2026–27 PRE-BUDGET SUBMISSION

Australian Digital Inclusion Alliance
30 January, 2026

The Australian Digital Inclusion Alliance (ADIA) welcomes the opportunity to contribute to Treasury's 2026-27 Pre-Budget Submissions. Digital inclusion is a vital enabler for Australians to participate in work, learning and life and for governments to unlock the full productivity potential of digital technologies.

The ADIA is a shared initiative with over 500 business, government, academic and community organisations working together to accelerate action on digital inclusion. Our vision is to reduce the digital divide and enable greater social and economic participation for everyone in Australia, highlighting the national imperative for action and the value of positive initiatives across the key pillars of digital inclusion: access, affordability, and ability.

As Australia increasingly harnesses digital technologies, including Artificial Intelligence (AI), to bolster its economic growth agenda, there is a corresponding requirement to ensure that as many people as possible are equipped to participate. Indeed, with more than 5.5 million Australians digitally excluded[1], and with the rapid and far-reaching expansion of new technologies, this an urgent mainstream consideration.

With so much of modern life dependent on digital engagement there is an obvious social equity obligation to ensure digital inclusion across the community. However, there is also an economic imperative, with the ability for more people to participate a key consideration for whether digital tools and AI capabilities will successfully drive positive economic outcomes.

Digital inclusion is a multifaceted challenge spanning all areas of social and economic disadvantage, with accentuated issues for groups including long-term unemployed, elderly Australians, First Nations Australians, people with disability, people in regional and remote areas, and public housing tenants. Meanwhile, many digital tools offer great hope to deliver improved social and economic outcomes, and those who might benefit the most are often those who lack the capacity to engage.

Over the past year, ADIA has advocated for a national approach to digital inclusion, calling for accountability and coordination at federal level to help overcome fragmentation across government and the community sector. While Australia is fortunate to be well served by a dynamic ecosystem working to address the multi-factor challenges of digital inclusion, there are clear challenges with inefficiency, duplication, gaps in service delivery, and foregone potential.

We offer our paper, *A National Approach to Digital Inclusion*, as an appendix to this submission and believe it contains valuable insights to inform a more coordinated policy approach and enabling funding initiatives. It is also available for download online, and we would welcome the opportunity to engage further on the relevant topics.

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[1] *Measuring Australia's Digital Divide, Australian Digital Inclusion Index,* ARC Centre of Excellence for Automated Decision-Making and Society, November 2025: https://digitalinclusionindex.org.au/wp-content/uploads/2025/10/ADII-Report-2025_V6-Remediated.pdf

Australian Digital Inclusion Index

The Australian Digital Inclusion Index (ADII) provides a detailed measure of digital inclusion, highlighting critical barriers to how Australians can benefit from digital technologies. While there are some positive indicators for Australia's overall rate of digital inclusion over time, around one in five (20.6%) Australians are 'excluded' or 'highly excluded' and roughly one in ten (9.2%) are 'highly excluded'[2].

Nationally, our most recent digital inclusion index score is 73.6 out of 100. Based on a significant national survey, the index score measures the extent to which people in Australia can access, afford and have the ability to benefit from digital technologies.

While the national average score of 73.6 is within the 'included' index range, there are significant gaps to a range of disadvantaged cohorts. For example, the national gap between First Nations and other Australians is 10.5 points, widening sharply in remote (16.5) and very remote (22.8) areas. 40.9% of First Nations people are digitally excluded. For the population as a whole, there is a generalised 5.9 gap between capital cities and the rest of Australia, while there is a 13.2 gap for public housing tenants, 10.4 for unemployed people and 9.8 gap for people with disability.

Produced by the ARC Centre of Excellence for Automated Decision-Making and Society (ADM+S), supported by Telstra, the ADII also provides important analysis of national capability across the key digital inclusion pillars of access, affordability and ability.

The most recent figures show improvements in access with a score of 76.8 out of 100 rising 4.8 points nationally since 2023. But access is uneven with limited ability for many to access reliable and quality internet services as well as appropriate devices that meet their needs and enable their ability to effectively access digital education, work, healthcare and digital government services.

