



Australia's  
Tech Future

# AUSTRALIA'S TECH FUTURE

Delivering a strong, safe and inclusive  
digital economy

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## Minister's Foreword



Around the world, digital technologies are changing the way we live and work in ways we could not predict just a generation ago.

In order to continue our run of over 27 years of uninterrupted economic growth, Australia must seize the significant economic and social opportunities that digital technologies bring.

We are already well on the way. Businesses are improving their productivity by adopting and adapting new technologies including autonomous systems, robotics, artificial intelligence and remote sensors into their current operations. They are improving output and safety and competing on the world stage.

New industries are being created, for all sorts of new products and services, both for the Australian market and for the increasingly accessible global market.

The adoption of new technologies is also bringing well-paying jobs for people of all qualifications, improvements in quality of life, increased connectedness and benefits for consumers.

Australia's Tech Future sets out the opportunities and the challenges in maximising the benefits on offer. It highlights the significant work already happening across Government and identifies further action required to ensure all Australians can thrive in a global digital economy.

To reap the benefits that new technologies provide and make sure no-one is left behind we must work together. The Government will continue to engage with all Australians to ensure we are forward looking but also flexible and responsive as new opportunities and challenges arise.

**Hon Karen Andrews MP**

Minister for Industry, Science and Technology



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# Introduction

*VISION: That Australians enjoy an enhanced quality of life and share in the opportunities of a growing, globally competitive modern economy, enabled by technology.*

Countries around the world are investing heavily to take advantage of the significant economic and social opportunities that a digital economy can bring.

Australia's ongoing economic success depends on our ability to harness technological advances to improve existing businesses, create new products and markets, and enhance daily life.

A report by [Data61](#) estimates that improvements to existing industries and growth of new ones could be worth \$315 billion to the Australian economy over the next decade.

*Australia's Tech Future* details how Australia can maximise the opportunities of technological change by focusing on four key areas:

- **People:** developing Australia's digital skills and leaving no one behind
- **Services:** how government can better deliver digital services
- **Digital assets:** building infrastructure and providing secure access to high-quality data
- **The enabling environment:** maintaining our cyber security and reviewing our regulatory systems

Under each of these elements, the agenda sets clear outcomes, identifies opportunities and areas that need further focus, and outlines corresponding Government plans of action.

By working together we can ensure Australians can share in the opportunities of a growing, globally competitive modern economy, enabled by technology.

## ***Digital technologies will deliver benefits across the economy and society***

The opportunities afforded by digital technologies are not constrained to technology-based companies and start-ups – they can add value across all parts of the economy.

For businesses, these technologies have the potential to help develop new products, access new markets, work more efficiently and improve the bottom-line, better target consumer preferences through use of data, and deliver safer working environments.

### **Agriculture**

While agriculture is one of the world's oldest industries, farmers are some of our best leaders in the uptake of new technologies. Self-steering, GPS-guided tractors and other high-tech farming equipment have already become a normal part of farming in Australia, helping our farmers be more efficient and save on chemicals and other high-cost inputs. Into the future, the combination of satellite technologies, drones and better use of data will deliver even more support for farmers making decisions on planting, fertilising and watering crops (see [Yield Technology](#) case study). Blockchain also holds the potential to transform supply chain management and biosecurity outcomes (see [AgriDigital](#) case study).

## Manufacturing

Australian manufacturers are using digital technologies to modernise their systems and processes (see [Astor Industries](#) case study). From robotics and artificial intelligence to advanced modelling software and 3D printing, technology has become an integral part of doing business. Digital technologies will help Australian manufacturers thrive into the future, as they use 3D printers for rapid prototyping, collaborate with cloud-based tools on component design and production and implement sensors connected using Internet of Things (IoT) technology to monitor production processes. These technologies help to ensure only the highest quality products leave the factory, while better use of data, including from customers about their experience, will be used to anticipate demand and inform new product development.

## Mining

The resources and mining sector is undergoing an intense period of change as mining companies embrace digital technologies to drive productivity and improve safety. It is already commonplace to see driverless trains and trucks moving large volumes of iron ore around the clock in mines across Western Australia. Looking ahead, emerging technologies will become further embedded in mine operations. Technology such as 3D printing can be used to quickly deliver critical spare parts in remote locations reducing delays in production. Drones and sensors will be used to collect real time data, particularly in dangerous or inaccessible locations, and this will be used to support better planning and management of mining operations which will reduce the cost of extraction and improve the safety of mine workers.

## Tourism

Australia is now a top 10 global destination and digital technologies are increasingly used by both travel operators and consumers at all stages of the travel experience. Tourist operators have invested in cutting edge virtual reality and 360 degree mobile technologies- there is nothing like a life-like experience of snorkelling the Great Barrier Reef to attract tourists to our shores. Consumers are increasingly planning and booking travel online and then rating their experiences. In the near future, greater use of data combined with machine learning will enable travel companies to predict when and where travellers may want to travel allowing them to better target travel experiences and to generate personalised offers for the travelling public.

## Services

The services sector makes up a large part of the Australian economy, employing four out of five Australians. Advances in technology such as artificial intelligence, data, analytics, machine learning and robotics are driving competitiveness and productivity. Digital commerce continues to grow in use and popularity, technology is enabling frontline engagement with customers in stores and businesses are realising increased sales through online sales and creating digitally connected stores. In financial services credit card companies are using data to detect fraudulent transactions, and insurance companies are using data to set fairer and more accurate policy premiums.

For the Australian community, digital technologies are improving health and education outcomes and, making services, particularly government services more accessible. Advances in technology are also improving how we manage emergency situations and making our cities more liveable including through better transport.

## Health

The opportunities to use digital technologies to improve health outcomes are continually expanding (see case studies on [Helimods](#) and [iOrthotics](#)). Hospitals are using software developed by CSIRO to better manage patient flows and reduce waiting times and some remote communities are gaining increased access to specialised services via digital channels. Healthcare professionals are using robotics to improve surgery outcomes, radiographers are using computers that are trained to recognise patterns in images to identify irregularities in scans. But consumers are also being empowered to better manage their own health. As well as accessing health information online, devices that monitor blood pressure and heart rate are saving lives and those that track activity and diet are also improving health and wellbeing. In the future, our ability to tailor healthcare solutions to individual needs will see further improvements in health outcomes. Increased use of sensors will enable greater use of devices that can monitor the health of older Australians within their homes, notifying medical authorities if required. This will increase independence and quality of life while providing peace of mind.

## Education

We all know that a good education provides a great start in life. Digital technologies are not only changing what we need to teach our children (see case studies on [Swinburne University](#) and the [esmart library](#) Program), they are changing how we teach them. The pace of change in technology also means that we have to keep learning throughout our lives, keeping up-to-date with how technology can help us at home and at work. Students are increasingly using digital tools to access information and educational resources, many are completing qualifications largely online. As well as increasing access, particularly for people in regional and remote locations (see [Mobile Black Spot](#) Program case study), digital tools can provide all students with more tailored educational solutions that meet their particular needs.

## Everyday services

A whole range of services that people use every day, including banking, shopping and entertainment are available online. Access to goods and services online is particularly important for Australians living in rural and remote areas. Data about the availability, cost and customer experience of services is helping us choose a restaurant for dinner, an energy provider or where to holiday. Government services are also increasingly available online with the aim to deliver seamless, painless and efficient services that protect people's privacy and security. Services including myGov and myTax are good examples of how the government is transforming the way Australians deal with government.

## Emergency services

Better management of emergency response situations through the use of digital technologies including accidents, floods and bushfires is helping save our environment, people's homes and lives. Emergency services including Police, Fire and Ambulance and are using digital tools to improve data collection and sharing of intelligence in complex situations. Authorities are also using mobile phones to alert people of local emergency situations to keep people informed and safe. In the future, people calling 000 on a mobile phone will automatically relay locational details. This will allow emergency services to be immediately despatched saving time and potentially lives, particularly in places where the caller may find it hard to identify the specific location, for example on a country road. CSIRO's bushfire prediction tool 'Spark' (see [Spark Platform](#) case study) is a great example of how digital technologies are being used to predict the behaviour of bushfires thereby making communities safer, stronger and more resilient.

## Transport

Many Australians travel to and from home, work, the shops or school each day. Not only are digital technologies making our cars, trains and buses safer and more efficient, but improved collection and use of data is helping manage our transport systems and traffic flows in our cities. In the future, increasing automation of vehicles will support people to become or stay independently mobile while potentially reducing the number of cars on the road and sitting in car parks. Widespread implementation of improved safety features such as automatic emergency braking and sensors to detect driver alertness will lead to fewer accidents on our roads. Better management of public transport, based on detailed analysis of data about how and when we move around the city, will reduce commuting time and make our cities more liveable.

To secure these benefits requires a strategy for Australia's technology future which embraces emerging technologies, and creates the environment for Australian's to have their quality of life improved by a modern digital economy.

## *Understanding emerging technologies*

A range of emerging technologies are forecast to change and improve many fundamental tasks and interactions in the coming years, including how we work, travel, and communicate with each other. Technologies such as artificial intelligence, blockchain and quantum computing present significant opportunities for people, businesses and the broader economy.

### **Artificial Intelligence**

Artificial intelligence (AI) is a broad term used to describe a collection of technologies that can solve problems and perform tasks to achieve defined objectives without explicit human guidance.

Central to AI are automation and machine learning that underpin applications such as natural language processing (Apple Siri or Amazon Alexa), computer vision (Tesla Autopilot), and optimisation and decision support (Google Maps).

AI has the potential to automate repetitive or dangerous tasks, increase productivity and allow the development of innovative consumer products. It is forecast to add trillions of dollars to the global economy in the coming decades. Examples include:

- Using advanced data analytics techniques to diagnose diseases at earlier and more treatable stages



- Using automated machines for hauling and drilling on mine sites, increasing productivity and reducing risks to workers
- Enabling greater use of smart forms that can tailor legal information to assist individuals to draft a will or settle financial arrangements following a break-up
- Tailoring content on entertainment platforms to meet user preferences

There is considerable effort, both in Australia and internationally, focused on ensuring that AI is applied ethically and delivers broad societal benefits.

### **Blockchain**

Blockchain is a digital platform that records, verifies and stores transactions shared across a network of computers according to an agreed set of rules. This removes the need for verification by a central authority, such as a bank.

Cryptography is used to keep transactions secure, and costs are shared among network participants. The fact the transaction history is viewable and verifiable by all network participants allows for much higher levels of transparency and auditability than is otherwise possible.

Although blockchain is still an emerging technology, it can be applied across a wide range of industries and to almost any transaction that involves a value, including:

- Financial transactions
  - Faster clearing and settlement times could reduce credit risk and capital requirements, lowering transaction costs across the board. This could have practical benefits for real estate transactions
  - Significantly reduced contracting, compliance and enforcement costs can make low-value transactions economically viable through use of auto-executed 'smart contracts'. This would allow for faster and easier transfer of royalties from digital platforms to digital content creators, such as musicians, writers and vloggers.
- Government services
  - Validating the identity of a person without revealing personal information
  - Allowing for government to reduce fraud, corruption, errors and the cost of paper-intensive processes.

- Tracing the history of a product
  - Tracking the provenance and trade of digital and physical goods. This would help ensure consumers are receiving genuine items that are otherwise susceptible to fraud, such as ethically sourced diamonds and luxury food items.

### **Internet of Things (IoT)**

The Internet of Things (IoT) refers to the increasing use of sensors that record things such as sounds, touch, movement, temperature and even chemical composition that are being used to automatically collect data about people, the environment and objects and transmit this information over the Internet.

The increasing application of this technology has been made possible by the availability of cheaper and better sensors, the wide availability of internet connectivity and increased computing power.

Examples of how IoT is delivering benefits to the community include:

- Smart health care devices that can monitor patients and alert medical authorities if required
- Sensors in energy and water infrastructure that enable providers to better track and manage maintenance
- Sensors in the soil that can measure moisture levels and help farmers better manage water use and improve harvest.

