Australian Government
Department of Industry, Science and Resources

Meeting Brief

MB25-000216

FOR INFORMATION - Meeting with Scott Farquhar, Chair of the Tech Council of Australia and Co-Founder Atlassian, and Damian Kassabgi, CEO of the Tech Council of Australia [5/05/2025]

TO: Minister for Industry and Innovation, Minister for Science
CC: Assistant Minister for Science, Technology and the Digital Economy

PURPOSE OF MEETING

- You will both meet with Scott Farquhar, Chair of the Tech Council of Australia (TCA) and Damian Kassabgi, CEO of the TCA to discuss how technologies – such as Artificial Intelligence (AI) – can help secure Australia's future. Biographies are at Attachment A.
- The TCA considers the current regulatory system is sufficient for AI. You can outline the government is focused on capturing the opportunity of AI. At the same time government needs to work with industry, researchers, unions on a fit-for-purpose regulatory system that supports innovation while mitigating harms.
- The TCA will discuss its priorities including setting a target for tech investment of 4.6 per cent of GDP by 2035. The TCA's pre-election policy platform is at Attachment B.
    - You can outline that you have previously engaged with s 22(1)(a)(ii) and will be receiving on ideas from department from the Strategic Examination of R&D.

KEY MESSAGES

- AI is developing quickly and at scale. It is vital to Australia's future economic growth, competitiveness and productivity. Australia can't be a laggard.
- The government is focused on capturing the opportunity of AI. The National AI Capability Plan will set out how we can grow investment, strengthen AI capabilities, boost AI skills, and secure economic resilience.
    - Three initial areas are being considered: enabling infrastructure (including data centres), growing Australia's local AI industry and lifting adoption.
- The National AI Capability Plan will build on Australia's strengths:
    - research in computer vision, multimodal AI, AI evaluation, smart sensors and field robotics
    - leveraging our expertise in agriculture and health sectors

- being a good incubator of innovation, evidenced by the founding of technology companies with strong AI offerings that compete on the world stage
- being an attractive destination for data centres.

- Building confidence in AI is necessary to boost adoption in Australia. We need a regulatory system that reflects the values of the Australian public, supports innovation while mitigating harm. The government is considering its approach to the regulation of AI in high-risk settings.
  - Business and industry groups including the TCA expect the government to identify gaps in the current regulatory system before any further reforms are considered. This argument is a tactic to delay consideration of regulatory reform.
  - Business want certainty, however the current regulatory system is a patchwork of existing laws that are confusing. This stifles innovation. It also places the burden on consumers and the courts to resolve harms after they occur (for example in areas of negligence, contract law and discrimination). This will take time, is costly, and inefficient as the issues are replicated across different sectors of the economy.

BACKGROUND

- The TCA's election policy platform outlines five areas for government action (see Attachment B):
  - enhancing government leadership through a digital economy strategy and a dedicated digital economy minister;
  - accelerating digital technology investment through research and development, along with tax incentives;
  - prioritising infrastructure for critical technology, including AI through the Plan and broader structural and regulatory support;
  - closing the scale-up funding gap for technology companies by encouraging investment from superannuation companies;
  - boosting technology skills through skilled migration pathways, VET training pathways and early career hires.
- Secretary Meghan Quinn and Deputy Secretary Helen Wilson met with Scott Farquhar and Damian Kassabgi on 13 May 2025. They agreed to continue discussions on the TCA's policy platform and creating the right regulatory environment.
- TCA modelling suggests the tech investment target could contribute an additional $38.3 billion worth of productivity gains to GDP by 2035.
- The TCA has been involved in several engagements on development of the:

- 7 March 2025: the TCA chaired a Ministerial roundtable which included several industry CEOs.
- 24 February 2025: the TCA attended a working level roundtable focused on data centres.
- 7 February 2025: the TCA chaired a working level meeting with DISR on AI skills.
- 29 January 2025: the TCA attended a Ministerial roundtable on AI capability.

SENSITIVITIES

s 47C

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3 June 2025

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s 22(1)(a)(ii)

CONSULTATION

Strategic Examination of Research and Development (SERD) Division, Commercialisation Division, Technology and Digital Division.

GRANTS

In 2021-2022, Atlassian applied for and was approved for payment of $200.46 million under the R&D Tax Incentive.

ATTACHMENTS

A: Biographies
B: Tech Council of Australia – Election Policy Platform

s 22(1)(a)(ii)

The Tech Council of Australia (TCA)

- The TCA is the peak industry body for Australia's tech sector. Providing a trusted voice for Australia's technology industry, with over 160 members, the TCA comprises the full spectrum of tech companies.
- It aims to advise and engage with Australian governments, businesses, and the wider community to help support the ongoing creation, development, and adoption of technology across industries.
- The vision of the TCA is for a prosperous Australia that thrives by harnessing the power of technology.

