

Submission to the Joint Select Committee on Artificial Intelligence ATN Universities

21 September 2026

THE KEY MESSAGE FROM ATN UNIVERSITIES

1. Highly capable artificial intelligence (AI) systems are widely available and can be powerful tools for improving productivity. Developing the capabilities and integrated uses of Generative AI that *expand* what workers can do while creating new jobs and industries will bring significant upsides for the Australian community.
2. Australia is short of the organisational capacity to make best use of these new technologies across the small and medium enterprises that make up the bulk of our economy. As part of our mission to build resilience and address Australia's biggest challenges, Australian Technology Network of Universities (ATN Universities) calls for the federal government to help us accelerate our work to responsibly build and deploy AI capacity.
3. ATN Universities urges the Joint Select Committee (the Committee) to recognise diffusion and deployment of new technologies like AI systems as fundable activities in their own right. We urge the Committee to call for Australia's AI delivery architecture to be scaled up and for real commitments in public compute to be made. These moves will help us to achieve a more productive, resilient and fair society.

ATN Universities holds the expertise to support the federal government to harness the opportunities of AI for Australia with a focus on productivity, resilience and fairness

4. ATN Universities represents Australia's most applied, industry-connected universities: Curtin University, Deakin University, the University of Newcastle, RMIT University and the University of Technology Sydney. As public institutions, our mission is to spread capability beyond our doors and out into Australian society and the economy. We are embedded in industry and professional practice, so what we know about deployment of knowledge comes from real workplaces combined with academic inquiry. With a long history of innovation and industry connection, ATN Universities is well placed to take a leading role in shaping how the sector responds, drawing on the collective experience of its member institutions.
5. ATN member universities are well placed to help the Australian community navigate the benefits and challenges of emerging technologies. ATN Universities advocates for public policy based on our three pillars: **productivity**, **resilience** and **fairness**. We work to ensure new technologies lift **productivity** through the diffusion and deployment of knowledge. We consider how that knowledge builds **resilience** through diversified, durable domestic capability. We believe that **fairness** is the foundation of sustainable technological development and so we must ensure the gains reach the whole of the Australian community. Achieving these three at the same time means using new technologies to augment jobs and share the benefits widely.
6. ATN members are engaged with the latest research in developing, using and assessing AI tools. The University of Newcastle's Centre for Applied and Responsible AI is producing applied research for critical sectors like health, defence and energy. RMIT's Generative AI Lab for Education (GAILE) translates AI strategy into

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informed, responsible educator practice. Curtin University's Assessment 2030 program manages changes brought on by GenAI in assessment. We are consciously embedding AI where it can be useful in learning environments. Through 2026, ATN members have benchmarked their use of AI in teaching and learning across nine dimensions of institutional activity and across four levels of maturity, adapting TEQSA's pillars and focus areas from its *Gen AI Strategies for Australian Higher Education: Emerging Practice* toolkit.

7. We publish research on AI developments and what it means for public policymakers and industry. UTS' Human Technology Institute (HTI) has developed its AI Governance Operating Model and other tools for enabling safe adoption in the interests of Australian workers and communities. This work addresses debates on AI safety that are currently occurring at an international level.
8. Our universities are doing pivotal work in AI-driven, drone and unmanned vehicle research. At UTS, the development of real-time object detection, energy autonomy, and remote sensing systems is progressing at pace. And at RMIT, autonomous systems research is making inroads in industrial automation, smart bionics and environmental cleanup. The University of Newcastle is researching the next generation of battery technology to succeed lithium-ion. These critical developments need investment if Australia is to reap the dividends.

