Data#3

Expectations for Data Centres and AI Infrastructure Developers

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BUSINESS ASPECT

A Fresh Perspective

Response to the Tasmanian Government consultation on the draft Expectations for Data Centres and AI Infrastructure Developers, September 2026

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Submissions are lodged at engage.building.tas.gov.au.

1. Purpose and perspective

Data#3 welcomes the opportunity to comment on the draft expectations. We make this submission as a national technology services and consulting business that works with government agencies, universities, research organisations and critical infrastructure operators across Australia, including in Tasmania. We are not a proponent of a data centre project, we do not act for a proponent in this consultation, and we take no position on any individual proposal currently before the State. Our interest is in whether Tasmania secures durable digital, economic and community value from the infrastructure it chooses to host.

Our starting proposition is that Tasmania should welcome responsible digital infrastructure investment where proponents can demonstrate that the enduring public value created for Tasmania exceeds the public, environmental and system costs of hosting it. Construction activity and installed megawatts are inputs, not outcomes. The outcome is what remains once construction finishes: sustained jobs, capable local suppliers, skills, research partnerships, more resilient essential services, and an energy and water position that is no worse, and preferably better, than it would otherwise have been, creating enduring social and economic benefits for the people of Tasmania.

We support the direction of the draft. It is a credible and practical starting point, and several of its provisions are stronger than comparable guidance elsewhere: the requirement that proponents bring forward additional renewable generation, the insistence on full cost recovery so existing customers do not subsidise new load, the protection of energy security and system reliability, the requirement for project-specific water forecasts, and the emphasis on early and continuing engagement with communities and the Tasmanian Aboriginal community.

Our central observation is that the draft describes the outcomes government wants without yet describing how those outcomes will be weighed between competing projects, or verified once a facility is operating. A proposal could fully fund its connection and contract new renewable supply while delivering very little local employment or digital ecosystem benefit; another could do the reverse. As drafted, the expectations would treat both as consistent with government policy. The recommendations below are directed at closing that gap, without creating a second approval process and without duplicating Commonwealth regulation.

Consistent with the stated scope of the consultation, we have confined our comments to the infrastructure and its implications for Tasmania's economy, energy system, water resources, communities and environment. We have not commented on broader questions of AI policy.

2. Our response to the seven expectations

We support all seven expectations. The table below summarises our position on each and the single change we believe would most strengthen it. Sections 3 to 5 develop these points.

Expectation	Our position	What we recommend adding
1. Maximising benefits to Tasmania	Support	A published Tasmanian Benefit Plan with baselines, quantified targets, named owners, delivery dates and reporting that continues after construction.
2. Early engagement with community and stakeholders	Support	A minimum set of information to be released early, in plain language, and a published response showing how feedback changed the project or why it did not.
3. Engagement with Tasmanian Government	Support	Transparent stage gates, agency roles and information requirements, with the independence of statutory decision-makers expressly preserved.
4. Supporting Tasmania's energy system	Strongly support	Enforceable sequencing between new load, contracted generation, storage, network works and interim supply, including what happens if generation is delayed.
5. Sustainable water usage	Support	Scenario-based disclosure including drought conditions, standard efficiency metrics, catchment context and a documented low-water operating plan.
6. Approval pathways	Support, with additions	Cumulative impacts where projects cluster, clearer cyber security and telecommunications resilience expectations, and end-of-life obligations.
7. Transparency and reporting	Support, strengthen	A defined minimum public dataset, a common reporting schedule, and independent assurance proportionate to the scale of the project.

3. Priority recommendations

We offer eight recommendations. Each is intended to operate through the existing expectations and through Tasmania's existing planning, connection and commercial processes. None requires new legislation, a new regulator or a parallel approval pathway.

Recommendation	What it would require of a proponent
1. Require a Tasmanian Benefit Plan for significant projects	Baselines, quantified targets, named owners, delivery dates and public reporting across jobs, skills, local procurement, research, community benefit and digital capability, with the proponent's own contribution and the expected duration of each benefit stated.
2. Classify projects proportionately rather than as one undifferentiated category	Information scaled to facility size, workload class, resource intensity, location and criticality, so a modest co-location facility is not assessed as though it were a hyperscale AI campus, and a very large one is not assessed as though it were routine.
3. Require an integrated energy delivery plan	A single document showing the load ramp, contracted renewable supply, storage and firming, network works, interim supply arrangements, demand flexibility, and the contingencies that apply if new generation is delayed.
4. Adopt common sustainability metrics	Forecast and actual performance published on recognised measures, including power and water usage effectiveness, supplemented by water source, emissions and backup-generation fuel use.
5. Require a resilience and local-access statement	A plain description of whether and how Tasmanian organisations can contract for hosting, compute, recovery, connectivity or sovereign capability from the facility.
6. Strengthen engagement accountability	A published stakeholder map, early project information, a record of issues raised, the design responses made, and a continuing pathway for complaints and unresolved concerns.
7. Define minimum public reporting and independent assurance	A proportionate public dataset, a fixed reporting schedule and independent verification, with protection for security-sensitive and legitimately confidential material.
8. Address cumulative and end-of-life impacts	Assessment of regional cumulative effects where projects cluster, and commitments on equipment refresh, electronic waste, decommissioning security and site rehabilitation made at approval rather than at closure.

