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Introduction

How can governments deliver better services to citizens?

Just as in the private sector, making better use of digital technology is at the very core of this objective.

So today's conference is addressing a most important issue – and I am very pleased to give the Opposition's perspective.

I want make to make three principal arguments today.

The first is that much of the imperative for better use of digital technology comes from the clear preference being shown by citizens to engage with government digitally.

Secondly, I want to talk about how the former Coalition Governments, both federally and in NSW, made better digital service delivery a big priority.

My third proposition to you is that, unfortunately, the current Albanese Labor Government does not have a clear focus on digital service delivery, and instead we are seeing key initiatives drifting and suffering from a lack of direction.

Strong citizen appetite to engage digitally

Let me turn first to the appetite of citizens to engage digitally with government.

The starting point for this is that, across the economy, consumers have over the last twenty years increasingly been provided with convenient, efficient digital service offerings – by banks, insurance companies, airlines, and many of the other businesses with large customer numbers.

Consumers have shown a strong readiness to take up service offerings which deliver greater choice and convenience; which save time; and which sometimes save money as well.

Whether it's booking an Uber for transportation, organising a holiday via Airbnb, finding a house to buy through Domain.com or Seek.com, buying an appliance through Appliances Online, buying food through the Coles or Woolworths online offerings or finding a support worker for a person with a disability through platforms like Hireup or Mable, consumers have made their preferences very clear.

Australians are rapid adopters of new technology – meaning that once an industry introduces it, customers take it up quickly. Australian banks introduced payWave in 2006 and cash transactions plunged by more than a third between 2007 and 2013.

While cash payments accounted for 70 per cent of all transactions in 2007, they fell to just 47 per cent in 2013. In 2018 Westpac claimed that Australia was leading the world in contactless payments.

Gone are the days of having to carry around a chunky wallet. Many of us carry our lives on our smartphones which have become a one-stop shop for shopping, ID credentials, banking and listening to music.

The digital economy and the ascendancy of the digital age in which we live, has enabled new businesses and sectors to grow and flourish – creating jobs and prosperity.

Think of the various categories which simply did not exist thirty years ago: streaming video, mRNA vaccines, drones, low earth orbiting satellites and additive manufacturing are a few that come to mind.

This new way of delivering services has disrupted traditional providers and put leaders on notice – either change or perish.

It is unsurprising then that citizens – having taken up digital services from so many private sector providers – similarly expect to be able to engage with government through digital channels.

A big focus for Coalition Governments

For all of these reasons, there has been a major focus from Coalition Governments, both at Commonwealth level and notably also in New South Wales, in both boosting the digital economy, and in leveraging digital technology to serve citizens better.

The Morrison Government understood the need to transform government services and make them customer centric.

Rather than have bureaucrats tell us what they thought a service should look like, we engaged the community and designed the services to meet present day consumer needs – taking into consideration digital expectations.

We understood that a citizen living and working in the twenty-first century is vastly different to one who lived and worked in the twentieth century.

It was this new way of thinking that resulted in our government establishing Services Australia, an evolving one-stop shop for a host of services such as Medicare and Centrelink, so customers no longer have to drive around town just to complete a few simple transactions.

We set up MyGovID to make accessing government services easier and more seamless.

And we initiated steps towards the introduction of a nationwide digital identity system. Very importantly, the strategy was to attract citizens to make a choice to use digital identity because of the benefits they would gain – not to compel citizens to use it.

These reforms weren't delivered overnight, and they weren't easy. Aside from the usual challenges governments face when seeking to implement new ideas, we also had to contend with inertia from some quarters within the sprawling beast which is the Commonwealth Government.

While citizens had a strong appetite for government services being delivered to them in new ways, some within the public service were more comfortable with things staying as they always had been.

When bureaucrats do not want to do something it is amazing how many reasons they can come up with to resist change.

But we prevailed and made some significant progress.

Australians responded enthusiastically to the Morrison Government's digital reforms.

Look at myGov as an example. It is widely considered a critical piece of national digital infrastructure. We've seen growth in active accounts from 11.7

million in 2017 to 25 million in 2022 – a compound annual growth rate of almost 17 per cent.

Daily logins are now 1.1 million.

Around 60 per cent of visits to myGov over the past 12 months were made using a mobile phone.

This shouldn't come as a surprise given consumer attitudes towards technology and innovation.

The recent audit of myGov, led by eminent business leader David Thodey, praised the former Coalition government for its investment in myGov.

The cost savings due to digital adoptions are also impressive. According to the audit, independent economic analysis commissioned by Services Australia estimated that completing the program over four years would deliver net benefits of \$3.2 billion over ten years.

The Morrison Government's focus on using digital technology to deliver better government services was part of our broader strategy to drive digital transformation across the economy. We saw this as key to bolstering innovation and economic opportunities for our country.

Federally, this has been a priority for us going back to the Howard Government, with initiatives like establishing the National Office for the Information Economy in 1997 and setting up a regulatory framework for Early Stage Venture Capital Limited Partnerships in 2002.

Over nearly thirty years we have had a consistent focus on making it more commercially attractive to invest in innovative and start-up businesses. Under Prime Minister Turnbull, our 2016 National Innovation and Science Agenda

further improved tax settings for ESVCLPs, and provided additional tax incentives for early-stage investors in start-up businesses.

Under the Morrison Government we set clear goals to build Australia's digital economy including the ambition of making us a top 10 digital economy and society by 2030 and supported this ambition with a detailed Digital Economy Plan.

