

# MEDIA RELEASE



## FOR IMMEDIATE RELEASE

3 February 2025

### Federal Budget is an opportunity for Australia to be dealt into AI global race

The Australian Information Industry Association (AIIA) has warned that Australia is fast becoming a global laggard in Artificial Intelligence (AI) adoption, as a lack of strategic investment and research funding threatens the country's economic competitiveness, productivity and social equity.

The AIIA's 2025–2026 Pre-Budget Submission highlights that while nations like Canada and Singapore have recently committed \$2.7 billion and \$5 billion respectively towards AI development and adoption, the Australian Government so far has avoided making any significant investments.

Compounding this issue, the AIIA understands that not a single AI-focused research project will receive any funding from the 2026 Australian Research Council Centre of Excellent (CoE) grants, exposing a fundamental flaw in Australia's approach to supporting AI innovation. The AIIA is calling for urgent corrective action in the Budget, including the establishment of a dedicated AI Centre of Excellence, with at least \$150 million in initial funding to ensure Australian businesses and researchers remain globally competitive.

The AIIA CEO Simon Bush said, "Australia is already falling behind in AI adoption, so the Budget presents an urgent opportunity to provide meaningful funding for AI research through a dedicated and well-funded AI CoE that has industry support and focused on translating research into commercialisation and adoption.

"Without significant investment, we risk becoming an unattractive destination for technology businesses, leading to lower productivity and economic stagnation and loss of deep research AI skills. The Albanese Government needs to urgently rectify this, or risk Australia being left behind in the global AI race," Mr Bush said.

### The AIIA's 10 Key Budget Recommendations:

1. **Accelerate the development of the National AI Capability plan** and ensure there would be key recommendations before the 2026-2027 budget cycle.
2. **Establish an AI Centre of Excellence** to fund fundamental AI research and commercialisation, separate from the flawed ARC grant process.
3. **Unlock public datasets** to accelerate AI-driven innovation in key sectors like healthcare, disability services, transport, and climate adaptation.
4. **Invest in modernise government systems** to improve efficiency and cybersecurity, modernise digital infrastructure, and drive productivity in the public sector.
5. **Support AI adoption by Australian businesses**, ensuring they remain globally competitive while maintaining ethical AI standards.

# MEDIA RELEASE

6. **Launch a national AI public awareness campaign** to improve digital literacy and counter misinformation about AI technologies, avoiding digital exclusion.
7. **Continued support for Future Made in Australia and modernising energy grid** to accelerate integration of renewable energy sources, aligning with national emissions targets.
8. **Strengthening cyber security and supply chain resilience** to protect national interests and maintain public trust in digital services.
9. **Supporting the circular economy transition** to minimise environmental harm, support resource circularity, and bolster Australia's economy and green credentials.
10. **Funding digital cadetship and digital skills** to help transition workers to the modern economy for gainful employment and businesses to grow.

The AIIA 2025-2026 Pre-budget submission can be accessed [here](#).

**ENDS**

For further information, please contact:

## **Media**

Siew Lee Seow

General Manager, Policy and Media

E: [siewlee@aiaa.com.au](mailto:siewlee@aiaa.com.au)

M: 0435 620 406

\*\*\*

## **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