ACAIS Australian Council on AI Strategy

Australian Council on AI Strategy

Submission: Getting it right – Building AI infrastructure that works for Australia

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This submission addresses only the consultation questions relevant to ACAIS's areas of expertise. Unanswered questions have been omitted.

Part 1: Managing growth in large data centres and the AI training opportunity

How we categorise data centres in Australia

Does a tiered approach sufficiently capture different types of facilities and ensure proportionate obligations relating to Australia's energy transition, water management, and communities?

ACAIS notes that a tiered approach based on the size of a facility (measured by connection capacity, in MW) will not necessarily distinguish what a facility is used for. As such, a training facility and a cloud computing or inference facility in the same tier would attract the same obligations. However, these facilities place different demands on electricity grids, and offer different options for managing their impact.

ACAIS recommends that the Australian Government consider the following three features of training facilities when determining thresholds and obligations:

- Location: Training facilities are less sensitive to latency (the delay as data travels between a data centre and its users) than inference and other facilities, so they can be built away from metropolitan areas. Inference and cloud facilities serve users in real time, so they are usually built closer to metropolitan areas. The Government could consider rules or incentives to direct training facilities to places with available land, renewable energy and transmission capacity.
- Load: Training facilities can place one very large load at one point in the electricity grid, so their impact on the local grid may be concentrated. Requirements to bring new supply and to connect in stages therefore matter significantly for these facilities. At the same time, once a site for a training facility is chosen, it can anchor future capability and the energy infrastructure around it.
- Demand flexibility: Training runs in batches and can be managed, so a training facility can pause, slow or shift its load when an electricity grid is under stress, in ways that cloud computing or inference facilities serving users in real time cannot. Training load is therefore more flexible than inference load.

Applying the AI standards

How should governments anticipate and respond to large data centre energy loads which may become operational faster than additional energy generation can be completed to offset their demand?

Delays in new energy supply relative to new load would put upward pressure on electricity prices and are a key risk for existing energy consumers. If a large AI training load becomes operational before it has secured the additional energy generation it is meant to bring, this would put upward pressure on prices for households and other businesses until the supply-demand balance is restored.

Preliminary results from independent energy market modelling commissioned by ACAIS suggest that price impacts could be material if load from large sites comes on before the corresponding new supply, but that well designed and implemented conditions can ensure price impacts are manageable. ACAIS supports staged connection arrangements that would allow large sites to commence operation within agreed limits that are increased as additional generation, storage or network infrastructure is delivered.

We also note that effects on prices and reliability of such delays will depend on where data centres and their generation are located, how flexible their demand is, and how much firming (battery or other backup) is built. For large-scale training buildouts, behind-the-meter generation could assist in meeting demand.

Do you have any additional comments on this topic?

Australia can help write the rules for frontier AI development and deployment, or it can simply be subject to rules developed by others. The difference rests on whether we are materially embedded in the frontier AI supply chain. For Australia, which is not currently a significant part of the AI supply chain, hosting future AI training compute is the pre-requisite for exercising any significant global influence to advance AI safety, and for capturing an outsized share of the economic benefits at home. Without frontier AI training compute onshore, Australia is a bystander watching what is coming towards it.

Whilst hosting AI training compute is a pre-requisite, it won't alone secure benefits for Australia and secure Australia's place in global AI governance. The Australian Government will need to develop relevant policies, negotiate access to frontier AI models, and engage in delicate diplomacy.

Further, the distinction between frontier AI training compute and inference compute matters significantly because it determines whether investment in data centres gives Australia a voice and place at the table, versus simply being part of the crowd. As the consultation paper notes, Australia's existing data centres and much of the immediate pipeline support cloud computing services and inference activities, not frontier AI training.

If Australia hosts training compute at scale and we negotiate relevant conditions, we will be materially embedded in the frontier supply chain and our risk assessments will be heard in Washington DC and inside AI companies. This would position Australia to capture a share of unprecedented global infrastructure investment. This would also offer direct visibility of emerging dual-use capabilities in cyber, biology and other domains, along with standing to shape and contribute to international evaluation, incident-reporting and security norms. Finally – and importantly for this consultation – large, assured, firm demand from hosting training compute can also de-risk and accelerate investment in clean generation and transmission, if conditions are properly designed.

ACAIS commends the Australian Government for developing national standards. Deploying capital at the scale required to build training compute requires stable rules, and jurisdictions with stable, predictable settings are becoming more attractive for such investment as a result.