Tech Council of Australia

INCOMING GOVERNMENT BRIEF

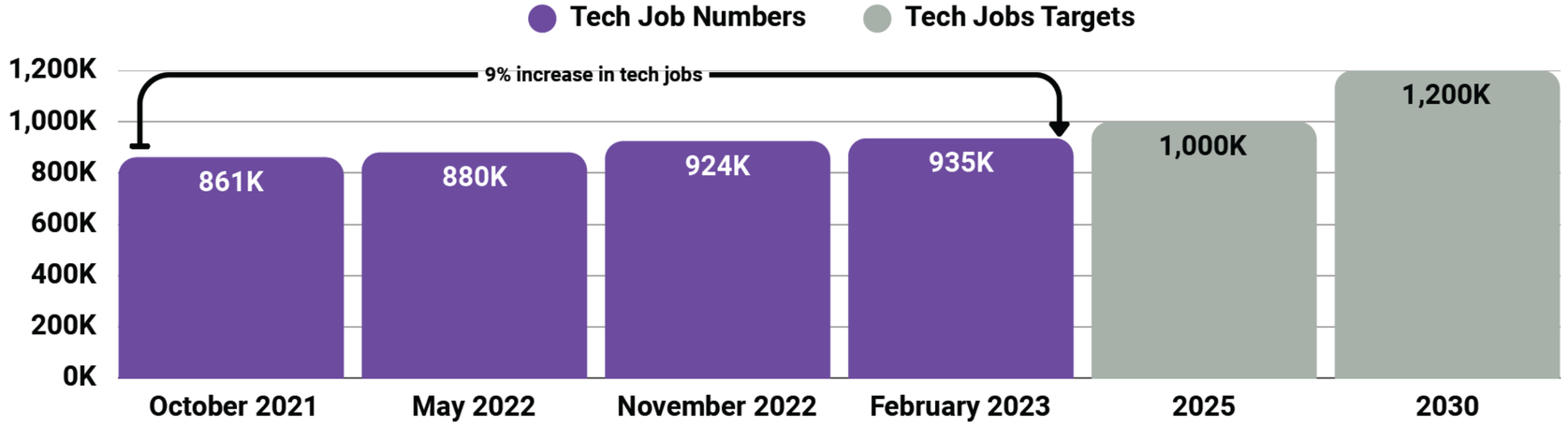
RECOMMENDATIONS

April 2025

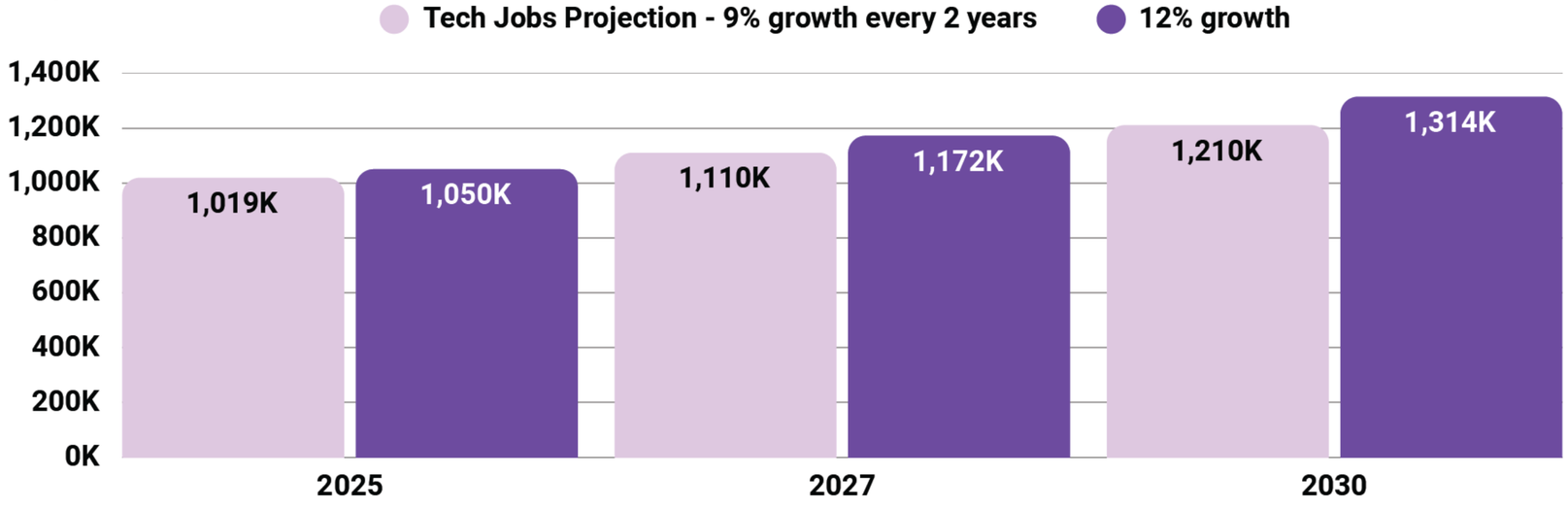
Our effectiveness and impact have seen us grow to >170 members, representing a broad cross-section of the tech sector

Since the TCA launch in August 2021, the tech sector and tech jobs across the economy have grown. We're well on track to exceed our 2025 and 2030 targets.

