aiia
australian information
industry association

**AIIA
Queensland
Pre-Election
Policy Statement**

July 2024

Executive Summary

The Australian Information Industry Association's (AIIA) Pre-Election Policy Statement highlights the importance of digital technologies in driving the state's economy. The technology sector is the third largest industry in Australia, contributing $167 billion or 8.5% of GDP. Queensland has the third largest digital economy in the country and has experienced significant growth in its technology workforce.

To both lock in productivity and growth benefits and maximise the opportunities from the Brisbane 2032 Olympic Games, the Queensland government needs to invest in true economy-wide digital enablement. This includes supporting the adoption of advanced technologies like artificial intelligence and digital platforms to boost labour productivity and state GDP growth.

The Policy Statement also emphasises the need for developing Queensland's ICT industry, fostering local start-ups and supporting the growth and scale-up of small businesses. Smarter procurement practices, collaboration between start-ups and larger companies, and partnerships with universities are recommended to drive innovation and growth in priority industries.

Addressing the digital skills gap is crucial for Queensland's economic future. The Policy Statement proposes investing in a talent development marketplace – the AIIA Capability Hub, that allows workers to acquire the necessary skills for digital job opportunities. This will help bridge the gap and ensure a highly skilled workforce.

In terms of government services, digitalisation is seen as the key to doing more with less. The establishment of a Customer Services & Digital Minister with a dedicated portfolio and budget is recommended to provide the leadership to drive digital transformation. An efficiency audit detailing the level of technology legacy debt should be conducted to consolidate platforms and drive efficiencies, enabling agencies to focus on core tasks.

In conclusion, the AIIA Queensland Pre-Election Policy Statement is calling for a strategic approach to digitalisation across targeted areas of the Queensland economy. The AIIA has put forward five pragmatic recommendations that will help an incoming Queensland Government. The AIIA also proposes regular industry engagement structures between both the Ministry and responsible government agencies.

By investing in the digital enablement of government, developing the ICT industry, and growing a highly skilled workforce, Queensland can position itself for continued economic growth and improved quality of life.

Why the digital technology sector matters to Queensland?

Digital technologies provide the backbone of the modern Australian economy. The technology sector is the third largest industry in Australia, providing an economic contribution of $167 billion or 8.5% of GDP[1]. The growth in this sector was four times faster than the rest of the economy over the past 5 years. This sector is also an enabler for all other sectors, so its true benefits and scale are in fact much larger, and embedded across core sectors like government, agriculture, mining, and healthcare.

The state of Queensland is also the third largest digital economy in Australia. Our technology workforce grew more than three times the national average in 2022[2]. The future of our economic growth and quality of life will be driven by productivity gains from digitalisation, a well-developed digitally inclusive ICT industry, and by growing our technology talent pool.

At the same time, Queensland is faced with a once in a generation opportunity to take advantage of the Brisbane 2032 Olympic Games as a lever to transform the Queensland private and public sector economy through a 'digital-first' strategy. Whilst the current government has publicly recognised this, much stronger commitment is required to invest in true economy-wide digital enablement for economic participation, inclusion and regionalisation, together with the requisite supporting digital infrastructure to avoid missing out on this opportunity that is unlikely to be regained.

- **Productivity gains** – The adoption of advances in technologies, such as generative artificial intelligence and digital platforms, can help boost labour productivity and state GDP growth. Australia and Queensland has a productivity and economic growth problem with March quarter data showing only 0.1 per cent growth. Digital technologies are productivity enablers across every industry sector in the Queensland economy and need to be supported through government leadership and strategic approach to investment as well as government itself being the exemplar as a large procurer of technology itself.

- **ICT industry development and digital inclusion** – Queensland is a close third in the location of all start-ups in Australia.[3] Conversely, little investment is made to support 'scale-up' firms to growth and internationalise. With the right policy environment, we can make it more attractive to foster the next tech innovation success story. At the same time, Queensland faces a growing digital divide between its regions. With the right framework and technology infrastructure in place, coupled with appropriate industry support levers, we would be able to improve digital inclusion of regional populations to create jobs, scale up and internationalise our tech sector, and better enable economic growth.

