

21 September 2026

Inquiry into AI Data Centres in Tasmania

TasICT Submission

Tasmania's Peak Industry Body for the Information, Communication and Technology Sector

About TasICT

TasICT is the peak body for Tasmania's Information, Communication, and Technology sector. A member-funded non-profit association formed in 1997, our approximately 250 business and individual members are involved in activities across all industry sectors with an industry base of more than 10,800 Tasmanians who work in tech-related fields, not including the creative and games industries. Our membership includes businesses across all sectors that use technology, technology providers, advanced manufacturers, software and solutions developers, hardware and software vendors, suppliers, communication infrastructure companies and individuals working in technology roles.

In addition to providing a vibrant event and activity calendar for our members, TasICT plays a leading advocacy and policy development role. We assist government to understand technology issues and shape ICT policy to take advantage of opportunities provided by technological change.

The priorities of TasICT are to grow the value of the technology sector in the state and promote ICT careers, shape training and skills development, and connect talent with industry work opportunities.

Please direct any inquiries in this submission to:

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About Tasmania's Technology Industry Sector

The technology industry sector in Tasmania is a vital and expanding component of the state's economy, contributing significantly to Tasmania's growth and development.

The 2026 *Digital Pulse* from the Australian Computer Society reports the sector as contributing \$1.3 billion value added to the Tasmanian economy. The sector employs more than 10,800 tech workers, expected to grow to around 11,900 by 2035.¹ These jobs span a wide range of roles including networking, programming and software development, systems integration, cybersecurity, project management and innovation development, to name just a few. The diversity of these roles highlights the sector's broad impact on the state's economy and its ability to provide high-quality employment opportunities. Tech jobs are also productive jobs – more than 2.5 times more productive than the average of other Tasmanian jobs.²

Technology plays a crucial role in enabling other industries to innovate and improve their efficiency. Advancements in digital technologies have allowed businesses in agriculture, manufacturing, mining, and healthcare among others, to enhance their operations, leading to increased productivity and competitiveness. This interconnectivity means that the benefits of a robust technology sector ripple throughout the entire economy, fostering overall economic resilience and growth.

The sector's impact is felt daily by Tasmanians. From the convenience of online commercial and government services to the efficiency of digital communication tools, technology has become an integral part of everyday life. This influence underscores the sector's role in shaping a modern, connected society.

However, the sector faces challenges to growth: barriers include the need for more skilled professionals, greater access to markets, and the availability of start-up capital.³ Addressing these challenges through strategic initiatives and investments will be crucial in ensuring the sector's continued expansion and its ability to contribute to the state's economic prosperity.

¹ Australian Computer Society, *Digital Pulse*, 2026.

² Skills Tasmania, *ICT Scorecard July 2024* p. 8.

³ Deloitte, *Tasmanian Tech Sector Scan 2022*, p. 43

TasICT's Strategy: A prosperous, technology confident Tasmania

TasICT's focus is growing Tasmania's technology sector, strengthening the digital workforce pipeline, and building technology capability across all industries.

Advocating for:

- Increased telecommunications capacity, resilience and services both across Bass Strait and throughout Tasmania.
- Digital skills development through the creation of entry-level opportunities for ICT graduates and the upskilling of the existing workforce.
- The safe and responsible adoption of artificial intelligence across government to improve public service efficiency and outcomes.
- Best-practice cyber security adoption and resilience.
- Support for a world-class STEM Precinct at the University of Tasmania at Sandy Bay.

Connecting and educating our community through:

- High-quality technology events that showcase emerging technologies, opportunities and risks.
- Professional development, knowledge sharing and networking opportunities that connect our members with the broader business and government community.

This supports our vision of being the leading advocate and driving force for the ICT sector in Tasmania.

