

11 September 2026

The Secretary
Government Administration Committee A
Inquiry into AI Data Centres in Tasmania
House of Assembly, Parliament House
Hobart TAS 7000

Dear Secretary,

Re: Submission to the Inquiry into AI Data Centres in Tasmania

House of Assembly Government Administration Committee A

On behalf of Cradle Coast Authority, I am pleased to submit the attached response to the Committee's Inquiry into AI Data Centres in Tasmania. 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. The opportunity presented by AI infrastructure is realised through strategic coordination and collaboration, with benefits captured in the state and respective regions. With the State's finances stretched, coordination is not optional, and anticipating this potential investment early is how the region supports existing and emerging industry while avoiding the reactive regulation that follows when problems are met one at a time.

The submission addresses each of the Committee's Terms of Reference and sets out eighteen recommendations. It draws on the Regional Data Centre Strategy work CCA

has undertaken with the Carbon Zero Initiative and on stakeholder sessions held across the region in August 2026.

Cradle Coast Authority consents to the full publication of this submission by the Committee. I would welcome the opportunity to assist the Committee further, including at a public hearing.

Yours sincerely,

[Redacted signature]

Philip Reid
Chief Executive Officer
Cradle Coast Authority

[Redacted contact information]

Table of Contents

1. EXECUTIVE SUMMARY	4
2. ABOUT CRADLE COAST AUTHORITY AND THE BASIS OF THIS SUBMISSION	5
3. REGIONAL CONTEXT AND THE CASE FOR COORDINATION	5
4. PROTECTING PUBLIC RESOURCES AND THE ENVIRONMENT (TERM OF REFERENCE 1)	6
5. EQUIPPING THE PLANNING SYSTEM TO ASSESS COMBINED DEMAND (TERM OF REFERENCE 2)	8
6. OVERSIGHT, ACCOUNTABILITY AND COORDINATED RESOURCE ALLOCATION (TERM OF REFERENCE 3)	9
7. TRANSPARENT DISCLOSURE OF RESOURCE CONSUMPTION (TERM OF REFERENCE 4)	10
8. COMMUNITY CONSULTATION (TERM OF REFERENCE 5)	10
9. TANGIBLE COMMUNITY BENEFIT THROUGH COORDINATED PLANNING (TERM OF REFERENCE 6)	13
10. OTHER INCIDENTAL MATTERS (TERM OF REFERENCE 7)	14
11. CONSOLIDATED RECOMMENDATIONS	15
12. REFERENCES AND EVIDENCE BASE	16

1. Executive summary

Cradle Coast Authority (CCA) is the regional body for the nine councils of North West and West Coast Tasmania. CCA does not advocate for or against data centre development. Our focus is the long-term wellbeing of Cradle Coast communities, the environment, and existing industry and emerging industry.

An opportunity of this scale is activated through strategic coordination and collaboration. This is how the region leverages the investment to further diversify our economy and build on the strategic ambition of the Tasmanian Government's Economic Diversification and Investment Strategy. The benefit is captured when AI infrastructure supports other parts of our communities and economy, including housing, healthcare, transport, workforce and critical infrastructure.

Data centres can support precinct planning and the colocation of multiple enterprises requiring access to similar infrastructure. This ensures that investment in enabling infrastructure supports multiple needs, for multiple stakeholders and multiple enterprises. It can create economies of scale for private investment, enhancing the region's economic enabling infrastructure such as water, sewerage and energy. Done well, it can also open capacity for housing where servicing currently constrains construction.

With the State's finances stretched, coordination is not optional. Limited funding must be applied strategically to support multiple projects and deliver benefits across the whole community, not one priority at a time. Anticipating this potential and enabling it early, in support of existing and emerging industry and the community, is also how the region avoids the reactive, accreted regulation that follows when problems are met one at a time, after they arise.