1 Digital technology report | Austrade International
2 ACS Australia's digital pulse 2023
3 Australia: share of startups by location 2023 | Statista

- **Growing the technology talent pool** – Queensland's technology workforce in 2030 will look vastly different to today. We need 67,000 more technology workers by 2030 to keep up with international peers.[4] However, we are expected to produce only 27,000 through education, migration, and reskilling. This talent gap is further exasperated by continued high drop-out rates of undergraduate IT students across the Higher Education sector which, in part, could be addressed by stronger support for industry-university linkages to aid in making degree programs more in-line with the in-demand skills of relevance for employers and, as a result, graduates more 'job ready'. More needs to be done to develop the world-class technology skills and workforce needed to meet demand.

As Australia's peak representative body and advocacy group for organisations in the digital ecosystem, the Australian Information Industry Association (AIIA) is putting forward policy recommendations in the areas that will support an incoming Queensland Government better manage growth and provide Queensland communities the best quality of life possible.
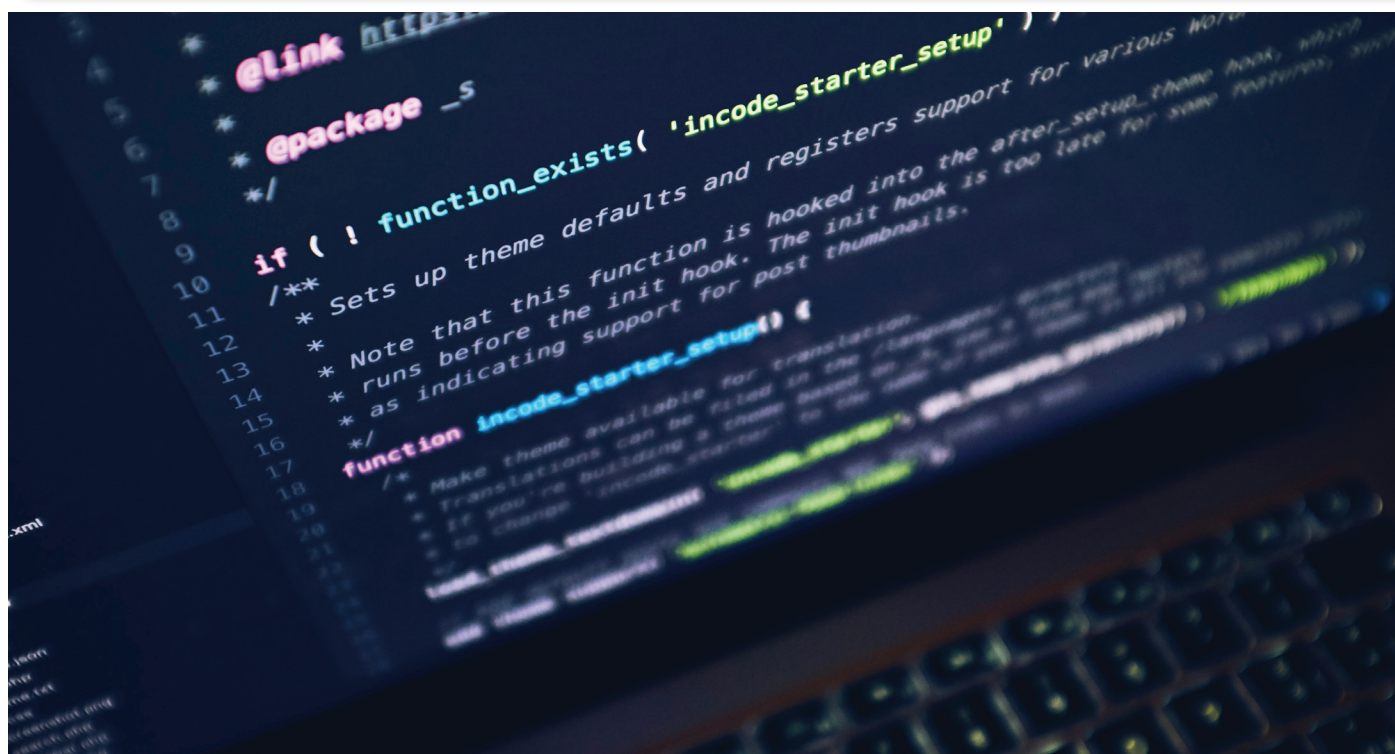