(Further information about ACAIS and our independent energy market modelling is provided in the attached supporting document.)

Part 2: Requirements for large data centres

Supporting investment in renewable energy

How should 'new' renewable capacity be defined in relation to data centre investments?

ACAIS notes that 'new' capacity is only real if the generation would not otherwise have been built, and that reallocating supply from existing generation is not 'new' system capacity. In practice, all prospective supply will already be in the pipeline to some extent. We suggest supply from a pre-FID project (without a formal Final Investment Decision) be considered 'new' for the purposes of meeting regulatory requirements and managing the impacts of data centre demand.

Should the information on REGO certificates be used to time-match electricity use in certain periods? If so, what should these periods be?

ACAIS commends the Australian Government for recognising that new data centre load should bring new renewable supply. Preliminary results from our energy market modelling suggest that time matching demand to supply (e.g., hourly or half-hourly) will be important in managing price impacts for consumers.

What incentives or obligations would encourage data centres to invest in on-site generation, batteries or other flexible demand measures, to minimise energy usage during peak pricing?

Exposure to peak pricing is itself an incentive to reduce demand at peak times. Time matching demand to supply would strengthen this incentive as it would encourage data centre developers to secure an appropriate mix of behind-the-meter generation, demand flexibility and firming contracts.

ACAIS recommends that incentives should be technology neutral and outcomes based, giving batteries and on-site storage similar weight to reducing demand. A facility can reduce the power it draws from the grid during periods of stress either by slowing its computing or by switching to on-site batteries or storage. In principle, this could also apply to data centres that contract third party demand management. Settings should also accommodate arrangements that deliver required outcomes in different ways over time, such as a scenario where a data centre originally meets expectations through demand flexibility but transitions to the use of batteries as these are built and come on line. This is consistent with the Australian Energy Market Commission's (AEMC) approach of requiring firmed contracts for data centres while leaving the market to determine the most suitable mix of flexibility and backup capacity.

What unintended consequences or implementation challenges should the government consider in designing a renewable electricity framework for data centres?

The mix of new supply of renewable energy is important for training loads, not only the quantity. AI training facilities have a generally 'flat', or near-constant, load profile. As such, new supply that is weighted to resources that suit a flat load is likely to serve the energy system better than an unconstrained mix.

Imposing no net costs on consumers and communities

What gaps (if any) exist in electricity and water infrastructure charging and cost allocation arrangements that could result in consumers bearing costs associated with data centre-driven network or infrastructure augmentation?

Requiring large data centre operators to underwrite new power supply and meet their full share of grid connection costs can protect against consumers bearing these costs. ACAIS supports the Australian Government's national data centre expectations published in March 2026, and the July 2026 commitment to legislate these obligations in the AI standards.

We commend the Australian Government for recognising that new data centre load should bring new renewable supply. Preliminary results from our modelling suggest this could ensure price impacts on consumers and other businesses are modest and manageable if conditions are well designed and well timed, and that the additional energy demand could support an effective and orderly energy transition.

What requirements should be placed on data centres to operate flexibly to support the operation of the electricity grid and improve system efficiency while protecting consumers from increased energy costs? This could include restrictions on the use of non-renewable back-up generation, and scenarios under which flexibility should be required, for example during specified system stress events and scarcity events?

Demand flexibility (the ability of a facility to reduce or shift its consumption when the grid is under stress) will affect electricity prices and reliability. Preliminary results from our modelling suggest flexibility is useful in combination with new supply, not as an alternative to additional supply.

Training load is more flexible than cloud computing or inference load (see Part 1). We recommend that flexibility be expressed as equivalent firming (backup) capacity, so that the two can be compared on the same terms. Our modelling is designed to express flexibility in this way, consistent with the AEMC's proposal for firmed-contract obligations.

Meaningful engagement with communities and councils

How can communities and industry work together to ensure data centres deliver lasting community benefits? How can upfront commitments be reflected in state and territory planning processes or community engagement?

Public concern about potential impacts of large data centres on electricity prices, land-use and communities is legitimate. Setting clear conditions upfront for acceptable infrastructure development is important to manage risks and concerns and support lasting public benefits for the communities that host these assets.

The proposed standards rightly require meaningful engagement with communities, First Nations peoples and councils. Engaging community-based and First Nations organisations early can help avoid protracted negotiations that could cost those communities, and Australia more broadly, the benefits of hosting these assets.