Deployment of AI is where Australia's next AI dollar is best spent to lift productivity, improve resilience and embed fairness into how we navigate technological change

9. AI is a broad category of technology that includes well-known tools like search engines, but is now strongly associated with the new generation of Generative AI (GenAI). These newer technologies use mathematical models trained on large datasets to simulate human cognitive tasks like reasoning and problem solving. Since the public launch of ChatGPT-3.5 in November 2022 and especially after more capable and user-friendly tools were added throughout 2023 and 2024, worldwide usage of GenAI models has boomed. Major AI companies like OpenAI and Anthropic are spending around USD\$100 billion in 2026 to train newer models and develop associated tools and structures that make the core models more useful. AI infrastructure capital spending is expected to be between USD\$650 billion and USD\$770 billion in 2026.
10. Existing GenAI models are powerful tools that can be used to speed up or automate tasks which previously required human cognition. The widespread global take-up of GenAI is occurring alongside similarly widespread public concerns about job losses, impacts on quality of work output by these models, and on the behaviour of more autonomous forms of GenAI like AI agents. Modern deployment of GenAI tools involves a complex mix of purpose-build context and structured connections between models and other tools. Developing and deploying GenAI in context is a challenging investment in time and expertise.
11. The Reserve Bank of Australia and the Productivity Commission have identified slow technology diffusion as a distinct contributor to Australia's productivity slowdown, predating the current AI cycle. The shape of the Australian economy means the market alone does not provide enough support for this diffusion. The small and medium enterprises that make up the majority of the economy can face barriers to making up front investments in both worker training and in integrating AI tools into their particular context.
12. This environment means that the barriers to Australia gaining the benefits while mitigating the risks is organisational, not technological. The biggest limitation to widespread deployment of AI in Australia is the

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difficulty and uncertainty of using these advanced tools in a way which is grounded, context-based and technology-literate. The capability of the AI models themselves is not the problem. The knowledge and expertise to use the right tool for the job needs to grow and diffuse throughout the economy.

13. This means that the next dollar of Australian AI investment returns more from building useful and responsible capabilities that target our particular goals that are at the frontier of sectors such as national security and health, rather than from training ever larger and more expensive general-purpose models like a new Claude or ChatGPT (i.e. “frontier” models). Freely available open source (or “open-weight”) models can be fine-tuned for Australian contexts, and smaller models can be trained to fill domain-specific niches. This investment aimed at Australian needs will ensure that sovereign AI capability is developed and maintained in Australia.
14. We invite the federal government to scale up the adoption and diffusion infrastructure it has already begun trialling. Lessons learned from the national AI Adopt Program, ending in 2026-27, and the National AI Centre should inform a broader rollout of programs to support industry and community adoption. ATN members are active in supporting adoption and diffusion: UTS is a partner in the Safe AI Adoption Model (SAAM) funded by the AI Adopt Program, and along with Curtin University they are anchor partners in the National Industry Innovation Network. RMIT hosts an Amazon Web Services (AWS) compute hub, and the University of Newcastle and Deakin University both host AI applied research institutes (Newcastle’s Centre for Applied and Responsible AI, and Deakin’s Applied Artificial Intelligence Initiative). These existing structures have varying levels of federal government support and buy-in; the expertise already exists, and federal coordination and support can help scale it up to drive responsible and effective adoption of AI technologies.
15. The Committee should also recognise diffusion and deployment as fundable federal government activities in their own right. Consistent with the findings of the Strategic Examination of R&D (SERD) final report *Ambitious Australia*, R&D settings should encourage coordinated investment in research targeted at impact. Recognising these activities via existing R&D instruments would better reward investment in diffusion and deployment by institutions that show they can do the heavy lifting.
16. From our engagement so far with the Office of AI, we understand their focus is primarily on the national coordination and regulation work around establishing a national framework, but also on industry development and encouraging investment into Australia from frontier AI firms. Their work involves a broad range of issues from copyright to environmental impact to zoning. We encourage the Office of AI to follow a collaborative approach and draw on the wealth of expertise available to them. ATN members offer a range of applied research institutes and frontline experience; we are well placed to support policy settings that build a more productive, resilient and fair society.
17. We support adding a transparency of training data requirement to forthcoming national standards, as per HTI’s submission to this Joint Select Committee. HTI’s work on AI governance and application as well as in privacy law and laws governing automated decision making (ADM) shows how practical steps can and should be taken to address community concerns.

