the digital economy. The Charter could clearly articulate the digital values of the nation and Australians' rights, and provide a useful guide to inform future public and private digital service design.

The content of the Digital Charter may be informed by globally recognised resources and similar documents, such as the United Nations Data Protection Convention 108. There are examples of Digital Charters in both the United Kingdom and Canada. Canada's charter is a statement of ten principles that articulate Canadian values in the digital economy. It balances principles seeking to protect personal data rights with others that promote the use of data for economic competitiveness.

A Digital Charter could also set clear parameters for consequences for breaches. Governance Institute members consider that an Australian Digital Charter should be widely consulted on.

Governance Institute members recommend that the Government, in light of increasing use and re-use of business and consumer data, consider the appropriateness of an Australian Digital Charter to reflect Australian digital values by 2030.

Priority 4: The Commonwealth Government ensures services gain and sustain digital trust with business and the public.

Digital trust is fundamental to a successful digital economy as a key enabler of Australia's digital competitiveness and productivity. Australian businesses and individuals need to have confidence that both governments and the private sector can deliver digital projects successfully and ensure that their privacy and digital security is prioritised, and that their personal and business information will not be misused or accessed by unauthorised third parties. If trust is lacking, Australians may refuse to engage with, or partake of new digital services. Digital trust is particularly important where services relate to sensitive issues or data.

Governance Institute members recommend Government considers setting high expectations regarding digital trust in services by:

- Ensuring sufficient capability in the areas of digital project governance and risk management.
- Implementing a continuous learning approach, where lessons learnt and institutional knowledge is passed on, so that benefits and learnings can be leveraged and mistakes not repeated.
- Actively promote digital literacy and skills across the public service and elected officials, so that Government as a whole operates as a digitally informed buyer, provider and policy setter for the wider Australian digital economy.

Priority 5: Digital access, affordability and ability for business and individuals is significantly addressed to enable full participation in a digital economy.

Governance Institute members welcome the attention given to digital inclusion in this consultation process. They consider the digital divide is a critical barrier to the benefits of digitisation for all Australians and that ensuring digital equality is critically important for Australia to become a leading digital economy and society. Australian businesses and individuals who cannot access fast and reliable internet, for affordability, connectivity, speed and extent of access, bandwidth issues, digital literacy or any other reasons, will be unable to enjoy the benefits of telehealth, e-commerce, online learning and telecommuting and therefore will not be able to fully participate in a digital economy.

The latest Australian Digital Inclusion Index (ADII) showed that improvements have been achieved since measurements began, but that a significant level of digital inequality remains. It found that more than 2.5 million Australians have no internet access at all, that low-income

Australians continue to struggle with internet unaffordability, and that one in five Australians aged over 65 do not use the internet.²

Digital capability and access have the potential to increasingly become a social justice and equity issue, as more services and businesses move online. It is important that any gaps of disadvantage for both businesses and individuals, particularly for older Australians, people with a disability, those subject to social disadvantage or those who live in rural and remote areas are addressed as a matter of priority.

Digital access will also affect the degree to which Australia can truly become digital first, without creating or emphasising current disadvantage of certain communities or individuals.

On the positive side, COVID-19 has proven digital technology is an enabler. There are enormous opportunities for tele-health, tele-education and other technologies prompted by the pandemic to better connect vulnerable groups, especially those in rural and remote areas – provided they can access it. Another example is virtual court participation. If this continues beyond COVID-19, those in remote areas may have greater access to legal representation. Australia should build on the gains made as a result of COVID-19, not go backwards. We should continue to take up opportunities for digital technology to promote social inclusion, and make further investments to promote digital access.

Governance Institute members recommend that the Commonwealth Government consider a commitment to significantly address digital inequality to ensure both Australian businesses and individuals can fully participate in the digital economy as a priority by 2030.

Priority 6: Public service departments and agencies collaborate to adopt a ‘report once, use often’ approach.

Governance Institute members see further scope to support an efficient digital economy by ensuring departments collaborate on adoption of a ‘report once, use often’ approach in all areas of the Government, in particular in areas related to compliance. We welcome the significant investment of \$501.9 million in the Federal Budget to overhaul and improve myGov and My Health Record. The introduction of myGov and the ability to connect accounts supports the ‘report once, use often’ approach. This is a step in the right direction.

Other recent examples of bipartisan progress on ‘report once, use often’ are the introduction of Single Touch Payroll, the Single Trade Window, and the decision of several State and Territory governments to cede many of their charity reporting requirements to the Australian Charities and Not for Profits Commission (ACNC) to reduce reporting duplication for charities that work and fundraise across jurisdictions. As a founding member of the ‘#fixFundraising’ campaign Governance Institute advocates further harmonisation of charitable fundraising laws across all jurisdictions.

