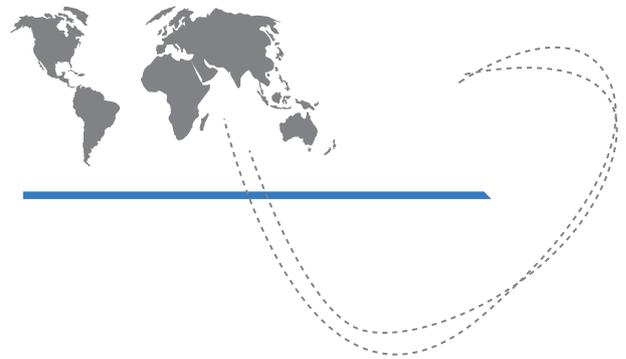




Global Access Partners

Virtual Opportunity Congress III

Sydney - Australia - December 2003



"Security and Risk. Challenges and Opportunities"

R E P O R T

Virtual Opportunity Congress III

“Security and Risk. Challenges and Opportunities”

Sydney Australia

16-17 December 2003

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Executive Summary

On 16 and 17 December 2003, Global Access Partners brought together a selected group of visionary thought leaders from the highest levels in a unique tri-continental event to address the issues of Security and Risk as engines of global economic activity. Global Access Partners (GAP) is an influential network that initiates high-level discussion on global issues, encouraging the sharing of knowledge, progress and policy change. Through its events, GAP promotes Australia's capacity to find solutions to the challenges facing the worldwide community, and translates these solutions into business opportunities.

"The topic of security and risk has been debated long and hard, but it is always in the context of applying remedies to a retrospective agenda. It is akin to defusing the bomb after it has exploded."

Peter Fritz

Chair Steering Committee
Virtual Opportunity Congress III

The Virtual Opportunity Congress series started in 1997 and since its inception has covered a number of important issues. Virtual Opportunity I - "Recreating the Global Economy" - focused on Virtual Government, the Information Economy and the Information Society. Virtual Opportunity II covered "Visions of the Future, the Capital Global and Information Economy, Priorities for Action". Both Congresses were supported by Industry and Government, and resulted in major policy changes within the areas of Internet regulation and e-commerce.

The purpose of the most recent Congress, Virtual Opportunity III - "Security and Risk: Challenges and Opportunities", was to enable Industry, Government and Academia to work collaboratively, to move towards the development of an anticipatory model for security and risk issues and to use this model to build commercial outcomes for businesses in this industry.

Security and Risk are long-standing issues. Technological advances have posed new challenges to humanity in this arena over millennia. The following quote from the OECD illustrates the significance of this theme:

"Despite the headlines, electronic commerce is far from finished. It is just starting. It remains central to the OECD's vision of a networked world and the potential it holds for economic growth, job creation, increased world trade and improved social conditions. And improving trust is central to developing e-commerce. Consumers and businesses need to know that their use of network services is secure and

*reliable, whether a company is tendering for an overseas contract by e-mail or an individual is ordering an organic free-range turkey for Sunday lunch."*¹

The fundamental task is to develop a culture of security that enables governments, business, communities and individuals to make informed choices in their everyday world, safely, with confidence.²

The OECD has identified the ingredients that add up to the culture of security:

- Awareness of the need for security of information systems and networks and what they can do to enhance security;
- Responsibility for the security of information systems and networks;
- Response in a timely and cooperative manner to prevent, detect and respond to security incidents;
- Ethics: participants should respect the legitimate interests of others;
- Democracy: security of information systems and networks should be compatible with essential values of democratic society;
- Risk assessments; security design and implementation: participants should incorporate security as an essential element of information systems and networks;
- Security management; reassessment: participants should review and reassess the security of information systems and networks, and make appropriate modifications to security policies, practices, measures and procedures.

A combination of technological change and of shifting

"Time and again, communications have been intercepted, and successfully decoded, via systems deemed unbreakable by their owners. Computers have been with us for some 60 years, radio for some decades more and the telegraph for longer still. Up until recently, little attention has been paid to risk and security. The arrival of the Internet has resulted in new risks and security failures."

The Hon. John Della Bosca MLC

Special Minister of State, Minister for Commerce,
Minister for Industrial Relations & Assistant Treasurer,
Minister for the Central Coast

¹ OECD Observer, from http://www.oecdobserver.org/news/fullstory.php?aid/875/Online_security:_for_the_new_trust-e.html, accessed on 6 June 2003

² Security Guidelines for Information Systems, see <http://www.oecd.org/EN/documents/0,,EN-documents-13-nodirectorate-no-24-no-13,00.html>, accessed on 6 June 2003

community and individual expectations are challenging governments and societies around the world. We keep responding to these challenges with new measures, products and services. It is a reactive approach. Virtual Opportunity Congress III proposed to change this dynamic by developing an anticipatory model for security and risk issues - a model which will prepare us to handle new challenges.

This year's Congress was supported by senior world figures in Government, Business and Academia from Australia, Europe and the USA, and was attended by 106 delegates from 70 organisations. Participants represented leaders, managers and decision makers with an opportunity to effect visionary change. They discussed the current status of on-line security, perceptions of the virtual world, barriers that stand in the way of developing a culture of security and the cultural/social implications of change.

"To raise the profile of security, it must become a business, not a technological issue. It should not be left solely in the domain of an organisation's IT department, but should embrace the whole USER community within an organisation."

Mr John Trotter
Global Managing Partner
Deloitte Enterprise Risk Services

The following four broad clusters of issues were examined at Virtual Opportunity Congress III:

- Transforming Government - meeting the legitimate needs and expectations of citizens (clients/customers/users) through a network-centric approach to governance, distribution and delivery of services.
- Transforming Business and Society - strengthening participation in the information economy to benefit all by improving the efficiency of business, boosting the economy and enhancing national wealth and social stability.
- Developing a trusted Online Environment - identity management, cyber fraud, cyber terrorism, authentication, management of personal data and other related issues.
- Outcomes and Future Directions - performance indicators, standards, policy, adoption, application, business opportunities.

The following key points emerged during the Congress' proceedings:

- The ubiquity of Information Technology in modern life and the concurrent importance of ensuring its security against a wide range of criminal, nihilistic and terrorist threats.
- The necessity of close co-operation and the sharing of information between individuals, businesses and governments to counter the emergent threats in cyberspace.
- The vital role which the citizenry, as much as technology, have to play in this struggle and the central part education must play in enabling them to do it effectively.
- The need for government and industry alike to act proactively in assessing and countering potential threats and the imperative of speed and flexibility in procedures and systems to counter actual attacks.
- The importance of measured and intelligent risk management in tackling real threats while avoiding unnecessary and counter productive panics.
- The overriding goal of protecting the public, both from cyber attack and from overbearing state intrusion into privacy designed to safeguard them from harm.
- The great benefits that Information Technology has delivered in the recent past were universally acknowledged, as was the potential for even greater progress in the future.

"The divided, functionalist nature of management must end, replaced by an integrated, holistic approach of 'we not me'. Management must lead change, instead of merely responding to it."

Steve Vamos
Managing Director
Microsoft Australia

"Cyber security will present plenty of challenges in the years ahead, but our growing need for security solutions also presents plenty of business opportunities. Areas, in which commercial opportunities are already clear, include: network and systems security; computer forensics; cryptology; mobile systems security; wireless security; and smart-card technology."

The Hon. Daryl Williams AM, QC, MP

Minister for Communications,
Information Technology & The Arts

There were a number of significant outcomes emerging from the Congress:

1. The Congress has recognised that satisfying the community need for security and risk issues requires the establishment of a systematic model of study of these issues. This concept has been accepted by participants including Australian government as a basis for the development of a new anticipatory model to managing security and risk.
2. The Australian Government Consultative Committee on business opportunities presented by Security and Risk issues will continue the work begun in Sydney in December and will generate options, possibilities and hypotheses derived from differing world views on the topic.
3. The Congress acknowledged that satisfying the community need for security is a significant driver of business.
4. The Congress participants agreed that it is imperative that the appropriate infrastructure be developed which incorporates security and risk considerations in it.
5. The Congress endorsed the establishment of a Global Trust Centre to fund education, products, services, hypotheses and methods to handle various security and risk issues.
6. The Congress recognised the fact that security and risk is a generic discipline and should be recognised as such in the education system and taught as part of the syllabus.

"Identity management is the strategic issue. We need to engender the trust so that we can engage in online environment as citizens - citizens of a safe and open society."

Malcolm Crompton

Federal Privacy Commissioner

Sound Bytes & Highlights

"We cannot accept complacency in the search for solutions. Too often we have relied on technology as a universal salve. Technology is not an answer in itself, but a tool to help us achieve our aims."

"We are responding from the outset to something, which is a "chancy" project - but then every project is chancy from the outset. If we only took secure, sure things, we would never take the next step."

Peter Fritz

Chair Steering Committee
Virtual Opportunity Congress III

"Over the last seven years, the worldwide economic damage estimate for all forms of digital attack including hacking, malware and spam has been estimated at between (in US dollars):

- \$170 and \$210 billion (2003)
- \$110 and \$130 billion (2002)
- \$33 and \$40 billion (2001)
- \$25 and \$30 billion (2000)
- \$19 and \$23 billion (1999);
- \$3.8 and \$4.7 billion (1998)
- \$1.7 and \$2.0 billion (1997)
- \$800 and \$980 million (1996)

Source - EVEDA
(Economic Valuation Engine for Damage Analysis), November 2003

"There is a view that a significant security incident could affect a company's share price, and be noted with the Stock Exchange. Given the secrecy that companies have historically applied to information and communications technology security matters, this may prove to be very interesting".

The Hon. John Della Bosca MLC

Special Minister of State, Minister for Commerce,
Minister for Industrial Relations & Assistant Treasurer,
Minister for the Central Coast

"Cyber security and cyber risk are worrisome issues for politicians for the simple reason that they are so little understood by citizens, despite the fact that most citizens now routinely connect to and navigate the cyber world beyond the borders of their own computers. This is a bit like wandering around in a primeval forest with no idea that carnivorous creatures lurk in the shadows."

Dr Elly Plooij-van Gorsel

Member of the European Parliament
Speaker for Industry, The Netherlands

"A virus infection in a company's computer system can run up costs over quarter of a million Australian dollars. The cost alone is good reason for businesses to protect their systems."

"Information and computer networks do not exist in isolation. They are all supported by wider telecommunications systems and they all rely on electricity. A problem in one area can have a cascading effect across the entire economy."

"We are encouraging management to adopt a holistic approach, and we are encouraging them to understand the vulnerabilities they inherit from their strategic relationships. In essence, we are helping businesses to embrace and implement a "culture of security"."

Mr Peter Ford

Acting Deputy Secretary
Criminal Justice & Security, Attorney-General's Department

"Linux is the most breached operating system followed by Microsoft Windows. For the twelve trailing months as of November 2003, 58.9% of all overt digital attacks were on systems running Linux and 26.1% were on systems running Windows."

"The principal motives for digital attacks have been identity theft, political tension, protest and digital warfare; criminal syndicate activity; extortion; espionage, surveillance and reconnaissance; destruction of competitive advantage or share price; disgruntled or misdirected workforce issues; antiglobalisation and anti-capitalism protest; environmental and animal rights activism; intellectual challenge and recreational hacking; financial gain."

"The ready availability of malware-writing toolkits on the Internet and the ease, with which viruses and worms can be released anonymously, means that any mal-intentioned person, who wants to release another more vicious version, can do so without having to rely on any specialist technical knowledge."

Source - SIPS
(Security Intelligence Products and Systems), 2003

“Perfect security in cyberspace is unattainable, just as it is in the physical world.”

“The goal of our privacy efforts is to give individual consumers greater control over their personal data and to ensure their right to be left alone.”

“A major portion of Microsoft’s US\$6.9 billion annual R&D investment is applied towards security.”

“It will take increased government commitment to find those who hack into computers and propagate destructive worms and viruses that harm millions of computer users. Law enforcement should receive additional resources, personnel and equipment in order to investigate and prosecute cyber crimes. We support tough penalties for criminal hackers.”

Ms Susan Koehler

Senior Trustworthy, Computing Strategist
Microsoft Corporation USA

“ninemsn currently have 6 million users; 2 million of these are registered users, 4 million have Hotmail E mail accounts” .

Steve Vamos

Managing Director, Microsoft Australia

“Most organisations still consider risk management as an event rather than as an ongoing process” .

“A Deloitte Global Security Survey of the financial services sector found that 63% of general management perceives spending on IT security as a “necessary cost of doing business”, but only 28% see security as “essential to business strategy” .

Mr John Trotter

Global Managing Partner
Enterprise Risk Services, Deloitte

“Insecurity is an integral part of modern societies, and the need for security is therefore highly subjective. For many people, no amount of prevention or protection will calm their fundamental anxiety.”