Two functions must work together. Enablement and activation, through the Economic Diversification and Investment Strategy and a supporting legislative vehicle, coordinate existing powers and direct investment. Regulation through the Land Use Planning and Approvals Act and the planning framework, define the use and secure community benefit. Enablement without a regulatory basis for benefit leaves the community exposed; regulation without enablement becomes a hurdle and additional red tape. Aligned, they accelerate the activation of benefit. This reflects CCA's ambition to support regional data centre investment that can activate the region's potential, support multi-stakeholder benefits, and enable responsible, efficient and effective application of our natural resources.

CCA's recommendations are developed through this submission and consolidated at section 11. In summary, CCA asks the Committee to support a regional-level planning response that defines data centres as a distinct use and can assess cumulative benefit at the regional scale; a community benefit mechanism modelled on the Queensland approach; a coordination function that allows shared servicing and colocation;

mandatory disclosure of energy and water consumption; and coordinated regional planning instruments, including innovative precinct planning.

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 application where they are required to adhere to the Land Use Planning and Approvals Act 1993 (LUPAA) as planning authorities. We hold both a genuine investment interest and a genuine responsibility to work in the best interests of community, environment and industry.

This submission draws on CCA's Regional Data Centre Strategy work, developed with the Carbon Zero Initiative (CZI), and on the stakeholder sessions held in August 2026 with industry and infrastructure enablers, council planners and economic developers, and mayors, councillors and council chief executives. This reflects CCA's ambition to support regional data centre investment where it can activate the region's potential, support multi-stakeholder benefits, and enable responsible, efficient and effective application of our natural resources.

3. Regional context and the case for coordination

The national data centre investment pipeline is substantial. More than \$150 billion in data centre projects are proposed across Australia, more than 160 facilities already operate, and a further 90 projects are in development, with artificial intelligence driving up to 84 per cent of new capacity. Data centres account for under one per cent of national electricity consumption today and are projected to reach eight to eleven per cent by 2035 under the Australian Energy Market Operator's draft 2026 Integrated System Plan. That growth is concentrated in metropolitan Sydney and Melbourne, where grid queues are bottlenecking and local opposition is rising.

For the Cradle Coast, the relevant question is not whether the region could host this use, but whether the region is positioned to realise the opportunity and to plan for combined demand before applications arrive. Handled well, this investment is a lever to further diversify the regional economy, consistent with the strategic ambition of the Economic Diversification and Investment Strategy, which itself emphasises coordination and system alignment across investment, workforce, infrastructure and regional development.

Coordination also carries a direct community dividend. Where precinct-scale servicing is planned well, the water, sewerage and electricity investment that supports

a data centre can also open capacity for broader enabling infrastructure to facilitate other development where servicing currently constrains construction, including forms of industrial development and potentially housing. This can leave communities and other sectors better served than before.

Acting early is the responsible course, and the ambitious one. We support pro-active standards. As Danielle Wood, Chair of the Productivity Commission, has argued, the reflex to regulate every problem as it emerges accretes into a burden that satisfies no one. The Tasmanian Government is currently committed to red tape reduction. Red tape reduction should not just be viewed through the lens of existing red tape, but also the issues that can lead to the accretion of more red tape. We recommend the Tasmanian Government design good regulatory settings upfront. Creating clarity for proponents who favour certainty over virtue signalling, connect opportunities with other local enterprises, and peace of mind for community. Coordinated regional planning now and proactive regulations designed with multiple stakeholders ahead of the data centre applications, is that alternative. This supports existing and emerging industry and the community, and it avoids the reactive regulation that follows when each problem is met in isolation after the fact. It fixes the red tape before the crisis that inspires rushed regulations.

4. Protecting public resources and the environment (Term of Reference 1)

Energy is a real constraint. Tasmania currently imports part of its electricity, which will temper the pace of any project pipeline. National expectations have also moved quickly. In March 2026 energy ministers of every state except Queensland agreed that data centres should bring additional renewable generation and firming to offset their demand, and the Commonwealth's position is that new large loads should bring their own new power, cover their own network costs, and operate flexibly so that households do not pay. The emissions outcome of any proposal turns on how it is powered. Tasmania's largely renewable generation counts in the region's favour, but simultaneously a large new load changes what the grid draws on and how much clean energy remains for other uses.

