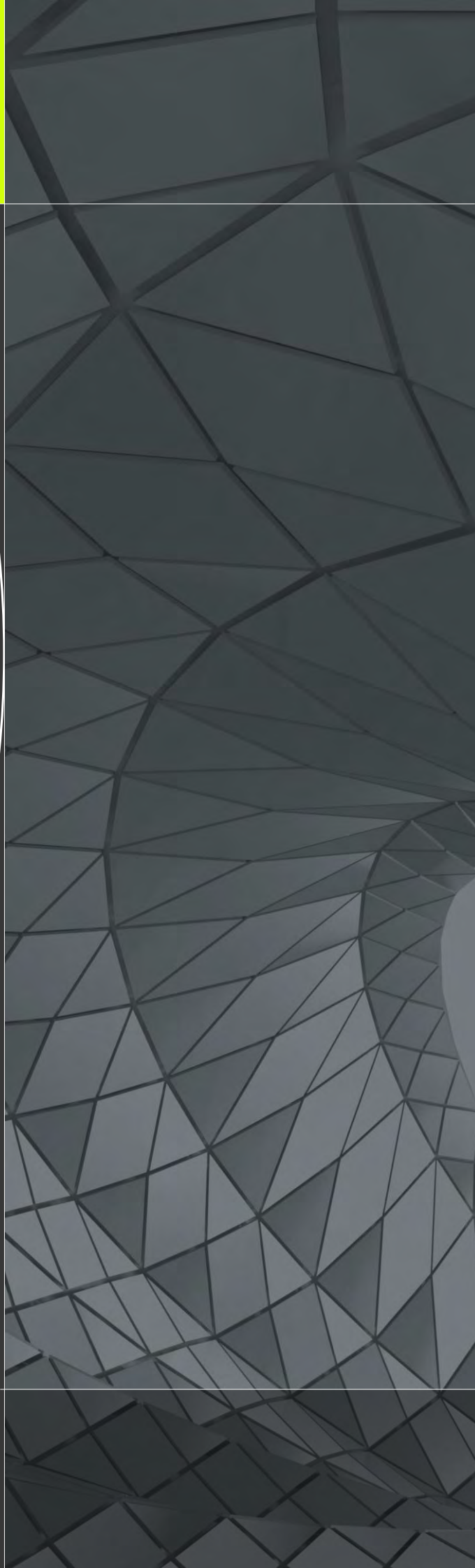
BCA
Business Council of Australia

Consultation on AI Infrastructure and AI Training

BCA Submission

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Executive summary

The challenge and opportunity of artificial intelligence

AI is already improving everyday life and work in Australia. It helps banks stop scams, miners operate more safely, energy networks prevent faults and small businesses spend less time on administration.

Australia needs new sources of productivity growth. The Productivity Commission has found that widespread, responsible AI adoption can lift productivity, real wages and living standards. AI can help businesses deliver better services, address workforce shortages and create new products, firms and industries. More than one in three large Australian businesses already use AI day to day.

Data centres are becoming as essential to Australia's economy as roads, ports and the electricity grid. They provide the computing infrastructure required for AI adoption across the economy. Without a clear and nationally consistent regulatory environment, investment in data centres and AI capability will increasingly flow to other jurisdictions, reducing Australia's ability to capture productivity gains, attract investment and build sovereign capability in the technologies that will shape future economic growth.

Australia has adapted successfully to major technological change before. AI may be more consequential than the technologies that came before it. The policy task is to capture its benefits while managing genuine risks.

Building confidence in AI and AI investment

Australians are increasingly focused on the opportunities and risks associated with AI and the infrastructure that supports it. Questions about energy use, water consumption, jobs, privacy, safety and accountability deserve serious consideration. Building public confidence and trust in AI and related infrastructure will be critical to supporting broader AI adoption, enabling continued investment and ensuring Australia can realise the productivity, economic and social benefits of these technologies.

BCA members represent some of Australia's largest employers and investors. They are already developing and deploying AI across their enterprises and investing in digital infrastructure. Their continued investment in AI will be critical to ensuring Australia remains a competitive destination for capital, talent and technology, while developing domestic capability and unlocking the productivity benefits of AI across the economy.

The Government's proposed National Standards provide an opportunity to support both public confidence and investment certainty. A nationally consistent framework can help ensure AI is developed and deployed responsibly, while strengthening Australia's competitiveness as a destination for investment, talent and innovation.

To achieve these objectives, any new requirements must minimise compliance costs, be risk-based, proportionate, outcomes-focused, confined to clear regulatory gaps and incorporated into existing processes. Policy settings must enable and support additional infrastructure capacity. Reporting requirements should be proportionate, meaningful and better inform stakeholders, minimise compliance costs, consistent with existing data collections and reporting wherever possible, and rely on aggregate reporting where necessary to protect security, privacy and commercial confidentiality.

A clear national direction from the Commonwealth would enable business to invest by:

- Keeping regulation coherent, proportionate and workable, including on copyright and workplace adoption
- Building the skills, research and commercial capability needed to develop Australian products and exports
- Establishing a single national framework for AI infrastructure that uses existing state and territory processes and avoids duplication or inconsistent regulatory layers
- Building public confidence through evidence, responsible use and targeted safeguards against genuine harms.

Business will make the investments needed to realise these benefits. Government's role is to remove unnecessary barriers to investment and act where genuine risks arise.

World-leading technology, the Australian way

Australia's economic and strategic interests depend on continued access to the best global AI technologies and stronger capability in areas where it has economic and strategic strengths.

Those strengths include resources, health, agriculture, financial services, advanced manufacturing, defence, energy and critical digital infrastructure. Australia can use them to develop and commercialise more AI products, services and expertise.

National standards for AI and data centres must ensure Australia can choose, adapt and deploy leading technology on its own terms.