Total Index Comparison (selected subgroups)		
Subgroup	**Score**	**Gap**
National Index Score	**73.6**	-
First Nations (very remote)	51.1	-22.5
75+	51.2	-22.3
Income Q1 (<$41,600)	53.5	-20.0
Incomplete secondary school	58.0	-15.5
Public housing tenant	60.3	-13.2
Receives income support	62.1	-11.4
Very remote Australia	62.5	-11.0
65-74	62.9	-10.6
Not in labour force	63.1	-10.4
First Nations (national average)	63.4	-10.2
People With Disability	63.8	-9.8
Income Q2 ($41,600 - $77,999)	67.4	-6.1
Unemployed	68.6	-4.9
● Source: 2025 Australian Digital Inclusion Index		

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[2] *Measuring Australia's Digital Divide, Australian Digital Inclusion Index*, ARC Centre of Excellence for Automated Decision-Making and Society, November 2025: https://digitalinclusionindex.org.au/wp-content/uploads/2025/10/ADII-Report-2025_V6-Remediated.pdf

The 2025 affordability score is 70.3, with significant levels of affordability stress for low-income households. There are considerable affordability gaps across different parts of the population, with several groups experiencing greater cost barriers to accessing a service or device that meets their needs.

Digital ability, which covers the skills needed to engage effectively and with confidence, improved considerably between 2023 and 2025, rising 8.7 points to 73.6 over that time. But again, the improvement is unevenly spread, with gains for certain cohorts (such as younger Australians and those on higher incomes) while declining for others (including people in the lowest income category and those over 75 years of age).

Notably, while there are improvements, technology is changing rapidly and new tools like AI are fast becoming mainstream, continued gains are not assured. Indeed, the latest index provides a snap-shot of generative AI take-up, with 45.6% of Australians found to have recently used generative AI tools. However, the report notes that digital ability (skills and literacy) is critical for generative AI use and mitigating risks such as misinformation and scams. Meanwhile, ability dictates who can benefit most effectively from these tools with young people and professionals more likely to be at the leading edge.

The statistics and broader analysis of the multidimensional challenge of digital inclusion provided by the ADII highlight the need for considered and coordinated policy action across all three pillars (access, affordability and ability) and we urge Treasury to use this important fact-base as a foundation for coordinated action in this area.

National AI Plan

As the ADII highlights, AI is rapidly making its way into the Australian mainstream. This much is also acknowledged by the government's National AI Plan, with an objective to build an AI-enabled economy that is more competitive, productive and resilient, while ensuring that all Australians benefit from the opportunity[3].

AI skills and literacy are rightly acknowledged in the Plan as fundamental to spreading the benefits and reducing inequality in how new technology is adopted, as well as enabling the economic benefits of AI through mass adoption. We have previously made the point that the Plan should embed action on community AI capability and digital inclusion, using this inflection point as an opportunity to incorporate existing initiatives and achievable additions in a coordinated approach.

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[3] *National AI Plan,* Department of Science, Industry and Resources, December 2025: https://www.industry.gov.au/sites/default/files/2025-12/national-ai-plan.pdf

We acknowledge the Plan's positive focus on the role of the Future Skills Organisation in its work to define digital and AI units of competency, and the announcement for the National AI Centre to work with Good Things Australia to develop new insights on the economic and social value of inclusive AI upskilling. We also welcome support for the work of the National AI Centre and Infoxchange to support AI skills and adoption for the non-profit sector.

However, we believe there is still a substantial gap in how the Plan both addresses community capability and uses this growth agenda as an opportunity to build greater equity through better digital inclusion. We therefore urge government to more strongly recognise the importance of community capability as the National AI Plan is further developed and operationalised. Skills and literacy are a vital element of this dynamic, and we call on the government to use this plan as a stepping-stone to facilitate coordinated national action on digital inclusion.

Government Services

The Australian Government has a laudable goal to deliver simple, secure and connected public services for all people and business through world class data and digital capabilities. All things being equal, digital public services increase their utility, make life easier for citizens and achieve significant efficiencies for government.

Where good practice is followed and adoption accelerated, digitisation of public services could reduce government service costs by $12 billion and save citizens 800 million hours over 10 years[4]. Where digital services are shown to be reliable, accessible, efficient and secure, citizen usage proves to be far higher, unlocking potential, while we contend that even great benefits would flow if digital inclusion was embedded in the design and delivery of services from the outset.