Water warrants particular attention, as it tends to be considered late in project development. Unlike energy, water carries no mandatory disclosure. We have been advised that a number of local water systems are already at or near capacity.

Each data centre technology type and each data centre size determines the trade-off between water and power consumption. Data centres using more of one tends to reduce the other, and water efficiency across operators varies by more than two hundredfold depending on cooling technology, power profile, climate and design. The region's cool climate and the availability of efficient cooling mean large-scale potable water consumption need not be treated as inevitable. Non-potable sources, including recycled water and treated wastewater, matter for keeping data centres off drinking-water supplies, noting each source has real limits.

Land and environment complete the picture. Data centres must not fragment agricultural land or compromise local food-producing capacity. This is a message we have heard consistently from all stakeholder groups we have reached out to. The State Policy on the Protection of Agricultural Land 2009 provides a partial lever to protect this highly valued asset. Unfortunately this protection is limited to protecting significant farmland. Its protection is weaker on less productive parcels and productive farmland can be lower fertility land that is closer to processing facilities and closer to the coastline where there is easier access to workforce, more sophisticated logistics, highway and the land experiences significantly fewer frost events. All these attributes lend themselves to higher productivity that is not limited to the fertility of the soil.

Industrial land is the most accepted location for data centre use but is limited in supply. Data centres also employ relatively few people, so siting must not crowd out the needs of other sectors. Our workshops uncovered that regional stakeholders value dark skies and the natural environment across, and all stakeholder groups noted that both should be protected through appropriate siting, lighting choice and architecture.

Tasmania's ambition to grow its space sector sits comfortably alongside stakeholder interest in protecting dark skies, and Circular Head Council's pursuit of UNESCO Dark Sky accreditation strengthens that alignment. The Government's emphasis on radio-telescope capability, Antarctic-adjacent mission support and space-life sciences all rely on low-skyglow environments, meaning the same conditions valued by communities and astronomers also underpin the commercial and research capabilities the State is promoting.

Circular Head's accreditation effort demonstrates that local government is already acting to preserve the night-sky quality required for satellite communication, observation and aurora-related science. Sequencing regulation early will help proponents in both the data-centre sector and the emerging space industry, with clear standards developed alongside industry and communities. This approach provides certainty, avoids later escalation of compliance burdens and prevents reactive, issue-driven rules that can disrupt investment, supporting dark-sky outcomes while enabling Tasmania's space ambitions to mature in a predictable regulatory environment.

In summary

CCA recommends that large data centre loads be required to bring additional renewable generation and firming, cover their own network costs, and operate flexibly; that a non-potable-first water hierarchy keep large-scale cooling demand off drinking-water supplies; that agricultural land and food-producing capacity, and the region's limited industrial land supply, be strategically allocated to support multiple sectors; and that dark-sky and environmental values be secured through siting conditions.

5. Equipping the planning system to assess combined demand (Term of Reference 2)

Data centres are a new kind of use that does not fit neatly into existing planning zones and classes. Under the Tasmanian Planning Scheme, the use reads as permitted in Light and General Industrial zones, potentially suitable in Commercial, and discretionary in Rural, Port and Marine, and Utilities zones, with the Rural pathway subject to a demanding rural-location test. Facilities also vary enormously. A five megawatt edge facility is a light-industrial neighbour; a hyperscale campus reshapes the local grid, water system and workforce. Any regulatory response should differentiate by type and scale.

The core limitation is that councils lack clear guidance on how to class data centre development, with no way to weigh the cumulative effect of several proposals, to mandate a net-positive outcome on energy and water, or to require community benefit. Precinct planning is the mechanism that closes the gap. It calculates impacts and combined demand from multiple projects planned by multiple sectors and multiple proponents. This ensures the full impacts and opportunities can be read across the region as a whole, rather than one application at a time. Investors like certainty. Data creates certainty. Cumulative impact assessment data can help our region attract additional private investment by showing where growth is emerging and where new services are needed, including healthcare, childcare, housing and private education.