4 ACS Australia's digital pulse 2023

Digitalise government to do more with less

Government faces increasing demand for services as well as complex issues. Queenslanders expect the same level of digital service delivery from their government that they receive from banks and other service providers. However, the government is constrained by workforce shortage and by available infrastructure. Digital is the productivity lever for government to deliver on increasing demand for services within the available workforce and infrastructure (e.g., Digital customer services, Virtual healthcare), and to enable smarter ways of addressing complex economic and social issues.

RECOMMENDATION 1

Dedicated Minister: Establish a Customer Services & Digital Minister with a dedicated portfolio and budget to provide the focus for government, reduce siloed approaches to digital investments, develop the Queensland ICT industry and drive the policy recommendations noted here. The AIIA proposes semi-annual Ministerial roundtables and quarterly agency roundtables to provide input and support.

NSW has become the leading state for digital services adopting this approach while Queensland has in recent years come in on the bottom half of Australian digital government maturity indexes notwithstanding recent improvements. New Zealand has a similar ministry and is digitising its government, while the federal government has invested heavily in both digital government and digital tech platforms that support economic development and social cohesion (for example the ATO's single touch payroll system, digital identity legislation and funding and MyGov funding).

RECOMMENDATION 2

Efficiency review: The new Minister should conduct a review of the services offered to citizens by government and the underlying ICT infrastructure and look to consolidate or improve information sharing to drive efficiencies. This way agencies can focus on their core tasks and reduce the number of ways the citizen needs to engage with the state government. The efficiencies generated should be repurposed into investment in modern digital platforms and remediating the growing portfolio of ageing high-risk systems.

RECOMMENDATION 3

Contemporary platforms: Undertake strategic planning and investments in contemporary government platforms with standardised service models to enable workforce productivity, sustainability, business efficiency and smarter decisions for agencies. Examples of modern platforms include native cloud platforms such as IaaS, PaaS and SaaS offerings that are the foundtation for modern AI tools and enhanced cyber security capabilities. Agencies can also use these platforms to innovate in their service delivery, in a similar way to the Australian government (which ranked 5th globally in OECD's 2023 Digital Government Index)[5]. Investments for the establishment of these platforms and initial transitions from existing ageing high-risk systems, should be treated as foundational digital infrastructure for achieving productivity gains in frontline service delivery[6]. This will enable the rest of government to transition.

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5 The Digital Government Index: How does Australia measure up? – Parliament of Australia (aph.gov.au)
6 Frontline Worker Productivity Enabled by Technology

Develop Queensland's ICT industry, fostering local startups and small businesses

The AIIA supports the intent and ambition behind the ICT Small-Medium Enterprise (SME) participation scheme policy and commends the Queensland government in exceeding the 30% target for ICT SME spend. However, more needs to be done to effectively build Queensland ICT start-ups and SME capacity in the priority industries that our State should be looking for innovation and growth – e.g., Construction Tech, Mining Tech, Renewal Energy Tech, Digital Health & Aged Care and Ed Tech.

RECOMMENDATION 4

Smarter procurement: Undertake a review of government procurement, with industry consultation, to enable the development of the local ICT industry balancing support for start-ups and growing/scaling up existing small businesses. When procuring, agencies should be guided by a framework that considers the following:

- *Bring industry ecosystem together*: Encourage partnerships between start-ups or SMEs with larger companies that leverages the strengths of both. Start-ups and SMEs will bring innovation, while larger firms can provide stability and experience for complex projects. This approach is currently in place to an extent, but the focus on price can overshadow the benefits to the ICT SME marketplace (e.g., help SMEs in the local industries scale up).

