



Consultation Feedback - Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania

November 2026

Tasmanian Government

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In recognition of the deep history and culture of these islands, we acknowledge all Tasmanian Aboriginal people as the continuing Custodians of Land, Sea, Waterways, Sky and Culture, and pay our respects to Elders past and present.

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Purpose

This document summarises the feedback received on the *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania*, obtained through surveys, written submissions and meetings with stakeholders during the consultation period from 7 September 2026 until 12 October 2026.

At the time of this consultation, the Tasmanian Parliamentary *Inquiry into AI Data Centres in Tasmania* (which closed on 21 September 2026) was also open for consultation as well as the Australian Government's *Getting it right: Building AI infrastructure that works for Australia: Consultation paper - September 2026* (which closed on 9 October 2026).

Given the high number of survey responses, the themes identified below are a synthesis of issues raised rather than a quantitative measure of stakeholder and community sentiment.

The consultation indicates broad interest in the potential economic and technology benefits of data centre investment, alongside significant concern about the scale and long-term implications of large electricity loads, water use, backup generation, infrastructure costs and community impacts.

A recurring theme is that projects should deliver enduring benefits beyond the construction phase, including ongoing local employment, skills development, apprenticeships, local procurement, supply-chain development and opportunities for Tasmanian technology and research capability.

Stakeholders have emphasised the importance of early, transparent engagement with affected communities and local government, particularly where projects may generate significant electricity, water, traffic, noise, land-use or emergency-management impacts.

Energy system impacts are a major area of interest. Feedback has focused on additional renewable generation and firming, system security, demand flexibility, operational visibility, network capacity and ensuring new projects meet the costs they create rather than transferring costs to existing customers.

Water availability and environmental impacts have emerged as important issues, particularly for large-scale facilities where multiple developments could create cumulative demand on local infrastructure or resources.

There is also interest in ensuring the Expectations remain relevant over the life of a facility, including where ownership, operators or computing tenants change and where the nature or scale of computing activity changes.

This feedback will inform the finalisation of the *Expectations for Data Centres and AI Infrastructure Developers: Tasmania* and identify matters that may require further policy consideration.

Surveys

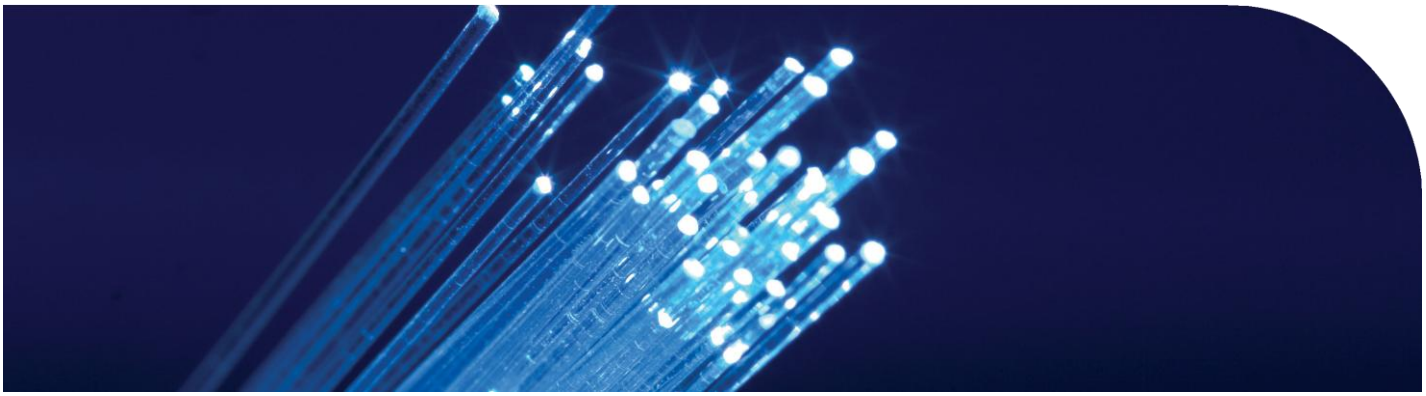
The Building Tasmania "Have Your Say" portal for the *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania* consultation provided an opportunity for feedback via surveys and written submissions.

