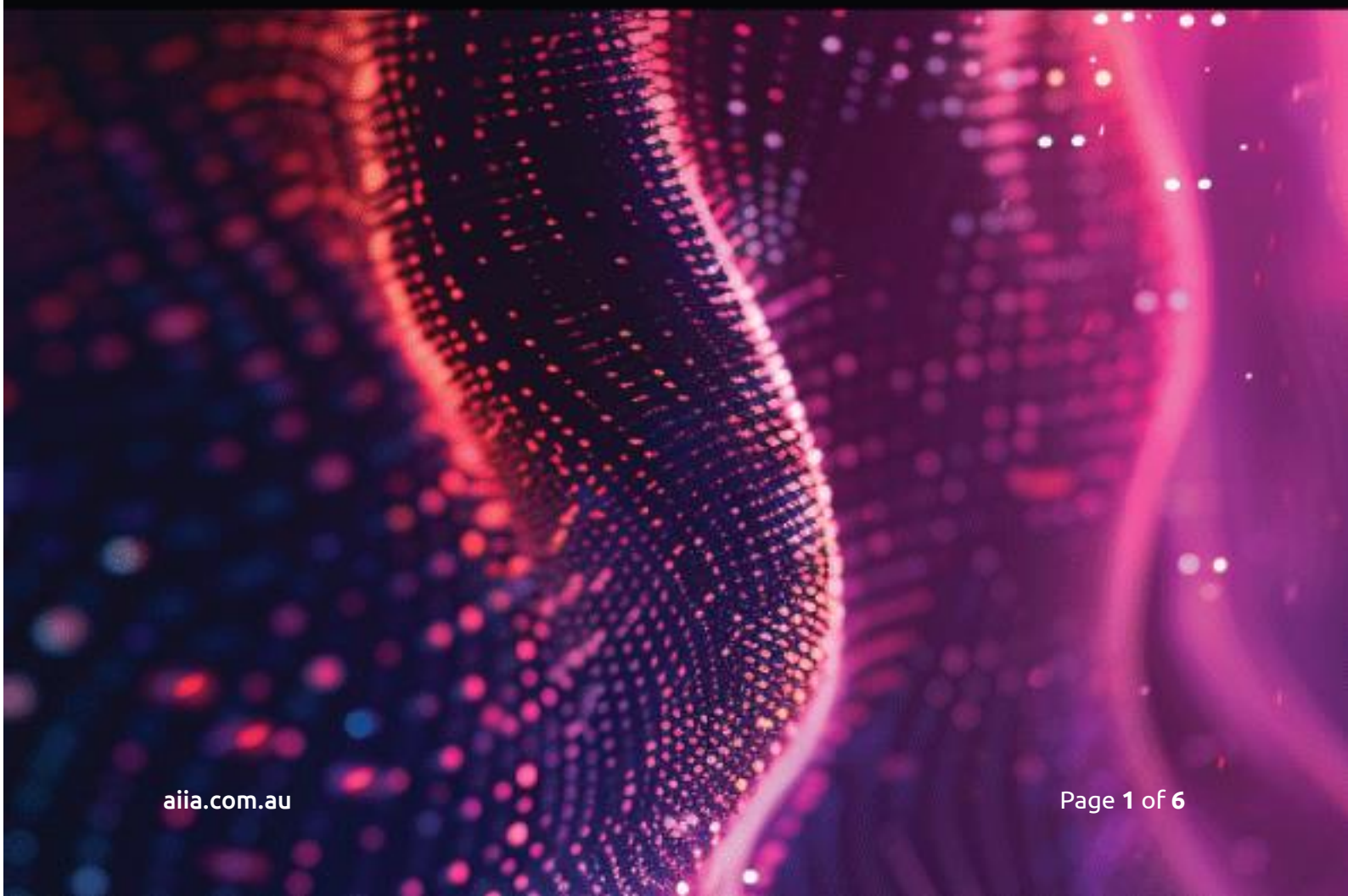
Australian Information Industry Association

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



About the AIIA

The Australian Information Industry Association (AIIA) is the nation's peak body for those in the digital ecosystem, leading strategic policy and advocacy to shape a thriving digital sector. Through strong engagement with government, industry, and the broader community, the AIIA ensures the voice of its members informs decision-making on technology, innovation, and digital capability.

Membership provides direct access to influential networks, premium events, and opportunities to collaborate on initiatives with the sector's best and brightest to drive industry growth, improve productivity, and secure Australia's place as a global technology leader. AIIA members access real collaboration, real connections, and real outcomes.