Recommendation 1 is the one we would prioritise. A benefit plan that is published, measurable and reported against converts every other expectation in the draft from an aspiration into a commitment that government, councils and communities can test.

4. Responses to the consultation questions

The discussion paper poses questions throughout. We respond to each below, grouped by the expectation to which it relates, with the consultation question shown in italics.

4.1 Jobs, skills, local procurement and community benefit

What practical commitments would best support Tasmanian jobs, skills, local procurement and lasting community benefits? What opportunities could data centre and AI infrastructure investment create for Tasmania's digital ecosystem, research and technology enabled industries?

The commitments that hold up are the ones specific enough to be measured. We suggest every headline benefit commitment be expressed against five tests:

1. **Baseline**: what would have occurred in Tasmania without the project?
2. **Target**: the quantified outcome and the date it is to be achieved;
3. **Attribution**: the proponent's contribution, distinct from wider market activity;
4. **Duration:** whether the benefit persists beyond construction, and;
5. **Verification:** the evidence required and the party who is responsible for verifying it.

Commitments that cannot survive those five tests should not be counted as benefits.

Local procurement deserves particular attention because it is where a project's Tasmanian share is most easily lost by default rather than by decision. We recommend proponents publish a procurement plan that names the categories of goods and services they intend to source in Tasmania, gives local suppliers advance notice of tender opportunities, packages contracts at a scale Tasmanian firms can realistically bid for, and reports Tasmanian spend as a proportion of total project expenditure. The same discipline applies to operations and maintenance, which is where enduring supplier relationships are actually formed.

The larger digital ecosystem opportunity is capability, not construction. Structured partnerships with the University of Tasmania, TasTAFE, research organisations and local industry could include subsidised or in-kind access to compute for Tasmanian researchers, startups and public agencies; apprenticeships, cadetships and graduate roles rather than transferred senior staff alone; industry placements and applied research challenges tied to Tasmanian problems; and supplier capability programs that leave local firms able to win comparable work elsewhere. Capability built this way outlives any individual facility.

4.2 Early information and stakeholders

What information should proponents provide early, and which stakeholders should be engaged, to inform community understanding and project design? What project information would best support meaningful early community engagement?

Early information should be sufficient for a reasonable person to understand what is proposed and what it will mean where they live. At a minimum that means the site and scale; the broad workload class and operating model; forecast electricity and water demand, expressed as peak as well as average; the cooling approach and the backup power arrangements, including fuel type and expected testing regime; construction staging, traffic and noise; the number and type of jobs during construction and once operating; the network and generation dependencies the project relies on; and the environmental, heritage and

natural-values risks identified to date with the mitigations proposed. Where a figure is genuinely uncertain, a range with stated assumptions is more useful to a community than silence.

The stakeholder set should extend beyond the immediate neighbours. It should include the relevant local council and adjoining landowners; the Tasmanian Aboriginal community; TasNetworks, TasWater and Hydro Tasmania; the Environment Protection Authority and the relevant planning authority; emergency services; education and research bodies; regional industry and supplier networks; and existing large energy and water users in the same network area or catchment, who are the parties most directly exposed to a large new entrant. Engagement should close the loop: publish the issues raised, the design changes made in response, and, where a suggestion was not adopted, the reason it was not.

4.3 Government coordination

How can government assist proponents in navigating existing approval, infrastructure and commercial processes?

The Office of the Coordinator-General is well placed to act as a navigator, and the value it adds is largely a matter of predictability. We suggest government publish a map of the pathway a project of each scale can expect to follow, naming the stage gates, the agency accountable at each one, and the information required to pass it. A single coordinated early information request, agreed across agencies and utilities, would spare proponents from assembling the same material repeatedly and would give regulators a common evidence base.

Two safeguards matter for public confidence. The first is that facilitation must be visibly separate from assessment: the paper is right to say the Office does not replace statutory regulators, and we suggest the final document repeat that point in the operative text rather than only in the commentary. The second is that facilitation itself should be transparent, so that what assistance was provided to a project is a matter of public record. Neither safeguard slows a good project down; both protect the credibility of the process when a contested one arrives.

4.4 Energy supply, system security and network planning

What commercial arrangements, demand-flexibility measures and technologies can support additional energy supply while protecting system security and existing customers? What practical information should proponents provide to support coordinated network and generation planning?