“According to global surveys, among the organisations most frequently targeted are power and energy companies, and financial services firms. However, the evidence indicates that the risk of cyber attacks and malicious code infections remains high for all Internet-connected organisations.”

Dr Herwig Schlögl

Deputy Secretary-General
OECD, France

“The prediction for the number of overt digital hacker attacks worldwide in 2004 is 350,000. The most targeted country will remain USA followed by NATO member countries - especially the UK and Germany. Most of the attacks will originate from developing countries upon OECD countries. Government computer networks will increasingly be successfully breached, especially those of China, South Korea, Brazil and Scandinavian countries.”

Source: mi2g

Top 10 viruses list for 2003	Damage Estimate (in US dollars)
1. Sobig	\$37.1 billion
2. Klez	\$19.8 billion
3. Mimail	\$11.5 billion
4. Yaha	\$11.5 billion
5. Swen	\$10.4 billion
6. Love Bug	\$8.8 billion
7. BugBear	\$3.9 billion
8. Dumaru	\$3.8 billion
9. Novarg/MyDoom	\$3.0 billion
10. SirCam	\$3.0 billion

Source: mi2g (at 29.01.2004)

“Security is a concern for everyone on the planet. There is little point in filling up the cupboards with food and locking all the doors only to have the house burn down with us inside.”

“Real change requires a long-term commitment. We should undertake an external analysis comparing national practice to international best practice and make recommendations for any change necessary on this basis. We must then set up a three-way dialogue between government, the private sector and external experts to examine these recommendations and engage in real dialogue between conflicting interests.”

“Security has always been an issue in trade, but the emphasis has been on the “security of the goods” against theft. Now the emphasis is shifting to protecting destination countries from the dangerous ‘goods’, which may be carried. The US Government now requires all shipments by sea to be reported to US customs 24 hours before the goods are placed on the boat ready for departure.”

Ms Virginia Cram-Martos

Chief Policy and Governmental Cooperation Branch,
Trade Development & Timber Division,
Economic Commission for Europe, UNECE

“We urgently need to develop the domestic capability to conduct exercises that will test the vulnerability of systems and IT architectures. If there are weaknesses or holes in our defences, we need to know where they are.”

The Hon. Daryl Williams AM, QC, MP

Minister for Communications,
Information Technology & The Arts

“The challenge for small economies around the globe is how to build, maintain and protect the capabilities that are necessary for the exercise of sovereignty. This has two particular ‘outworkings’. One is how to identify which particular capabilities in our economy are essential to our security. The second has to do with more of a challenge to the global software companies: when products are global, national security may require an access to their source code in order to ensure that there aren’t ‘backdoors’ being built in”.

Mr John Rimmer

Chief Executive Officer, NOIE

“The risk of misuse is holding back a majority of Internet users from becoming consumers in electronic commerce. The spread of cyber-crime risks undercutting the citizen’s faith in laws, regulations and institutions generally.”

“Trust was always essential to human interactions. Crucial for establishing mutual commitment to long-term benefits, it still remains essential in the digital world where cultural barriers continue to matter.”

“In practice, the solution cannot be one of either markets or legislation, but an intelligent fusion of both. In this rapidly moving field, there is no single panacea, no simple standard available, and no group of global legislators who can manage every problem.”

Dr Thomas Andersson

President IKED, Sweden

“Having a national early warning system that is linked globally, should be one of the issues that has to be addressed”.

Mr Graham Ingram

General Manager AusCert

“There is no magic bullet solution to rebuilding the trust we have lost. We need to deliver that trust in new ways, rather than returning to the ‘village’ approach, where ‘if you have nothing to hide, you have nothing to fear’”.

“The freedom to read and think without someone appearing over our shoulder is one of the most fundamental freedoms we require to run a good democracy.”

Malcolm Crompton

Federal Privacy Commissioner

The Steering Committee

A Steering Committee of government and industry leaders set the objectives and topics of the Congress and works to ensure outcomes are achieved beyond the event.

The members of the Steering Committee for Virtual Opportunity Congress III were:

Dr Thomas Andersson

President IKED - International Organisation for Knowledge Economy & Enterprise Development Sweden

Patrick Callioni

Chief General Manager Information Economy The National Office for the Information Economy

Michael Coomer

Chief Executive Officer, Business Technology, Solutions & Services Westpac Banking Corporation

Robert Crompton

Executive Director Information City Victoria Management

Peter Fritz AM

Group Managing Director TCG Group of Companies Chair GAP Forum

Catherine Fritz-Kalish

General Manager Global Access Partners

Julie Inman

Senior Corporate Affairs Manager Microsoft Australia

Dr George Metakides

President Strategies Ltd Greece

Dr Stefano Micossi

Chief Executive Officer ASSONIME Associazione Italiana fra le Societa' per azioni Italy

John Rimmer

Chief Executive Officer The National Office for the Information Economy

Neville Stevens AO

Australian Infrastructure Services, ICT Centre of Excellence Advisory Panel

Warwick Watkins

Director General NSW Department of Lands

Sponsors

Virtual Opportunity Congress III was coordinated by Global Access Partners (GAP) Pty Ltd - an influential network that initiates high-level discussions on global issues, encouraging the sharing of knowledge, progress and policy change (see App. 1, page 27). GAP structure each event around the desired business outcomes of its partners and sponsors.

To host a Congress of this size, financial support was needed from both Government and Business. Our thanks for their contribution and foresight go to:

- **Cisco Systems Australia Pty Ltd**
- **Deloitte**
- **Department of Lands, NSW Government**
- **Microsoft Australia**
- **NOIE - The National Office for Information Economy**
- **Qantas Airways Ltd**
- **Westpac Banking Corporation**

[\(for more information on the sponsors of Virtual Opportunity Congress III, see App. 2, page 28\)](#)

Speakers

The Congress ran for two days. The first included the opening dinner, while the second consisted of two morning and two afternoon sessions under the following headings: "Security & Risk. The International Perspectives (Parts 1&2)", "Government, Industry. Challenges & Opportunities"; "Future Scenarios" (for a full programme of the Congress, see App. 3 page 35). Each session began with thought provoking addresses from the keynote speakers and continued as a fruitful dialogue between participants in a 'Think Tank' mode. The discussion within each session concentrated on the following four topics: social and cultural context of security; cyber security and technology; privacy and consumer trust and business opportunities in response to the needs created by technology advances.

The speakers of Virtual Opportunity Congress III were (in alphabetical order):

The Hon. Tony Abbott MP

Minister for Health and Ageing

Senator the Hon. Richard Alston

Dr Thomas Andersson

President IKED - International Organisation for Knowledge Economy & Enterprise Development, Sweden

Ms Virginia Cram-Martos

Chief Policy & Governmental Cooperation Branch, Trade Development & Timber Division Economic Commission for Europe, UNECE

The Hon. John Della Bosca MLC

Special Minister of State, Minister for Commerce Minister for Industrial Relations & Assistant Treasurer, Minister for the Central Coast

Dr Elly Plooij-van Gorsel

Member of the European Parliament Speaker for Industry, The Netherlands

Mr Gerard Grosjean

Head of Division, General Secretariat Council of the European Union, Belgium

Mr Peter Ford

Acting Deputy Secretary, Criminal Justice & Security, Attorney-General's Department

Mr Peter Fritz

Chair Steering Committee TCG Group Managing Director

Ms Susan Koehler

Senior Trustworthy Computing Strategist, Microsoft Corporation US

Dr George Metakides

President, Strategies Ltd, Greece

Mr John Rimmer

Chief Executive Officer, NOIE

Dr Herwig Schlögl

Deputy Secretary-General, OECD, France

Mr Neville Stevens AO

Partner, Australian Infrastructure Services

Mr John Trotter

Global Managing Partner Enterprise Risk Services, Deloitte

Mr Steve Vamos

Managing Director Microsoft Australia

The Hon. Daryl Williams AM, QC, MP

Minister for Communications, Information Technology & The Arts



The Honourable Tony Abbott MP

Tony Abbott was a journalist with 'The Bulletin' and 'The Australian' before becoming press secretary and political adviser to the Leader of the Opposition, Dr John Hewson. He was elected Member for Warringah at a by-election

in March 1994. After March 1996, he was Parliamentary Secretary and then junior Minister in the Employment portfolio before becoming Minister for Employment and Workplace Relations. In November 2001 he became Leader of the House of Representatives and was appointed Minister for Health and Ageing on 7 October 2003. Tony Abbott has written two books in defence of the existing constitutional system.

The Honourable Richard Alston

Senator Alston has been Deputy Senate Leader, both in Opposition and Government, since 1993. He is Australia's longest serving Federal Minister for Communications. In November 1999 Senator Alston was honoured with the Award for Outstanding Contribution to the IT Industry by the Asian-Oceanian Computing Industry Organisation and in May 2000 was voted Best Asian Communications Minister by Telecom Asia magazine's Readers Choice Awards. He chairs both the Ministerial Council for the Information Economy and the Online Council of Commonwealth and State Ministers. He is a member of the Prime Minister's Science, Engineering and Innovation Council and the Cultural Ministers' Council and is also Patron of the Australian Information Industry Association National IT Award Program and the Australian Computer Society. Since coming to Government, Senator Alston has led a number of highly successful telecommunications and IT trade missions to Silicon Valley, Israel, Hong Kong, Indonesia, Korea, the Middle East and South America. Prior to entering Parliament, Senator Alston was active in a number of major national non-government organisations, especially in the field of overseas aid. He was Federal President of the United Nations Association of Australia, National Chairman of the Australian Council for Overseas Aid and Chairman of the International Disaster Emergencies Committee. Since entering Parliament he has been the inaugural Chairman of the Afghan Australia Council and a sponsor of the Eritrean Relief Association.



Dr Thomas Andersson

Thomas Andersson is President of the International Organisation for Knowledge Economy and Enterprise Development (IKED) since 2001. Among other assignments, he is Senior Advisor to the "Swedish Agency for Innovation

Systems" (VINNOVA) and serves on the International Advisory Board of the World Knowledge Forum, Korea, the Board of Advisors of the Competitiveness Institute, and the International Advisory Board of Umeå School of Business and Economics. Since 1993, he is Associate Professor, affiliated with the Stockholm School of Economics. He is also the Chairman of the Foundation of Bladin's, an internationally accredited school in Southern Sweden. From 1996 to 2001, Dr Andersson was Deputy Director for Science, Technology and Industry at the OECD. Three divisions of that Directorate fell under his responsibility - the Industry Division, the Division for Economic and Statistical Analysis and the Division for Transport. He also played a central role in OECD horizontal projects, notably technology part of the OECD Jobs Study, New Trends in Economic Growth, and components of the projects on sustainable development, regulatory reform and the guidelines for multinational enterprises, co-ordinated work with the World Bank on building knowledge-based economies, and deepened co-operation with the European Commission in the area of enterprise policy and benchmarking. Prior to the OECD, Dr Andersson was Assistant Under-secretary and head of the Structural Policy Secretariat in the Swedish Ministry of Industry and Commerce. During these years, he represented Sweden in the European Commission's Meetings for Director Generals for Industry. Previously he headed the international research programme of the Industrial Institute for Economic and Social Research in Stockholm (IUI). He has published widely on international economics and industrial organisation and has been a visiting fellow at Harvard University, Bank of Japan, Hitotsubashi University, and University of Sao Paulo.

Ms Virginia Cram-Martos

Ms Cram-Martos works at the UN Economic Commission for Europe where she is chief of the Trade Policy and Governmental Cooperation Branch and secretary to the Committee for Trade, Industry and Enterprise Development. She also supervises the support provided to three other inter-governmental bodies that report to the Committee: the Centre for Trade Facilitation and Electronic Business (UN/CEFACT), the Working Party on Technical Harmonization and Standardization Policy and the Working Party on Agricultural Quality standards. Between 1992 and 1998, she was secretary to the UN Centre for Trade Facilitation and Electronic Business and the officer responsible for the UN Group of Experts charged with developing the Electronic Data Interchange (EDI) standard known as United Nations EDI for Administration, Commerce and Transport (UN/EDIFACT). In this last role she coordinated work done in various regions around the world on this standard. Before coming to the UN, she was Secretary General of the International Data Exchange Association in Brussels which promoted the development and use of international EDI standards. Prior to that, she worked for 12 years at one of the largest US retail companies, Sears Roebuck and Company (and its subsidiary Sears World Trade), primarily in consulting and computer systems related posts. She has extensive experience in the presentation of seminars on Trade, EDI and information systems and has published a number of articles on these topics. Ms Cram-Martos has an MBA in International Business from the University of Chicago and a Masters in Finance from the Universite Catholique de Louvain in Belgium.



