



The Secretary
Public Accounts Committee
Parliament House,
HOBART, TAS, 7000

Inquiry into the Government's Financial Response to the COVID-19 Pandemic

Thank you for your invitation to participate in the new Inquiry into the Government's financial response to the COVID-19 pandemic.

TasICT is the Peak Industry Body for the Information, Communication & Technology (ICT) Sector. When considering the initial responses provided in this communication, the Committee should be cognisant of the fact that technology underpins all industry sectors, and consequently most comments and observations apply to the broader business community. TasICT members include corporate bodies, large businesses, small & medium enterprises, educational faculties, research facilities, sole-traders and individuals. All have been impacted differently, but much of the feedback received by TasICT has been consistent and many of the messages are clear. One key lesson highlighted by the COVID-19 worldwide pandemic, is that medium and longer-term solutions are being driven by technology and that Tasmania is trailing the pack. It should be noted that TasICT has previously submitted two key documents for consideration which address many of the issues highlighted by the COVID-19 disruption. The documents are titled: *Response to Our Digital Future* and *Budget Submission & Proposal for the Creation of the Tasmanian 'Digital Transformation Authority'*. Both documents align to the objective to inform the 2020-21 State Budget process. To date, the Government has ignored nearly all the advice from the ICT sector provided in the documents.

Many major employers across Tasmania have slashed their ICT teams because their businesses have temporarily or permanently ceased operation. After an initial flurry of activity many Corporations, Large Businesses, Small & Medium Enterprises, Consultants and Sole Traders have had their income slashed as projects are shelved and spending tightens across the economy. It's anticipated that many businesses will remain stagnant at least in the short to medium term, until the economy starts to recover, and income streams are restored. Job cuts and slashed budgets are the primary major impacts. An immediate Government-wide ICT Infrastructure upgrade would create many new projects and opportunities for local ICT businesses.

The economic uncertainty has created a lack of business investment which impacts ICT hardware retailers, consultants, technicians, software designers and providers of online services. The reduced demand for services has resulted in the loss of existing jobs, employment opportunities and workforce training. Deployment, re-employment, contracts, research & development, project management and client relationships will be impacted in the medium and long term as businesses recover in the post COVID-19 business environment.

The Tasmanian Government itself needs an upgrade of its ICT infrastructure both for its own internal administration and for delivery of customer services. For too long in Tasmania, underinvestment in ICT infrastructure and digital transformation meant that Tasmania has fallen behind other states and territories leaving critical infrastructure aging, unreliable and unproductive. This underinvestment was laid starkly bare during the response to COVID19 with antiquated paper-based processes slowing the response to the emergency and choking delivery of essential services. The Tasmanian Government was left flat footed as many private enterprises moved their entire teams to work remotely to assist with social distancing.

It is vital that this lack of digital readiness be addressed urgently and the underinvestment in ICT in Tasmania be turned around by including ICT infrastructure funding in the measures being taken to restart the economy. This would provide an economic stimulus to benefit the medium and long-term future of Tasmanian-based ICT companies. ICT infrastructure funding must be allocated in a way that allows the local ICT industry to partner with the Tasmanian Government to upgrade customer service delivery. The temptation to award large single vendor contracts over longer-term partnerships must be avoided and the Tasmanian Government's lack of ICT project management skills must be addressed alongside this funding. The business community must also focus on the implementation of a Digital Transformation plan if they are to recover sooner rather than later. Many don't have the funds or resources to invest in a Digital Transformation which will lead to a longer period of recovery and assistance should be given to ensure Tasmanian businesses can use technology to retain access to markets as travel restrictions prevent access.