Ensuring control where it matters

Australia needs greater control over AI systems supporting defence, national security, critical infrastructure and sensitive government functions.

That assurance may come through trusted international partners, secure domestic operations, assured access to technology or Australian ownership where reliance on an overseas provider would be unacceptable. The test is whether critical national functions can continue during geopolitical tension, supply disruption or restricted access to overseas technology.

Building confidence and public trust

AI investment requires clear laws and nationally consistent policy settings that give businesses confidence to invest. Regulation is best directed at demonstrated gaps. Modernising copyright law to reflect technological change would create new opportunities for innovation, investment and compensating copyright owners. Skills, energy, connectivity and computing policies must support timely investment.

Public confidence will come from benefits Australians can see, responsible deployment and safeguards against serious harms. Concerns about privacy, scams and jobs deserve direct answers.

AI will change jobs and tasks, but it is more likely to augment work than replace it. Employers remain responsible for investing in workforce capability and involving employees in how AI is introduced.

The BCA supports a tiered approach to proportionate requirements for AI and data centres, with thresholds developed in close consultation with data centre developers and operators.

A workable framework would apply prospectively to new facilities and material expansions that have not passed a clearly defined development milestone, provide reasonable transition periods and place obligations on the entities with actual control over the relevant activity. It would base sustainability reporting on measured operational data, require connecting data centres to meet efficient and independently attributable system costs, and protect site-level security and commercially sensitive information.

A clear national framework for regulation, copyright, skills and infrastructure will help Australia secure these outcomes. Done well, AI can lift productivity and living standards, strengthen national resilience and ensure more of the value it creates remains in Australia. The BCA's recommendations in this submission are based on the Commonwealth assurance that "the AI standards will compliment, not duplicate existing processes for approvals and obligations".

Key recommendations

Managing growth in large data centres and the AI training opportunity

1. Establish nationally consistent, outcomes-based AI standards for large data centres that complement, rather than duplicate, existing Commonwealth, state and territory processes, with key settings and transition arrangements developed through ongoing consultation with industry and other stakeholders.
2. Apply the full standard to material new or expanded grid connections.
3. Apply grandfathering or proportionate transition arrangements to projects that have reached a clearly defined development milestone, reflecting project maturity and planning and infrastructure lead times.
4. Governments, energy market bodies and network businesses should coordinate generation, storage and transmission against credible demand forecasts.

Requirements for large data centres

5. National standards for energy, water, cost recovery and community engagement associated with large data centres must be consistent but flexible.
6. The Commonwealth role should be ensuring adequate state and territory processes and filling gaps, rather than creating a national regime that sits on top of state and territory regulation.

Supporting investment in new renewable energy through a renewable electricity obligation

7. Obligations should be phased against the delivery timelines for generation, transmission and data centres.
8. Government should recognise credible power-purchase agreements and other commitments within an operator's control.

Energy efficiency

9. Government should record energy and water metrics using measured operational performance.
10. Requirements should scale by facility size and material impact.
11. Regulators should receive operational energy data at the level appropriate to the operator's delivery model and publish aggregated results.

Use innovative, efficient and sustainable solutions to minimise water use

12. Government should apply nationally consistent water-efficiency standards that reflect local conditions.
13. Utilities and proponents should plan recycled-water infrastructure early.
14. Regulators should receive operational water data at the level appropriate to the operator's delivery model and publish aggregated results.

Impose no net costs on consumers and communities

15. Data centres should fund efficient, incremental and independently attributable infrastructure costs of connection.
16. Governments should coordinate grid, generation, storage and water planning with committed demand.
17. Market bodies should reward verified demand flexibility where facilities can provide it reliably.

Engage meaningfully with local communities and councils

18. Developers should engage communities early and maintain clear contact through construction and operation.
19. Recognise early community engagement as industry best-practice, with any project-specific requirements addressed through existing state and local planning processes.
20. Support meaningful community engagement through transparent reporting on operational outcomes at the aggregate portfolio or regional level, while protecting security sensitive and commercially sensitive site information.
21. States and territories should identify viable data centre sites and enabling infrastructure early and coordinate the energy, water and telecommunications infrastructure needed to support them.

Data centre construction

22. Establish a voluntary, flexible, out-comes-based skilling framework for privately funded data centre construction, focused on increasing apprentice participation, progression and completion while reflecting project and local workforce conditions.
23. Do not impose fixed apprentice-to-qualified-worker ratios on data centre construction projects. Training requirements should reflect apprentice supply, trade-specific supervision requirements, suitable work and project training capacity.

Data centre operations

24. Operators provide structured pathways into data centre operational roles, and partner with VET and higher education providers to build specialist operational capability.
25. Large operators provide aggregated workforce-demand information to Jobs and Skills Australia to support workforce planning and training provision.
26. Recognise participation in shared industry training initiatives as an operator contribution to workforce development.

Conditions for AI training

27. Government should distinguish the obligations of model developers, hyperscalers, compute providers and data centre operators so each actor is responsible only for the activities and capabilities it controls.
28. Industry contributions to skills, research and innovation should be flexible, additional, proportionate, measurable and market-based.

Australia's security and safety will benefit from AI training

29. Apply risk-based, technology-neutral conditions to large-scale AI training, aligning safety and security settings with trusted international partners.
30. Regulators should protect security-sensitive, privileged and commercially sensitive information.

Invest in local capability, skills, research and innovation

31. Establish a trusted national entry point for free foundational AI learning, drawing on high-quality training contributed by frontier AI developers and other providers.
32. Frontier AI developers should contribute to advance Australian AI capability through one or more measures, including specialist training, support for educators, and pathways for researchers, engineers and developers.
33. Improve the speed and predictability of skilled visa processing and establish a streamlined intra-company transfer pathway for high-demand AI and frontier-technology specialists.

