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The Digital Economy: Opening up the conversation

The ACT Council of Social Service Inc. (ACTCOSS) welcomes the opportunity to share our views on the development of a national Digital Economy Strategy. ACTCOSS has an interest in ensuring that the national Digital Economy Strategy addresses digital affordability and social inclusion for people on low incomes and experiencing disadvantage. ACTCOSS also seeks to ensure that the Digital Economy Strategy recognises community services and not-for-profit community organisations among those industries and business types being impacted by digital transformation and as having a significant contribution to make to ensuring that the digital economy empowers all Australians and supports social inclusion.

About ACTCOSS

ACTCOSS is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Australian Capital Territory.

ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS). ACTCOSS supports the submissions made to this consultation by other members of the COSS network – including TasCOSS and SACOSS.

The membership of ACTCOSS includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS's vision and the digital economy

ACTCOSS's vision is to live in a fair and equitable community that respects and values diversity, human rights and sustainability and promotes justice, equity, reconciliation and social inclusion. The digital economy – 'the range of economic and social activities

enabled by information and communications technologies’¹ – has a vital role to play in achieving this vision.

A citizen-centred and socially inclusive strategy

The consultation paper notes that the digital economy is not separate to the economy, and nor is it separate from our society – our social relationships and cultural practices. ACTCOSS welcomes this acknowledgement and the consultation paper’s emphasis on ‘empowering all Australians through digital skills and digital inclusion’. In recent discussions about the development of a Smart City Strategy for the ACT there has been significant support for a Smart Cities 3.0 approach that involves citizen co-creation. This view of the digital economy is ‘grounded more in issues of equity and social inclusion’ and moves ‘from treating citizens as recipients of services, or event customers, to participants in the co-creation of improved quality of life’.² ACTCOSS supports a vision of a digital economy in which citizens are empowered and engaged in the co-design of digital transformation in ways that positively impact on social relationships and cultural practices.

Ensuring secure work in the digital economy

The digital economy can influence the way society approaches employment and the earning of income. A key concern for ACTCOSS is the relationship between the digital economy and the security of work and income. Digital transformation or disruption is an important topic in discussions about insecure work and the future of work. Insecure work has been defined as ‘that which provides workers with little social and economic security over their working lives’.³

ACTCOSS advocates for ‘a holistic, whole-of-community response to insecure employment that involves government, community sector, employers, and education and training providers to address socioeconomic disadvantage and barriers to secure employment’.⁴ The Strategy should aim to ensure that work within

¹ Australian Government, *The digital economy: opening up the conversation*, Australian Government, Canberra, 2017, p. 8.

² B Cohen, *The 3 generations of smart cities: inside the development of the technology driven city*, Fast Company [online], 8 October 2015, available at, <<https://www.fastcompany.com/3047795/the-3-generations-of-smart-cities>>.

³ Independent Inquiry into Insecure Work in Australia, *Lives on hold: unlocking the potential of Australia’s workforce*, ACTU, Melbourne, 2012, p. 1, available at, <https://www.actu.org.au/media/349417/lives_on_hold.pdf>.

⁴ ACTCOSS, *Submission to Inquiry into the extent, nature and consequence of insecure work in the ACT*, ACT Legislative Assembly Standing Committee on Education,

the digital economy pays a living wage and offers basic entitlements.

Ensuring digital transformation of government services is fair, equitable and just

In an environment of insecure work, underemployment, and unemployment, there are also implications for government in the digital delivery of services. The risks of digital transformation were made clear in the case of the Australian Government's Automated Debt Recovery Program. ACTCOSS supports fair, respectful and humane efforts to recover overpayments but we believe this automated and digitised program implementation was fundamentally flawed.⁵ This case highlights the need for the digital economy to ensure that relationships between the government and citizens are fair, equitable and just.

Improving digital affordability for people on low incomes and experiencing disadvantage

Digital transformation of government services contributes to making telecommunications – including internet – an essential service. This makes digital inclusion – including access, ability and affordability – a critical component of any Digital Economy Strategy. The consultation paper notes that 'Australians need access to quality, *affordable* and reliable communications services' [emphasis added].⁶ Alongside digital access and ability, the Australian Government has a major role to play in improving digital inclusion outcomes in terms of affordability through the provision of income support and regulation.

ACTCOSS has recently recommended that the Australian Government undertake the following to help improve digital affordability, particularly for those on low incomes and not in paid employment:

Employment and Youth Affairs, ACTCOSS, Canberra, July 2017, available at, < <http://www.actcoss.org.au/publications/advocacy-publications/submission-inquiry-extent-nature-and-consequence-insecure-work>>.

⁵ ACTCOSS, *Submission: Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative*, ACTCOSS, Canberra, March 2017, available at, < <http://www.actcoss.org.au/publications/advocacy-publications/submission-better-management-social-welfare-system-initiative>>.

⁶ Australian Government, op. cit. p. 13.