The number of tech jobs in Australia has steadily increased from 2021 to 2023

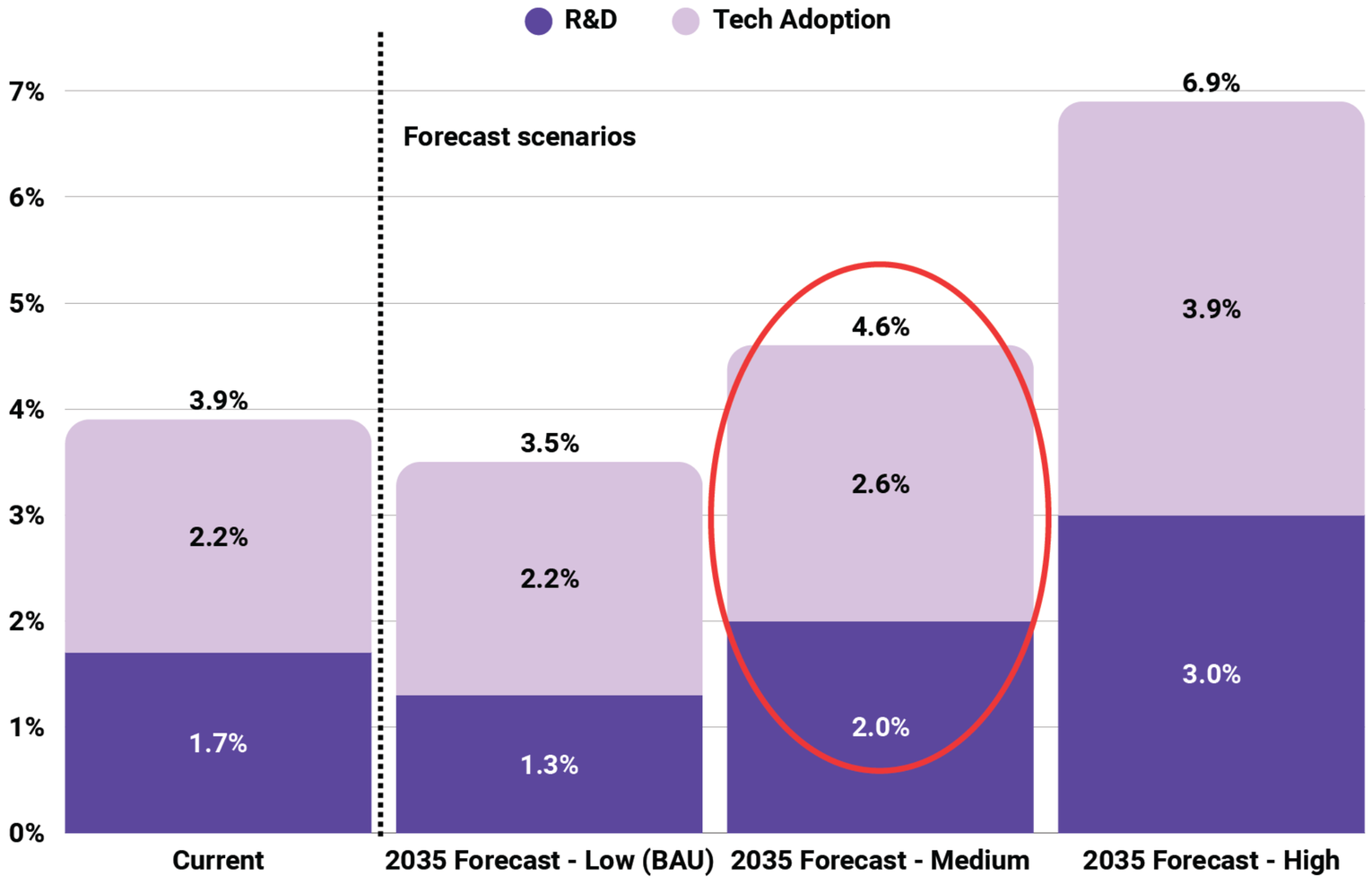


Projected number of tech jobs from 2025 - 2030



But while the tech sector is growing, the nation's economic productivity is stagnating. TCA research found that we must encourage greater tech adoption across the economy and further incentivise R&D spending.

Tech Investment as a share of GDP



Australia's tech investment – defined as the sum of R&D and tech adoption spending – is currently equivalent to 3.9% of GDP, as shown on the left.
That's equivalent to $88bn in total investment, or $3,400 per capita.

Based on existing trends, this figure is forecast to fall to 3.5 per cent of GDP by 2035 due to the ongoing decline of R&D spending as a share of GDP and a lack of growth in tech adoption investment.

Goal for the tech sector

Increase tech investment in R&D + tech adoption to **4.6% of Australia's GDP by 2035**

Election Policy Platform

A set of critical initiatives, headlined by the Tech Investment Target, that sets Australia up for success post-election

1. Enhance Government Leadership:

- Deliver a national digital economy strategy
- Appoint a minister for the digital economy

2. Accelerate Tech Investment:

- Commit to raising Australia's tech investment to 4.6% of GDP by 2035
- Deliver the recommendations of the forthcoming national R&D system review
- Update the RDTI framework to reflect international best practice
- Review and remove barriers to Australian tech export and advance digital trade
- Review the ESOP regime
- Restore accelerated depreciation of software assets

3. Prioritise Infrastructure for AI and Critical Technologies:

- Accelerate the delivery of the National AI Capability plan, and provide regulatory certainty
- Support critical digital infrastructure including data centres and the energy to support them
- Build on Australia's consumer energy tech capability through structural and regulatory support
- Establish dedicated commercialisation support for the quantum sector