We also had a Minister for the Digital Economy who oversaw a Digital Economy Strategy, which progressed technological and digital advancement of small businesses, our workforce, start-ups and infrastructure.

A particular example of the Morrison Government's digital economy focus is the way we prioritised space sector policy and invested heavily in it. We established the Australian Space Agency and headquartered it in Adelaide. The strategy has paid off, with Adelaide based companies like Myriota and Fleet Space Technologies doing great work in leveraging fleets of low earth orbiting satellites to deliver innovative new services in sectors like agriculture and mining.

Regrettably, and inexplicably, the current government has slashed spending commitments for the space sector made under the Morrison Government.

If you want to see what's possible at a state level, you just have to look at how former Minister for Customer Service and Digital Government Victor Dominello transformed service delivery within the NSW Government.

He oversaw the statewide rollout of the digital driver licence, launched the real-time FuelCheck app and created the Service NSW app.

He also broke down jurisdictional boundaries during the pandemic by working with the Commonwealth to integrate Medicare into the Service NSW app.

This government has been drifting

Let me turn to my third and final theme: that under the current government there is a pervasive sense of drift when it comes to both digital economy policy and the digital delivery of government services.

Under this government there is no Minister for the Digital Economy. There should be. There is no clear Digital Economy goal committed to by the Australian government. There should be.

A powerful example of the drift is seen with the lack of progress on the national digital identity system. This was a major priority for the previous Coalition government.

Today, when I go to a bank to set up a new bank account or to a telco to get a new mobile service, I typically provide evidence of my identity through documents such as a driver's licence or utility bill, and that identity information is retained on file.

But imagine if I could establish my identity simply by keying in my name to the website of the bank or telco, then typing in a multi-digit code just sent to me by my "trusted digital identity provider".

Such a system is pretty much ready to go, following several years of detailed work led by the Digital Transformation Agency under the Morrison government. That included public consultation and issuing an exposure draft of the Trusted Digital Identity Bill.

Already such a system is in operation, through MyGovID, for Australians to deal with federal government agencies. But if the bill became law it would allow other organisations to become trusted identity providers, and it would set

out the legal regime for the trusted digital identity to be used to establish identity with private sector organisations and state and territory governments.

Unfortunately, the development of such a system, and the pursuance of legislation, has stalled significantly under the Albanese Government.

After fourteen months, there is a lack of commitment and a sense of drift.

That was evident from comments made at the recent AFR Government Services Summit by Finance Minister Katy Gallagher. She gave no firm commitment to a legislative timetable, saying instead that the government was looking to have legislation in place by mid-next year, but she didn't want to be held to that timeframe. The government would prefer to sit on its hands while millions of Australians remain at risk of having their data fall into the hands of state-based hackers and organised crime.

The Minister did indicate that the Australian Competition & Consumer Commission would be the interim regulator of a legislated digital ID system - but this was merely confirming a proposal under the Coalition.

The only thing that Minister Gallagher could say with confidence is that there would be yet more consultation on digital ID - even though there have already been several rounds of consultation as part of the detailed work done by the previous Coalition Government.

This simply looks like another attempt to delay.

Already confidence across industry is dropping. I have heard reports that private sector players previously interested in being a trusted digital identity provider are now reconsidering their position.

While Australia remains complacent, other countries have already embarked on similar reforms and are reaping the rewards.

On a recent visit to India I learned how the hugely successful national digital identity system, Aadhaar, is driving productivity in India.

Work began around a decade ago; today more than 1.3 billion people now have a unique digital identity under the Aadhaar system.

One clear productivity boost is from saving cost for government and time for recipients of government payments.

To receive social welfare payments you must use your Aadhaar; today some 860 million receive such payments.

Aadhaar allows the payments to be made quickly and reliably. But it has also saved an estimated USD 30 billion in fraudulent or duplicate claims since the system was introduced.

Establishing the system cost around USD 3 billion. So for every dollar the Indian government spent, it has saved ten dollars.

The next productivity benefit comes from the way Aadhaar allows many transactions to be completed much more quickly than before.

Indian citizens can use an Aadhaar based service to sign documents digitally: no more do you need to sign physically and send it through the post.

You can open a bank account nearly instantly: the 'know your customer' process is now 'eKYC', as providing your Aadhaar is sufficient to establish your identity to the required regulatory standard.

Thanks to Aadhaar, hundreds of millions of people who previously did not have a bank account now have one.

As well as this Government drifting on digital identity, it is also drifting when it comes to digital service delivery. As yet the government has failed to respond to the myGov User audit report which provided a series of useful findings and recommendations on how to enhance the platform.

Nor are we seeing any real leadership from this government when it comes to encouraging states to use the best available applications for different use cases.

NSW delivered its digital driver licence in 2019, while Queensland is only piloting its now. If there is a gold standard digital product working in one state, why can't the commonwealth and other states work together to achieve the same outcome in their jurisdictions?

We must put parochial politics and silo thinking aside and get on with delivering what's best for the Australian people.

Conclusion

Let me conclude with the observation that digital government needs to be a major policy priority for the Australian Government. As a nation we have come a long way in the last thirty years. But after sustained work by Coalition Governments over that time, there is a lack of focus on the digital economy and digital service delivery from the current Government.

The stakes are high; it is simply too important for our national prosperity and economic growth that these important reforms be left to drift.