The Australian Government has an important role in building the capability and resourcing of these organisations to engage early and collectively with large developers. One potential model is the First Nations Clean Energy Program, which includes grants to First Nations organisations for professional advice to help them understand and take part in clean energy opportunities, and encourages joint and cross-nation applications. The Government could similarly support community-based and First Nations organisations to engage jointly and cross-nation with large data centre developers, so those organisations can pool capability and resources, while developers engage with fewer, more coordinated processes.

Finally, the Government could resource existing national peak bodies, such as the National Native Title Council (NNTC), to build their understanding of data centre developments and the broader AI transition, and support their members when they engage with developers.

Resources produced by the First Nations Clean Energy Network, such as the 'Best Practice Principles for Clean Energy Projects' and the 'Building Capacity of Proponents Toolkit', could also inform the Australian Government's work in this area.

How important is proximity to population centres for data centre operators given improvements in connectivity and advances in fibre optics?

Proximity to population centres matters much less for AI training facilities than for traditional data centres. Training facilities can be located wherever reliable energy and land are available. By contrast, cloud facilities usually need to serve users in real time, which requires them to be located closer to metropolitan areas to minimise latency. Inference facilities have also typically been built in proximity to population centres, as this is often where connectivity to the grid has been easiest.

Training facilities are difficult and costly to relocate once they are built, and so it is important that they are sited well from the start with stable policy arrangements to guide locational choices.

Should states and territories work with energy, water and telecommunications companies to proactively identify sites for data centres that could support future builds away from populated areas? What efforts are already underway?

Preliminary results from our energy modelling suggest some regions are better placed than others to host large loads, and that spreading load across regions reduces the risk of adverse price impacts. Identifying sites early by working with energy, water and telecommunications providers would help direct training investment to the right places.

Energy precincts, where generation, transmission and large users are planned together, or off-grid sites could suit training loads. Off-grid supply behind the meter can bypass grid constraints. While behind-the-meter supply can be more costly to the developer, energy costs pale in comparison to other costs in building AI training data centres, so this is unlikely to be a strong deterrent for frontier AI companies.

Early site identification will only help if it is matched by progress on the planning, community, investment and gas supply bottlenecks that are already slowing the clean energy transition. Strong, timely cooperation between the Australian Government and the states and territories, and early and strong consultation with First Nations communities, to reduce "time to power" will be essential.

Should data centre proponents be required to explore options with government and industry to uplift community telecommunications connectivity alongside their own investment?

ACAIS does not recommend additional requirements for data centre developers to uplift community telecommunications connectivity, as this could materially affect build timelines.

Building skills and training

How should data centre operators be required to provide skills and training opportunities, including for under-represented cohorts in skilled workforces, during construction and into ongoing operation?

ACAIS encourages the Australian Government to complement the AI standards with an ambitious industrial strategy to harness and build out Australia's world-class trades workforce for the construction and operation of data centres. The Australian Government could ask frontier AI companies hosting training compute in Australia to contribute financially to related training and upskilling. -

Do you have any additional comments on this topic?

ACAIS has commissioned independent energy market modelling of large AI training loads from 2030 to 2035. Further information about ACAIS and our independent energy market modelling is provided in the attached supporting document.

Role for the Australian Government in education and awareness

The clean energy transition offers a cautionary lesson for the AI transition. Education and awareness building about new clean energy infrastructure did not match the scale of the transition, and that was a missed opportunity. Many Australians did not receive a first-principles explanation of why the energy system needs to change, what it means for them, and how they could share in the opportunities. Without that understanding, the scale of new infrastructure attracted more fear than support, and there was a substantial gap between debates among experts and those of everyday people about the clean energy transition.

The AI transition risks repeating this mistake if it is not accompanied by significant education and awareness building. Large data centres used for training AI are a visible, physical manifestation of the AI transition, and decisions about where and how to host them will affect communities. In order for communities to engage with decisions about where and how to host those facilities, people need a basic understanding of how and where AI is built.

The Australian Government can provide balanced and trustworthy evidence and information about what is happening in the AI transition and clearly communicate about what it is doing to proactively manage transitions and risks, including impacts on jobs and communities, and ensure AI benefits Australians. The information should reach people through the channels they already use, and its provision be coordinated across the government.

Part 3: Conditions for AI training

What international approaches, including regulatory and non-regulatory frameworks, should inform the type of safety, transparency or security conditions Australia applies to developers of frontier AI models?