### **Quantum computing**

Quantum computing is an emerging technology that would exponentially increase available computing power to help us solve problems that we cannot tackle with existing computers. Quantum computers, will be able to crack codes easily and they have the potential to disrupt existing security methods that use encrypted data, such as in banking and other industries. Quantum computers also have applications in scientific fields and could help answer questions that have baffled scientists for generations.

Australia is recognised as a world leader in silicon-based quantum computing research, which is one of the most promising pathways to developing a commercially viable quantum computer.

As part of the National Innovation and Science Agenda, the Government invested \$25 million in the [Silicon Quantum Computing Pty Ltd](#) venture, in partnership with leading academic institutions and businesses.



## PEOPLE



## Skills

*Australians are equipped with the skills required to thrive in an evolving job market, and grow their businesses into the future.*

### Outcomes:

- Australians have access to the education and training they need throughout their lives, to build new skills and adapt quickly as opportunities change
- Australian businesses are embracing new technologies and investing in training to ensure their workforces have the digital skills to support growth and job creation.

### Why do skills matter?

The changing demand for skills will transform some jobs Australians have relied on for decades. The key challenge is for Australians to build the skills necessary to evolve with jobs as they change and as new ones are created.

Australian businesses success depends on the skills of their workforce. As technology continues to change what businesses do and how they operate, so too will the skills in demand.

While it is hard to predict the skills in demand in the future, we know employers are looking for workers who have a combination of transferrable digital skills and collaborative, creative, communication and entrepreneurial and problem-solving skills.

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*"...businesses want more than hard technical skills. Enterprise skills such as complex and creative problem solving, innovative thinking, communication skills, teamwork and collaboration and an understanding of the business and industry context are what many ... are looking for from new employees."*

JOINT [SUBMISSION](#) TO THE DIGITAL ECONOMY STRATEGY CONSULTATION PAPER BY AUSTRALIAN INFORMATION INDUSTRY ASSOCIATION, AUSTRALIAN MOBILE TELECOMMUNICATIONS ASSOCIATION AND COMMUNICATIONS ALLIANCE, NOVEMBER 2017

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We also know that most jobs will require some digital skills. More than [90 per cent of Australians](#) will need to use some level of digital skills at work within the next five years. But this won't all be computer programmers and coders. All jobs will increasingly require the basic skills required to communicate and find information online.

Individuals, businesses, and governments need to work together to support a workforce with the skills in demand so we can have a modern, competitive economy. Australians all have a role to play:

- workers should identify opportunities to continue to update and develop new skills
- businesses need to invest in their workforce
- the Government will support people to evolve with their jobs and transition to new ones.

### What are the opportunities in skills?

Access to skills and technologies will enable Australia's existing industries to stay competitive, new industries to emerge, and our labour market to be flexible and diverse.

### Maintaining a strong national curriculum

Education plays a critical role in shaping the lives of young Australians.

The [Australian Curriculum](#) provides schools, teachers, parents, students, and the community an understanding of what students should learn, while recognising that children are different. Children develop at different rates, have different learning preferences and areas of interest, and have different aspirations. The curriculum covers the

knowledge and skills required by Australian students to live and work successfully in the 21st century, regardless of where they live or what school system they are in.

Australia will build on the strengths of the Australian Curriculum to ensure young Australians are well-prepared for changes in the way we live and work.

### **Building on Australia's highly-educated population**

Australians have high levels of education [compared to other OECD nations](#) and have strong skills such as creative problem solving, teamwork and communication.

The [2017 Employer Satisfaction Survey](#), which reports the views of over 4,000 employers of recent graduates, found employers have high levels of satisfaction with a wide range of graduate skills including collaborative (86 per cent) and adaptive skills (90 per cent).

By combining these with specific technical capabilities, we can create a modern workforce with rewarding career paths for Australians.

Our capable, skilled people will continue to attract international investment in technology-driven industries that will in turn create opportunities for the next generation of Australians.

### **Creating jobs and growth by embracing technology**

In 2015, AlphaBeta estimated that automation, harnessing the power of machines to perform tedious and less valuable tasks, could significantly boost Australia's productivity and national income, by up to [\\$2.2 trillion by 2030](#).

These benefits depend on encouraging more firms to intensify their efforts to embrace technology and Australia's ability to create new opportunities for those workers at risk of being displaced by automation.

This is an opportunity for Australia to leverage our highly educated and digitally literate workforce and build capability in a broad range of technologies including artificial intelligence, robotics and the Internet of Things. This capability can help grow existing industries and develop exciting new ones.

### **Increasing flexibility in the education and training system**

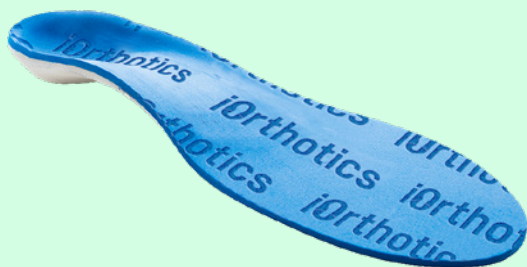
Technology is transforming the education sector, increasing flexibility for students and has the potential to reduce the costs of delivery. This includes increased options for both formal and informal education such as the growth of Massive Open Online Courses.

To help workers to transition or reskill, the education sector needs to embrace non-traditional forms of study. This could include micro-credentials, which recognise informal and formal learning in specific areas and offer an efficient way to ensure that employees are keeping their skills relevant and certified.

### **Anticipating industry needs**

Understanding skills within occupations and industries and mapping transition pathways will help individuals and businesses make informed decisions on labour market trends. It also assists Government to target support to industries where transitions may be more difficult. By working with industry, the Government will build on the regular research it currently collects on [industry and occupation trends](#) to better understand future skills requirements.

### **Case study: iOrthotics embraces digital and expands into global markets**



[iOrthotics](#) designs and manufactures custom-made orthotic devices. By collaborating with the University of Queensland, iOrthotics learnt new digital nesting techniques. These allow for increased productivity and material cost savings while delivering better patient outcomes.

Investment in 3D printing solutions has allowed iOrthotics to increase its production while eliminating over 30 tonnes of plastic landfill waste annually. The company plans to grow its exports considerably and expand its reach into the United States, UK and Canada, generating up to 13 new skilled jobs.

## Case study: Swinburne University of Technology and Adobe partner up to transform the digital technology curriculum



Adobe has established digital initiatives and symposiums throughout Australia, including a [world-first strategic partnership with Swinburne University of Technology](#) to assist in the university's digital transformation.

Swinburne's digital advertising technology major and minor, which can be undertaken as part of a Bachelor of Business, Arts or Media and Communications, will incorporate the Adobe Marketing Cloud platform. This includes training materials and accredited teaching practices, allowing students to immerse themselves in digital technology whilst directly addressing the digital skills gap.

Students enrolled in the major learn digital analytics, search marketing, social media marketing and video marketing; skillsets that are in increasingly high demand.

### Supplementing existing skillsets and increasing skills transfer

Australia is in a global contest for talent and has shortages in some digital skills. Skilled migration offers an important way of attracting highly-skilled people who can help grow new opportunities and address short-term gaps. Our visa system needs to support Australia compete for global talent in fields where suitably skilled Australians are not available. This will assist with our economic transition and help transfer skills to Australian workers.

### Where do we need to focus our attention in skills?

#### Improved labour market information

In times of change, individuals and businesses need to make important decisions about training, study, and planning their workforce. To assist in these decisions, they need credible information about the industries that will grow in the future, the skills needed, and the pathways to future jobs.

The Australian Government is committed to improving dynamic user-friendly information on jobs, skills and education in the Australian labour market.

### Building business capability and adoption of technology

To remain competitive in the global marketplace, businesses increasingly need to:

- identify the skills and capabilities they need to further harness the benefits of digital technology
- upgrade to modern cloud-based business solutions
- use the web and social media to extend their markets
- embrace emerging technologies as they evolve.

Despite efforts from all levels of government, evidence suggests that digital capability and the [adoption](#) of digital technologies by small and medium businesses is still low.

Barriers to digital adoption in business include:

- low digital skills
- lack of awareness of benefits
- lack of time to research and trial new technology
- concerns about cost
- unreliable internet access.

Further information challenges faced by small business can be found in the report of the [Small Business Digital Taskforce](#).

### Case study: Astor Industries upskilled staff as they diversified from automotive decorative badges to eyewear



The end of car manufacturing in Australia could have been the end of [Astor Industries](#), but the company is thriving by branching out into new markets.

A long-time industry leader in automotive decorative badges, Astor diversified its operations and now makes frames for Australian eyewear retailer Dresden Optics.

The company retrained its factory staff and invested in digital printing technology and plastic injection moulding machines. Together Astor and Dresden developed an intelligent mixed waste re-manufacturing system. This enabled them to produce frames for glasses from recycled plastics such as milk bottle lids, beer keg caps, and even plastic rubbish washed up on the beach.

### Supporting workers impacted by automation

The impact of technological change on current and future jobs is likely to be uneven. Different industries and regions will be impacted in different ways. Many Australians fear ongoing technological change means that they will be left unemployed or underemployed without the skills required to secure one of the new well-paid jobs on offer.

Governments and industry need to provide support for workers needing to up-skill, re-skill or transition into new areas of employment, whether this be early in their career or when the person is closer to retirement.

### Ensuring skills remain relevant and up-to-date

Individuals need to shift their thinking from having a 'career for life', to maintaining the skills needed to adapt to changing opportunities.

To maintain a skilled workforce that can keep up with rapid technology change and seize job opportunities, Australia needs to establish a culture of lifelong learning that provides us with access to flexible learning options.

### Addressing shortages in key digital skills

Rapid change means Australia faces current shortages in key digital skills including:

- data management and analysis
- cyber security
- cloud computing
- artificial intelligence and machine learning
- robotics
- digital design
- software design
- advanced mathematics and statistics.

[Department of Education and Training statistics](#) show that approximately 5,500 Australians graduated with an ICT degrees in 2016. The demand for digital skills is increasing as businesses across all industries embrace digital systems and services. The occupations that require digital skills are not just traditional ICT roles. For example, people in marketing and sales now also need data analysis skills and digital design skills.

Businesses, employees and entrepreneurs are keenly aware that not having the right digital capability in their workforce will hinder business innovation and growth, putting Australian businesses at a competitive disadvantage in the global economy.

### Case study: Helimods transforms industry with technology and innovation driven approach



HeliMods is a specialist engineering company in regional Queensland that delivers integrated and customised helicopter solutions.

HeliMods developed a 'Powered Aero Loader' (PAL), a world-first automated product that allows, at the push of a button, paramedics to lift stretchers into helicopters in under 30 seconds. Installing the PAL device removes manual lifting for the paramedics, minimises stress on critically ill patients during transport, and saves valuable time unloading patients.

### Balancing digital with other essential skills

While there's a focus on encouraging individuals to study in science, technology, engineering and maths (STEM) related disciplines, there needs to be the right balance between specialist technical skills and other transferrable skills including creative, problem solving, communication skills and human or user centred design and social science skills. This balance is important to consider when developing education and training curriculums, but also for employers when considering the skill sets they need for particular jobs.

### Exporting digital capability

Australia is a major exporter of education, and education in digital skills is an area of strong potential growth.

Supporting economic growth and development in our region is in Australia's national interest. By building capability of our regional neighbours to engage securely in the global digital economy, we support Australia's own capability to do the same. Australia is active in raising the bar of cyber awareness and skills in the Indo-Pacific. As our neighbours become more cyber resilient, more secure digital trade opportunities will arise, contributing to economic growth in Australia.

### What is the Government doing in skills?

Below is a summary of major government work on digital skills; for a list of all government initiatives, refer to Australia's Tech Future website.

### Delivering future-focused, flexible and responsive education and training systems

The Government is working collaboratively with industry and the education sector to deliver broad reforms to the education and training systems so that Australians can build skills and adapt quickly as opportunities change.

The [Quality Schools Package](#) is focussing the Government's investment in schools on quality teaching and programs that give students the skills and knowledge they need to live and work in the future.

The Government's [higher education policies](#) are improving the sustainability of the higher education sector, supporting student career aspirations, and ensuring industry has a skilled workforce.

