Submission to the Senate Standing Committee on Finance and Public Administration

Inquiry into the digital delivery of government services

Prepared by

COTA Australia

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COTA Australia

COTA Australia is the national consumer peak body for older Australians. Its members are the State and Territory COTAs (Councils on the Ageing) in each of the eight States and Territories of Australia. The State and Territory COTAs have around 30,000 individual members and more than 1,000 seniors' organisation members, which jointly represent over 500,000 older Australians.

COTA Australia's focus is on national policy issues from the perspective of older people as citizens and consumers and we seek to promote, improve and protect the circumstances and wellbeing of older people in Australia. Information about, and the views of, our constituents and members are gathered through a wide variety of consultative and engagement mechanisms and processes.

Authorised by:

Ian Yates AM
Chief Executive

Prepared by:

Anne Meuronen	Chander Khera
Policy Officer	Policy Council Member
COTA Australia	COTA ACT
Susan McGrath	Yi Jun Lee
National Policy Manager	UniSA Student Placement
COTA Australia	COTA SA

COTA Australia
Suite 9, 16 National Circuit
Barton ACT 2600

www.cota.org.au

Introduction

COTA Australia welcomes the opportunity to provide brief comments to the Senate Inquiry into the digital delivery of government services.

While we address the stated Terms of Reference below, we also raise strong concern that the issue of digital inclusion is missing from the Committee's scope of consideration. It is just as important (and challenging) to understand and address inclusion as it is to ensure privacy and security when building government digital platforms, service delivery models and business practices. Given that many government programs are specifically targeted to disadvantaged and vulnerable groups, it is essential that digital delivery to be fit-for-purpose. This issue should not be a 'bolt-on' concern at some later stage but ought to be a key design parameter and performance indicator from the beginning.

COTA acknowledges that when effectively developed and implemented, the digital delivery of services has the potential to improve the social and economic participation of older Australians by providing easy, fast, reliable and affordable access to information and services. However, it is well-known that older people currently have much lower rates of online involvement and capability than other age groups. Consequently there is a significant risk of detriment occurring for many older Australians in a shift to digital-by-default delivery if the transition is not well-handled.

Therefore in addition to brief responses to the Committee's Terms of Reference, our submission highlights the importance of ensuring that the delivery of any digital government services is digitally inclusive, identifies those older people most at risk of being excluded and makes recommendations to ensure that older Australians are not left behind in the transformation of government service delivery.

Privacy

COTA hears from many older Australians that they hold a strong belief in the importance of the privacy of their personal, financial and medical information. Recent research reinforces this with the finding that older people are more likely than younger people to take steps to protect their personal information. [1]

Issues related to privacy and security can create anxiety for many older Australians, and this is exacerbated by regular stories in the media of hacking or sharing of personal and financial data. To engage this cohort in the transition to digital systems government must actively engender confidence that the systems are safe and information is protected.

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[1] Souwe, JV, Gates, P, Bishop, B & Dunning, C 2017, *Australian community attitudes to privacy survey 2017*, Office of the Australian Information Commissioner (OAIC)

To boost consumer confidence in digital services, COTA recommends regular risk assessment and periodic independent audits of privacy protection procedures and all breaches should be reported to the Australian Parliament. In addition, as many IT services are outsourced, robustness of methods and systems employed to protect data and privacy should be part of contract performance.

Communication with consumers regarding their rights and recourse is also essential in government service delivery in general, and especially so regarding privacy. However, privacy statements and related terms and conditions are usually lengthy, full of jargon and incomprehensible. Consumers often become aware of changes to the terms and conditions only after they have been implemented. COTA recommends privacy statements should be in plain English and community languages, prepared recognising various levels of digital capability and clearly state what methods will be used to ensure that privacy of information will be protected.

Security

COTA has three key areas of concern regarding security and older Australians in government digital service delivery: scams; financial elder abuse; and system data management.