Further, it stands to reason that for digitally excluded people, digital public services remain out of reach, even as these same people are often more likely to need access to government support. As such, it is worth considering how the effectiveness of digitisation could be further optimised by better coordinating efforts to lift digital inclusion across the community.

There are multiple examples of digital government services initiatives where some element of digital inclusion, such as community education or capacity building, is built-in as part of the program. These initiatives generally acknowledge the equity imperative of ensuring accessibility but also that digitisation provides increased productivity and efficiency gains for government where take-up is maximised.

One example of this is Australia's Digital ID System, which relies on mass adoption and ensuring that as many people as possible are able to use it with confidence. We are supportive of activity within

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[4] *Assessing the Benefits of Accelerated Digital Delivery of Government Services*, Mandala Partners, 2024: https://mandalapartners.com/uploads/Adobe-Cost-of-Delay-Report-2024.pdf

the Digital ID team to build community capacity to use the system, but submit that a holistic approach to digital inclusion by government would serve to build increased take-up and confidence for digital government services across the board, delivering improved return on investment for specific programs, while also helping address the broader challenges of digital inclusion in the community.

We believe that mapping the plethora of digital government programs, their goals and objectives together with associated digital inclusion requirements, would help support the case for coordinated policy response to digital inclusion. The point being to elevate the challenge above specific digital services programs, building broad capacity for more people to engage.

Fragmentation and Coordination

It is important to recognise the unique structure of the ecosystem addressing digital inclusion through research, advocacy and program delivery. An illustration of this is the 500 plus not-for-profits, businesses, academic and community organisations brought together by ADIA.

This membership conducts a wide variety of vital research and analysis, program design and implementation dedicated to improving digital inclusion outcomes. While ADIA plays an important role supporting a community network for these efforts, much great work is performed in isolation, without recognition of its potential and absent a common national goal other than the implicit social good of improving inclusion

At a Federal level, programs addressing or reliant on digital inclusion exist across an array of portfolios including communications, finance, social services, education, health, industry, employment and skills, as well as various state and territory agencies.

In a sense, this disconnectedness is reflective of the multi-factor nature of digital exclusion, its close interrelation with other factors of disadvantage and capacity for improvements to have a positive impact on other social and economic outcomes, including health, education and employment. However, it also presents significant risks, including inefficiencies, duplication, gaps in service delivery, and lost potential for the extension of successful pilots or programs to different cohorts, areas of policy or jurisdictions.

ADIA has previously conducted an analysis of digital inclusion frameworks, strategies and programs in Australia. It found no fewer than 65 different elements including 37 government initiatives across federal, state and territory jurisdictions, and 28 private and community sector programs. Notably it found multiple programs targeting the same groups with no coordination between. There is a notable persisting gap at a national level in mapping and analysing existing initiatives against known and emerging needs.

Community and private sectors put substantial resources into increasing digital capabilities but each organisation is defining its own goals and aiming to address different things. For the sector as a whole, there are multiple efforts underway with no guidance from government on what the programs should aim to achieve at a national level. A clear, common focus would have a substantial impact on the efficacy of the programs while still supporting approaches tailored to different needs.

In this regard, the ADIA has argued for the federal government to play a coordination role for digital inclusion policy as well implementing some form of cross-portfolio accountability to provide leadership and set direction. Given the intersectionality of this agenda and its enabling capacity for programs across government - not least for the National AI Plan and building the broader agenda of economic and social equity, we believe that Treasury would be well placed to play this role.

A focus on digital skills

While there is substantial intersectionality between the three key pillars of digital inclusion, there is currently a significant opportunity for a concerted and coordinated focus on ability. That is, ensuring people have the digital skills to participate in work, learning and life; digital literacy to confidently embrace new tools and platforms, and to engage in a way that minimises harms and maximises potential.

Digital ability traverses significant territory, from connectivity literacy, right across a spectrum of skills, including basic and advanced operational skills, information navigation, social, creative and automation. Increasingly, digital ability is becoming intertwined with financial literacy and media literacy, including the ability to analyse and apply critical thinking when considering and engaging with online content and services to minimise harm.

