



Insights from the Nuix Executive Seminar: The transforming data landscape

A NEW DATA LANDSCAPE – AND HOW TO NAVIGATE IT.

How can organisations thrive when dealing with era-defining issues like AI and data privacy? Nuix gathered some of Australia’s best tech and privacy minds to answer the question.

Whether you’re running a business, an NFP or a government agency, history has handed you a great gift. The age of machine learning, AI and Big Data is here and that means generational opportunity.

It also means risk – risk that the tech rages out of control like Frankenstein’s monster. That greed, excitement or carelessness slips you loose from your ethical groundings. Or that you violate the privacy and safety of others.

How best to balance these risks and opportunities? Get smart people in a room and debate the big issues. So Nuix, a world leader in investigative analytics and intelligence software brought together three experts to talk about the changing data landscape in all its dimensions – economic, cultural, ethical and legal.

STEFAN HAJKOWICZ

Principal Research Consultant, Strategy and Foresight
CSIRO

For Stefan Hajkowicz, the new data landscape is dotted with contradictions and paradoxes. He quoted research suggesting over 90% of Fortune 1000 firms are both investing in new AI and data technologies and seeing results at the bottom line. Yet only 27% of those firms believe they’re true data-driven organisations. Less than 20% think they have a ‘data culture’.

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Stefan Hajkowicz, CSIRO

Some of the biggest and best companies in the world think their technology has leapt ahead of their culture. And that’s a growing issue.

The world’s medical waiting rooms host another emblematic contradiction (AI is enjoying staggering growth in the health sciences space). Scientists developed a machine learning algorithm that predicts 90% of acute kidney injuries with a lead time of up to 48 hours. But their failure to engage with the people they’d use as data points is now seen – by many – as a glaring example of data invasion. You don’t have to be a renal specialist to see the paradox at play here. AI can save lives – but at whose cost?

COMPETING WITH MACHINES?

Privacy is not only vexed area when it comes to AI. Since the age of stocking frames we have worried about the effect of new technologies on old jobs. It’s likely AI will replace functions once performed by humans – and many of those functions’ will be in jobs previously thought immune to machine competition – like medicine or law. Stefan Hajkowicz quoted US research suggesting nearly 50% of jobs are at risk from ‘future computerisation.’

Yet for Stefan – and for academics like Erik Brynjolfsson - navigating this issue is about ensuring people can use the power of technology to augment their skills, human relationships, creativity and intuition. As Brynjolfsson once said, “...The key to winning the race is not to compete against machines but to compete with machines.”

Yet using the power of AI more effectively means thinking differently. According to the CSIRO, users will need to invest in constant training. They’ll need to be aware of the human biases that prevent them using technology effectively. And they’ll need to use data to underpin decisions rather than make decisions.

Used intelligently, AI and data technologies may mean the big calls made by business and government are made not by the HIPPO (the Highest Paid Person in the Room) but by smart people using more data more effectively than ever before.

STEFAN HAJKOWICZ’S SHORT GUIDE TO THE NEW DATA LANDSCAPE;

- > Data and AI can help you make better decisions. But the culture and skills of your decision makers are what matters.
- > Most AI capability upgrades need to start with data upgrades.
- > We’ll know generative AI is really working when it looks like it’s disappeared.
- > Be ethical.
- > Experiment. Productivity gains seldom happen on try #1. But they do by try #7.