Research contribution

34. Establish a nationally coordinated AI Research and Innovation Access mechanism to connect eligible Australian researchers and innovative businesses with frontier AI capability, subject to appropriate safeguards.
35. Seek research contributions only from companies undertaking dedicated frontier model training in Australia. Contributions should be voluntary, flexible, additional and proportionate, reflecting the activity, expertise and capabilities each company directly controls. Other providers may participate voluntarily.
36. Allocate contributed resources competitively through existing research and innovation institutions, based on demonstrated need and potential Australian research and commercialisation outcomes.

1. Managing growth in large data centres and the AI training opportunity

Recommendations

1. Establish nationally consistent, outcomes-based AI standards for large data centres that complement, rather than duplicate, existing Commonwealth, state and territory processes, with key settings and transition arrangements developed through ongoing consultation with industry and other stakeholders.
2. Apply the full standard to material new or expanded grid connections.
3. Apply grandfathering or proportionate transition arrangements to projects that have reached a clearly defined development milestone, reflecting project maturity and planning and infrastructure lead times.
4. Governments, energy market bodies and network businesses should coordinate generation, storage and transmission against credible demand forecasts.

Data centres are enabling infrastructure that underpin Australia's economy and many essential services. They provide the computing capacity, connectivity and digital foundations required for AI adoption. They can also give Australia a foothold in the AI economy. The opportunity is to turn that foothold into broader capability through research, skills, software, applications and services.

This creates a significant opportunity for Australia to attract investment in AI and the infrastructure that enables it. Capturing the broader value will depend on Australia combining infrastructure investment with the skills, research capability and business adoption needed to develop and commercialise more AI-enabled products and services here.

Capturing that opportunity requires responsible growth and effective risk management. The BCA supports one national, outcomes-based framework. A fragmented approach across jurisdictions would add cost and complexity and weaken investment certainty.

1.1 Thresholds for application of the AI standards

The BCA supports one national, outcomes-based and proportionate framework that incorporates flexibility.

A tiered approach like that proposed in the consultation paper could work, but only if government develops the thresholds in close consultation with industry, and if it includes a degree of flexibility. National AI standards should distinguish new, committed and existing projects, avoid retrospective rules, provide workable transitions and assign obligations according to practical control. Project thresholds and connection milestones will be required to support staged campus development without triggering repeated obligations each time capacity expands.

A tiered model can use a capacity threshold as the primary gateway, with further requirements determined by actual water demand, grid connection and local conditions.

National AI standards should apply prospectively to new facilities and material expansions. Within that scope, the tiers should apply lighter reporting to smaller facilities and the full standard to large facilities above a materiality threshold. The most useful trigger would be a material new or expanded grid connection, which captures staged campuses and reserved capacity without a blunt cap or building-size test.

Content delivery network nodes and edge points of presence that are co-located within existing telecommunications exchanges or third-party facilities should be excluded from the standard where they do not create material energy, water, land or community impacts or require a material new grid connection. The threshold framework should address these deployments according to their actual impact.

1.2 Approach to the application of the AI standards

National AI standards must create consistency across jurisdictions, particularly with regard to definitions and minimum requirements.

Assessments against the national AI standards must be done through existing state and territory processes. That is, current state and territory processes should assess any relevant planning and environmental requirements arising from the standards, not a separate Commonwealth assessment. Existing assessment and reporting processes should be used to demonstrate compliance with the national standards where they address equivalent requirements.

The full standard should apply to material new or expanded grid connections. This gives data centre developers the opportunity to incorporate efficient design, storage and grid-support capability into their projects and contracts without shifting requirements during assessment.

Any compliance plans must protect sensitive information and place responsibility with the entity that controls the relevant activity. Where one party operates a facility and another takes capacity as a customer, obligations for inputs such as water and energy sit with the operator that controls them, not the customer.

Compliance obligations should commence after a realistic implementation period that reflects project maturity, facility tier and infrastructure lead times. Final rules, guidance and reporting arrangements must be available before obligations commence, with a practical, staged commencement co-developed with industry. Any additional reporting should be limited to a clearly identified gap and integrated with existing arrangements.

Governments, market bodies and industry will need to coordinate planning for generation, storage and transmission with credible data centre demand, consistent with the Australian Energy Market Operator's Integrated System Plan. Staged connections may assist where they are technically and commercially workable. A two-way transparency process can identify dependencies, revised timelines and mitigation steps where delivery is affected by a generator, network business, approval process, or telecommunications infrastructure lead times.

2. Requirements for large data centres

Recommendations

5. National standards for energy, water, cost recovery and community engagement associated with large data centres must be consistent but flexible.
6. The Commonwealth role should be ensuring adequate state and territory processes and filling gaps, rather than creating a national regime that sits on top of state and territory regulation.

Responsible data centre growth will require balance with Australia's energy build-out, water stewardship and infrastructure planning. The BCA supports an outcomes-based approach to data centre standards that is nationally consistent and proportionate, while preserving flexibility in how providers meet the required outcomes. National consistency covers the principles, definitions, information requirements and assessment processes that apply to data centre development. Assessment methods should account for genuine differences in climate, grid conditions, geography, workload and energy-water trade-offs so that one metric does not drive poorer overall outcomes.

National standards should require jurisdictions to have appropriate regulatory and assessment processes in place, rather than prescribe an additional layer of regulation. Where a state or territory already has laws or processes that achieve the relevant outcomes, those arrangements should continue to apply. National standards should address gaps where adequate requirements do not exist and should not duplicate existing obligations or impose additional approval processes on projects already subject to equivalent requirements. Where appropriate, gaps should be addressed by updating existing regulatory requirements rather than creating new Commonwealth obligations outside established structures.

Data centres are responsible for the efficient, incremental and independently attributable costs of their connection and any upstream network augmentation they trigger. Water settings should encourage efficient cooling technologies and recycled or non-potable supply where feasible.

