12 October 2026

Building Tasmania
GPO Box 536
Hobart TAS 7001

Dear Building Tasmania,

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

Tasmanian Government consultation, September 2026

On behalf of Cradle Coast Authority, I am pleased to provide this submission on the Tasmanian Government's Draft Expectations for Data Centres and AI Infrastructure Developers. Cradle Coast Authority represents the nine councils of North West and West Coast Tasmania and speaks for the region's long-term interest in this emerging investment.

Our position is one that supports multi-stakeholder benefits including community, environment, existing industry, future industry and economic diversification. Cradle Coast Authority advocates for sustainable development that uplifts living standards of our community and protects and enhances our natural environment.

Cradle Coast Authority supports the draft expectations. They set a sensible direction for an industry that is new to Tasmania and align with the positions the region has developed through its own work on data centre investment. This submission focuses on two matters that would turn sound expectations into dependable outcomes: making community benefit commitments binding, and establishing a coordination function that allows multiple proponents and infrastructure providers to plan and invest together. It then responds to each of the consultation focus questions.

The submission draws on stakeholder sessions held across the region in August 2026 with industry and infrastructure enablers, council planners and economic developers, and mayors, councillors, council chief executives and community leaders. It is consistent with Cradle Coast Authority's submission to the House of Assembly Inquiry into AI Data Centres in Tasmania.

Cradle Coast Authority consents to the full publication of this submission. I would welcome the opportunity to discuss it further.

Yours sincerely,

Philip Reid
Chief Executive Officer
Cradle Coast Authority

CRADLE COAST AUTHORITY
Stronger Councils, Stronger Region

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1. Executive summary

Cradle Coast Authority (CCA) is the regional body for the nine councils of North West and West Coast Tasmania. Our focus is the long-term wellbeing of Cradle Coast communities, the environment, and existing and emerging industry.

CCA welcomes the draft expectations and supports their principles. The expectations ask proponents to bring additional renewable generation, meet their own network and water costs, engage early with communities and report transparently. These are the right foundations, and they are consistent with the national direction set by the Australian Government's Expectations of Data Centres and AI Infrastructure Developers.

CCA's priority is that community benefit commitments be locked in and binding. The draft expects proponents to deliver jobs, skills, local procurement and lasting community benefit, but expectations alone do not secure outcomes once a project is approved and operating. Communities in the North West have told us they want development to add to the region, not only draw from it, and they want certainty that commitments made early are kept. Binding community benefit agreements, negotiated with the relevant council before a development application is lodged and given effect through existing instruments, provide that certainty without creating a new approval process.

CCA's second priority is coordination. No body currently works with multiple proponents and infrastructure providers to collocate enterprises, share servicing costs and read combined demand across the region. A coordination function, working alongside the Office of the Coordinator-General (OCG) and regional bodies, would allow limited public and private investment in energy, water and fibre infrastructure to serve multiple projects and the broader community. With the State's finances stretched, coordination is how limited funding is applied strategically to support multiple projects rather than one priority at a time. We note that while the OCG does work with proponents, it is on a one-on-one basis, or showcasing Tasmania's investment potential. The OCG facilitates introductions to departments and enabling infrastructure providers, but it does not coordinate power and water requirements or help create economies of scale through the colocation of symbiotic enterprises.

Section 5 responds to each consultation focus question. Section 6 consolidates CCA's recommendations.

2. About Cradle Coast Authority and the basis of this submission

CCA represents the nine councils of North West and West Coast Tasmania. Its role is to help the region respond to emerging investment in a coordinated and informed way: building a shared evidence base before proposals arrive, defining what the region should ask of proponents, and pressing for outcomes that protect community interests and secure lasting regional benefit.

CCA does not control the levers that shape data centre investment. Proponents lodge applications, utilities and network businesses assess connections, the State sets the planning framework, and councils assess applications as planning authorities under the *Land Use Planning and Approvals Act 1993* (LUPAA). We hold both a genuine investment interest and a genuine responsibility to work in the best interests of community, environment and industry.

