percapita
FIGHTING INEQUALITY IN AUSTRALIA

RESPONSE TO QUESTIONS

Australia's AI Dividend

Responses to questions from Senator Sheldon and Zaneta Mascarenhas MP

Per Capita | November 2026

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1. Response to Senator Sheldon

Question

Which parts of the layered dividend capture model does the consultation paper already cover, and what else would Per Capita like to see, including access to compute for Australian researchers, training and skills development, and the regulation of foreign firms training frontier models in Australia?

Senator, the consultation paper goes furthest towards our proposals on access to computing capacity, training and the conditions operators must meet for approval. The main outstanding question is how Australians can retain a financial interest in these assets and share in the income they generate.

1.1 Coverage of the layered model in the consultation paper

Table 1. Per Capita's proposals and the consultation paper

Element of the model	Position in the consultation paper	What Per Capita would add
Layer 1. Shared ownership within a public-private partnership	The paper allows jurisdictions to use publicly owned electricity infrastructure to meet energy obligations. It leaves public equity in data centre projects open.	Negotiate public stakes in campuses and the transmission and generation assets that supply them before investors commit capital. The CEFC, NBN Co or a new public body could hold the stakes, with board representation, information rights and step-in rights.
Layer 2. Revenue apportionment	The paper makes no provision for revenue sharing.	Require AI developers to pay an ongoing ad valorem share of revenue, using identifiable licensing units such as registered models and individual deployments as the basis for assessment.
Layer 3. Access fee	The "no net costs" principle provides for recovery of network, transmission and water costs.	Charge a fee above cost recovery for access to land, grid capacity, water and accelerated approvals. It could serve as a minimum annual payment credited against the revenue share due.
Layer 4. Reserved sovereign compute	The paper considers reserving computing capacity or requiring a public-interest research payment to support start-ups, researchers, VET providers and not-for-profits.	Make training authorisation conditional on reserving a specified share of capacity. Apply the requirement to hyperscalers, neocloud providers and frontier labs, with an allocation to rebuild CSIRO's computing capacity.
Layer 5. Training and apprenticeships	The proposed standard requires operators to demonstrate support for training and refers to the Australian Skills Guarantee.	Make grid connection and planning approval conditional on a staffing ratio, for example one apprentice for every five tradespeople. Give greater weight to first- and second-year apprentices and fund the additional TAFE places required.
Dedicated national fund	The paper makes no provision for a national fund.	Establish a fund modelled on the Future Fund to hold proceeds separately from the operating budget and stabilise revenue over time.

Element of the model	Position in the consultation paper	What Per Capita would add
Creative sector	The paper refers copyright matters to the Attorney-General's process.	Use part of the dividend to address ongoing losses of creative and media income, alongside copyright licensing.
Conditions on training	The paper sets safety, security and incident reporting expectations and considers compulsory information sharing.	Require firms to notify authorities of training runs, disclose the composition of training data and meet data sovereignty requirements. Attach these conditions to the Australian facility so they can be enforced where a firm has a limited presence here.

1.2 Common ground

Both the paper and our submission support mandatory requirements for energy, water, cost recovery and community engagement. We also agree that firms training models in Australia should provide computing capacity for researchers, start-ups and vocational education and training (VET) providers, and that the standards should set out firms' training obligations.

Applying the standards to projects already under consideration gives governments scope to negotiate while investors are still deciding whether to commit capital. The paper also distinguishes between facility owners and AI developers. Under our proposal, governments would negotiate equity and access fees with facility owners, while developers would pay a share of their revenue. The paper's 30 MW and 100 MW thresholds provide a basis for setting both the fee and the share of computing capacity that each facility must reserve.

1.3 Where we differ

The paper sets out how operators should run their facilities and which costs they should bear. We would go further by giving Australians a continuing financial interest through public equity, a share of developer revenue and an access fee, with the proceeds paid into a national fund. Australia's experience with LNG illustrates how much harder it is to negotiate these terms once contracts are signed and infrastructure is in place.

We recommend authorising a public investment body to negotiate equity stakes in projects now seeking approval and setting an access fee over and above the cost of providing public services. The standards should specify how much computing capacity operators must reserve and how many apprentices they must employ. Parliament should establish the national fund in legislation at the same time. Operators can meet a requirement to "demonstrate support" for training at little cost. Tying approval to an apprentice-to-tradesperson ratio would bring more people into the trades, provided Commonwealth and state governments fund enough TAFE places to train them.

2. Response to Zaneta Mascarenhas MP

Question on notice

How do communities that host data centres receive additional benefits from having these facilities in their own backyard, and how can the boom-bust cycle and two-speed economy seen in resource-rich states be prevented as data centre construction accelerates?

In mining, companies pay royalties for the minerals they extract because those minerals belong to the Crown. The case for a data centre access fee rests on the land, electricity network capacity and water that

governments make available to a project, as well as the value to the developer of expedited planning approval.

There is a further parallel with mining. Royalties compensate the public as companies draw down a finite stock of minerals. Developers of frontier AI models train them on generations of human writing, art, music, research and code. Those works remain available after training, but when a publisher or client uses generated material in place of commissioned work, the creator loses income and has less incentive to produce new work. Generated material also competes for readers, viewers and listeners whose time is limited. As more of it reaches audiences, the share of attention and income available to human creators falls. Over time, these pressures reduce the supply of original work on which future models will also depend. We therefore propose using part of the dividend to address the loss of income across the creative and media sectors.

