Digital Economy Strategy team
Department of Industry, Innovation and Science
GPO Box 2013
Canberra ACT 2601

Ref: APMG Dig Eco Consult Paper cover letter v1.0

Response to the Consultation Paper: *The Digital Economy: Opening up the conversation*

APMG International would like to thank the Department of Industry, Innovation and Science for the opportunity to respond to the consultation paper related to the development of a new Digital Economy Strategy for Australia.

APMG is an accreditation and certification body headquartered in the United Kingdom and accredited by the United Kingdom Accreditation Service (UKAS). APMG is a global organisation with the UK headquarters being supported by regional offices. The Australian office is in Canberra and coordinates certifications for Australia, New Zealand and South-East Asia. APMG works with strategic partners to provide access to best practice guidance, training and certification to help individuals and their organisations deliver positive results and change through improved efficiency and performance.

APMG administers a range of professional assessment, development and certification schemes in key management disciplines including Project and Programme Management, IT Governance and Service Management, Change Management and Cyber Security. APMG is also a member of the European Commission's Digital Skills and Jobs Coalition and contributes to various committees considering the Digital Skills and innovation agendas.

The portfolio of APMG certifications has been developed to help Governments and businesses manage transformation through increased capability. Globally recognised certifications are available to help businesses plan, manage, facilitate change, engage stakeholders and deliver on the proposed benefits.

APMG has focussed on eighteen of the questions that were asked in the consultation paper and our response is provided as an attachment.

We look forward to further discussions with the Australian Government on ways to improve capability that will support an effective national Digital Economy Strategy.

Kind regards

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Consulting Services Executive, Global
Business Development Management, Australia and New Zealand
30 November 2017

(Enclosure: Attachment 1.0 – APMG International response to specific questions raised in the Digital Economy consultation paper V1.0)

Attachment 1.0 – APMG response to specific questions raised in the Digital Economy consultation paper.

APMG International provides the following input to questions 1,3,4,5,6,7,9,10,11,12,13 15, 17, 18, 19, 20, 21 and 22 that were raised in the consultation paper.

1. *How are advances in digital technology changing the way you work, your industry, and your community?*

APMG is an international organisation where digital technology has changed the business significantly in the last 5 years. The use of internet, instant messages and webex enables instant communication with colleagues anywhere within the world.

We have moved our products to an online delivery model thereby significantly increasing productivity and streamlining the experience for both staff and customers.

We work in a truly 24/7 environment and technology enables us to deliver services globally from any office in the world.

3. *What is the role of government in achieving that vision?*

Government needs to provide infrastructure and standards to enable enterprises easy access to enable them to create digital services on those platforms.

It is important there are common standards globally so that inter-connectivity is a given. The infrastructure needs to have sufficient capacity to enable all Australian businesses to work digitally with service speeds at least equivalent to 4G.

4. *What are the key disruptive technologies or business models that you are seeing? What do you predict is on the horizon in five, 10, 20 years' time?*

The key disruption is the customer expectation of a service or a product anytime, anywhere.

Digital economy means that every business is competing with those from low cost countries, so Australians are effectively competing everyday against these countries in the delivery of any knowledge based service which can be made accessible to customers over the internet.

Predictions against the timescale are impossible but it is clear the future belongs to a highly educated digitally aware workforce. One of the key enablers of the Government is to ensure education equips Australians for that future. It is inconceivable that opportunities for people without education e.g. today's manual workers will have any economic future except for those in the hospitality and care industries.

Travel and tourism could either be significantly enhanced through better and faster transportation or could be destroyed by virtual augmented reality where individuals will

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be able to experience with all their senses except feel any place on earth without them having to leave home.

5. What communication services, and underlying data, platforms and protocols, does Australia need to maximise the opportunities of the digital economy?

The key thing to provide is the underlying infrastructure that enables all Australians to access online services when required.

In Canberra, there is insufficient bandwidth for businesses to effectively compete on a global basis. Australia has a reputation for cyber security (Australian Signals Directorate) and it could lead in creating a truly safe and secure environment for business as being an Island it should be possible to secure our cyber borders and provide businesses with a secure network.

6. What opportunities do we have to accelerate the development of technologies that will underpin Australia's digital economy?

The key opportunities are to educate our young people and for Government to offer itself as a test bed for creative digital ideas so young Australian entrepreneurs can prove their ideas and develop them to a scale to support exports to other major economies.

Australia needs to grow its own large $1billion digital companies, this can only be realised if there is a solid foundation in education and Government leading through the testing and implementation of global best practice approaches.

7. What opportunities do we have in standards development and regulation to:

o   *enable digital entrepreneurship, innovation and trade?*

o   *mitigate the risks associated with digital disruption?*

Standards for digital economies are likely to be developed by either China or the US. We should make sure that we work with both these economies and provide the opportunity for our digital entrepreneurs to innovate, using the Australian Government as a test bed, and ensure our standards are aligned with either or both of China and the US.

The only way we can mitigate the risks associated with digital disruption is to guarantee we have a fair share of digital disruptors in Australia.