SUSAN BENNETT

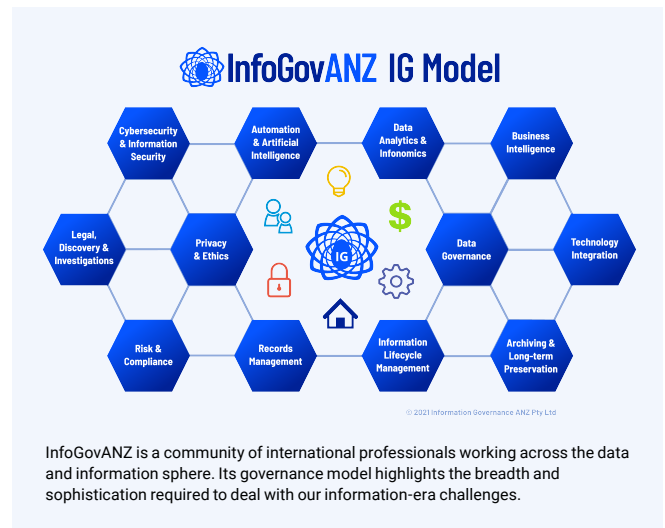
Founder & Executive Director, InfoGovANZ

“the defining challenge facing many organisations today is that “new risks demand integrated governance of data, technology and regulatory compliance.”

Susan Bennett, InfoGovANZ

Those new risks look like this.

- > Regulatory breaches in areas like Privacy, Misleading Conduct and Intellectual Property. These are not new risks, but modern technologies and AI are reshaping them. Organisations need to understand these risks - or face stinging penalties imposed by regulators and big payouts in class actions.
- > Modern organisations are under ever more pressure to meet and report on ESG. It may be that the carbon footprint of data in ‘E’ and the ‘G’ in ESG - the governance arm – have received less attention than they should. At a time when the financial, regulatory, operational and reputational costs of data and privacy breaches are so high, that’s going to change.
- > Over the past year, the Optus, Medibank, and Latitude cyber incidents have highlighted the risks for organisations, including reputation, regulatory investigations and class actions. According to Susan Bennett, organisations also need to consider the implications of broader technology governance failures seen in the breach of anti-money laundering legislation in the cases involving CBA and Westpac resulting in the biggest fines in Australian corporate history, as well as the learnings from the Commonwealth Government’s Robodebt scandal.
- > Robodebt didn’t just have reputational costs for the government. Federal Court Justice Bernard Murphy, in approving \$1.8 billion settlement in the class action, called the scheme a “shameful chapter” and “a massive failure in public administration.”
- > As organisations seek to deploy ever more costly and complex systems, they need to ensure that governance frameworks are fit-for-purpose to align data-driven technology with regulatory compliance to control and reduce risks. This includes the financial risks – such as cost blowouts on procurement, poor ROI and excessive maintenance costs.



BALANCING THE OPPORTUNITIES AND RISKS

Susan Bennett says modern organisations – and the people who lead them - need a Janus-like ability to harness the power of new technologies and properly manage the risks. In seizing the opportunities of new technology and digital transformation, they need the right skills to master the technical challenges. They also need to build and implement holistic governance to ensure regulatory compliance and to reduce risks, including managing reputational and financial risks.

SUSAN BENNETT ON GOVERNANCE IN THE DIGITAL AND AI AGE;

- > Lead from the top.
- > Key stakeholder collaboration – technology, legal, operations – working across silos.
- > Ensure clarity around who is responsible and accountable for technology systems and the data within each system.
- > Make sure all the organisation’s technology, info security, cyber security, privacy and data policies are aligned.
- > Build and maintain a rigorous information governance framework and connect to the risk management framework.
- > Adjust board reporting, to enable non-financial risks including data, information and technology risks to be better identified and communicated to board – too often directors are “deluged with information but thinly informed.”

MELISSA FAI

Partner, Technology + IP Group, Gilbert + Tobin

As one of Australia's leading privacy lawyers, Melissa Fai might normally put a legalistic spin on the Australian Privacy Principles. But in her panel session at the Nuix Executive Seminar, her language was almost personal. "I like to see the privacy policy as a way of setting up the trust between an entity and an individual."

According to Melissa, in the past many organisations saw their privacy responsibilities as simply a box-ticking exercise where generic templates could do a job. Given the many privacy and data breaches splashed across the world's news websites in the past few years, this is likely to change – and change dramatically.

Organisations should be transparent and act within the guidelines and the law. But when explaining their policies to customers and prospects, they must ensure that communication is understandable - and user-friendly.

