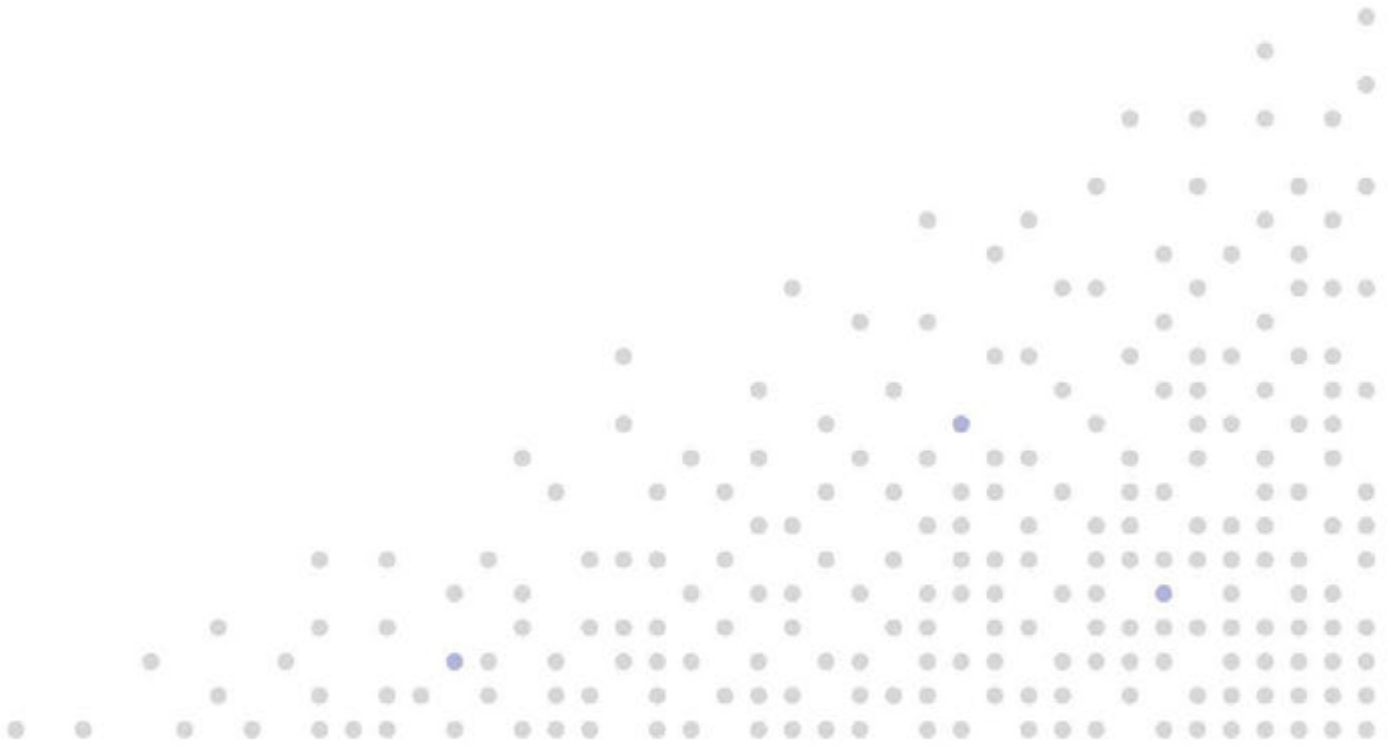




Australian Government
Department of Finance



Department of Finance

Submission to the
5 Year Productivity Inquiry: Australia's data and
digital dividend interim report

October 2022

Introduction

The Department of Finance (Finance) and the Digital Transformation Agency (DTA) welcome the release of the Productivity Commission's *5 Year Productivity Inquiry: Australia's data and digital dividend – Interim Report* and appreciates the opportunity to make a submission in response.

Digital technology and data will continue to transform our economy. They will also support the design and delivery of services for the public good and in developing policy solutions to the challenges the nation faces now and into the future.

Issue: balancing increased data access with privacy and data security concerns

Finance agrees in principle with the interim report's position to reduce barriers to accessing data where it is safe, secure and appropriate to do so. This is supported through key initiatives, including the *Data Availability and Transparency Act 2022* Scheme (DATA Scheme), the Consumer Data Right (CDR) and the ongoing review of the *Privacy Act 1988*.

Finance acknowledges the interim report's position to increase the number of organisations and individuals able to access and use data under data sharing frameworks. Implementation arrangements and statutory reviews built into both the *Data Availability and Transparency Act 2022* and the CDR will consider how these mechanisms can support greater access to, and use of, data held by both businesses and the government. All Australian Governments are also addressing barriers to sharing data by implementing the Intergovernmental Agreement on Data Sharing.

Finance acknowledges the importance of community data access and the potential benefits that can be derived from enhanced data accessibility in improving service delivery and outcomes for communities. Safely and securely improving data accessibility and sharing in sectors of the economy where data remains relatively inaccessible, including the community sector, not only requires access to relevant data, but also skills to use data well.