Government cannot mitigate digital disruption, but it could provide incentives to business to make certain that they are at the forefront of digitalisation of their business or industry. We could set up "digital industry zones" and provide attractive facilities, grants and tax breaks to attract digital innovators from around the world to bring their ideas and develop them in Australia.

Australia is already a great place to live. By making it a more business friendly place for digital innovators and disruptors we could also make it a great place for them to work.

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9. What opportunities do we have to build trust and community confidence through resilience to cyber threats, online safety and privacy?

APMG International believes that the Government has a unique opportunity to build trust and confidence with the Australian community due the existing strong alliances that it has with the UK Government and industry. The UK Government has pioneered the development of many innovative cyber protection measures that can be used at an organisation and individual level.

Cyber Risk Assessment

There is no need for the Australian Government to reinvent a solution to assessing cyber risk. There are several approaches available already and at least one, developed in the UK, aimed at assessing the effectiveness of an existing control strategy and providing a road map for appropriate investment. it is effectiveness and not compliance that is required for high-grade security.

There is also a requirement to be able to scale any solution, so it is both affordable and accessible to all businesses.

One area where Australia could take a global lead is in Cyber Insurance by encouraging or insisting companies take out insurances. This will bring the power of the insurance market to drive improvements as more secure organisations will pay lower premiums.

Increasing general cyber awareness

Another opportunity exists for cyber awareness for the non-technical audience. The individual person with a non-technical understanding of cyber issues, has been internationally identified as the weak link in cyber online safety. There are a number of commercially available online training package covers all areas of cyber safety that are not linked to a proprietary software solution.

10. What roles should government, business and individuals play in protecting the community in a digital economy?

APMG recommends the following roles:

Government – Provide guidance and facilitate access for globally accepted standards and approaches that improve the ability for business to assess their cyber risk, cyber maturity and blockers to improving maturity.

Business – Certify that adequate due diligence has been provided in the assessment of cyber risk and assessment of organisation maturity. In addition, assurance to shareholders that all staff that have access to company digital information have a thorough understanding of what it means to be cyber aware.

Individuals – Acceptance that there is personal responsibility to manage personal data and organisation data. This acceptance is to be reinforced by greater access to education tools that can provide what is cyber best practice and not linked to a proprietary software solution.

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11. What integrity and privacy measures do we need to ensure consumers can protect their data?

APMG recommends that consumers need to be provided with access to a range of Australian Government recommended education and training approaches that are non-technical, not linked to a specific software solution and represent global best practice.

Similarly, organisations need to make sure that a part of the role of a Company Director is to safeguard that integrity and privacy issues are included as part of an overall Organisation Cyber Risk Management Strategy.

Australia could lead the way by requiring all listed companies to include a cyber resilience audit as part of their annual financial audit. This would confirm the Government's intent in ensuring all business is secure and through that audit to make sure that they protect customer data appropriately. This would bring board level attention to making the appropriate investment to secure private data.

12. What are barriers for business, particularly small business, in adopting cyber security and privacy practices?

Through extensive liaison and engagement with Australian businesses over the past fifteen years, APMG has identified the following two key barriers to small business in adopting cyber security and privacy practices:

• Not linking to global best practice - Promotion of a range of bespoke Australian only approaches that do not reflect or benefit from overseas experience; and

• Cyber risk management – Cyber risk assessment is still viewed as a technical issue for the IT Department. Australian Businesses are not provided with specific cyber risk assessment approaches that deliver reports and assessments in a non-technical format addressing overall cyber maturity and blockers that exist to improve cyber maturity.

There should be no barriers to business as most cyber security and privacy practices are common sense and simply good business practice, but as there are very few incentives for ensuring that organisations do these things well they tend to be overlooked or ignored. Suggesting this as a key part of corporate governance could change the situation rapidly and with very little cost or effort to the business involved if they are already treating it seriously.

13. What integrity measures do the Australian Government and the private sector need to take to ensure business-consumer transactions are secure?

Focus on compliance rather than actual risk - APMG believes that the current emphasis that data integrity can be obtained and maintained by adherence to compliance measures such as penetration testing is flawed. Penetration testing is only one aspect that needs to be considered and does not provide adequate insight to the whole of business approach to data integrity.

Long term sustainable security of business – secure consumer transactions can only be achieved if the Australian Government support businesses in adopting a more holistic

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approach to data integrity and management by ensuring cyber protection is incorporated into current risk management approaches. Cyber risk assessment is not just an IT issue but a personnel issue as an individual still represents the greatest risk to transaction security.

Compliance is only part of the story - there is a need to focus on effectiveness of controls organisations have in place. Most organisations that have lost data through hacking have been compliant with appropriate standards e.g. ISO27001 but have not maintained the controls and therefore lack effectiveness. Australia could lead the world in promoting the concept of effective cyber security rather than compliant cyber security. CDCAT is a tool that would enable organisations to access how effective their security measures are.