Introduction

The Australian Information Industry Association (AIIA) welcomes Tasmania's intention to attract responsible investment in data centres and AI infrastructure. These facilities support cloud services, cyber security, digital government, research and AI adoption. Their value to Tasmania extends beyond the employment within a facility to the energy, telecommunications, engineering, skills and technology businesses that investment can help build. Tasmania's renewable energy base, hydropower capability, temperate climate and industrial land give it a credible proposition, provided projects can obtain timely and predictable decisions.[1]

AIIA supports the draft's use of existing planning and environmental pathways and its focus on genuine local benefits, energy and water security, and fair infrastructure costs. Our recent submission to the Standing Committee on Government Administration A argued for measurable, project-specific assessment and national alignment. The final Expectations should now turn that approach into practical guidance that welcomes viable projects and gives communities confidence in how impacts will be managed.

Recommendations

1. Clarify that the document guides government and proponents within existing law and commercial arrangements; define when its expectations apply to expansions and staged projects.
2. Recognise construction, supply-chain, skills, research and digital-ecosystem benefits without imposing fixed local-content quotas, permanent-job guarantees or automatic levies.

[1] Tasmanian Government, Draft Expectations for Data Centres and AI Infrastructure Developers, September 2026.

3. Give the Office of the Coordinator-General a clear coordination role, with early joint advice from TasNetworks, TasWater, councils and regulators and published response milestones.
4. Retain a strong expectation to support additional energy supply, but allow credible combinations of new generation, contracted supply, hydro firming, storage, staged commissioning and technically feasible demand flexibility.
5. Recover efficient and properly attributable connection and augmentation costs, with transparent treatment of shared infrastructure and stranded capacity.
6. Assess water demand and cooling choices against local conditions, including their effects on energy use and operational resilience.
7. Align public reporting and any future technical requirements with the forthcoming national standards; protect commercially and security-sensitive information and provide transition for advanced projects.

Scope and operation of the Expectations

The draft describes the Expectations as non-statutory guidance that does not change approval criteria. That assurance is valuable. Elsewhere, however, terms such as "required" and "must" may be read as imposing new conditions, particularly on renewable procurement and demand flexibility. In the context of compliance and best practice, the term "must" signifies a legal requirement that *must* be complied with. As a result, the final document should distinguish existing legal obligations, matters to be agreed commercially with utilities, and policy outcomes that government encourages proponents to demonstrate. It should explain how a proponent can show an equivalent outcome using a different technical or contractual approach.

AIIA supports excluding small edge and on-site enterprise facilities. For larger new or expanded projects, application should follow the scale of the additional load and its effects on water, networks, land and communities. A change in computing workload should not itself trigger a new classification. Purpose-built AI facilities may have distinct power density, cooling and heat-rejection needs, which should be assessed through measurable physical impacts and compliance with approved limits.

Economic and community benefits

The final Expectations should make Tasmania's investment ambition as clear as its requirements of proponents. This would reinforce the Advanced Technology Strategy's[2] priorities for adoption, skills, collaboration and computing infrastructure, and Digital Tasmania's focus on connected, secure and inclusive digital services.[3] A data centre can anchor electricity and fibre investment, create specialist construction and maintenance

[2] Tasmanian Government, Advanced Technology Strategy, March 2026.
[3] Tasmanian Government, Digital Tasmania 2026-2031.

work, and give local firms and researchers access to partnerships and compute capability. These outcomes should be evidenced rather than assumed.

For significant projects, proponents should set out credible construction and operational workforce estimates, engage TasTAFE and the University of Tasmania on relevant skills, and offer local suppliers a genuine route to compete for design, construction, maintenance and professional services. They should explain any research, digital inclusion or regional connectivity opportunities that are realistic for the project. Commitments should fit its stage, location and commercial model. Fixed procurement percentages, guaranteed permanent-job numbers and standard benefit levies could add costs without building durable local capability. Where government offers material bespoke assistance, it can negotiate proportionate and transparent public benefits through its ordinary investment processes.

The draft says projects should demonstrate commercial viability "without reliance on government financial support". AIIA recommends replacing this categorical statement with a requirement for a credible business case and transparent disclosure of any support sought. It should leave government able to consider a strategic project on the same evidence-based terms it applies to other industries.

Community engagement and government coordination

AIIA supports early engagement for projects with material local effects, including with Tasmanian Aboriginal communities where Country, cultural heritage or other interests may be affected. Proponents should provide accessible information on location, construction timing, noise, energy and water requirements, mitigation and expected benefits, then explain how relevant feedback has shaped the proposal. Engagement should be proportionate to the project and connected to matters that the planning or utility decision can address.