There were 64 surveys submitted, 57 by individuals. Most of the sentiment involved expressing their discontent around the construction of data centres with only seven organisations submitting information via this portal. Eleven of the survey respondents provided a written attachment with additional information. Of these eleven responses only four completed both the survey with an attachment and seven did not answer the survey questions and only provided an attachment.

Common themes included:

"Make sure the scale is proportional to Tasmanian conditions, already located in brownfield sites, not near agricultural land. Get a social licence to operate upfront. Use wastewater and pay for upgrades to waste water plants and engage in circular economy activities. Make sure no diesel generators are used and explore newer renewable technologies such as renewable hydrogen which also helps other industries decarbonise. Don't crowd out opportunities for other industries and provide benefits for local supply chain. Upskill existing Tasmanian workforce and provide paid training for locals."





Written submissions

There were 36 written submissions received through the Building Tasmania "Have Your Say" portal for the *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania* consultation. As noted, there were a further eleven written submissions obtained from the attachment to the surveys. Three organisations requested and were allowed to make a late submission bringing the written submissions total to 50.

Twenty-nine written submissions were received from organisations and most of those advocated for stronger guardrails to outline how proponents should demonstrate they meet the Expectations. Twenty-one individuals prepared written submissions and the majority of those expressed their dissatisfaction with the construction of data centres.

Common themes included:

"The State should seek to maximise the economic, social, and technological benefits arising from investment while ensuring that energy consumers, communities and taxpayers are not exposed to unreasonable costs or risks. The draft expectations correctly focus on economic development, community engagement, energy, water, planning, and transparency. However, several elements would benefit from greater specificity and stronger implementation mechanisms."

The written submissions and this consultation summary report are available on the Engage with Building Tasmania website, see here: https://engage.building.tas.gov.au/draft-expectations-data-centres-and-ai-infrastructure-developers

Stakeholder Meetings

Building Tasmania held direct stakeholder meetings with the following organisations once the consultation period opened on 7 September 2026.

- Firmus
- Cradle Coast Authority
- UTAS Tasmanian Policy Exchange

- TasICT
- TasWater
- Regional Development Australia (RDA) Tasmania

Update of Draft Expectations

The Tasmanian Government has developed seven Draft Expectations.

Draft Expectation		Objective
1	Maximising benefits to Tasmania	Unlocking local and state-wide benefits
2	Early engagement with community and stakeholders	Building understanding, trust and supporting better project outcomes
3	Engagement with Tasmanian Government	Delivery of commercially viable projects
4	Supporting Tasmania's energy system	Unlocking new energy projects, protecting energy and system security, and minimising existing customer costs
5	Sustainable water usage	Efficient use of Tasmania's water resources and the protection of Tasmania's water security
6	Approval pathways	Ensuring projects go through appropriate development approval pathways
7	Transparency and reporting	Promoting ongoing accountability and transparency

Where feedback was supportive of the seven Expectations, the key issues and opportunities for refinement included:

1. Maximising benefits to Tasmania

- Feedback emphasised that major data-centre developments should deliver enduring benefits to Tasmania, not only short-term construction activity.
- Stakeholders identified ongoing local employment, apprenticeships, traineeships, internships, skills development, local procurement and Tasmanian supply-chain opportunities as important benefits.
- There was particular interest in understanding the number and nature of ongoing jobs once construction is complete and in building capability in electrical and mechanical systems, cooling, ICT, cybersecurity, network operations and energy management.

- Stakeholders also identified opportunities to build a broader Tasmanian industry around data centres, including digital capability, research, innovation and clean-energy technologies.
- Stakeholders identified an opportunity for data centre developers to provide Tasmanian researchers, students, and businesses with access to data centre advanced computing capability.
- For regional developments, feedback supports ensuring benefits flow to the communities hosting the infrastructure.

2. Early engagement with community and stakeholders

- Stakeholders identified early and meaningful engagement as important, particularly for large projects that may have significant electricity, water, land-use, traffic, noise or community impacts.
- Concerns were raised about communities becoming aware of projects relatively late in the planning process or having limited opportunities to understand project scale, impacts and proposed mitigation.
- Stakeholders supported clearer information about project scale, electricity and water requirements, backup generation, expected employment and community benefits.
- There was interest in proponents demonstrating how community feedback has influenced project design, mitigation or ongoing operations.
- Community benefit arrangements were raised as a potential way of demonstrating enduring local value, particularly for major regional projects.

