

## MEDIA RELEASE

### **AIIA reveals tech industry expectations from the Federal Budget 2022**

*Australia is at a crossroads in innovation and technology. The time to act is now.*

As the country heads towards an election, Australia's peak body for the innovation technology sector, the Australian Information Industry Association ([AIIA](#)), has released its **Federal Government Pre-Budget and Pre-Election Policy Submission 2022**, urging a stronger focus on Australian innovation and emerging technologies.

After two years of strong development and investment in ICT spurred by the global pandemic, Australia has reached a crossroads in innovation and technology advancement. The nation has an opportunity to embrace digital technologies and to support a truly digital economy, or otherwise - risk squandering existing progress and being overtaken by other economies.

According to the Global Innovation Index, Australia ranks 25th in the world<sup>1</sup> for development, innovation and advancement despite being the 13th largest economy globally. This is evidence that there is still a significant amount of work to be done to harness Australian economic possibilities and the Government's stated goal to be a leading digital economy by 2030.

The AIIA's Federal Government Pre-Budget and Pre-Election Policy Submission 2022 details **24 key recommendations** that ensure Australia meets Federal Government objectives to become part of the top-three global digital governments by 2025. Whilst the 2021 budget included strong investment in ICT, including \$124 million in AI funding, the Government is still holding the majority of this funding, failing to quickly transition to execution within the sector.

**The AIIA CEO, Mr Ron Gauci** said: "This is a time for our political leaders to show that they truly understand the benefits that can be derived from a commitment to and support for Australia's ICT sector. The growth in ICT is unlimited. It delivers jobs, economic growth, global competitiveness and it protects Australia's core industries. Our geographic location is no restriction on our growth potential. Australia has the opportunity to be a globally leading digital economy, but this is the time for the government to act and support the sector through significant policy initiatives. Given the global trends and how rapidly we are falling behind, this must be the year our Federal Government shows its full support for the ICT sector to achieve the economic benefits on offer. Our industry is full of organisations with the appetite and commercial experience to respond if it can see tangible support from Government."

Australia currently experiences a significant labour gap of 60,000 ICT workers annually, related to supply and demand post-pandemic. Therefore, building a capable workforce is vital to achieving economic prosperity. With international borders re-opening, placing a renewed focus on ICT skills is central to fostering 1.1 million ICT jobs in Australia by 2026. Further, supporting the development of skills, beginning in schools through to upskilling our existing workforce, needs to be a priority for Australia.

Some recommendations set out by the AIIA in its policy submission on behalf of the ICT industry include:

- **Australia's Skills Agenda:** including recommending reforming the Australian Curriculum to prioritise the Digital Economy and Industry 5.0 capabilities for primary and secondary school

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<sup>1</sup> [Source:](#) World Intellectual Property Organisation, *Global Innovation Index 2021, 14th Edition*

students.

- **Digital Government:** Continue to support and fund the Digital Transformation Agency to ensure that it can support digital adoption by the government to be a top 3 digital government by 2025.
- **Emerging Critical Technologies:** Includes a Quantum Strategy to be executed within 12 months, which notes additional funding and establishes a National AI Commercialisation Hub.
- **Domestic Capability:** Establish a 'Made in Australia' Office within the DPM&C.
- **Commercialisation Agenda:** Undertake urgent work to support globally-viable commercialisation off the back of government-assisted research. Create a separate R&D software tax incentive and expand the limited scope of the proposed patent box.
- **Digital Health:** Re-engineer 'My Health Record' to enable true digital health record capability.

**The AIIA General Manager of Public Policy Simon Bush** said: “Advancing key areas of the digital economy, such as quantum, digital engineering, industry incentives and cyber security is critical. Australia must prioritise these innovative technologies in our critical industries to ensure we are globally competitive. For example, Quantum computing offers strong opportunities for Australia to lead, but there is still no national strategy.

“Now is the time for the Federal Government to act swiftly, support our innovative technologies, activate a full-scale national strategy and in turn, become a leading digital economy by 2030.”

The 2022 Policy Submission builds on work the AIIA have undertaken in the past two years, advocating and supporting a range of recommendations adopted by the Australian government including:

- Recognising that digitising the economy is critical to our nation's success
- Increasing the R&D tax incentive and introducing a patent box
- Appointing a Minister for the Digital Economy
- Funding a National Freight Hub
- Investment in digital skills
- Investing in cyber security resilience
- Invest in an AI Strategy and funding including a focus on commercialisation
- Additional funding to ensure Australia maintains a global capability and skills in Quantum technologies

The AIIA is a not-for-profit organisation aimed at fuelling Australia's future social and economic prosperity through tech innovation and remains committed to working with all levels of Government to secure Australia's digital future.

To view the full set of recommendations by industry please visit: [Federal Government Pre-Budget and Pre-Election Policy Submission 2022](#)

**ENDS**

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### **About AIIA**

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. Since 1978 AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for members and to contribute to Australia's economic prosperity. We do this by delivering outstanding member value by providing a strong voice of influence; building a sense of community through events and education; enabling a network for collaboration and inspiration; developing compelling content and relevant and interesting information.