# Australian Information Industry Association

# Submission to

# Future Made in Australia Bill 2024 and

# the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024

**30 July 2024**

**Introduction**

The Australian Information Industry Association (AIIA) appreciates the opportunity to respond to the Senate Standing Committees on Economics regarding the Future Made in Australia Bill 2024 and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 ('FMIA Bill').

**Support for the Future Made in Australia Bill**

The AIIA supports the FMIA Bill for several key reasons:

1. **Support for Domestic Capability**: The "Made in Australia" Office initiative is an AIIA-led proposal to focus on developing strategically important information industry capabilities (also known as domestic capability priorities) to support critical Australian industries and growth of emerging critical technologies. By promoting domestic innovative technologies, we aim to enhance Australia's digital economy, competitiveness and technological capabilities.

2. **Co-Investment Model**: The bill's emphasis on co-investment aligns with AIIA's advocacy for robust public-private partnerships. This collaborative approach is essential for pooling resources and expertise to foster growth in the Australian digital economy.

3. **Community Benefit Principles**: The AIIA has long advocated for 'retained economic benefit' (REB). We believe that investments should consider the lasting positive externalities they create, such as job creation, local wealth generation, technology transfer, and the reinvestment of revenue domestically. These factors are crucial for ensuring that economic growth benefits the broader community.

4. **Emerging Technologies and Renewable Energy**: The AIIA recognises that emerging technologies and their integration are pivotal for developing advanced manufacturing capabilities. We see these technologies as instrumental in positioning Australia as a leader in renewable energy and addressing climate change.

**Recommendation 1: Clarification of 'Domestic Industrial Capabilities'**

While the AIIA supports enhancing domestic capabilities, we caution against conflating this goal with protectionism. It is vital to focus on strategic gains for the Australian economy without resorting to policies that might limit trade and harm ongoing businesses.

This recommendation aligns with [AIIA's stance on developing sovereign capability](#) within the Australian technology sector. We emphasise the importance of considering the positive externalities of international vendors' proposals, such as job creation, local wealth generation, technology transfer, and the potential for domestic reinvestment, particularly in Research & Development and Intellectual Property.

We also recommend greater harmonisation between the considerations outlined in the FMIA Bill and the 'Consideration of Broader Economic Benefits' in government procurement. These principles should be consistent to ensure that government investments and expenditures yield the highest value. Furthermore, the Community Benefit Principles should include the creation of Intellectual Property, which can be commercialised to contribute to national income and GDP growth on an ongoing basis.

**Recommendation 2: Acknowledgement of Digital Underpinning for Clean Energy Acceleration in Part 2 - National Interest Framework in the Legislation**

While the focus on clean and renewable energy sectors is commendable, it is essential to also support the underlying software and data supply chain. We urge the government to provide strategic support to scaleups, enabling them to commercialise their ICT solutions—such as AI, robotics, and IoT—alongside clean energy technology manufacturing. AI, for example, are critical tools for advanced manufacturing processes and managing future energy grids. For this reason, the AIIA recommends the concurrent development of valuing-adding technologies be part of the consideration in Part 2, specifically s 8 on conduct of sector assessments - Matters to be considered.

The AIIA Tech and Sustainability whitepaper highlighted numerous case studies demonstrating how AI, robotics, and automation are transforming the advanced manufacturing industry. This AI-driven Industry 5.0 can significantly reduce the carbon footprint of advanced manufacturing and other sectors. Therefore, Australia must not only consume these emerging technologies but also play a role in its development and commercialisation.

**Recommendation 3: Funding the Critical Minerals Sector, focusing on technology integration costs.**
We recommend targeted funding for the Critical Minerals sector, focusing on technology integration costs. This initiative would support the Made in Australia agenda by aiding both Australian critical miners and smaller technology integrators. Currently, many small start-ups in this sector prioritise immediate operational needs over building a robust digital foundation.

While this approach may suffice in the short term, it poses long-term challenges as these companies scale up and require more robust digital solutions. Having a robust digital infrastructure provides a significant competitive advantage for a critical mining company. When commodity prices fluctuate, maintaining cost efficiency becomes paramount. A good business technology system helps streamline business operations, providing crucial insights into every aspect of the business. For instance, it can greatly enhance maintenance systems, ensuring maximum uptime for essential machinery. In mining, where downtime means lost revenue, this capability is invaluable.

Furthermore, for high-cost producers, the efficiency and productivity gains from an effective Enterprise resource planning (ERP) system can be transformative. It allows companies to monitor operations closely, optimise resource allocation, and ultimately run their businesses more efficiently. This is the essence of competitive advantage in advanced manufacturing: having a system that not only supports but enhances business performance in a cost-conscious industry.

Software integrators are specialists who help mining companies effectively connect and unify different software systems and applications. In the context of a mining operation, this involves several key tasks:

1. **System Integration**: A mining company typically uses multiple software solutions for various functions, such as ERP systems for resource planning, maintenance management systems,

and financial reporting tools. A software integrator ensures these systems can communicate and share data, creating a cohesive IT environment.

2. **Customisation and Configuration**: They tailor software solutions to meet the specific needs of the mining operation. This might include customising workflows, setting up automated processes, and configuring systems to handle unique mining tasks and challenges.

3. **Data Management**: Integrators work to ensure that data from different sources is accurately consolidated and made accessible. This involves setting up data pipelines, ensuring data integrity, and enabling real-time data sharing across systems. For example, integrating sensor data from mining equipment with the ERP system for better maintenance planning.

4. **Improving Efficiency and Productivity**: By integrating various software systems, they help streamline operations, reduce redundancy, and enhance overall productivity. For instance, integrating maintenance software with operational data can help predict equipment failures and schedule timely repairs, minimising downtime.

5. **Ensuring Compliance and Security**: In the mining sector, regulatory compliance and data security are paramount. Integrators ensure that all integrated systems adhere to industry standards and regulations, and they implement robust security measures to protect sensitive information.

6. **Training**: They provide training to staff on how to use the integrated systems effectively.

There is an opportunity for the Australian Government to support both the net zero transformation businesses but also Australian technology businesses. Although many software solutions are cloud-based, there are still significant upfront costs for integrating these technologies into mining operations. For this reason, we recommend that Critical Mining and other net zero transformation businesses should have the costs of these integration costs offset by a one-off grant. Mitigating this upfront cost would provide Critical Mining and other net zero transformation businesses the greater choice of robust fit for purpose business technologies that will scale as their businesses grow.

**Conclusion**
The AIIA thanks the Committee once again for the opportunity to provide our input on this important legislative initiative. Should you require further information, please contact Ms Siew Lee Seow, General Manager, Policy and Media, at siewlee@aiia.com.au or 0435 620 406.

Yours sincerely
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**About the AIIA**

The AIIA is Australia's peak representative body and advocacy group for those in the digital ecosystem. Since 1978, the AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for our members and to contribute to Australia's economic prosperity.

We are a not-for-profit organisation to benefit members, which represents around 90% of the over one million employed in the technology sector in Australia. We are unique in that we represent the diversity of the technology ecosystem from small and medium businesses, start-ups, universities, and digital incubators through to large Australian companies, multinational software and hardware companies, data centres, telecommunications companies and technology consulting companies.