The Honourable John Della Bosca MLC

John Della Bosca was elected to the NSW Parliament in 1999 and was given carriage of several key government policy initiatives. As Special Minister of State, he was responsible for implementing the recommendations of the 1999 Drug Summit and securing a historic agreement between New South Wales, Victoria and the Commonwealth Governments to restore flows to the Snowy River. A major reform of compulsory third party motor accident insurance resulted in greenslip premiums falling substantially across NSW, during a time when all other insurance products have increased in price. Injured motorists and pedestrians now receive a greater share of the premium dollar. As Minister for Industrial Relations, Mr Della Bosca introduced new workplace safety legislation and convened the NSW Workplace Safety Summit. Major changes to workers compensation have reduced the disputes, delays and the legal costs in WorkCover. This allowed the first increase in

benefits for many years and premiums cover scheme costs for the first time in over a decade. Following the re-election of the Carr Government in March 2003, Mr Della Bosca was given the additional responsibilities of Minister for Commerce (incorporating Public Works and Services, Information Technology and Home Building Warranty Insurance) and Minister for the Central Coast. Prior to entering parliament, John Della Bosca was General Secretary of the NSW ALP, during a decade when the party achieved state and federal electoral successes.



Mr Peter Ford

Peter Ford is the First Assistant Secretary, Information and Security Law Division of the Australian Attorney-General's Department. The Division was formed in February 1997 to bring together policy work on law relating to the handling of information and is responsible for advising the Attorney-General on law and policy relating to privacy, freedom of information, copyright law, Parliamentary privilege, defamation, national security, electronic surveillance and legal aspects of electronic commerce. From 2000 to 2003, he chaired the OECD Working Party on Information Security and Privacy and is currently chairing the Sub-Group on Privacy within the APEC Electronic Commerce Steering Committee.

Mr Peter Fritz AM

Peter Fritz is Managing Director of TCG (www.tcg.net.au), a diverse group of companies which over the last 31 years has produced many breakthrough discoveries in computer and communication technologies. In 1993, some of the 65 companies in the Group were publicly floated on the Australian Stock Exchange as TechComm Group Limited (UXC), with great success. Another former TCG company floated on the New York Stock Exchange in November 1997 for US\$600m, making it the largest technology company established in Australia to that date. The TCG model of corporate structure is now part of many university undergraduate and Masters' programs in Business Management in Australia and around the world. Peter Fritz chairs a number of influential government and private enterprise boards and is active in the international arena including having represented Australia on the OECD Small and Medium Size Enterprise Committee as its chair and deputy chair. He is the holder of six degrees and professional qualifications, is a recipient of the Order of Australia, and has received many other honours.



Mr Gérard Grosjean

Mr Grosjean studied political and economic sciences at the University of Bordeaux (France) where he received his Masters and Doctorate degrees in Economics. He also attended the Institute of Political Science in

Bordeaux and the prestigious ENA, the French National School of Administration, in Paris. After a brief career in academia and the French Administration, Mr Grosjean joined the international Civil Service in 1973, as an official of the General Secretariat of the Council of Ministers of the European Union (EU). Within the Council of the EU he has held a number of management positions. From 1973 to 1990 he directed the Unit responsible for the Union's Energy Policy, including relations with the relevant committees of the OECD, the International Energy Agency in Paris as well as the Nuclear Energy Agency in Vienna. From 1990 to 1992 he directed the Unit responsible for Parliamentary and Institutional Affairs, and assisted the President-in-office of the Council during plenary sessions of the European Parliament. Since 1992 Mr Grosjean, as an Adviser to the President-in-office of the Industry Council of EU Ministers, headed the Division for Industrial Policy and Tourism, responsible for all aspects of the EU Enterprise policy, including Small and Medium Enterprises, sectorial industrial affairs (iron and steel and shipbuilding), issues related to competition policy, as well as the industrial aspects of international cooperation, including the EURO-Mediterranean dialogue and the international bilateral agreements between the EU and the US, Canada and Japan. Mr Grosjean was recently appointed Special Adviser to the Director General for Administration, in the new context mainly characterized by the impending entry into force of the new Staff Regulations, the imminent accession of the ten new Member States, and the new structures to be established at the General Secretariat of the Council as a result of the outcome of the Inter Governmental Conference on the Treaty establishing a Constitution for Europe.

Ms Susan Koehler

As senior Trustworthy Computing strategist for Microsoft Corp., US, Susan Koehler is working to galvanize Microsoft's goal to become a trusted supplier of secure, private and reliable computing. Works directly with Chief Technical Officer Craig Mundie and Chief Trustworthy Computing Strategist, she is responsible for helping the company further the four key pillars of its Trustworthy Computing initiative: security, privacy, reliability and business integrity. With eight years of experience at Microsoft, Koehler assumed her current position in October 2002 and will combine her strong global business and IT industry experience with a passionate drive to make computing possibilities as trustworthy and available as electricity or telephones. During her tenure as general manager of business operations for the Europe, Middle East and Africa (EMEA) region, Koehler worked with the president of EMEA to strengthen Microsoft's global and local focus in business practice and decision-making, particularly with government and academic customers. In her role as director of Worldwide Customer and Partner Loyalty, she drove the global program from its inception, working to ensure that customer and partner loyalty became part of the Microsoft culture. Before filling those roles, she worked on product marketing, planning and business development for personal finance and consumer digital imaging software. Koehler earned a master's degree from Rutgers University while working full-time in brand management at Warner-Lambert. She received two undergraduate degrees from Syracuse University, including a bachelor of science in marketing and a bachelor of arts in advertising. Selected as Information Security Magazine's Top 20 Women Luminaries, September 2003.



Dr George Metakides

Born in Thessaloniki, Greece in 1945, Professor Metakides received his Ph.D. in Mathematical Logic from Cornell University in 1971 and pursued a distinguished academic career in the top US universities including MIT,

Cornell and Rochester. He returned to Greece to take the Chair of Logic at the University of Patras in 1978. Between 1984 and 2002 he held several senior positions in European institutions with responsibilities for R&D policy, funding and international cooperation. In 1988 Professor Metakides established the department for Basic Research and International Scientific Relations in Information Technologies at the European Commission and headed the department until 1993. He then served as the Director of the EUR 2 billion ESPRIT Programme (European Strategic Programme of Research in Information Technology) from 1993 to 1998, and as the Director of Essential Technologies and Infrastructures of the EUR 4 billion IST Programme (Information Society Technologies) from 1998 to 2002. Currently, he holds a professorship at the University of Patras and serves as the President of the Scientific Council of the Greek Computer Technologies Institute (CTI). 8 December 2003 Professor Metakides was granted the Nokia Foundation's annual award for his merits in advancing information technology research, development and international cooperation in Europe.



Dr Elly Plooij-van Gorsel

Dr Elly Plooij-van Gorsel is Member of the European Parliament (since 1994) and ELDR spokeswoman on Industry, Trade, Research and Energy. She has a PhD in psychology from University of Leiden (1980). In 1972-1987 she

was Associate Professor in University of Leiden; in 1987-1991 - Director of conferences and seminars, NIVE (Dutch Management Association) and Director of Sales at Service One in 1991-1994. Among her other current influential roles are: Member of the Group of the European Liberal, Democrat and Reform Party (ELDR), Substitute Member of the Committee on Economic and Monetary Affairs, Chair of the Delegation for relations with the People's Republic of China, Special political interest in small and medium-sized enterprises (SMEs), Founding President of the European Internet Foundation (EIF), Member of the Advisory Board of the Electronic Highway Platform Netherlands (EPN), Member Transatlantic Policy Network (TPN), Member of the Board of Directors of the European Energy Foundation, Member of the Advisory Board Senior Web Advisor to the European

Platform for Patients' Organisations, Science and Industry, Patronesse of AEGEE Groningen and Member of the Committee of Recommendation of the Platform Electronic Voting (PELS). Elly has various publications and reports on Information Technology Communications, Biotechnology and Telecommunication & Security issues regarding European legislation, as well as on trade policy and the euro.



Mr John Rimmer

John Rimmer is Chief Executive Officer at The National Office for the Information Economy (NOIE). John Rimmer came to the role of Chief Executive Officer, National Office for the Information Economy (NOIE), in early 2001 with a

distinguished track record as a high profile ICT strategist in both the public and private sector. His background is in information technology-related strategy development evolved through a career as a senior executive in the Victorian Government and as a consultant and non-executive director in the private sector. As CEO of Australia's premier Government agency on information economy issues, John Rimmer sees his role as a 'catalyst' supporting Government and community to address the strategic implications for them of the information economy.



Dr Herwig Schlögl

Mr Herwig Schlögl is Deputy Secretary-General of the Organisation for Economic Co-operation and Development (OECD). He joined the OECD on 1 July 1998. His special responsibilities are Trade, Science,

Technology and Industry, the Digital Economy and Agriculture. Prior to taking up his duties at OECD Mr. Schlögl was the Deputy Director General for Trade Policy in the German Ministry of Economics, Bonn. Mr. Schlögl has thirty years of government experience in trade, competition and industrial policy issues. After studying law and economics at Marburg University, Mr. Schlögl received a PHD in economics in 1969. That same year, he joined the German Ministry of Economics. Four years later he joined the German-American Chamber of Commerce in New York. He returned to the Ministry of Economics in 1980. In his capacity as Deputy Director-General for Trade Policy he served also as Head of Delegation to regular bilateral economic consultations with the US, Latin American and Asian governments.



Mr Neville Stevens AO

Neville Stevens left the Australian Public Service in 2001, after 30 years in a variety of senior positions in the Departments of Prime Minister & Cabinet, Industry and Communications, Information Technology & the Arts.

For the last ten years he was Secretary of initially the Industry Department and then the Communications, IT and the Arts Department. Since leaving the Government Mr Stevens have provided advice to both government and the private sector on a range of issues, primarily in the fields of communications, IT and renewable energy. He is currently Chair of the Australian Communications Industry Forum (ACIF); Chair of the Australian Centre for Advanced Computing and Communications (AC3), Chair of the Governance Board overseeing Weapons acquisitions by the Australian Defence Forces; Deputy Chair of the National ICT Australia research centre (NICTA) and Member of the Advisory Board for the ARC Centre of Excellence for Complex Systems. Mr Stevens' awards: Officer in the Order of Australia, Centenary Medal.



Mr John Trotter

John Trotter is the Global Managing Partner of the Enterprise Risk Services (ERS) group of Deloitte, Asia Pacific Managing Partner ERS and Australian Managing Partner ERS. The ERS group comprises over 5,000 professionals

operating in North America, Europe, Latin America and Asia Pacific. These professionals focus on delivering Risk Management, Systems and Control Reengineering, Security, Regulatory Consulting and Internal Audit. He is currently a member of the Deloitte Global Assurance Leadership Team and a member of the Australian firm executive. John has 28 years of consulting experience both in Australia and overseas in the areas of business risk management, internal audit, information technology, corporate governance and strategic business systems. He is currently Lead Client Service Partner and Advisory Partner for a number of significant Blue Chip engagements. In his career he has consulted to a wide range of organizations, including Federal Government Departments, Victorian State Government Departments, Major Corporates in Australia, Asia and the United States. John is a Member of the Institute of Internal Auditors and the Institute of Chartered Accountants, and a former member of the Australian Auditing Standards Board.



Mr Steve Vamos

Appointed Managing Director in February 2003, Steve Vamos is responsible for the strategic direction and leadership of Microsoft Australia. This encompasses the desktop and server business, consulting and product

support services, Microsoft Business Solutions and the Home and Entertainment Division. In this role Steve is focussed on continuing to meet the needs and challenges of Microsoft's customers and partners. This involves building deeper relationships with Microsoft's stakeholders, to assist them in realising their potential using Microsoft software and solutions. Prior to his appointment at Microsoft Australia, Steve held the position of Chief Executive Officer of ninemsn, a joint venture between Microsoft Corporation and PBL. In the five years that Steve was in this capacity, he reshaped the company from start-up to achieving its position as the Australian online media industry leader. Steve also held the position of Managing Director of Apple Computer Australia from 1994 to 1995 and Vice President and Managing Director of Apple Computer Asia Pacific from 1996 to 1998. He was also appointed Vice President of Apple Computer Inc in 1996. Prior to joining Apple Computer, Steve spent 14 years with IBM Australia in a number of sales, marketing and general management positions. As a recognised IT industry leader, Steve continues to serve as a member of the board of directors of the AIIA and ninemsn, and has a degree in Civil Engineering from the University of NSW.