4. Close the Scaleup Funding Gap:

- Encourage superannuation investment for scaling tech companies, within existing regulations
- Expand the BRII to create additional opportunities for strategic government procurement, mirroring the US's SBIR
- Commit to continued tech investment through existing programs (NRF and IGP)

5. Boost Tech Skills and Talent:

- Expand resourcing for skilled migration pathways to ensure timely approvals
- Expand the Alternative Pathways Pledge as a national initiative
- Create more industry-relevant tech university and VET pathways

Election Policy Platform

A set of critical initiatives, headlined by the Tech Investment Target, that sets Australia up for success post-election

1. Enhance Government Leadership	Member ask
Develop a digital economy strategy	Adopting TCA's set of priorities as a clear and ambitious policy strategy will ensure that Australia remains competitive and can fully reap the benefits of technological advancement.
Appoint a minister with responsibility for the digital economy	A dedicated minister will strengthen national leadership to drive Australia's tech agenda, and signal to global partners that technology remains a core part of Australia's investment and export growth. This will provide a focal point for policy coordination – overseeing initiatives in a national digital economy strategy, and championing Australia's tech sector.

2. Accelerate tech investment through R&D and tax incentives	Member ask
Establish a shared target to raise Australia's tech investment to 4.6% of GDP by 2035	A joint commitment between Government and industry provides a clear and ambitious goal to drive investment and tech adoption in Australia. This rallying target will help enhance Australia's competitiveness and drive long-term economic growth
Support the work and recommendations of the national R&D system review underway	The review will provide valuable insights into the strengths and weaknesses of Australia's current R&D landscape, including on potential recommendations to streamline funding processes, enhance collaboration between industry, government and academia, and support research commercialisation.

Election Policy Platform

A set of critical initiatives, headlined by the Tech Investment Target, that sets Australia up for success post-election

2. Accelerate tech investment through R&D and tax incentives (continued)	Member ask
Update the R&D Tax Incentive (RDTI) framework to reflect international best practice	Accessing the RDTI is currently expensive, lengthy and complex. Improving its operation and updating definitions to reflect how tech R&D is performed in practice, will provide investment certainty and reduce unnecessary compliance costs – particularly for tech SMEs.
Review and remove barriers to Australian tech export and advance digital trade	Government should review and consider mechanisms to remove barriers and incentivise Australian tech exports. Australia's free trade agreements should advance digital trade (including digital economy agreements and chapters). All restrictions on data localisation, investment and cross-border trade must be narrowly focused on safeguarding national security interests, without hindering R&D. FIRB processes should be updated to improve system efficiency, currently among the lowest in the OECD; and other regulatory processes unique to Australian M&A activity, including the 50-shareholder threshold, should be reviewed.
Improve the Employee Stock Option Plan (ESOP) regime	ESOPs are a powerful incentive for attracting and retaining skilled professionals, particularly for startups and scaleups seeking to draw global talent, while incentivising entrepreneurs to remain in Australia. Improving valuation processes for unlisted companies, eliminating double-taxation on share-based compensation, and updating financial regulation to ensure stock options can operate as effective incentives which will strengthen job growth in the Australian tech sector.
Update the treatment of depreciation schedules to provide greater incentive to invest in intangible assets	At present, depreciation schedules still provide twice the incentive to invest in physical capital over software. Updating these policy settings to treat software and hardware equally will help encourage SME digitisation, and drive technology adoption across the economy.

Election Policy Platform

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3. Prioritise infrastructure for AI and critical technologies	Member ask
Deliver a National AI Capability plan to capitalise on national economic growth and productivity	A comprehensive strategy focused on AI opportunities that takes into account skills, investment, and infrastructure will help us harness this transformative technology which is expected to generate up to $600 billion a year towards Australia's GDP by 2030. This should involve a targeted approach to AI regulation, and updating Australia's copyright regime to implement a text and data mining exception.
Invest in the critical digital infrastructure that underpins our modern economy	Government support for and investment in networks, data centres and storage, as well as the energy systems to support them, will ensure Australia has the robust, scalable infrastructure crucially needed to support tech development and economic growth. This includes the Commonwealth taking a leadership role in coordinating state and local government planning approval processes, and clearly signalling that Australian governments support data centre capability.
Build on Australia's consumer energy tech capability through structural and regulatory support	Innovation and new technology can drive a cheaper, faster and more reliable energy transition through greater coordination and orchestration of consumer energy resources. Policy must safeguard market competition and create an enabling environment where consumer energy resources can drive lower power prices, new jobs and support the Government's energy transition goals.
Establish dedicated commercialisation support for the quantum sector	Australia is already a world leader in quantum research with promising quantum ventures emerging. Dedicated shared infrastructure and commercialisation support for the local sector will bridge the gap for market-ready solutions to position Australia as a key player in quantum, as will ensuring government investment vehicles like the NRF continue to include quantum companies in their mandate.