Executive Summary

TasICT supports data centre and AI infrastructure investment in Tasmania provided it delivers public value and is economically and environmentally responsible. Tasmania should not adopt a de facto moratorium. The policy task is to attract responsible investment while protecting the environment and managing public resources wisely, providing meaningful community participation and securing tangible long-term benefits for Tasmanians.

TasICT's position is that electricity, water, land and planning approvals, and any associated concessions, should be provided only to developers who enter into binding agreements that deliver measurable and enforceable long-term benefits for Tasmania. These agreements should apply to relevant tenants and remain binding if a project is sold, transferred or restructured.

Clear, rigorous and predictable requirements protect communities and investors alike.

TasICT's submission

Tasmania should support responsible investment in AI data centres through binding public-value and tech sector commitments, staged energy allocation, integrated assessment, meaningful public consultation and annual independent reporting. These measures should secure technology businesses, employment, skills and capability rather than infrastructure alone.

Summary of submission

- Protect public resources by requiring projects to carry their allocated infrastructure costs and by staging electrical load against delivered generation and firming.
- Coordinate existing planning and environmental pathways so the campus, generation, storage and connecting network are considered as one development in substance and cumulative effects are assessed.
- Secure tangible benefits through binding, measurable and enforceable agreements proportionate to project scale.
- Require those agreements to apply to relevant tenants and continue through sale, transfer or restructure.
- Separately identify construction employment and minimum ongoing operating employment, and report performance independently each year.
- Require transparent public disclosure of relevant resource use, energy arrangements, operating employment and outcomes against commitments, while recognising that commercial confidentiality is legitimate in some circumstances.
- Begin consultation while communities can still influence project design and publish what changed as a result.
- Treat demand for skilled labour as a reason to invest in workforce training and apprenticeship pathways.
- Consider whether planned digital-infrastructure precincts can assist coordinated assessment, without weakening existing planning or environmental standards.

Reference 1: Protect public resources and the environment

TasICT supports protection of Tasmania's electricity, water, land, network infrastructure and environmental values. Major data centre and AI infrastructure projects should demonstrate clear public value and be economically and environmentally sustainable.

Public resources and project costs

New electrical load, generation, storage and network capacity need to be delivered in the right sequence. Data centre proponents should meet their allocated connection and network costs. Every megawatt allocated from existing supply is a megawatt unavailable to another Tasmanian user. TasICT does not ask the Committee to prefer data centres to existing industry, or existing industry to data centres. TasICT asks that the trade-off be recognised and made transparent and public.

Tasmania should also recognise and manage concentration risk, in that a system relying heavily on a small number of very large customers drawn from a single industry carries a different risk profile to a more diversified load base.

Environmental sustainability across the whole development

Environmental sustainability can apply to the generation, storage and transmission infrastructure relied upon by a project, not only the data centre site. Generation, storage, transmission and load can be assessed together against cumulative effects on biodiversity, landscape, water, Aboriginal heritage and community amenity.

Issues that can be considered:

- Prefer land already disturbed, including industrial and post-industrial land, existing energy precincts, cleared agricultural land and sites adjacent to existing works.
- Follow existing corridors and identified renewable energy zones.
- Fully exhaust behind-the-meter and on-site options first, including rooftop or adjacent solar, batteries and heat reuse where practical.
- Identify the source of energy supply and demonstrate that associated generation and transmission are environmentally and economically sustainable.

TasICT response to Reference 1

Protecting public resources and the environment does not require a moratorium. It requires transparent allocation, user-pays infrastructure arrangements, staged commitments and assessment of the complete infrastructure chain.

Reference 2: Ensure the Resource Management and Planning System recognises the specific impacts of AI and data facilities

TasICT supports continued assessment through Tasmania's existing planning and environmental frameworks. It does consider that coordination within existing pathways should recognise the distinct characteristics and integrated infrastructure requirements of large AI data centres.

Integrated and cumulative assessment

Approvals for large-load data centres should be holistic. A campus, the generation that supplies it, the storage that firms it and the network infrastructure that connects it should be viewed as one development in substance and assessed as one, not as a sequence of unrelated applications.

