



12 February 2003

The Secretary
JCPAA
Parliament House
Canberra ACT 2600

Dear JCPAA Committee members,

Review of Management and Integrity of the Commonwealth's Electronic Information

Australian Information Industry Association

The Australian Information Industry Association (AIIA) is the leading national body representing suppliers of information and communication technology (ICT) goods and services. AIIA has over 370 member companies that generate combined revenues of more than \$50 billion, employ over 100,000 Australians and have exports of over \$2 billion.

Many of our member companies have various interests in the management and integrity of electronic information held by the Commonwealth –

- as bodies managing information on behalf of the Commonwealth;
- as providers of various ICT solutions underpinning e-government initiatives;
- as providers of specialist security solutions; and more generally,
- as owners of information held by the Commonwealth; and
- as an industry sector with an interest in the building of confidence in e-commerce.

We would like to make some brief high-level comments to the Committee in these various capacities.

Security Awareness

Levels of security awareness amongst government, business and the community are steadily increasing, partly in response to a greater awareness of threats and availability of information regarding effective security management. Security is not an issue that can be managed by one off action – it must be ongoing and built into business processes. AIIA supports responsible efforts to increase awareness and management of security issues, however, care should be taken not to use unnecessary “scare tactics” that may reduce online participation.

Managing Arrangements with External Service Providers

AIIA recognises that it is a matter for the Commonwealth to determine appropriate levels of security for Commonwealth information and to determine how best to meet those

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requirements, whether that be utilising in house or external service providers, or a combination of both.

The ANAO Office report on Internet Security within Commonwealth Agencies (2001) suggested that there were some issues where external service providers were contracted to provide whole or part security solutions to the Commonwealth. AIIA believes that the ICT industry can provide specialist advice and innovative solutions to the Commonwealth and that most issues in this area can be overcome through good partnership arrangements, built on clear expectations and objectives, regular reporting, open channels of communication and clear contractual arrangements.

The opportunity to do business with the Government in this area is essential in developing the ICT industry in Australia. It provides companies, particularly smaller security specialists, with significant business as well as being a valuable reference site upon which future business can be won, both in Australia and export markets.

We wish to make several specific comments in relation to contractual provisions concerning the management and integrity of Commonwealth information –

- (a) First, some of our members have been asked to accept liability for security breaches related to solutions provided by it. This is not appropriate as a general rule and fails to recognise that ICT security is necessarily an imprecise art. It can never be absolute. Effective security management is dependent on a wide range of interrelated factors, many of which are not within the control of external service providers. Further, levels of security necessarily have to be balanced with other requirements, such as functionality and capacity.
- (b) Secondly, external service providers are usually willing to allow audit of their security and privacy practices, provided that the conduct of these is reasonable. In particular, audit requirements should not be unduly intrusive, impose significant costs upon the provider; compromise data of other customers and must not be conducted by third party where that may involve a conflict of interest. Our views on these issues were provided to the ANAO in 2001 in response to the ANAO Access Clauses, but do not appear to have been afforded due consideration and remain problematic for the ICT industry.
- (c) Finally, we note that SMEs who provide services under contract to the Commonwealth will be required to comply with the new privacy obligations as at 11 December 2002. Over the last 2 years, AIIA has undertaken a significant program to educate its members in relation to privacy and was involved in the development of privacy provisions in the current version of Government Information Technology Conditions (GITC4). Member companies have made significant efforts to implement programs to ensure that their practices comply with privacy obligations.

Setting an Example

AIIA believes that the Commonwealth should institute best practice in their management of electronic information. This is essential for several reasons –

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- ❑ Reducing the likelihood and impact of attacks affecting Commonwealth electronic information;
- ❑ Setting a example for the business sector to effectively manage their information assets;
- ❑ Building and maintaining confidence in e-commerce amongst the community. This is essential if the Commonwealth (and business and individual stakeholders) is to realise the benefits of e-government initiatives and in encouraging widespread uptake of technology, thereby bridging the “digital divide”.

Legislative Arrangements and Guidance Framework

AIIA is not aware of any significant industry issues with the existing legislative arrangements and guidance framework. Maintaining effective security is an ongoing process involving technology, business process and people. Flexibility is essential in managing the dynamic nature of security challenges. For this reason, we would not advocate the introduction of further legislation, but emphasise the need for ongoing security awareness across government and cooperation with the ICT industry.

If you require further information or wish to discuss our comments, please contact Bridget Larsen on Tel: 02 6281 9412 or e-mail: b.Larsen@aiaa.com.au.

Yours sincerely,

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**General Manager,
Policy and Government Relations**