We strongly support the requirement that new load be matched by additional renewable generation, and we support the requirement that commitments be independently verifiable. The term that carries the weight is additional. We suggest the final document define it plainly as generation that would not otherwise have proceeded, contracted on terms sufficient to support the new project reaching financial close, with certificates or offsets not double-counted against another obligation. Proponents should disclose the contracted volume as a proportion of forecast consumption and the date each tranche of supply becomes available.

The draft acknowledges that new generation may come online later than the load it is meant to serve, and asks proponents to explain how the gap will be managed. That gap is the

single most important thing to govern well, because it is where the risk sits for existing customers. An integrated energy delivery plan should set out the load ramp alongside contracted supply, storage and firming, network works and interim arrangements, and should state what happens if generation slips: which part of the load is deferred, what flexibility is called on, and what commercial consequence the proponent carries. A plan with no stated consequence for delay is a forecast, not a commitment.

Demand flexibility is the cheapest form of system support a large load can offer, and proponents should be asked to quantify it rather than assert it: how much load can be curtailed, at what notice, for how long, and how often each year. Backup infrastructure can contribute to the wider system, but only where the capability is technically demonstrated, commercially agreed and subordinate to the facility's own safety and resilience obligations. Where diesel or other high-emission backup is proposed, the fuel, installed capacity, expected testing hours and operating use should be disclosed at the outset and reported annually. We also encourage government to explain publicly how large loads are treated during a supply emergency relative to households and essential services. It is a question communities will ask, and it is better answered in policy than in the middle of an event.

To support coordinated network and generation planning, we suggest proponents of significant projects provide:

- maximum demand, forecast annual consumption and the year-by-year ramp to full capacity
- the expected load profile, including coincidence with system peaks, ramp rates and minimum stable load
- power quality characteristics and any fault level or harmonic implications for the local network
- the portion of load that can be curtailed, the notice required and the duration it can be sustained
- on-site storage and backup capacity, and whether either is available to the wider system
- generation contracting status, including the counterparty project, contracted volume and expected commissioning dates
- connection milestones and the network works required, with the cost allocation for each
- scenarios for delayed generation, staged expansion and early closure of the facility

4.5 Water use and water security

What technologies, siting practices and commercial arrangements can minimise water use and protect existing users and water security?

Water is the area where the range between facility designs is widest, and the draft is right to require project-specific forecasts rather than industry averages. We suggest the requirement be expressed as scenarios rather than a single figure: normal operation, peak summer operation and extended dry conditions, each stating the assumed cooling mode and ambient conditions. Design should be described in enough detail to be compared between projects, covering the cooling approach, the use of non-potable or recycled water, wastewater volumes and quality, and any fallback mode that trades water for electricity during a heat event. That trade-off is real, and both the water supplier and the network operator need to see it in advance.

On siting and commercial arrangements, the principles in the draft are sound and would be strengthened by three additions. Proponents should be asked to demonstrate headroom in the specific supply system they propose to connect to, rather than at a state level. Full cost recovery should extend explicitly to upgrades made necessary by the project, not only to the connection itself. Each significant facility should hold a low-water operating plan agreed with its supplier, stating the trigger points at which consumption is reduced and the reduction achieved at each step. A facility that can only continue operating through a dry season by drawing on a system already under stress has not managed its risk; it has transferred it to everyone else.

4.6 Approval coordination, cumulative impact and cyber security

How can proponents and government improve early coordination and provide clearer information within existing approval pathways?

We agree that these developments should continue to be assessed through Tasmania's existing Resource Management and Planning System, and that the depth of assessment should reflect the scale and likely impact of a proposal. The most practical improvement available within those pathways is a single, plain-language project fact base, published early and updated as the design changes, covering what is proposed, what has been assessed, what conditions apply and what the proponent has committed to. A public commitments register, maintained through construction and into operation, would do more for community confidence than any additional process step.

One matter the draft does not yet address is what happens when several projects are proposed in the same region. Assessed individually, each may be acceptable; assessed together, their combined demands on electricity, water, housing, the construction workforce and local roads may not be. We recommend the final document state how cumulative effects will be considered where projects cluster, and that government publish a de-identified pipeline view of proposals at a regional level so that communities and utilities can see the aggregate picture rather than one application at a time.

Cyber security is presently covered by a single line requiring robust cyber security and privacy measures as required by the Commonwealth. For infrastructure that may host government, health, utility or research workloads, that is thinner than the subject warrants. We are not suggesting Tasmania duplicate Commonwealth obligations, instead we suggest a short set of outcome-based expectations: a named accountable executive for security; alignment with the relevant Commonwealth critical infrastructure obligations where they apply, and a statement of position where they do not; supply-chain and vendor assurance; protection of the operational technology that runs power, cooling and building management, not only of information systems; agreed incident notification and coordination arrangements with Tasmanian agencies and emergency services; and independent assurance at a frequency proportionate to the criticality of what the facility hosts.

