

University of Sydney submission to the Department of Prime Minister & Cabinet consultation on *Getting it Right: Building AI Infrastructure that works for Australia: consultation paper – September 2026*

9 October 2026

The University of Sydney welcomes the opportunity to provide feedback on the Australian Government's consultation on Building AI training and infrastructure in Australia.

The University's feedback should be read alongside the submission made by the University of Sydney Net Zero Institute and Sydney Policy Lab drawing on expertise from across the University. Their joint submission provides an interdisciplinary perspective on how Australia can maximise the economic, research, societal and environmental benefits of AI infrastructure investment. Other University of Sydney centres, research groups, individual academics and students may also engage with these consultations. We welcome and encourage participation in important national public policy conversations.

Australia's AI opportunity

Australia has an opportunity to establish a globally differentiated model of AI development that combines world-leading infrastructure with research excellence, workforce capability and trusted public institutions. The challenge is not simply to attract infrastructure investment, but to ensure that investment strengthens Australia's long-term economic competitiveness, sovereign capability and innovation capacity.

Universities are critical institutional partners in achieving these outcomes. Through talent development, research translation, commercialisation and collaboration with industry, universities convert infrastructure investment into enduring national capability. The University's response to this consultation is therefore guided by a simple principle: AI infrastructure should be developed in ways that maximise Australia's capacity to create knowledge, develop talent and capture the economic benefits of AI-driven innovation.

University of Sydney's approach to AI

The University of Sydney takes a human-centred approach to artificial intelligence that focuses on enabling innovation while maintaining trust, transparency, accountability and public benefit. The University views AI not simply as a technology platform, but as a transformative capability that will shape the future of education, research, healthcare, government and industry.

This approach has informed the University's investments in responsible AI governance; its partnership with OpenAI to provide equitable access to AI capability; the development of the Cogniti platform for educators and students, and its leadership in national and global discussions on the future of AI. The University's work is underpinned by the belief that long-term success in AI requires more than access to technology alone. It requires institutions capable of developing the

skills, knowledge and governance frameworks that enable AI to be deployed safely, effectively and for public benefit.¹

Sustainability, energy and water

The University supports a policy framework that promotes the development of AI infrastructure in a manner consistent with Australia's long-term sustainability and emissions reduction objectives. We are the first Australian university to bring climate and nature together in one transition plan, which commits us to achieving net zero emissions from our direct fuel use and purchased electricity by 2030. As demand for advanced computing and AI capability grows, investment should be accompanied by a strong commitment to energy efficiency, renewable energy integration, responsible water management and transparent environmental accountability. Establishing Australia as a trusted destination for AI infrastructure will require confidence that economic and technological benefits are being delivered alongside prudent stewardship of natural resources. A balanced approach that supports both innovation and sustainability will be essential to maintaining community trust and ensuring that the growth of Australia's AI capability contributes to a resilient, low-emissions future.

Investing in future industries, research and innovation

The University's experience has shown that broad and equitable access to AI technologies is essential to building capability. Through our whole-of-institution approach to providing secure access to frontier AI models and developing AI-enabled educational environments, we seek to ensure that the benefits of AI are available to all students, staff and researchers. Government support for AI infrastructure should similarly encourage models that maximise public benefit through research collaboration, education partnerships and access pathways for Australia's research community. This will help ensure that AI investments contribute to productivity, innovation and outcomes across the broader economy.

The University encourages the government to implement standards that incentivise investment in education, skills, training and research capability alongside physical infrastructure. AI developers should be incentivised to partner with Australian universities and research institutes to support talent development, advance research and accelerate knowledge transfer, and strengthen sovereign capability in strategically important technologies. The framework should also recognise the importance of Australia's creative and cultural sectors by encouraging responsible engagement with Australian creators, media organisations and other rightsholders. Taken together, these measures would help ensure that frontier AI training activities contribute not only to economic growth, but also to Australia's long-term capability, competitiveness and public benefit.

