Chris Drake
CryptoPhoto.com Pty Ltd.
PO Box 988,
Noosa Heads, QLD, 4567

6th November 2019

Submission to the consultation on the Australian Business Growth Fund Bill 2019**.**

My name is Chris Drake. My SME Australian high-tech (ICT) business has received $1m in Commonwealth grant funding, and we are a graduate from the excellent AusTrade Landing-Pad program.

I would like to comment of the purpose of this bill, Business Growth, and especially its application to high-tech industry (the focus of the fund).

Growth comes directly from adoption of the SME technology, and accompanying sales. One of the largest potential adopters for SME technology in Australia, and a valuable "lighthouse customer", are Australian Governments. Unfortunately, they are also one of the most difficult customers to sell to, and government project funding makes it vastly easier for Government to "build instead of buy" – another problem needing to be solved.

Government procurement rules already include a mandatory "value for money" provision. I recommend that this bill consider clarifying the procedure surrounding the definition of "value" to additionally include the benefits to Australian business, employment, and society, which results from Government decisions relating to ICT procurement and development. In particular, when it comes to a public servant deciding whether to look for and buy an SME solution, or, hire a team to build a new government-run competing version of that same solution, verifiable evidence that "value" was properly determined needs to be produced.

I further recommend that the assistance package accompanying all Australian Business Growth Fund activities include a mandatory provision to locate Australian Government customers where appropriate to the SME technology, and deliver effective assistance towards the on-boarding of the SME technology into Government.

The overall value to both the SME and to the Government itself is vastly higher from a SME technology deployment, than from mere funding. As a paying customer, and a lighthouse example of adoption, our Government can provide assistance vastly more valuable than money – if it wanted to. We need to make it want to.

 To be clear – funding support is easy to give, and is nice – but – it is nowhere near as important as sales and adoption, the latter being much less expensive to Government, but much more difficult. This needs fixing.

At the SINET61 conference in 2016, with a panel on-stage representing companies who had active cyber-security accelerator programs, I posed the question: "Can you share an example of a time when you have on-boarded innovative Cyber Security from an Australian start-up" to the panel, which included Mike Burges (CISO, Telstra), Steve Glynn (CISO ANZ Bank), John Haig (Head of Security & Risk, Dun & Bradstreet), and Nick Scott (Head of Security, NAB Bank). None of them had any example. Not even one used any of the

technology that their own growth programs turned out, let alone anything else innovative from anyone else in our industry.

After the SINET61 conference, I began asking successful Australian ICT businesses how they achieved success, and to-date, with no exceptions; every single one of them has said "We moved overseas".

Money alone is an insignificant factor in the journey to improve Australian Business Growth – vastly more important is the need to reform Government procurement and Australian attitudes towards Australian-Made products.

Finally, another area in desperate need of reform is Government Development of ICT solutions, or the "build instead of buy" mentality of our public service. For example – the 2016 RFI DTO-197. Since that RFI, the commonwealth has spent close to a quarter of a billion dollars re-writing from scratch a suite of identity solutions that already existed in the Marketplace, with the best of those existing solutions being run by Australian SMEs. That government project, which has had 2 complete failures and 3 total re-writes, is almost half a decade late so far, and is severely lacking in foresight, security, privacy, and utility. At the senate inquiry into its repeated failures, public submissions were suppressed and the inquiry seriously mislead by the staff working on this project, who outrageously blamed the private sector (who were given no right of reply) for the failures, even though the DTA chose to rewrite their own, instead of use private sector technology. Other previous "Identity Service" fails from the public service include Australia-Card (failed 1986), Business Authentication Framework (failed 2002), ATO Digital Certificates (filed 2005) AUSkey (failed 2013), ATO Authenticator (failed 2016), and that's not counting the hundreds of duplicitous state and local versions of those federal projects: literally billions of taxpayer dollars, and incalculable losses to Australian business and society, has resulted from Government refusal to use or help grow SME technology. "Identity Services" is just one example – hundreds of similar examples exist throughout defence, other government departments, and state and local governments.

In addition, it is inappropriate to use taxpayer funds to hire expensive contractors and more public servants to build things that directly compete against our existing industry products and services.

Government projects routinely cost 10 to 1000 times more to make than if they had just purchased an industry solution in the first place. Government ICT projects almost always fails, usually at spectacular expense, are never properly secure, are never commercialised, are usually duplicitous, and rob Industry of jobs, income, adoption, commercialisation opportunities, and rob the Australian Public of quality services.

Government are not under any obligation to (and routinely do not) comply with consumer protection laws. They have no effective oversight or auditing. There is almost no compliance with standards (e.g. the ISM and other security standards), there are no penalties for refusal to comply or for failure, and no transparency.

In summary, the most effective solution for helping grow Australian SMEs, is to change the behaviour the Government itself – instead of actively destroying (competing against), and/or choosing not to use local SME solutions, every effort needs to be put towards getting SME technology into government use.

Sincerely
Chris Drake