



## **PLACEMENT OF THE INFORMATION OF AUSTRALIAN CITIZENS UNDER FOREIGN GOVERNMENT CONTROL**

Submission to the Finance and Public Administration References Committee  
Review of digital delivery of government services - December 2017

*Issues management and strategic positioning in the Federal political  
and bureaucratic environment.*

## Background:

The increasing trend of the digital delivery of Government services to citizens will be supported by the increased use of *cloud* services.

In the Australian government sense, the data-bases of various departments will migrate from department specific legacy infrastructures to a series of clouds that provide ubiquitous access to shared pools of configurable system resources, thus allowing agencies to focus on their core businesses.

In Australia, the role of verifying or accrediting the suitability of organisations to supply cloud services is performed by the Australian Signals Directorate (ASD) which sits within the Department of Defence.

There are three Australian owned organisations which have qualified for the provision of “protected” level cloud services. No multinational company (MNC) has (at the time of writing) yet qualified for “protected” status although ASD is currently considering applications from several global MNCs.

ASD apparently is the final arbiter in the decision about the placement of the agency held private data of Australian citizens in corporate infrastructures who owe allegiance to, and are subject to the laws of, the Governments of other nations.

## Consideration:

The approval of MNCs for protected cloud status by ASD acting unilaterally is a low profile and casual method of handling such a central and sensitive issue of the protection of the security and privacy of the data of Australians held by Government.

Given the current sensitivity of foreign allegiance issues with our politicians it would be remarkable that this issue of the protection of Australians' privacy is not dealt with at a Cabinet, or indeed Parliamentary level.

The behaviour of MNCs in Australia in regard to collection of Australian tax is a matter of record. Assurances by MNCs that our data would be protected do not assuage the risk of exposure of our data held by companies that are subject to the laws of foreign nations.

The point is that the data of Australians held by government *should never be subject* to the actions of any foreign government.

This issue is bound up in the machinery of the digitisation of government services. It needs to be dragged out and examined properly before Australia finds itself in a situation where we may need to attempt retrospective action to protect Australians.

The issue is not the removal of foreign companies from all aspects of Government information technology services. It is, rather, the focussing in on where the data of Australians is held. For Government, proper protection means cloud computing centres that:

- ◆ Are Government data only
- ◆ Within Australian borders
- ◆ Australian owned
- ◆ Australian security cleared employees only

## Recommendations:

The Committee:

- ◆ Write to the Minister for Defence requesting the suspension of protected status approval until the Report is presented to, and considered by Government.
- ◆ Recommend to the Government that protected status be awarded only to Australian owned and Australian staffed ASD cleared employees.
- ◆ Request from the Attorney General advice on whether foreign owned MNC operation of cloud centres is consistent with individual legislation for each Department and Agency.
- ◆ Request from the Digital Transformation Agency (DTA) any information they can supply of cases where the precedent for placing citizen data in foreign hands already exists. For instance, would the Federal Government of the United States of America place citizen data it held in an Australian based and Australian owned cloud centre?.
- ◆ Examine the case for commencing another reference into this issue, tracking its development over the next 12 months.
- ◆ Emphasize the importance of this issue being dealt with at a Cabinet or Parliamentary level.

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