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PUBLIC SUBMISSION · CONSULTATION RESPONSE

Submission on Tasmania's data centre and AI infrastructure expectations

Digital Infrastructure Institute
11 October 2026
Submission to Building Tasmania
Draft Expectations for Data Centres and AI Infrastructure — public consultation

Our position

The Digital Infrastructure Institute (DII) welcomes the opportunity to comment on the draft Statement of Expectations. We support a clear framework for assessing whether digital infrastructure investment delivers lasting public value for Tasmania. The final statement should turn its objectives into measurable project commitments, supported by evidence, transparent reporting and a clear allocation of responsibilities.

DII is an independent initiative focused on research and leadership for Australia's digital infrastructure future, with particular interest in Tasmania. Our perspective brings together energy, connectivity, environmental performance, workforce development and public accountability. This submission addresses the infrastructure and its consequences for Tasmania, rather than the broader regulation of AI applications. It does not endorse or oppose any individual development.

The draft is a non-statutory policy statement. Our recommendations therefore distinguish expectations from enforceable obligations. Where an outcome needs to be binding, government should identify an available lawful mechanism, such as a commercial agreement or an appropriate approval condition, or acknowledge that further policy or legislative work is needed. The statement should not imply powers that it does not confer.

Priority recommendations

- Publish a proportionate project evidence schedule covering resource demand, local benefits, environmental impacts and delivery milestones.
- Link staged electricity demand to credible generation and firming arrangements, with explicit provisions for delays and dry-year conditions.
- Protect existing customers through transparent cost allocation and arrangements addressing non-delivery, cancellation and stranded infrastructure.
- Establish meaningful early engagement and support councils with independent technical expertise.
- Publish forecast and actual outcomes, verify material claims and review the framework after its first year.

The following recommendations respond to the seven expectations and their consultation focus areas. The proposed wording is offered for inclusion or adaptation in the final statement.

1 Measurable local benefits

DII recommends a public benefits plan for each significant project, proportionate to its scale. The plan should identify the commitments, responsible parties, delivery dates and reporting measures. Capital expenditure should be distinguished from expenditure retained in Tasmania, and construction activity from ongoing employment.

- Report construction employment in job-years and operational employment in ongoing full-time equivalent positions, distinguishing direct employees, contractors and estimates of indirect employment.
- Specify apprenticeships, traineeships, graduate placements and training investment by occupation and delivery stage. Develop these commitments with TasTAFE, the University of Tasmania and other relevant providers, without implying partnerships before agreement.
- Publish local procurement opportunities early, identify qualification requirements and report Tasmanian expenditure using a consistent definition that distinguishes local value added from imported equipment purchased through a local intermediary.
- Agree community benefits with affected communities. Benefits should supplement the prevention and mitigation of impacts, and should not substitute for statutory responsibilities.

The digital ecosystem plan should explain how local businesses, researchers or public services could gain practical access to infrastructure or services. Proposed compute access should identify eligibility, pricing, duration, technical support and governance. A facility's presence alone does not establish affordable local access or sovereign capability. Claims about sovereignty should specify ownership, operational control, jurisdiction, data governance and contractual protections.

Proposed wording: Proponents should publish a benefits plan with measurable employment, training, procurement and community commitments, and report annually on delivery against that plan.

2 Early engagement that can change project design

Engagement should begin while alternatives remain open. DII recommends a plain-language information pack explaining the site, development stages, expected electricity and water demand, cooling and heat rejection, backup generation, noise, lighting, traffic and proposed mitigation. It should distinguish confirmed arrangements from forecasts and negotiations.

Engagement should include nearby residents and businesses, councils, the Tasmanian Aboriginal community through appropriate representatives, infrastructure providers, education and training organisations, and relevant environmental and community groups. Affected communities should have sufficient time to understand technical information and obtain advice, beyond any minimum statutory notification period where practicable.

Publish a response register showing the issues raised, resulting design changes, unresolved matters and reasons for decisions. Provide a named contact and an accessible complaints process throughout construction and operation.

Proposed wording: Proponents should document how early engagement influenced project design and explain how outstanding concerns will be managed and monitored.

3 Coordination and proportionate application

Government should provide a common project information template and a clear map of approval, connection and commercial processes. Coordination through the Office of the Coordinator-General should make information requirements and sequencing clearer, while preserving the independence of regulators and utility decisions.