Finally, the draft is largely silent on what happens at the end of a facility's life. Server, storage and battery refresh cycles are short relative to the life of the building, so equipment lifecycle is an operating matter rather than a closure matter. We recommend proponents be asked to address reuse, refurbishment and responsible disposal of ICT equipment and batteries, embodied carbon in the initial build, and decommissioning and site rehabilitation,

including how rehabilitation would be funded if the facility closed earlier than planned. These commitments are inexpensive to make at approval and very difficult to obtain later.

4.7 Public transparency and reporting

Noting commercial confidentiality, privacy, cyber security and national security considerations, what non-sensitive information could proponents reasonably make public to build community confidence?

Confidence comes from comparability. Disclosure that differs in definition and timing between projects invites dispute rather than settling it, so we suggest government define a minimum annual public dataset that every significant facility reports on the same basis:

- electricity consumed and maximum demand, with the proportion supplied under contracts with new renewable generation
- power usage effectiveness, reported annually on a consistent definition
- water drawn by source, water usage effectiveness, and wastewater volumes
- backup generation fuel, installed capacity and annual run hours, separated into testing and operational use
- employment by category, Tasmanian residency, and apprentice, trainee and graduate numbers
- Tasmanian procurement spend as a share of total capital and operating expenditure
- environmental performance against permit conditions, including any non-compliance and how it was resolved
- progress against each published community and benefit commitment

Forecasts should be published at approval using the same definitions, so that what was promised can be compared with what occurred. Where information is genuinely sensitive, the answer is rarely to withhold it entirely: detail can be provided to the regulator under protection, aggregated across a site, or reported with a short lag, and the fact that an item has been protected can itself be disclosed. Assurance should be proportionate, with management attestation sufficient for smaller facilities and independent verification expected of the largest. Where the Commonwealth settles a national reporting framework, Tasmania should adopt its definitions so that proponents report once and the public can compare Tasmanian facilities with those interstate.

5. Digital resilience, local access and sovereign capability

The draft notes that these projects may support domestic data hosting and sovereign capability where appropriate security, governance and contractual requirements are met. We suggest that this qualification deserves greater prominence. Most cloud and hosting services consumed by Tasmanian organisations today are delivered from mainland facilities, and Tasmania's reliance on Bass Strait connectivity makes network diversity a live consideration in any serious continuity plan. Local infrastructure could improve that position. It does not do so automatically. Physical location is a necessary condition, not a sufficient one.

Resilience becomes real only when a Tasmanian organisation can contract for the service it actually needs: suitable hosting or compute products, data replication arrangements, network paths that do not converge on a single route, recovery objectives it can test rather

than assume, and local operational support. A facility built wholly for external customers may deliver genuine energy investment and construction activity to Tasmania while leaving the state's digital resilience exactly where it was.

We therefore recommend proponents be asked for a short resilience and local-access statement describing the services, connectivity arrangements and access models that would be available to Tasmanian government agencies, health and emergency services, universities and research organisations, and local industry. A statement that no local access is offered is a legitimate answer and a useful one, because it allows the project to be assessed on the benefits it does deliver rather than on ones assumed for it. Where local access is offered, government should be able to test the claim against services actually contracted. Sovereign capability claims warrant the same discipline: what data, under whose control, subject to which jurisdiction, and verifiable by what means.

6. Implementation, reporting and assurance

Nothing we have proposed should apply uniformly to every project. We suggest a simple classification, set by electricity and water demand and by whether the facility hosts critical or government workloads. Projects below the threshold would report a short core set of measures. Projects above it would provide the full benefit plan, the integrated energy delivery plan, the resilience and local-access statement, and independent assurance. Where the thresholds are set matters less than the fact of having them, because a classification is what allows government to ask more of the largest proposals without burdening the smallest.

Reporting should reuse material proponents already produce for regulators, utilities, lenders and their own boards, published once a year at a single public location so that a resident, a council or a journalist can find it without knowing which agency holds it. The framework below is offered as a starting point for what that report might contain. It is our proposal rather than a requirement of the draft paper, and it is deliberately short: eight outcome domains, each with an indicator that can be evidenced.

Reporting carries weight only where under-delivery has a consequence. We are not proposing penalties, which would sit awkwardly in a statement of policy that expressly does not create a new approval or regulatory process. We suggest instead that the expectations state plainly that material and unexplained under-delivery against published commitments is a relevant consideration in future government facilitation, in access to land or infrastructure, and in the assessment of any expansion by the same proponent. That is a modest lever, and in an industry where proponents typically return with a second stage, it is a real one.