**The Honourable
Daryl Williams AM, QC, MP**

Daryl Williams AM QC MP holds a law degree from the University of Western Australia and was selected as WA Rhodes Scholar in 1965. He subsequently obtained a Bachelor of Civil Law degree at Oxford University in 1967. Mr Williams is admitted to practise as a barrister in Western Australia, New South Wales, Victoria and England and Wales. He was appointed a member of the Order of Australia (AM) for services to the legal profession in 1989. During 1993-94, he was Shadow Attorney-General, and Shadow Minister assisting the Leader of the Opposition on Constitutional Reform. He was a member of the Joint Select Committee on Certain Family Law Issues and a member of the House of Representatives Standing Committee on Legal and Constitutional Affairs from 1993 to 1996. Mr Williams was appointed Commonwealth Attorney-General on 8 March 1996. He was also made a member of the National Security Committee and Parliamentary Business Committee of Cabinet. On 5 October 1997, Prime Minister John Howard announced Mr Williams' appointment to Cabinet. Mr Williams retained the responsibilities of Attorney-General following the re-election of the Howard Government in 1998 and again in 2001. Some of his achievements in the portfolio included the establishment of a Federal Magistrates Service - the first lower-level court in the federal sphere which deals with less complex federal and family law matters - and the coordination of Australia's national security arrangements. This included the passage of an extensive package of legislation to strengthen the ability of intelligence and law enforcement agencies to protect the community against terrorism. Mr Williams was appointed the Minister for Communications, Information Technology and the Arts on 7 October 2003. Portfolio responsibilities include the continued development and implementation of policies. This diverse portfolio includes a number of high profile portfolio bodies such as the ABC, SBS, the National Gallery of Australia and the National Museum of Australia, as well as the Government's lead agency on e-Government and e-business, the National Office for the Information Economy.

Participating Organisations

Each Virtual Opportunity Congress is an invitation-only event, attended by the top echelon of government and industry.

106 delegates from the following 70 organisations participated in Virtual Opportunity Congress III:

- Acumentum Pty Ltd
- ADR Solutions Pty Ltd
- AGCCB
- Ambassador of the Republic of Hungary to Australia
- Ascom Wireless Solutions
- Attorney-General's Department, Australian Government
- AusCert
- Australian Competition & Consumer Commission
- Australian Federal Police
- Australian Financial Review
- Australian Infrastructure Services
- Australian Technology Connections
- Australian Trade Commission
- Ballarat University Technology Park
- Blackie McDonald Communication Group
- Business Review Weekly
- Cisco Systems
- Cosamar Consulting
- Council of the European Union
- CPA Australia, New South Wales Division
- Deloitte
- Deloitte, Enterprise Risk Services
- Department of Communications, Information Technology & The Arts, Australian Government
- Department of Education, Science and Training, Australian Government
- Department of Finance & Administration, Australian Government
- Department of Health and Ageing, Australian Government
- Department of Prime Minister & Cabinet, Australian Government
- Department of Transport & Regional Services, Australian Government
- DSTC
- Economic Commission for Europe, UNECE
- EDS Australia
- European Parliament
- Federal Privacy Commissioner, Australia
- Global Access Partners
- Hotel Intercontinental Sydney
- IKED - International Organisation for Knowledge Economy & Enterprise Development
- Information City Victoria Management
- Information Security Interest Group
- Internet Industry Association (IIA)
- Macquarie Communications Infrastructure Group
- Management Frontiers
- Marconi Asia Pacific
- Microsoft Australia
- Microsoft Corporation USA
- National Office for the Information Economy
- AIIA - Australian Information Industry Association
- NSW Department of Commerce
- NSW Department of Lands
- NSW Government Premier's Department
- Office of Information & Communications Technology
- Office of the Premier of NSW
- Office of the Special Minister of State, Australian Government

- Oresund IT Academy
- Organisation for Economic Cooperation & Development (OECD), France
- Qantas Airways Limited
- SAS Institute Australia
- School of Finance & Economics, University of Technology Sydney
- Security Advisory
- SGI Australia & New Zealand
- Standards Australia
- Stewart Young & Associates
- Strategies Ltd, Greece
- Symantec Australia Pty Ltd
- TCG Group of Companies
- TCG Information Systems
- TechComm Simulation
- Telstra Research Laboratories
- Tradegate
- University of Technology Sydney
- Westpac Banking Corporation

[\(for the full list of delegates, see App. 4 page 37\)](#)

Summary of Issues Discussed

The key points made by each speaker are outlined below. Full transcripts of most speeches are available on request from GAP at +61 2 8303 2416.

Mr Peter Fritz

Chair Steering Committee, Virtual Opportunity Congress III

In his Introductory Address Mr Fritz:

- Stressed the need for security in today's world.
- Pointed out that security responses to security threats have usually been reactive, rather than proactive in the past.
- Emphasised the need for a new structure of management combining both leadership and managerial styles to effect real change.
- Linked the conference's agenda to a similar meeting held concurrently in Geneva.
- Highlighted common themes, which might emerge including a rejection of complacency and inaction and an over-reliance on purely technological solutions.
- Thanked the Federal Government and the commercial sponsors of the event for their interest and welcomed them all to the proceedings.

The Hon. John Della Bosca MLC

Special Minister of State, Minister for Commerce,
Minister for Industrial Relations & Assistant Treasurer,
Minister for the Central Coast

In his Opening Address the Minister:

- Stressed the need for heightened security in new technology to ensure public confidence, commercial probity and national defence.
- Outlined in detailed the commitment of the Government of New South Wales to both provide on-line services for the convenience of all and to ensure their security from all forms of misuse and attack.
- Recalled the grave consequences that a complacent over-reliance on supposedly unbreakable encryption had had for the defeated combatants in two world wars.
- Stressed the need for greater education for all in IT security.
- Recognised that, as Government and Commerce inevitably come to rely ever more heavily on new technology, the provisions they take to ensure security must develop apace.

Session 1 - Security & Risk. International Perspectives I

Dr Elly Plooi-j-van Gorsel.

Member of the European Parliament
Speaker for Industry, The Netherlands

Dr Plooi-j-van Gorsel emphasised the following points:

- The importance of cyber security to Europe's development as an information society.
- The vital role played by the European Parliament in protecting the rights and privacy of individual citizens from overzealous state surveillance.
- The lack of knowledge shared by most citizens about this important issue despite the ubiquity of IT in everyday life.
- The need for citizens to campaign for their rights to privacy and for politicians to resist the natural tendency of states to prioritise the increase of their own power.
- The creation of a new European agency to co-ordinate measures to ensure network security in all EU states, similar to a recently established body in the USA.
- To ensure security by creating partnerships between private and public bodies within nation states and between nation states, in recognition of the cross border nature of the virtual world.

Dr George Metakides

President of Strategies Ltd, Greece

In his address Dr Metakides:

- Emphasised the galloping rate of technological advance and the increasingly ubiquitous role IT plays in all aspects of society.
- Outlined the implications for individuals, companies and governments regarding IT's role in the security of the operation of finance, transport, energy and telecommunications.
- Noted that although patches may cover software failures, firewalls thwart hackers and sophisticated programmes defeat attempts at unwanted surveillance, defences against cyber risk have largely lagged behind the attacks.
- Cautioned against security strategies based on over prescriptive visions of an essentially unpredictable technological future.

- Underlined the need for a holistic approach to 'blended' security issues, also linking a technological approach with public policy provisions and individual awareness while emphasising the overarching importance of training and education.
- Advocated the need for greater discussion of these issues in the public domain and for human beings to remain the centre of attention in the fight against security threats.

Session 2 - Security & Risk. International Perspectives II

Mr Peter Ford

Acting Deputy Secretary, Criminal Justice & Security
Attorney-General's Department

Mr Ford laid out the policy responses of the Australian Government to cyber security threats in great detail. The Australian Federal Authorities have:

- Maintained the capabilities of law enforcement agencies to protect society against crime in the face of new encryption technologies with a technology neutral approach.
- Supported and regulated transactions in electronic commerce and worked to increase public confidence in E-Trade.
- Worked to ensure the security of the critical infrastructure that underpins the Australian economy, including communications networks, banking, electricity, water and food supplies, health services, emergency services and transport, in the aftermath of September 11th and the ensuing war on terrorism.
- Increased security, in partnership with the private sector and foreign governments, by adopting a comprehensive "all hazards, all agencies" approach which considers security of supply and business continuity alongside terrorist threats and the dangers posed by criminal activity, cyber-attack, malicious damage, accidents and natural disasters.
- Monitored the risks to the National Information Infrastructure posed by viral, spamming, criminal and terrorist attack and fostered the development of a 'Culture of Security' through a major investment in education at all levels.
- Encouraged businesses to take responsibility for protecting their organisation's information infrastructure by creating the 'Business-Government Task Force on Critical Infrastructure' and endorsing all its recommendations.
- Created and funded the AusCert scheme to give early warning of possible attacks to a subscribers computer systems - including worms, viruses, trojans and software vulnerabilities.
- Encouraged the reporting and sharing of information for Critical Infrastructure Protection through the creation of flexible assurance advisory groups for sectors such as banking and finance, communications, energy, food chain, health and water services.
- Set up the Critical Infrastructure Advisory Council to provide direct communication from the business community to Australia's cabinet and counter terrorism committee and develop a National strategy to protect critical infrastructure.
- Passed the Cyber-Crime act in 2001 to protect Australia's national information systems from cyber crime and terrorism. In addition in 2002 the Security Legislation Amendment (Terrorism) Act was introduced in response to a heightened terrorist threat.
- Worked actively in the international arena to protect our information infrastructure, particularly in the APEC Telecommunications and information working group. Australia has funded Computer Emergency Response Teams (CERT) in Asian states and held bilateral talks with its western allies.
- Striven to ensure the privacy of the individual citizen from unwanted commercial intrusion in line with OECD guidelines and welcomed input from all interested parties to improve the security situation overall.

Ms Susan Koehler

Senior Trustworthy, Computing Strategist
Microsoft Corporation USA

Ms Koehler laid out the measures the Microsoft Corporation is taking to make computing more secure. These include:

- Working closely with partners in industry and world governments to identify threats, share best practices, improve responses to breaches and prevent computer attacks.
- Defeating hacking through the design, configuration and patching of software, the sharing of threat and vulnerability information, improving user education and practices, and investigating and prosecuting cyber crime both within the US and around the world.
- Supporting the work of the Department of Homeland Security's National Cyber Security Division (NCSD) in its implementation of the Homeland Security Act of 2002 and the National Strategy to Secure Cyberspace.
- Implementing Microsoft's Trustworthy Computing Initiative, which focuses on four key pillars: security, privacy, reliability, and business integrity.
 1. Security - designing programs and systems resilient to attack to protect the confidentiality, integrity and availability of data and systems.
 2. Privacy - to give individual consumers greater control over their personal data and to ensure their right to be left alone.
 3. Reliability - creating software and systems that are dependable, available and effective.
 4. Business integrity - acting with honesty at all times and engaging openly with customers.
- Developing the Next Generation Secure Computing Base (NGSCB) to create a safer computing environment for users by offering four core hardware-based features missing in today's PCs: Strong process isolation, sealed storage, a secure path to and from the user and a strong assurances of software identity.
- Funding an Anti-Virus Reward Program to offer monetary rewards for information resulting in the arrest and conviction of hackers.

Participating in partnerships with governments, other businesses, and customers to encourage secure software implementation through groups such as the Organisation for Internet Safety (OIS) and the Virus Information Alliance (VIA).

Microsoft believes that there are a few specific areas where government initiatives can be helpful in promoting technology security.

- First, sustained public support of research and.
- Second, governments can lead by example by securing their own systems.
- Third, government and industry should continue to examine and reduce barriers to appropriate exchanges of information, and build mechanisms for such exchanges
- Fourth, ensure law enforcement receive additional resources, personnel and equipment to investigate and prosecute cyber crimes.
- Fifth, because online security is inherently an international problem with international solutions, nation states must foster greater cooperation across jurisdictions.

Mr John Trotter

Global Managing Partner
Enterprise Risk Services, Deloitte

Mr Trotter spoke on the importance of risk management and outlined two main challenges:

1. To motivate organisations to embrace Risk Management as part of their culture.
2. To raise the profile of security from an operational technology risk to that of a strategic business risk.

He observed that:

- The management of risk is a huge challenge in today's dynamic and competitive global business environment.
- Developed countries are implementing Risk Management while less developed countries in Asia, Latin America and Eastern Europe are not.
- Most organisations still consider RM as an event rather than as an ongoing process, have difficulty in defining their 'Risk Universe' when geographically spread, experience a disconnection between Strategic and Operational Risk to the confusion of stakeholders and often lack the necessary resources and ongoing re-assessment and measurement procedures.
- On the positive side those organisations that have embraced RM have successfully established Risk Committees and appointed Chief Risk Officers to achieve a much better understanding of business risks and allocation of resources to areas of greatest risk rather than areas of perceived risk.

- Most importantly, it has changed the perspective on risk from one of avoidance and mitigation to one of Acceptance & Mitigation and Growth.
- Regarding the second challenge Security has a low risk profile and is starved of investment because management tends to lack IT and security awareness, expenditure on security has no perceived added value and, most importantly, security is seen as an IT not a business issue.
- To raise the profile of security, it must become a business, not technological issue, embracing the whole USER community.

