Citizens of Australia Dividend (COAD)

Funding the Dividend: A Statutory Licence & Levy Model for AI Training

A constitutional, trade-aware path forward that secures AI investment, pays creators, and builds a public dividend.

The Problem

Australia faces a false binary: grant AI developers an uncompensated copyright exemption to secure data centre investment, or protect creators and lose the capital.

An exemption would transfer Australia's accumulated creative output to foreign technology companies at zero price, expose the Commonwealth to constitutional challenge under section 51(xxxi), and set a precedent that national creative assets are available to the highest-pressure lobbyist rather than the highest bidder.

The policy moment is live: on 15 July 2026 the Prime Minister announced a new Office of AI within his own department to centralise AI policy, while copyright remained with the Attorney-General. A concrete, ready-to-legislate model is timely for both audiences.

The Solution: Statutory Licence + Revenue Levy

Element	Detail
Rate	2–3 per cent levy on AI service revenue from Australian customers (model API access, subscriptions, AI-generated advertising services)
Collection	ATO destination-nexus machinery — operational since July 2017 (zero new bureaucracy required)
Split	50 per cent to creators (via APRA AMCOS for music and Copyright Agency, which now incorporates VISCOPY, for text and visual arts); 50 per cent to a public sub-fund (quarantined within the Future Fund, compounding for a future citizens' dividend)
Leverage	Data centre approvals, grid connections, and renewable energy agreements conditional on scheme participation
Legal design	Meets the Constitution's 'just terms' requirement (s 51(xxxi)) via continuing remuneration. Structured as a dedicated taxation Act, mirroring the Government's own News Bargaining Incentive, to withstand a s 55 taxation challenge. The AUSFTA non-discrimination position is COAD's assessment, not yet confirmed by formal legal opinion — see the position paper, section 3.1.

Why This Works: Proven Australian Precedents

- ATO destination-nexus collection — imported digital services GST (2017)
- Statutory licensing — Part VB of the Copyright Act 1968 (education/broadcast)
- A working, already-drafted analogue — the News Bargaining Incentive (2.25 per cent platform revenue charge, draft legislation released 28 April 2026), which COAD's model extends rather than replaces
- Collecting society distribution — APRA AMCOS and Copyright Agency (incorporating VISCOPY for visual arts since their 2017 merger) already use sampling/proxy models
- Sovereign wealth accumulation — Future Fund governance, with a quarantined sub-fund and legislated dividend trigger

Indicative Revenue

Parameter	Near term (2027–28)	Medium term (2030–31)
In-scope AI revenue (Australian customers)	$4–6 billion	$10–15 billion
Levy at 3 per cent	$120–180 million p.a.	$300–450 million p.a.
Creator share (50 per cent)	$60–90 million p.a.	$150–225 million p.a.
Public sub-fund share (50 per cent)	$60–90 million p.a.	$150–225 million p.a.

Illustrative only — statutory review at three years. Cross-checked against Grand View Research's Australia generative AI market forecast (US$1.5bn in 2025 growing at a 41.9 per cent CAGR to US$23.4bn by 2033); treat the figures above as an illustrative upper bound pending dedicated economic modelling, not a costing.

The Ask

We request a 30-minute briefing for your office and relevant departmental officials — the Attorney-General's Department, the Department of Industry, Science and Resources, Treasury, Finance, and the new Office of AI (Department of the Prime Minister and Cabinet) — on the legislative pathway and implementation timeline.

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