



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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YEAR 2000 INFORMATION DISCLOSURE BILL

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (5.23 p.m.): The Opposition will be supporting the legislation, although later in the Committee stage I will be moving one amendment to the legislation. This Bill is an attempt to provide some protection for organisations speaking openly and honestly about their Y2K issues. The fear, of course, is that under a non-protected environment, organisations with problems will simply fail to disclose them. This, in fact, may cause greater community harm than actually disclosing them would. The Bill is pursuant to and, I think, consistent with Commonwealth legislation. It has already been passed by the Federal Parliament. It was passed with the intention, of course, that complementary legislation at the State level would also be passed by the individual States. Of course, this is that Bill.

I think there are about 206 days to go to midnight on 31 December this year. I must admit that, with 206 days to go, I am not quite sure what practical effect passing this legislation will have. The Minister will probably recall that during the Estimates process last year I raised this and some related questions on reporting. I know that the Minister—we have had discussions since then—had a couple of other things on his mind at the time. I am glad in some respects that we finally got around to doing it, but I am a little bit sceptical about whether or not it will have much practical import.

The Y2K issue is an important one, although I understand there are some sceptics around suggesting that it is only a mechanism for getting computer scientists greater pay and things like that. For those of us who actually did some programming and things like that back when we were undergraduates—

Mr Musgrove interjected.

Dr WATSON: In actual fact, I was an undergraduate when the University of Queensland got its first computer. So I actually do have some recollection of those very painful days in trying to do FORTRAN and COBOL. Of course, for business applications, COBOL was a very interesting language. It was a language which was used in a lot of applications. Unfortunately, a lot of the programming done at that time in that language had not thought about—in fact, most people doing the programming at that stage figured that the applications would have long passed by the year 2000. So those issues were not really thought about.

These days, in most cases the programs are missing and all that is left is the source code, and trying to work through that is potentially a fairly difficult problem. It is not only difficult in terms of trying to find out where a line in the code may be, but one also has to look at all the interaction effects of that program.

Mr Lucas interjected.

Dr WATSON: That must have been after my time. I had probably moved on and was using the IBM360s in the States by that time.

I must admit that I found a couple of statistics in the Yellow Pages Small Business Index survey that came out in May of some interest. There is one that I will come to later which I think is relevant to all of us. That survey said that a great majority of small and medium businesses surveyed—81%—said that the Y2K problem would not affect their businesses, 11% thought it would affect them and the balance, 8%, did not know. That is a bit of an improvement, because a year ago 13% did not know.

Even where businesses rely heavily on computers, 84% of small businesses and 75% of medium businesses believe they will not be affected. The main concern about Y2K for small businesses is that the problems will flow from other businesses in the supplier/customer chain. In contrast, medium businesses believe that the impact will be mainly internal or on their site; 34% said they would need to upgrade their equipment or check their systems.

The final thing that I thought was interesting, which probably most people here could relate to, is that half the small and medium businesses claim that they would not be brave enough to take an international flight on 31 December 1999. Probably in common with a lot of people here, I think the safest place on 31 December 1999 might be at home.

Mr Mickel: What about at my fundraiser?

Dr WATSON: Are we having a joint fundraiser? I do not think that would be particularly safe either.

It is a serious issue. It is an issue that is recognised by, I think, most countries around the world. There is undoubtedly more work being done in the advanced economies—in the United States, Australia and like nations. There is probably a lot of work to be done in some of the developing nations, particularly in places such as China. I think we are all going to be wondering what kind of impact there will be on those kinds of economies and the work that has or has not been done in those areas and what impact that will end up having on our own economy.

This Bill is about trying to create the environment in Australia and in Queensland that will actually allow businesses to share information and to do so on a basis on which they will not be held liable for truthful disclosures along those lines. As I said earlier, we will support the passage of the Bill.

I will discuss in detail a couple of things that do interest me. One is the issue of the reporting process. Today the Minister actually tabled more information in the House. I have had a quick glance at it. I do not think it changes tremendously what I am going to say, but the Minister did give more detail in his ministerial statement than has been given in the past.

I looked at the report the Minister gave back in February and I listened to his statement today. One of the things that concerns me is that I really cannot tell from the report whether any individual department has addressed the critical issues. It is one thing to say that they are 99% complete, but if one part of the system which is absolutely critical is not going to be complete, it is irrelevant that the other 99% is complete. If we are asking departments and agencies to report, more thought ought to be given to exactly what is mission critical, if you like. I note that the Minister did say something about that in his statement, but I think it would be much better to actually detail some of those things in the reports.

The other item which in some respects was missing at first but which the Minister has now started to try to address is what is happening with contingency planning. When we are talking about contingency planning, we need to know a couple of things in some detail. Firstly, what happens if a mission critical system fails in the agency? Secondly, what happens to the agency, even if it is fine, if mission critical things occur external to the agency? We need to know what kind of contingency planning is happening for both of those situations. Again, I do not think I get a very good feel for those particular issues from the report. I think we are moving in the right direction, but I think both of those things need to be considered in more detail.

In April I received in the mail the Queensland Electricity Supply Industry brochure relating to the Y2K issue. It actually has a web page.