Along with privacy concerns, older Australians frequently cite concerns about security and viruses as a reason for not accessing the internet[2][3]. These are valid concerns as people over the age of 65 years are increasingly vulnerable to scams, particularly those involving the loss of money.[4] Of special concern is the emerging trend of threat-based and impersonation scams representing themselves to be from government agencies such as the Australian Taxation Office; the Commonwealth Department of Human Services or Centrelink; Department of Immigration and Border Protection; and the Australian Federal Police.[5]

In 2016, over one quarter (26%) of reports to Australian Competition and Consumer Commission's (ACCC) Scamwatch were made by people aged 65 years and over. This year alone, there have been almost 16,000 reports involving a loss of over $9 million to Scamwatch by people aged 65 years over.[6] User capability and digital literacy are important factors for online security and protection from scams, and once again it is important to recognise that overall these are at a lower level among current cohorts of older Australians.

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[2] Borg K and Smith L. *Digital Inclusion Report of Online Behaviours in Australia* 2016 Prepared for Australia Post. Behaviour Works Australia Monash University August 2016 p 38

[3] Productive Ageing Centre *Older Australians and the Internet: Bridging the Digital Divide* September 2011 p 21

[4] Australian Competition and Consumer Commission (ACCC) *Targeting scams: report of the ACC on scam activity* 2016. ACC, 2017. https://www.accc.gov.au/publications/targeting-scams-report-on-scam-activity/targeting-scams-report-of-the-accc-on-scam-activity-2016 p 13

[5] Australian Competition and Consumer Commission (ACCC) Targeting scams: report of the ACC on scam activity 2016. ACC, 2017. https://www.accc.gov.au/publications/targeting-scams-report-on-scam-activity/targeting-scams-report-of-the-accc-on-scam-activity-2016 p 17

[6]Australian Competition and Consumer Commission (ACCC) Scamwatch statistics accessed at https://www.scamwatch.gov.au/about-scamwatch/scam-statistics on 21 September 2017

Moving government service delivery and communications online will increase the potential for scamming to target older Australians as email becomes the expected method of engagement and communication from government.

In addition, there is an emerging recognition of the existence of elder abuse in our society. It is generally accepted that financial abuse by those in relationships of trust (family members, friends or carers) is the most common form of elder abuse. While current government systems of face-to-face, telephone and postal contact do not entirely protect older people against this form of abuse, the much more de-personalised use of digital-only contact opens new potential avenues for fraud and exploitation.

Once again, lower levels of digital literacy, especially amongst the oldest cohorts, will make older people more reliant on others to assist them to conduct the basic business of their lives when delivery goes online. For most, this support will be conducted appropriately, with care and in the best interests of the older person. For some however, the outcome of engaging others in helping to manage their financial business with government online will not be so positive. Checks and verifications regarding consent and identity will need to be developed as a basic component of government business rules underpinning digital service delivery.

At the higher level of data security, especially where personal and financial data is stored at third party data centres, COTA recommends regular audits to ensure the centres meet agreed performance levels relating to security, data loss, corruption and recovery. Results of these audits should be used to measure effectiveness of methods (both physical and logical) employed to protect public data. All breaches of security should be reported to the Australian Parliament and the Australian National Audit Office (ANAO) should specifically be tasked with on ongoing meta-audit role in this regard.

Quality and Reliability

Quality and reliability of the systems used to deliver government services will be critical to its adoption. COTA Australia receives many complaints from older Australians frustrated with their unsuccessful attempts to access services through sites such as MyGov and My Aged Care. These people tend to revert to attempts to access assistance by visiting a government office or contact by phone. Many simply choose to give up.

COTA views customer experience as a key quality domain in online services. In turn, this is comprised of response time, user friendliness, ease of access and availability and responsiveness of customer support. Feedback that COTA has received indicates that current online government services have far to go in this area of performance.

COTA recommends two essential features become standard operating procedure in the design, development, implementation, monitoring and evaluation of all government service delivery

(online or otherwise): consumer co-design; and rigorous, segmented user testing. Government program delivery must be based on a real sense of how an ordinary person would use the services. This reality test is a fundamental way to improve quality.

COTA also notes that in digital delivery, the quality and reliability of the network is critical. With full NBN roll-out not due until 2020 and current unreliable telecommunications infrastructure and slow network speeds, particularly in rural and remote areas, consumers attempting to use government services online could face fundamental network access problems.

Value for Money

To improve the use of digital government services, it is critical that the Australian Government not only consider value for money from a government budgetary perspective but also from the consumer's lived experience perspective.