Data centres employ large numbers of people during construction, but once they open they need relatively few workers for the amount of capital invested. Host communities consequently have less scope than mining regions to share in the economic benefits through local jobs.

2.1 Benefits for host communities

Planning and connection approvals give governments an opportunity to secure a lasting return for residents who share local water and electricity networks with a data centre and experience the disruption of construction. With few ongoing jobs at most facilities, the terms agreed before approval will largely determine what the community gains.

Sharing gains in land value. Rezoning, a firm grid connection and expedited planning approval can substantially increase a site's value. The landholder or developer generally receives the benefit of those public decisions before installing any servers. A betterment levy modelled on the ACT Lease Variation Charge could return part of that gain to the host council. The levy would apply at approval, before the higher value is reflected in the sale price or lease.

Once the facility opens, council rates and land tax should reflect the site's new value, replacing its former agricultural or light industrial valuation. The higher rating base would give the council an ongoing return. Where several facilities share a substation or transmission corridor, neighbouring land may also increase in value. A district levy could return part of that wider gain to the council.

A local share of the access fee. Wind and solar projects commonly make annual payments to host communities based on installed capacity. Data centres could make similar payments throughout their operating lives, with the consultation paper's capacity tiers determining how much each facility contributes. A 100 MW campus would pay proportionately more than a smaller facility. Residents and council representatives could oversee a local fund and direct the proceeds to priorities such as housing, local services or energy bill relief.

Local apprenticeships. As part of the proposed ratio, operators could be required to recruit a share of their apprentices locally and provide training through the nearest TAFE campus. Apprentices who start during construction could qualify in time to work on the facility or the surrounding electricity network. Their skills would also be valuable to local employers building housing or maintaining the network.

Local access to computing capacity. Regional TAFEs, schools, councils, health services and small businesses rarely have access to computing capacity on this scale. A local TAFE or university campus could administer part of the national allocation for their use. Residents could receive training in AI, while health services and councils could use the facility to analyse local data and plan services.

Infrastructure for community use. At the approval stage, governments can require developers to design water recycling plants, telecommunications links and electricity network upgrades to serve nearby communities. A recycling plant could supply local farms or industry, while a developer laying fibre to a campus could extend the connection to nearby towns at modest additional cost. The paper raises this possibility for telecommunications. Water and electricity infrastructure offer similar opportunities and will serve the region for decades after the original computing equipment is replaced.

2.2 Avoiding boom-bust and two-speed outcomes

During the resources boom, a higher exchange rate made it harder for Australian manufacturers, tourism operators and education providers to compete overseas. Data centre construction is more likely to put pressure on particular regions, where projects compete for skilled tradespeople, rental housing and land.

Coordinating construction schedules. The consultation paper proposes connecting projects to the grid in stages. A national register would show governments when several projects are due to begin in the same region, allowing them to schedule connections around other construction work. When data centres compete with housing, transmission and renewable energy projects for electricians, lineworkers and civil contractors, costs rise and work on the electricity networks and generation that data centres need can fall behind. The register would also help training providers plan places by showing where demand for particular trades is likely to peak and when.

Training more tradespeople. Giving greater weight to first- and second-year apprentices in the proposed ratio would encourage operators to train new entrants and ease competition for experienced electricians who already build and maintain homes or work for small contractors. Commonwealth and state governments would need to fund additional TAFE places before construction peaks. Jobs and Skills Australia already identifies electricians as being in critical shortage, and data centres will add to demand from housing construction and the energy transition.

Housing for construction workers. Rents rose sharply in parts of Western Australia during the mining construction boom and in Gladstone during the construction of LNG projects, then fell when the work ended. Governments could require developers seeking approval for a regional data centre to submit a workforce accommodation plan. Where developers need to build accommodation, they could design it for conversion to permanent local housing once construction finishes.

Managing fluctuations in revenue. Access fees, the public share of developer revenue and dividends on public equity will vary with construction and leasing activity. Paying the receipts into a dedicated fund with a stabilisation mandate would allow governments to set recurrent spending independently of receipts in any one year. Chile takes a similar approach to copper, saving revenue when the price exceeds a long-term reference level.

Public investment in electricity infrastructure. Servers and accelerators need replacing every few years, and their value depends heavily on continued demand for AI computing capacity. Power stations, transmission lines, substations and grid connections can operate for decades, earn regulated or contracted revenue and continue serving electricity users if AI demand slows. A public stake in these assets, held through the CEFC or a state-owned energy business, would provide a return across the cycle and limit the risk of losses in a downturn.

Bonds for closure or reuse. Australian states require mining companies to provide financial security for site rehabilitation. Governments could impose a similar condition when approving a data centre, with the amount based on an independent estimate of the cost of removing equipment, restoring the site or converting the buildings to another use. Reviewing the amount as the facility expands would keep enough money available to meet those costs if the operator abandons the site during a downturn.

*For transparency: AI was used for editing and typesetting