National security: Conditions should include access to pre-release frontier models as compute constraints tighten and powerful dual-use capabilities emerge. Australia's access to the most capable AI systems currently rests on decisions taken in another country's regulatory process.

AI safety knowhow: Australia's AI Safety Institute (AISI) has commendably begun testing unreleased frontier models with the Australian Signals Directorate (ASD). However, it remains small, under-resourced and largely dependent on the goodwill of busy staff at foreign companies and overseas institutes. Without stronger domestic capability and resourcing for AI safety, Australia's threat picture is a second-hand copy of someone else's. Frontier AI companies should be required to regularly engage with the AISI and the Australian Government on safety matters and report incidents in a timely way. In addition, Australia should require, as a condition of training, that frontier AI companies provide the assessment of third party auditors and evaluators to the AISI.

International governance: If Australia hosts training compute we can be a leader amongst nations that share a collective interest in not competing away AI security and safety requirements. Australia's precedent in founding and chairing the Australia Group, the multilateral export-control regime for chemical and biological precursors, positions us well for such middle power diplomacy.

Hosting training compute would give Australia standing to help set common evaluation, incident-reporting and biological synthesis screening standards (see recommendations relating to cyber threats in responses below).

How should safety and security conditions for AI training be designed to keep pace with rapid technological change, while providing sufficient legal certainty for investors and operators?

ACAIS understands this question to imply a trade-off between safety and security oversight, on the one hand, and legal certainty for investors on the other. We consider the reverse to be true: clear conditions can provide the certainty that investors and operators need to build training compute in Australia.

Frontier AI developers have themselves called for greater safety research and government oversight. In July 2026, more than 1,300 employees of frontier AI companies signed a statement urging the US Government to "support an international effort to develop the technical and governance tools needed to deliberately pace the frontier of automated AI development".* In September 2026, Anthropic's CEO, Dario Amodei, argued that "the most effective method of pacing is via regulation that targets all US frontier AI companies".** Amodei proposed that frontier labs partner with government to embed independent evaluators, that common safety standards be coordinated across frontier labs in democratic countries, and that countries coordinate internationally to pace progress. Australia should require, as a condition of training, that frontier AI companies provide the assessment of third party auditors and evaluators to the AISI.

* Pacing the Frontier statement, July 2026, pacingthefrontier.com

** Dario Amodei, "We must pace the frontier", September 2026, darioamodei.com/post/we-must-pace-the-frontier

Deploying capital at the scale required for training compute requires stable rules. Regulatory direction in the United States has shifted repeatedly and at short notice, and jurisdictions with stable, predictable settings are becoming more attractive for hosting training compute as a result. In establishing safety and security conditions, the Australian Government should act with diplomatic sensitivity.

Conditions can only keep pace with rapid technological change if Australia can see the frontier for itself. Independent evaluation, including through a well-resourced AISI, would allow conditions to be updated as new capabilities emerge, within a framework agreed in advance.

What information should AI developers be required to share with the Australian Government and how? For example, AI developers could be: legally obliged to proactively provide the Australian Government; subject to an obligation to provide to the Australian Government on request; or subject to an obligation to publish in a specified form.

US frontier AI companies voluntarily disclose incidents that no regulation compels them to disclose. Voluntary disclosure does not always occur and is therefore insufficient. Evidence shows that detection of threats increasingly happens at the model provider level, that is upstream of the victim. This is where interventions will have the most impact.

Hosting training compute does not of itself produce AI safety, but there are safety conditions, postures and practices that only jurisdictions that physically host compute can demand, hold and implement.

Sequencing will matter. Australia is best placed to negotiate several conditions and requirements before it enters into a deal with frontier AI companies to host training compute. It is expected that adjustments will be needed over time as the technology evolves and risk profiles change.

If Australia chooses to open a pathway for AI training in Australia, it has the ability to accompany such permission with obligations on frontier AI companies. This is particularly the case if frontier AI companies can choose between the status quo pathway (licensing required) or a new channel (such as a permit to train), noting that an opt-in system is harder to characterise as introducing barriers to trade.

For frontier AI companies using this pathway to train AI in Australia, the government should require mandatory incident reporting. A hosting arrangement could require mandatory reporting to Australia's AISI on defined timelines for incidents such as containment failures, crossing of dangerous-capability thresholds, and significant misuse detections, including for internal AI models not yet publicly available. This should be accompanied by deepened bilateral engagement between AISI and the US Center for Advancing Innovation and Standards for Super Intelligence, and would position Australia as a highly valuable contributor in international safety forums like the international Network for Advanced AI Measurement, Evaluation and Science (NAAIMES).