The Government is also reviewing the Australian Qualifications Framework. This review will look at how tertiary requirements could respond flexibly to changing industry and skills needs. It will also consider how micro-credentials could be combined and built upon throughout a person's career to support lifelong learning. In addition, a review of the Higher Education Provider

Category Standards will assess the effectiveness of the standards as a framework to ensure the tertiary system is responsive to the evolving learning and skills needs of students and employers.

The Government is ensuring that the opportunities and benefits of vocational education and training (VET) are shared with the community through a national VET information strategy and by improving information resources for students so they can make better informed decisions about their future.

The Government is also working with industry on projects to meet industry needs. For example, a partnership of industry, governments and RMIT University, has successfully developed Australia's first [university short course](#) on blockchain technology has been developed.

### **Supporting reskilling and transitioning workers**

The Government is engaging with affected industries and communities to ensure workers are equipped to reskill or transition into new areas of employment.

The Government provides support for mature age workers transitioning into roles in growth industries through the Job Change initiatives. This includes the provision of information and development of a new interactive Skills Transferability Tool to source job opportunities specifically tailored to the skills of the individual.

From 1 July 2018, the [Retrenchment Rapid Response Framework](#) is available to connect transitioning workers to supports and services. Through the Retrenchment Rapid Response Framework, the Government supports retrenched workers to make sure they can find a new job as soon as possible. The framework also aims to help employers through the retrenchment process, including how they can meet their obligations and provide their workers the support they need.

### **Supporting Australian regions**

To support sustainable long-term economic growth, we must ensure that the impacts of growth are shared across the country, including to the regions.

Some regional areas, particularly those impacted by structural change in the economy, are facing challenges in terms of employment opportunities and industry growth. In response to this, the Government will introduce the [Regional Employment Trials program](#) in 10 selected disadvantaged regions.

Employment Facilitators will work with Regional Development Australia (RDA) committees in trial regions to develop projects to help tackle local employment challenges. The projects will bring together stakeholders and employment services providers.

The [Regional Employment Trials](#) start from 1 October 2018. The trial will deliver strong connections between regional stakeholders, tailored employment initiatives that meet local needs, and the potential for improved regional employment outcomes.

### **Case Study: Australian start-up AgriDigital embraces blockchain to make agricultural supply chains simple**

[AgriDigital](#) is an Australian agricultural start-up that uses blockchain technology to track produce across the grain supply chain. This gives growers and buyers a way to receive fair compensation and increases transparency, efficiency and trust for farmers.

Using this commodity management platform, agricultural businesses can better manage supply chains and ensure the origin of their products. Users can stay ahead of

digital supply chain developments and meet the demands of their customers and partners.

Since the first deal in 2016, over 2,400 people have used the cloud platform, with more than 1.6 million tonnes of grain transacted totalling \$360 million in grower payments.

With the initial focus on the grains industry, AgriDigital intends to expand into livestock, cotton and other agricultural markets. It also plans to export its digital technology to Canada and the US.



### Supporting life-long learning

Supporting a culture of life-long learning and improving linkages between vocational education and training, the university sector and industry will help people develop the right skills at the right time in a way that suits them. That is why the Government is exploring mechanisms to better support life-long learning, including ways to overcome perceived barriers restricting people from engaging in further education and training.

The Government is considering new ways of delivering qualifications that meet the changing needs of the workforce in key sectors undergoing transition. This includes discussing with the business community how a student entitlement account model might operate.

### Encouraging small business to embrace digital technology

Small and medium businesses with higher levels of digital engagement are significantly more likely to be growing revenue, creating jobs, exporting and innovating new products or services. Despite these benefits, many businesses are still a long way off adopting digital technology.

The Government is building small businesses digital capability through the *Small Business Digital Champions* initiative. The program will assist selected small businesses to transform their operations using hardware, software and digital training. Case studies of 'Digital Champions' and their mentors, will document and showcase their digital transformation to inspire and help other small businesses to 'go digital'.

The Government will continue to working closely with industry to ensure businesses are enabled to take advantage of rapid and global technological changes and opportunities.

## In their own words – small business owners on going digital

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*“If you want to be self-employed, digital is the way to go.”*

MARTINA BLAIR, OWNER, M.ARTY HAIRDESIGN

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*“Without digital technology, we wouldn't have grown like we did .....You've gotta open up your horizon a bit and open up your thinking to what is out there and how that can help and benefit your business.”*

SEAN RALPH, MANAGING DIRECTOR, THE POPS GROUP PTY LTD, POOL PRO PRODUCTS

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*“Digital technology plays an incredibly important part of our business – it runs our office, it runs our tradesmen, and to be honest we couldn't do our business without it anywhere near the high standards that we currently do”*

TOM MARTIN, OWNER, WATER TIGHT CANBERRA

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See more [Going Digital stories](#) from small business

### Accelerating and coordinating efforts to address priorities

The Government will continue to work closely with industry, the community and academia on a range of digital economy issues, including the importance of ensuring that Australian businesses have access to the digital skills they need. Through this collaboration, the Government will encourage industry-led work to consider the digital skills challenges experienced by different industry sectors and the broader community, and to boost digital skills across the sectors.

# Inclusion

*All Australians are able to engage with technology and participate in the modern economy.*

## Outcomes:

- Increased interaction with technology amongst disadvantaged and underrepresented groups.

## Why does inclusion matter?

Advances in technologies have revolutionised the way Australians live, work and interact with each other. For the majority of Australians, technology supports how we:

- communicate and socialise
- teach and learn
- recruit staff and look for work
- do our jobs.

However for lower income earners, those with poor access to the internet, or those who lack the skills to use technology, these opportunities are harder to access. [ABS data](#) have shown that Indigenous households are about 75 per cent more likely than non-Indigenous households to not have an internet connection.

Indigenous Australians face additional barriers around skills, affordability and access to culturally appropriate technology. Even in urban areas, where access to the internet is higher, measures of digital inclusion are lower than the Australian average.

Groups that only access the internet through mobile phones have lower levels of digital inclusion, due to higher costs of accessing data through this means. The greater prevalence of mobile-only connectivity among Indigenous Australians contributes to the lower digital inclusion score for this group.

Exclusion from the digital world can exacerbate other forms of social exclusion such as unemployment, low education and poverty.

All Australians need access to the technologies and the skills required to use them if they're to fully take part in social and economic life. Digital inclusion has the potential to support and improve the quality of life for some of the most disadvantaged and excluded in our community.

Governments, business and the community all have important roles to play to address the digital divide.

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*"We want to see every Australian benefit in our shared digital future – that means enabling every member of the community to take part, and designing engagement processes and interfaces to the digital world that take account of the different life stages and levels of digital ability."*

SUBMISSION TO THE DIGITAL ECONOMY STRATEGY CONSULTATION PAPER BY MYOB, NOVEMBER 2017

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## ***What are the opportunities in inclusion?***

The more socially inclusive Australia's digital transformation is, the stronger our economy will be. As connectivity, access and inclusion improves, the ability to provide government services online and direct to people's homes will increase. This will reduce the cost of services like education, healthcare and improve rural and remote access.

### **Providing universal broadband services**

The National Broadband Network (NBN) is helping to bridge the digital divide, by providing regional Australians with the tools they need to grow and prosper in their local area.

By mid 2018, the rollout of the NBN in regional areas was approximately 86 per cent complete, with the remainder under construction or in planning.

The NBN will assist businesses in these areas to improve their productivity, reduce costs and increase access new markets. The NBN will enable more businesses to make the move out of the cities and into our rural towns and communities. Access to the network is expected to help create an additional 20,000 jobs in regional Australia by 2021.

The existing Sky Muster satellite service provides enough capacity for advanced applications such as distance education and e-health services.

The Government prioritised work with NBN Co to develop a special product using the Sky Muster satellite so that distance education students have additional data they need to get the most out of their studies. As of 4 July 2018, 743 students across regional Australia were benefiting from this product.

The NBN is enabling e-health to help regional Australians manage their health condition with the help of remote access to city specialists.

NBN Co has also developed a Public Interest Premise (PIP) policy which allows schools, emergency services, Indigenous organisations, Government facilities and health facilities in the Sky Muster footprint to access to additional data of up to 300 Gigabytes (GB) per month. In addition, individual buildings belonging to the same complex may be classed as separate premises, which allows additional installations.

These initiatives are part of the Government's ongoing commitment to increase the opportunities for inclusion, which access to fast broadband can provide for regional and rural parts of Australia.

### **Telehealth boost for people living in rural and remote regions**

The Government is providing \$9.1 million over 4 years from 2017-18 into a [telehealth initiative](#).

The initiative helps Australians who live in rural and regional Australia access psychologists and health professionals via video consultations. Health professionals will be able to connect sooner and more regularly with patients in need of services, narrowing the gap in health equity for people in rural and remote locations

### **Increasing accessibility**

Developments in artificial intelligence, machine learning and cloud computing are rapidly improving voice recognition and translation technology. Over time, this will make digital content more accessible to people of all cultural and linguistic backgrounds.

Advances in assistive digital technologies will continue to improve the daily lives of people with disabilities. Technologies such as biometric access and voice recognition may make accessing online services and information far easier than traditional delivery and interaction methods.

## Case studies: Digital entrepreneurship for social inclusion



The partnership between the **University of Wollongong SMART Infrastructure Facility** and **Briometrix** has developed a crowd-sourced, real-time mapping system using Internet of Things and advanced data analytics to provide wheelchair users with greater freedom of movement. Users will be able to track journeys, log key features of physical environments, and access interactive maps.

**Remarkable** is Australia's first accelerator providing funding, mentorship and master-classes to disability-focused start-ups. As of October 2018, Remarkable's 16-week accelerator program has supported a total of 19 ventures whose technologies have a strong potential to positively impact the life of people with disabilities.

The **Ask Izzy** mobile website provides access to a directory of over 360,000 services for people who are homeless or at risk of homelessness, including where to find food, legal advice, health services and accommodation. Since it was launched in early 2016, Ask Izzy has fulfilled more than 1.5 million searches, helping thousands of people access the help they need.

[SUBMISSION TO THE DIGITAL ECONOMY STRATEGY CONSULTATION PAPER BY INTERNET OF THINGS ALLIANCE AUSTRALIA, NOVEMBER 2017](#)

## Improving healthcare access

Digital healthcare models are improving accessibility, quality, safety and efficiency. By early 2019, every

Australian will have a [My Health Record](#) (unless they choose not to). This will deliver significant improvements in both the quality and efficiency of healthcare, and puts patients at the centre of their healthcare.

## Case study: Using digital technology to improve the health of Australians

Government health departments have begun to see significant improvements in health outcomes through their investments in digital health. These are being complemented by a new wave of [non-government innovations in digital health](#) for example:



1. A mobile health pilot program in Canberra for type 2 diabetes helped motivate patients to record their health metrics using mobile devices, and found significant increases in patients' confidence in managing their chronic illness.
2. A CSIRO trial screened more than 1200 people in their communities for diseases such as diabetic retinopathy. Images were digitised and reviewed by ophthalmologists in Brisbane and Perth, providing specialist services to those who would not otherwise have access to them.
3. CSIRO's Care Assessment Platform smartphone app is alleviating the need for patients to travel to outpatient clinics for rehabilitation appointments by bringing the rehabilitation program to the patients' homes. The smartphone app demonstrated the same, if not better, health outcomes compared to the traditional rehabilitation program.

## Enhancing democratic freedoms

Freedom of expression is a fundamental part of a vibrant democracy and a culture of accountability. It underpins good governance and stronger institutions. The Internet provides an unparalleled opportunity for the exercise of the freedoms of expression, peaceful assembly and association, and the promotion and protection of human rights.

## *Where do we need to focus our attention to improve inclusion?*

Addressing barriers to digital literacy and access to technology is key to ensuring participation in the economy and for social inclusion, particularly for:

- older Australians
- women
- Indigenous Australians
- people with disabilities
- people in low socio-economic groups
- people living in regional and remote areas.

