SUBMISSION on the Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania

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I make this submission as private individual, a concerned scientist currently employed as a researcher in the School of Geography Planning and Spatial Sciences at the University of Tasmania. In my recent professional experience, I have developed environmental monitoring and assessment frameworks, and environmental accounting tools, for State (Qld) and Commonwealth governments. I have also professionally researched and communicated the impacts of climate change on people and places in Tasmania.

Thank you for the opportunity to comment on the draft Statement of Expectations (the Statement). I support the development of clear expectations for data centre proponents, but consider that such a Statement needs to go much further than the current document if it is to provide meaningful protection for Tasmania's environment and public interest.

My principal concern is the gap between stating desirable outcomes and establishing how they will be assessed, achieved and verified. I'm also concerned that the current document is weak in protecting Tasmania's natural environment and the ecosystem services it provides to all Tasmanians.

General comments

Under the first heading of Purpose, the draft Statement of Expectations promises 'clear and predictable guidance to proponents, investors, industry, communities and other stakeholders while supporting the responsible development of data centre and AI infrastructure projects that deliver enduring benefits for Tasmania.'

The phrase 'clear and predictable guidance' sounds neutral, but the guidance is not necessarily designed to serve the same purpose for every audience.

- For proponents, it signals how proposals should be presented and what benefits, safeguards and commitments are expected.
- For the community, it offers reassurance that government has identified the matters that concern Tasmanians and expects developers to address them.
- For government, it provides a means of communicating expectations to an emerging industry without creating a new statutory approval process.

A Statement that tells proponents what is expected of them, and tells communities what they should expect, is not necessarily a statement that ensures either expectation will be fulfilled.

Some important questions arising in relation to each point are as follows:

- How will proponents' claims be independently assessed, their commitments secured, and their performance monitored to ensure that the expectations are met *in practice*?
- Has the Statement of Expectations adequately identified matters of concern to Tasmanians that proponents should be expected to address?
- Is the existing approval process for data centres and large AI infrastructure fit for purpose?

Guidance for proponents: disclosure and accountability

The Statement signals the benefits, safeguards and commitments that proponents are expected to demonstrate to government and the community. It does not specify who is responsible for delivering these commitments, how they will be assessed and verified, and what consequences follow when they are not met. Consequently, it risks functioning primarily as guidance on how to present a proposal rather than as a means of securing responsible outcomes.

This raises a related concern about the relationship between the Statement of Expectations and the statutory planning and assessment processes. If proponents are encouraged to demonstrate that their proposals meet the Government's expectations, but there is no clear process for verifying those claims or securing their commitments, the Statement risks creating an appearance of acceptability without ensuring that the information presented to government and the community is complete. This could undermine the statutory approval process if important aspects of a proposal's intended operation emerge only after decisions have been made.

The issues arising at Bell Bay over the intended use of diesel generators, and questions about water supply for Firmus's proposed Wesley Vale facility, illustrate why this matters. Information that emerges after a proposal has been determined may have implications for the assessment that was undertaken and the conditions imposed. The Statement should therefore make clear that proponents are expected to disclose fully and accurately the activities and operating arrangements they intend to undertake, and that commitments made in presenting a proposal must be capable of verification and, where appropriate, secured through statutory approvals and conditions. Otherwise, the Statement risks working at cross purposes to the planning system: encouraging proponents to demonstrate that their proposals meet stated expectations without ensuring that those expectations constrain what happens after approval.

Recommendation: For each expectation, identify who is responsible, what evidence is required, how performance will be independently assessed and reported, and what action will follow if commitments are not met. Distinguish voluntary commitments from requirements enforceable through existing statutory powers or approval conditions. Where existing mechanisms cannot secure an expected outcome, identify what further measures are needed.