DII recommends a responsibility schedule identifying who assesses each material issue, what evidence is needed and which matters fall outside existing processes. Councils should have access to shared technical guidance and independent specialist advice. Any arrangement for proponents to meet the cost of that advice should preserve the assessor's independence.

A public project register should distinguish early proposals, applications, approvals, contracted connections, construction and operation. It should identify project stages and update their status without presenting speculative proposals as committed demand.

Clarify scope and transition

The final statement should define the boundary between excluded small enterprise or edge facilities and developments covered by the expectations. Capacity thresholds can help, but should be accompanied by impact criteria so that a smaller project with significant local consequences is not overlooked.

Related stages and sites should be considered together where they share infrastructure or form part of a common development. The framework should discourage project splitting that obscures cumulative impacts. It should also explain how it applies to proposed projects already in the pipeline, expansions, ownership changes and substantial alterations to resource demand.

Government should seek comparable voluntary reporting from existing facilities and identify any lawful mechanisms for stronger obligations. It should not imply retrospective conditions that are unavailable under existing law.

Proposed wording: Government will publish guidance on scope, project aggregation, transitional arrangements and agency responsibilities, with information requirements proportionate to a project's scale and likely impacts.

Implementation through available mechanisms

For each material commitment, the final framework should identify whether it is a policy expectation, contractual undertaking, statutory obligation or proposed future requirement. Where a commitment is not enforceable, explain how government will assess and publicly report its delivery. This will help communities and investors understand the practical status of the statement.

4 Energy commitments that can be verified

DII recommends that energy arrangements be assessed against the project's staged demand and Tasmania's wider system needs. Annual renewable electricity matching should be reported separately from the arrangements that maintain supply when contracted renewable generation is unavailable.

Generation and load sequencing

Publish the basis for demonstrating that a project supports additional generation, including relevant commissioning milestones and evidence that the commercial commitment contributes to project delivery. Existing supply should be assessed against an explicit definition of available capacity that considers seasonal conditions, hydrological risk, other committed demand and system reliability.

Before each material load increase, proponents should demonstrate that the agreed supply, firming and network arrangements are available. Where generation is delayed, a documented interim plan should specify its duration, supply source, cost responsibility and any load restriction or curtailment arrangement. Commercial agreements should address missed milestones and remedies.

Planning information and genuine flexibility

Provide separate figures for IT load, total facility demand, connection capacity, expected maximum demand and annual energy consumption. Include realistic ramp-up forecasts, load profiles, expansion scenarios, forecast uncertainty and the evidence supporting demand estimates. Government and utilities should assess cumulative demand across credible projects and identify duplicate or speculative connection requests.

Demand flexibility should be demonstrated for the actual workload and customer obligations. Specify available megawatts, response time, duration, frequency, recovery behaviour and arrangements for testing. AI training and other deferrable workloads may offer opportunities, but these should not be assumed for every facility or service.

Treat UPS batteries and other resilience assets as potential system resources only where technically feasible and compatible with service continuity, safety and warranty requirements. Assess usable capacity and duration rather than inferring grid support from installed battery capacity. Backup fuel options should be evaluated for lifecycle emissions, local air quality, supply reliability and safety.

Customer protection and commercial risk

Connection charges should be considered alongside upstream augmentation, ongoing network costs and stranded asset exposure. DII recommends transparent principles for allocating costs, with independent scrutiny of material assumptions. Commercial terms should address cancellation, delayed ramp-up, persistent under-utilisation and early closure through appropriate security, milestone payments or other lawful arrangements.

Hydro firming commitments should be assessed cumulatively, including dry-year and prolonged low-renewable scenarios. Public reporting can disclose assessment methods and aggregate outcomes while protecting sensitive contract terms. Claims that existing customers will face no net cost should identify the costs assessed, assumptions, assessment period and reviewer.

Proposed wording: Proponents should provide independently assessable staged demand, generation and firming plans, including delay contingencies, tested flexibility and arrangements protecting existing customers from project-related costs and stranded asset risk.

5 Water demand and cooling tradeoffs

DII recommends a whole-facility water balance covering normal operation, hot-weather peaks, initial filling, maintenance, discharge and emergency arrangements. Identify water sources, maximum daily and seasonal demand, annual consumption and any restrictions during drought or supply interruption. Report absolute volumes alongside efficiency indicators and define measurement boundaries.