Faster, easier online reporting systems that gather data at a single point, rather than requiring industry to provide data at multiple points could help to further reduce the regulatory burden of reporting and increase business efficiency, subject to compliance with privacy laws and other protections. Australians and businesses should be able to share details like changes of address and phone number once across all government departments and agencies. Ideally, tiers of government would collaborate on these efforts with each other to create a seamless experience for business and individuals. ‘Report once, use often’ has benefits for the public sector too as it enables more rapid regulatory responses to issues and incidents, and reduces double-handling.

Governance Institute members recommend that the Government consider wide collaboration on the implementation of a ‘report once, use often’ approach with appropriate safeguards.

² [Telstra, 2020, *Measuring Australia’s Digital Divide: The Australian Digital Inclusion Index 2020*, pp 6-7.](#)

Priority 7: Business and individuals can receive business and regulatory communications in their chosen format.

Consumers and industry would benefit from the ability to adopt and embrace digital ways of communicating should they choose. Digital choices for communications should be promoted and widely encouraged to support a modern approach and wide uptake.

Governance Institute members do not consider that digital communications should be the only channel, rather that it should be increasingly provided as a genuine option in all areas of Australian life – business to government, business to consumer, and government to public.

This will not only ensure government-to-industry and government-to-consumer communications can be received digitally, but it may also promote the adoption of digital communications in the private and not-for-profit sectors.

A key area where Governance Institute members wish to see reform well before 2030 is in the digital experience of shareholders. We have advocated for some time for the modernisation of the Corporations Act to make it more technology neutral. Our members welcome the Government's proposed reforms to allow virtual AGMs, electronic document execution, and digital distribution of Notices of Meeting and they hope to any temporary regulatory relief made permanent. Our members consider the final regulatory outcome should be: (i) certainty around electronic execution of documents – a measure that is entirely uncontroversial; (ii) for there to be maximum flexibility for regulated entities to hold meetings using technology in the manner best suited to the organisation and their shareholders or members; and (iii) for shareholders and members to be able to receive digital shareholder or member communications with maximum efficiency and minimal inconvenience, waste and cost. The regulatory relief introduced by Government in response to the COVID19 pandemic is an opportunity to make the change permanent as a significant step towards a modern and digital economy.

Another key reform opportunity area is digital optionality in regulatory communications. Governance Institute is an active participant in the Modernising Business Registers Project (MBR) through our membership of the Business Advisory Committee. Our members have provided feedback on the need for reform to many ASIC Forms that still require the lodgement of hard copy documents or wet ink signatures. ASIC also continues to send hard copy letters and notices for some regulatory notifications. Our members hope to see progress in this area well before 2030.

Governance Institute members recommend that the Government considers ways to increasingly enable businesses and individuals to access digital communications options as a preference.

Priority 8: Terms and conditions for critical digital services are available in accessible language to support informed consent in the digital age.

Governance Institute members consider that informed consent will play an increasingly important role in the digital economy.

While digital services often focus on seamless customer experience and accessibility in their core area of service, terms and conditions surrounding these services are often confusing, lengthy and complex, using language that is not accessible and/or referring to other relevant documents not included.

In some cases, these terms and conditions are Boolean, that is, a consumer/business can either accept the terms in their entirety or not access the service.

Governance Institute members consider that informed consent is vital to upholding contractual rights and mitigating risks to potential breaches of privacy, misuse of personal data and other

dangers unique to the digital economy. The issue is informed consent – for consent to be informed the language needs to be accessible.

Members therefore consider it important to make reading and understanding terms and conditions for digital services and other important policies, such as privacy policies, as accessible in design and language as the service itself.

Terms and conditions that are transparent and written in plain language would enable greater confidence by consumers and businesses that by clicking ‘agree’ they have truly understood what they are agreeing to.

Governance Institute members recommend that Government considers policy levers to promote the accessibility of language in the terms and conditions of digital products and services in Australia to support informed consent by businesses and individuals.

Priority 9: Digital capability is promoted across all sectors.

For a successful digital economy, it is important that all sectors can access its benefits. Governance Institute members consider that some organisations currently have a greater capability and capacity to invest in both relevant technologies and skills, while other organisations, such as not-for-profit organisations or small businesses can find digital capability development more challenging.

The Government’s Digital Economy Strategy in Federal Budget 2021-22 is aimed at “all sectors”.³ Governance Institute members welcome the Government’s pre-budget announcement on 27 April 2021 of its commitment of \$6.9 million to assist almost 600,000 small and medium enterprises (SMEs) across Australia to access free advice and assistance to upgrade their cyber security.⁴ Our members also welcome the Government’s funding commitment of \$53.8 million under the Digital Economy Strategy in Federal Budget 2021-22 for national AI centres and hubs to support SMEs to adopt AI technology.⁵ Our members support a special focus on SMEs. As the Government noted in its recent announcement, SMEs “make up 99 per cent of all Australian businesses and employ about half our workforce, so it is essential to our economy and national security that SMEs continue to expand and improve their digital capabilities in a secure way”.⁶

We note the Digital Technology Taskforce has already received feedback to the effect that “Small businesses often need support to overcome time, knowledge, and skills constraints, as well as cost barriers, to integrate safe and secure digital technologies into their business”, and that “Smaller businesses often lack dedicated Information Technology (IT) staff to implement cyber security into their business and often fail to identify or underestimate the risk posed by cyber incidents.”⁷ We also note that the Australian Cyber Security Strategy includes policy instruments that specifically target SMEs as a vulnerable group.⁸

The not-for-profit (NFP) sector may also require consideration from a policy perspective. In our members’ experience there is daily evidence that NFPs face similar barriers and challenges as SMEs in participating equally in the digital economy due to limited resources and capabilities.