Partnerships between infrastructure providers, universities and industry can help create pathways for students, researchers and professionals to develop the skills required for an AI-enabled economy. Internationally and in Australia, leading jurisdictions are increasingly treating universities as strategic partners in AI infrastructure ecosystems. Rather than viewing data centres and compute facilities as standalone investments, governments and industry are partnering with universities to provide researcher access to compute, develop AI skills, attract

¹ Further information about the University's approach to addressing AI in education is available online at [Rules, access, familiarity, and trust - A practical approach to addressing generative AI in education - Teaching@Sydney](#).

global talent, support commercialisation and build sovereign capability. Australia should adopt a similar approach by encouraging AI infrastructure proponents to establish formal partnerships with universities and public research organisations as part of delivering long-term public benefit.

For example, in 2025, Princeton University, the New Jersey Economic Development Authority, Microsoft and CoreWeave established the NJ AI Hub which explicitly integrates research, innovation, education and workforce development with the objective of developing a regional AI ecosystem rather than simply hosting infrastructure. Within its first year of operation, the Hub expanded from its headquarters at Princeton University into statewide programs involving community colleges, public libraries, workforce organisations, startups and employers including AI workforce training, public AI literacy programs, higher education collaborations and entrepreneurship programs, demonstrating how this type of collaboration can have ongoing benefit to communities.

Skills, capability and responsible AI adoption

Australia's long-term competitiveness in artificial intelligence will depend not simply on the deployment of infrastructure, but on the depth of the nation's talent, research capability and institutional capacity to harness it effectively. The University of Sydney has played a leading role in shaping the responsible adoption of AI, establishing comprehensive governance frameworks, institutional guardrails and workforce capability initiatives, while pioneering sector-leading approaches to AI literacy, assessment reform and research integrity.

To maximise the national benefits of AI infrastructure investment, major projects should be expected to contribute to the development of Australia's future workforce through partnerships with universities, TAFEs and schools, apprenticeships and traineeships, research training and Higher Degree by Research opportunities, graduate pathways and initiatives that broaden participation among under-represented groups. The Australian Government should also encourage sustained investment in AI literacy, digital capability and workforce development, recognising that the widespread and responsible adoption of AI will be a critical driver of future productivity and innovation.

Strengthening Australia's sovereign capability across AI research, advanced talent and computing infrastructure will be increasingly important to the nation's economic resilience, technological competitiveness and national security. Strategic investment in these capabilities will help ensure Australia is not only a beneficiary of the global AI transformation, but an active contributor to its development and application.

Research access to advanced AI compute

As AI models grow in scale and sophistication, access to advanced AI compute is becoming as important to research as access to laboratories, libraries and major scientific facilities. Policy settings should encourage the development of shared national capability that enables Australian researchers, start-ups and innovators to access advanced computing resources and participate in frontier research. Access arrangements that support collaboration between AI infrastructure providers and leading research institutions would strengthen Australia's sovereign research capability and maximise the return on infrastructure investments.

Securing greater access to advanced computing resources would ensure Australian researchers remain globally competitive in AI, biomedical science, climate research, engineering and other nationally important fields.

Universities are uniquely positioned to translate advanced computing capability into economic and social outcomes through research, commercialisation, industry collaboration and workforce development. Facilitating researcher access to advanced compute infrastructure will help ensure that Australia captures the full value of these investments.

Recommendation

The approval framework should include a public benefit criterion requiring proponents to demonstrate how their investment will contribute to:

- Advanced Australian AI research capability;
- AI workforce development and skills;
- access to advanced compute for research and innovation;
- partnerships with universities and public research organisations;
- research translation and commercialisation; and
- Australia's long-term sovereign AI capability.

This approach would provide flexibility in delivery while ensuring that AI infrastructure investments generate enduring national benefits.

Conclusion

Australia has a unique opportunity to develop a globally competitive AI ecosystem that combines world-leading infrastructure with research excellence, sovereign capability and a highly skilled workforce. By strengthening the connections between AI infrastructure, universities and industry, Australia can maximise the long-term economic and societal benefits of AI investment.

The University of Sydney looks forward to working in partnership with government and industry to help build the foundations of Australia's long-term AI leadership and national capability.