Australia should also require frontier AI companies training in Australia to publicly report the proportion of overall compute used on AI safety research. This can help incentivise a race to the top on solving difficult AI safety challenges, like alignment.

Australia should also require frontier AI companies provide the Australian Government unredacted copies of assessments done by embedded evaluators and auditors, to increase the Australian Government's situational awareness of emerging risks.

What safeguards should apply?

With respect to cyber threats, ACAIS recommends:

Security standards for training facilities: Australia could make security standards for training facilities a condition of hosting, with the ASD involved in accreditation of facilities.

Development of verification technologies: Ideally all countries would comply with safety standards and measures prohibiting dangerous use of AI. If verification mechanisms are ever going to be tested, they need willing host jurisdictions that have training-scale facilities. Australia could offer to be the pilot site for training-run reporting and for verification regimes. That would see Australia make a tremendous global contribution, thereby generating even greater middle power influence.

Investing in local capability, skills, research and innovation

What contributions would add the greatest value to Australia's future industries and research and innovation system? What mechanisms should the government consider for securing these contributions?

1. Upskilling the local AI ecosystem

Australia can request a specified number of frontier AI engineers and researchers working under Australian jurisdiction, to engage more closely with the Australian Government, education, and industry sectors. This would help the Australian AI ecosystem grow and for us to understand where the technology is heading and to shape its governance directly, rather than solely responding to decisions made elsewhere.

The UK's AI Security Institute was able to attract technical talent from the US because it was serious about shaping AI governance. If Australia has the governance leverage offered by AI training, the Australian AISI too will likely be able to attract cutting edge AI talent from around the world.

While some leading AI engineers have already indicated a desire to relocate to Australia, it may still be beneficial for the Australian Government to ensure that deals with frontier AI companies explicitly incorporate a requirement to have AI technical staff in Australia. A research presence in Australia will be key to upskilling the local AI ecosystem and Australia's AISI, and will generate positive spillover effects. If those researchers are not Australians living abroad, they can be supported to relocate quickly by targeted use of the National Innovation Visa.

2. R&D access

Some AI training capability should be available for Australian institutions and researchers to conduct AI research. This could use models such as Anthropic's Claude Corps Fellowship or the Research and Safety Fellows Program, where participants work directly with frontier researchers in specialised tracks. As training compute power is an increasingly valuable and scarce resource, such an arrangement would assure affordable access for Australian research purposes, giving us analytical capability, training opportunities and direct insights.

If frontier AI developers or other actors reserved some compute for Australian research, innovation and public-interest purposes, what conditions or terms should apply?

A greater proportion of training compute must be dedicated to internal and external safety research worldwide. Australia could negotiate allocation of hosted training compute to be reserved for safety and interpretability research performed in partnership with AI lab researchers and external researchers. This would increase the volume of safety research, increase transparency, progress critical science, and strengthen the Australian AI workforce. In the first instance Australia would need to attract a technical workforce to undertake this research on the ground in Australia.

Conditions that incentivise a race to the top on safety are needed and could be achieved by frontier AI companies publicly reporting on compute spend on safety.

What indicators could best demonstrate contribution to Australian research, innovation and public interest purposes? For example: locally based research and engineering staff, university and public research organisation partnerships, research outputs and commercialisation activity, or other approaches.

Indicators could include:

- The number of frontier AI engineers and researchers working in Australia under Australian jurisdiction, which hosting arrangements could specify.
- The share of hosted training compute available for Australian institutions and researchers to conduct AI research, including AI safety and interpretability research.
- The number of Australian researchers working directly with frontier AI researchers in specialised tracks (as occurs with models like Anthropic's Claude Corps Fellowship or the Research and Safety Fellows Program).

A simple, consistent national framework

What additional regulatory reforms or incentives would encourage frontier AI training in Australia?

1. Resolve the copyright impasse

The decisions Australia makes on copyright law in the remaining months of 2026 will determine whether we shape our own future or accept a future shaped by others.

We strongly urge swift resolution of the current copyright impasse because the status quo serves no one. Today, Australian content is already being used in training conducted in other jurisdictions without remuneration, while current copyright laws deter training in Australia by any AI company (large or small). Today, Australian creators bear the cost without compensation or control.

ACAIS takes no position on which legal instrument Parliament should choose, but strongly urges swift resolution of the current impasse.