Cumulative effects must also be assessed. Component-by-component and site-by-site decisions can over-commit Tasmania where planning approvals, generation draw and transmission costs are considered by different authorities, under different instruments and at different times.

Precinct planning

TasICT has received member input supporting consideration of planned data centre or digital-infrastructure precincts. A precinct approach may allow land use, electricity supply, transmission capacity, fibre connectivity, water, environmental requirements and planning rules to be considered in a coordinated way before individual projects are advanced.

TasICT's adopted position is not dependent on a new precinct or approval pathway. Whether a project is located within or outside a precinct, it should remain subject to rigorous assessment. Precinct designation should not reduce environmental, planning or community standards.

TasICT response to Reference 2

The Resource Management and Planning System should retain rigorous assessment while enabling an integrated view of the campus and enabling infrastructure, cumulative effects, system impacts and matters raised through early consultation.

Reference 3: Provide Parliamentary oversight and accountability for construction and resource allocation

TasICT supports accountability where major projects require access to scarce public resources, approvals or concessions. Public accountability is best supported by clear commitments, transparent decision-making and reporting against delivery.

Binding and enduring commitments

TasICT supports developers entering binding agreements that deliver measurable and enforceable long-term benefits for Tasmania. The agreements should apply to relevant tenants and remain binding if a project is sold, transferred or restructured.

Public discussion and government commitments should distinguish announced, requested, contracted and operating capacity. Connection requests should be separated from contracted and operating capacity so Parliament and the community can understand what has been proposed, committed and delivered.

Government role

The Tasmanian Government should ensure that benefits to Tasmanians are negotiated with data centre developers before approvals are given. Government should also provide community education so Tasmanians understand the benefits, opportunities and risks of data centres.

TasICT response to Reference 3

Government accountability and oversight is sufficient to manage projects of this scale, supported by public information on resource allocation, binding benefit commitments and performance against those commitments, while recognising legitimate commercial confidentiality.

Reference 4: Ensure transparent public disclosure of resource consumption

TasICT supports proactive disclosure and reporting as a means of building community understanding, trust and confidence. Reporting should distinguish planning assumptions, contracted commitments and actual operations.

Electricity information

- Average electricity draw and short-term variation, because a single megawatt figure may not adequately describe an AI workload.
- Requested, committed, contracted, operating and unused capacity reported distinctly.
- The generation projects relied upon, delivery timetable and firming arrangements.
- Agreed ride-through behaviour, block-loss size, reconnection sequencing and contracted curtailability, presented at a level that does not compromise facility security.

Water and other resources

TasICT supports the draft Government expectation that proponents minimise water use, engage early with water suppliers, pay associated infrastructure and network costs, avoid adverse impacts on existing users and consider catchment capacity. TasICT's adopted policy does not prescribe particular water technologies or numerical limits, and this submission does not create a new water policy.

Commercial confidentiality

TasICT accepts that commercial confidentiality is legitimate in some circumstances. The objective is consistent and comparable public reporting of resource use and delivered outcomes, rather than disclosure of commercially sensitive contract terms or information that would compromise facility security.

Independent reporting

Major projects should report annually and independently on agreed outcomes, including operating employment, local procurement and workforce investment. Reporting allows commitments to be assessed as delivered outcomes rather than forecasts.

TasICT response to Reference 4

The Committee should recommend disclosure that is comparable over time and clearly separates

announced, contracted and operating resource use, while protecting genuinely confidential commercial information and facility security.

Reference 5: Provide adequate opportunities for community consultation

Responsible development requires meaningful consultation at project inception once a business case has been completed, identifying the benefits, opportunities and risks for Tasmania.

Timing and influence

Public consultation should begin after a business case is completed and a design is presented to decision makers seeking public licences for resource use. At that point, communities should be asked for input while they can still influence the outcome. Proponents should publish what changed as a result.

