s 22

From: s 47E(d)
Sent: Monday, 1 September 2025 4:13 PM
To: s 22
Cc: s 47E(d)
Subject: Meeting Brief Request - Open AI - 18 September [SEC=OFFICIAL]

OFFICIAL

Hi s 22

s 22

Name of Organisation	OpenAI
Date	Thursday 18 September 2025
Composition of attendees	Treasurer s 47F

Min Pro – Can you please create a brief template on PDMS and assign to s 22 team? Grateful for the meeting brief to be prepared by **4pm Monday 15th September please.**

Kind Regards,

s 22 — **Senior Departmental Liaison Officer**
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The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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Australian Government
The Treasury

Meeting Brief

MB25-001203

FOR INFORMATION - Meeting Brief - OpenAI - Thursday 18 September 2025

TO: Treasurer - The Hon Jim Chalmers MP

PURPOSE OF MEETING

- You are meeting with s 47F from OpenAI.
  - You may wish to share outcomes from the 5th Investor Roundtable and the Economic Reform Roundtable (ERR) and invite views on development of the National AI Plan (led by DISR).

KEY MESSAGES

- You may wish to share ERR announcements on AI: Making AI a national priority, by (1) Developing an APS AI plan, (2) Accelerating work on a national AI capability plan, including national interest principles for data centres.
- Treasury officials met with s 47F and OpenAI staff in June. OpenAI raised the importance of compute and data centres, and the need to improve planning and approvals (similar to 5th Investor Roundtable members).
  - OpenAI also recommended the Government:
    - Clarify the intention for digital infrastructure (e.g. focused on domestic use only or international partnerships), and how AI developers like OpenAI can engage
    - Signal support for priority sectors to upskill workers, so OpenAI can target those sectors
    - Communicate priority uses, outcomes and opportunities for AI (e.g. specialised AI for housing or education).
- In June, OpenAI released their report *AI in Australia: OpenAI's Economic Blueprint* (with Mandala Partners). Many key themes in the report may be addressed through ERR actions.
  - Uplifting the workforce and skills system
  - Modernising the public service and procurement to use AI
  - Investing in AI infrastructure (compute and data centres) and clean energy

- Making Australia a regional hub for AI in the Indo-Pacific.

s 47G(1)(a), s 47G(1)(b)

- Australia is developing a National AI Plan (previously AI Capability Plan) to provide a vision for AI development and diffusion across the economy to strengthen Australia's AI capabilities and uplift productivity.
  - The Minister for Industry and Innovation is working across portfolios, including Treasury, and welcomes stakeholder views.

- You may wish to invite OpenAI to discuss their planned new Australian office.
  - According to media, this office will open in Sydney by end of the year, in response to rapid user growth in Australia. It focuses on sales and support for customers deploying AI including Commonwealth Bank and UNSW.
  - You may wish to ask for details on OpenAI's current and planned partnerships with the public and private sector and how OpenAI's new office can provide support.

SENSITIVITIES

- **Regulatory approach to AI** – Investors and business want regulatory clarity on AI. s 47E(d)

Clearance Officer
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Director, Digital Policy Unit
Data and Digital Policy Branch, DPCD
15 September 2025

Contact Officer
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Director, Digital Policy Unit
Ph: s 22

CONSULTATION

Department of Industry, Science and Resources; Department of Prime Minister and Cabinet

ATTACHMENTS

A: Attendees

BACKGROUND

ERR Outcomes

- Treasury agrees uplifting digital and AI capabilities of educators will support the workforce. You also noted after the ERR that unions and business broadly agreed on the importance of uplifting the skills system.

- You announced after the ERR an immediate action is developing an APS AI Action plan to improve government service delivery, policy advice and efficiency by substantially increasing the use of AI in Government.

- Noting the high energy and water consumption of data centres, the Government is considering its approach to support sustainable data centre investment, including the potential development of national interest principles for data centres.