Election Policy Platform

A set of critical initiatives, headlined by the Tech Investment Target, that sets Australia up for success post-election

4. Close the scaleup funding gap	Member ask
Encourage superannuation investment for scaling tech companies, within existing regulations.	Australia's $3.8 trillion superannuation sector is one of the largest private capital pools in the world; and while we have seen a small number of super funds invest meaningfully in Australian technology in recent years, there is an important opportunity to address perceived regulatory risk in venture capital investment. Signalling from government and regulators that funds can invest with confidence in scaling tech companies, in line with the best financial interests duty, will help unlock outsized returns for members while boosting sovereign tech investment. We also call on government to review further structural initiatives to de-risk domestic tech investment through the super system, including tax measures – particularly, ensuring that unrealised gains remain untaxed – and to consider government support for funds' costs involved in direct tech investments. We encourage the Government to establish an index for tech investment to assist with performance benchmarking, and to partner with us to improve education and visibility of tech investments through super.
Expand the BRII to create additional opportunities for strategic government procurement, mirroring the US's SBIR.	A meaningful expansion of the BRII will reflect the global success of large, specialised government procurement programs, such as the United States' Small Business Innovation and Research program (SBIR). Scaling the BRII would also provide the public sector with a unique opportunity to grow strategic, economically-valuable emerging tech sectors and jobs in Australia, and to provide innovative solutions to large-scale challenges by connecting the BRII with government procurement and to be less risk- averse in procurement than other parts of the economy. Making innovation a clear priority as part of government procurement will give public sector decision-makers greater confidence in looking beyond the lowest-risk tenderers.
Commit to continued tech investment through existing programs (NRF and IGP).	A commitment to support existing government investment vehicles in priority areas provides capital for Australian tech companies to scale, innovate, export, and compete globally, and certainty for the sector that this support will remain available in the long run.

Election Policy Platform

A set of critical initiatives, headlined by the Tech Investment Target, that sets Australia up for success post-election

5. Boost tech skills and talent	Member ask
Expand resourcing for skilled migration pathways to ensure timely approvals.	Skilled migration is vital in meeting Australia's tech workforce gaps, particularly in the short-term for highly technical roles that require years of training and experience. Stable migration policy settings and proper resourcing is necessary to implement recent reforms. Minimum service standards and priority processing for existing applications is needed to fix visa processing times and address immediate demand.
Expand the Alternative Pathways Pledge as a national initiative.	The government and industry have jointly pledged to increase early-career hires from alternative pathways by 2030. Expanding this initiative as a national pledge will help address the tech skills shortage while enabling alternative pathways for diverse individuals from varied backgrounds, experiences, and education levels to enter the tech workforce.
Create more industry-relevant tech university and VET pathways.	Australia continues to face persistent shortages of workers with the right digital skills and tech workers, highlighting a critical gap in the skills and training system. Flexible, agile and industry-integrated VET training pathways are needed to bridge this talent gap. The Government should establish a centre of excellence to train job-ready tech workers – drawing on successful models such as IAT-D, the Centre would work with industry to independently design, approve, and deliver qualifications, ensuring training remains relevant, cutting-edge, and aligned with real-world job market needs.

Contact:

s 22(1)(a)(ii)

Head of Policy & Strategy

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s 22(1)(a)(ii)

Tech Council of Australia

Australian Government
Department of Industry, Science and Resources

Reviewed by Minister
s 22(1)(a)(ii)

Ministerial Submission

MS25-000773

FOR INFORMATION - Digital Technology Jobs Update - May Quarter 2025

TO: Minister for Industry and Innovation; Minister for Science
CC: Assistant Minister for Science, Technology and the Digital Economy

KEY POINTS

- In August 2022, the Albanese Government committed to reaching 1.2 million technology-related jobs in Australia by 2030. At the time of announcement, there were an estimated 903,986 jobs.
- Between August 2022 and August 2024, the technology-related jobs grew to 992,361 jobs.
- Since November 2024, there have been three successive quarterly declines in these jobs. As of May 2025, there were 949,172 tech jobs.
  - This represents a decline of more than 10,000 jobs (1.1 per cent) compared with the February quarter and a 3.7 per cent annual decline between May 2024 and May 2025 (see Attachment A). Further details on the estimates are outlined Attachment B. Relevant talking points are included in the Attachment C.
- These declines have occurred alongside a 35.1 per cent **increase** in tech job vacancies between May 2024 (4,480 vacancies) and May 2025 (6,053 vacancies) (see Attachment A).
  - This indicates continued and growing demand for tech jobs, despite a decline in the total number. This may be partly explained by the redeployment of tech skills to newer jobs and companies across the tech sector (and the economy more broadly), as established companies like Telstra reduce headcount.
- This quarter is the first time the department is projecting that total technology-related jobs will **not** reach the 1.2 million target by 2030.
  - Using an 8-quarter average projection, by 2030 the number of jobs is expected to fall short of the 1.2 million target by around 247,000 jobs.
- There was a **continued decline across all tech job occupations and compositions** in the May 2025 quarter.
  - Technology jobs in technology industries continued a decline since last year, decreasing by about 4,000 jobs, mostly from telecommunications services.
  - Technology jobs in non-tech industries declined by 4,700 jobs.

- Non-technology jobs in technology industries declined by 1,800 jobs.

- Technology jobs declined in most occupations, except for increases in ICT sales and telecommunications engineering professionals. The largest quarterly reduction was in **software and application programmer** occupations, declining by 1,500 jobs or 1.5 per cent. The annual growth rate for software and application programmer occupations remains at 6 per cent.