The costs and benefits of major developments are also distributed unevenly, with economic benefits tending to accrue at the broader state level while construction disruption, noise, visual amenity effects and pressure on local infrastructure are concentrated in the host community, which is a further reason for early and design-influencing consultation.

Full project chain

Communities affected by any renewable project, transmission line or other enabling infrastructure are entitled to the same early, design-influencing consultation as the community hosting any AI data centre. Engagement should therefore reflect the full scope of the development in substance, not only the data centre site.

TasICT's support for investment and opposition to a de facto moratorium do not diminish the need for legitimate concerns about electricity, network capacity, water, planning, environmental impacts and local amenity to be addressed through proper assessment and engagement.

TasICT response to Reference 5

Adequate consultation means early information, a genuine opportunity to influence design, engagement across the complete infrastructure chain and publication of the changes made as a result.

Reference 6: Ensure tangible benefits for the Tasmanian community

TasICT considers this the central issue for the inquiry. The construction phase of a major data centre can generate activity across construction, electrical, mechanical, communications and supporting industries. Ongoing operating roles are fewer than construction roles but are specialised. The enduring opportunity is the wider ecosystem of technology businesses, skills and capability supported by the infrastructure.

Sector-development test

All data centres are technology developments and should produce benefits for Tasmania's technology sector. If Tasmania hosts the buildings and infrastructure while the businesses, operations and careers are located elsewhere, the development is suboptimal.

Projects should contribute through local procurement, supplier development, research partnerships and improved digital connectivity. Where appropriate, agreements should encourage communications-infrastructure upgrades and facilitate access to advanced computing capability for Tasmanian researchers, students, start-ups, small and medium enterprises and public-interest users. Where practical, opportunities such as productive reuse of waste heat may also deliver direct local benefit.

Workforce and capability

- Apprenticeships, study pathways, university partnerships and specialist training initiatives.
- Investment in TasTAFE and University of Tasmania workforce pathways.
- Minimum ongoing operating employment stated separately from construction employment.
- Annual independent reporting against workforce and local-procurement commitments.
- Community digital inclusion and regional technology education.

Demand for construction workers, electrical trades, power-systems specialists and network engineers is already strong in Tasmania. TasICT regards this as an opportunity to focus on workforce training, apprenticeships and skills-pipeline investment so that Tasmanians are positioned to fill these roles, rather than as a reason to prevent projects proceeding.

Contracting the benefit

Major projects should include clear, measurable and enforceable commitments proportionate to project scale, including minimum operating employment levels, local procurement targets, workforce skills investment and annual independent reporting of outcomes.

As an industry body, TasICT does not support royalties or new sector-specific taxes. AI data centres do not generate royalties, and their comparatively low ongoing employment means conventional state revenue mechanisms are unlikely to capture significant value. TasICT's preference is that public value be offered directly by business owners as part of their public-value commitments, consistent with the Australian Government expectations on investment in Australian skills and workforce and on research, innovation and local capability.

Data Centres Australia has announced voluntary member commitments covering workforce pathways, local supply chains, community engagement, innovation and local capability, energy and water responsibility, infrastructure cost recovery and annual reporting. TasICT welcomes these commitments as evidence of broad industry support. Voluntary sector commitments do not remove the need for project-specific agreements where public resources, approvals or concessions are involved.

TasICT response to Reference 6

Tasmania should secure technology businesses, operations, careers and capability rather than hosting infrastructure alone. Benefits should be contracted, measurable, enforceable, independently reported and durable through changes in tenants or ownership.

Reference 7: Other incidental matters

A pro-investment framework

TasICT does not support a de facto moratorium or an uncertain framework that deters responsible investment. Data centre investment is mobile. Tasmania should offer rules that are rigorous, coordinated, transparent and predictable. Binding conditions and clear expectations provide greater certainty for communities, Government and serious investors than either open-ended allocation or effective prohibition.