- *Collaboration:* Support SMEs and Government collaborating with universities for product innovation and student (undergraduate to PhD) Work Integrated Learning. This aids both innovation activity as well as tech talent recruitment pathways. Additionally, it becomes a mechanism to start to address large university ICT student dropout rates (est. around 30%) by strengthening links of students to employers. The AIIA proposes to conduct a workshop series between industry, government and educational institutions to assist with this collaboration.

- *Tiered procurement*: Establish tiering based on procurement value and/or risk, as below:
  - Small value – Confirm priority industries and favourably consider local SMEs from those industries. Look for ways to reduce red tape and make it easier for small businesses to participate in procurement.

  - Large value or high risk – Conduct early market engagement and dialog that supports consortium formation. Provide recognition of SME collaboration in supply arrangements.

- *Regional ICT industry development:* Provide visibility on the progress being made around the use of regional SMEs or regional ICT workforce, with better government procurement reporting. For priority regions with widening gaps, industry development plans should be developed to help relevant state government bodies, local government and industry to work closely on focus areas for ICT industry development for that region.

Create more higher paid digitally skilled talent

One of the fastest growing workforces in Queensland is in digital. Digital jobs require high skills and are highly paid. Addressing the digital skill gap – in the technology sector or in the wider Queensland workforce - is going to be vital for our economic future. We need to shift our thinking from preventing a brain drain to making Queensland a place where top talent want to work in.

RECOMMENDATION 5

Talent development marketplace: Invest in a whole of government talent development marketplace to build on the AIIA-QLD Partnership for the QLD Government Digital Network. The current partnership between Queensland government and the AIIA has seen the initiation of the QLD Government Network as part of the AIIA Capability Hub. It is proposed that this partnership be extended to place a focus on service design excellence and the adoption of the AIIA's Service Design Accelerator to further support service design transformations across the Queensland public sector. The extension of this into a talent development marketplace could further support lifelong learning for capability uplift and allow workers from government and industry, as well as potentially students, to better identify digital career pathways, see digital job opportunities and the skills associated with them. They can then find and build on those skills to qualify for the new roles and advancement. Additionally, agencies can track which digital skills are lacking and in demand, and where targeted investment is required to realise productivity gains.

About the AIIA

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for organisations 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; and developing compelling content and relevant and interesting information.

Our members are diverse and truly represent the diversity of the Australian tech ecosystem and include Australian SMEs and larger technology, telecommunications and infrastructure and cloud companies as well as hyper-scale cloud and multi-national software and SAS providers.

Our structure is inclusive, with State Councils in five states and the ACT, including a Quuensland Council that provides direction and support for businesses, large and small.

This submission is informed by a policy platform that is both national in its outlook and ambition for the Australian industry and focussed on its approach to outcomes specific to the Quuensland landscape. We welcome to opportunity to work with all parties on a forward-thinking agenda.

Current Queensland Council Members

Council Chair
Peter Beven - iEC Professional Pty Ltd

Council Deputy Chair's
Richard James - SYPAQ Systems Pty Ltd
Paul Bisson - Data#3 Limited

Committee Members

Dan Getliffe - SAP Australia
Stuart Kiernan - Palo Alto Networks (Australia)
Kurt Euston - Telstra Enterprise
Lily Clarke - SAS Institute
Mark Nicholls - Information Professionals Group
Chenn Sanganithy - Deloitte Touche Tohmatsu
Paul Prokic - G1 Asset Management
Jodi Phillips - Amazon Web Services Australia

Michael Perry - SFDC Australia
Jason Felstein - Capgemini Australia
Brad Spencer - Optus Enterprise & Business
Maggie ZandFarid - Technology One
Graham Cummins - KJR Australia

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