³ Australian Government, 2021, *Budget paper No. 2: Budget Measures*, p 73.

⁴ Minister for Industry, Science and Technology (2021), *Media Release: \$6.9M cyber security assistance boost for businesses*, <https://www.minister.industry.gov.au/ministers/porter/media-releases/69m-cyber-security-assistance-boost-businesses>.

⁵ Australian Government, 2021, *Budget paper No. 2: Budget Measures*, p 73.

⁶ Minister for Industry, Science and Technology, 2021, *Media Release: \$6.9M cyber security assistance boost for businesses*, <https://www.minister.industry.gov.au/ministers/porter/media-releases/69m-cyber-security-assistance-boost-businesses>.

⁷ <https://www.pmc.gov.au/digital-technology-taskforce/moving-more-businesses-digital-frontier>.

⁸ Department of Home Affairs, 2020, *Australia’s Cyber Security Strategy 2020*.

The main barriers are: limited capital resources, a lack of digital skills and training among SME owners and NFP leaders, a lack of technology-skilled employees and volunteers, and the high cost of digital software and hardware. NFPs have also faced challenges during COVID-19 as they have increasingly had to rely on online fundraising as events, face-to-face fundraising and other traditional forms of fundraising declined or could not take place. A further challenge is that as Australian SMEs and NFPs undergo digital transformation and increase their reliance on digital technologies such as cloud computing, they are exposed to greater digital security risks and become more likely to be victims of cybercrime. Less comprehensive cybersecurity practices may also prevent SMEs and NFPs from building partnerships with larger enterprises, charitable organisations and philanthropic donors domestically and internationally.

In addition to providing and expanding digital training currently addressed by the Cyber Security Business Connect and Protect Program, we propose that the Government consider further reforms to lower transaction costs in digital payments and lower software access costs and promote better cyber security risk management practices among SMEs and NFPs through incentives to develop business solutions. We also recommend that special attention be given to the NFP sector.

Governance Institute members recommend the Government fulfills its important role as a policymaker and funder to support digital transformation, digital capability and cyber security in all sectors especially SMEs and NFPs by 2030 and beyond.

Priority 10: There are strong protections against online disinformation to protect the integrity of and trust in Australian institutions, government, business and society.

Over the last few years, online disinformation has had an increasing impact on the reputation of individuals and businesses. Social media platforms in particular have become platforms to spread disinformation relating to policies and democratic processes. While many of these platform providers are increasingly developing relevant terms of use policies, our members consider that the rise of online disinformation can have serious implications to the integrity of democracy, public trust, public education, and the ability of Australian industry to operate effectively and profitably online.

We note the work of the Senate Select Committee on Foreign Interference through Social Media. Foreign interference is clearly one important area of online disinformation that needs attention. However, there are other examples such as anti-vaccination messages, fake and malicious online reviews targeting Australian businesses, and the rise of news content that, while not necessarily entirely false, can be misleading or damaging and erode public trust. Online disinformation today already takes many forms.

Governance Institute members recommend that Government consider possible protections such as:

- Promoting the public's awareness and literacy about disinformation.
- Closely monitoring the misuse of online channels and forums where disinformation is prevalent.
- Measures that set integrity of information requirements and expectations to prevent online disinformation within Australia.
- Further reforms to promote transparency in online advertising and to combat fake, false and malicious online reviews.

Priority 11: Businesses, individuals and government are offered the best available government defences from cyber fraud, cybersecurity attacks and cyber warfare.

As governance professionals, our members take a keen interest in cybersecurity. Boards of directors, company secretaries, risk managers, compliance officers and other Governance Institute members appreciate the critical importance of cyber threat resilience and preparedness. Our members support the Commonwealth Government's actions to date, such as the establishment of the Australian Cyber Security Centre, the formulation of the 'essential

eight' cyber mitigation strategies, the release of Australia's Cyber Security Strategy 2020, and the announcement of \$43.8 million in Federal Budget 2021-22 to expand the Cyber Security Skills Partnership Innovation Fund.

Governance Institute members recommend that Government continues to implement proactive measures to the year 2030 and beyond to protect industry, consumers and the public sector from the myriad of cyber threats.

If you wish to discuss any of the issues raised in this letter, please contact Catherine Maxwell.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M Motto', written in a cursive style.

Megan Motto
CEO