Finance agrees in principle with the interim report's recommendation to consider new data sharing and integration opportunities. The Government is already pursuing these opportunities, including through the Business Longitudinal Analysis Data Environment (BLADE), which combines tax, trade and intellectual property data with information from Australian Bureau of Statistics surveys to provide a better understanding of the performance of Australia's economy and businesses over time. BLADE is used by authorised researchers to understand how businesses fare over time and the factors that drive performance, innovation, job creation, competitiveness, and productivity, and provide new insights into the development and evaluation of government policies, programs and services.

Issue: data and digital skills

The interim report highlights a demand for digital and data skills across the Australian economy. The Government's Australian Public Service (APS) reform agenda recognises the importance of data to better understand and respond to the needs of Australians.

The APS professional streams are strengthening the APS's capability to securely use, share and understand data and other information to deliver better policy advice, regulation and services. The Data Professional Stream (the Data Stream), is part of an effort to enact

cultural change and move toward a data-driven APS that can take advantage of the latest tools in data and analytics. The Data Stream will build data expertise and capability across the APS workforce and support career pathways across the APS. The Data Stream will focus on attracting, developing, mobilising and retaining data production, and management and analytics capabilities.

In addition, the Digital Professional Stream (the Digital Stream) is building specialist expertise in digital roles and more generally uplifting the core digital expertise of public service leadership and the workforce. The Digital Stream sets professional standards, implements digital career pathways and addresses digital skill gaps.

Issue: ethical use of technology and data

Finance and the DTA note the interim report's position that there is an emerging policy need and role for Government to support ethical use of technology and data.

New uses of digital technologies, including artificial intelligence, will continue to transform government administration and service delivery where it is appropriate to do so, by enabling faster, cheaper and more personalised services to Australians. These technologies will also continue to transform the Australian economy. Further, the Government has identified artificial intelligence as one of a number of critical technologies to be supported by the National Reconstruction Fund.

Issue: policy and regulatory coordination

Finance and the DTA note the interim report's position that effective coordination of policymakers and regulators in the data, digital and cyber security areas is required. Citizens rightly expect public sector digital services to be efficient and effective and delivered in a coordinated way.

The Our Public Service Our Future – independent review of the Australian Public Service identified a need for better coordination of data and digital between the Australian Government and states and territories for integrated services. Efforts are underway through the Data and Digital Ministers Meeting to coordinate life events projects across states, territories and the Australian Government.

Significant steps have been made to unlock previously unavailable data in response to the recommendations made in the Productivity Commission's Data Availability and Use inquiry. For example, the DATA Scheme and CDR have provided academics and consumers (respectively) with access to previously unavailable data. Consumers are now also able to verify their digital identity data against a Government-held data source. The design of these schemes enable users to participate in them safely and ethically.

Multiple departments bring expertise and share responsibility for the data, digital and cyber areas.

- The Secretaries Digital Committee have responsibility for driving the coordination and delivery of data and digital initiatives.
- Finance, with the DTA, have responsibility for whole of government data and digital policy coordination.

- Critical technology policy development and coordination of ICT industry development is managed by the Department of Industry, Science and Technology.
- The Department of Home Affairs is responsible for cyber policy.
- The Attorney-General's Department, including the Office of the Australian Information Commissioner, is responsible for privacy.

Issue: Balancing Cyber Security and Growth

Progress towards incorporating a low-burden cyber security approach into the Australian Government's investment in technology is underway through:

- key initiatives to improve cyber security across government, business, and the community.
- the Digital Identity program, which removes the need for people to repeatedly identify themselves when accessing government services and allows services that were previously only available offline to be digitised.
- the Hosting Certification Framework, which establishes stronger controls and governance arrangements surrounding hosting-related procurements to enable the secure management of government data.
- the Cyber Hubs program, which is piloting a consolidated approach to uplifting whole of government cyber security perimeter defences.
- the Gateway Policy, which helps Government entities defend their perimeters using better practice principles for gateways during the transition to the Cyber Hubs.

These reforms seek to make risk management, preparedness, prevention and resilience a business as usual exercise for the owners and operators of critical infrastructure assets. They also aim to improve information exchange between industry and government to build a more comprehensive understanding of threats. Combined, these reforms send a signal to the market for improved cyber security and encourage suppliers to invest in cyber resilience and response in line with the Productivity Commission's Recommendation Direction 3.4.

The DTA ensures that its marketplaces, panels, and whole-of-government arrangements include applicable cyber security requirements, including compliance with the Protective Security Policy Framework, Information Security Manual and Hosting Certification Framework.

The Cyber Hubs program is piloting opportunities to improve government's cyber security, including cyber incident reporting. The Australian Signals Directorate is working with the DTA and pilot Cyber Hubs to identify where better use of existing Australian Signals Directorate services could enhance government reporting through automation. The DTA's review of the Hosting Certification Framework will consider opportunities to increase cyber security controls by expanding its scope to include Software-as-a-Service and incident detection capabilities.