For data centres and other major infrastructure, building community trust depends on early and honest engagement about local benefits and impacts. Aggregate reporting can support accountability, but public disclosure cannot compromise commercially sensitive information.

2.1 Supporting investment in new renewable energy through a renewable electricity obligation

Recommendations

7. Obligations should be phased against the delivery timelines for generation, transmission and data centres.
8. Government should recognise credible power-purchase agreements and other commitments within an operator's control.

Phased obligations reflect the different delivery timelines for data centres, generation and transmission. This approach recognises credible commitments to new supply and allows time for projects outside an operator's control to reach commissioning. Industry input will be important in developing the transition period and trajectory.

Additionality applies when an investment makes a credible contribution to new supply. A practical commissioning, contracting or financial-commitment test, co-designed with industry, would make additionality

workable. The test recognises the role of power purchase agreements and assesses operators against commitments within their control.

Policy settings can facilitate power purchase agreements, efficient network connections and demand-response participation, where workload continuity and site capability allow. Operators retain the flexibility to choose the most efficient mix of on-site generation, storage, firming and demand response for each facility.

An effective renewable electricity framework supports new generation while preserving flexibility in certificate use, time matching and compliance arrangements. It accommodates an efficient mix of renewable energy, recognised certificates (including Renewable Electricity Guarantee of Origin certificates or Large-scale Generation Certificates where applicable), storage and firming, including gas where required for reliability. Poorly aligned rules can raise costs, delay investment and increase reliance on diesel backup generation.

2.2 Energy efficiency

Recommendations

9. Government should record energy and water metrics using measured operational performance.
10. Requirements should scale by facility size and material impact.
11. Regulators should receive operational energy data at the level appropriate to the operator's delivery model and publish aggregated results.

National Standards need common definitions, metrics and assessment methods so that performance is assessed consistently across jurisdictions. Where appropriate, metrics should align with internationally recognised measures. New facilities may provide design-stage estimates during planning and approval, but ongoing reporting should rely on metered data once a facility is operating.

Performance requirements should scale with facility size and impact. They should also allow for an appropriate ramp-up period. Smaller facilities should face lighter requirements, while large new or expanded facilities meet the full standard. Where the National Greenhouse and Energy Reporting scheme already captures relevant information, the national standards should reuse it rather than creating duplicate reporting. Large facilities should report any additional annual operational energy use, efficiency and emissions information to government in a manner consistent with the operator's delivery model, with public reporting at an aggregated level.

2.3 Use innovative, efficient and sustainable solutions to minimise water use

Recommendations

12. Government should apply nationally consistent water-efficiency standards that reflect local conditions.
13. Utilities and proponents should plan recycled-water infrastructure early.
14. Regulators should receive operational water data at the level appropriate to the operator's delivery model and publish aggregated results.

Data centres should meet nationally consistent water-efficiency requirements using metered operational data and proportionate assurance, with performance normalised or adjusted for material climate variations across Australia. Water metrics need to also account for climate, water source, water stress, workload and energy-water trade-offs. Water Usage Effectiveness (WUE) and the National Australian Built Environment Rating System (NABERS) are useful inputs to a national framework, subject to adjustments for local conditions.

National AI standards should encourage recycled and non-potable water and includes those supplies in infrastructure planning. Operators would retain the flexibility to choose the option that delivers the best overall outcome for the site, including potable water where local supply, climate and cooling technology support that

outcome. Large facilities provide regulators with metered data on water demand, source, efficiency and resilience measures, with public disclosure aggregated to protect operational security.

Where recycled or non-potable water is unavailable, operators can use feasible alternatives, including closed-loop liquid cooling, dry cooling or other systems that reduce continuous water use. For water stewardship projects, assessment of offsets and shared infrastructure covers additionality, local benefit and commercial viability.

Compliance plans explain how operators will use water responsibly and manage material local constraints. Government, utilities and proponents coordinate planning where several developments rely on the same system or catchment. The National AI standards should therefore support efficient cooling and recycled water where feasible, with mitigation matched to the local impact and available infrastructure.

2.4 Impose no net costs on consumers and communities

Recommendations

15. Data centres should fund efficient, incremental and independently attributable infrastructure costs of connection.
16. Governments should coordinate grid, generation, storage and water planning with committed demand.
17. Market bodies should reward verified demand flexibility where facilities can provide it reliably.

Cost allocation for infrastructure upgrades should follow established principles. Connecting data centres would fund the incremental and independently attributable costs of their connection and any upstream augmentation they trigger. National AI standards must also enable private investment in shared assets where upgrades create wider capacity and economic benefits.

The principal barriers to data centres securing new generation, storage, and firming, are mismatched project and infrastructure lead times, grid-connection constraints, approval delays and uncertainty around when additionality and firming requirements will apply. National AI standards must facilitate power purchase agreements, efficient connections and coordinated planning of generation, storage and transmission against credible demand.

Unclear capacity, cost and delivery timeframes can prevent investment. Removing delivery barriers and providing timely information would give proponents greater certainty. Early capacity planning, utility partnerships and clear approvals can make recycled-water projects viable and give proponents a credible basis for investment.

Data centres should be incentivised to participate in demand-response arrangements where their technical requirements allow. Facilities hosting critical government, defence and essential-service workloads require assured continuity of service. Nationally consistent connection and market arrangements recognise those operating requirements and reward flexible capacity where it can be delivered reliably.

Demand flexibility depends on workload continuity, the technical capability of each site, retrofit costs and the availability of suitable market arrangements. Governments and market bodies account for those factors when setting connection terms and incentives. Connections and tariffs can reward verified flexibility, with participation determined by the capability of the facility.

Where infrastructure upgrades are necessary to enable a data centre development, developers fund or procure the direct and independently attributable electricity, water and road upgrades. Regulatory oversight keeps those costs transparent. National AI standards must recognise privately funded upgrades that create broader capacity as delivering wider community and economic benefit.