Outcome domain	Example commitment or indicator	Evidence
Economic	Tasmanian expenditure, sustained operational roles, supplier participation, and State taxes, rates and charges paid	Audited expenditure records, workforce reporting and procurement data
Skills	Apprenticeships, traineeships, graduate roles, recognised training and work placements	Provider agreements, enrolment and completion records
Innovation	Research partnerships, applied projects, compute access and local technology adoption	Partnership agreements, project outputs and access records
Energy	Load, additional renewable supply contracted, storage and firming, flexibility events and network costs met	Metering, contracts, connection data and assurance statements
Water and environment	Water use and source, water usage effectiveness, wastewater, backup fuel use, emissions and waste outcomes	Metering, environmental reporting and verified inventories
Resilience	Services contracted by Tasmanian organisations, network diversity and tested recovery capability	Service descriptions, test results and continuity arrangements
Community	Engagement commitments met, regional benefits delivered, digital inclusion and complaints resolved	Commitment register, survey results, program reports and issue logs
Governance	Named delivery ownership, milestones met, material deviations and corrective action taken	Board-approved plan, published report and independent assurance

7. Conclusion

This consultation is not really about buildings. It is about how a new class of digital infrastructure interacts with public value, essential services, technology capability, cyber security, and Tasmania's energy and environmental systems. The draft expectations get the direction right. What would make them durable is a way to compare what different projects actually offer Tasmania, and a way to verify, years later, that what was promised was delivered.

Our recommendation, in a sentence, is that success be measured not by megawatts deployed or capital announced, but by the enduring and verifiable economic, digital, environmental and community value created for Tasmania. Measured that way, good projects have nothing to fear from disclosure, and Tasmania gains a basis for saying yes with confidence.

We would welcome the opportunity to discuss any part of this submission with Building Tasmania, the Office of the Coordinator-General or other agencies, and we are happy to contribute practical detail on benefit measurement, reporting design, resilience and cyber security expectations at no cost to the State.

Appendix A. Benefit, disbenefit and net public value assessment framework

This appendix shows how the policy recommendations in the main submission could be operationalised as an assessment tool for government economists, policy analysts and project assessors. The main body is deliberately written for a policy-generalist audience. This appendix uses more technical language so that the expectations can be translated into a structured benefit, disbenefit and net public value assessment.

The purpose is not to create a new approval pathway or to replace statutory assessment, economic appraisal or environmental regulation. It is to provide a practical way to make benefit and disbenefit claims more specific, testable and comparable between projects. In this appendix, disbenefits means costs, adverse impacts and negative externalities, whether they fall on government, utilities, households, businesses, communities or natural assets. The taxonomy below maps to the themes in the main submission: jobs and procurement, skills, innovation, energy, water, resilience, community impact, environmental performance, lifecycle obligations, cumulative impacts and transparency.

Relationship to the main submission

The appendix categories are intended to correspond to the policy themes in the main document, while allowing a more technical assessment method to be used by government. The mapping is indicative rather than exhaustive: a single policy concern may appear as a benefit, a disbenefit, or an adjustment factor depending on the project facts.

Main submission theme	Appendix assessment category	How the assessment tool applies it
Jobs, skills and local procurement	Direct employment; direct Tasmanian expenditure; local supply-chain participation; skills and workforce capability	Tests whether jobs and spend are local, additional, durable and supported by evidence rather than being headline commitments only.
Research, innovation and digital capability	Innovation, research and digital capability; productivity, compute export and market-enabling benefits; infrastructure and resilience externalities	Values compute access, research partnerships, local technology adoption, productivity gains, exportable compute and wider digital capability where benefits are attributable and verifiable.
Energy supply and system security	Environmental and lifecycle benefits; infrastructure and resilience externalities; energy consumption and grid price impact; opportunity cost	Recognises additional renewable supply, flexibility and resilience as potential benefits, while treating unrecovered grid costs, delayed generation and price impacts as disbenefits.
Water use and water security	Environmental and lifecycle benefits; water scarcity and price impact; displacement adjustment	Credits genuine efficiency or recycled-water commitments, and deducts impacts on constrained systems, drought resilience, existing users and unfunded upgrades.

Community engagement and place-based outcomes	Community and place-based benefits; land, amenity and community disruption	Captures community commitments as benefits where delivered, and treats construction disruption, amenity impacts and unresolved local costs as disbenefits.
Digital resilience, local access and sovereign capability	Infrastructure and resilience externalities; residual public and systemic risk	Distinguishes genuine local access and resilience improvements from unsupported claims, while recognising cyber, operational and stranded-asset risks.
Lifecycle obligations, cumulative impacts and assurance	Environmental and lifecycle benefits; residual public and systemic risk; public cost adjustment; persistence factor	Assesses whether commitments endure beyond construction, whether cumulative and end-of-life costs are funded, and whether evidence is strong enough to support the claim.

Assessment conventions

The assessment should use the Tasmanian community as the referent group. This means benefits and disbenefits should be counted where they accrue to Tasmanian households, businesses, public entities, communities and natural assets. Impacts outside Tasmania may still be described, but should not be counted as retained Tasmanian public value unless there is a clear Tasmanian beneficiary.

Each claimed impact should be measured against a defined base case and project case. The base case is the most likely situation without the project. The project case is the situation with the project, including any committed mitigation, enabling infrastructure or staged expansion. Only the incremental difference between these cases should be counted.