This submission reflects the views raised in CCA's August 2026 stakeholder sessions with industry and infrastructure enablers, council planners and economic developers, and mayors, councillors and council chief executives. It builds on the positions set out in CCA's submission to the House of Assembly Inquiry into AI Data Centres in Tasmania.

3. Priority position: binding community benefit agreements

The draft expectations ask proponents to structure projects so that Tasmanians see a lasting return from hosting this infrastructure, and to deliver community benefits appropriate to the project and the communities of interest. CCA supports this intent. The gap is enforceability. Without a binding instrument, commitments made during engagement can weaken through design changes, changes of ownership or commercial pressure once a facility is operating.

CCA recommends that the expectations require proponents of large-scale facilities to:

- complete a social impact assessment, informed by early engagement, before a development application is lodged
- negotiate a community benefit agreement with the relevant council, informed by that assessment, before a development application is lodged
- give the agreement binding effect through existing mechanisms, such as consent conditions or Part 5 agreement under LUPA Act, which is registered on title and binds successors in title, and through permit conditions where appropriate
- report publicly on delivery of agreed commitments over the life of the facility.

This approach has the capacity to work within the existing Resource Management and Planning System. It does not need to create a new approval or regulatory process, and it is consistent with the draft's statement that existing pathways can manage impacts through permit conditions and other statutory or commercial requirements. The Queensland Government model, which requires a proponent to complete a social impact assessment and enter into a legally binding community benefit agreement with the relevant council before a development application can be made, provides a tested precedent.

Binding agreements also benefit proponents. Councils and proponents work from the same information, expectations are settled before assessment begins, and the agreement gives communities a reason to trust the process. This is how social licence is built and how commitments become credible to communities and proponents alike. Agreements should cover, as relevant to the project:

- local employment and training commitments, including apprentice, trainee and cadet positions
- local procurement targets and supplier development
- a community benefit fund with transparent, locally led governance
- contributions to shared water, wastewater, energy and fibre infrastructure that leave communities better served than before
- access to compute and fibre capacity for local industry, researchers and community use
- siting, lighting and design commitments that protect dark skies, landscape values and agricultural land. Data centre development must not fragment agricultural land.

4. A coordination function for shared investment

The draft expectations encourage proponents to locate projects in established industrial precincts or near available energy, water and telecommunications capacity, and to engage early with TasNetworks and TasWater. CCA supports this. In practice, connections are assessed one application at a time, and nobody holds a combined view of what several facilities would draw across energy and water together.

CCA recommends a coordination function that works with multiple proponents and infrastructure providers to:

- collocate enterprises with similar servicing needs and share the cost of enabling infrastructure
- align data centre servicing with TasNetworks and TasWater network investment through precinct planning
- read cumulative demand on energy, water, land and workforce at the regional scale

Where precinct-scale servicing is planned well, the water, sewerage and electricity investment that supports a data centre can also open capacity for other development where servicing currently constrains construction, including industrial development and potentially housing where suitable buffer distances can be maintained.

The OCG is well placed to lead this work in partnership with regional bodies, and the Economic Diversification and Investment Strategy delivery architecture provides a natural home. A coordination function of this kind is not a new regulator. It complements the planning system rather than replacing it, and supports the draft's aim of timely, coordinated, transparent and predictable processes for investors and communities.

5. Responses to the consultation focus questions

Expectation 1: Maximising benefits to Tasmania

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

The most practical commitment is a binding community benefit agreement, as set out in section 3. Within that agreement, CCA recommends:

- published estimates of construction and ongoing operational jobs, including the expected local share, consistent with what other major industries in the region already provide
- research, workforce and training agreements with TasTAFE and the University of Tasmania targeting electrical, refrigeration, network, operations and cybersecurity pathways that can be trained and retained locally
- minimum apprentice, trainee and cadet commitments during construction and operation
- a local procurement plan developed with regional industry networks, covering design, construction, maintenance and supporting services
- a community benefit fund that continues beyond the construction phase.

