# AUSTRALIAN INFORMATION INDUSTRY ASSOCIATION

# FEDERAL GOVERNMENT

# PRE-BUDGET AND PRE-ELECTION

# POLICY SUBMISSION 2022

**10 February 2022**

**INTRODUCTION**

With the Federal Budget brought forward to March 29th 2022 and a Federal Election due by May this submission by the AIIA covers both the budget and election policy positions of the tech industry in Australia.

The majority of recommendations and positions outlined here are summaries of deeper policy deliberations and recommendations from policy white papers the AIIA and its members have produced over the past 18 month including:, *Building Australia's Digital Future in a Post-COVID World* (**2020**) and *Growing Globally Competitive Industries: Powered by Australia's Innovation Technology* (**2021**) along with the AIIA's *Domestic Capabilities Policy Framework* (**2021**) and digital health *Beyond Telehealth: Towards Virtual Care* (**2021**) papers. Further background information and reasoning on any of the recommendations herein can be obtained from these documents. It has been pleasing that numerous recommendations from these papers have already been adopted by government (see last section in this paper).

Two decades into the 21st century, which has been dubbed the age of information technology, and having made significant advances in response to an unprecedented global pandemic, Australia has before it a unique moment of opportunity. We are at a crossroads: either we can take advantage of this opportunity to become a truly digital economy with the digital architecture to match, or squander the ability to position us for economic success for decades to come. Both sides of politics must be focused on advancing Australian critical industries to be domestically capable, globally competitive and powered by best-of-breed technology in areas such as Quantum and AI. Only then will Australian government and industry be able to adopt a truly digital-first approach, powered by a rigorous commercialisation agenda and informed by ethical best practice, digitally apt skills and robust cyber security. The Federal Government invests around $8 billion in ICT and Gartner has estimated that $111 billion will be invested in digital technologies in Australia during 2022. Government needs to lead and invest in the right strategic capabilities to ensure our economy remains competitive into the next decade.

These recommendations, if funded and adopted, will ensure that Australia meets the Government's stated objectives to be a top 3 digital government globally by 2025 and a leading digital economy by 2030.

# RECOMMENDATIONS:

## DIGITAL GOVERNMENT

- Continue to support and fund the **Digital Transformation Agency** to ensure that it can support government's digital adoption to be a top 3 digital government by 2025
- Lead the industry-collaborative development of a **data sharing code of conduct** that sits within privacy legislation and provides guidelines as to how government and industry manage, protect and use customer and citizen data.
- Lead the way in providing **digital-first, paperless, permanent** means for the **execution of legally significant documents** within government
- Establish an **AI Process Transformation agenda** that delivers Government process optimisation that not only achieves budget savings but allows adoption and integration of modern technologies as well as establishing a public **Government AI Register** for customer facing AI implementations of government managed by the DTA..
- Invest in **digital inclusion and digital literacy campaigns** to address the digital divide, particularly in Australia's regions
- Invest in the **digital skills** and workforce capability of the APS.

## EMERGING CRITICAL TECHNOLOGIES

- Execute inside 12 months a **Quantum Strategy** which includes additional funding.
- Establish a **National AI Commercialisation Hub** focused on AI research translation, investment attraction and support of AI start-ups to scaleups to enterprises to augment investment n R&D to realise the **$315bn** potential dividend for the Australian economy of digital technologies including AI.
- Establish an **Office of the National Digital Twin** to drive Digital Twin capability development and application on existing infrastructure, urban growth planning and spatial agencies can champion Digital Twin advancement and be a starting point in creating a Digital Twin strategy and programs of work and a Digital Twin Standards Roadmap.

## SKILLS AGENDA

➢ **Reform the Australian Curriculum** to prioritise the Digital Economy and Industry 5.0 capabilities for primary and secondary school students.

➢ Work with business on industry-matched **skills and training accreditation**, especially on microcredential courses needed to rapidly upskill in urgent areas of demand such as cyber security and data analytics.