Material multi-year benefits and disbenefits should be assessed over the relevant lifecycle: development, construction, commissioning, operation, refresh and decommissioning. Where impacts are monetised over time, they should be reported in present value terms using the discount rate and appraisal conventions adopted by government for comparable proposals.

For calculation purposes, the benefit and disbenefit formulas should be applied by year, then discounted and summed across the assessment period. This allows delayed benefits, early costs and long-lived residual impacts to be compared on a common present-value basis.

The formulas below are an accounting logic for monetised impacts, not a universal valuation method for every benefit class. Strategic, qualitative or non-monetised impacts should be rated and reported separately unless there is a credible valuation method and evidence base.

Materiality should be determined having regard to scale, duration, reversibility, public sensitivity, cumulative effect and whether the impact falls on third parties rather than the proponent. Minor impacts should not be over-engineered, but material impacts should not be screened out merely because they are difficult to monetise.

Risk adjustment and sensitivity testing should be treated as related but separate exercises. Risk adjustment reflects the expected likelihood that a benefit or disbenefit will be realised. Sensitivity testing should then test the robustness of the result under low, central and high cases for key assumptions such as retention rates, additionality, discount rate, water scarcity value, energy price impact, construction duration and realisation probability.

For low-probability but high-consequence risks, expected value should not be the only test. Water shortage, material grid stress, major cyber failure, stranded infrastructure and other threshold risks should also be considered through scenario, tolerance or acceptability tests.

The register should also identify distributional effects: who receives each benefit, who bears each disbenefit, and whether impacts fall unevenly on particular regions, existing energy or water users, councils, Aboriginal communities, households, suppliers or public agencies. A positive aggregate result should not obscure a concentrated local cost.

Non-monetised impacts should not be treated as zero. Where an impact cannot be credibly valued, it should be separately rated for significance, likelihood, duration, reversibility and affected party, and reported alongside the monetised net benefit.

To avoid double counting, direct expenditure, supplier participation, wages, wider economic impacts and public revenues should be reconciled before being added. For example, the same dollar of Tasmanian procurement should not be counted once as direct expenditure, again as supplier uplift and again inside an undisclosed multiplier without clear separation.

Accounting boundaries should be established before any values are aggregated. Each dollar, job, externality, avoided cost or residual risk should be counted once only. Where one activity supports multiple outcomes, the register should nominate the primary causal pathway and explain any secondary effects separately. Technical system impacts should be separated from the distributional incidence of who pays or benefits. Avoided disbenefits should not also be counted as positive benefits unless they are clearly additional to the avoided impact. Known public costs should be separated from contingent public risks, and direct retained value, wider economic effects and non-monetised externalities should remain separate layers until the final assessment.

Cumulative impacts should be assessed where projects cluster or where a project adds to an already constrained regional system. Energy, water, housing, workforce, transport and community impacts should be considered at both project level and, where relevant, regional or precinct level.

Fiscal flows to government, retained economic activity and externalities should be reported separately before being combined. Taxes, rates and charges may be relevant to the State's fiscal position, but they should not automatically be treated as net economic benefits unless they represent incremental public value rather than transfers.

Benefit taxonomy

Benefit class	What should be counted	Primary unit of measure
Direct employment	Jobs created by the proponent, principal contractors and facility operator, separated between construction, commissioning, operation and lifecycle refresh.	Full-time equivalent roles, person-years, wage bill retained in Tasmania
Direct Tasmanian expenditure	Payments to Tasmanian businesses, workers, utilities, councils and State entities for goods, services, land, connections, rates, charges and taxes.	Dollars spent in Tasmania by category and year
Local supply-chain participation	Subcontracting, maintenance, specialist services and recurring operational spend captured by Tasmanian suppliers rather than imported from interstate or overseas.	Supplier spend, number of suppliers, contract duration, supplier capability uplift
Skills and workforce capability	Apprenticeships, traineeships, graduate roles, accredited training, industry placements and transferable skills that remain available to the Tasmanian economy.	Completions, credentials, placements, retained employment outcomes
Innovation, research and digital capability	Research partnerships, compute access, local technology adoption, startup support and applied projects that strengthen Tasmania's digital ecosystem.	Partnership value, compute credits, project outputs, commercialisation outcomes
Productivity, compute export and market-enabling benefits	Local access to compute, AI and cloud capability; exportable compute services where revenue, wages, supplier activity or public-value effects are demonstrably retained in Tasmania; reduced latency; measured productivity gains for Tasmanian firms and public services; and digital services enabled by local infrastructure.	Utilisation by Tasmanian users, export revenue retained in Tasmania, productivity measures, latency improvement, enabled service value
Infrastructure and resilience externalities	Network, energy, water, telecommunications or digital-resilience improvements that are funded by the project and available to others, including carrier diversity, route diversity, interconnection, local peering, verified demand flexibility, efficient grid location or contracted system-support services.	Avoided public cost, capacity made available, reliability or resilience improvement
Community and place-based benefits	Benefits deliberately directed to affected communities, including digital inclusion,	Program value, participation, verified delivery against local commitments

