

## **MEDIA RELEASE**

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### **AIIA Expresses Disappointment with Federal Budget's Minimal Investments in Critical Technologies**

The Australian Information Industry Association (AIIA) expresses profound disappointment with the Federal Budget's inadequate allocation of funds towards critical technologies, particularly Artificial Intelligence (AI). Despite the global trend of escalating investments in AI and other transformative technologies, the 2024 Federal Budget fails to meet the urgency and scale required for Australia to remain competitive on the world stage.

Comparative figures from our trade partners underscore the severity of Australia's underinvestment and resultant poor adoption of AI technologies. While countries like Canada and Singapore have recently committed \$2.7 billion and \$5 billion in their budgets towards advancing AI capabilities, Australia's allocation of \$39.9 million over five years (\$8 million a year) is negligible in comparison and not one dollar is allocated to industry for growing Australian capability. This effectively null investment is more than disappointing as it not only jeopardises our global competitiveness but also undermines our productivity growth and innovation across our economy.

The AIIA is deeply concerned that multiple consecutive years of underinvestment in AI coupled with a focus on regulation over economy-wide adoption will significantly hamper the growth of Australia's tech industry, a vital asset for the nation's economic resilience and prosperity.

While the AIIA acknowledges the introduction of the new Future Made in Australia Act, we continue to stress the critical need for it to incorporate a long-term AI strategy and considerations for productivity enhancement. Without such provisions, the Act risks falling short of addressing the urgent challenges facing Australia's economy and its anaemic GDP growth. Notwithstanding, the AIIA welcomes the undertaking of a strategic examination of Australia's research and development (R&D) system with \$38.2 million invested in a range of science, technology, engineering, and maths programs.

With the passing of enabling legislation, the Budget also funds the roll out of a national Digital Identity Scheme with \$288.1 million allocated which we strongly support. The AIIA notes that this scheme when rolled-out will present growth opportunities for service providers in cloud, data security, biometrics, encryption, identity management, and Internet of Things security in addition to improving citizen experience and safety in accessing Government Services. This is a welcome boost to citizen privacy, consumer digital service innovation and productivity benefits that the new scheme will bring once fully operational.

Furthermore, the AIIA also supports the Government's provision of \$68 million over four years to support First Nations digital inclusion, which include building remote community Wi-Fi and improving digital literacy.

The AIIA urges the Albanese Government to recognise the criticality to Australia's economic future and the Made in Australia ambition of strategic investments in critical technologies, particularly AI, and to take decisive action to ensure Australia's competitiveness and productivity in the global arena.

The AIIA CEO, Mr Simon Bush, commented, "The persistent pattern of insufficient investments and slow adoption of transformative technologies threatens to keep Australia trailing behind its international counterparts. As other nations forge ahead in the AI race, Australia risks becoming increasingly uncompetitive and unproductive."

"The tech sector has suffered years and years of lack of support from successive Australian governments, which is counterintuitive to developing a competitive digital ecosystem. The stakes are high with the future productivity of our core industries at risk and our standard of living being eroded," Mr Bush said.

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**About AIIA**

The Australian Information Industry Association (AIIA) is the peak ICT body, representing approximately 90 per cent of Australians employed in the tech industry across a diverse group of members. Since 1978, AIIA has pursued strategic policies and activities to stimulate and grow Australia's digital ecosystem to create a favourable business environment and contribute to Australia's economic prosperity. We do this by providing a strong voice for the industry; building a sense of community through events and education; enabling a network for collaboration and inspiration; and developing compelling content from the industry's expertise.