Session 3 - Government and Industry. Challenges and Opportunities

Steve Vamos

Managing Director
Microsoft Australia

Mr Vamos highlighted the need for corporate bodies to lead change, not merely respond to it, outlined the recent growth of internet use in Australia and championed the incorporation of an integrated, holistic approach to management, security and IT.

Mr Vamos drew on his experience with ninemsn:

- ninemsn currently have 6 million users; 2 million of these are registered users, 4 million have Hotmail E mail accounts.
- These customers balance trust with value, particularly areas such as online banking and E-mail accounts.
- Technology has perhaps moved ahead of its customer's ability to use it - be they government, businesses or individuals.
- A surfeit of information, spawned by the 'information age', has necessitated the creation of the 'Age of Integration'.

The terrorist attacks of September 11th have had a massive effect on the world.

- The challenges of global change and the war on terror require a new form of leadership, mindset and corporate culture.
- The divided, functionalist, nature of management must end, replaced by an integrated, holistic approach of 'we not me'.

- Management must lead change, instead of merely responding to it.
- Technology must be integrated into all business, leadership and management decisions.
- Common industry standards must be established with the sharing of best practice worldwide.

Examples include the successful implementation of privacy legislation in Australia and Hotmail's anti-Spam strategies.

Dr Herwig Schlögl

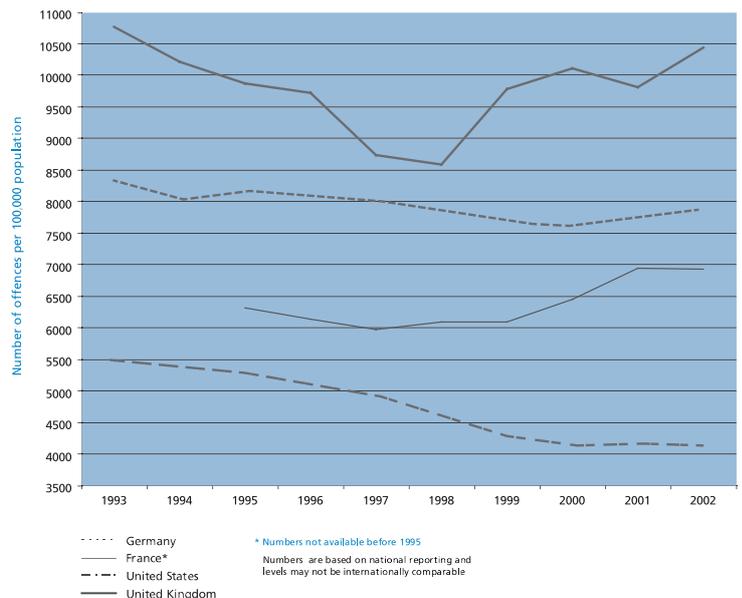
Deputy Secretary-General
OECD, France

The OECD helped implement worldwide telecom deregulation in the 1980s and encouraged the improvement of e-commerce, privacy and security in the 1990s.

Dr Schloegl outlined likely future trends in the global economy with reference to their security implications:

- The economic security of the world will be affected by changes in crime, terrorism, globalization and technology in the decades to come.

Trends in reported crime levels in selected OECD countries 1993-2002



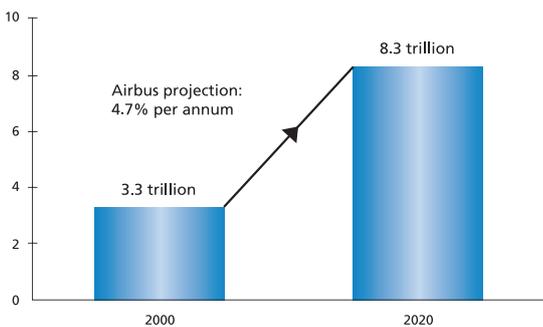
- Domestic crime is declining in OECD countries but there is a major and growing threat from organized international crime.
- Terrorism has recently changed in nature, with the worldwide mass targeting of civilians e.g. in Kenya, Tanzania, New York, Istanbul and Bali.
- Science and technology do not necessarily reduce problems in themselves.
- Man made and natural risks are converging in nature e.g. global warming.
- There is no worldwide consensus over risk e.g. some states consider nuclear power and genetic engineering positive developments, other states consider them dangerous.
- Globalisation (i.e. an increase in free trade) has great economic benefits, but being defined by the freer movement of people, goods and finance, may have adverse security implications.
- Road transport will double in the next fifteen years, while air travel will treble in that period - leading to adverse environmental effects.

- Larger aircraft - such as the proposed 800 - 1,000 passenger Airbus - will reduce air movements but increase the consequences of accidents or attacks.
- Outsourcing of production to lower wage economies will lead to greater movement of goods across borders - with environmental, congestion and smuggling implications.
- Migration will continue to be an issue, with the USA seeing a million new immigrants per year and Australia 80.000.
- Governments must rethink their security preparations in the light of such developments with the Department of Homeland Security in the USA, with its integrated approach and high political priority, perhaps leading the way.

Air passenger traffic projections Growth in air traffic 2000-2020

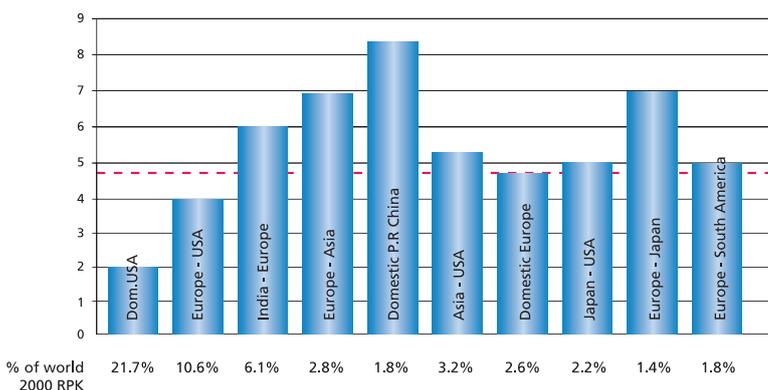
Source: Airbus

World annual traffic - trillion RPK



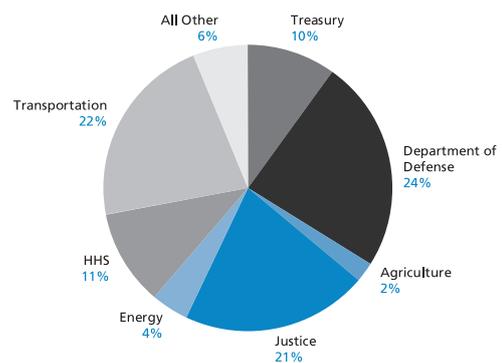
Average annual RPK growth rate (%p.a.) 2000-2020

Top Ten markets

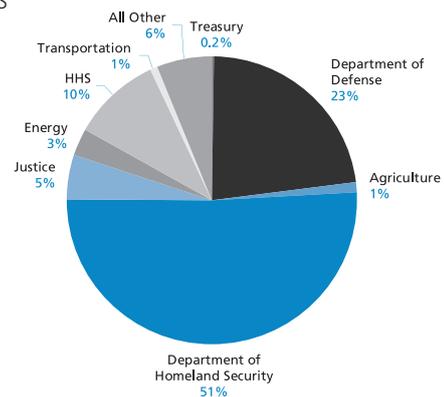


US Government spending on Homeland Security

Before DHS



After DHS



Source: Report to Congress on Combating Terrorism, 2003

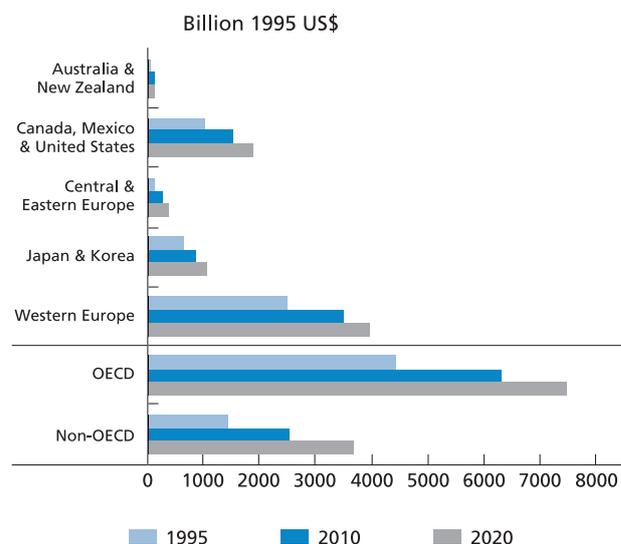
Ms Virginia Cram-Martos

Chief Policy and Governmental Cooperation Branch, Trade Development & Timber Division, Economic Commission for Europe, UNECE

Ms Cram Martos' presentation sought to explain the function of the UNECE in relation to security and change.

- UNECE works to promote trade and economic integration between its member states, which account for two thirds of world trade.
- UNECE seeks to promote Environmental Security by improving cross border security and auditing cross border trade.
- UNECE promotes Energy Security by helping to protect the integrity and security of oil, gas and electric grids.
- UNENE protects Transport Security by overseeing the regulation of the transport of dangerous goods by road, rail and river.
- UNECE promotes Trade Security by fighting fraud and facilitating free trade between member states by standardising e-commerce standards and offering related technical assistance
- UNECE recognizes that the past emphasis on the "security of the goods" against theft has shifted to protecting destination countries and carriers from the dangerous 'goods' which may be carried.
- UNECE has worked to enable states to meet new regulations in the USA regarding the prior notification of imported goods in a cost effective manner.
- UNECE seeks to initiate change by starting dialogues, identifying champions and best practice and increasing the pace of change wherever possible.
- UNECE recognises that Security is one public good amongst many, including Education, healthcare, good governance and free trade and is committed to a patient, multilateral approach to foster good relations between nations.

World exports 1995 - 2020



Source: OECD Environmental Outlook 2001

Session 4 - Future Scenarios

The Hon. Daryl Williams AM, QC, MP

Minister for Communications, Information Technology & The Arts

The Minister noted the following points:

- The reliance of modern society on information technology, as demonstrated by the recent power blackouts in New York.
- The scope for attacks to damage the increasingly important on-line business environment.

He outlined four main areas of challenge for the future;

- Modelling and threat analysis focusing on vulnerabilities and the likely flow on effects of a cyber-incident.
- Systems intrusion simulation and detection. Exercises must test the vulnerability of systems and IT architectures.
- Skills development and accreditation. More university courses must be offered and industry courses should be standardised to maintain credibility.
- Research and development in E-Security. This is currently piecemeal and demands a coherent overall plan to improve preparedness and credibility.

The Minister emphasised the importance of

- Partnership with the private sector.
- Taking full advantage of business opportunities in offering security services.
- Nurturing innovation by increasing investment in education.
- Leadership and collaboration in maximising the use of resources and setting national agendas and goals.
- Ensuring a customer focus in a multi-jurisdictional environment, measuring the effectiveness of initiatives and channelling management effectively to maximise choice and convenience and ensure information is consistent, regardless of the method of delivery.

In conclusion the Minister underlined the commitment of the Government to ensuring that Australians make the best possible use of new technologies and the advantages they offer while ensuring this does not jeopardise our national, commercial and individual security.

Dr Thomas Andersson

President IKED - International Organisation
for the Knowledge Economy &
Enterprise Development, Sweden

Dr Andersson's talk covered the extreme pace of change in the 'information age' which has seen the costs of diffusing, accessing and using information collapse as information becomes codified, and accessible, on an unprecedented scale - leading to fiercer competition, the breaking of monopolies and free entry by new players.

- Activities, which once required proximity and a large scale of production, are now done at a distance with networks of small firms combining to produce scale effects at network level with the advantages of flexibility at firm level.
- Innovation, a product of the interplay between supply and demand rather than merely the result of supply side R & D will assume even greater importance than before.
- While basic needs remain to be fulfilled in developing countries, demand in the west will be focused less on consumer products than concepts such as time, health, space, integrity, good governance and the wider needs of people. IT will be used to satisfy these.

He highlighted the potential for misuse of IT:

- Fears of criminality restrict consumer use of E commerce
- Problems of data confidentiality, availability and integrity
- Difficulties of consumer and merchant authentication
- Non-repudiation and liability in the case of fraud
- Costs from failure
- Interoperability requirements

He noted that these issues boil down to a need to ensure security, privacy and trust.

