



Abolish the Australian 5G Innovation Initiative	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Australian 5G Innovation Initiative from 1 July 2022. All existing contractual commitments at that time would be honoured.	

## Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$22.0 million over the 2022-23 Budget forward estimates period. This is primarily due to a decrease in administered expenses.

A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	8.9	8.6	4.5	-	22.0
Underlying cash balance	8.9	8.6	4.5	-	22.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- No funding would be recoverable from the first round of Australian 5G Innovation Initiative grants.
- All of the funding allocated to the second round of grants under the initiative would be recoverable.

The Department of Infrastructure, Regional Development and Communications was consulted on these assumptions.

## Methodology

Funding allocated to the second Australian 5G Innovation Initiative Grant round in the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) measure *Digital Economy Strategy – additional funding* was reversed from 1 July 2022 onwards.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

Australian Government (2021), *MYEFO 2021-22*, Australian Government.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Abolish the Australian 5G Innovation Initiative – financial implications

**Table A1: Abolish the Australian 5G Innovation Initiative – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<b>Administered</b>													
<i>Abolish the 5G Innovation Initiative</i>	8.0	8.0	4.0	-	-	-	-	-	-	-	-	20.0	20.0
<b>Departmental</b>													
<i>Abolish the 5G Innovation Initiative</i>	0.9	0.6	0.5	-	-	-	-	-	-	-	-	2.0	2.0
<b>Total (excluding PDI)</b>	<b>8.9</b>	<b>8.6</b>	<b>4.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.0</b>	<b>22.0</b>

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

**Table A2: Abolish the Australian 5G Innovation Initiative – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Fiscal balance</b>	0.1	0.3	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	1.4	5.5
<b>Underlying cash balance</b>	0.1	0.3	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	1.3	5.4

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)