2.5 Engage meaningfully with local communities and councils

Recommendations

18. Developers should engage communities early and maintain clear contact through construction and operation.
19. Recognise early community engagement as industry best-practice, with any project-specific requirements addressed through existing state and local planning processes.
20. Support meaningful community engagement through transparent reporting on operational outcomes at the aggregate portfolio or regional level, while protecting security sensitive and commercially sensitive site information.
21. States and territories should identify viable data centre sites and enabling infrastructure early and coordinate the energy, water and telecommunications infrastructure needed to support them.

Developers already engage communities, First Nations peoples, councils and nearby businesses early enough to inform planning, then continue that engagement through construction and operation. They provide clear information on local benefits and impacts, including energy, water, land use, traffic, noise, backup generation and enabling infrastructure. Effective engagement is tailored to the community and supported by clear commitments, contact arrangements and transparent reporting on operational outcomes. Reporting at the aggregate portfolio or regional level can support meaningful engagement by demonstrating data centres' economic contribution, employment and infrastructure investment, while protecting security sensitive and commercially sensitive site information.

National guidance can establish high-level engagement principles and proportionate information sharing expectations. Existing state, territory and local could determine any project-specific engagement requirements. National AI standards should not create a separate Commonwealth engagement plan or approval process. A single-front-door process could coordinate assessments and reduce duplication across existing approvals.

State, territory and local planning processes must balance data centres with housing, agriculture, water and other land uses. A national framework can establish consistent principles and information requirements, while site-specific planning determines the appropriate use of each location.

Early collaboration between states, territories and infrastructure providers can identify suitable sites and coordinate enabling infrastructure. Regional locations can be attractive where they offer viable energy, water, connectivity, workforce and customer access, including near renewable energy zones. Site selection reflects the operating needs of the facility and the capacity of local infrastructure.

Connectivity and enabling infrastructure

Integrated planning should treat domestic fibre, subsea cables, landing stations, carrier-neutral facilities and data centres as one connectivity system. Data centre capacity depends on resilient, diverse and scalable connectivity, which can have significant design, permitting and construction lead times. Enabling telecommunications infrastructure depends on certain, coordinated and time-bound land access and approval pathways, including for maintenance and upgrades where external impacts are not materially increased. Early engagement with telecommunications providers helps developers assess capacity, resilience, international connectivity and commercially viable opportunities to extend local connectivity.

2.6 Contribute to building skills and training opportunities

Data centre construction

Recommendations

22. Establish a voluntary, flexible, out-comes-based skilling framework for privately funded data centre construction, focused on increasing apprentice participation, progression and completion while reflecting project and local workforce conditions.
23. Do not impose fixed apprentice-to-qualified-worker ratios on data centre construction projects. Training requirements should reflect apprentice supply, trade-specific supervision requirements, suitable work and project training capacity.

Data centre construction should make a measurable contribution to growing Australia's construction skills pipeline, but it should not be treated as a unique workforce category. Major construction contractors and subcontractors manage projects and workers across a broad range of sectors, including hospitals, commercial buildings, infrastructure and data centres, with teams moving between projects as demand changes.

BCA members report typical data centre construction periods of 18 months to two years, with electrical teams, for example, onsite for only around eight months before moving to another project. Members also report difficulty recruiting apprentices, particularly in regional areas.[1] Short work packages, tight delivery schedules, suitable work, supervision requirements and training capacity all affect how many apprentices a project can support.

The challenge is not simply to employ existing apprentices, but to increase the number entering and completing training, including by supporting employers to train more. Trade apprenticeship and traineeship contracts in training were 5.6 per cent lower in March 2026 than a year earlier, off the back of a considerable post-COVID decline.[2] Contractors are already competing for a limited apprentice pool, which is often exacerbated by the requirement to meet Australian Skills Guarantee procurement rules on government projects.[3]

Employer support is also reducing. From 1 January 2027, employers with 200 or more employees, other than Group Training Organisations, will no longer receive the Priority Hiring Incentive or Key Apprenticeship Program Employer Incentive for new apprenticeships.[4] This will increase the cost of recruitment and training for affected businesses. Adding mandatory project targets without assistance to expand supply risks increasing competition for existing apprentices rather than creating new opportunities.

The BCA therefore supports an outcomes-based skilling approach that focuses on increasing the overall trade apprentice pipeline. A voluntary skills boost framework for privately funded data centre construction could draw on the Australian Skills Guarantee, with projects aiming for learning workers to undertake 10 per cent of labour hours. This must remain an aspirational target, not a project-level minimum, enforceable requirement or basis for penalty.

Delivery should reflect the trade mix, project stage, local apprentice supply, suitable work, supervision requirements and training capacity of each project. Contributions should recognise genuine skills development, retention and progression, including apprentices continuing towards completion across successive projects, rather than focusing on labour hours alone. This approach is consistent with NSW and Victorian models, which require proponents to demonstrate meaningful skills and training contributions while allowing flexibility in how those outcomes are delivered, rather than imposing a uniform apprenticeship target.[5]

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[1] Discussions with BCA members, September 2026
[2] NCVER, 'Apprentices and trainees 2026: March quarter' 2026
[3] Australian Skills Guarantee. Discussions with BCA members, September 2026
[4] DEWR, 'Changes to Australian Apprenticeships Incentive System from 1 January 2027'
[5] Infrastructure NSW, 'Data Centre Guidelines'; Jobs and Skills Victoria, 'The Sustainable Data Centre Action Plan'

Responsibility for recruiting, employing and supervising apprentices should remain with the employers and contractors that control those functions. Head contractors should coordinate participation across the subcontracting chain, with a focus on recruiting new entrants and helping apprentices continue their training across successive projects. Where operators voluntarily support placements or shared training or other workforce initiatives, national AI standards should recognise that contribution without making operators accountable for contractor workforce outcomes they do not control.