The [Australian Digital Inclusion Index \(ADII\)](#) measures three dimensions of digital inclusion: access, affordability, and digital ability.

The 2018 ADII reports that overall levels of digital inclusion have improved in Australia across all demographics. However, this increase has been uneven between groups, with slower growth rates among Indigenous Australians, older Australians and those with low incomes, education and employment.

## Ensuring ongoing affordability

Australian households' ability to access digital services has improved with communications services becoming increasingly affordable. According to [research](#) by the [Bureau of Communications and Arts Research \(BCAR\)](#), consumers are getting better value as prices stay the same or fall, and product inclusions increase. Ninety-five per cent of Australian adults now use mobile phones, with more than 80 per cent owning smartphones; more than 99 per cent have mobile network coverage.

For home broadband services, the NBN is improving choice and availability. The Government's investment in the NBN rollout is reducing prices, including for regional consumers. There are NBN plans available for as low as \$30 or \$40 per month.

NBN Co's decision to offer a temporary promotional discount on its 50 Mbps speed tier in late 2017 had a significant impact on the affordability and take-up of higher speeds. In 2017, retailers were only managing to sell 50 Mbps or higher speed plans to about 16 per cent of customers – that grew dramatically to around 50 per cent by September 2018. Retailers have moved large numbers of existing customers onto higher speed plans in the first half of 2018, reflecting the increased affordability of these plans.

This also compares favorably with services in other countries. A household with broadband speeds of 25 Mbps or more and 200 GB of monthly data pays less in Australia than the UK, New Zealand, Canada and the US.

However, new digital services need to remain accessible to Australians. While the BCAR found the share of households spending a lot of their income on communications services was declining, the lowest 10 per cent of households by income have seen their share of disposable income spent on communications services increase in recent years.

### **Increasing rural and remote participation**

ADII scores show higher levels of disadvantage for people in rural Australia compared to those living in urban areas. While the gap has narrowed over the past three years, rural areas still have lower levels of access and affordability than capital cities. [ABS data](#) have shown that rural and remote households are twice as likely to not have an internet connection as those in major cities.

The NBN rollout will enable all Australian premises to access broadband services with peak wholesale download speeds of at least 25 Mbps by 2020. The vast majority of the 2.5 million fixed line premises outside major urban areas and the over 600,000 premises covered by fixed wireless will be able to access 50 Mbps services. Some fixed line premises will also be able to access higher speeds.

The Government is working with NBN Co Limited to design new products using the Sky Muster service for those groups with particular needs in regional and rural Australia.

This includes a range of products, including enterprise satellite services to support business applications, mobility solution, enhanced services such as multicast, and Wi Fi solutions for remote Indigenous communities.

NBN Co Limited is partnering with the Royal Flying Doctor Service (RFDS) to provide broadband connectivity to support this essential service across the most remote areas of Australia. The partnership will provide broadband to RFDS bases and 300 remote area clinics including higher data allowances for those sites using Sky Muster services.

While the NBN rollout and increasing mobile coverage will create greater opportunities for participation, this increased access needs to be leveraged to ensure it is accompanied by increased participation in the digital economy that will maximise the benefits to all Australians, especially disadvantaged groups.

### **Supporting older Australians to go digital**

People aged over 65 are Australia's least digitally included age group with a digital score of 46. The gap between this group and younger Australians is substantial and has widened since 2015.

Being able to access online information and services and interact online offers significant benefits for older Australians who may be socially isolated or may have mobility issues. It is therefore important to support this group to become and stay connected online.

Additionally, Australia's [Digital Pulse reports](#):

- only 28 per cent of ICT workers are women, compared to 45 per cent in all professional industries
- only 12 per cent are over the age of 55, compared to 15 per cent in all professional industries.

### **Reducing the gender divide**

There is a global digital divide, a difference in technology access, between men and women. The proportion of women using the internet is 12 per cent lower than the proportion of men ([ITU Facts and Figures 2017](#)).

The [Gender Equality Scorecard](#) indicates Australia has a significant digital gender divide, with women making up only 39 per cent of information media and telecommunications graduates.

[The gender divide](#) is more evident amongst older Australians, with women aged 65+ facing lower levels of overall digital inclusion than their male counterparts. The digital gender gap widens further as age increases.

### **Protecting human rights, democracy and peace online**

There is a risk that the internet and digital technologies can be used by foreign governments to undermine human rights. For example, freedoms can be restricted through politically motivated internet censorship, internet shutdowns, illicit monitoring, targeted hacking and the arrest and intimidation of online activists, journalists and others. There is also growing international concern about malicious and criminal cyber activity. This includes online child exploitation, discrimination, intimidation, harassment and violence facilitated by digital technologies, and the promotion of violent extremism.

## ***What is the Government doing to improve inclusion?***

Below is a summary of major government work on digital inclusion; for a list of all government initiatives, refer to Australia's Tech Future website.

Governments, at all levels, are investing in digital inclusion in Australia and the Indo-Pacific Region. The Government is working with businesses and the community sector to ensure no-one is left behind, by creating an enabling environment for industry investment and ensuring adequate protections are in place for citizens and consumers.

Initiatives include:

- [Universal Service Guarantee](#) which will ensure all Australians have access to voice and broadband services into the future, regardless of their location, and which will be complemented by an up-to-date consumer protection framework. The Guarantee will be underpinned by the rollout of the NBN, which will mean that all premises will have access to fast, affordable broadband by 2020. The expansion and improvement of mobile coverage via the Mobile Black Spot Program is also enhancing access to digital services
- improving access for people with chronic conditions through the [Health Care Homes](#) program
- yearly funding through the Telephone Allowance and requires Telstra to maintain the [Low Income Measures Assessment Committee](#) to provide assistance for some of the more vulnerable members of the community
- the [Digi House](#) initiative which improves digital inclusion for people living in social housing
- the [NISA 'Women in STEM'](#) package has expanded to encourage more women into STEM education and careers. The 2018-19 Budget provides for an additional \$4.5 million over four years to progress a Women in Science Strategy, a Roadmap for sustained increases in women's STEM participation, a Women in STEM Ambassador to promote STEM in schools and the development of a STEM Choices resources kit
- [Towards 2025: An Australian Government Strategy to boost women's workforce participation](#), the Government's roadmap to reduce the gender participation gap by 25 per cent by 2025
- the [Be Connected](#) program that helps older Australians participate in their communities, including in the workforce, by improving their digital confidence, skills and online safety
- advocating that all peoples' human rights apply online as they do offline, through Australia's membership of the Human Rights Council, as well as our support of the [Freedom Online Coalition](#) and the [Digital Defenders](#).

The Government believes all Australians should have the opportunity to acquire digital skills regardless of their age, level of education or previous experience. The Government will collaborate with key stakeholders to explore initiatives to reduce the digital inclusion divide and support greater life-long engagement in evolving technological resources.



## SERVICES





# Digital Government

*Australians can access Government services that are simple, clear and fast.*

## Outcomes:

- It is easy and safe to interact with Government online
- Government's ICT infrastructure promotes the transformation and delivery of modern, future-proof digital services.

## **Why does digital Government matter?**

Government delivers a wide range of services that support businesses and the broader Australian community. Digital approaches free-up people from the business of dealing with government and allow them to focus on what's important. People expect digital services from government that keep pace with their technology and services from other sectors.

Australia fares well on the world stage – for instance, the latest United Nations e-Government Development Index ranks Australia second in the world for the third time running. Millions of Australians are already securely accessing a range of government services online everyday through platforms such as myGov. These services include myTax (ATO), Medicare rebates and a range of Centrelink claims and benefits.

Technology allows Government to more easily engage with the community through a variety of digital channels. This ensures the views of people who use government services can more effectively be understood and addressed in developing new policy.

Government services need to keep pace with the opportunities of digital transformation and provide value for money to the community.

## **What are the opportunities in digital government?**

Emerging technologies, data and analytics, and artificial intelligence present significant opportunities for the Government to deliver better outcomes for the public and the ability to do so more efficiently and effectively.

By harnessing the opportunities of digital technologies the Government can continue to improve citizen and business experience.

Millions of Australians are already securely accessing a range of government services online everyday:

- [myGov](#) has about 14 million active accounts. It provides access to 11 services with one login: My Health Record, the National Disability Insurance Scheme (NDIS), Medicare, MyTax, Centrelink, Child Support, Australian Job Search, Department of Veterans Affairs, HousingVic Online Services and National Redress Scheme and My Aged Care
- [myTax](#) usage has increased from 1.7 million people lodging their tax return online in 2014-15 to over 3.5 million in 2017-18
- [My Health Record](#) is used by more than 6.3 million consumers as of November 2018, enabling them to securely share their key health information about medical conditions, treatments and medicines with their healthcare providers
- Over 97 per cent of health and aged care claims are submitted digitally, equating to around 610 million payment transactions per year to a range of small, medium and large enterprises. This equates to over \$50 billion in payments each year directly to businesses on behalf of Government and consumers.

Data analytics and artificial intelligence capability can also help governments to improve services and create a more valuable experience for individuals and businesses by using existing data insights to tailor services.

Greater data sharing across government via secure structures increases control, transparency and confidence for individuals about what data is held and how it is used which contributes to greater trust in the use of government services.

Advances in technology such as cloud computing services are making it easier and more cost effective for governments to upgrade old IT systems to make sure they have the right platforms to deliver simple and easy to use digital services.

## ***Where do we need to focus our attention in digital government?***

### **Improving the digital experience**

The Government has already made significant progress to transform government services and ICT infrastructure, but needs to keep improving online services delivery to address the gap in service experience between the private and public sector.

There are many challenges that impact on a government's ability to adopt innovative digital technologies. These [challenges include](#):

- cultural barriers to engaging digitally
- regulatory and legislative barriers that restrict data sharing between government agencies
- resource barriers such as technology costs
- capability barriers in terms of staff skills and knowledge.

### **Building trust**

As the custodian of extensive data holdings about citizens and businesses, the Government is responsible for protecting the privacy of that data, as well as maintaining and increasing the trust of the community. Government takes this issue very seriously, and there is more to do to increase transparency and build trust in both the use of data and decision-making in government.

The Government is committed to delivering a reliable, effective experience and learning, adapting and improving its approach.

### **Supporting increased use of digital services**

Government digital services need to be simple and easy for everyone to use (noting that some people may need support to use digital services).

Government services need to be responsive to the culture, language and beliefs of different communities in our diverse country, and be written in plain English. Overcoming these challenges is critical to providing good services.

## ***What is the Government doing in digital government?***

Below is a summary of major work on digital government; for a list of all government initiatives, refer to Australia's Tech Future website.

### **Delivering the Digital Transformation Agenda**

The Government's Digital Transformation Strategy complements *Australia's Tech Future*. It identifies what the government needs to deliver to be a world-leading digital government. It shows how we will deliver better services with greater flexibility, more responsive policy, less red tape, all enhanced by digital technology.

The Digital Transformation Strategy articulates three strategic priorities that guide where the government will focus its digital transformation. These are:

- Government that's easy to deal with
- Government that's driven by you
- Government that's fit for the digital age

### **Improving digital services**

The Government is making more services available 24/7 online and using feedback to continually improve services. This includes looking at how data already held by government is used to incorporate information for future claims or services, in turn making the process simpler, clearer and faster.

In 2017, significant improvements were made to [myGov](#). The Government is now working on a new digital identity solution, [GovPass](#), which will make it simple, safe and secure to prove who you are when accessing government services online.

The replacement of Australia's ageing welfare payment ICT system is well under way – driving big improvements in the delivery of student payments.

Significant improvements to services for business have already been made, including the release of the Business Registration Service. This brings all Commonwealth business registrations together in one place, reducing the average time taken to register for an Australian Business Number (ABN) from over an hour to less than 15 minutes.

The Government is transforming and simplifying trade flows through Australia's international supply chain, and providing businesses with a [single window for international trade](#).

### **Using artificial intelligence**

The Government is also exploring opportunities to use technologies such as artificial intelligence and blockchain to enhance government service delivery.