Anecdotal feedback to COTA indicates that many COTA members feel that online services are not value for money for either government or themselves because of the:
- significant cost of the internet connection;
- confusing language used on sites;
- services are either frequently down or have a slow response;
- too much time is spent in locating the right information; and
- lengthy "hold" if they wish to contact customer support by phone.

From a consumer viewpoint, affordability is strongly related to value for money. Older Australians are generally low-income and therefore the purchase and maintenance of technology and internet network access are significant costs for them.

Key ways in which government can reduce the financial burden on all low-income people (and increase value for money) in its move to online delivery is to ensure non-metered access to government websites and an increase in free public WiFi points.

Strategies for Whole of Government Digital Transformation and Digital Project Delivery

While COTA Australia does not have the expertise to provide specific feedback on this term of reference, we make the following comments:
- COTA expects that all government projects that provide online services to the public would follow industry standard project governance that would include ministerial buy-in and leadership, appropriate resources, quality control, user testing and risk management.
- In relation to the design and build of platforms:
    - co-design principles should apply with extensive consumer involvement during requirements analysis, system design and system testing;

o services should be independent of platforms – that is, consumers should not be required to have specific hardware or software and there should be allowance for a culture among many older people to go on using devices well beyond the time that younger people would have upgraded devices and platforms[7]);

o there should be a highly responsive consumer support function underpinning all aspects of the interface with service users.

- The design and implementation of online services should take into account the segments of the population that are unable to engage because of the cost of equipment and network access or other barriers

  o alternate legacy systems (face-to-face, mail, phone) must be maintained, free of charge and available for people who are unable to access the system either due to lack of technology or digital ability.

Digital Inclusion

Background

According to the Australian Digital Inclusion Index, digital inclusion is "…based on premise that all Australians should be able to make full use of digital technologies – to manage their health and wellbeing, access education and services, organise their finances and connect with friends, family and the world beyond"[8].

The Australian Government has acknowledged the importance of digital inclusion in its Digital Service Standard, stating that services need "ensure they are accessible to all users regardless of their ability and environment".[9] This high-level principle acknowledges government responsibility to all citizens and recognises it is increasingly evident that digital exclusion can further exacerbate the social and economic exclusion experienced by vulnerable Australians. Unpacking this principle into action is essential at this critical moment of transformation of government service delivery.

The story of older Australians and digital inclusion is more complex than generally understood.

Research confirms that age is a significant factor in digital literacy and online engagement.[10][11][12] The Australian Digital Inclusion Index (ADII) has ranked Australians aged 65 years and over as the most digitally excluded age group (42.9, or 13.6 points below the national average).[13]

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[7] Ernst & Young 2017, *Digital Australia: state of the nation (2017)*

[8] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne. p7

[9] Digital Transformation Agency Digital Service Standard accessed at www.dta.gov.au/standard

[10] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne. p 14

[11] Aust Post Digital Participation A view of Australians online behaviours

[12] ABS 8146.) – Household Use of Information Technology, Australia 2014-15 accessed at www.abs.gov.au/ausstats/abs@.nsf/mf/8146.0 on 13 Sept 2017

[13] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's*

Significantly the inclusion gap between this group and younger Australians has been steadily widening since 2015.[14] Further, the level of online engagement reduces in the older age cohorts.[15]

Australia Post's *Digital Participation A view of Australia's online behaviours* White Paper in July 2017[16] reinforced the digital divide by age in its findings that people over 65 years are more likely to lack access to internet, rate their abilities as poor or fair and have more negative attitudes towards the internet.

However, contrary to the common portrayal of older Australians as technologically backward and unable or unwilling to be part of the digital revolution, the majority (79%) of Australians aged 65 years and over have participated online[17].   This puts Australia ahead of the UK and US in terms of internet usage among older users.[18] Internet access by older Australians has been increasing[19] and they use it for a range of purposes – most commonly banking and social networking.[20]

Further, as in most policy contexts, it is important here to note that older Australians are a diverse group with very different experiences and needs, especially across the different age cohorts within the span between 50 and 100 (and increasingly beyond). This diversity is reflected in differences in internet usage and levels of digital literacy across the cohorts. It is relevant that the characteristics of these age cohorts will change over the coming years as the younger generations age, highlighting the need for continual reassessment of needs of and engagement with older people.