The national standards should complement, not duplicate, existing contractual training obligations. The Australian Skills Guarantee's women's participation settings could inform voluntary benchmarks, alongside targeted measures to increase participation by First Nations Australians. The distinction from the Guarantee is important: it applies to eligible Australian Government projects where government is the procuring client. Privately financed data centre developments require a more flexible, voluntary approach that encourages measurable skills outcomes without imposing rigid workforce requirements.

In Focus: Mandatory apprentice ratios for data centre construction

The BCA understands the Government is considering requiring one apprentice for every five qualified workers on data centre construction projects. We strongly recommend against this approach. A fixed headcount ratio does not account for differences across trades, stages of training or supervision requirements. A 1:5 ratio would make apprentices equivalent to 20 per cent of the qualified workforce, regardless of whether a project has the capacity or suitable work to train them safely and effectively.

This is particularly important in critical trades. In Victoria, for example, one electrical supervisor can oversee only one apprentice under direct supervision, three under general supervision or five under broad supervision. First-year apprentices undertaking electrical installation work require direct supervision. On a project with 50 qualified electricians, a 1:5 ratio would require around 10 apprentices. If all were first-year apprentices undertaking work requiring direct supervision, this could require 10 qualified electricians to supervise them.

Similar constraints apply in plumbing and refrigeration. The practical impact will vary by trade, stage of apprenticeship, project and jurisdiction, underscoring the limitations of a single ratio across all projects.

The BCA therefore strongly opposes fixed apprentice-to-qualified-worker ratios. They would not increase the underlying supply of apprentices and could instead distort workforce deployment, reduce the productive capacity of scarce qualified tradespeople and weaken training quality. A flexible, voluntary labour-hours approach would better support skills development while reflecting each project's practical training capacity.

Sources:

EnergySafe VIC, 'Requirements for the effective supervision of apprentice electricians', September 2025

NSW Government, 'Statement of Regulatory Intent: Supervision of plumbing apprentices', January 2026

Workforce capacity and industrial settings

Employers and employees should remain able to negotiate enterprise agreements suited to the work, delivery requirements and skills needs of each project. Data centre projects may legitimately offer higher remuneration to attract scarce skills and meet demanding delivery schedules. They should be able to compete for workers on normal market terms within existing workplace laws and bargaining arrangements.

Government-imposed, project-specific industrial relations requirements risk distorting labour costs and the allocation of scarce skills across data centres, housing, infrastructure and other sectors. Enterprise agreements should remain responsive to project needs while broadly reflecting local labour-market conditions.

The objective should be to grow a sustainable supply of skilled workers, not shift scarce workers between projects or industries.

Data centre operations

Recommendations

24. Operators provide structured pathways into data centre operational roles, and partner with VET and higher education providers to build specialist operational capability.
25. Large operators provide aggregated workforce-demand information to Jobs and Skills Australia to support workforce planning and training provision.
26. Recognise participation in shared industry training initiatives as an operator contribution to workforce development.

Unlike the construction process, data centre operations provide a stable, ongoing environment for workforce development. Operators can support longer-term pathways into the sector, though opportunities will vary by role and facility depending on safety and security requirements, customer agreements, site access, operational capacity and the suitability of existing training packages.

Within these constraints, the operators should support careers awareness and work experience, apprenticeships and traineeships where appropriate, internships, work-integrated learning and post-trade upskilling. These activities should connect exposure to the industry with genuine training and employment pathways, including targeted measures to increase participation by women, First Nations Australians and other under-represented groups.

Training should build on existing trade, technical and ICT qualifications, with industry adding the specialist capabilities required in a data centre environment. This preserves the portability of core qualifications while giving workers the practical experience and role-specific skills needed for occupations such as critical environment technicians, data centre technicians, electricians and HVAC specialists.

Partnerships with VET and higher education providers should be central to this approach. Microsoft's Datacentre Academy partnership with TAFE NSW provides one model, combining recognised education pathways with data centre-specific training, hands-on learning, industry mentoring and job-readiness support.

Large operators can also improve visibility of future workforce needs by providing Jobs and Skills Australia and relevant Jobs and Skills Councils with aggregated, confidential three-to-five-year workforce outlooks. These could identify expected demand, emerging capability requirements and occupations likely to be difficult to source. This would assist to improve national workforce planning and training capacity, without creating binding employment or investment commitments.

Where these outlooks identify material capability gaps, collaboration between government, operators and training providers can expand shared training capacity. Practical measures should support recruitment, supervision, retention, group training and host-employer arrangements that allow apprentices to complete competencies across workplaces. Industry contributions could include specialist equipment and simulated training environments, mentors and instructors, work placements and site access, and input into course design. Participation in these shared initiatives should count as an operator contribution to workforce development, helping build sector-wide capability without creating a new training levy or duplicative company-by-company programs.

In Focus: Apprenticeships in operating data centres require flexible delivery

Operating data centres can provide valuable apprenticeship experience, but a single facility may not offer the full range of competencies required to complete some licensed trades. Electrical apprentices, for example, need experience across installation, testing, fault-finding, repair and maintenance, while refrigeration and air-conditioning apprentices require exposure to installation, commissioning and servicing across different systems.

The Standards should therefore recognise flexible apprenticeship models. Apprentices could rotate across data centre operations, construction and commissioning, contractors or other host employers to gain the required breadth of experience. Group Training Organisations already enable this approach.

For licensed trades, operators should therefore combine support for flexible apprenticeship pathways with post-trade upskilling for qualified electricians, HVAC technicians and other tradespeople. This would build specialist data centre capability while continuing to support the broader apprenticeship pipeline.

3. Conditions for AI training

Recommendations

27. Government should distinguish the obligations of model developers, hyperscalers, compute providers and data centre operators so each actor is responsible only for the activities and capabilities it controls.
28. Industry contributions to skills, research and innovation should be flexible, additional, proportionate, measurable and market-based.