The Government is using artificial intelligence to increase administrative efficiency, improve policy development, deliver new and improved services, and analyse complex datasets. Some of its uses include:

- IP Australia using a virtual assistant, named Alex, to help answer customer's queries, decreasing phone calls by 50 per cent and costs by 66 per cent
- GeoScience Australia analysing satellite data to detect physical changes in soil and coastal erosion, crop growth and water quality.

### **Ensuring services provide value for money**

It is important that taxpayer money is invested wisely to deliver benefits and value to the community.

The [Digital Marketplace](#) is making it easier for businesses – particularly smaller businesses – to provide common ICT services to Government. The DTA is also undertaking [ICT Procurement reform](#). As at October 2018, \$300 million in contracts were awarded through the Digital Marketplace, with around 75 per cent being awarded to small and medium businesses.

The Government's [Secure Cloud Strategy](#) is helping agencies to move to the cloud, reducing costs and freeing up effort to focus on better service delivery.

### **Ensuring people have the right skills to deliver great services**

To design, build and deliver great digital services Australia needs the right people with the right skills. The DTA is working on a three-year [Building Digital Capability program](#) including talent attraction and retention strategies and a program to support staff to transition into digital careers.



# DIGITAL ASSETS



# Digital Infrastructure

*Australians have access to world-class digital infrastructure in their personal and working lives.*

## Outcomes:

- Australians have reliable, secure and affordable access to high-speed broadband and mobile communications
- Australia's communications sector is sustainable and competitive
- Australia's world-leading navigation and positioning infrastructure supports emerging technologies
- Australia's researchers have the specialised high-performing computing and data infrastructure needed to stay ahead in everything from health to agriculture.

## **Why does digital infrastructure matter?**

Just as power, water and roads infrastructure enable us to go about our everyday lives, digital equipment and systems are core to our everyday lives – they help make sense of the vast amount of data we are faced with.

The most obvious face of digital infrastructure is having reliable and fit-for-purpose mobile and fixed phone and broadband services. Without this, we could not access the digital services we use every day like banking, healthcare, entertainment, and communicating with family, friends and at work.

Digital infrastructure also includes location-based technologies, such as GPS, which are increasingly driving the development of new products and services around the world. The applications of GPS technology are much greater than just navigating from A to B or identifying which road you are on. Advances in location-based technology are needed to support emerging applications that require highly precise location information including automated vehicles and drones.

In regional areas, improved broadband services and location-based technology is supporting innovation in the farming, construction and mining industries. Digital infrastructure is also critical for delivery of services to remote areas.

In urban and regional cities, new technologies are being used to improve the efficiency, sustainability and services of infrastructure networks from transport to energy services.

Building enabling physical infrastructure requires significant upfront and ongoing investment to maintain and upgrade. This is seen with power and road networks and the same is true for communications, satellite and high-power computing infrastructure. It is crucial that regulatory drivers incentivise well-targeted investment that is able to respond to changing business and community needs.

## **What are the opportunities in digital infrastructure?**

Getting digital infrastructure right allows us to:

- connect people and places
- improve productivity
- increase economic growth
- improve sustainability
- adopt new technologies.

This, in turn, allows us to:

- solve complex problems
- improve the sustainability of our cities
- build new businesses
- create new jobs.

The growth of the Internet of Things (IoT) is taking shape and accelerating. Australians are already investing in technology to enable smart homes where lighting, heating and security systems can all be controlled with mobile phones. Continuing private sector and government investment as well as government facilitation of behind-the-scenes infrastructure will determine how fast Australia can adopt further advances such as automated vehicles and drones.

Modern research laboratories are extremely reliant on technology. They depend on access to high-performance computers and data stores, just as much as physical workshops and labs. Australian researchers and businesses depend on access to supercomputers to crack computational problems standard computers can't handle. Investing in this infrastructure in Australia will grow our national capability in fields such as genetics, cyber security and climate science. By ensuring businesses and scientists have access to the right tools to do their work, they are more likely to stay here in Australia.

## ***Where do we need to focus our attention in digital infrastructure?***

### **Planning to meet future needs**

Infrastructure that does not meet reasonable consumer expectations will impact our daily lives and Australia's economic growth. Delivering infrastructure requires major investments and long lead times, so it is crucial to plan ahead to meet changing business and community needs.

Australia faces some unique challenges in delivering infrastructure due to its vast size and distributed population. The Government is enabling the right conditions for investment to support delivery of digital infrastructure that meets the needs of all Australians now and into the future.

## **Ensuring our digital infrastructure is secure**

Our national digital infrastructure also needs to be secure. A key way to reduce national security risks of adopting new technologies (including infrastructure such as 5G and the Internet of Things) is by promoting security-by-design where technologies are designed from the ground up to be secure, rather than as a future consideration. You can read about what the Government is doing to keep Australians safe online in the section on cyber security.

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*“Australian businesses also need access to infrastructure that allows them to thrive in a digital economy. This includes access to reliable, fast and inexpensive telecommunications and mobile networks. Over 70 per cent of all businesses have identified mobile internet and access to high speed broadband as either moderately or extremely important for their businesses.”*

SUBMISSION TO THE DIGITAL ECONOMY STRATEGY CONSULTATION PAPER BY AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY, NOVEMBER 2017

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## ***What is the Government doing in digital infrastructure?***

The Government's role is creating the right enabling environment to ensure Australia's digital infrastructure supports changing business and community needs.

Below is a summary of major government work on digital infrastructure; for a list of all government initiatives, refer to Australia's Tech Future website.

### Building communications infrastructure

Australia's digital infrastructure is rapidly transforming due to one of the largest infrastructure projects ever undertaken. The [National Broadband Network \(NBN\)](#) is on track for completion by 2020 and improvements are being made to the consumer experience for all Australians. By mid-2018, over 60 per cent of all Australian premises could access NBN services.

Benefits are already flowing from the NBN rollout. NBN Co Limited commissioned data analytics and economic research firm AlphaBeta to investigate the social and economic impacts of the network rollout. The research found that access to the NBN helped drive an estimated \$1.2 billion in additional economic activity in 2017 and had helped create up to 5,400 businesses and 9,700 new jobs. The same research estimates that the benefits to Australia once the NBN rollout is complete include up to \$10.4 billion of additional annual Gross Domestic Product (GDP) as well as the creation of up to 80,000 new businesses and up to 148,000 additional digital jobs by 2021.

The new [Universal Service Guarantee](#) for broadband services as well as voice services will be implemented following the NBN rollout. Separately, a review is being conducted of the general Telecommunications Consumer Safeguards that apply to all services, to assess what safeguards may be needed in the future. Recommendations are expected to be made to government by the end of 2018.

An open and competitive mobile market already exists, and the Government is making the allocation of a critical input, spectrum, more efficient. Australia's mobile network operators—Optus, Telstra and Vodafone—already provide more than 99 per cent of Australians with access to world-class mobile coverage. Vodafone and TPG have announced their intention to merge (subject to regulatory approval), potentially forming stronger competition in the sector. The extent of Australia's mobile coverage, affordability, investment and innovation is recognised by the GSM Association, which has ranked Australia first of 150 nations on its Mobile Connectivity Index. These world-leading networks have been delivered by industry investment in a competitive environment.

Through the [Mobile Black Spot Program](#) the Government is improving mobile phone coverage across Australia.

### Case study: Mobile Black Spot Program



The Australia Government's \$220 million [Mobile Black Spot Program](#) is already delivering improved coverage outcomes and benefits to regional and remote communities.

Under the first three rounds of the program the Government's commitment has leveraged a total investment of more than \$680 million, which will deliver a total of 867 new base stations across Australia. As of 10 September 2018, 601 base stations have been completed.

The village of Murringo, New South Wales, is one community experiencing social and economic benefits from a funded base station for mobile communications.

Students at the Murringo Public School now have better access to the internet to do their homework and stay in touch with their friends. The base station, which was activated in May 2017, is also opening up new opportunities in the village for the small businesses, farmers and families who previously had no mobile reception.

Leading economies are focussed on 5G as the next step in the evolution of mobile technology. 5G is the next step in the evolution of mobile wireless communications technology, promising improved connectivity, greater network speeds and bandwidth, and very low latency. The Government is working with industry to support the timely rollout of 5G in Australia.

Getting this rollout right will:

- give the right signals for industry investment
- give consumers better services
- enable new applications in industry, especially with massive scale automation delivered through multiple connected devices
- support critical communications assured by low latency and ultra-reliable networks (Government actions are detailed in the [5G – Enabling the future economy](#) report)
- improve competition between providers
- support economic productivity and growth (detailed in the [Impacts of 5G on productivity and economic growth](#) report).

The Government is ensuring that Australia's communications sector is sustainable and competitive. That is why the Government is implementing the Telecommunications Reform Package. This will provide a regulatory framework that promotes investment and competition in the telecommunications market and improves access to broadband services in regional, rural and remote Australia.

### **Supporting navigation and positioning infrastructure**

The Government is providing \$224.9 million to upgrade to world-class navigation and positioning infrastructure to support emerging technologies. These initiatives will:

- provide better GPS for regional Australia with an accuracy of 10cm
- build a network of ground stations to provide GPS data with an accuracy of 3-5cm in major population centres.

Improving the accuracy, integrity and availability of satellite navigation will deliver significant benefits to Australians on the ground, particularly those in the agricultural, logistics, mining, aviation, maritime and fishing industries.

### **Funding high performance research infrastructure**

In response to the [2016 National Research Infrastructure Roadmap](#), the Government has committed \$1.9 billion over 12 years to support national-scale research facilities. A further \$140 million has been provided to upgrade Australia's two Tier 1 high performance computing facilities. This will ensure our top high-performance computing infrastructure gets the ongoing and significant investment required for areas such as aviation safety and climate science.

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*“Throughout our consultations to develop the 2016 National Research Infrastructure Roadmap the critical importance of Australia's two high-performance computers was manifestly clear.”*

DR ALAN FINKEL, CHIEF SCIENTIST – DECEMBER 2017

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### **Enable Smart Cities**

Through the [Smart Cities Plan](#), new technology is revolutionising how cities are planned and function, and how Australia's economy grows. To succeed in the 21st century economy our cities need to be productive, accessible and liveable.

Technology can make cities more prosperous and sustainable. Real time data and smart technology will lead to better utilisation of infrastructure, clean energy and energy efficiency, improving of service and better benchmarking of cities performance. The Smart Cities Plan also supports investment in sectors commercialising new innovations to grow Australia's economy.



# Data

*Australians are confident that their quality of life is enhanced and businesses benefit from more effective, efficient and responsible use of data.*

## Outcomes:

- Australians, businesses and governments are using high-quality, well-managed data to help deliver economic and social benefits
- Australians are making informed decisions about how their data is shared and used.

## Why does data matter?

Data is valuable because it enables better, more connected services, improved policies and decision making, and the development of new, innovative products.

Collecting and analysing data is not a new thing, but the tools businesses and consumers use to quickly interact with data from multiple sources are changing rapidly. Seven out of the top 10 companies in the world rely on the data they collect to deliver services and create value.

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*“Data is a spectrum that runs from open, through to shared, through to closed—from public to personal ... Empowering individuals, both as consumers and citizens, with their own data is an important cause. It helps support participation and inclusiveness, reduces inequality and enables people to make a fair judgement as to what is in their interest.”*

SIR NIGEL SHADBOLT, CHAIRMAN OF THE UK OPEN DATA INSTITUTE, JANUARY 2018

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## Helping businesses to grow

Businesses can use data to help create new technologies, products and processes. This creates jobs, improves productivity and grows the economy.

Data can help businesses:

- drive and target growth opportunities
- design innovative goods and services
- [improve pricing](#)
- operate more efficiently.

## Delivering social benefits

Analysing data can lead to significant benefits for the community. Data improves government’s ability to understand complex issues and to make better decisions and design more targeted programs. This has applications for a range of social policy areas including health, education, welfare, and the environment. For example, by:

- analysing health data the health sector can better diagnose and treat conditions
- using locational data from mobile phones to better plan public transport and roads
- using meteorological and climate data to predict natural disasters.