Benefit class	What should be counted	Primary unit of measure
	community infrastructure, Aboriginal participation, regional development and amenity improvements.	
Environmental and lifecycle benefits	Additional renewable generation where it exceeds what is required to neutralise the project's own load and creates incremental system or public value; water efficiency; circular-economy commitments; equipment reuse; secure refurbishment and recycling; embodied-carbon reduction; critical-material stewardship; waste reduction; and avoided emissions beyond the regulatory baseline.	Additional capacity, water saved, waste diverted, emissions avoided

Microeconomic quantification mechanism

For each project, proponents should be required to calculate a Retained Tasmanian Economic Benefit for each benefit class and for each year of the assessment period. The calculation should begin with the proponent's direct activity, then adjust for what is genuinely retained, additional, persistent and attributable to the project.

Each benefit class should also carry an explicit realisation probability. This should be expressed as a percentage or probability-weighted range, reflecting delivery risk, timing risk, dependency risk, market uptake risk and assurance confidence. The proponent should therefore provide both the estimated benefit and the risk-adjusted benefit. A large claimed benefit with weak contractual backing, uncertain timing or heavy dependence on third-party action should be discounted more heavily than a smaller benefit secured by binding commitments and auditable delivery evidence.

The core calculation is:

Risk-adjusted Tasmanian benefit = gross project activity × Tasmanian retention rate × additionality factor × attribution factor × persistence factor × realisation probability – displacement and public cost adjustments.

The calculation should be applied separately to construction, operations, refresh cycles and decommissioning because the local economic profile of each phase is different. A project may produce high construction activity but limited enduring benefit if specialised labour, equipment, intellectual property and operational services are imported. Conversely, a smaller facility may generate stronger enduring value if recurring spend, jobs, supplier capability and digital access are retained locally.

Monetised public value may include retained economic benefits, avoided public costs and monetised externalities. Non-monetised impacts should remain visible alongside the calculated result rather than being folded into a single dollar figure through unsupported assumptions.

Evidence quality should be rated for each claimed benefit as contracted, committed, modelled, estimated or aspirational. The rating should influence the realisation probability and should be visible in the register so that contract-backed commitments are distinguished from general intentions.

The mechanism should not rely on headline multipliers alone. Input-output or computable general equilibrium modelling may be useful for larger proposals, but only after the direct Tasmanian expenditure, employment and leakage assumptions have been made transparent. Multipliers should be reported separately from direct retained value, with assumptions, industry classifications and limitations disclosed.

Adjustment factors and evidence requirements

Factor	Purpose	Evidence required
Tasmanian retention rate	Identifies the share of each dollar, job or capability outcome retained in Tasmania rather than leaking to interstate or overseas suppliers, labour or owners.	Supplier location, worker residency, payroll, subcontract ledgers, utility payments, tax and rates records
Additionality factor	Tests whether the benefit is above the base case and would not have occurred in Tasmania without the project.	Baseline scenario, counterfactual procurement or employment evidence, signed commitments, timing comparison
Attribution factor	Allocates only the portion of a benefit caused by the project where benefits are jointly produced with government, utilities, education providers or other investors.	Funding shares, contractual obligations, project governance records, partner contributions
Persistence factor	Recognises that a temporary construction job, a one-off sponsorship and a ten-year operating role do not have the same enduring economic value. It should only adjust for duration or continuity where those effects are not already captured in the annual benefit profile and discounting.	Contract term, employment duration, renewal rights, operating budgets, lifecycle refresh schedule
Displacement adjustment	Deducts activity that merely draws scarce labour, housing, water, grid capacity or supplier capacity away from existing Tasmanian users without increasing total State welfare.	Labour-market analysis, housing and accommodation plan, utility headroom, supplier capacity assessment
Public cost adjustment	Deducts public expenditure, foregone revenue, subsidies, facilitation costs or infrastructure costs not fully recovered from the proponent.	Connection cost allocation, government funding, rates concessions, grant agreements, unrecovered system costs

Disbenefits taxonomy

The same discipline should apply to adverse impacts. A project should not be assessed only by the benefits it promises, but by the net public value after material disbenefits are identified, monetised where possible, risk-adjusted and deducted.

Environmental performance beyond the regulatory baseline may be counted as a benefit only where it is genuinely additional. The same avoided impact should not be counted twice, once as an environmental benefit and again as a reduced disbenefit.

Similarly, renewable generation, environmental improvements or community programs should not be counted as benefits where they merely satisfy mitigation, compensation, offset or compliance obligations. They should be counted only where they create additional public value beyond neutralising the project's own impacts.