The Office of the Coordinator-General should act as a single point of coordination for significant proposals. A structured early meeting with the relevant council, TasNetworks, TasWater, environmental regulators and skills agencies could identify the assessment pathway, data needs, connection dependencies and likely decision sequence. A written issues and milestones plan would reduce repeated requests and late surprises. The Office would coordinate existing authorities, while each retains its statutory or commercial decision role.

Energy and network arrangements

Tasmania is right to expect large new loads to support additional energy supply and system security. The draft's requirement that proponents partner with new wind and solar projects is nevertheless narrower than the range of credible arrangements available to a Tasmanian project. The final Expectations should specify the outcome (verifiable support

for additional supply as demand grows) while allowing technology-neutral combinations of generation contracts, storage, commercial hydro firming, staged energisation and available capacity. This is particularly important where generation and facility construction finish on different timetables. National Cabinet has agreed to develop consistent mandatory standards for large data centres, so Tasmania should avoid settling a parallel technical test before that work is complete.[4]

Demand flexibility also needs to reflect customer obligations and the characteristics of the load. Some computing work can be shifted; continuous and security-critical services cannot necessarily be interrupted without consequence. Proponents should identify technically feasible flexibility, including agreed notice, duration and operational arrangements, with TasNetworks and energy counterparties. Backup systems should be considered for wider grid services where practicable and commercially agreed, while retaining their primary resilience function and meeting applicable environmental requirements.

AIIA supports payment for connection works and an appropriate share of efficient augmentation costs. The allocation should identify costs caused by the project, shared assets that benefit other users, and the treatment of unused capacity if commissioning is delayed. It should avoid charging one proponent for wider system benefits or recovering the same cost through several mechanisms. TasNetworks' George Town planning process illustrates the value of early, transparent network assessment where several prospective large loads and system-security needs interact.[5]

Water and cooling

The draft appropriately requires project-specific forecasts of average and maximum water demand and early engagement with suppliers. Those forecasts should distinguish ultimate design capacity from stages that are funded and commissioned, and address dry-period resilience where relevant. Sites should be assessed against local catchment conditions, existing users, network capacity, wastewater options and the practical availability of recycled or other non-potable supplies.

Cooling choices involve trade-offs. A design that uses less water may increase electricity demand, capital cost or resilience requirements. Tasmania should assess the combined outcome and local conditions rather than prescribe a technology or treat a theoretical recycled-water source as available to a project. Proponents should meet efficient and attributable water-service costs through clear commercial arrangements, with shared infrastructure costs allocated to the parties that benefit.

[4] National Cabinet, "Meeting of National Cabinet", 26 August 2026.
[5] TasNetworks, Meeting Network Planning Requirements at George Town <https://www.tasnetworks.com.au/Planning-and-projects/Major-projects/Meeting-Network-Planning-Requirements-at-George-To>.

Planning and reporting

AIIA supports assessment through the Resource Management and Planning System and the Tasmanian Planning Scheme. Statewide guidance should explain how data centres are classified and what information is needed for different levels of impact. Assessment should consider connected and peak electrical load, network works, water, cooling and heat rejection, noise, backup generation, traffic and environmental sensitivity. These measures are more durable than a separate "AI data centre" category and allow high-density AI facilities to receive appropriate scrutiny. Early guidance on industrial sites with suitable energy, water and telecommunications access would help direct investment to workable locations.

Public information can build confidence when it is meaningful and safe to disclose. For significant operational sites, aggregated periodic reporting on commissioned capacity, actual energy and water use, workforce and local commitments may be appropriate. It should distinguish forecasts, connected capacity and current consumption. Government should reuse information already provided to utilities, regulators or the forthcoming national framework wherever possible. Customer identities, network topology, security arrangements and confidential contracts should not be published.

Finally, any new requirement emerging from national standards or a future revision of these Expectations should be consulted on with industry and accompanied by a reasonable transition for projects that have already made material approval, connection or investment commitments. AIIA would welcome targeted engagement with Tasmanian proponents and suppliers as the final document is settled.

Conclusion

Tasmania can protect its energy system, water resources and communities while competing for responsible digital infrastructure investment. The strongest final Expectations will state the outcomes clearly, use existing decision-makers, allocate attributable costs fairly and give proponents a workable path to demonstrate compliance. This will make local benefits more credible and investment decisions more predictable.