

Microsoft commits A\$5bn over two years to cloud and AI data centres in Australia

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Today Microsoft announced major digital infrastructure, skilling and cybersecurity investments in Australia to help the nation seize the artificial intelligence (AI) era to strengthen its economic competitiveness, create high-value jobs and protect the nation from the increasing threat of cyberattacks.

Microsoft will invest A\$5 billion in expanding its hyperscale cloud computing and AI infrastructure in Australia over the next two years – the single largest investment in its forty-year history in the country. This investment will also grow Microsoft's local datacentre footprint from 20 sites to a total of 29 spread across Canberra, Melbourne and Sydney.

To realise the full potential of this new digital infrastructure investment, Microsoft is working with TAFE NSW towards establishing a Microsoft Datacentre Academy in Australia. The company will also extend its global skills programs to help more than 300,000 Australians gain the capabilities they need to thrive in a cloud and AI-enabled economy.

In addition, Microsoft will collaborate with the Australian Signals Directorate (ASD) on an initiative called the Microsoft-Australian Signals Directorate Cyber Shield (MACS), aimed at improving protection from cyber threats for Australian residents, businesses and government entities. As part of this partnership, Microsoft will work with ASD to build fit-for-purpose, next-generation cybersecurity solutions.

Today's announcement coincided with Australian Prime Minister Anthony Albanese's state visit to the United States, where he was joined by Microsoft Vice Chair and President Brad Smith, and Microsoft Australia and New Zealand Managing Director Steven Worrall.

Expand Australia's digital capacity to seize the AI opportunity

Microsoft's A\$5 billion digital infrastructure investment will increase its computing capacity by approximately 250 per cent over the next two years. This will enable the company to meet the growing demand for cloud computing services, which are expected to almost double from A\$12.2 billion in 2022 to A\$22.4 billion in 2026, according to a whitepaper by International Data Corporation, commissioned by Microsoft.

The investment will also enable Australia to capitalise on the significant economic and productivity opportunities presented by the latest AI technology, which were highlighted in a recent report by the Tech Council of Australia and Microsoft. The report found that generative AI – if adopted at an accelerated pace – could contribute as much as A\$115 billion a year to Australia's economy by 2030.

Microsoft will ensure that its new data centres in Australia help meet the company's sustainability goals of being carbon negative, water positive and zero waste by 2030. This includes using low-carbon materials during construction, as well as using renewable energy, advanced water-cooling features and measures to decrease diesel fuel use during operation.

Build capability for the era of AI

As part of today's announcement, Microsoft has committed to support an additional 300,000 Australians as part of its global skills programs, designed to help people gain the skills and capabilities they need to succeed in the digital economy by providing access to learning resources, certifications and job-seeking tools.

In addition, Microsoft is working towards launching its first Datacentre Academy in Australia in early 2024, in partnership with TAFE NSW. The academy's curriculum will align with core operational roles, including those of data centre technicians, critical environment specialists, inventory and asset management professionals, and IT

operations personnel.

Microsoft's skilling investments are part of the tech industry's shared commitment with the Australian Government to fill 1.2 million tech-related jobs across the country by 2030.

Strengthening the nation's cyber defences

The Microsoft-ASD Cyber Shield (MACS) builds on the longstanding partnership between Microsoft and the Australian Government, where the exchange of cyber threat information has led to better protection for Australian residents, businesses and government entities. The collaboration will enhance the government and Microsoft's joint capability to identify, prevent and respond to cyber threats, which are growing in both frequency and severity.

To highlight the scale of the problem, ASD's national Cyber Watch Office received more than 76,000 cybercrime reports in the 2021–22 financial year, an increase of nearly 13 per cent from the previous year. This equated to one report every 7 minutes.

MACS will include the evolution of national threat intelligence sharing capabilities, with a focus on detecting, analysing and defending against sophisticated nation-state cyber threats.

Pictured: The Hon Anthony Albanese MP Quotes attributable to Prime Minister Anthony Albanese:

This is a major investment in the skills and workers of the future, which will help Australia to strengthen our position as a world-leading economy.

