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

October 2026

Introduction

Thank you for the opportunity to provide this submission. Regional Development Australia Tasmania welcomes the Tasmanian Government's Draft Expectations for Data Centres and AI Infrastructure Developers, in particular, the priority given to economic development.

Regional Development Australia (RDA) is an Australian Government initiative established to encourage partnership between all three levels of Government to enhance the growth and development of Australia's regions. A national network of 50 RDA committees operates under a national RDA charter, reporting to the Australian Government.

RDA Tasmania represents the entire state of Tasmania and is dedicated to driving economic, social, and environmental development across the state. RDA Tasmania works across all levels of government, along with employers, industry, education providers and community organisations to support regional prosperity.

Our work is driven by our understanding of the state.

In 2025 RDA Tasmania released the Tasmania Economic Review (TER), a statewide analysis delving into the economic, social, and environmental indicators and data across Tasmania, highlighting key trends, challenges, and opportunities. It provides an in-depth examination of key elements of the state's economic performance, including innovation systems, population, participation, education, industries, and social enterprises. The TER also includes insights into regional disparities, industry specialisations, workforce participation, and population dynamics.

RDA Tasmania also stewards the Western Regional Strategic Partnership (WRSP), through which we are supporting the development of the Western Region Benefits Framework, a regionally coordinated approach to distributing benefit-sharing contributions from major industrial projects to host communities.

Executive Summary

This submission focuses on **Principle 1 – Economic Development** and, in particular, **Expectation 1 – Maximising benefits to Tasmania.** We also offer brief commentary on **Principle 2 – Energy (Expectation 4(c)) and Principle 3 – Environment and planning.**

While we acknowledge that it is being treated as a separate issue, this submission draws heavily on our recent submission on the Tasmanian Government's *Code of Conduct for Renewable Energy Developers and Electricity Infrastructure Providers* (hereafter: 'ReCFIT Code of Conduct submission'), in which we advocated for a sector-agnostic application of the Code extending the standards to major projects beyond the new energy sector:

> *We recommend the scope extend beyond new energy to other major projects with comparable potential for community impact, including major load users and major construction. As the proposed Economic Future Act and the review of the Tasmanian Development Act 1983 is progressed, we suggest aligning the Code's thresholds with the definition of "major project" in that broader legislative architecture.*
>
> – RDA Tasmania's ReCFIT Code of Conduct submission.

The submission also raised closely related issues of project scope, benefit-sharing and planning alignment.

List of Recommendations

Our key recommendations are detailed in further sections and can be summarised as follows:

RECOMMENDATION 1: Engagement with existing programs

RECOMMENDATION 2: Plan for cumulative workforce and accommodation pressure

RECOMMENDATION 3: Recognise and support place-based regional benefit sharing

Supplementary recommendations are included below, such that they relate to the consultation questions posed in the Draft Expectations.

Principle 1 – Economic Development

RDA Tasmania welcomes the Government's focus detailed in Principle 1 and the expectation that developers attract productive and sustainable private investment, maximise Tasmanian supply chain opportunities, develop Tasmania's digital ecosystem and innovation capability, and build local relationships through continuous community engagement.

Data centre and AI infrastructure investment has the potential to directly address structural challenges identified in the TER. Tasmania continues to record the lowest workforce participation rate of any Australian jurisdiction (60.7 per cent, against a national average of 67.3 per cent), while employers report persistent recruitment difficulties – 33 per cent of all Tasmanian vacancies in January 2025 were for professional occupations, up from 18 per cent a decade earlier.

The outcomes associated with Principle 1 as drafted have the potential to materially – and positively – impact Tasmania's economic context and address this gap.

Expectation 1 – Maximising Benefits to Tasmania

a. Jobs, skills and innovation

RDA Tasmania supports the expectation that developers engage with the education and training sector, including the University of Tasmania and TasTAFE, to identify skills gaps and prioritise apprentice, trainee, graduate and cadet opportunities.

This expectation aligns closely with RDA Tasmania's own work. While the TER estimates that approximately 32,000 new workers will be needed by 2027 to meet emerging skills gaps, Tasmania's score on the Australian Digital Inclusion Index (69.4) continues to trail the national average (73.6).

Our Digital Uplift program – delivered in partnership with Telstra through the Regional Jobs Hubs Network, community houses and Libraries Tasmania, and supported by Marinus Link and Jobs Tasmania – and our Young People in New Energy Network, which connects young Tasmanians studying, newly graduated or building careers in the renewable energy sector, are both examples of the kind of workforce and digital capability infrastructure that data centre and AI proponents will need to draw on, and could usefully partner with, to meet the workforce expectations set out in Expectation 1(a).

Additionally, we note Tasmania's successful Regional Jobs Hubs Network, and propose that this could be an appropriate partner for developers to engage with both at the statewide and region-specific level.