AI data centres as a system participant

AI data centres should be considered as a new form of electrical load. Demand can rise and fall substantially and quickly as computational work starts, checkpoints and finishes. A facility's behaviour during a system disturbance is determined by control software and protection settings and it can disconnect quickly as a single block.

A pre-commitment to good ride-through behaviour, block-loss size, reconnection sequencing and contracted curtailability should be settled before capacity is committed. A summary should be published so Tasmanians understand the operating conditions.

Sequencing and modularity

A campus is built in halls and released in tranches. That modularity allows load to be matched to delivered supply. TasICT's position is that additionality should be expressed as a delivery schedule, not a commitment in principle. Contracted firm generation or firmed renewables, sized to the load, should be delivered before a site ramps to full capacity, with capacity released progressively against delivery.

Staged release also reduces stranded asset risk, because network and generation investment committed against projects that are subsequently delayed, scaled back or cancelled would otherwise leave Tasmanians carrying the cost of underused infrastructure.

Conclusion

Tasmania has an opportunity to participate in the next generation of digital infrastructure while setting a strong standard for responsible development that supports Tasmania's natural environment and innovation as underpinning the State's prosperity. TasICT supports that investment where projects demonstrate clear public value and are economically and environmentally sustainable.

The appropriate response is neither an open-ended allocation of public resources nor a de facto moratorium. It is a clear framework that protects resources and communities, supports investment confidence and secures enduring Tasmanian benefits.

Each major development should be assessed as an integrated whole, including the data centre, generation, storage and network infrastructure. Capacity should be released progressively as generation and firming are delivered. Consultation should occur early enough to influence design. Public-value commitments should include capacity building and employment in the technology sector and be binding, measurable, enforceable and independently reported, apply to relevant tenants and continue through sale, transfer or restructure.

If these conditions are met, Tasmania can secure infrastructure together with the businesses, operations, careers and technology capability that should accompany it.

Subject: Responsible Development of Data Centres in Tasmania

TasICT supports the responsible development of data centres in Tasmania where projects demonstrate clear public value and are economically and environmentally sustainable.

Responsible development requires meaningful community consultation at the project inception and a transparent business case that identifies the benefits, opportunities and risks for Tasmania.

TasICT's support is conditional on electricity, water, land and planning approvals, and any associated concessions, being provided only to developers who enter into binding agreements that deliver measurable and enforceable, long-term benefits for Tasmania. These agreements should apply to relevant tenants and remain binding if a project is sold, transferred or restructured.

TasICT supports the Australian Government's *Expectations for Data Centres and AI Infrastructure Developers* (2026).

TasICT considers the following principles to be hallmarks of responsible development:

1. Developments should strengthen Tasmania's technology industry

Projects should contribute to the growth and capability of Tasmania's technology sector through local procurement, supplier development, research partnerships and improved digital connectivity. Where appropriate, agreements should encourage upgrades to communications infrastructure and facilitate access to advanced computing capability for researchers, students, start-ups, small and medium enterprises, and public-interest users.

2. Developments should strengthen Tasmania's technology workforce and productivity

Projects should support the development of local skills and digital workforce capability through apprenticeships, study pathways, university partnerships, specialist training initiatives and other workforce development programs.

3. Developments should contribute to community digital inclusion

Wherever possible, developments should encourage the digital inclusion and capacity building of the surrounding community.

4. Public value should be measurable and enforceable

Major projects should include clear, measurable and enforceable commitments, proportionate to the scale of the development, including minimum operating employment levels, local procurement targets, workforce skills investment and annual independent reporting of outcomes.

5. Tasmanian Government role

The Tasmanian Government should ensure that benefits to Tasmanians are negotiated with data centre developers prior to approvals being given and provide community education so that Tasmanians understand the benefits, opportunities and risks of data centres.