A priority for my Government is to ensure all Australians benefit from economic growth. This means that we need to provide the skills to enable Australians to succeed in the jobs of the future.

A strong economy requires protection from cyber threats. I welcome Microsoft's collaboration with the Australian Signals Directorate to enhance cybersecurity for households and business.

Pictured: Brad Smith Quotes attributable to Brad Smith, Microsoft Vice Chair and President :

This is our largest investment in Microsoft's 40-year history in Australia and a testament to our commitment to the country's growth and prosperity in the AI era. We're coupling this A\$5 billion in computing capacity and capabilities with AI and engineering that will strengthen the nation's cyber defence, including a deeper collaboration with the Australian Signals Directorate.

Pictured: Ed Husic Quotes attributable to Minister for Industry, Ed Husic:

This is a big deal for our tech sector. Australia is one of the world's most advanced users of cloud technologies and this investment will keep us at the forefront.

This significant investment from Microsoft recognises the Albanese government's focus on supporting and growing our tech sector, including our target of 1.2 million tech jobs by 2030.

Pictured: Steven Worrall Quotes attributable to Steven Worrall, Managing Director, Microsoft Australia and New Zealand:

The infrastructure, skilling and cybersecurity investments and initiatives we announced today build on our long-term commitment to Australia but are squarely focused on the future. They will not only enable a safer and more secure digital economy, but also provide a platform to foster growth and innovation in the era of AI.

Pictured: Rachel Noble Quotes attributable to Rachel Noble PSM, the Director-General of the Australian Signals Directorate:

This announcement builds on ASD's strong partnership with Microsoft and will turbocharge our collective capacity to protect Australians in cyber space.

Pictured: Kate Pounder Supporting quotes attributable to Kate Pounder, CEO, Tech Council of Australia:

The Tech Council of Australia (TCA) welcomes this substantial investment in Australia's digital infrastructure, this investment is critical to creating jobs and opportunity in Australia. The TCA has a shared goal with the Australian Government of having 1.2 million people in tech jobs in Australia by 2030.

Hyperscale cloud providers like Microsoft are integral to Australia's tech industry – they lower the barrier to entry

for startups, act as incubators for developing talent, allow scale-ups to compete on the global stage and provide the same innovation and security available to the largest companies.

Pictured: Bran Black Supporting quotes attributable to Bran Black, Business Council chief executive:

This milestone investment from Microsoft into Australia is a game-changer. It will help Australian businesses lift their use of AI and cloud technologies, build the skills Australians will need in future, and secure our nation against cyber threats.

We know the use of cloud and AI will be critical to lifting productivity in Australia. This investment will help workers and businesses leverage these technologies to stay competitive and deliver the products Australians want.

The partnership between Microsoft and Australian Signals Directorate is exactly what's needed to tackle cyber risks, because we know the best cyber security outcomes are achieved when businesses and government work in partnership.

Work integrated learning and industry aligned curriculum development produce future ready workforces, and this investment in digital tradies delivers in both respects and represents a great outcome for Australia and Australian businesses.

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Today's announcement coincided with Australian Prime Minister Anthony Albanese's state visit to the United States

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Steven Worrall, Managing Director, Microsoft Australia and New Zealand, Prime Minister Anthony Albanese, and Brad Smith, Microsoft Vice Chair and President

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Steven Worrall, Managing Director, Microsoft Australia and New Zealand

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Pictured left to right: Prime Minister Anthony Albanese, Brad Smith, Microsoft Vice Chair and President and Steven Worrall, Managing Director, Microsoft Australia and New Zealand.

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Brad Smith, Microsoft Vice Chair and President (right)

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Prime Minister Anthony Albanese (left) and Brad Smith, Microsoft Vice Chair and President (right)

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Pictured left to right: Kevin Rudd, Steven Worrall, Brad Smith, Prime Minister Anthony Albanese, and Ambassador Kennedy

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Kevin Rudd, Ambassador to the United States

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