Recent announcements from data centre developers indicate the scale of benefit a binding agreement should target. In September 2026, AirTrunk announced a community benefits package of more than $37 million for its proposed 540 MW data centre at Kurri Kurri in the Hunter region of New South Wales. The package includes over $12 million towards district sporting and multipurpose community facilities, and a community battery that would give eligible households in Kurri Kurri and surrounding areas a $200 annual reduction on their electricity bills. This equates to approximately $68,500 per megawatt. Applied to a 50 MW facility in Tasmania, the same rate would deliver around $3.4 million in community benefit. The proposal also shows that the form of benefit matters as much as its value. Local residents have questioned whether the package delivers lasting value or functions as a payoff, and have raised concerns about power demand, noise and opportunities for existing businesses. This is why CCA recommends benefits be negotiated with the relevant council, informed by a social impact assessment and locked in through a binding agreement, as set out in section 3.

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

The greatest opportunity lies beyond the facility itself. Stakeholders saw most promise in making data centre resources available to existing industries. CCA recommends proponents be expected to:

- make a share of compute capacity available to regional industries, including agriculture, advanced manufacturing and tourism, and to researchers
- negotiate a share of fibre capacity for community and business use, addressing long-standing Bass Strait pricing and redundancy constraints
- investigate waste-heat reuse with neighbouring industry, aquaculture or horticulture
- support the networks, skills and business capability that allow local enterprises to use new compute and fibre access.

Access to hard infrastructure delivers value only where the supporting capability exists. Dedicated resourcing for implementation, industry clustering and skills development will be needed for regional businesses to benefit. Benefits should also be distributed with regional parity, so that opportunity is not concentrated in the State's south-east or on the mainland. For the Cradle Coast, supporting capability must be anchored in the region, instead of supporting capability being an add on to other regions. This will ensure learnings are socialised and embedded in the community (innovation diffusion).

Expectation 2: Early engagement with community and stakeholders

What information should proponents provide early, and which stakeholders should be engaged, to inform community understanding and project design?

Weak proponent engagement and mixed messaging have left an information gap in the region. Proponents should provide, in plain language and before a development application:

- the facility type and scale, and whether demand is contracted or speculative
- the source of electricity, whether it comes from new generation, and any network upgrades required
- the cooling technology and water source

- expected ongoing jobs, the period over which they apply, and the expected local share
- the proposed community benefit and whether it will be binding
- what the project adds to local energy, water and fibre infrastructure, not only what it draws
- the effect on dark skies, landscape and agricultural land
- whether the project is being considered alongside other proposals in the region.

Stakeholders to engage early include the relevant council and neighbouring councils, CCA, the Tasmanian Aboriginal community, TasNetworks, TasWater, Tasmanian Irrigation and other water rights holders, the agricultural sector, adjoining landholders, regional industry networks, and TasTAFE and the University of Tasmania.

Expectation 3: Engagement with Tasmanian Government

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

Government can assist most by bringing the parties together early. CCA recommends:

- joint pre-lodgement meetings convened by the OCG with the relevant council, TasNetworks, TasWater and the regional body
- the coordination function described in section 4, so proponents can share infrastructure and costs
- support for regional precinct planning that identifies where data centres and collocated enterprises can be accommodated, including in remote and regional locations
- guidance for councils on how data centre proposals should be classified and assessed under the Tasmanian Planning Scheme, as current classifications vary between approvals.

Expectation 4: Supporting Tasmania's energy system

What commercial arrangements, demand-flexibility measures and technologies can support additional energy supply while protecting system security and existing customers?

CCA supports the requirement for proponents to bring additional renewable generation, cover their own network costs and operate flexibly, so that households and existing industry do not pay for new demand. CCA recommends:

- power purchase agreements with new Tasmanian wind and solar projects, independently verified and timed to match staged load
- connection agreements that recognise and reward flexible demand
- back-up infrastructure, including batteries and renewable fuels, designed to provide system services as well as site resilience
- consideration of how new generation supporting a facility can deliver benefit in the region where it is located.