Many businesses, especially in the Small & Medium Enterprise category do not have the expertise to manage the threats involved with remote working. Malicious actors are playing on human emotion and using the pandemic to infiltrate unsuspecting businesses and their employees for financial gain. If attacked, many businesses do not have the finances, knowledge or will to immediately recover or plan to rebuild. A distinct lack of information sharing and disconnect in the communication of available skills and employment opportunities has the potential to delay the return to work for many in the ICT sector. Individual employment agencies can match current positions vacant to skilled applicants, but longer-term ICT jobs will be defined as the industry recovers and employers determine the skills and conditions that best meet their requirements. The sooner business owners embrace and manage the new working conditions forced by COVID-19, the less long-term impacts of issues such as remote working will affect them. TasICT has suggested the Government consider a Cyber Security assistance package for businesses to receive professional advice on the safety of their ICT infrastructure and recommendations on how to better secure them. Such a programme would create employment for Cyber Security consultants and vendors as well as protect local businesses.

The nature of the impacts in the ICT sector are directly related to the large amount of jobs which have been lost and the severe downturn in spending and investment. The magnitude of the of the impacts is difficult to quantify because much of the information being received from TasICT members is anecdotal and with technology reaching into all industry sectors, much of the data being attributed to areas including tourism, hospitality, agriculture, advanced manufacturing, exports, retail, education and public service are indirectly related to the ICT sector. For example, Federal Group was forced to let go of its entire ICT team but these job losses may not be considered ICT job losses given the Federal Group's tourism and gaming focus.

TasICT has been urging the Tasmanian Government to take up many of the items discussed in our submission titled *Response to our Digital Future*. At the onset of the global health crisis, TasICT devised a list of 7 key initiatives which would have an immediate and positive impact on helping businesses survive the downturn in revenue and loss of jobs. The most significant initiative was the **Tasmanian Government Infrastructure Programme** which called on the Government to take the opportunity to spend money on an upgrade of its ICT infrastructure, which is ageing, unreliable and unproductive. Such an upgrade would deliver an economic stimulus to local ICT companies and lead to much improved internal administration and customer services. The key message is to spend a minimum \$10m immediately on a COVID-19 ICT infrastructure stimulus programme, taking industry assistance and guidance from TasICT and its membership base. The stimulus package would be equally driven by local industry capability and Tasmanian Government requirements. We believe this investment is long overdue and vital. To date, the Government and the Premier's Economic and Social Recovery Advisory Council have ignored the initiative, instead focusing on other infrastructure projects. The Government's response (or lack of) demonstrates an unwillingness to adopt a programme which helps the public service, private enterprise and the community.

Although a constant stream of webinars is available and links to advice are being distributed, operators who have little or no interest in technology or who are simply unable to afford professional advice, are at a disadvantage. There is no business wide plan for a funded process to give operators what they need to reinvent themselves with new and emerging technologies and take advantage of different ways of doing business. The immediate action by the Government to issue grants and loans to businesses should continue, accounting for current circumstances and adapting the schemes as conditions change.

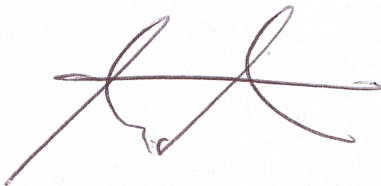
The Tasmanian Government's Digital Transformation appears to have stalled. The **immediate injection of funds through a COVID-19 ICT infrastructure stimulus programme** and adaption of the pathway forward outlined in the TasICT *Response to Our Digital Future* document is a response which should be started. Additional responses which TasICT consider important and should be started, are the 'Workforce Market Place', 'Innovation Platform', 'Digital Response and Industry Gateway', 'Getting Connected' and 'Rapid Digital Transformation' initiatives.

It is vital the ICT infrastructure spending be rolled out through partnerships with the local industry and that procurement processes consider the local impact of spending and skills development within the Tasmanian ICT community.

I look forward to participating in the Inquiry process, and if required providing the Public Accounts Committee with more information and perspective on the matters outlined in this letter.

Looking forward to hearing from you regarding the necessary arrangements.

Kind regards,

A handwritten signature in black ink, appearing to read 'Martin Anderson', with a stylized flourish extending to the right.

Martin Anderson
President - TasICT