A closed internal cooling loop does not, by itself, establish low whole-site water consumption. The submission evidence should explain how heat is ultimately rejected and whether evaporative equipment is used. Compare viable designs against water use, electricity demand, noise and local climatic conditions rather than relying on a cooling technology label.

Recycled and non-potable water should be considered where technically and environmentally suitable. Assess treatment requirements, supply reliability and infrastructure costs, and agree who pays. Assess drought contingencies jointly with the relevant supplier so that project resilience does not depend on diverting scarce water from existing users.

Proposed wording: Proponents should publish a whole-facility water balance and peak demand forecast, explain cooling tradeoffs, and demonstrate arrangements protecting existing users during constrained supply.

6 Assess operational impacts and shared infrastructure

DII supports coordinated assessment through appropriate pathways. The evidence should address the facility's operating characteristics as well as its physical buildings, and cover phased expansion, supporting infrastructure and cumulative effects where relevant.

- Assess continuous and tonal noise, nighttime operation, backup generator testing, air emissions, fuel storage, lighting, traffic, stormwater and relevant fire risks using site-specific evidence.
- Assess heat rejection and potential effects on nearby receptors where scale, siting or sensitivity warrants it. Require heat reuse feasibility analysis where a credible nearby user exists, without presuming that recovery is economical or environmentally beneficial in every case.
- Consider lifecycle emissions, including construction materials and equipment replacement, with declared assumptions and consistent reporting boundaries. Low operational electricity emissions should not substitute for examining embodied carbon.
- Assess telecommunications resilience, route diversity and recovery arrangements alongside power and water. Publish a non-sensitive summary and examine opportunities for wider regional connectivity benefits.

Government should identify any material assessment gap and explain how it will be addressed. Faster coordination should come from better information and clearer responsibilities while retaining meaningful scrutiny and community participation.

Proposed wording: Assessment information should address operational and cumulative impacts, staged expansion and supporting infrastructure, with mitigation and monitoring proportionate to identified risks.

7 Public reporting and independent verification

DII recommends a standard annual public performance statement for significant projects, comparing actual outcomes with forecasts and commitments. Reporting should start with a baseline before operation and explain material changes during construction and ramp-up.

- Publish project stage, forecast and actual total electricity consumption, maximum demand, renewable supply arrangements and progress towards generation milestones.
- Publish water consumption by source, peak demand and efficiency measures with consistent definitions, measurement periods and facility boundaries.
- Publish operational employment, training outcomes, local procurement and delivery of community commitments.
- Publish environmental monitoring summaries, material incidents, corrective action and complaints outcomes, subject to legitimate privacy and security constraints.

Efficiency measures should be accompanied by absolute consumption and utilisation context. Government should develop definitions compatible with national reporting where practical, allowing comparison without duplicate reporting burdens.

Material energy, water and benefit claims should be independently verified on a proportionate basis. The verifier's scope, independence and any limitations should be disclosed. Verification can be funded by proponents without giving them control over the findings.

Confidentiality should be assessed for particular information rather than applied to an entire project. Where detailed data cannot be published, provide aggregated information, ranges or a public assurance summary explaining what was checked. Security-sensitive layouts and customer information need not be disclosed to establish resource demand and delivery of public commitments.

Government should publish an annual statewide summary, including aggregate demand and outcomes, delivery gaps and corrective action. A register should distinguish commitments from aspirations and record changes to published milestones.

Proposed wording: Significant projects should publish comparable annual outcomes against commitments, with proportionate independent verification and specific reasons for withholding information.

Review and final recommendation

DII recommends an initial implementation review 12 months after the final statement is issued, followed by a published review timetable. The first review should consider reporting coverage, delivery of commitments, cumulative resource demand, community experience, council capability and interaction with national requirements.

Tasmania should judge digital infrastructure investment by the benefits delivered and the costs and risks managed over its operating life. A clear evidence schedule, accountable commitments and public reporting would strengthen the statement and give proponents and communities a more dependable basis for decisions.

Reference

Building Tasmania, Draft Expectations for Data Centres and AI Infrastructure Developers Tasmania, September 2026. Responses above correspond to Expectations 1 to 7 and the scope and review provisions. Accessed 11 October 2026.

https://engage.building.tas.gov.au/download_file/view/2683/1065

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