Community expectations: protection of Tasmania's natural environment

Section 1 of the Statement, *Maximising benefits to Tasmania*, focuses primarily on economic benefits and, to a lesser extent, social benefits. However, the public interest extends beyond these considerations. Tasmania's natural environment has intrinsic value and provides ecosystem services on which the whole community depends. Meeting the expectations as currently expressed would not necessarily demonstrate that environmental needs had been adequately identified, protected or monitored. The treatment of water under Section 5, *Sustainable water usage*, illustrates this gap.

Section 5 recognises water as a limited resource and requires proponents to provide project-specific forecasts of maximum and average annual water demand. It also expects them to minimise water consumption, protect existing users and plan for water disruptions during periods of low rainfall.

Maximum annual demand is not the same as peak demand over shorter periods. The Statement should require proponents to disclose peak daily demand and explain how that demand will be met, including during hot or dry periods when cooling requirements or pressure on water supplies may be greatest.

The section also does not explicitly recognise the environment as a water user whose requirements must be protected. Rivers and aquatic ecosystems depend on appropriate flow regimes, and the environmental consequences of additional water demand cannot be assessed solely by considering the volume supplied to a facility or its effects on other human users.

There is also a question about the evidence available to support such assessments. Publicly accessible information on environmental flow requirements and the flows of regulated rivers may be insufficient to establish baselines, assess impacts or monitor changes. Where flow data are incomplete or inaccessible, it becomes difficult, if not impossible, for the public to determine whether environmental water requirements are being maintained.

Proponents should also demonstrate the resilience of proposed onsite water-storage arrangements under extreme and changing climatic conditions. Assessments should specify the storage capacity available for cooling, model its adequacy during prolonged heat events, identify contingency supplies if storage is depleted, and explain what operational measures would apply if additional water were unavailable. Modelling should consider future climate conditions, not simply the historical frequency of hot days. Onsite storage should not be assumed to resolve environmental or water-security impacts unless the adequacy of the entire supply and contingency arrangement has been demonstrated.

Recommendation: the Statement should explicitly require proponents to demonstrate how their water requirements will be assessed against environmental water needs, taking account of:

- baseline flow conditions and relevant ecological requirements;
- maximum and average annual demand, as well as peak daily demand and seasonal variation;
- dry periods, future climate conditions and competing demands within the catchment;
- cumulative effects of multiple developments and existing water-management activities; and
- monitoring and reporting sufficient to verify that environmental impacts remain within acceptable limits.

Where adequate baseline data or monitoring arrangements do not exist, the Statement should explain how those deficiencies will be addressed before a proposal proceeds. The reference to periods of low rainfall is welcome, but should be supported by specific evidence and monitoring arrangements.

Government responsibility: independent assessment and effective regulation

The preceding concerns lead to a question about what is expected of the Government. Proponents should be responsible for fully and accurately describing what they intend to build and how it will operate. It is for the relevant statutory authorities, applying the law, to determine the appropriate assessment and approval pathway.

‘Ensuring projects go through appropriate development pathways’ (from the table on page 2 of the Statement) is a community expectation of government, not an expectation of proponents.

The Statement should reinforce that separation of roles.

Section 6 states that data centres should continue to be assessed through Tasmania's existing Resource Management and Planning System (RMPS). It describes existing processes as providing mechanisms to assess and manage potential impacts.

However, the existence of established approval processes does not, by itself, demonstrate that they are adequate for developments whose impacts may extend beyond an individual site or local government area, or accumulate across several projects.

In a submission to the Inquiry into AI data centres in Tasmania (submission 92 Jan Tilden) I examined at length the inability of the current planning system to deal with the comprehensive integrated assessment of AI data centres as a class of development, including their complex, system wide and cumulative impacts.

I identified a number of issues that go to the question of whether 'appropriate development approval pathways' mentioned in the objective of expectation 6 (p5) currently exist, including the following (along with their associated recommendations):

- Classification – Are AI data centres adequately captured by existing Level1/Level 2 categories and thresholds?
  Recommendation: Review whether EMPCA Schedule 2 adequately captures the environmental characteristics and scale of major AI data centres, including whether new activity classes or thresholds should be considered.