What practical information should proponents provide to support coordinated network and generation planning?

Proponents should provide forecast load profiles, staging and timing, contracted status, flexibility capability, back-up capacity, and the source and timing of matched generation. This information should be available, subject to commercial confidentiality, to the coordination function and regional bodies so that combined demand can be understood across projects.

Expectation 5: Sustainable water usage

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

CCA recommends a non-potable-first water hierarchy that keeps large-scale cooling off drinking water supplies, with low-water or closed-loop cooling as the default expectation given the region's cool climate. Proponents should engage early with TasWater and water rights holders, and should not compromise irrigation, existing industry or environmental flows.

Where infrastructure upgrades are required, proponents should fund them, and co-investment in recycled water infrastructure that also serves the community should be encouraged. Cumulative water demand from multiple projects should be assessed through the coordination function, as no single agency currently holds a complete view of combined demand.

Expectation 6: Approval pathways

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

Early, joint engagement between proponents, the OCG, councils and infrastructure providers will reduce uncertainty for all parties. A social impact assessment and community benefit agreement completed before lodgement give councils and communities a shared basis for assessment.

Siting should protect agricultural land and food-producing capacity, make strategic use of the region's limited industrial land, and protect dark-sky values. Circular Head Council's pursuit of dark sky accreditation shows local government is already acting on this, and the same conditions underpin the space industry capability the State is promoting.

What project information would best support meaningful early community engagement?

Communities want independent, plain-language facts. Proponents should provide a concise project summary covering the matters listed under Expectation 2, supported by site plans, visual representations, lighting plans and an account of what the community benefit agreement will contain. Government can support this by resourcing independent public information on data centres that councils and communities can rely on.

Expectation 7: 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?

Proponents could reasonably publish, annually:

- forecast and actual energy and water consumption
- Power Usage Effectiveness, Water Use Efficiency and National Australian Built Environment Rating System (NABERS) rating
- the share of electricity matched by additional renewable generation
- employment numbers, including the local share, and apprentice and trainee positions
- local procurement spend
- delivery of community benefit agreement commitments
- environmental performance against permit conditions.

Reporting combined demand at the regional scale would support long-term infrastructure planning and community trust.

6. Consolidated recommendations

1. Require proponents of large-scale facilities to complete a social impact assessment and negotiate a community benefit agreement with the relevant council before a development application is lodged.
2. Give community benefit agreements binding effect through existing instruments, including Part 5 agreements under LUPA Act and permit conditions.
3. Establish a coordination function, led by the OCG with regional bodies, to collocate enterprises, share servicing costs and assess cumulative demand.
4. Support regional precinct planning, including in remote and regional locations.
5. Provide guidance and legislative tools to councils on classifying and assessing data centre proposals.
6. Require published job estimates, including the local share, and workforce and training agreements with TasTAFE and the University of Tasmania.
7. Expect proponents to make compute and fibre capacity available to regional industry, researchers and community, supported by locally anchored resourcing for local capability.
8. Require independently verified renewable energy matching, timed to staged load.
9. Apply a non-potable-first water hierarchy with low-water cooling as the default.
10. Protect agricultural land, industrial land supply and dark-sky values through siting.
11. Resource independent, plain-language public information on data centres.
12. Require annual public reporting of energy, water, employment, procurement and community benefit outcomes, aggregated at the regional scale.
13. Secure regional parity in the distribution of investment and benefit.

7. References

Australian Government, *Expectations of Data Centres and AI Infrastructure Developers*, March 2026.

Cradle Coast Authority, *Submission to the Inquiry into AI Data Centres in Tasmania*, House of Assembly Government Administration Committee A, September 2026.

Queensland Government, Community Benefit Agreement guidance, Queensland planning framework.

SmartCompany, AirTrunk unveils $37 million data centre package in regional NSW, 22 September 2026.

Tasmanian Government, *Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania*, September 2026.

Tasmanian Government, *Draft Economic Diversification and Investment Strategy*.