Markets encounter problems with:

- Conflicting interests and agencies result in a lack of efficiency and exclusion
- Technological lock-ins and hold-ups
- External effects tend to push costs to regions, sectors or spheres where social costs are unaccounted

- Monopoly market dominance and vested interests

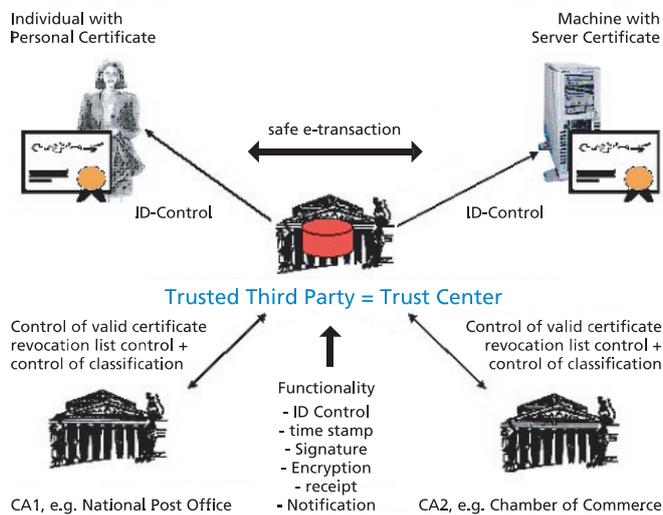
At the same time, legislators are faced with weaknesses as regards:

- Speed of adaptation of new technological solutions
- Adaptability and flexibility
- Efficiency and cost limitation
- The ability to manage risk

In practice, the solution cannot be one of either markets or legislation but an intelligent fusion of both. In this rapidly moving field, there is no single panacea.

Dr Andersson informed the conference on preparations in Scandinavia on the establishment of a new clearing house and Trust Center to serve as a forum for the examination and diffusion of solutions, and invited enhanced international collaboration on tackling the problems.

“A Trust Centre”



Conclusion

As does any other GAP event, Virtual Opportunity Congress III constitutes the beginning of a process. The work started at the Congress will continue through the Consultative Committee, which will have a potential to improve Australia's critical infrastructure by acting as a 'think tank' for Government and Industry, and will complement the work being undertaken in the Trusted Information Sharing Network.

Major players involved within the Congress have already expressed a considerable interest in taking roles within the Consultative Committee, and "the Government's strategies to improve security of critical infrastructure are sufficiently flexible to accommodate initiatives of this kind" (Peter Ford, Attorney-General's Department).

Virtual Opportunity Congress III and its comprehensive representation of Australian and international views on issues of Risk and Security received an outstanding feedback from the attendees, which saw it as a "watershed initiative in Australian Government business" (David Redhill, Deloitte). Many of them, including Government representatives, indicated their desire to be associated with the continuing discussions and process.

Planning is underway for Virtual Opportunity Congress IV in Knowledge Capital, to be held in 2005.

Appendices



Appendix 1 - Global Access Partners Pty Ltd

GAP is a proactive and influential network which initiates high-level discussions at the cutting edge of the most pressing commercial, social and global issues of today. Through events, missions and forums, we facilitate real and lasting change for our partners and participants, sharing knowledge, forging progress and creating input for Government policy.

GAP promotes Australia's capacity to find novel solutions to the challenges facing the global community, and translates these innovative solutions into economic outcomes. Our events are structured around the desired outcomes of our partners and participants, and present a unique opportunity for those involved to shape the event to meet their needs.

GAP is an agent of change turning rhetoric into action.

GAP Events 2003-2005

GAP's reputation for excellence is founded on its strong track record of successful high-level national and international events for a wide range of industries and issues:

- Informatics in Biology and Medicine Forum - December 2003

Discussions focused on how to promote Australia's participation in this important, emerging industry, and take full advantage of scientific and commercial opportunities it presents.

- GAP Forum on Ecological Sustainability - June 2004

This Forum will move "beyond the rhetoric" to find practical outcomes for business & Government in building sustainability. Discussions, led by Bjorn Stigson, President of the World Business Council on Sustainable Development, will focus on water, energy and IT & Communications to find sustainable solutions with lasting economic benefit for all.

- The UK Australia Future Leaders Dialogue - April 2004
- OECD Ministerial and Business Symposium, Istanbul, Turkey - June 2004
- GAP Forum on Nanotechnology - 2005
- Virtual Opportunity Congress IV on Knowledge Capital - 2005
- Australian Mission to European Union and Central Europe - 2005

Each GAP event constitutes the beginning of a process. One of the major outcomes is the formation of National Consultative Committees of stakeholders who work to ensure the recommendations flowing from each event become reality.

Global Access Partners Pty Ltd
Level 3, 53 Balfour Street, Chippendale NSW 2008
Telephone: 61 2 8303 2416
Fax: 61 2 9319 5754
Web: www.globalaccesspartners.org



Appendix 2 - Sponsors' Profiles

The Internet Economy has transformed the business landscape in terms of both content and delivery - how businesses and government address these changes will affect the evolution of Australian business over the next decade. Cisco Systems and its partners have created programs and technology to address these challenges and accelerate the adoption of technology to improve business and social outcomes.

Cisco has set the standard for using Internet technology to transform business processes. Cisco offers:

- Internet-powered business methodologies;
- Internet-powered application frameworks;
- Networking reference architectures; and
- Alliances with leading companies with proven experience in building e-business applications and solutions.

Cisco Systems is the worldwide leader in networking for the Internet. In today's hypercompetitive, global marketplace, the pressure is increasing to provide easy-to-use, online applications as a better way to conduct business. Cisco's networking solutions connect people, computing devices and computer networks, allowing people to access or transfer information without regard to differences in time, place or type of computer system.

As the need for online access to information and services increases, many organisations are looking at integrating their current disparate voice, data and video networks into a single, multiservice network. With one network to carry all traffic, they expect to provide a broader range of integrated services while realising substantial cost savings.

Cisco's products encompass the broadest range of networking solutions available from any single supplier - including routers, LAN and WAN switches, dial and other access solutions, web management tools, Internet appliances and network management software to protect, optimise and grow businesses. The thread that ties these products together is the Cisco IOS[®] software platform, delivering network services and enabled networked applications. Cisco also offers industry-leading services for network design, implementation, maintenance, and support and is unique in its ability to provide all of these elements.

Cisco Systems Australia Pty Ltd
Level 9, 80 Pacific Highway, North Sydney NSW 2060
Telephone: 61 2 8446 6000
Fax: 61 2 8446 8400
Web: www.cisco.com/anz



Deloitte is a leading professional services firm, delivering world-class assurance, advisory, tax and consulting services. We serve many of the world's largest companies, large national enterprises, public institutions and successful fast-growing global growth companies.

In addition to complete geographic coverage, Deloitte offers clients deep industry strengths and outstanding services delivered consistently throughout the world. Our integrated teams of internationally experienced professionals are well versed in addressing today's challenges.

We are thought leaders in today's business environment, changing at a greater pace than ever before. Globalisation, e-commerce, technological innovation and increased regulation are the key drivers of this change, adding not only to the challenge of managing risk, but also forcing us to rethink every concept of risk identification, management and ongoing risk control.

Our depth of experience in technology solutions, risk management, corporate governance, business process reengineering, and mergers and acquisitions, allows us to help our clients and our people excel. We support this by investing heavily in our culture, developing our people, and continually building their technical skills, business acumen and industry experience.

Enterprise Risk Services - helping clients turn risk into opportunity.

Corporate and Government leaders are becoming increasingly aware of the changing risk environment and the need for improved control, not only to avoid external threats and internal failures - but also to help achieve their fundamental business objectives.

Our dedicated risk management practice, the Enterprise Risk Services group, offers a comprehensive array of solutions designed to help our clients understand business risks, determine acceptable levels of exposure, implement controls, and provide ongoing measurement and monitoring of the risk environment.

We take a holistic approach to risk management, encompassing all elements of risk, and work collaboratively with clients to guide them through each phase of the business risk cycle.

Our services are provided by professionals who work collaboratively to serve our clients through every phase of the risk management cycle. We understand the challenges faced by your organisation and can work with you to:

- Improve your profitability
- Maximise the value of internal audit
- Deliver quality projects on time and within budget
- Secure your computer systems and critical business information
- Assess the likelihood of risks and design cost effective strategies to avoid or migrate their consequences;
- Control your business risks

Deloitte
505 Bourke Street, Melbourne VIC 3000
Telephone: 61 3 9208 7000
Fax: 61 3 9208 7700
Web: www.deloitte.com.au

On 2 April 2003, the Department of Lands was created as a department of the New South Wales public service.

Lands is the lead (host) department for Minister Tony Kelly in his roles as Minister for Rural Affairs and Minister Assisting the Minister for Natural Resources (Lands).

The Director General of the Department is Warwick Watkins. He is also Surveyor General and Registrar General.

The Department of Lands includes the following responsibilities:

- Crown Lands administration and management

This includes land leases and licences, reserves and State Parks, caravan parks and other uses

- Land and Property Information

Titling, valuation, surveying and other spatial information

- Native Title
- Aboriginal Land Claims
- Soil Services

These include soil conservation earthworks and consultancy services, farm water supplies, soil and water testing and education and training

- Land Boards
- Emergency Information Coordination Unit

The EICU's main function is to ensure that emergency service organisations have the best spatial and related aspatial data available to deal with multi-agency emergencies.

Department of Lands
Level 3, 1 Prince Albert Road
Queen's Square, Sydney NSW 2000
GPO Box 15 Sydney NSW 2001
Telephone: 61 2 9228 6666
Fax: 61 2 9236 7632
Web: www.lands.nsw.gov.au



Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and Internet technologies for personal and business computing.

The company offers a wide range of products and services designed to empower people through great software - any time, any place and on any device.

Almost two years ago, Microsoft's Chairman and Chief Software Architect Bill Gates announced the company's commitment to Trustworthy Computing.

Trustworthy Computing means helping ensure that a safe and reliable computing experience is both expected and taken for granted. It's a vision of computing as intrinsic to productivity and enjoyment of life as water, electricity or the telephone dial tone. Achieving this vision is an industry-wide challenge in which Microsoft must be deeply involved. The company is profoundly refocusing to make Trustworthy Computing its first priority.

Microsoft Australia

One Epping Road, North Ryde NSW Australia 2113

Phone: 13 20 58; 61-2-9870-2200

Fax: 61-2-9805-1108

Web: www.microsoft.com/australia/



The National Office for the Information Economy (NOIE) was established in September 1997. Its launch was announced by the Prime Minister.

The then Minister for Communications, Information Technology and the Arts, Senator Richard Alston announced on 11 October 2000 that the Government would expand NOIE's functions and establish it as an Executive Agency within the Communications, Information Technology and the Arts portfolio.

The functions of the former Office for Government Online (OGO) were also incorporated into NOIE in late 2000. Bringing these Offices together provided a coordinated approach to addressing technical, regulatory and social issues affecting government, business and consumers, in the take-up of online services and the development of the information economy.

As an Executive Agency, NOIE has direct responsibility for the development and coordination of advice to the Government on information economy issues, including:

- strategic advice to the Government on the key factors driving the information economy;
- coordination of the application of new technologies to government administration, information and service provision, including assistance to public sector bodies to deliver services online;
- promotion of the benefits of, and Australia's position in, the information economy; and
- undertaking such other tasks related to the above functions as the Minister may require from time to time.

In addition, NOIE is responsible for the promotion-domestically and internationally-of the benefits of, and Australia's position in, the information economy.

Executive Agencies are established by the Governor-General under the Public Service Act 1999. As an Executive Agency, NOIE reports directly to the Minister for Communications, Information Technology and the Arts, through its Chief Executive Officer.

NOIE - The National Office for Information Economy
Burns Centre, 28 National Circuit, Forrest ACT 2603
GPO Box 390 Canberra ACT 2601
Telephone: 61 2 6271 1666
Fax: 61 2 6271 1563
Web: www.noie.gov.au



Established in 1920 as Queensland and Northern Territory Aerial Services Limited, Qantas is Australia's leading domestic carrier and one of the world's premier long haul airlines.

Qantas is also one of Australia's most recognised brand names, with a reputation for excellence in safety, operational reliability, engineering and maintenance, and customer service.

Qantas offers approximately 540 international services every week to 77 destinations in 33 countries across the Asia-Pacific region, Europe, North America, South America and South Africa. Within Australia, the airline operates more than 4,500 domestic flights a week, serving 58 city and regional destinations across the country.

Qantas is continuing to invest in new aircraft, aircraft enhancements, product and service initiatives. The new international Business Class, featuring Skybed, a state-of-the-art, cocoon-style sleeper seat, will be progressively installed on all of the airline's Boeing 747-400s and seven new Airbus A330-300s. The new International Business Class will also offer specially trained, dedicated flight attendants; new food and wine; a new service style; a self-service bar for drinks and snacks; premium quality noise cancellation handsets; and luxury amenity kits.

This builds on the recent refurbishment of the airline's fleet of 747-400s, including installation of a new inflight entertainment system offering in-seat video's in Economy Class, larger personal screens and PC power in Business and First Class and in-seat telephones in all classes.

Domestically, Qantas continues to offer the most extensive network of any carrier. CityFlyer services between major capital cities have been tailored to meet the needs of the business traveller and QuickCheck self-service kiosks are streamlining the check in process for customers at Sydney, Melbourne, Brisbane and Canberra Airports. Qantas is also investing heavily in its fleet, taking delivery of new Boeing 737-800 and Airbus A330 aircraft ahead of the arrival of the first of 12 new Airbus A380s in 2006.

