Addendum: [redacted] Public Submission for Data Centres and AI

Water: Tasmania should set a higher, legally binding bar than the national minimum

As a Tasmanian vocational educator and former small-business operator, I am asking that the Draft Expectations treat water as a matter of long-term public security, not just a utility cost to be negotiated with individual developers. Every point below must be binding in law, with appropriately scaled penalties. Expectations alone are not enough.

The Draft Expectations set Principle 3(a) on page 4: developers should minimise water use and ensure water and infrastructure costs do not harm existing customers.[1] Page 5 states that the objective of Expectation 5 is the efficient use of Tasmania's water resources and the protection of Tasmania's water security.[2] I support these aims. But the detail on page 13 is written almost entirely as what proponents "should" do or are "expected" to do, and it sets no measurable standard.[3]

The Commonwealth's consultation paper, *Getting it Right: Building AI Infrastructure that Works for Australia* (public submissions closed 9 October 2026), proposes mandatory national standards. These would require large data centres to minimise water use, prioritise non-potable and recycled water, pay their fair share of water infrastructure costs, build resilience to drought and climate change, and transparently report their water use.[4] The paper also states that states and territories may set requirements above this national minimum.[5] I urge Tasmania to do so.

1. Count the water inside our electricity (pages 10 and 13). Tasmania's power system depends heavily on hydro-electric generation. On page 10, the Draft Expectations propose that Hydro Tasmania may provide firming services to data centres, and that proponents will generally not need to build their own firming where Hydro Tasmania can supply it.[6] Firming from hydro means drawing on our water storages. Yet the water section on page 13 deals only with water supplied through mains and networks.[7] A data centre's water footprint here is not only what comes out of the tap. The federal paper notes that water-efficiency measures can include an Energy Water Intensity Factor, which counts water used to produce energy, and regional water stress factors.[8] Tasmania should require both, so that a facility's true water footprint, including hydro storage drawn on its behalf, is visible.

2. Judge impacts locally, not nationally (page 13). Page 13 asks proponents to seek to locate where existing users will not be adversely affected.[7] "Seek to" is not a test. Data centres are a small share of national industrial water use, but the federal paper acknowledges that local impacts can be significant where facilities concentrate within a single supply system or catchment.[9] Tasmanian decisions should be assessed catchment by catchment, including the cumulative impact of multiple proposals.

3. Put the burden of proof on the developer (page 13). Page 13 requires forecasts of maximum and average annual water demand, and expects proponents to ensure other users' water security is not affected and to plan for low-rainfall periods.[7] This should become a legal requirement to demonstrate, before approval, that water use will not harm local water security, drought resilience, environmental flows or existing users, including farmers, households and other businesses. The

federal paper raises this as an option.[10] Tasmania should make it a firm requirement, and the forecasts should be independently verified and later compared with actual use.

4. Adopt a clear water-source hierarchy (page 13). Page 13 asks proponents to prioritise non-potable and recycled water, but only as something they "should" do.[7] Tasmania should legislate an order: recycled and non-potable water first, potable water only as a last resort, with any use of potable water justified publicly.[11]

5. Require public, regular reporting (page 15). On page 15, the Draft Expectations only encourage best-practice transparency. Proponents need merely consider publishing non-sensitive information on forecast and actual energy and water use, and even this is subject to commercial confidentiality.[12] That is voluntary disclosure, not accountability. Reporting should be mandatory, regular and public. It should cover peak and maximum demand, potable versus non-potable sources, efficiency and drought-resilience measures, hydro-storage water drawn through electricity use, and impacts on local water systems.[13] Commercial confidentiality must not be a blanket exemption from reporting how much of a shared public resource a facility consumes.

6. No cost shifting (pages 4 and 13). Page 4 and page 13 both expect proponents to meet water infrastructure costs.[1, 7] This must be a binding obligation: any network, storage or treatment upgrades a data centre requires must be paid for by that data centre, not by Tasmanian households, TasWater customers or the state budget.

7. Make it law, with penalties that scale (pages 3 and 10). Page 3 describes the document as a "non-statutory statement of government policy" that creates no new regulatory process.[14] Page 10 uses the words "required" and "must" for energy commitments,[6] but without a statutory basis those words carry no legal consequence. Points 1 to 6 must be written into Tasmanian legislation or enforceable approval conditions, not left as voluntary expectations. Penalties must be large enough to matter to multinational operators, and should include:

- fines scaled to facility capacity and annual turnover, so they cannot be absorbed as a cost of doing business
- continuing daily penalties for ongoing breaches
- powers to restrict water and power supply, or to suspend or revoke approvals, for serious or repeated non-compliance
- penalties for false or misleading reporting
- an independent regulator with the resources to monitor and enforce, and a public register of breaches and penalties

The Commonwealth already contemplates penalties for data centres that fail to meet their renewable electricity obligations.[15] Tasmania should apply the same principle to water.

Water is a public resource and a shared inheritance. Tasmania has the authority to protect it more strongly than the national floor, and to make that protection enforceable. These Expectations are the moment to do so.

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Notes

1. Building Tasmania, *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania*, September 2026, p. 4, Principle 3 "Environment and planning".
https://engage.building.tas.gov.au/draft-expectations-data-centres-and-ai-infrastructure-developers

2. Ibid., p. 5, table of Expectations and objectives.

3. Ibid., p. 13, Expectation 5 "Sustainable water usage".

4. Department of the Prime Minister and Cabinet, *Getting it Right: Building AI Infrastructure that Works for Australia*, consultation paper, September 2026, section "Use innovative, efficient and sustainable solutions to minimise water use."
https://www.pmc.gov.au/resources/getting-it-right-building-ai-infrastructure-works-australia

5. Ibid., section "The AI standards will complement, not duplicate, state and territory planning and approval processes."

6. Building Tasmania, *Draft Expectations*, p. 10, Expectation 4(a) "Supporting new renewable projects" and 4(b) "Firming arrangements".

7. Ibid., p. 13, Expectation 5(a) "Water supply and wastewater treatment" and 5(b) "Water security".

8. Department of the Prime Minister and Cabinet, *Getting it Right*, subsection "Water efficiency and transparency."

9. Ibid., section on water use.

10. Ibid., consultation questions on minimising water use.

11. Ibid.

12. Building Tasmania, *Draft Expectations*, p. 15, Expectation 7 "Transparency and reporting".

13. Department of the Prime Minister and Cabinet, *Getting it Right*, consultation questions on minimising water use.

14. Building Tasmania, *Draft Expectations*, p. 3, "How these expectations operate".

15. Department of the Prime Minister and Cabinet, *Getting it Right*, subsection "Supporting investment in new renewable energy through a renewable electricity obligation" (the Clean Energy Regulator would assess compliance and apply penalties).