RECOMMENDATION 1: Engagement with existing programs

RDA Tasmania recommends that the final Expectations encourage proponents to seek out and engage with existing regional workforce, skilling and capability initiatives – rather than developing parallel, project-specific programs in isolation – so that new investment strengthens, rather than duplicates, the workforce development infrastructure Tasmania already has in place.

Cumulative workforce and housing pressure

The Draft Expectations focus on the jobs and skills opportunities of data centre and AI infrastructure investment, but do not address the pressure that construction can place on regional labour and housing markets.

The TER finds that construction activity in Tasmania is constrained by skilled labour scarcity affecting project delivery, and that Tasmania remains a net importer of workers. Workforce projections prepared by ReCFIT and Skills Tasmania already indicate that demand from the renewable energy pipeline will exceed available local skills. Under Expectation 4(a), data centre proponents must partner with new energy generation projects to support their electricity demand. As a result, data centre construction, and the generation it depends on, will draw on the same pool of electricians, engineers and construction trades, and the same regional rental and short-stay accommodation, at the same time.

RDA Tasmania is undertaking a separate program of work on worker accommodation solutions in response to these pressures. Without early planning, a construction workforce arriving in a regional community can compete directly with local renters and key workers, and undermine the community confidence the Expectations seek to build.

Consistent with our ReCFIT Code of Conduct submission, we consider workforce accommodation to be a 'business as usual' project requirement. It should be secured as a developer contribution through the planning system, not offered as a community benefit.

RECOMMENDATION 2: Plan for cumulative workforce and accommodation pressure

RDA Tasmania recommends that the final Expectations ask proponents to:

(a) provide a construction and operational workforce plan, including sourcing assumptions and accommodation arrangements, at the pre-approval stage;
(b) secure workforce accommodation as a developer contribution through the planning system, separate from community benefit commitments; and

(c) coordinate workforce planning with other major projects in the same region, drawing on existing mechanisms such as the Regional Jobs Hubs Network and the proposed Functional Economic Region framework.

b. Local community benefits

RDA Tasmania supports the expectation that proponents seek opportunities to deliver community benefits appropriate to the project and its host communities, particularly in regional areas, and that they engage with local councils, community organisations and other stakeholders to identify local priorities.

Through our involvement in the WRSP, RDA Tasmania is supporting the development of the Western Region Benefits Framework, a regionally coordinated approach to distributing benefit-sharing contributions from major industrial projects – across mining, renewable energy and other industries – to West Coast communities. This work is directly relevant to Expectation 1(b). Regions hosting multiple, concurrent major developments (renewable energy, mining and, potentially, data centre and AI infrastructure) are best served by a coordinated approach that pools and aligns contributions with local priorities, rather than a series of separate, project-by-project arrangements negotiated in isolation. This approach to strategic benefit sharing is currently being explored in the Central Highlands, and we would encourage the final Expectations to give consideration to this regional example.

Additionally, through its Regional Development Framework proposal, RDA Tasmania is advocating for the use of Functional Economic Regions as the primary scale for regional economic planning and engagement. Functional Economic Regions provide a practical framework for integrating workforce planning, infrastructure investment, housing supply, economic development and community engagement. Such a framework should support:

- Regional economic intelligence and data collection.
- Place-based strategic planning.
- Regional activation plans aligned with State priorities.
- Coordination between Commonwealth, State and local government initiatives.
- Structured engagement with industry, communities and regional stakeholders.
- Identification of investment opportunities and project pipelines.

Much like the WRSP Western Region Benefits Framework approach, a Regional Development Framework model can also provide the overarching, governance structure for community benefit sharing.

RECOMMENDATION 3: Recognise and support place-based regional benefit sharing

RDA Tasmania recommends that the final Expectations explicitly recognise and support regionally coordinated benefit-sharing mechanisms of this kind, particularly in regions where cumulative development is occurring across multiple industries.

c. Supply chains

RDA Tasmania supports the expectation that proponents maximise opportunities for Tasmanian suppliers across design, construction, operation, maintenance and supporting services, and engage with local supplier networks and industry bodies during project development.

Principle 2 – Energy

RDA Tasmania does not comment on the technical design of electricity supply, firming or network cost arrangements, which sit outside our remit. We do, however, draw attention to one element of Expectation 4 with direct implications for economic development.

Expectation 4(c) encourages proponents to explore emerging renewable fuels for back-up energy supply, including hydrogen, biodiesel, biomethane and forestry waste. It notes that this "could also assist with decarbonisation of other sectors and support development of new clean-fuels industries in Tasmania." RDA Tasmania strongly supports this recognition.

