Thursday, 30th November 2017

Digital Economy Strategy team
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Dear Digital Economy Strategy team

Re -The Digital Economy - Opening the Conversation

1. Introduction

The Motor Trades Association – Queensland (MTA Queensland) or the (the Association) responds to the Department of Industry, Science and Innovation's invitation to contribute to the conversation on the digital economy strategy. The MTA Queensland's comments are on behalf of its constituent divisions and are confined to issues which relate to the interest of Queensland's automotive value chain.

2 Overview

2.1 The MTA Queensland has formed the view that digitisation has the enormous capability to be a powerful tool to assist members in their business operations and communications with consumers, suppliers and government agencies. As technologies evolved, the focus has been on providing knowledge on business concepts, models and opportunities that require new investments in computing infrastructure, human capital and skills to participate in the digital economy. These investments and knowledge, regardless of geography (location), are vital to prevent exclusion from engagement in e-commerce and e-business arising from digitisation.

2.2 In view of the paradigm technological and digital shifts in conducting business, the MTA Queensland's strategic plan identified participation in the digital economy and innovation as a core responsibility. This required leadership to promote the emerging technologies, digitisation and the innovations to the automotive value chain to ensure business model adaption that aligned with the digital economy.

2.3 For this purpose the *Carmageddon* initiative was established to inform members of emerging technologies related to the digital economy to enable business model adaption; develop and implement strategies; to innovate and utilise new products to advantage their enterprises. *Carmageddon* symposiums were held bringing together experts from academia, business, law and industry to discuss industry developments and technological advancements. These symposiums, will continue to promote the need to reinvent business models and practices to meet modern mechanisation and digitisation in the automotive value chain over the near to medium terms.

2.4 To ensure knowledge and uptake of government digital economy initiatives, the Association has promoted online data transfer programs to members such as the Australian Taxation Office's Single Touch payroll, Simpler BAS, the Small Business Superannuation Clearing House etc.

2.5 The Association incorporated into its new corporate office and training entity - the MTA Institute (MTAI) - state-of-the-art fibre connectivity and invested in an Information and Communications Technology (ICT) system to meet data transfer requirements. This ICT system enables the MTAI to deliver digitised training services from a large-scale eLearning platform My Profiling and provides the framework from which to deliver future technologies. These include Virtual and Mixed reality to enhance the Institute's industry leading, on-site, face-to-face, training model. Apprentices and their employers have adopted the eLearning system particularly for its ease of use. All regional and external workforces have the latest 4G wireless network for tablets and mobile technology.

2.6 Security of the ICT system and risk minimisation is a priority. Security of corporate data and networks enhanced by cloud technology adoption is a core responsibility. From the Association's perspective, ICT security requires ongoing investments in internal compliance policy, services and hardware and software.

3 Challenges

3.1 A challenge for automotive value chain businesses is the speed of the transition from traditional business operations to e-commerce and e-business and access to smart technology. This requires investment in skilled human capital, digital infrastructure, networks, hardware/software, and telecommunications to operate effectively in the digital economy.

3.2 For businesses in the sector to survive, the view within the Association is that opportunities emerging from digitisation combined with science and technology must be seized so that business models may adapt or change to enable sustainability in the industry and the digital economy. For this reason, the Association established the MTA*i*Q (*iQ* hub). This is an innovation hub based at the corporate office and is designed to cultivate a community of entrepreneurial minds that can coalesce, collaborate and develop their ideas into a viable business proposition. It is the first innovation hub in Australia geared solely at the automotive industry.

3.3 The innovation hub brings together mentors, investors, coaches, commercial partners, and industry experts to collaborate on the digital disruption and emerging technologies. It has the potential to assist existing and new start-up automotive business to develop business models to capitalise on those opportunities linked to new technology.

4. Issues/Ideas

4.1 Technologies are evolving faster than skills capability and organisational or business uptake. Emphasis must be on the digital infrastructure and the up-skilling of business and human capacity to comprehend and work with the evolving technologies. Without this, the advantages of artificial intelligence, robotics, analytics and digitisation to the digital economy will not be fully realised.

4.2 The Association notes the Australian Government has instituted the Small Business Digital Taskforce to ensure small businesses can thrive in an increasingly digital economy. This provides an opportunity for the consideration of educative programs to influence small business to invest in the technologies to increase customer/consumer engagement in the digital economy.

4.3 The digital economy has risks that include data breach or cyber-attacks. Whilst it is a business responsibility to have risk management policies and the necessary hardware and software to protect data, the government agencies could increase their conversations with consumers via webinars/videos/YouTube and other educational tools to promote the need for a safe and secure digital environment. The subjects although elementary, could continue to address mainstream issues such as best business practices, password management, business security, antivirus security protection and firewall.

4.4 An internet service that has speed, integrity and reliability is critical for business functionality, productivity, competitiveness and compliance. There is a connectivity disparity across Australia with some businesses having fast and reliable internet connections whilst others are left with limited capacity to transmit vast amounts of data rapidly and reliably. Included in the conversation on the digital economy must be a response to the businesses or households that lack the internet capability for the timely transfer of data.

4.5 Government agencies when designing new compliance programs, should keep in mind that small to medium businesses may not have the expertise or the time to work through the processes and invest in or seek external profession advice to introduce or utilise the benefits.

4.6 As the digital economy expands, governments should be obliged to use a regulatory light touch so as not to impose unnecessary financial and administrative constraints to the detriment of the sector. The Institute of Public Affairs has undertaken research on compliance costs which indicates that 'red tape' imposed by all levels of Government 'costs the economy an estimated $176 billion per year' (Dr Mikayla Novak, 'Cut Red Tape to Unleash Prosperity').

5. Conclusion

5.1 The speed of emerging technologies over the next decade will have a profound impact and introduce vast changes in the conduct and operation of business and commerce. It is essential that knowledge of digitisation or geography (location) does not exclude current or potential entrepreneurs from participating in the digital economy. Government, academics and industry organisations must collaborate and lead, underpinned by educative programs, to ensure knowledge of the digital transformations underway in the economy and urge investments in intellectual and human capital, skills and the technological infrastructure.

6. The MTA Queensland Background

6.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State. There are some 14,000 automotive value chain businesses employing more than 90,000 persons generating up to $21 billion annually. It is an industrial association of employers incorporated pursuant to the *Fair Work (Registered Organisations) Act 2009.* The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

6.2 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering all aspects of the retail motor trades industry through the MTA Institute (MTAI). It is the largest automotive apprentice trainer in Queensland employing trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTAI last financial year accredited courses to approximately 2,000 apprentices and trainees from across Queensland.

Thank you for your consideration.

Yours sincerely

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Group Chief Executive