➢ Prosecute a **National AI Skills and Jobs Agenda** to ensure the future workforce has the skills necessary to support the growth of the Australian AI industry into the future.

➢ Urgently **accelerate the development of the AQF** and stackable microcredentials in VET and Higher Education.

➢ Ensure that the work of the **Digital Skills Organisaton (DSO)** continues to be funded beyond this year.

## DOMESTIC CAPABILITY

➢ Establish a **Made in Australia Office** within the DPM&C with a focus on strategically important information industry capabilities (also known as domestic capability priorities) to support critical Australian industries and growth of emerging critical technologies.

➢ Introduce **Retained Economic Benefits** criteria in Government Procurement for goods and Services aligned to Australia's domestic capability priorities.

➢ Create a Digital Restart Fund for **procuring Australian innovative unproven solutions** to promote start-up, scale-up and SME involvement with government innovation.

➢ Consider better leveraging **ASX 200 reporting** to track companies' domestic ICT spend, procurement and supply chain integration (in a similar way to mandatory Modern Slavery reporting).

## COMMERCIALISATION AGENDA

➢ Undertake urgent work to **support globally viable commercialisation** off the back of government-assisted research

➢ Introduce a **collaboration tax incentive** to incentivise business to collaborate with Australian research institutions.

➢ Introduce an innovative **software development tax incentive** or grant to support development of innovative software which does not qualify for the R&DTI but has the potential to create innovative products and services.

➢ **Extend the ambit of the proposed patent box regime** to patents relating to all sectors of strategic importance.

## DIGITAL HEALTH

➢ Develop detailed policies around national e-Health to **prioritise digital delivery models** that are secure, flexible and scalable.

➢ **Re-engineer My Health Record to become a true digital health record** with its own portal, a database of discrete data, and software algorithms to analyse the data, identify health risks and provide alerts to prompt immediate action.

**For further information:**

Please contact the AIIA's head of Policy and Advocacy, Simon Bush on simon@aiia.com.au.

# AIIA PROPOSALS ADOPTED TO DATE

The AIIA is pleased that government has adopted many of the AIIA recommendations. The AIIA looks forward to working with both sides of politics to ensure that Australia's innovation technology drives us as into a globally competitive position.

☑ That the Prime Minister urgently appoint a Digital Economy Minister, supported by the Department of Prime Minister and Cabinet and reporting directly to the Prime Minister. Minister to advise Cabinet and have a whole of government and coordination role centred on the digital economy and policies.

☑ That the Department of Prime Minister and Cabinet and the Department of Home Affairs engage with the AIIA when reviewing the Critical Infrastructure List in determining whether it supports both the immediate and long-term development of the digital economy

☑ That Australia's 2020 Cyber Security strategy be extended to include business resiliency and enhance support to Australian SMEs through Cyber awareness and support programmes and continue to invest in Cyber Security skills, in particular the area of Operational Technology security.

☑ That the current JobKeeper payment scheme be updated with a portion of the current funding allocated to training credits for employers to re-skill their workforce in critical technical skills

☑ That the Australian Industry Skills Council update the ICT Industry Training Package, so that ICT training and qualifications in the VET sector better reflect industry skills

requirements.

☑ That Government support investment in an Australian data driven supply chain by improving the security and movement of goods by expanding the scope of the proposed National Freight Hub.

☑ Government to drive vehicle telemetry and a standardised minimum set of real-time data reporting on trucks across light-rigid class and all heavier class and expand acceptable telemetry technology to low-cost options.

☑ That Policy reform and investment be initiated to attract global cybersecurity talent to address the immediate skills shortage.

☑ That the Federal Government introduce a patent box tax incentive.

☑ That Government invest in an AI Strategy and funding including focus on commercialisation.

☑ That Government put additional funding to ensure Australian maintains a global capability and skills in Quantum technologies.

☑ That Government invest to ensure digital capabilities of citizen service delivery are enhanced eg Telehealth.