Disbenefit class	What should be counted	Primary unit of measure
Pollution and emissions	Air emissions from backup generation, construction emissions, operational emissions not offset by additional renewable supply, embodied carbon, material lifecycle emissions, noise, heat, wastewater impacts and waste streams.	Emissions, pollutant load, treatment cost, compliance exceedances
Water scarcity and price impact	Water drawn from constrained systems, reduced headroom for existing users, drought-period stress, potable or non-potable source constraints, wastewater volume and quality, treatment capacity, cooling-mode trade-offs, required upgrades and any price or service impacts not fully funded by the proponent.	Megalitres consumed, scarcity value, upgrade cost, price impact
Energy consumption and grid price impact	Additional load, coincident peak demand, inefficient network location, network augmentation, delayed generation, firming requirements, limited or unavailable demand flexibility, and effects on wholesale, retail or network costs borne by other users.	Megawatts, megawatt-hours, peak contribution, unrecovered system cost, price impact
Affordability and distributional cost impacts	Energy, water, network, rates or service-cost impacts passed through to households, small businesses, industrial users, councils, public agencies or affected communities, particularly where costs are concentrated or borne by vulnerable users.	Price impact, bills affected, exposed user groups, council or agency cost, distributional incidence

Disbenefit class	What should be counted	Primary unit of measure
Land, amenity and community disruption	Construction traffic, noise, heat, light, visual impact, land-use conflict, local air-quality or health impacts, temporary worker accommodation, housing pressure, local service pressure and reduced amenity for nearby communities.	Mitigation cost, affected households, duration and severity
Opportunity cost	Scarce land, grid capacity, water allocation, workforce or public funding committed to the project rather than alternative Tasmanian uses.	Value of foregone alternative use or avoided benefit
Residual public and systemic risk	Unfunded decommissioning risk, stranded infrastructure, contingent liabilities, proponent or special-purpose-vehicle failure, resilience risks, cyber or operational failures, unfunded closure obligations and other costs that may fall to government, utilities or the community.	Expected loss, contingency cost, probability-weighted exposure

Risk-adjusted disbenefit and net benefit calculation

For each material disbenefit, proponents should estimate the gross adverse impact, monetise it where reasonable, and apply a likelihood and severity weighting. This is particularly important for impacts such as water scarcity, grid price exposure and pollution, where the cost may be low in normal conditions but materially higher in drought, heatwave, supply shortfall or delayed-generation scenarios.

Risk-adjusted Tasmanian disbenefit = gross adverse impact × Tasmanian exposure factor × likelihood factor × severity factor × persistence factor – mitigation already funded by the proponent.

Mitigation should first be assessed by whether it reduces the physical impact. Offsets, compensation and community payments should be reported separately and should not automatically be treated as eliminating the disbenefit. The residual disbenefit after funded mitigation remains the relevant amount for the net public value calculation.

The final assessment should then compare benefits and disbenefits on a common basis:

Net Tasmanian public value = total risk-adjusted Tasmanian benefits – total risk-adjusted Tasmanian disbenefits.

Where a material impact cannot be credibly monetised, it should still be included as a non-monetised disbenefit with a transparent rating for likelihood, severity, affected party, duration and reversibility. The State should avoid treating unpriced impacts as zero. Instead, unpriced but material disbenefits should be made visible alongside the calculated net benefit and considered in any project classification, facilitation decision or expansion assessment.

Application to project assessment

Each significant project should submit a benefit and disbenefit register using this taxonomy. For every claimed benefit or disbenefit, the register should state the class, baseline, gross estimate, calculation method, adjustment factors, realisation or likelihood factor, risk-adjusted value, timing, duration, affected party, responsible owner, evidence-quality rating, evidence source, reporting frequency, assurance approach and residual risk after mitigation. Benefits and disbenefits should be reported in three layers: direct retained value, modelled flow-on value and non-monetised externality value. This prevents a project from using broad economic multipliers to obscure weak direct local participation, while still allowing wider benefits and adverse impacts to be recognised where the assumptions are credible.

The State could then compare projects on a common basis: not simply by capital expenditure, megawatts or announced jobs, but by the risk-adjusted net public value retained in Tasmania after leakage, displacement, disbenefits, cumulative effects and unrecovered public costs are recognised. This would make the expectations more creative and more rigorous: proponents would still have flexibility in how they create value, but the value claimed would need to be measurable, additional, attributable, risk-adjusted, evidence-rated, assigned to an accountable owner and capable of being verified over time.

The framework should inform project facilitation, public reporting, commitment setting and future expansion decisions, but should not replace statutory planning, environmental, energy, water or security approvals.

References

The references below include government appraisal guidance, regulator and utility-sector guidance, industry-commissioned economic contribution studies, and international sustainability frameworks. Industry-commissioned sources should be treated as useful evidence of claimed economic contribution and sector practice, not as substitutes for independent public-interest appraisal.

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