The 2017 ADII found that there have been improvements in relation to access to the internet and technology, as well as digital ability across all age cohorts 65 years and over. The cohort aged 75-79 years has made the largest proportional progress, albeit from a very low base. However, affordability is a significant challenge for older Australians on low or fixed incomes, who are spending an increasing proportion of their income on network access.[21]

Digital Divide: the Australian digital inclusion index 2017, RMIT University, Melbourne.

[14] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne.

[15] ABS 8146.) – Household Use of Information Technology, Australia 2014-15 accessed at www.abs.gov.au/ausstats/abs@.nsf/mf/8146.0 on 13 Sept 2017

[16] Behaviour works/Aust Post report Digital participation white paper

[17] Australian Communications and Media Authority (ACMA) Research snapshots *Digital lives of older Australians* 4 August 2016 accessed at https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians on 21/9/17

[18] Australian Communications and Media Authority (ACMA) Research snapshots *Digital lives of older Australians* 4 August 2016 accessed at https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians on 21/9/17

[19] ACMA Digital Lives of Older Australians Snapshot August 2016. www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots /Digital-lives-of-older-Australians

[20] ABS 8146.) – Household Use of Information Technology, Australia 2014-15 accessed at www.abs.gov.au/ausstats/abs@.nsf/mf/8146.0 on 13 Sept 2017

[21] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne. P 14

Within this fluid picture, it is essential to note that there is a proportion of older Australians who have never accessed the internet. This proportion increases across the age cohorts, and at the current oldest ages it is unlikely that there will be changes in this situation other than at the margins. ACMA research in 2014-15 estimated 1 million adult Australians had never accessed the internet. Seventy one percent of offline adults were aged 65 years and over. Eleven percent of Australians aged 65-69 years had never accessed the internet. This proportion increased to 42 per cent of those aged 80 years and over.[22]

Older non-users tended to be out of employment; have no tertiary education; have lower incomes; live in country areas; and are single/not married.[23] Reasons given for not having internet access at home[24] include:

- no need/not interested (69%);
- internet too complicated (15%); and
- do not have computer at home (9%).

The level of digital inclusion is also affected by:
- gender -
  - Women are more digitally excluded than men (with an overall difference of 2 points on the Digital Inclusion Index). This gender gap increases with age and is at its greatest for women aged 70-74 years;[25]
  - An ACMA survey found that in the three months to July 2015, the proportion of men aged 65 years and over using the internet was greater than the proportion of women (76% men compared to 67% women). This difference increased with the older age cohorts with 55% of men and 39% of women aged 80 years and over accessing the internet;[26]
- disability - age influences digital inclusion for Australians with a disability. Older Australians experienced more digitally exclusion than younger Australians. However, in 2017 it was found that for the first time Australians with a disability aged 65 years and over had a higher level of digital inclusion than for the same age group without a disability.[27] This anomaly

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[22] Australian Communications and Media Authority (ACMA) Research snapshots *Digital lives of older Australians* 4 August 2016 accessed at https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians on 21/9/17

[23] Australian Communications and Media Authority (ACMA) Research snapshots *Digital lives of older Australians* 4 August 2016 accessed at https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians on 21/9/17

[24] Australian Communications and Media Authority (ACMA) Research snapshots *Digital lives of older Australians* 4 August 2016 accessed at https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians on 21/9/17.

[25] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne p14

[26] Australian Communications and Media Authority (ACMA) Research snapshots *Digital lives of older Australians* 4 August 2016 accessed at https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians on 21/9/17

[27] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne. P 19

warrants further examination to identify factors that led to this improvement; and

- geographic location – the ADII found a distinct divide between rural and urban areas.[28] This may be partly explained by the relative quality of internet access and speeds outside metropolitan areas.

Usage of government services

Older Australians are most likely to contact government services in person[29].   A baseline survey undertaken by the Digital Transformation Office in 2015, found that age was the strongest demographic determinant in the substantial minority of respondents who were opposed to the concept of digital interactions with the government. The number of people who were 'somewhat' or 'very dissatisfied' with the concept of having to interact with government primarily by digital methods was as high as 54% in people aged over 65 years.[30] [31] Interestingly, a third of respondents (33%) aged 65 years and over found federal government digital information and services overall were unable to meet their needs, with almost half (46%) rating them as adequate.[32]

These are significant attitudinal, cultural and behavioural patterns among older Australians that the government will need to address. Design will play a crucial role in convincing older people of the value of digital involvement with government. Government digital user interfaces must be easier to use and much more intuitive if those among older Australians who currently shun online engagement are to be drawn to it.