Mr Mickel: Which I launched.

Dr WATSON: I was not aware of that.

Mr Mickel: A magnificent document.

Dr WATSON: I think the member for Logan did launch a magnificent document. I am sure it was magnificent before he launched it. This particular document set out the various areas of assessment, testing, rectification and contingency planning and looked in detail at the issue as an industry as a whole. I think it was well worth it.

I think we need to go into each and every organisation. I have visited Tarong and Stanwell and have discussed these issues with plant personnel and the general managers of those power stations. I have a reasonable amount of confidence that they will be successful. I cannot—I am sure the Minister cannot—visit every significant organisation around.

Mr Mackenroth: We had consultants do it independently.

Dr WATSON: I realise that the Government had independent consultants doing it. I think the general public has a right to feel confident, and the way to engender that confidence is to broadcast the information in a reasonable amount of detail. I think the QESI has done a reasonably good job on this, particularly with the information in a web page. That web page sets out a series of commonly

asked questions and answers. I think the question and answer format is good in terms of conveying information to the general public. I would like to see some of those kinds of things taken up in terms of the reporting system within the Government organisations.

Last year at the Estimates hearings I raised the issue of the extent to which agencies were responsible for the GOCs and other organisations reporting to them. I think the Minister responded at the time that he expected them to comply with the ministerial directions of the Minister in charge. That is fine, but the Auditor-General's report handed down in December last year raised some fairly serious concerns. It said in its conclusion—

"All public sector agencies are well aware of the Year 2000 issue and are in the process of taking steps to address the impact on their organisation. However, audit review has revealed that there is still significant work to be completed within a very short period of time."

That was in December. I am sure there has been progress since then. The report also stated—

"It is of concern that none of the agencies reviewed had yet completed development of year 2000 contingency plans to cover their key business processes."

I draw honourable members' attention to that report and one that was tabled in March of this year: Audits of Local Governments, which I am sure the Minister is familiar with. In that report the Auditor-General has pointed out some fairly serious issues with respect to many local governments. In particular, in relation to project management and communication of issues the report states—

"While the majority of local governments had arrangements in place for the regular briefing of top management, over 50% had yet to develop detailed project plans."

In relation to the inventory of computerised systems, the survey indicated that only 25% of local governments had finalised their inventory processes to identify computerised systems which may be affected by the year 2000 issue. In relation to non-information systems, essential services, the report states—

"From the point of view of public health and safety, it is considered that water supply, sewerage and sewage disposal, waste disposal and traffic management are of the highest priority for the Year 2000 readiness reviews."

Only about 30% of smaller local governments indicated that these areas had not yet been covered. In relation to the adoption of purchasing policies and standards, the report states—

"Around 30% of the larger councils were yet to adopt appropriate policies and standards in relation to the purchase of information technology equipment."

In the risk analysis area, around 75% of all local governments had not yet completed a formal risk analysis of their computerised systems. In the testing area, the survey indicated a lack of completion of inventories and risk analysis by the majority of local councils. The report states—

"It is apparent that further testing will be necessary to clarify the performance of these systems and equipment with respect to Year 2000 issues."

In the area of contingency planning, the survey revealed that the majority of local governments were yet to develop contingency plans for continued operation of their critical systems in the event of disruption caused by year 2000 issues. The Auditor-General has raised some fairly serious issues about local government. I notice from the Minister's statement of today and from what he tabled in the House that he has started to address some of those issues.

My foreshadowed amendment basically addresses the issue to expand the reporting requirements for GOCs and local governments over the period for which this Bill applies. It deals with that final section of the Bill which talks about the requirements of reporting of agencies. I will make sure that the Minister gets a copy of that amendment.

Mr Purcell: A copy would be nice.

Dr WATSON: It was supposed to be sent down by the Parliamentary Counsel. I do not know what happened. It basically deals with that issue for the larger councils, which are fairly critical to the majority of people in the State. Although I do not want to impose a burden on smaller councils, I believe that they have to address the issues.

Mr Mackenroth: If you are going to look at Government owned corporations, I do not think that this is the sort of Bill where you can put a requirement on me to table a report in the Parliament from local governments when we have no requirement for them under any law to actually report to me.

Dr WATSON: I understand that. I am aware that it puts a moral commitment on them. I am quite willing for the Minister to tell this Parliament that he has written to local governments and asked for a report and they have not provided it. I believe that is information which all members should know. But I understand that, in the absence of a requirement for local governments to actually report to the Minister, it is difficult, and we cannot fix all that up in a short period. However, I would argue that, once it

is in place, the Minister can certainly write to each of the councils suggesting that the Parliament has actually asked him to report on this matter and that they should provide him with the information. If they do not provide the Minister with that information, then I believe that he can detail that to the House. I am aware of that particular issue. I have thought about it. But it seems to me that a moral argument still exists. Presumably, the Parliament, and certainly the Minister for Local Government, would carry some very significant moral authority.

I am not going to take up the time of the House by going through this. We can discuss it in more detail, if the Minister wishes to, when we deal with the amendment. As I indicated earlier, the Opposition will be supporting the Bill.