15. What is holding Australian businesses back in terms of benefiting from digital technologies?

A key inhibitor to Australian businesses benefiting from digital technologies is access to good affordable infrastructure. In addition to this the creation of an investment friendly tax environment to attract digital entrepreneurs to work in Australia (such as that provided in Singapore) would enhance the adoption of new technologies.

17. What efforts are you or your organisation making to respond to digital transformation? Why?

The Australian Government procures several billion dollars worth of contracts from the private sector on an annual basis. Through the procurement process it could encourage large organisations to deliver more services through the digital format.

Furthermore, it could encourage those larger organisations to partner with SMEs and small companies who may have more digital competence and capability but need the large organisations to help them develop and scale those solutions.

APMG is a Member of the Digital Skills and Jobs Coalition https://ec.europa.eu/digital-single-market/en/become-member-digital-skills-and-jobs-coalition. The Digital Skills and Jobs Coalition is a multi-stakeholder partnership involving Member States, companies, social partners, NGOs and educational establishments – to help meet the high demand for digital skills in Europe which are essential in today's digital society and economy https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition. According to the European Commission, APMG International has endorsed the objectives and principles of the Digital Skills and Jobs Coalition Charter and they take pride that we have agreed to make a contribution to boost digital skills in Europe. APMG can now bring this expertise to the Australian market.

APMG International is a UK company with a close association with the UK Government. The UK Government is recognised as a world leader in digital Government coming first in the UN E-Government Survey index for both development and e-participation. This has been led by the UK's Government Digital Service (GDS) who has focussed on user needs, common design principles, openness, balance between the needs of citizens and Government and being agile in the delivery of real solutions.

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In the UK, unlike almost anywhere else in the world, Government is ahead of the private sector in the adoption of Agile methods in service development. Agile is mandated by GDS for many central Government digital services, and both the National Health Service and local Government are developing their own related digital standards with Agile at their heart. Australia also has embraced an Agile approach with APMG International's suite of Agile courses being rapidly adopted by Government and private organisations.

In response to the special complexity of Government, GDS created the GOV.UK Service Standard and supporting Service Manual, which defines a development lifecycle for digital services (user needs-discovery-alpha-beta-live) and provides a set of design standards and a host of supporting guidance. APMG International is now working with the UK Agile Business Consortium to expand the current suite of Agile courses offered in Australia to now include a new training offering called Agile Digital Services.

Agile Digital Services is a new Agile project framework supported by a bespoke training offering and associated qualifications. It will enable organisations to develop a consistent approach, a common language and a skilled workforce (with appropriate accreditation opportunities) for the successful design and delivery of digital services whether through evolving improvements or step-change transformation.

As the implementation of a national digital strategy accelerates transformation, digital first products such as those offered by the Agile Business Consortium (Agile Digital Services and Agile Project and Programme Management), offer real value.

The APMG portfolio has been developed to help business manage transformation through increased capability. Globally recognised certifications are available to help businesses plan, manage, facilitate change, engage stakeholders and deliver on the proposed benefits of this new Digital Economy Strategy.

18. What opportunities do we have to use digital technologies to improve linkages into export markets and global supply chains?

Many contracts require a large prime contractor and as such many small and medium sized businesses struggle to get the contractual opportunities that would enable them to showcase their technology and capabilities and have the opportunities to scale their offering.

Requiring prime contractors to use SMEs in Government contractors will provide an opportunity for digital entrepreneurs to develop and scales their solutions which will open global supply chains

19. What opportunities do small and medium-sized businesses have to embrace digital innovation to drive customer value, improve their services and unlock their potential?

Self-driving vehicles. With the distances involved, Australia is the ideal country to have self-driving lorries to improve service delivery.

Solar and battery technology. The requirement to develop batteries for storage in most developed economies in order for power services to be more accurately managed is

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becoming apparent. Through our opportunity to develop solar power that could be exported and by using that power we could invest in and pilot different battery technologies.

20. What are the key new growth industries that Australia should be tapping into? In what technologies and sectors should Australian businesses take the lead, and where should we be a 'fast follower' of international trends?

We need to build digital education from a very early stage with Schools teaching computer programming/coding to children from an early age.

By starting to teach the importance of cyber security to 11-year olds within a generation we will have an entire workforce talking about digital first and cyber security in the workplace, so it is no longer a particular professional discipline but is something for all professionals.

21. What opportunities do we have to equip Australians with the skills they need for the digital economy, today's jobs, and jobs of the future?

Probably the biggest contribution Government can make to closing the digital divide and going for social inclusion is through education. By providing quality, and accessible online education it should be possible for Australians everywhere to access that through either computers of smartphones.

22. What opportunities do we have to bridge the 'digital divide' and make the most of the benefits that digital technologies present for social inclusion?

Greater adoption of digital technologies can assist people from disadvantaged sectors obtaining a new range of services and education. APMG has seen a dramatic rise in the uptake of online learning rather than classroom based learning that can be a barrier for some sectors.

Encouragement and promotion of quality online training and certifications is a tangible way that the Australian Government can improve social inclusion through enhanced digital technologies.

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