- Screening – How does the EPA Board decide that substantive assessment is not required?
  Recommendation: Examine whether the EPA's Level 2 screening process remains fit for purpose for emerging forms of major infrastructure such as AI data centres.

- Cumulative effects – Where are the impacts of multiple AI data centres considered together rather than one at a time?
  Recommendation: Investigate how Tasmania's planning and environmental assessment framework can recognise cumulative and strategic effects across multiple AI data-centre developments, rather than considering each project entirely in isolation.

  Recommendation: Consider new forms of integrated assessment using frameworks capable of capturing and considering interactions between and among environmental, social and economic impacts – both trade-offs and synergies.

- Transparency – What mechanisms are needed to enhance public access to reasoning behind pathway decisions?
  Recommendation: Require clearer public explanations of the principal evidence, assumptions and reasoning behind significant pathway and screening decisions.

These considerations all bring into question the notion that adequate development approval pathways for AI data centres currently exist.

At a minimum, the Government should consider amending Schedule 2 of the EMPCA to include data centres and AI infrastructure as Level 2 activities, with an appropriate definition and thresholds. The existing Schedule 2 recognises that some activities warrant environmental assessment because of their resource demands or operating characteristics, for example Textile Bleaching and Dyeing Factories, and Breweries and Distilleries both have water use thresholds of 'a capacity to consume 100 kilolitres of water in a working day of eight hours'. Data centres should be considered against comparable criteria, including their potentially significant peak water requirements and their backup generation.

The Bell Bay development illustrates the importance of assessing peak water demand rather than relying on annual consumption figures. According to an engineering assessment of the development, cooling-water demand is modelled at approximately 2.5 ML per day during a four-day extreme heat event. This is 2,500 kL per day, substantially above the 100 kL in an eight-hour working day threshold used for some existing Schedule 2 activities. The statutory test is capacity to consume the specified amount over an eight-hour working day, so the relevant engineering figures and the precise legal test should be considered together.

Explicit Level 2 classification would provide a more systematic starting point for environmental assessment and reduce reliance on retrospective intervention where questions arise about operating intentions that were not fully understood at the time of assessment, as illustrated by the dispute over generator use at Bell Bay. However, establishing a new class of Schedule 2 activity for data centres and large AI infrastructure would not, in itself, resolve the issues of cumulative or complex system-wide impacts.

Recommendation: that the Statement explicitly addresses:

- the disclosure of all material aspects of a proposal, including intended operating practices and backup infrastructure;
- the circumstances in which a material change to a proposal should trigger further assessment or referral;
- how cumulative and system-wide impacts from multiple developments will be assessed; and
- how decisions about the appropriate assessment pathway, including decisions not to undertake further environmental assessment, will be explained publicly.

The Statement should also clarify how higher-level or coordinated assessment can be used where the scale or cumulative impacts of a proposal warrant it, while preserving the legitimate role of local planning authorities. Councils should continue to assess local effects such as amenity, noise, pollution and site-specific impacts; the concern is how impacts beyond the scope of an individual council's powers are assessed and coordinated.

Conclusion

The draft Statement of Expectation identifies matters that proponents should consider, but it needs to do more to show how those expectations will translate into demonstrable outcomes. I recommend strengthening the Statement to address how proponents' claims will be independently assessed, their commitments secured and their performance monitored to ensure that the expectations are met *in practice*. Strengthening this aspect of the Statement of Expectations would also support complete disclosure of all aspects of a proposal's intended operation, instead of potentially working at cross-purposes to that requirement.

Recognition of environmental water needs and explicit consideration of the benefits to Tasmania provided by the natural environment (ecosystem services) must also be included, along with clarification and updating of assessment pathways to better cope with the complex and cumulative impacts of data centres as an emerging class of development.

Without these elements, the Statement may provide guidance and reassurance without providing a reliable means of securing the outcomes it describes.