Investment Considerations

- During the 5th Investor Roundtable session on investment to strengthen Australia's AI ecosystem, participants were optimistic and said Australia is stable, connected to research institutions and has sophisticated investors, but global competition is intense.
  - Challenges related to investment in data centres, digital infrastructure and AI include planning and approvals, power and grid access, skills shortages and regulatory clarity.

- Australia is an attractive destination for data centre investment and offers potential as a regional hub, supported by factors such as our availability of land, potential for renewable energy, regulatory and political stability, subsea connectivity, and proximity to Asian markets.
  - The sector is rapidly growing with investment from multinationals such as Amazon Web Services (AWS), Microsoft and Google.

- Data centres consume large amounts of energy and water.
  - In 2024-25, data centres accounted for 2% of grid-supplied electricity across Australia's National Electricity Market (NEM), forecast to increase to roughly 7% under AEMO's Accelerated Transition scenario planning by 2029-30.

  - Data centres using evaporative cooling can consume tens of millions of litres of water each year. The projected doubling of data centre capacity by 2030 will add to growing pressures on water supplies.

s 47G(1)(b)

OpenAI's Stargate Project

- The Stargate Project represents an OpenAI's aggressive expansion of its AI infrastructure in the US. It involves an immediate $100bn investment, and an expected $500bn over the next 4 years.
  - Stargate is a partnership between finance and investment companies (Softbank and MGX) and various tech companies (e.g. OpenAI, Oracle, Arm, Microsoft and NVIDIA).

Economics of AI

- There is consensus that increased adoption of AI across the economy will increase productivity growth and GDP.
  - Estimates of the magnitude and timing for benefits vary widely. Some are quite modest (0.1 percentage point increase in annual productivity growth, Acemoglu 2024) though others are up to 30 times higher. This is driven by different assumptions on the scale of automation.

- Extrapolating on the benefits to productivity, the Productivity Commission suggests that AI could contribute $116bn to the economy over the next 10 years.
  - Currently, productivity gains appear generally task-specific (e.g. coding and administrative tasks), but evidence of wider benefits/deep integration with business operations are yet to emerge.

- Businesses AI adoption is increasing, but uneven. Industries like finance and tech lead, but barriers include workforce skills, organisational readiness, inadequate internet access and regulatory uncertainty.

- Labour market impacts are uncertain and will depend on the extent of adoption, the degree of automation and augmentation, labour market dynamics and how the skills system responds.
  - The JSA *GenAI Capacity Study* suggests AI is more likely to augment rather than automate most occupations. Automation exposure is higher in clerical roles, while knowledge work is more augmentable.

Geopolitical implications

- The US, EU and China dominate AI foundation model development, but the geostrategic environment is in flux.
  - Network effects appear limited, while developments in reasoning and open-source models suggest low fixed costs but high marginal costs (energy and compute). This reduces first-mover benefits and market dominance risks.

- Australia is unlikely to lead globally in AI foundation model development but can compete in the global AI value chain.
  - The greatest gains likely lie in AI adoption and development of our competitive advantages (e.g. data centres and sector specific AI applications in health, agriculture and mining).

Initiatives to Support the AI Industry

- Existing government initiatives to supporting the growth of the AI industry include:
  - A $17 million network of government-funded AI Adopt Centres to help Australian small to medium enterprises responsibly adopt AI tools by providing free services that help their business grow.
  - The $47 million Next Generation Graduates programs to train job ready graduates in skills needed by our AI and emerging technology industries.
  - The $15 billion National Reconstruction Fund (NRF), providing targeted investments to diversify and transform Australian industry. This includes $1 billion for critical technologies, including AI.
  - Investing $392 million in the Industry Growth Program to support innovative SMEs undertaking commercialisation or growth projects in NRF priority areas.
  - The Research and Development (R&D) Tax Incentive, which supported $478 million worth of projects in artificial intelligence, computer vision and machine learning in 2022-23.
  - The AI Sprint program, which provided a prize pool of $500,000 worth of research and development support for the 3 winning startups and entrepreneurs to develop AI solutions to solve national issues.

ATTACHMENT A: ATTENDEES

s 47F