## Case study: Latrobe Sports Park - community participation and world-class research

[Optus partnered with La Trobe University in 2016](#) to develop a state-of-the-art regional sporting precinct that will embed data collection and analytics into research in sport performance, rehabilitation and community engagement.

The data analytics and research at the Latrobe Sports Park will help:

- elite athletes improve their performance change sport management practices
- inform government policies
- Australians live longer by combatting inactivity, chronic disease and movement disorders.

## Providing consumer choices

Online comparison and review services are everywhere, and services like Dimmi, Uber, AirBnB and energymadeeasy.gov.au use rating systems to give consumers valuable advice. Information, news and entertainment services increasingly analyse individuals' preferences and behaviour to provide improved services and targeted offerings.

Data enables consumers to:

- access quicker and cheaper services
- receive more targeted and personalised service offerings
- make more informed decisions.

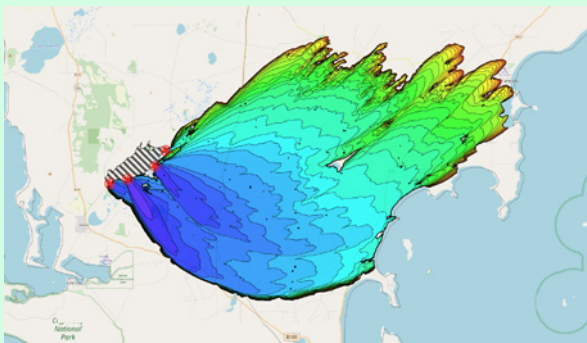
## What are the opportunities in data?

### Capitalising on our strength in data science

Data science is becoming an area of competitive strength for Australia. For example, Data61, part of CSIRO, is home to more than 1100 staff, including over 415 PhDs, focused on data science, engineering and design. As the data revolution continues, Australia has an opportunity to build on these strengths.

By continuing to build our national data science capability and setting appropriate regulatory frameworks that enable responsible and transparent access to data (with appropriate data safeguards), Australia will become an attractive destination for investment, which will reduce loss of our talent overseas. Artificial intelligence and machine learning are key areas in data science attracting hundreds of billions of dollars of investment globally.

## Case study: Spark - using big data and geospatial intelligence to save lives in bushfires



Data61's [Spark](#) platform uses state-of-the-art science and new generation computing to predict and visualise the spread of bushfires. It draws from a wide range of geospatial data sources including weather, geography and environmental information.

This knowledge is critical to improved emergency management operations, risk prediction and timely warnings to threatened areas. Spark has particularly helped us understand how power lines impact the potential for bushfires to spread, which was a significant factor in the 2009 [Black Saturday](#) bushfires that claimed 173 lives and cost an estimated \$7 billion.

## Case studies: Australian agriculture start-ups making their mark in data science



- Based in Armidale, NSW, **SmartShepherd** was named [Most Innovative International Farm Tech Start-up](#) at the 2018 World Agri-Tech Innovation Summit. SmartShepherd's innovative electronic tag, attached to both the mother animal and her offspring, makes it possible for farmers to record and monitor their behaviour and better inform decisions about their stock. The smart tag uses low-cost Bluetooth technology and is powered by a small battery.
- The **Yield Technology Solutions** won the 2017 ['Big Data/ Machine Learning Innovation of the Year' award](#) for its integrated sensor, data analytics and app product tailored for aquaculture. Now expanded to agriculture, The Yield's microclimate sensing and predictive system helps farmers improve their decision making and agricultural output. Using The Yield's app, oyster farmers collect real-time data from sensors that measure salinity and analyse water quality. The data is then converted through predictive modelling into a three-day harvest area forecast, which reduces the risk of uncertainty from weather. With these hyper-local forecasts, farmers enjoy greater visibility over their harvest areas and have data-backed evidence to help them make important decisions.

### Leading in open data

Australia is leading the way on opening up its datasets to the public – the [2017 Global Open Data Index](#) ranked Australia 2nd out of 94 countries. By increasing access to data, while maintaining appropriate privacy and security settings, businesses have the chance to use data to create new products, processes and services.

### Enabling data-driven businesses

The generation and use of vast amounts of data is a new source of market power in the digital economy.

Data is a key economic commodity that can make existing businesses more efficient and is driving new business models and industries. Data-driven businesses can now easily access powerful data analytics to gain valuable insights about their customers or potential markets which can help them grow.

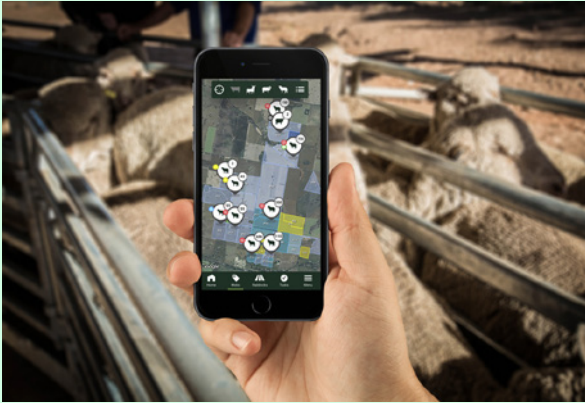
Businesses such as Google, Amazon and Facebook generate immense amounts of data from their daily operations that they analyse to generate knowledge, and insights of value for themselves and others.

There are considerable opportunities for Australian businesses in all industries that recognise the value of the data they hold and use it to create value for themselves and their customers while protecting citizens' privacy and confidentiality.

In key industries including agriculture, mining and health, Australia has an opportunity to build on its strengths by using the power of data to further drive productivity gains and deliver world first innovations.

There are also opportunities for new businesses that primarily focus on the analysis and application of data to drive value.

## Case study: AgriWebb - the rise of data-driven farming in Australia



AgriWebb's software is helping farmers across Australia to simplify their record keeping, meet their audit and accreditation requirements, and increase their productivity.

The software allows farmers to access best practice farming tools from their tablets, phones or computers. It incorporates record-keeping and reporting, operational calendars, compliance and accreditation programs, livestock market valuations and core decision-making tools.

## Using satellite imagery

Australia has a great opportunity to capitalise on its world-class satellite imagery data through the [Digital Earth Australia](#) program.

Satellite imagery data was previously only available in archives and to big business. Making that information available through a smartphone gives anyone access to

30 years of satellite images over any location in Australia. This data can be used to build new products and services for commercial purposes, and to interpret and analyse changes to Australia's physical landscape. This creates a wealth of opportunities in land planning, agriculture, mining, environmental analysis and research.

## Case study: GeoVision® - unlocking a wealth of opportunities through satellite data



Global technology company Pitney Bowes partnered with geospatial data supplier PSMA to create GeoVision®, a suite of datasets combining data on the 3D built environment with information such as addresses, postcodes and ABS Census data across Australia. This is a powerful asset for companies looking to expand nationally, helping them target customers and deliver services locally.

For public services such as emergency management and response planning, GeoVision® can rapidly deliver critical information about which buildings are under threat, where people are located and where to find water resources such as swimming pools and dams.

## ***Where do we need to focus our attention?***

### **Capturing the value of data**

Government and businesses are generating and storing huge volumes of data. Treating data as an asset: using it; valuing it; and protecting it appropriately, could drive significant economic and social benefits for Australia.

Data is the “oil” of the modern economy and a critical enabler of digital innovation. Action is needed to increase access to data assets, including access to spatial data, build public trust in the use and management of data, and to build a versatile data science workforce for private and public growth sectors.

While information-rich companies are trading off the data they are collecting from consumers, they are not able to include the value of that data on their balance sheet. Australia needs to develop ways of accounting for data as an asset of a business. This is particularly important for companies seeking investors to help them grow their business. Measuring the value of the data and considering who owns the data are significant issues that countries around the world are grappling with.

### **Enhancing access to data**

Substantial value can be extracted from data assets, however in order to do so they need to be discoverable, accessible, and of high quality. Enhancing access to data has been identified as a top five priority for the digital economy across [OECD countries](#), and its importance is expected to increase in the next five years.

### **Managing privacy and security**

As the use of data expands, trust is critical. For the most part, this trust relies on confidence in those collecting, securing and using this data, and the regulatory systems around them.

Governments businesses and organisations need to build trust through improved transparency, accountability and building in privacy and security safeguards from the outset when designing new services.

Businesses are increasingly focused on data trust issues as they understand the potential damage to their market share and reputation if they get this wrong, as demonstrated by the recent Facebook - Cambridge Analytica scandal.

Data from the [Office of the Australian Information Commissioner \(OAIC\)](#) indicates that 58 per cent of Australians avoid dealing with a business if they have privacy concerns about that business.

We all need to ensure adequate protections for personal data are in place while enabling the use of data to drive growth, productivity, and benefits for society. Access to data underpins many beneficial technology solutions including:

- precision health solutions that are tailored to individual genetics
- connected devices that monitor a person’s health and notify health practitioners or family members if needed
- online counselling and therapeutic services for people with mental health issues
- tailored educational options that can guide a person through the material at their own pace in an online environment
- increased safety through better management of emergency response situations including floods and bushfires.

The processes around seeking permission for sharing data need to be clear, transparent and nuanced. People are more likely to share their data if there is a clear benefit - whether this be a personal benefit or a benefit to society more broadly.

There is an important distinction between sharing data that allows an individual to be personally identified and data that it is de-identified and cannot be traced back to an individual. Improving clarity through public communications on this distinction will be important to encourage consent for useful data sharing. This will help governments and businesses to deliver the greatest data-driven products and services to Australians.

## Removing unhelpful barriers

The [Productivity Commission Inquiry Report into Data Availability and Use](#) found a number of cultural, legislative and technical barriers to data sharing – including over 500 secrecy provisions restricting the sharing of public sector data.

Standards and regulations for data collection, sharing and use vary across jurisdictions. Different rules can prevent businesses and government from innovating.

Governments need to reduce unnecessary regulatory barriers to data sharing in a responsible and safe way, and address the barriers to industry, businesses and the community in sharing their own data, while maintaining appropriate privacy provisions for identifiable data.

## Addressing capability gaps at all levels

Having people with the right skills in data science is a challenge. Australia needs to build expertise at all levels, from small business owners wanting to analyse their customer data to researchers identifying new ways to treat diseases.

At the moment, [less than half of Australian businesses](#) are using their data resources in marketing, or the design of new goods and services. Given the significant opportunities for businesses to use data to grow and improve, any barriers to accessing and using this data, including capability, need to be addressed.

There's a growing demand for data skills and global competition is rising. If Australia doesn't increase its skills in this area, businesses may miss out on opportunities for innovation and growth, or may take their potential overseas.

## What is the Government doing?

The Government is seeking to help Australians unlock the value of data by improving the way data is shared and released, and by ensuring our regulatory framework does not create unnecessary barriers to data use.

Below is a summary of major government work on data; for a list of all government initiatives, refer to Australia's Tech Future website.

## Building trust in the use of data

To build confidence in how government and business use data, the Australian Government is:

- implementing a [Consumer Data Right](#) to give customers greater control over their data and transaction activities, initially starting with the banking, energy and telecommunications industries. As part of the Consumer Data Right, the Government will ensure all major banks make data available on credit and debit card, and deposit and transaction accounts by 1 July 2019, and on mortgages by 1 February 2020. All other banks will be required to implement these measures within the following 12 months
- developing an ethics framework in partnership with industry and research organisations around the use of data, with a focus on artificial intelligence and machine learning
- delivering legislative reforms to help streamline the sharing and release of public sector data, while protecting Australians' privacy and confidentiality
- undertaking inclusive consultation around the new data sharing and release framework
- supporting the work of the [Office of the Australian Information Commissioner](#) which provides advice to the public, government agencies and business with regard to the *Privacy Act 1988* and freedom of information matters
- shaping international rules that facilitate the free flow of information and data across borders while allowing governments to respond to legitimate public policy concerns, including consumer and privacy protection (read more in the [Digital Trade Chapter](#) of Australia's International Cyber Engagement Strategy)
- developing and championing global governance standards relating to misuse of data by social media companies and the management of harmful online content.