Qantas Airways Ltd
Level 21, AAP Centre
259 George St, Sydney NSW 2000
Web: www.qantas.com.au

Westpac began trading on 8 April, 1817 as the Bank of New South Wales with a single office in Macquarie Place, Sydney, in the then British colony of New South Wales. They changed their name in 1982.

Brief overview of Westpac Banking Corporation:

- Westpac have branches and affiliates throughout the Pacific region and maintain offices in key financial centres around the world
- As at 30 September 2003 the Westpac Group employed approximately 26,780 people (full time equivalents) in Australia and around the world
- As at 30 September 2003, Westpac Banking Corporation had global assets of \$221 billion
- Westpac is ranked in the top 10 listed companies by market capitalisation on the Australian Stock Exchange Limited (ASX)
- For the full year to 30 September 2003, the Westpac Group's net profit after income tax was \$2,183 million
- About 220,000 people and institutions in Australia and overseas are shareholders in Westpac

Westpac concentrates its activities in Australia, New Zealand and the Pacific Islands. Westpac merged with Challenge Bank in Western Australia in 1995, Trust Bank New Zealand in 1996, and Bank of Melbourne in Victoria in 1997

Westpac's operations comprise five key areas of business, through which they serve around 7.5 million customers. These five business areas are:

- Business and Consumer Banking includes deposit taking, transaction accounts, credit cards and other lending. We are a major home loan provider and also meet the finance needs of business customers with a turnover of up to \$20 million. Investment, superannuation and general and life insurance products are also sold through our branch network
- Wealth Management comprises our asset accumulation, investment management and life insurance operations in Australia and New Zealand. Wealth Management designs, manufactures and services financial products to enable customers to build, manage and protect their wealth. These products include managed investments, life insurance, superannuation and discount broking. We also provide custody and settlement services to institutional customers and fund managers
- Westpac Institutional Bank (WIB) provides financial services to the corporate and institutional customer base, assisting and advising in the management of cash, funding, capital and market risk for companies and institutions in Australia and New Zealand
- New Zealand Retail provides a full range of retail and commercial services to customers throughout New Zealand. It is the leading provider of banking services to small to medium business and is the banker of the New Zealand government
- Pacific Banking provides a full range of deposit, loan, transaction account and international trade facilities to personal and business customers. In selected locations finance company and motor vehicle loans are also offered.

Westpac Banking Corporation

Telephone: 132 032 (61 2 9293 9270)

Web: www.westpac.com.au

Appendix 3 - Programme of Virtual Opportunity Congress III

Security & Risk. Challenges & Opportunities

Day One - Tuesday 16 December 2003

Quay Restaurant
Upper Level, Overseas Passenger
Terminal, The Rocks, Sydney

6:30pm _____

Pre-Dinner Drinks, Registration

7:30pm _____

Dinner

Welcome and Introduction

Mr John Rimmer
Chief Executive Officer
National Office for Information Economy

Keynote Address

The Honourable Tony Abbott MP
Minister for Health and Ageing

Vote of Thanks

Mr Peter Fritz AM
Chair of Steering Committee
GAP Forum

10:30pm _____

Close

Day Two - Wednesday 17 December 2003

Legislative Assembly Chamber
Parliament House, Macquarie St, Sydney

8:15am _____

Registration

8:50am _____

Welcome and Introduction

Mr Peter Fritz AM
Chair of Steering Committee
GAP Forum

9:00am _____

Opening Address

The Honourable John Della Bosca MLC
Special Minister of State, Minister for Commerce
Minister for Industrial Relations & Assistant
Treasurer, Minister for the Central Coast

9:15am _____

Session One

Security & Risk. International Perspectives

Session Chair

Mr Gérard Grosjean
Head of Division, General Secretariat
Council of the European Union, Belgium

Dr George Metakides
President, Strategies Ltd, Greece

Dr Elly Plooij-van Gorsel
Member of the European Parliament
Speaker for Industry, The Netherlands

9:45am _____	Morning Tea	Strangers' Lounge, Parliament House
	Session Two	Security & Risk. International Perspectives
	Session Chair	Mr Peter Ford Acting Deputy Secretary, Criminal Justice & Security Attorney-General's Department
		Ms Susan Koehler Senior Trustworthy Computing Strategist Microsoft Corporation, US
		Mr John Trotter Global Leader, Enterprise Risk Services, Deloitte
12:10pm _____	Transfer to Hotel Intercontinental	
12:30pm _____	Lunch	Hotel Intercontinental, 117 Macquarie St, Sydney
	Introduction	Mr Neville Stevens AO Partner, Australian Infrastructure Services
	Keynote Address	Senator The Honourable Richard Alston
1:40pm _____	Transfer to Parliament House	
2:00pm _____	Session Three	Government, Industry. Challenges & Opportunities
	Session Chair	Mr Steve Vamos Managing Director, Microsoft Australia
		Dr Herwig Schlögl Deputy Secretary-General OECD - Organisation for Economic Cooperation & Development, France
		Dr Virginia Cram-Martos Chief, Trade Policy & Governmental Cooperation, Economic Commission for Europe, United Nations
3:15pm _____	Afternoon Tea	Strangers' Lounge, Parliament House
3:35pm _____	Session Four	Future Scenarios
	Session Chair	Mr John Rimmer Chief Executive Officer, NOIE
		The Honourable Daryl Williams AM, QC, MP Minister for Communications, Information Technology & the Arts
		Dr Thomas Andersson President, IKED - International Organisation for Knowledge Economy & Enterprise Development, Sweden
4:30pm _____	Closing remarks/Vote of thanks	Mr Peter Fritz AM
4:45pm _____	Close	

Appendix 4 - List of Delegates

The Hon. Tony Abbott MP

Minister for Health and Ageing

Mr Kevin Ackhurst

Public Sector Director
Microsoft Australia

Mr John Alfano

Head of Financial Crimes Control
Westpac Banking Corporation

Senator The Hon. Richard Alston

Dr Thomas Andersson

President IKED - International Organisation
or Knowledge Economy & Enterprise
Development

The Hon. Dr Michael Armitage

Director - Sciences
Australia & New Zealand, SGI

Mr Evan Arthur

Team Leader, ICT in Education
Department of Education, Science & Training

Mr Karim Barbara

General Manager Business Development
Telstra Research Laboratories

Mr David Bassanese

The Australian Financial Review

Mr Keith Besgrove

Chief General Manager
Regulation & Analysis Group
National Office for the Information Economy

Mr Mark Bezzina

Director of Business
Standards Australia

Mr Tony Blackie

Director, Blackie McDonald
Communication Group

Ms Olga Bodrova

Project Development Manager
Global Access Partners

Mr Patrick Callioni

Chief General Manager
Information Economy
National Office for the Information Economy

Mr Graeme Clarke

Manager Protective Security &
Technical Services,
Qantas Airways Limited

Mr Michael Coomer

Chief Executive Officer
Business Technology, Solutions & Services
Westpac Banking Corporation

Mr Peter Coroneos

Chief Executive Officer
Internet Industry Association (IIA)

Ms Virginia Cram-Martos

Chief Policy and Governmental Cooperation
Branch, Trade Development & Timber Division
Economic Commission for Europe,
UNECE

Ms Alexandra Crompton

Counsel Employee Relations
Westpac Banking Corporation

Mr Malcolm Crompton

Federal Privacy Commissioner,
Australia

Mr Robert Crompton

Executive Director
Information City Victoria Management

The Hon. John Della Bosca MLC

Special Minister of State,
Minister for Commerce, Minister for Industrial Relations &
Assistant Treasurer,
Minister for the Central Coast

Mr Bill Dent

International Security Risk Manager
Qantas Airways Limited

Mr John Donovan

Managing Director, Australia/New Zealand
Symantec Australia Pty Ltd

Mr Simon Edwards

Manager Government Affairs
Microsoft Australia

Mr Greg Field

Chief Finance & Information Officer
Australian Trade Commission

Mr Brian Farquhar

General Manager, Tradegate

Mr Lajos Fodor

Ambassador of the Republic of Hungary
to Australia

Mr Peter Ford

First Assistant Secretary
Information & Security Law Division
Attorney-General's Department

Mr David Fox

Partner, Deloitte

Mr Peter Fritz AM

Chair of Steering Committee, GAP Forum
Group Managing Director, TCG Group of Companies

Mrs Catherine Fritz-Kalish

General Manager, Global Access Partners

Mr Andrew Gale

Partner, Deloitte

Mr Keith Gomes

NSW Chairman, AIIA - Australian Information
Industry Association

Mr John Grant

Chief General Manager
Government Services & Information Environment Group,
National Office for the Information Economy

Mr Paul Green

Managing Director, TCG Information Systems

Mr Gérard Grosjean

Head of Division, General Secretariat
Council of the European Union

The Hon. John Hannaford

Director, ADR Solutions Pty Ltd

Mr David Hawes

Group Manager & International Relations
Qantas Airways Limited

Mr Miles Hedge

Managing Director
Ascom Wireless Solutions

Mr Mathew Henderson

Managing Director
Australian Technology Connections

Mr Simon Hewitt

Chief Security Officer
Westpac Banking Corporation

Dr Peter Höjerback

Chief Executive Officer
Oresund IT Academy

Mr Peter Hong

SAS Government Sector Manager
SAS Institute Australia

Ms Lexie Hopkins

NSW Department of Lands

Mr James Horne

First Assistant Secretary
Department of Prime Minister & Cabinet

Mr Chris Howells

Director, Cosamar Consulting

Mr Graham Ingram

General Manager, AusCert

Ms Julie Inman

Senior Corporate Affairs Manager
Microsoft Australia

Mr Stan Jeffery

Managing Director ICGS
Ballarat University Technology Park

Mr Martin Kaldor

National Chair
Information Security Interest Group

Mr Jonathan Kenny

Vice President, Operations Finance Shared Services, Asia
Pacific, Marconi

Mr James Kirby

IT & Life Sciences
Business Review Weekly

Ms Jane Kittel

Head of Corporate Services
Business & Technology Solutions & Services
Westpac Banking Corporation

Ms Susan Koehler

Senior Trustworthy, Computing Strategist
Microsoft Corporation USA

Mr Ashok Kumar

Financial Controller
TCG Group of Companies

Mr Kostas Kyrifidis

Director, Security Advisory

Ms Rachel Lebihan

The Australian Financial Review

Dr Tim Littlejohn

Chair AGCCB

Mr Peter Loxton

Assistant Director General
Service Delivery Improvement
NSW Government Premier's Department

Mr Paul Maihi

Head Physical Security
Westpac Banking Corporation

Mr Alex Malley FCPA

President, CPA Australia
New South Wales Division

Mr John Martin

Commissioner, Australian Competition
& Consumer Commission

Mr David Masters

Senior Advisor to the Hon. Daryl Williams
Minister for Communications,
Information Technology and the Arts

Ms Kate McKenzie

Director General,
NSW Department of Commerce

Dr George Metakides

President, Strategies Ltd, Greece

Prof Ross Milbourne

Vice-Chancellor
University of Technology Sydney

Mr Gerry Moriarty

Macquarie Communications
Infrastructure Group

Mr Marc Mowbray-d'Arbela

Branch Manager, Legislative Review Branch
Financial Framework Group
Department of Finance & Administration

Mr Theo Nassiokas

Director - Security Compliance
Information Security Group
Business & Technology Solutions & Services
Westpac Banking Corporation

Ms Jackie Orchard

Security Compliance Consultant
Information Security Group
Westpac Banking Corporation

Mr Ian Peterson

Principal Policy Officer
Policy Group
Australian Federal Police

Ms Vessa Playfair

Director of Communications
Deloitte

Dr Elly Plooi-j-van Gorsel

Member of the European Parliament
Speaker for Industry, The Netherlands

Mr David Redhill

Chief Marketing Officer
Deloitte

Dr Ian Reinecke

Chairman, DSTC

Ms Kylie Ridings

Sales Development Manager
Qantas Airways Limited

Mr John Rimmer

Chief Executive Officer
National Office for the Information Economy

Mr Peter Roberts

The Australian Financial Review

Ms Trisha Rogers

Alliance Manager
Asia Pacific South, EDS Australia

Mr Mike Rothery

Director, Critical Infrastructure Policy
Attorney-General's Department

Mr Nicholas Rowley

Senior Policy Advisor
Office of the Premier of NSW

Dr Erik Schlogl

School of Finance and Economics
University of Technology Sydney

Dr Herwig Schlögl

Deputy Secretary-General
Organisation for Economic Cooperation
& Development (OECD), France