DATA REGULATION – COMING TO A JURISDICTION NEAR YOU

For organisations working across multiple jurisdictions, the global tide of data regulation can be treacherous. Some jurisdictions – like Canada and Europe under the GDPR - now feature sanctions that include multi-million-dollar fines or penalties involving significant percentages of revenue.

According to Gilbert + Tobin, both India (through the Digital Personal Data Protection Act) and China (the Personal Information Protection Law) have passed their own strict data privacy laws. Nine US states now have comprehensive data privacy laws. And at least 16 more have introduced privacy bills.

"You're weighing up the benefits of deleting personal information against the risks you'll need it in future. Many organisations seek expert advice and innovative technologies to help them achieve that balance."

Melissa Fai, Gilbert+Tobin

If managing your data risk in one jurisdiction is difficult, managing it across multiple markets is even more complex. According to Melissa Fai, a sensible approach is to look at the primary jurisdictions you're doing or will do business in. Then do a gap analysis to identify which jurisdiction is the strictest – and use that "high watermark jurisdiction" to set your compliance standards. Melissa Fai says, "If your operations include the EU, (but not other more bespoke jurisdictions, like China), then I would follow the GDPR. It really has become the de facto global standard."

DEFINING DIFFICULTY

One of the most important discussion points in the Executive Seminar panel session was about the difficulty organisations have with retaining personal information. Under APP11.2, entities are supposed to delete or destroy client information when it's no longer needed. As Melissa Fai puts it: "Entities really need to start looking at their data lakes (or swamps) and start cleaning them up."

But both Melissa and Susan Bennett acknowledged just how difficult that is. An organisation could delete personal information – then find they need it for future legal claims or regulatory investigations.

"There's a fine balancing act," says Melissa. "You're weighing up the benefits of deleting personal information against the risks you'll need it in future. Many organisations seek expert advice and innovative technologies to help them achieve that balance."

TAKEAWAYS FROM THE EXECUTIVE SEMINAR

The three presenters at the Nuix Executive Seminar delved both deep and wide into the power and risk of AI, the importance of a 21st century tech governance and the increasing complexity of data regulation.

Yet while the seminar looked like an event for tech sector executives, there were lessons there for leaders in all sorts of organisations. What should those leaders act on first? It may be that the answer is different for every organisation. Or it may be that every business, NFP or government agency should start by:

- > Knowing where and how the personal information in the organisation is stored so that data breaches don't have catastrophic consequences – and information about clients is an asset not a risk.
- > Be ethical – not because it plays well in the annual report but because it matters to customers, staff, regulators and government.
- > Keep a careful – and expert – eye on the movement in data privacy reform and what it means for the organisation.

LOOKING FOR HELP?

In the face of escalating data breaches and tightening privacy regulations, it's vital to know what sensitive data your organisation is holding, where it is, and how to protect and manage it. Without this capability, you leave your business exposed and vulnerable.

Nuix helps all types of organisations take control of their data and manage their privacy challenges – including personal information. The Nuix Neo Data Privacy Solution combines unmatched data processing power, seamless automation, responsible AI and Nuix's decades of data privacy experience to give organisations what they really need in the 21st century - control of their data. If you'd like to understand how the Nuix Neo Data Privacy Solution can work for your organisation contact us or visit www.nuix.com.

ABOUT INFOGOVANZ

InfoGovANZ is a community of international professionals across the data and information sphere - Data Privacy, AI and Ethics, Cyber and Information Security, eDiscovery, ESG, Data and Infonomics, FOI, Information Governance, Legal, Records Management, Risk and Compliance - with a multi-disciplinary focus to collaborate and share best practices and promote global information governance innovation.

www.infogovanz.com



Nuix (www.nuix.com, [ASX:NXL](https://asx.nuix.com)) is a leading provider of investigative analytics and intelligence software, that empowers our customers to be a force for good by finding truth in the digital world.

We help customers collect, process and review massive amounts of structured and unstructured data, making it searchable and usable at scale and speed, and with forensic accuracy.

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