Recommendation 1

18. The Committee should recommend that the Office of AI, working with the National AI Centre, succeed the AI Adopt Program when it ends in 2026-27 with an ongoing national adoption network that:

- 18.1. funds delivery partners on multi-year terms, building on existing university and industry adoption structures with applied universities as delivery partners;
- 18.2. funds management and workforce capability in small and medium enterprises, not only technology uptake; and
- 18.3. is evaluated on sustained adoption by participating firms.

Recommendation 2

19. The Committee should recommend that, in implementing *Ambitious Australia*, the Government recognise the diffusion, adaptation and deployment of AI as fundable activity by:

- 19.1. including it in the mechanism proposed in SERD Recommendation 6, which gives businesses outside the R&D Tax Incentive access to university research capability; and
- 19.2. counting industry-partnered deployment work in the full-cost research funding mechanism SERD Recommendation 2b asks the National Innovation Council and ATEC to design, so institutions are rewarded for demonstrated translation performance.

Extend applied research access to the data and compute that domain-specific AI capability depends on

20. The hardware that GenAI technologies require (i.e. “compute”) is commonly housed in data centres, along with other cloud computing and digital storage. The scale and resource use of many modern data centres overseas have driven community concerns about impacts on energy, water and industrial noise. The Office of AI, announced by the Prime Minister in July 2026, is leading work to develop a national regulatory framework to address these concerns in coordination with the states and territories. ATN Universities supports this approach as an extension of the federal government’s *Expectations of data centres and AI infrastructure developers* that currently guides the states and territories.

21. Expectation 5 from the federal government’s *Expectations* states that providers of large-scale compute “are expected to contribute to research and innovation, including by enabling access to compute” for research. As ATN Universities recently laid out in our *Submission to the Senate Inquiry into AI and Data Centres*, there are currently no requirements to define the share of compute, what access pathway exists, the price of compute or reporting obligations. The Prime Minister’s July speech and the communique from the August National Cabinet meeting haven’t given more specificity to this general requirement.

22. There is a strong pipeline of data centre investment flowing into Australia, drawn by our strengths in land and renewable energy availability, our status as a Five Eyes country, and facilitation of that investment via strong support from federal and state governments. Similar in principle to arrangements with developers to include some social or low cost housing as part of new developments, Australia can and should include domestic capabilities and public compute as part of the deal for incoming investment.

23. Some re-industrialising regions are pursuing data centre investment as a deliberate diversification strategy led by local government and industry bodies, conditional on protecting existing jobs and industries. Business Hunter explicitly frames it in this way: data centres are “the Hunter's next chapter of economic growth.” ATN member universities are active in local industrial development including in re-industrialising regions; we support using the compute being built in these regions to help create new and secure jobs in those regions.
24. This builds sovereign capability by helping make sure that the investment builds industries locally, and supports the workforce and skills pipeline by ensuring that new compute supports applied research activity developed in Australian industry contexts.

Recommendation 3

25. The Committee should recommend that the Office of AI’s regulatory framework define the compute obligation as a set-aside proportion of capacity to be made available for research and innovation, with a published application pathway, published allocation decisions and annual public reporting on the capacity provided. Since data centres can change ownership and the actual compute is controlled by the companies renting it, the obligation should be located with the renting companies (e.g. the major AI companies like Anthropic).

ATN member universities hold significant expertise in capability deployment, industry partnerships and workforce development

26. There is live research being undertaken by ATN members and being put into practice. We would welcome the opportunity to provide the Committee with updates as that work progresses.

We welcome further discussion with the Joint Select Committee on how the federal government can support the diffusion of AI capabilities in the interests of the Australian community. We would be happy to appear at a Committee hearing to speak to any of these issues.

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