3. Engagement with Tasmanian Government

- Feedback supports a coordinated point of contact for proponents navigating Tasmania's existing planning, environmental, infrastructure, energy and commercial processes.
- Stakeholders supported the Office of the Coordinator-General's coordination role, provided it does not replace statutory regulators or independent decision-makers.
- Early engagement with infrastructure providers and relevant agencies, including electricity, water, skills and planning authorities, was also identified as valuable.
- There is a preference for clear expectations and coordinated processes rather than a separate data-centre approval pathway.

4. Supporting Tasmania's energy system

- Energy was the most significant area of policy and technical interest because large data centres can create substantial and relatively continuous electricity demand.
- Feedback focused on the need for new demand to be supported by additional renewable generation and appropriate firming, while protecting energy and system security, reliability and affordability for existing Tasmanian customers.
- Issues raised include network capacity, connection and augmentation costs, system strength, operational visibility and communications, load behaviour, demand flexibility and treatment of large loads during system stress.
- There is support for transparent information about electricity sourcing, renewable energy arrangements, firming and demand flexibility.

- Stakeholders emphasised that proponents should meet infrastructure and network costs attributable to their projects and avoid inappropriate cost shifting or stranded asset risk for existing customers.
- Backup generation has emerged as a specific concern. Stakeholders questioned continued reliance on diesel for facilities expected to operate for decades and identified batteries and renewable hydrogen as potential lower-emissions alternatives.
- A technology-neutral transition pathway was identified as preferable to immediately mandating a particular backup technology, with proponents explaining where diesel remains necessary and reducing reliance as practicable alternatives become commercially and technically available.

There is a comprehensive national legislative reform program underway that will implement new energy-sector regulatory requirements for data centres. Tasmania will engage with these reforms as they progress and will make sure they are fit for purpose in our unique context.

5. Sustainable water usage

- Water use has attracted significant attention because cooling requirements vary according to facility design, climate, computing density and cooling technology.
- Feedback supports project-specific disclosure of maximum and average water demand, water source, cooling approach, wastewater arrangements and measures to minimise consumption.
- There is interest in recycled and non-potable water solutions where practicable and in early engagement with TasWater and other relevant infrastructure providers.
- Stakeholders emphasised that developments should not adversely affect existing users or water security, including during periods of low rainfall.
- Cumulative water impacts should be considered where multiple developments are proposed in the same area or infrastructure corridor.

6. Approval pathways

- Stakeholders generally supported using established planning, environmental, infrastructure and regulatory processes rather than creating a separate data-centre approval pathway.
- There was interest in clearer early coordination and guidance, so proponents and communities understand applicable requirements before projects reach formal approval stages.
- Location was raised as an important consideration. Established industrial areas with existing energy, water, telecommunications and transport infrastructure may reduce project complexity, subject to site-specific assessment.
- Site-specific issues identified include residential amenity, agricultural land, environmental values, emergency management and cumulative electricity, water, traffic, noise and community impacts.
- Feedback indicates that community expectations may extend beyond a purely facilitative or light-touch approach for very large or high-impact developments.

7. Transparency and reporting

- Stakeholders identified a need for better information about the scale and nature of data-centre operations, while recognising commercial confidentiality, privacy, cybersecurity and national security considerations.
- There is support for disclosure, at an appropriate level, of the broad nature and scale of computing activity, including whether operations involve AI training, inference, cloud services, high-performance computing, storage or other material loads.
- Material changes in computing activity may alter electricity demand, load profile, water use, cooling, network requirements and other infrastructure impacts. Feedback supports reassessment of projects where such material changes occur.
- Because facilities may have separate owners, operators and computing tenants, stakeholders identified a need for clear allocation of responsibility for energy, emissions, water, backup generation, waste, infrastructure, environmental performance and community commitments.
- There is a case for expectations to attach to the facility and its operating arrangements, where practicable, so commitments remain relevant through ownership, tenancy and operator changes.