2. Provide a clear pathway to power

Preliminary results from ACAIS's independent energy market modelling suggest that connecting to the grid with matching new supply appears to be the cheapest option for operators, so a clear and predictable pathway to meet the energy requirements could itself help attract training investment. Improved approvals processes and cooperation between the Australian Government and the states and territories to reduce "time to power" are necessary to maximise the benefits to Australia of hosting training and other data centres.

(Further information about ACAIS and our independent energy market modelling is provided in the attached supporting document.)

Supporting document

About ACAIS

The Australian Council on AI Strategy (ACAIS) is an independent, non-partisan Australian charitable body focused on strengthening AI policy and capability and supports robust evidence-informed decision making. We operate nationally and internationally to bridge the knowledge and institutional gaps between actors across the AI ecosystem.

We serve Australia's national interest and recognise the significant role Australia can play in advancing the global public interest.

ACAIS was established to support Australian AI governance and policy decisions, because the stakes are high and near-term decisions will be highly consequential.

- Australia is only likely to have a material influence on shaping AI development if we are materially embedded in the frontier supply chain through hosting training compute in Australia.
- With this leverage, Australia can work with other democratic countries to influence and even lead international AI governance and safety debates, and help to moderate risks associated with the current great power rivalry that is amplifying AI challenges and complicating constructive responses.
- Australia has been dealt an extraordinary hand in attracting AI training, but it will not play itself. Australian governments must move with urgency to take advantage of this window of opportunity and give form to the distinctive contribution Australia can make to shaping frontier AI, on Australia's terms and in a way that shares the benefits of AI development and deployment.

ACAIS does not represent or advocate for any corporation or interest group, including AI companies, data-centre developers, energy proponents, copyright holders or creative-sector organisations.

We hold no commercial interest in any outcome discussed in our submission. As a matter of policy, we do not accept funding from AI companies, and our analysis and advice are free from funder influence. We are committed to the highest standards of intellectual integrity and we maintain strict intellectual independence and sole direction and control over our activities.

Independent energy market modelling

ACAIS has commissioned independent energy market modelling to understand whether, where and how Australia could competitively host large-scale frontier AI training, and what this might mean for the energy system and existing users.

The modelling is examining a range of training loads from 2030, involving 5-15GW of demand above baseline data centre build by 2035. Variables explored include potential cost effective locations in the National Electricity Market and off-grid options in Queensland, Western Australia and the Northern Territory. The analysis compares grid-connected, hybrid (behind-the-meter) and predominantly dedicated (off-grid) power supply. It also tests policy levers and facility obligations, including demand flexibility and its equivalence to firming (backup) capacity, and implications for generation mix and greenhouse gas emissions. The analysis is framed against the NSW Data Centre Guidelines, the

Australian Energy Market Commission's (AEMC) advice on data centre regulatory pathways, and the Australian Energy Market Operator's (AEMO) 2026 Electricity Statement of Opportunities data centre forecasts. It is a strategic energy-system assessment, not a detailed connection or site-selection study.

Results of this modelling are preliminary. We draw on these preliminary results, in general terms, to respond to this consultation's questions. We would welcome the chance to brief the Office of AI and relevant agencies when final results are available.

Summary

1. **Hosting frontier AI training gives Australia influence over AI safety and a share of the economic benefits.**
2. **The impacts of large scale AI energy use can be managed.** The scale of new energy demand required to host training compute involves potential risks to the energy system, particularly the risk of higher electricity prices if incremental demand outstrips additional supply. Preliminary results from ACAIS's modelling suggest these potential energy impacts can be managed through well designed and implemented conditions, and that the additional demand can also help meet some existing challenges in navigating Australia's energy transition.
3. **The Australian Government should support communities to engage with large developers.** The Government should build the capability and resourcing of community-based and First Nations organisations to engage early and collectively with large developers, so communities can capture a lasting share of the benefits of the AI transition.
4. **The Australian Government should invest in education and awareness about the AI transition.** The Government should provide balanced and trustworthy evidence and information about what the AI transition involves and what it means for jobs, communities, living standards and economic resilience.
5. **The Australian Government should set conditions on safety and security, and build Australian capability.** Conditions for hosting training compute in Australia should include mandatory incident reporting to the AI Safety Institute, security standards for training facilities, and access to frontier AI models. Conditions should also support upskilling of the local AI R&D ecosystem, through frontier AI engineers and researchers working in Australia and training compute reserved for Australian research.

For further information regarding this submission please contact hello@acais.au