Continued access to the best global AI technologies is essential as Australia builds stronger capability in areas where it has economic or strategic advantages. Capturing more of the economic value from AI will require Australia to build on these strengths so that more research, investment, technology, services and applications are developed and commercialised here.

For the systems that matter most, including defence, national security, critical infrastructure and sensitive government functions, Australia needs a higher degree of control. Depending on the risk, this may be achieved through trusted international partnerships, assured access to technology, the ability to operate systems in Australia, or full Australian ownership and control where dependence on an overseas provider or government would be unacceptable.

Australia's ability to sustain world-class research and build the cutting-edge, knowledge-intensive businesses that will drive future growth will increasingly depend on access to advanced AI capabilities and high-performance compute. Commercial mechanisms such as transparent provider partnerships, competitive credits, co-funded programs and shared research infrastructure are preferable to mandatory capacity set-asides.

Attracting frontier AI training to Australia would bring investment, advanced compute, skilled people and research partnerships here. It would deepen Australia's technical capability, improve our ability to understand and manage emerging risks, and give Australia a greater role in shaping technologies that will increasingly underpin the economy and national security.

Realising these benefits requires practical and proportionate conditions aligned with trusted international markets. AI-specific requirements address clear gaps, build on existing technology-neutral laws and place responsibility with the entities that control the relevant activity.

Copyright settings should provide AI developers and Australian businesses with legal certainty about the use of lawfully accessed material for AI model training, support innovation and international competitiveness, and preserve copyright owners' autonomy to enter voluntary licensing arrangements.

Ordinary copyright principles should continue to apply, protecting original expression while leaving underlying ideas, themes, concepts and methods available for use. Copyright obligations should not be embedded as a condition of infrastructure approval or permission to train, which would create a parallel regime and reduce legal certainty.

3.1 Australia's security and safety will benefit from AI training

Recommendations

29. Apply risk-based, technology-neutral conditions to large-scale AI training, aligning safety and security settings with trusted international partners.
30. Regulators should protect security-sensitive, privileged and commercially sensitive information.

Practical, proportionate, risk-based and technology-neutral conditions would provide the right basis for large-scale AI training in Australia. Existing laws should remain the primary source of obligations where they address

the risk. AI-specific requirements must only focus on clear and demonstrated gaps, with interoperability across trusted partners and major markets. They should also avoid disproportionate compliance costs or access restrictions flowing through to SMEs and other downstream users that lack specialist compliance capability.

Principles-based safety and security conditions can align with relevant international standards, existing Australian laws and credible evidence of emerging risks, including from frontier developers and independent experts. Any national AI standards must align with existing technology-neutral obligations, identify the responsible regulator and include scheduled reviews to keep pace with evolving capabilities.

Government should receive only the information required to establish accountability, understand material uses and oversee compliance. Information-sharing requirements should be risk-based and proportionate to the relevant model, deployment context and actual capabilities. They should support flexible, industry-standard risk-management frameworks, avoid relying solely on model size or compute, allow information to be reused across regulators and provide secure channels where material is security-sensitive, privileged or commercially sensitive.

Necessity, proportionality and data minimisation constrain any information powers. A suitable framework must provide secure access, clear retention limits, controls on further disclosure and a process to vary or challenge a request. These safeguards protect security-sensitive information, trade secrets, legal privilege and personal information.

3.2 Invest in local capability, skills, research and innovation

Recommendations

31. Establish a trusted national entry point for free foundational AI learning, drawing on high-quality training contributed by frontier AI developers and other providers.
32. Frontier AI developers should contribute to advance Australian AI capability through one or more measures, including specialist training, support for educators, and pathways for researchers, engineers and developers.
33. Improve the speed and predictability of skilled visa processing and establish a streamlined intra-company transfer pathway for high-demand AI and frontier-technology specialists.

Frontier AI developers should make a distinct contribution to Australia's workforce capability, reflecting their direct access to leading technology, expertise and training. The Government's National AI Plan emphasises the need for broad AI literacy and collaboration between government, employers and the skills system.[6] Frontier developers' role should not duplicate the trade and technical workforce responsibilities of data centre operators. Instead, they are best placed to help Australians build the skills to use, develop and apply AI safely and productively.

This should include free foundational AI learning, and partnerships with employers, VET and higher education providers to embed AI capability into existing courses and workforce development. Government plays a key role in establishing the AI literacy skill framework to align industry around common skills and training nomenclature to ensure training is focused on underpinning knowledge of AI rather than vendor platforms. The foundational training resources should be accessed via a trusted national entry point — as the BCA has consistently spoken to departments about — making high-quality training easier to find and use while avoiding a fragmented landscape of provider-specific programs.

Developers are already demonstrating this approach. Anthropic's Australian MOU includes collaboration on education and skilling, including with the National AI Centre and Future Skills Organisation.[7] OpenAI has also

[6] Australia Government, 'National AI Plan', December 2025
[7] DISR, 'Memorandum of understanding between the Australian Government and Anthropic on collaboration on AI opportunities', 1 April 2026

established Australian workforce training through OpenAI Academy and partnerships with major employers, spanning foundational skills, workplace application and training for developers, leaders and educators.[8]

Contributions should extend beyond broad AI literacy to deeper technical capability. This could include train-the-trainer programs, internships and fellowships, advanced training for Australian researchers, engineers and developers, and, where appropriate, model and API access for education providers. Success should be measured through practical outcomes, including learners trained, educators supported, integration into recognised education and workplace programs, and progression into higher-skilled roles. Training should also remain current as frontier capabilities evolve.

Investment in Australian capability should be complemented by improved access to scarce global expertise. Where highly specialised AI capability is not available domestically, developers need to bring researchers, engineers and technical specialists into Australia quickly to establish capability and transfer knowledge to local teams. BCA members consistently report that skilled visa processing remains too slow and unpredictable for globally competitive talent markets.[9] Faster and more predictable visa processing is therefore critical.