### Increasing data accessibility

The Government is increasing data availability, and supporting use of high-quality, well-managed data by:

- working with industry to identify valuable public datasets and increasing the number of datasets on [data.gov.au](https://data.gov.au)
- providing open access to spatial data through the [Geocoded National Address File](#)
- providing \$36.9 million to give governments, businesses, researchers and individuals access to reliable standardised satellite imagery data through [Digital Earth Australia](#)
- implement a framework to guide how to use data from the [My Health Record system](#)
- appointing a National Data Commissioner with a mandate to promote greater use of data, and build national frameworks and guidelines that build trust in the way government uses data
- establishing Accredited Data Authorities to support efficient and safe sharing and release of data
- establishing a National Data Advisory Council to advise the National Data Commissioner on ethical data use, community expectations, technical best practice, and industry and international developments.

### Building data science capability

The Government is building Australia's national capability in data analytics through the cutting edge work of [Data61](#). Established in 2016, this leading data innovation group within CSIRO has helped connect and concentrate Australia's data-driven research and technology capability.

The Government has added extra funding to the [Cooperative Research Centres \(CRC\) program](#) to support projects that use artificial intelligence and machine learning capabilities to solve problems identified by industry.

#### Data61

A recent example of Data61's work is the [Platforms for Open Data initiative](#). The initiative improves access to public data and high-value datasets. In this initiative, Data61 partners with Commonwealth agencies to work on research projects that improve privacy protections, perform advanced analytics, and to improve access to public data.





## THE ENABLING ENVIRONMENT





## Cyber Security

*Australians feel safe online, the modern economy is protected from cyber security threats and Australia is home to a globally competitive cyber security industry.*

### Outcomes:

- Australians have confidence in the ability of our digital infrastructure to stand up to cyber security threats
- The cost of cybercrime to the Australian economy is mitigated.

### **Why does cyber security matter?**

Australians are becoming more connected online. Eight in 10 Australians [access the internet daily](#) and have [social media accounts](#). From our communications to surfing the web, nearly everyone is leaving digital footprints, often without being aware of it.

As people and systems become more connected, the amount and value of information online has increased. At the same time, efforts to steal and exploit information have also increased risks to our privacy, safety, economy and potentially our national security. Mitigating these risks is critical to increasing community trust and confidence in enjoying the benefits of technology in their everyday life. Importantly, this also protects Australia from serious and organised crime that presents a real economic risk and harm to the community.

Cybercrime is currently estimated to cost Australians more than [\\$1 billion each year](#). Both public and private sector organisations have been compromised by state sponsored or non-state actors.

Beyond the upfront losses, this trend erodes public trust in the online ecosystem, preventing participation in the digital economy and detracting from its immense economic potential. For Australians to reap the benefits of the digital world, industry and governments need to work to improve trust, confidence and security in the cyber resilience of our digital infrastructure.

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*“The foundation elements of the digital economy, as for the ‘traditional’ economy, must be security and reliability. If people cannot rely on digital transactions they will be left behind as the economy increasingly becomes digital in nature. Trust is the key enabler of the digital economy. This implies strong cyber security, strong identity security, and strong financial security – and the accompanying services, platforms and protocols to support these three things.”*

SUBMISSION TO THE DIGITAL ECONOMY STRATEGY CONSULTATION PAPER BY AUSTRALIA POST, NOVEMBER 2017

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## ***What are the opportunities in cyber security?***

### **Building our reputation as a safe place to do business**

Australia already has a reputation as a secure, stable country with a robust regulatory framework and legal protections. We can build on this reputation to position our country as a safe online environment for business and industry to operate. This will attract investment and develop our cyber security industry.

### **Winning our share of a growing global industry**

Global spending on cyber security is expected to almost double from around US\$126 billion in 2016 to US\$251 billion by 2026. Australian businesses can tap into the growing need for cyber security products and services. A greater focus on cyber security by Australian businesses will see significant benefits to the wider economy, and could lift business investment by 5.5 per cent by 2030, creating 60,000 new jobs.

To take advantage of these opportunities and reduce Australia's exposure to cyber threats, the Government, industry and the education sector need to work together to inform the workforce and address the significant shortage of cyber skilled experts.

## ***Where do we need to focus our attention in cyber security?***

Trust, confidence and security in Australia's digital infrastructure can be undermined by cybercrime, insider threats, data breaches and other types of malicious, negligent or accidental actions online.

### **Protecting Australia's economic interests from malicious cyber activity**

The Australian Cyber Security Centre Threat Report 2017 reveals there is an increase in frequency, scale, sophistication and severity of malicious cyber activity against Australia's national and economic interests. The reach and diversity of cyber adversaries is expanding, and their operations against both government and private networks is constantly evolving.

## **Reducing the risk of being a target for hackers**

Australians often expose themselves to unnecessary risks online. Two-thirds of Australians don't read online privacy policies and almost half don't adjust their privacy settings on social media platforms.

Many businesses don't realise they could be an attractive target for cybercrime and underestimate the potential harm it could cause. Businesses need to protect themselves and their customers, but often don't know how to obtain, implement and maintain good cyber security systems and practices.

For many small businesses, the cost of purchasing and maintain digital systems can be an issue.

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*“Cyber security threats are a significant challenge for small business owners. Recent global attacks through ransomware and other hacking have exposed the vulnerability of Australian small business.”*

SUBMISSION TO THE DIGITAL ECONOMY STRATEGY  
CONSULTATION PAPER BY COUNCIL OF SMALL BUSINESS  
AUSTRALIA, DECEMBER 2017

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## ***What is the Government doing?***

While much of Australia's digital infrastructure is owned by the private sector, cyber security is a shared responsibility between governments, the private sector and individuals.

The Government is committed to driving Australia's national cyber partnership effort to mitigate cyber security risks and to reduce any risk to Australia's national security that result from large scale sophisticated cyber threats.

Below is a summary of major government work on cyber security; for a list of all government initiatives, refer to Australia's Tech Future website.

## Implementing the Cyber Security Strategy

In 2016, the Government released Australia's [Cyber Security Strategy](#) to secure our prosperity in a connected world. The strategy includes investments of more than \$230 million across five themes of action for the period up to 2020, these include:

- national cyber partnership
- stronger cyber defences
- global responsibility and influence
- growth and innovation
- a cyber smart nation.

The Government's recent review of the Cyber Security Strategy has found that two years in, significant progress has been made across its five pillars, and that Australia's comprehensive approach to cyber security has yielded economy-wide benefits. Importantly, it has also found that as the world becomes more connected, online security also becomes more important. As such, securing Australia's interests online will remain a priority.

The [Academic Centres of Cyber Security Excellence \(ACCSE\)](#) is one initiative under the Cyber Security Strategy. It aims to address the national shortage of highly-skilled cyber security professionals by encouraging more students to undertake studies in cyber security and related courses. The ACCSE program gives recognition to Australian universities that successfully demonstrate high-level cyber security education and training competencies, research capability and strong connections to government and the business sector. The Government is providing funding of \$1.9 million over four years (2016-17 to 2019-20) shared equally between the University of Melbourne and Edith Cowan University to assist with establishment and operation of their ACCSE.

## Implementing the International Cyber Engagement Strategy

International cyber issues present challenges and opportunities for all Australians, every day. Australia's interests in cyberspace are diverse and interconnected: from capturing the economic prosperity promised by digital trade, to combating cybercrime and preserving peace in cyberspace. Australia's International Cyber Engagement Strategy has seven key themes, outlining Australia's plans to:

- maximise opportunities for economic growth and prosperity through digital trade
- foster good cyber security practices
- reduce the risk of cybercrime
- promote peace and stability in cyberspace
- advocate for multi-stakeholder Internet governance
- promote respect for human rights and democratic principles online
- encourage the use of digital technologies to achieve sustainable development.

The global nature of cyberspace means Australia must engage internationally to advance and protect our shared interests in cyberspace. Australia's international cyber engagement champions an open, free and secure Internet which drives economic growth, protects national security and fosters international stability.

## Building domestic capability

To raise awareness of these risks in Australia and what to do about them, the Government has created the [Cyber.gov.au](#) portal. Cyber.gov.au links to simple, easy to understand advice on how individuals and businesses can protect themselves online, and shares up-to-date information on how to respond to the latest online threats. It also includes advice for big business, infrastructure and government. The Stay Smart Online portal assists with outreach and advice, but will soon be merged into Cyber.gov.au to form a one-stop-shop for cyber reporting, information and tailored advice.

## Case study: Increasing cyber security awareness

More than 75 per cent of Australia's 1,500 libraries participate in the [eSmart libraries program](#), an initiative of the Alannah and Madeline Foundation. The program has received \$8 million in funding from the Telstra Foundation and is supported by the Australian Public Library Alliance.

Since the launch of the program in 2012, participating libraries have introduced the concept of online safety to thousands of Australians of all ages every year, providing them with the skills they need to safely and responsibly use digital technology.

While work is already under way, greater collaboration on cyber security between government, industry, academia and the community will help safeguard Australia's national security and economy in the future.

Australia is also engaging with partners within the Indo-Pacific to align efforts and share best practice to ensure Australia remains at the forefront of technological innovation and cyber security.

## Cyber security qualifications

To increase the number of skilled cyber security professionals, Box Hill Institute with industry support have developed two national cyber security qualifications: a [Certificate IV in Cyber Security](#) and an [Advanced Diploma of Cyber Security](#). These are the first nationally-recognised cyber security vocational education qualifications in Australia.

The courses were developed with a range of industry partners, including ANZ Bank, BAE Systems, Cisco Australia and New Zealand, Commonwealth Bank, Deloitte, NBN Co, Telstra and the Australian Information Security Association.

Box Hill Institute delivered the first courses at its Melbourne campus in early 2018, with student numbers doubling at each intake. TAFEs across other states and territories have partnered with Box Hill Institute to deliver these qualifications. The increased availability of courses will provide students with highly sought-after skills and help bridge the cyber security skill gap.

## Growing Australia's cyber security industry

Good cyber security not only protects Australia's existing economic assets, but also can create new ones.

Building greater local capacity would make Australia a trusted supplier in this rapidly growing industry. Thanks to Government support, the Australian Cyber Security Growth Network, or AustCyber, is making significant progress in this effort, including:

- releasing its 2017 [Sector Competitiveness Plan](#)
- establishing Cyber Security Innovation Nodes across Australia
- working with stakeholders to develop Australia's first national skills-based cyber security Certificate and Diploma level qualifications.

This work will contribute to positioning Australia as a trusted global leader in cyber security research, education, products and services.

## Regulation

*Australia's regulatory systems are fit for purpose, promote digital innovation and safeguard the Australian community.*

### Outcomes:

- Regulatory systems help Australians benefit from digital technologies, while safeguarding social, environmental and competition outcomes for the Australian community
- Regulation is fit for purpose and technology neutral, allowing businesses and industry to quickly adopt beneficial technologies
- Global rules and standards affecting digital technologies and digital trade support Australia's interests
- Australian businesses are supported by effective tools and systems to help them succeed on the world stage

### **Why does regulation matter?**

Regulation is needed to protect the legitimate interests of businesses and the community. Strong, responsive regulatory systems help keep the Australian economy as efficient and flexible as possible, and they also help our industries compete in the global economy.

Australia is well-recognised internationally for the strength of its regulatory and governance arrangements. Our regulations provide essential safeguards for the Australian community, ensuring the safety, social, environmental and competition outcomes that underpin our way of life. Strong regulations also provide the confidence, both here and overseas, that Australian products and services are safe, consistent and reliable.

However, there is a trade-off. If the regulatory system unnecessarily impedes business innovation, they may not adopt new technologies to grow and create jobs.

In a rapidly moving digital economy, getting the balance right is harder than ever. Technology is developing much faster than new regulations can be written. Business models can change rapidly. Regulations can quickly become redundant and the impacts of new technologies and business models can be particularly difficult to forecast.

Technological innovation and disruptive business models are displacing established firms, products and alliances. They have the potential to change the nature of work, and also to provide more consumer choice, improved products and services, and productivity benefits.