- Increase income support payments in line with the cost of living (including inclusion of telecommunications costs as an essential and significant item of expenditure)
- Improve hardship policies, concession programs and telecommunications products (including strengthening the Telecommunications Consumer Protections (TCP) code)
- Maintain and update the universal service obligation (including a focus on affordability)
- Explore options for unmetered access to government websites (including access to Centrelink services).⁷

Building a strong relationship between a growing community services industry and the digital economy

As the peak representative body for not-for-profit community organisations in the ACT has played a lead role in the development of the ACT Community Services Industry Strategy 2016-2026.⁸ The ACT Industry Strategy notes the potential for digital technology and data to transform service provision to meet the needs of the community. The ACT Industry Strategy represents one way in which the ACT community services industry and not-for-profit community organisations are responding to digital transformation.

According to regional projections of employment growth by industry, the health care and social assistance industry is expected to have the highest rate of growth in the ACT to 2020. This workforce is expected to grow by 16.6% from 2015 to 2020 against a projected growth rate of 7.2% for the total ACT workforce.⁹ By 2020, it is expected that employment in the health care and social assistance industry will account for 11.7% of the total ACT workforce, contributing a quarter (24.6%) of new jobs in the ACT over the five year period and maintaining its position as the second largest employer behind the public administration and

⁷ ACTCOSS, *The cost of being connected: telecommunications affordability in the ACT*, ACTCOSS, Canberra, December 2017.

⁸ Joint Community Government Reference Group (JCGRG), *ACT Community Services Industry Strategy 2016-2026*, Community Services Directorate, ACT Government, Canberra, 2016, available at, <<http://www.communityservices.act.gov.au/hcs/community-sector-reform/industry-strategy-2016-2026>>.

⁹ Department of Employment, *2016 Employment Projections*, Regional projections – interactive tool, Department of Employment, Canberra, 2016, accessed 30 June 2017, available at, <<http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>>.

safety industry (which is expected to maintain its current level of just under 30% of the ACT workforce between 2015 and 2020).¹⁰

As well as being a significant contributor to employment growth in the ACT, the community services industry is also a significant part of the broader ACT economy. The latest ABS Gross State Product (GSP) figures show that the health care and social assistance industry grew by 3.5% in the ACT in 2015-16, accounting for 6.4% of our GSP – a significantly higher contribution than construction (4.6%), retail (3.1%), accommodation and food services (3.1%).¹¹

As a key growth industry that supports community empowerment and social inclusion, it is essential to build a strong, positive relationship between community services and the digital economy. In supporting this, the Strategy should aim to facilitate the use of digital technology and data within the community services industry to improve access and outcomes in areas such as education, health and social inclusion. One example set out in the ACT Industry Strategy, this would mean ensuring that community services are supported by 'ICT infrastructure which helps promote more person-centred services'.¹² Another example is the sharing of data 'between government, the industry and the community for the purposes of planning and advocacy'.¹³

Conclusion

In our view, the Digital Economy Strategy must include as a minimum a focus on:

- Measures that address all dimensions of digital inclusion (including access, ability, and affordability)
- Measures to improve outcomes for those groups most at risk of digital exclusion (including people on low incomes; people not in paid employment; Aboriginal and/or Torres Strait Islander people; people with disability; older people; and people with low educational attainment)
- Regulations that recognise telecommunications, including the internet, as an essential service (e.g. an updated Universal

¹⁰ *ibid.*

¹¹ CMTEDD, *Gross State Product – 2015-16, ABS Cat. No. 5220.0, Brief*, CMTEDD, Canberra, 18 November 2016, accessed 6 June 2017, <http://apps.treasury.act.gov.au/__data/assets/pdf_file/0010/399979/GSP.pdf/_recache>.

¹² JCGRG, *op. cit.*, p. 26.

¹³ *ibid.*, p. 24.

Service Obligation, and a stronger Telecommunication Consumer Protections (TCP) code)

- Citizen co-creation, socially inclusion, and empowered communities as underlying digital economy principles
- Digital delivery of government services that is fair, equitable and just
- Measures to ensure work within the digital economy pays a living wage and offers basic entitlements
- Building the relationship between the community services industry and the digital economy.

If the digital economy is to support improved social inclusion outcomes it will be essential for the Australian Government to address issues both within the digital economy **and** the broader economy. Regulation of the digital economy should recognise telecommunications as an essential service **and** income support and concessions to people on low incomes and without paid employment should reflect the cost of living, which includes telecommunications as a significant and essential expenditure item. Employment in the digital economy must pay a living wage and offer basic entitlements that also reflect the cost of living.

The community services industry and not-for-profit community organisations play a critical role in delivering essential services. The Strategy provides an opportunity to harness the potential of the digital economy to support this growth industry and strengthen not-for-profit community organisations in order to maintain and increase their positive social impact. Collaboration is a source of competitive strength for both the community services industry and the digital economy – fostering collaboration within and between the community services industry and the digital economy would contribute significantly to inclusive growth within the economy.

Yours sincerely,



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