- The recent decline in Australian technology-related jobs is in line with global reductions in technology jobs in recent years.
  - A range of global economic and political factors are likely to be playing a role in general technology hiring declines:
    - post-pandemic corrections and a return to normal following an aggressive hiring window during COVID-19,
    - economic uncertainty and geopolitical considerations, and
    - companies re-evaluating what artificial intelligence (AI) developments might mean to workforces.
  - Similar factors are expected to have played a role in technology hiring decisions in Australia. Australian businesses reported growing interest in AI and automation to boost operational efficiency, but faced transition barriers like timing, staffing, and cost. Multinational firms expanded offshore recruitment for senior tech roles and reduced operational roles through automation.

- Jobs in telecommunications services declined at a faster rate than the previous quarter, down by nearly 5,000 jobs (6.6 per cent).
  - The annual change in technology jobs in telecommunications services fell from -2.5 per cent to -10.3 per cent, aligning with the layoff announcement from the biggest telecommunications provider Telstra.
  - Internet service providers, web search portals and data processing services became the second largest contributor to the broader decline with a decrease of nearly 900 jobs (8.6 per cent) compared with the February 2025 quarter, while internet publishing and broadcasting had the third largest decline at 300 jobs (7.5 per cent).

- The quarterly decline in Australian technology jobs contrasts with an Australian labour market that grew by 0.6 per cent over the same quarter.
  - While national employment growth was driven by energy (8.3 per cent) and non-market sectors such as healthcare (3.6 per cent) and education (2.8 per cent), the decline in technology jobs aligned more closely with declines in some traditional industries, including information, media and telecommunications (-6.9 per cent), manufacturing (-2.3 per cent), and administrative services (-2.0 per cent).

SENSITIVITIES AND HANDLING:

s 47C

CONSULTATION

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s 22(1)(a)(ii)

Clearance date: 30/7/2025

Contact Officer
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ATTACHMENTS

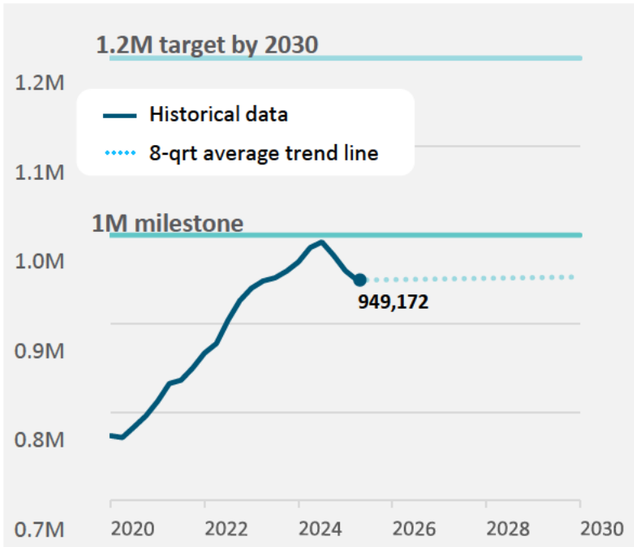
A: Digital Technology Jobs Placemat May Quarter 2025
B: Digital Technology Jobs Dashboard Background
C: Talking Points