Digital inclusion programs for older Australians

COTA Australia supports the provision of training and support in digital literacy by the range of excellent services that exist for this purpose, such as the new federally funded *Be Connected* program; Australian Seniors Computer Clubs; Infoxchange and the Australia Post 'Go Digi' program'; the Telstra/government partnerships to deliver the Tech Savvy Seniors program; and the many state/territory local government and community developed events and programs. However, it is important to ensure that these programs aim to increase the capacity of older people to access government services online not just to engage in emails and social media.

The Australian Government, in partnership with state and territory governments, local governments and the community sector, needs to implement a fit-for-purpose support strategy

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[28] Thomas, J, Barraket, J, Wilson, C, Ewing, S, MacDonald, T, Tucker, J & Rennie, E 2017, *Measuring Australia's Digital Divide: the Australian digital inclusion index 2017*, RMIT University, Melbourne. p 11

[29] Australian Government Information Management Office (AGIMO) 2011 Interacting with Government: Australia's use and satisfaction with e-government services, Department of Finance and Deregulation, Commonwealth of Australia, Parkes, ACT accessed at http://www.finance.gov.au/publications/interacting-with-government-2011/03-Use_of_government_services.html on 4 October 2017

[30] ACMA snapshot

[31] DWA +JM Bruce *Report Transformation Index Monitor Baseline Prepared for Digital Tranformation Office* July 2015 accessed at https://www.dta.gov.au/blog/how-do-australians-really-feel-about-digital-government-services/ p6

[32] DWA +JM Bruce *Report Transformation Index Monitor Baseline Prepared for Digital Tranformation Office* July 2015 accessed at https://www.dta.gov.au/blog/how-do-australians-really-feel-about-digital-government-services/ p13

that enables older Australians to transition to the digital delivery of government services. Support programs must go beyond skills training and confidence improvement to address issues of access and affordability if they are to succeed. Building the capacity of older Australians to engage early with digital government service delivery is in everyone's interests.

Further, based on our experience with peer support models of learning and engagement among older people, COTA believes that a broader community development approach is necessary to increase digital inclusion for older Australians. We hope that government recognises the need for and resources this approach through its new *Be Connected* program.

Recommendations for inclusion
COTA Australia makes the following recommendations:

- Digital inclusion is identified as a key performance indicator to evaluate the success of the development and implementation of the digital delivery of government services.
- The needs of the individual age cohorts of older Australians aged 65 years and over are specifically addressed in development and delivery of digital services.
- Issues of affordability are addressed as a priority in conjunction with access and digital ability.
- Changes to the delivery of government services are introduced in stages and include adequately funded support programs to assist older Australians to adapt to those changes.
- The Australian Government recognises that there will be a group of older people who will not access the internet and should ensure that these people are not penalised with social exclusion or second-class service delivery. The Australian Government must ensure appropriate, sustainable and adequately resourced legacy systems, including face-to-face, phone and paper based communications (at no extra cost to the consumer) are in place for people who are unable to access digital services.

Conclusion

The digital delivery of government services is inevitable, with benefits to both government and the consumer who has the capacity to access those services. While many Australians aged 65 years or over participate online, they still remain amongst the most digitally excluded groups, particularly those in the oldest age cohorts. It is critical that the Australian Government ensures that the needs of older Australians are considered in the design, development and delivery of digital services to prevent further exclusion either digitally, socially or economically.

With the development of appropriate, robust and reliable delivery systems and the provision of appropriate supports, most older Australians will be able to adapt to digital service delivery. However, the Australian Government must also ensure that appropriate alternatives to digital service delivery are maintained (without barriers) for those older Australians who will not be able to use digital services.

The successful digital delivery of government services will be dependent on two elements: the platform's ability to deliver easy to access, timely, reliable services ensuring that privacy and security of personal information is protected; and the desire, skills and confidence of consumers to use those digital services.

It is critical that the transformation to digital services is focused on digital inclusion and does not leave anyone behind.

We would be pleased to discuss this matter further with your Committee.

Ends