A streamlined, high-trust intra-company transfer pathway for multinational firms would complement faster visa processing for genuinely scarce AI and frontier-technology roles. While the Subclass 482 skilled visa framework provides alternative Labour Market Testing arrangements for some intra-corporate transfers, a dedicated pathway with clear eligibility and predictable processing would reduce investment friction, accelerate access to specialist capability and support knowledge transfer to Australian research, engineering and technical teams.

Research contribution

Recommendations

34. Establish a nationally coordinated AI Research and Innovation Access mechanism to connect eligible Australian researchers and innovative businesses with frontier AI capability, subject to appropriate safeguards.
35. Seek research contributions only from companies undertaking dedicated frontier model training in Australia. Contributions should be voluntary, flexible, additional and proportionate, reflecting the activity, expertise and capabilities each company directly controls. Other providers may participate voluntarily.
36. Allocate contributed resources competitively through existing research and innovation institutions, based on demonstrated need and potential Australian research and commercialisation outcomes.

The most effective way to coordinate AI research and innovation contributions would be through a nationally coordinated AI Research and Innovation Access mechanism. This would connect Australian researchers and innovative businesses with frontier models and APIs, compute, technical expertise and research partnerships, helping turn Australian research, sector expertise and data into new products, services and intellectual property.

Companies undertaking dedicated frontier model training in Australia should be invited to make a voluntary, negotiated contribution, reflecting what each organisation is best placed to provide. Contributions may include model access, compute, technical expertise or research partnerships.

General-purpose cloud, AI inference and data centre infrastructure should sit outside the scope of any contribution expectation. These services support Australian customers across government, business, research and critical infrastructure, and mandatory requirements could displace customer capacity or duplicate existing industry programs. Providing or hosting this infrastructure should not, by itself, trigger compute-reservation, payment or other contribution obligations. Providers may participate voluntarily; where the same organisation

[8] OpenAI Academy
[9] Business Council of Australia, 'Submission on the Value of Skilled Migration', January 2026; Interviews with BCA members August-October 2026

also undertakes dedicated frontier model training in Australia, any contribution expectation should arise from that activity and reflect the capabilities it directly controls.

Existing Australian programs should be recognised where they are expanded or adapted to deliver additional outcomes through the mechanism. Companies should not need to establish parallel programs solely to have their contribution recognised.

For many researchers, startups and SMEs, access to frontier models, API credits or technical support may be more valuable than raw compute. Dedicated compute should therefore go to projects that genuinely require it, including model training, substantial fine-tuning and compute-intensive scientific research. Access should be governed by transparent eligibility, security and evaluation criteria, using existing research and innovation institutions wherever possible and keeping application processes accessible to startups and SMEs.

This approach would avoid fixed compute set-asides, a general research levy or a uniform capital-expenditure test, while directing resources towards opportunities with the greatest potential Australian benefit. The US National AI Research Resource provides a useful precedent for this flexible, nationally coordinated model (see *In Focus* below).[10]

Terms and conditions

Where compute is reserved for Australian research, innovation or public-interest purposes, access should be competitive, time-limited and based on demonstrated need. Priority should go to projects that can demonstrate additional research, commercialisation or public-interest outcomes and genuinely require substantial compute, rather than those better supported through model or API access.

Access arrangements should include appropriate security, confidentiality and data protections, as well as the technical support needed to make the allocation usable. Fixed or inflexible set-asides risk leaving capacity unused or poorly matched to demand and should be avoided.

Measures of Success

Success should not be judged solely by discounted compute reserved or capital expenditure committed. These inputs do not, by themselves, show that an intervention has strengthened Australian research capability or delivered valuable outcomes.

Evaluation should focus on additional research, commercialisation and public-interest outcomes. Indicators could include locally based research and engineering capability; uptake of model, API and compute access; research partnerships and outputs; and commercial outcomes such as new products, pilots, licensing, spin-outs or deployment of Australian-developed AI solutions. Reporting should be proportionate, use existing data wherever possible and rely on aggregate reporting where needed to protect security, privacy and commercial confidentiality.

[10] US National Science Foundation, 'National Artificial Intelligence Research Resource'

In Focus: US National AI Research Resource

The US National AI Research Resource (NAIRR) provides a useful model for expanding access to AI capability without prescribing a single form of industry contribution. Led by the National Science Foundation, NAIRR combines public research infrastructure with voluntary contributions from technology companies through one national system. Researchers can access compute, cloud platforms, foundation models, datasets, software and specialist technical expertise according to the needs of their project. The model now brings together 14 federal agencies and 28 private-sector partners.

Importantly, providers contribute what they are best placed to offer rather than meeting an identical compute requirement:

- Microsoft: US$20 million in Azure compute credits, access to leading models and opportunities to work with Microsoft scientists and engineers.
- NVIDIA: US$30 million in support, including DGX Cloud compute, AI software and technical experts, alongside training and workshops.
- OpenAI: model-access credits for research, including AI safety and applied research, as well as tools to make large datasets usable for AI research.
- Anthropic: Claude API access and technical resources for researchers.
- Voltage Park: one million H100 GPU hours, storage and specialist staff support.
- AWS: cloud, storage and AI-service credits to support research teams building and training machine-learning models.

Australia could adopt the same underlying principle: secure additional contributions from organisations directly involved in frontier AI activity, while allowing the form of contribution to reflect their role and capability. A frontier developer may add greatest value through model access and research expertise; a cloud service provider through cloud credits; and a compute provider through GPU capacity.

Government should coordinate access and direct these resources competitively towards Australian research and commercialisation opportunities, rather than require every provider to contribute the same input.

Source: US National Science Foundation, 'National Artificial Intelligence Research Resource'

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