Data centres and AI infrastructure need significant, reliable back-up energy for the life of the facility. That long-term demand could give emerging Tasmanian clean-fuel and bio-based producers the kind of anchor customer they need to reach commercial scale. This aligns directly with RDA Tasmania's recent submission on the draft Economic Diversification and Investment Strategy, which recommended the development of a coordinated statewide bioeconomy agenda:

> ***Tasmania's Bioeconomy Opportunity*** *– The opportunity to position Tasmania as a leader in the emerging bioeconomy through green chemistry, advanced manufacturing and circular economy innovation.*
>
> ***RECOMMENDATION:*** *Develop a coordinated statewide bioeconomy agenda that leverages Tasmania's comparative advantages in renewable energy, agriculture, forestry, marine industries, advanced manufacturing and research capability, while supporting strategic public-private partnerships that drive future value creation, industry diversification, investment attraction and high-value export opportunities.*
>
> – RDA Tasmania's submission on the Tasmanian Government's Draft Economic Diversification and Investment Strategy.

Principle 3 – Environment and Planning

RDA Tasmania offers brief comment on Principle 3, and in particular the expectation that developers "uphold Tasmania's environmental and planning frameworks." In our ReCFIT Code of Conduct submission we recommended that community engagement and benefit-sharing obligations be embedded through the planning system (for example, via the Tasmanian Planning Policies and as a requirement of planning permit applications) so that these considerations are addressed at the pre-approval stage of a project, rather than as a parallel or later process.

We note these Expectations are proposed as a non-statutory statement, and recommend the Government instead give them practical effect through the planning system. As data centre and AI infrastructure projects are assessed within Tasmania's planning system, we recommend the economic development and community benefit expectations in this document be given that practical effect, so that proponents have early clarity and communities have confidence that these expectations will, in practice, be upheld.

We also recommend the Government ensure consistency between this Expectations document and the separately consulted *Code of Conduct for Renewable Energy Developers and Electricity Infrastructure Providers*, given both are likely to intersect on projects with significant energy demand. In our ReCFIT Code of Conduct submission, we recommended a "key definitions" section be included in that Code (for example, defining "local" by reference to a defined distance from a project).

We recommend the same discipline be applied here, and that definitions be aligned across both instruments where they cover common ground, to avoid inconsistent obligations for proponents whose projects touch both frameworks, potentially including major load users such as data centres seeking new renewable energy connections.

Additional Responses to Consultation Questions

What practical commitments would best support Tasmanian jobs, skills, local procurement and lasting community benefits?

RDA Tasmania recommends that proponents be required to publicly report on the number and nature of jobs a project will sustain post-construction, and the proportion of value flowing to the Tasmanian economy and local communities. This is consistent with the transparency already proposed in Expectation 1.

Supplementary to Recommendation 3, RDA Tasmania recommends that commitments relating to community benefit sharing be embedded into the planning system, so that jobs, skills, procurement

and community benefit outcomes are addressed at the pre-approval stage of a project rather than negotiated informally or after key project decisions have already been made.

What opportunities could data centre and AI infrastructure investment create for Tasmania's digital ecosystem, research and technology enabled industries?

RDA Tasmania sees significant potential for data centre and AI infrastructure investment to build on, and accelerate, work already underway to close Tasmania's digital capability gap. Investment that supports digital inclusion, connects with existing training and workforce pathways, and creates genuine pathways into technical careers for Tasmanians would materially support the Government's ambitions for a stronger digital ecosystem, alongside the research and innovation capability of the University of Tasmania and TasTAFE.

We also see an opportunity for data centre and AI investment to support Tasmania's broader economic diversification agenda, including the emerging bioeconomy, as discussed under Principle 2 above.

Data centre and AI infrastructure, appropriately sited and delivered in partnership with regional communities, could contribute by supporting higher-value, technology-enabled industry growth across Tasmania's regions, and strengthening the case for continued investment in Tasmania's regional digital and workforce infrastructure.

Conclusion

RDA Tasmania supports the Tasmanian Government's intention to set clear expectations for data centre and AI infrastructure developers, and sees a genuine opportunity for this investment to help address structural workforce, skills and digital inclusion challenges as identified in the Tasmania Economic Review. We recommend the final Expectations be given practical effect through the planning system, be aligned with the parallel Code of Conduct for Renewable Energy Developers and Electricity Infrastructure Providers, and explicitly support regionally coordinated benefit-sharing approaches such as the Western Region Benefits Framework. We also recommend that proponents plan early for workforce and accommodation needs in coordination with other major projects in the same region, and that the final Expectations recognise the opportunity for data centre back-up energy demand to support Tasmania's emerging clean-fuel and bioeconomy industries.

Please don't hesitate to be in touch with James McKee, CEO and Director of Regional Development at [redacted] should you wish to discuss any aspect of our response.