As we have noted, the National AI Plan acknowledges that skills and literacy will be vital to spread the benefits and reduce inequality as well as enabling economic benefits through mass technology adoption. As it stands, there is an opportunity to use the Plan as a foundation stone to build improved community capability in this space, however this will require concerted attention through its implementation phase.

ADIA has long advocated for the recognition and implementation of a national common language around what it means to be digitally capable. A common language for digital capability ensures consistency in assessing, teaching and developing digital skills, and helping individuals, educators, policymakers and organisations adapt to the evolving digital landscape. It also enables the setting of a benchmark for digital ability - an articulation of the minimum level of digital ability we aspire to for Australians. Regardless of where that benchmark is set, the common language should also incorporate the 'on-ramps' or early beginner levels of skills that people need to attain to begin their digital ability journey. And of course it is important that the common language be consistently updated to recognise the evolving nature of the digital environment, such as the arrival of AI.

In this regard, we believe that the European Commission-developed [Digital Competence](#) [Framework for Citizens (DigComp)](#) presents an optimal opportunity for Australia to implement a consistent approach to describing digital capability, combining the necessary knowledge, skills and attitudes to promote the confident, critical and responsible use of, and engagement with, digital technologies for learning, at work, and for participation in society.

RECOMMENDATIONS

1. Treasury take a leading role mapping and coordinating policy responses to digital inclusion at a national level. This work should seek to identify duplication as well as opportunities to expand and replicate successful initiatives. It should track both government digital services initiatives which require improved digital inclusion to maximise impact, as well as programs specifically addressing digital inclusion. It should also provide for research, sector input and consultation through some form of advisory body, and seek to develop coordinated policy responses that recognise the intersectionality of the challenge. The [UK Digital Inclusion Action Plan](#) may provide some useful inspiration in this regard.

2. Expand the remit of the existing Data and Digital Ministers Meeting (DDMM) to track state and territory policies across the key pillars of digital inclusion: access, affordability and ability. This would strengthen the role of the DDMM Digital Inclusion Working Group to identify best practice and to firm up a linkage with federal activities in this space.

3. Use the National AI Plan as a foundation to advance progress on digital inclusion. This should begin with a concerted focus on community capability for AI, specifically around skills and literacy at the most foundational levels, and use this as a platform to address interrelated issues with access and affordability.

4. Develop and adopt a national common language on digital ability, a definition of digital literacy, and a minimum benchmark of the level of digital ability we aspire for all Australians to achieve. This work should reflect needs across digital connectivity, media and AI literacy, including with respect to issues around safety and confidence. Treasury should support and elevate the existing work of the Future Skills Organisation and Jobs and Skills Australia in this space, including to embed this language in the National Skills Taxonomy.
Alongside a national common language, government should outline the level/benchmark of digital skills we aspire for Australians to achieve to enable them to participate meaningfully in work, learning and life.

5. Continue to support successful funded programs, while examining opportunities for their ability to inform future programs in adjacent spaces.. This should including the First Nations Digital Inclusion Advisory Group, Be Connected, Future Skills Organisation work on defining digital and AI units of competency, the collaboration of the NationAI Centre (NAIC) and Good Things Australia to develop analysis on the economic and social value of digital up-skilling

and NAIC's work with Infoxchange to support AI skills and adoption for the non-profit sector.

6. Work with the digital inclusion ecosystem to advance known opportunities, including the [National Device Bank](#) (coordinated via WorkVentures, Good Things Australia and Good360) and a concessional broadband product (as advocated by the Australian Communications Consumer Action Network).

Conclusion

We submit that digital inclusion is a mainstream challenge with huge implications for the way the benefits of emerging technologies such as AI are realised across the community and for the economy, and how people can engage with safety and confidence. There are additional benefits in terms of the effectiveness of digital government services and broader positive implications for improving social and economic outcomes for people across a broad range of vulnerable cohorts. There is a dedicated though fragmented ecosystem working to address these issues and a variety of government initiatives in play. What's needed is national accountability and coordination, to pull this all together and ensure Australia has the foundations in place for an equitable digital society as we embrace the opportunities to build a leading digital economy.

We trust this submission is a useful contribution and offer it with a commitment to engage constructively with government and provide a platform for engagement with the digital inclusion ecosystem.

Yours faithfully,

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