Local Government Association Tasmania

Our Ref: BM | DJL

21 October 2026

Dennis Hendriks
Coordinator General
Office of the Coordinator General
Via email: futureindustries@recfit.tas.gov.au

Dear Mr Hendriks

Draft Expectations for Data Centres and AI Infrastructure Developers

Thank you for the opportunity to provide a submission on the *Draft Expectations for Data Centres and AI Infrastructure Developers* (the Expectations). This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of Tasmania's 29 councils and informed by direct feedback

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for local government in Tasmania. Where a council has made a direct submission to this process, any omission of specific comments made by that council in this submission should not be viewed as lack of support by us for that specific issue.

We support the intent of the draft Expectations, in particular to:

- protect existing electricity and water customers from cost shifting
- have proponents meet their development's infrastructure costs
- encourage early engagement with communities and councils
- deliver jobs, training, local procurement and community benefits
- increase transparency around the impacts and benefits of projects.

However, the draft Expectations are expressly non-statutory, do not alter statutory assessment criteria, and rely substantially on proponents being encouraged or expected to undertake certain actions. This is not sufficient to provide certainty for communities, councils, or proponents.

Please contact Ben Morris, Policy Director, if you have any questions or would like further information, at [redacted].

Yours sincerely,

Dion Lester
Chief Executive Officer

LGAT Submission: draft Expectations for Data Centres and AI Infrastructure Developers

Introduction

Local government recognises that Tasmania is a favourable place to develop data centres, given our cooler climate, energy and water resources. At the same time, the sector has experienced firsthand the high level of concern in some parts of the community about the increase in data centre development associated with AI. We understand that community concerns relate to the cumulative impacts of AI data centres.

The draft Expectations are a welcome step towards managing these and other impacts. However, they fall short of providing a mandatory framework that would allow the State Government to manage the cumulative impacts of data centres.

Our submission focuses on the council/community interface, where process and resource planning are currently unclear.

Specific Comments

The specific feedback relating to relevant sections of the draft Expectations.

Principles

The principles are broadly supported.

To support the cumulative benefits and impacts, the Expectations and the broader framework need to include ongoing monitoring and review to assess whether data centres are delivering against these principles.

Maximising benefits to Tasmania

We support the draft's emphasis on local employment, skills and training, procurement, digital capability and regional community benefits. It is important that the Expectations provide greater clarity on what constitutes a tangible community benefit. A tangible community benefit is distinct from ordinary statutory obligations, infrastructure to operate the project and payment of taxes, rates or charges.

Proponents should prepare a benefits plan with measurable commitments appropriate to the project's scale and location. This could include ongoing direct employment, apprenticeships and training, local procurement, digital capability, additional renewable energy generation, community infrastructure, or other priorities identified through community engagement.

Where commitments are relied on to demonstrate community benefits associated with a proposal, there needs to be a mechanism for monitoring and publicly reporting their delivery.

We note the State Government's 14 October announcement that it will establish a Local Community Benefit Fund to support the benefits outlined above. To support this, significant proponents should prepare, in partnership with affected councils and communities, a measurable and time-bound community and local economic benefit plan. This plan should address ongoing employment, skills and training, procurement, research and education partnerships, and other

place-based benefits proportionate to the project's scale and impact. The fund should provide orderly investment in tangible community benefits within impacted municipalities.

Early engagement with community and stakeholders

We support the expectation that proponents engage with communities and stakeholders before lodging a development application and provide ongoing information throughout project delivery.

For significant projects, however, consultation should be more than an informal expectation. The statutory notification under the *Land Use Planning and Approvals Act 1993* is likely to fall short of the community consultation required for developments of this scale and public interest. We suggest drawing on lessons from the renewable energy sector, with earlier engagement and clear information sharing to build and maintain community confidence.

The Expectations should require proponents to engage affected councils and key stakeholders at the site selection and concept design stages. This would facilitate consideration of strategic land-use alignment, local infrastructure capacity, urban design, environmental and amenity issues, community priorities, cumulative impacts, and opportunities for lasting local economic and community benefit.

In relation to siting and urban integration, significant proposals should be expected to demonstrate why the selected location is appropriate, having regard to infrastructure capacity, nearby sensitive uses, local and regional land-use strategies, brownfield and adaptive-reuse opportunities, public-health and amenity impacts, cumulative impacts, and opportunities for beneficial resource sharing.

We recommend that significant proponents prepare and publish a community and stakeholder engagement plan covering:

- the communities and councils likely to be affected
- information to be released before an application is lodged
- opportunities for communities to inform project design
- how consultation will continue during assessment, construction and operation
- how feedback will be considered
- how commitments made during consultation will be monitored and reported.

The proponent's consultation should extend to communities outside the host municipality where they may be materially affected. For example, as has been the case recently with the proposal in the Bell Bay Precinct and the high level of interest in the adjoining municipality, West Tamar.

Early engagement with TasNetworks and energy providers is essential. The Expectations should require demand-response capability, flexibility and storage, coordinated infrastructure planning, and standardised reporting. It should also align data centre approvals with broader grid planning and geographic diversification through strategic statewide planning.

Public information should also clearly explain the respective responsibilities of local government, the State Government, developers and utilities.

Approval Pathways

We agree that data centre and AI infrastructure proposals should be assessed through the Resource Management and Planning System, rather than creating a new pathway. There is a clear

need to specify which pathway will apply when and to provide greater clarity around the assessment.

Our members have identified uncertainty about the appropriate use classification for data centres, including the application of the 'Research and Development' and 'Utilities' use classes. We note that different planning authorities have applied different use classes. We consider this uncertainty should be resolved through a specific use class in in the State Planning Provisions, rather than being left to individual planning authorities.

Given the complexity of data centres and their local, regional, and state impacts, the local government sector has differing views on the optimal assessment pathway. We also recommend that the final Expectations explain how the appropriate assessment pathway will be selected. Clear and proportionate thresholds could take account of:

- electricity and water network and consumption demand
- wastewater generation
- physical size of the development
- value
- supporting infrastructure needs
- environmental and amenity impacts
- potential regional or cross-municipal effects.

For proposals exceeding appropriate thresholds, an enhanced assessment pathway should be available through the Major Projects process or other existing statutory mechanisms, including EPA Tasmania assessment as a level 2 activity.

We therefore consider the important outcome is not a particular pathway in every case, but a clear, proportionate and consistent framework that ensures significant, cumulative impacts receive appropriate scrutiny. Assessment requirements should remain project-specific. Data centres vary considerably in scale, design, cooling technology and resource requirements. Regulation should therefore focus on a proposal's actual resource use and infrastructure impacts rather than broad assumptions about the industry.

Transparency and reporting

We support the draft's emphasis on transparency and reporting. However, we recommend a consistent reporting framework for significant developments rather than a voluntary approach. Voluntary reporting can lead to inconsistent information across projects and make cumulative impacts harder for communities and government to understand.

At a minimum, there should be public reporting on energy and water consumption and generation, emissions, renewable energy plans, community benefits, and contributions to related infrastructure renewal or upgrades. Reporting requirements should protect legitimate commercial confidentiality, privacy, cybersecurity and national-security interests without unnecessarily limiting public accountability.

The information should be published in a consistent, accessible form that the community can readily understand. The State Government should consider providing a consolidated source of public information rather than relying solely on separate disclosures by individual proponents, to provide the community confidence that commitments are being delivered.