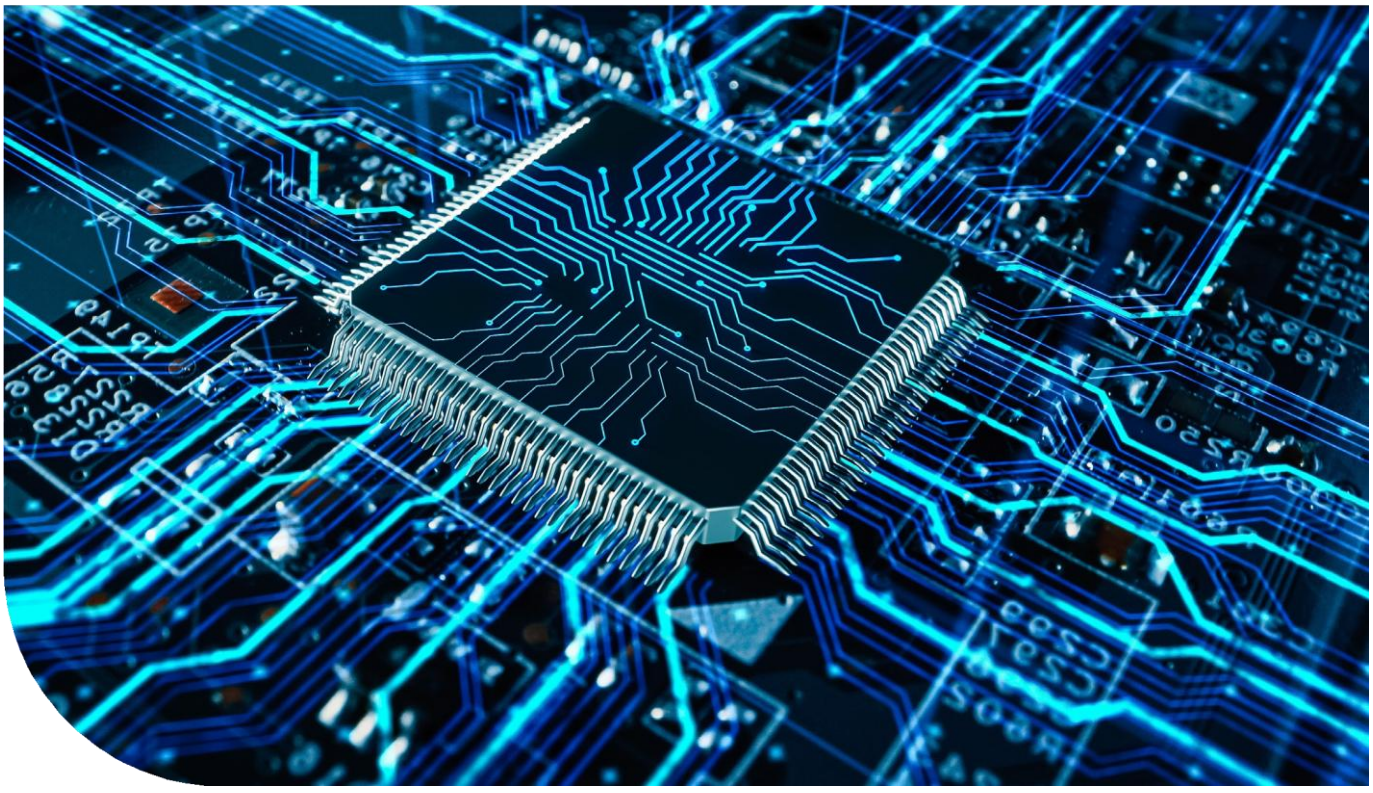
The Commonwealth Government's AI standards will introduce additional reporting requirements for data centres including energy sector, greenhouse gas, and water impacts.



Next steps

Matters for further consideration:

- Whether workforce, skills and local procurement plans for major facilities can be required through existing planning and approval mechanisms, rather than requiring new legislation.
- Whether existing statutory powers are sufficient to give effect to community benefit, operational management, water, energy and reporting expectations for major or high-impact developments.
- Whether data centre developers can provide Tasmanian researchers, students, and businesses access to advanced computing capability.
- How a material change in computing activity should be identified and when it should trigger reassessment of infrastructure impacts.
- Whether backup generation expectations should establish a general transition pathway towards low and zero-emissions technologies rather than specify a particular technology.
- Developing a whole-of-government Community Benefit Sharing Framework for major new industries, potentially considering ReCFIT's existing community benefit-sharing and local procurement work as a foundation, with data centres as the initial application.
- Whether any genuine legislative gaps remain after existing planning, environmental, water, building and infrastructure powers are mapped.
- How the Expectations should interact with future Australian Government or nationally agreed data-centre reporting and energy requirements.



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