Dr Brian Scott AO

Director General, Management Frontiers

Mr Mark Sercombe

Partner, Deloitte

Ms Julie Sibraa

Deputy Chief of Staff
Office of the Special Minister of State

Mr Jens Sörvik

Project Officer
IKED - International Organisation for
Knowledge Economy and Enterprise Development

Mr Neville Stevens AO

Australian Infrastructure Services
ICT Centre of Excellence
Advisory Panel

Mr Stephan Trofimovs

Corporate Secretary & Planner
Australian Trade Commission

Mr John Trotter

Global Managing Partner
Enterprise Risk Services, Deloitte

Mr Steve Vamos

Managing Director
Microsoft Australia

Mr Tommy Viljoen

Partner, Deloitte

Mr Peter Walsh

Executive General Manager, Standards
Standards Australia

Mr Warwick Watkins

Director General
NSW Department of Lands

Mr David Whan

Managing Director
TechComm Simulation

Mr Robert Wheeler

Deputy Director General
Office of Information &
Communications Technology

Ms Helen Williams AO

Secretary, Department of Communications,
Information Technology & the Arts

The Hon. Daryl Williams AM, QC, MP

Minister for Communications,
Information Technology & The Arts

Mr Russell Yardley

Managing Director
Acumentum Pty Ltd

The Hon. Kim Yeadon MP

Member of Parliament
New South Wales

Mr Stewart Young

Principal, Stewart Young & Associates

Mr Peter Yuile

Deputy Secretary
Department of Transport
& Regional Services

Mr Antonio Zamora

General Manager
Intercontinental Sydney

Ms Helene Zampetakis

The Australian Financial Review

Mr Tom Zotz

Manager IT Security Planning
Architecture & Planning
Qantas Airways Limited

Appendix 5 - Pressroom

From "Australia hosts key security forum". By Helene Zampetakis

"The Age", 09 December 2003

"Two problems stymie efforts to secure the electronic world: the risks to the internet are not fully understood and regulation is often at odds with other sovereignties. Next week Australia will take a decisive step towards changing that by hosting a high-level forum of international representatives from the Organisation for Economic Cooperation and Development, the European Union, US industry and Australian government and business. Delegates will seek to transcend the cultural stalemates that have hampered international co-operation to now.[...]"

The Virtual Opportunity Congress III, which is being held at the NSW State Parliament on December 16 and 17, will tackle issues ranging from the need for internationally co-ordinated regulation to the challenges and opportunities of internet security. [...] Professor Peter Fritz, chairman of the steering committee of the GAP Forum, hopes this will also advance Australian technology responses that balance solutions from the United States, Europe and Asia. "Risk is an opportunity for Australian technology developers. But we also need policies and training and a co-ordinated plan to respond to needs."

Conference speaker John Rimmer, chief executive of the National Office for the Information Economy, says Australia needs to develop its base of expertise and capability if it is to be an equal partner in shaping the online economy. "The harsh reality is that everyone is connected to everything else and while that offers us opportunities and new benefits, it also has a darker side which exposes you to risk", Rimmer says. "A lot of people argue there's a need for increased simulation exercises to test vulnerabilities and for more research and development to develop capabilities and responses to threats. [...] Over the past two years, the time between a vulnerability being discovered and it being exploited has gone from 12 months to weeks. Each attack reveals increasing sophistication. [...] Developing a secure environment can only be done by government and business working together".

However, Steve Vamos, managing director of Microsoft Australia, a forum sponsor, considers the consumer a key player in securing the virtual world. Microsoft is shifting responsibility for security onto the consumer through software written into Windows Server 2003 and new versions of Window XP to be released next year. [...] "One thing I'd like to see from the forum is a common understanding that securing the internet is not just about technology - it covers everything from frameworks and policies to legal solutions".

From "Always-on presents a security challenge". By Rachel Lebihan

"The Australian Financial Review", 18 December 2003

"New technologies such as broadband and wireless networking have raised the stakes of critical infrastructure protection, according to a top federal government official. The Attorney-General's deputy secretary of criminal justice and security, Peter Ford yesterday said the advent of always-on technologies such as broadband had made information security a more important component of critical infrastructure protection.

[...] Speaking at the Virtual Opportunity Congress on security and risk, Mr Ford said co-operation between the private sector, state and territory government was also a challenge for critical infrastructure protection. [...] "Businesses are understandably wary of sharing information with their competitors."

Mr Ford did not dismiss a proposal from the chair of the congress steering committee, Peter Fritz, that the Attorney-General's Department form a committee to discuss existing public policy and commercial strategies that deal with information security."

**From “Security sector cashes in on rising crime”. By David Bassanese
“The Australian Financial Review”, 28 January 2004**

“The global economy is more open and integrated than ever before. This poses great economic and market opportunities, but also exposes the system to new risks and vulnerabilities. As a result, the security industry is growing demand with an increasingly wide and technically sophisticated range of new products.

Australia already has a number of firms engaged in the security industry, ranging from Chubb Security, which is benefiting from increased demand for security guards, to small hi-tech companies such as QR Sciences, which is developing airport security technologies.

In an interview with The Australian Financial Review, Herwig Schloegl, deputy secretary-general of the Organisation for Economic Co-operation and Development, noted that the security sector was growing at 7 to 8 per cent per annum worldwide, with global turnover estimated at over \$US 100 billion (\$129 billion).

Dr Schloegl also spoke last December at the Security and Risk: Challenges and Opportunities Sydney conference, organised by Global Access Partners.

Dr Schloegl added that the “lion’s share” of the security sector is found in the US, through Germany’s market is worth 3 billion euro (\$4.8 billion), and France and the UK 3 billion euro each. And several factors are conspiring to push the demand for security services even higher, according to Dr Schloegl. [...]

[...] The demand for security products is there, provided the right products can be developed. And Dr Schloegl argues that “how quickly new and more sophisticated technologies become affordable ... and how acceptable such technologies will be to the general public” will critically determine how the sectors evolves. For the booming security sector, it is never been truer that “crime pays”.

**From “Risk is rampant”. By Helene Zampetakis
MIS magazine, February 2004**

“As assaults on the Internet grow in scale and sophistication, authorities on the online economy warn the information society, with its celebrated promise of opportunity, is in danger of receding into a world of mistrust, rising prices and monopolies. Advances associated with the Internet are at risk, they say, and efforts to combat these now need to be collective. [...]

The Virtual Opportunity Congress III, held at Sydney’s Parliament House, heard representatives from the Organisation for Economic Cooperation and Development, the European Union, US industry and Australian government and business. International authorities identified the need for greater cooperative regulation between sovereignties. A consultative committee was formed afterwards to collaborate on recommendations raised at the forum, at the instigation of the organiser, Professor Peter Fritz, chair of the steering committee of the GAP forum. On the agenda is the need for global collaboration to secure the online economy and ameliorate the risks to users. [...]”

Appendix 6 - Letters of thanks and congratulations

"Thank you sincerely for what I found to be an incredibly simulative evening and day of discussion and debate. I felt very honoured to have been invited to be a part of the proceedings. Once again, many thanks for a really exceptional experience."

John Donovan

Managing Director
Symantec Australia

"I am impressed by your energy and enthusiasm and the effort you made to gather so many really authoritative speakers on the subject of security and risk in the IT environment. It was good to hear directly from Australian government ministers that planning for all eventualities is well in hand."

Miles Hedges

Managing Director
Ascom Nira Pty Ltd

"Thank you for the opportunity to join your Virtual Opportunity Congress. There was plenty to think about and many people to meet."

Mr Malcolm Crompton

Federal Privacy Commissioner

"Congratulations on an extraordinary event and most enjoyable week in Australia."

Dr Thomas Andersson

President IKED - International Organisation
or Knowledge Economy & Enterprise Development

"Peter, I wanted to thank you for the opportunity to be part of what will prove to be a watershed initiative in Australian government business. It is from such embryonic events that balanced and consistent policy eventually emerges, and you must take the credit for bringing such a diverse yet comprehensive representation of international and Australian views on risk and security issues."

Mr David Redhill

Chief Marketing Officer, Deloitte

"Thank you very much for your invitation and your very interesting and innovative conference. I hope you can make some progress with Canberra."

James Kirby

IT and Life Sciences
Business Review Weekly (BRW) Magazine

"I really enjoyed all topics of this Congress."

Fodor Lajos

Ambassador of the Republic of
Hungary to Australia

"Thanks and congratulations on the successful outcomes".

Mr John Martin

Commissioner, Australian Competition & Consumer Commission

"Thank you for an enjoyable and informative Conference. I had the pleasure of meeting numerous people from a variety of backgrounds all having a common interest, a safe and secure Australia. I congratulate you and your colleagues on the endorsement of the committee and look forward to your outcomes."

Kostas Kyrifidis

Director, Security Advisory

Appendix 7 - Virtual Opportunity I: "Recreating the Global Economy"

This Congress, held in October 1997, examined in detail Virtual Government, the Information Economy and the Information Society.

Delegates

Over 130 delegates of the highest level participated in discussions at the Congress. The Australian Government, along with the NSW, Victorian and NT Government were represented. Overseas participants came from the USA, Japan, Korea and Finland. Organisations represented included: ANZ Bank, Business Council of Australia, Ericsson Australia, Fairfax, Fujitsu Australia, IBM Australia, Korea Telecom, Lion Nathan Ltd and Telstra.

Speakers

Speakers of international prominence stimulated discussions and debate for delegates. Speakers at Virtual Opportunity Congress I included:

Mr Ira Magaziner

Senior Advisor to the President USA

Dr Edward de Bono

de Bono Institute, USA

Senator Scott Howell

Utah State Government, USA

Senator The Hon. Richard Alston

Minister for Communications,
Information Technology & the Arts Australia

Mr Kazuto Kojima

Group President,
Member of the Board of Fujitsu Limited Australia

Ms Judith King

CEO,
Australian Coalition of Service Industries,
Australia

Mr Don Mercer

Director, ICI Australia

Mr Bob Savage

Managing Director
IBM Australia

Mr Steven Clift

Director
Democracies Online
USA

Mr Risto Linturi

Technology Director
Helsinki Telephone Company,
Finland

Prof Peter Fritz AM

Group Managing Director
TCG Group, Australia

What delegates thought

'The programme was thoughtfully arranged. The Congress was interesting, stimulating and thought provoking. The fact that so many international experts were willing to be in attendance speaks volumes for your organisational skills.'

The Hon. Cornish, MHA

Minister for Finance
Public Sector Administration &
Industrial Relations, Tasmania

'The Virtual Opportunity Congress was a fascinating couple of days, both in terms of the presenters and the other participants amongst whom there were some extremely interesting people.'

Mark Lowndes

Enova Capital Limited
New Zealand

Appendix 8 - Virtual Opportunity II: "Electronic Commerce: Risk,

Rewards and Trends", October 1998

Topics of discussion at the second Virtual Opportunity Congress, held in October 1998, included: Visions of the Future, the Capital Global and Information Economy, Priorities for Action.

Delegates

Delegates representing the public sector participated from the following organisations:

- Central Queensland University
- Commonwealth Department of Foreign Affairs & Trade (Australia)
- European Union (EU)
- Monash University, Melbourne Victoria
- National Office for the Information Economy (NOIE) (Australia)
- New South Wales State Government
- RMIT, Royal Melbourne Institute of Technology
- South Australian Government
- Swinburne University, Melbourne Victoria
- University of Ballarat
- University of NSW
- UTS
- Victorian Government

Delegates of the highest level attended from the following commercial businesses: Coles Myer, Gavin Anderson & Kortlang, News Limited, OzEmail, George Weston Foods, Rio Tinto, Optus and Australian Stock Exchange.

Speakers

As with the first Virtual Opportunity Congress, Congress II attracted prominent speakers from around the globe. They included:

Mr Stefano Micossi

Director-General for Industry (DGIII)
The European Union, Italy

Dato' Sri Najib Bin Tun Haji Abdul Razak

Minister for Education
Government of Malaysia

Mr Bob Savage

Managing Director and Chief Executive Officer
IBM Australia

Professor Robin Williams

Head of Department of Visual Communications
RMIT Australia

Mr Risaburo Nezu

Director, Science & Technology, OECD Japan

Mr Kevin Kelly

Editor, Wired Magazine, USA

Mr Don Tapscott

Author, The Digital Economy, USA

The Hon. Tim Fischer MP

Deputy Prime Minister &
Minister for Trade

Mr David Blumberg

Managing Director, Blumberg Capital

Mr John Wall

President NASDAQ International

The Hon. Alan Stockdale MLA

Treasurer and Minister for Information Technology & Multimedia,
Victoria

Mr David Jonas

Chief Executive Officer
Electronic Trading Concepts

Senator The Hon. Richard Alston

Minister for Communications,
Information Technology & the Arts

Mr Laurie Cox, AO

Director, Macquarie Bank

Mr John Rimmer

Director Acuity Consulting

Dr Paul Twomey

Chief Executive Officer
NOIE