Australian Government
Department of Industry, Science and Resources

LAST UPDATED: 26 June 2025

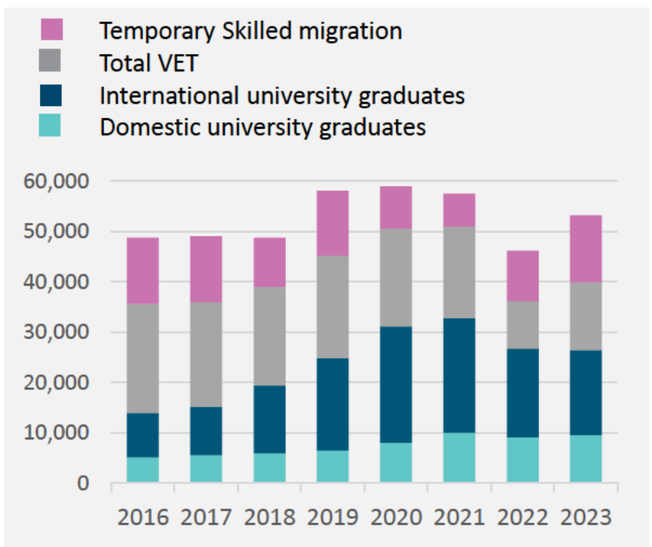
Tech-related Jobs in Australia

Total employment in tech-related jobs



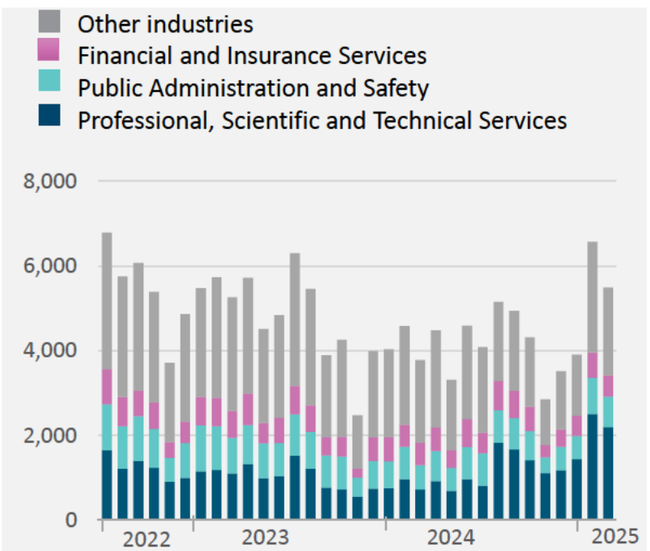
SOURCE: ABS Labour Force Detailed

Sources of tech-related talent

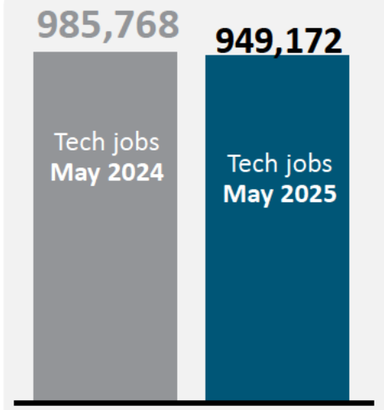


SOURCE: VOCTSTATS; DoE; Permanent Migration Program Outcomes

Total tech job vacancies by industry



SOURCE: Lightcast Jobs and Skills Australia as at May 2025



-3.7%

one-year growth in total employment in tech

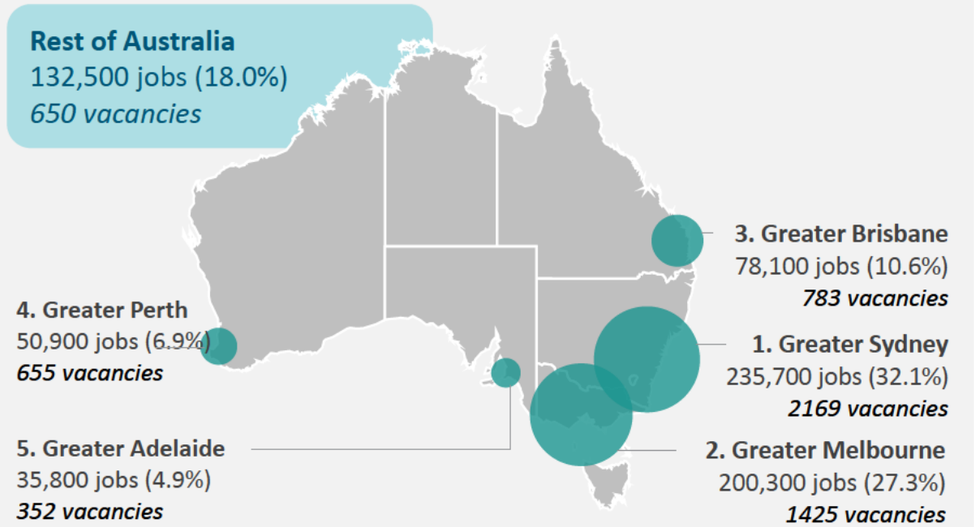
SOURCE: ABS Labour Force Detailed

Composition of tech-related jobs

Tech jobs in tech industry	Non-tech jobs in tech industry	Tech jobs in non-tech industry
293,931	130,225	525,016
-1.4% qrt change -3.6% 1-yr change	-1.4% qrt change -3.2% 1-yr change	-0.9% qrt change -3.9% 1-yr change
31.0%	13.7%	55.3%

NOTE: As at May 2025 SOURCE: ABS Labour Force Detailed; Census Population and Housing (2021)

Top regions by number of tech job vacancies



NOTE: Jobs as at 2021, vacancies as at May 2025 – three-month average
SOURCE: Census Population and Housing (jobs); Lightcast Jobs and Skills Australia (vacancies)

In May 2025, tech jobs make up

6.5%

of total employment

Changes in tech jobs occur against

+2.0%

one-year growth in total employment across all jobs in the economy

SOURCE: ABS Labour Force Detailed

ATTACHMENT B

Digital Technology Jobs Dashboard Background

1. The Tech related jobs in Australia dashboard (the dashboard) provides insights into the current state of the Australian digital technology job market. The latest dashboard for the May quarter 2025 is at Attachment A.

2. The dashboard shows a range of variables including tech-employment, tech-job vacancies, and sources of tech-talent. This helps us understand the dynamics of the technology-related job market and identify trends and emerging issues.

3. The jobs estimate is calculated by applying the Tech Council of Australia's definition of the technology sector to the detailed Australian Bureau of Statistics (ABS) Quarterly Labor Force dataset.

    a. Technology jobs include 25 Australia New Zealand Standard Classification of Occupations Standard (ANZSCO) occupations including software and applications programmers, ICT project managers, cybersecurity specialists and more.

    b. The technology industry encompasses four broad technology categories including: computer system design; internet publishing and broadcasting; internet service providers, web search and data processing services; and telecommunication services.

4. Other estimates of technology jobs, such as Jobs and Skills Australia's Occupations and Industries Analysis and the Australian Computer Society's IT Occupation List, use different definitions for the technology sector, which may result in different tech-job counts.