## ***What are the opportunities in regulation?***

Having the right regulatory settings helps Australia tap into emerging technologies, provides innovative businesses with the social licence to operate as they need, and protects consumers and the community.

### **Developing flexible regulatory approaches**

A one-size fits all traditional regulatory approach does not work – governments need to work with industry, academia and the community to identify the right tools and approaches to address the particular risks, issues and challenges of regulating new technologies.

For example, in the financial technology (FinTech) industry, the Government is creating a defined space to test new products and services without too much up-front regulation. These 'regulatory sandboxes' help businesses see if their product works without having to meet current regulations or impacting customers.

Fintech start-ups welcome robust regulation as this promotes consumer confidence and there is an opportunity for Australia to pursue a best practice regulatory approach. This will enhance the potential for global mobility and position Australia as an attractive FinTech hub for international investment in emerging technologies.

With technologies that are still in their infancy such as quantum computing, the Government needs to ensure regulatory settings:

- assist industry–research collaboration
- facilitate the development of supportive ecosystems in Australia
- protect intellectual property and commercial advantage.

### **Increasing market share**

The digital economy provides access to far bigger markets. By getting the international and domestic regulatory settings right, there's an enormous opportunity to grow and scale Australian businesses on the world stage.

The use of online channels to sell and buy products and services ([ecommerce](#)) increases export opportunities for Australian businesses. Platforms such as Amazon and Alibaba mean that even the smallest businesses can access, compete in and export to global markets alongside multinationals.

Internationally consistent standards can help businesses boost efficiency, increase productivity and growth by ensuring technology can be used across borders.

### **Case study: Australia's Ego Pharmaceuticals is Succeeding in World Markets**

Ego Pharmaceuticals, a family-owned Victorian dermatological products manufacturer established in 1953, won the [Australian Exporter of the Year award in 2017](#) and the Governor of Victoria Exporter of the year in 2016.

Ego has invested heavily in innovation, automating much of its manufacturing process, as well as pursuing serious e-commerce and digital marketing strategies. Ego's growth both in Australia and internationally helped it open a new \$15 million expansion of its manufacturing facility in 2016 and its new \$35 million global headquarters in 2017, creating 63 new jobs in outer-Melbourne.

Nowhere is the potential for digital trade greater than in the Indo-Pacific region. In 2017, for the first time, more than 50 per cent of global Internet users were located in the Indo-Pacific. Yet, only 46.4 per cent of households in the region were connected to the internet in 2016. There are vast untapped opportunities for digital trade. Successfully harnessing this opportunity promises economic growth for countries in the region as well as new market opportunities for Australian businesses.

Australia can continue building on its existing reputation in the region as a stable, secure and modern provider of goods and services. Programs like the [National Business Simplification Initiative](#) modernise the way businesses interact with government and keep Australia attractive to investors.

## ***Where do we need to focus our attention in regulation?***

Getting regulation right where it is needed can be challenging. It's hard to predict how new technologies will be developed and applied, and change happens quickly. This makes it hard for regulation to keep up.

The role of Government as a domestic regulator is evolving to:

- be more closely linked to citizens and businesses
- adapt faster to change
- minimise negative impacts on innovation
- ensure maximum access to international markets.

## **Designing fit-for purpose regulatory approaches**

To build on our existing strengths, the Government will work with industry to re-think regulatory approaches.

Legislation needs to be tailored to innovative digital practices, including through technology-neutral and principles-based approaches. Regulation needs to be fit for purpose, outcomes-focused, adaptable and prepared for rapid change.

## **Case Study: Uber in Australia**

Uber's launch in Australia in October 2012 was met with enthusiasm from consumers and prospective drivers but also resistance from the taxi industry. State and territory governments considered issues like customer safety, transport access, competition, impact on the taxi industry, and productivity implications in their response to the emergence of ridesharing.

In 2015 the ACT Government became the first jurisdiction in Australia to incorporate ridesharing into regulatory frameworks, followed shortly by New South Wales. Today, every state and territory have established ridesharing regulatory regimes. As part of the reforms, most jurisdictions also created assistance packages for owners of taxi licences. The ACT Government's review of

its ridesharing reform package suggests benefits in 2016/17 for consumers of \$6.4 to 8.8 million.

The Uber example shows that, while important, consulting the public and carefully considering the regulatory issues raised by digital disruption takes time. It also demonstrated that Governments must identify trends early to ensure regulatory regimes can keep up with the pace of technological advancement. One way governments can resolve this challenge and balance the need for speed and due care is to regulate iteratively and ensure legislation is sufficiently broad to incorporate future developments, as has broadly been the case in ridesharing.

Work is under way on responses to disruption in specific sectors, such as automated vehicles. Consideration will be given to whether an overall framework to guide government responses to emerging technologies is required.

### **Ensuring consistency in standards**

Inconsistent regulations and standards are costly to those businesses that need to operate across multiple jurisdictions.

Having consistent or equivalent regulations and standards across the country, especially where these are aligned with international standards, helps researchers and businesses to quickly apply new technologies.

## ***What is the Government doing in regulation?***

The Government is continuing to ensure that regulatory frameworks across all areas of the modern economy are fit-for-purpose. This includes key regulatory reforms in telecommunications, and data sharing and privacy that are mentioned in the Infrastructure and Data sections of this agenda.

Below is a summary of major government work on getting regulatory settings correct; for a list of all government initiatives, refer to Australia's Tech Future website.

### **Improving the quality of regulation**

The Government is continuously improving the quality of its regulation, including minimising the regulation on businesses, community organisations and individuals. The Deregulation Agenda established in 2013 has put in place frameworks to help ensure regulatory regimes remain fit for purpose in the 21st century.

### **Harmonising Australian regulations and standards**

The Government encourages and supports Australia's states and territories to adopt, or recognise as equivalent, each other's regulations and standards. This lowers the costs for businesses. It also promotes innovation and growth. One-third of the 5,600 Australian Standards are referenced in Commonwealth, state and territory regulation.

The Government will continue the ongoing effort to ensure that Australia has the right regulatory environment to enable legislation that is 'digital ready'.

## **Implementing Australia's Trade Modernisation Agenda**

The Government's [Trade Modernisation Agenda](#) is supporting businesses, particularly micro and small businesses, to engage and compete on a global scale. This 10-year agenda will transform and simplify Australia's international supply chain, and will provide businesses with a single window for international trade.

The Government has mature artificial intelligence capabilities to support visa application assessment functions and is exploring how blockchain distributed ledger technology could be integrated into Australia's trade ecosystem.

### **Shaping international standards and digital trade rules**

International standards and digital trade rules are important for maximising the benefits for Australian businesses in the modern economy (read more in the [Digital Trade Chapter](#) of Australia's International Cyber Engagement Strategy).

Australia is at the forefront of shaping international rules and standards through many channels including:

- the World Trade Organization (WTO)
- free trade agreements
- the Asia-Pacific Economic Cooperation (APEC) forum
- the G20
- the OECD.

### **Australia's Leadership on International Digital Trade Rules and Standards**

For example, the Government is working:

- to update international trade rules on e-commerce through the WTO and Australia's FTAs to ensure they keep pace with technological change, including as part of the WTO Joint Statement on Electronic Commerce to build trust and confidence in the online marketplace and ensure effective protection for personal information
- with ASEAN Member States to develop, adopt and use international standards that promote digital trade and support inclusive economic growth in the region (the ASEAN-Australia Digital Trade Standards initiative was announced in March 2018)



### **Case Study: Standards Australia leading the development of international standards for blockchain**

Standards Australia is leading the development of international blockchain standards. Having already produced a blockchain and industry standards roadmap, Standards Australia was appointed by the International

Organisation for Standardisation (ISO) to lead a technical committee on the development of international standards for blockchain. The Committee already has 39 different contributing countries, with 11 Standards currently at various stages of development. The Australian Government is contributing funding to the development of these standards.

### **Leading the development of international Blockchain standards**

Good industry standards for blockchain technology are critical to fostering an innovative and competitive environment and establishing market confidence in the technology.

Australia is leading the development of new international standards for blockchain technologies.

The Government is also supporting research to better understand the technological and legal risks associated with blockchain. An industry led Blockchain Roadmap will outline how blockchain technologies can be used to investment opportunities for Australia.

### **Reviewing Australia's corporate tax system for the digital economy**

The [Government is working](#) to address the challenges the digital economy presents to the tax system. Much of the current international tax framework was developed in the 1920s, and is based on the location of physical assets and income sources. We now live in a world where businesses operate in a global market that is increasingly digital – they may not even have a physical office or staff here in Australia.

The Government is consulting broadly and exploring options to move towards a fairer and more sustainable tax system that address the way that digital technology is transforming our economy.



# Implementing the Strategy

## *We all have a role to play*

To reap the benefits that new technologies provide and make sure no-one is left behind we must work together.

Many Australian businesses are taking action to take advantage of the opportunities and to compete internationally in a global digital economy. This includes:

- planning for an increasingly digital future
- developing new business models and driving the uptake of new technologies
- investing in digital infrastructure to support their productivity and competitiveness
- investing in their people by developing the digital skills of their staff; and/or
- investing in protecting their business and customers from cybercrime and data breaches.

Individuals also have a role to play to maximise opportunities in a digital economy. Many Australians are:

- increasing their use of digital technology to interact with each other, businesses and governments
- seeking educational and skills development that will position them for future jobs
- protecting themselves from online threats and misuse of their data.

The Government provides the enabling environment for the Australian economy. To spread the benefits of the digital economy and maximise the opportunities for all Australians, the Government will:

- ensure education and training meets current and future needs, to help businesses take advantage of digital opportunities and leave no Australian behind
- facilitate investment in enabling digital infrastructure
- improve access to, and use of, data while maintaining strong data safeguards
- improve trust, confidence and security around digital activities
- ensure regulatory frameworks are flexible, adaptable and fit-for-purpose
- deliver digital government services that are secure, fast and easy to use
- champion an open, free and secure cyberspace internationally.

## *This is an ongoing conversation*

The Australia's Tech Future agenda has been developed with help from members of the community, businesses, industry groups, states and territories and the research sector.

This partnership will continue.

The Government will build on the momentum created by the launch of Australia's Tech Future to drive meaningful and lasting engagement by:

1. Maintaining collaboration with industry, community groups and academia
2. Working closely with the governments of states and territories
3. Tracking Australia's performance.

These actions are interdependent and collectively form an ongoing plan to both communicate and engage on Australia's Tech Future.

## **Collaborating with industry, community groups and academia**

The Government will continue to work with key industry, community and academia stakeholders to discuss, coordinate and collaborate on activities to strengthen Australia's tech future. The purpose of this will be to work together to coordinate action, inform the development of future government policies, and encourage further investment.

This collaboration will identify opportunities where industry expertise can drive benefits for Australian businesses that also flow to the broader community. The community sector will also have the opportunity to engage with Government on key issues including on action to reduce the digital divide for people with lower levels of participation in the digital economy. The Government will work with academia to capture the expertise that the sector can bring to a range of digital economy issues.

This work will be closely connected to digital economy work already under way across government to ensure it can contribute in a meaningful way to address priority areas for Government.

### **Working closely with states and territories**

The Commonwealth Government will continue to engage with states and territories both bilaterally and through the COAG Industry and Skills Council to progress the agenda for Australia's Tech Future. By sharing ideas and working together governments can boost the opportunities for businesses and the community.

### **Tracking Australia's performance**

The implementation of *Australia's Tech Future* will include monitoring how Australia is tracking against our stated objectives and outcomes to identify where to further focus efforts.

The Government will track Australia's performance relative to other countries in key areas where global metrics exist.

This is essential to ensure the Government's agenda remains fit for purpose, with a nuanced approach that delivers the best results for Australians. Doing so represents global best practice for capturing benefits of technology. For example, the European Commission tracks the performance of EU Member States in digital connectivity, digital skills online activity, the digitisation of businesses and digital public services.

Our shared success will be measured by Australians' ability to engage with technology, ensuring Australia's economic base is diverse, resilient and dynamic to secure jobs and prosperity.