Data referenced

1. ABS Labor Force Detailed, May quarter 2025, viewed 25 June 2025.

2. Lightcast data, May quarter 2025, viewed 25 June 2025.

3. VOCSTATS- TVA program completions 2015-2023, viewed 25 June 2025.

4. Selected Higher Education Statistics, 2023, viewed 25 June 2025.

5. Temporary Work (skilled) visa grant, viewed 25 June 2025.

ATTACHMENT C

Talking Points

Role of AI

- Digital tools and artificial intelligence (AI) are transforming industries — from agriculture to healthcare— and unlocking new efficiencies.
- This is a massive opportunity for all Australians and the Albanese Government is investing in tech industry partnerships, accelerating technology adoption by businesses, upskilling workers and boosting research to make the most of it.
- Growing and maintaining a highly skilled workforce, particularly in roles that specialise in the effective adoption of new technologies – otherwise known as tech jobs – is essential.
- As AI becomes more widely adopted in Australia and in Australian workplaces, the Government is focused on capturing the opportunity of AI through initiatives such as the development of a National AI Capability Plan, while ensuring it benefits all Australians.
- Realising success won't happen by chance, it will require a whole-of-government approach: clear alignment on priorities, strong collaboration

across departments, and a bold signal to the market that Australia is ready to lead.

- Ensuring we have the right people with the right skills in the right jobs will allow Australian businesses and workers to make the most of the opportunities available.

Tech Jobs Target

- In August 2022, the Government set a target of reaching 1.2 million tech jobs by 2030.
- As at May 2025, there are approximately 950,000 tech jobs
- After steady growth through from August 2022 to August 2024, there have been three successive quarterly declines in tech jobs through the end of the 2024–25 financial year.

What's underpinning the change in job numbers

- While the last three quarters of the 2024–25 financial year saw a decline in the total number of tech jobs overall, the total number of tech job vacancies has increased.
  - This indicates continued and growing demand for tech jobs, and the redeployment of tech skills to new jobs and companies across the tech

sector (and the economy more broadly), as established companies reduce headcount.

- The recent decline in Australian tech jobs also aligns with broader global trends in tech job layoffs in recent years.
- A range of factors are likely to have contributed to this decline, including:
  - A 'return to normal' in workforce sizes after international tech companies hired strongly during COVID-19
  - broader economic uncertainty, inflationary pressures and geopolitical instability, which has contributed to cautious hiring across sectors
  - companies re-evaluating what artificial intelligence developments might mean for workforce requirements.
- The most recent declines for tech jobs were broad-based across occupations, with the largest decline in software and application programmers.
- This outcome does not diminish the importance of growing Australia's technology workforce.

<u>Tech skills-related initiatives</u>

- The Government is investing in understanding and growing our tech skills including:

- A Jobs and Skills Australia led capacity study to understand the implications of generative AI on the Australian labour market and skills system. It is expected to be published in August 2025 and is the result of extensive consultation and quantitative analysis. The study will provide evidence, insights and policy recommendations to inform government policy.
- A national network of 10 industry-owned and led Jobs and Skills Councils (JSCs) to bring together employers, unions, governments, training providers and other stakeholders to provide evidence-based intelligence on – and find solutions to – skills and workforce issues affecting their industry sectors, including digital transformation and AI.
- The Future Skills Organisation, the JSC for the finance, business and technology sectors, is actively supporting uplift of digital and AI skills, including work to better understand the impacts of generative AI on the finance, technology and business workforces, and the variability of AI adoption within these sectors.

  - Future Skills Organisation is also delivering activities to update the ICT Training Package to include digital and AI skills, test new approaches to teaching digital skills, facilitate knowledge sharing across state and territory digital skills initiatives and explore new 'earn while you learn pathways' into entry level digital roles.

- I note that the Productivity Commission's five pillars inquiry includes a focus on Harnessing Data and Digital Technology which is examining how Australia can enhance our use of data and digital technology across the economy to boost productivity growth, accelerate innovation and improve government services for all Australians. The final report is due to be handed to government in December 2025.

<u>Portfolio led tech skills-related initiatives</u>

- The Government remains committed to its 2030 target and is actively supporting skills development, regional inclusion, and industry partnerships to ensure long-term growth.

- My portfolio supports this through initiatives such as:

  - The $15 billion National Reconstruction Fund (NRF), providing targeted investments to diversify and transform Australian industry. This includes $1 billion for critical technologies, including AI.

- The $36 million Critical Technologies Challenge Program which funds market-led solutions to national challenges using quantum and complementary technologies, fostering collaboration and driving broader adoption of quantum and AI across Australia.
- The National AI Centre (NAIC) which is supporting industry by fostering confidence, capability, and clarity in AI adoption. It provides resources that enable informed decision-making around investment opportunities, workforce upskilling, and the broader growth potential of the AI sector.
- The development of a comprehensive Australian AI Industry Capability Plan. This initiative aims to unlock the nation's full potential in AI and drive economic growth, address critical national priorities and position Australia as a global AI leader.
- The $47 million Next Generation Graduates programs to train job ready graduates in skills needed by our AI and emerging technology industries.
- The $17 million network of government-funded AI Adopt Centres to help Australian small to medium enterprises responsibly adopt AI tools by providing free services that help their business grow.