This regional reading of resource management has strong precedent. In his 2025 National Press Club address, Ken Henry, Chair of the Australian Climate and Biodiversity Foundation, made the case for national environment laws built on clear standards and regional planning, so that where development can and cannot occur, and what it must deliver for nature, is settled at the regional scale rather than contested application by application. Applied to data centres, the same logic reads energy, water, land and biodiversity across the region and delivers faster, more certain decisions for good proposals, not slower ones.

The region's precinct ambition should not be read narrowly. Precincts need not be confined to major centres. The Cradle Coast is proud of its remote and regional locations with distinct economic strengths, such as dairy production in Circular Head and mining on the West Coast and King Island. Through ambitious strategic economic planning, the region can enable a regional precinct approach that connects these locations to the broader network of economic opportunity, rather than applying a one-size-fits-all interpretation.

Investors make stronger commitments when conditions are predictable. Clear regulations designed with community and industry is what makes conditions predictable. This is the regulation pillar of the region's approach, and community benefit belongs within it. The Queensland Government model 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. This opens up the lines of communication, provides an even playing field where both proponents and councils are working with the same information, builds trust between stakeholders and supports councils to support proponents. A critical lever the current framework lacks, which also applies to other major development such as renewable energy. LUPAA and the State Planning Provisions are the legislative home for defining and assessing the use, and the Government is already modernising this framework. The Land Use Planning and Approvals (Miscellaneous Amendments) Bill 2026 passed the House of Assembly in August 2026 and is before the Legislative Council, and its interim State Planning Provisions amendment pathway would allow matters recommended by the Tasmanian Planning Commission to be addressed sooner. CCA's ask sits squarely within the Government's stated direction of a contemporary, fit-for-purpose planning system under the 2030 Strong Plan for Tasmania's Future.

In summary

CCA recommends that data centres be defined as a distinct use, differentiated by scale; that the framework be given the capacity to assess cumulative impact at the regional scale and to require net-positive energy and water outcomes; that resource management adopt a regional planning approach consistent with the model advanced by Ken Henry; that community benefit agreements on the Queensland model be embedded in the framework; that the region be supported to deliver precinct and regional-scale planning, including in remote and regional locations; and that the interim State Planning Provisions amendment pathway be used to action these changes sooner.

6. Oversight, accountability and coordinated resource allocation (Term of Reference 3)

Tasmania lacks a coordination function to ensure water and energy infrastructure meet the needs of multiple stakeholders. TasWater and TasNetworks assess new connection applications on a case-by-case basis, and no body works with multiple proponents to colocate enterprises and share costs to activate economies of scale. Where a load sits matters, because siting near existing infrastructure reduces network augmentation costs. This is precisely why servicing should be coordinated now, so that precinct-scale servicing can meet several developments' water, sewerage and electricity needs together and leave communities better served than before.

The case for coordination is sharpened by a gap in how growth is funded. As set out under Term of Reference 4, growth-servicing infrastructure has no mandate behind it. Compliance and safety obligations are backed by regulators and take precedence within a capped revenue envelope, while investment to service new demand competes for what remains and is routinely deferred. The remedy is not to regulate growth, which would add cost without building anything. It is to enable utilities to invest ahead of low-risk growth and to recover that investment as the revenue base expands. The vehicle for that overlay is set out below.

This is the enabling and activating pillar. The Economic Diversification and Investment Strategy delivery architecture, and a supporting legislative vehicle such as the Economic Future Act proposed as the strategy's legislative home, offer a lean enabling overlay. This is not a new regulator, but a coordinating function that applies limited State funding strategically across multiple projects and allows cost-sharing arrangements to be developed and provided for. It complements LUPAA rather than subordinating it. It is how stretched State finances are made to support multiple projects and deliver benefits across the whole community, rather than one priority at a time. The purpose of strategic economic planning is to anticipate potential and enable it, not to react after the fact.

Enablement and regulation must operate in concert. Here CCA draws again on Danielle Wood's work at the Productivity Commission. Reactive regulation prompted by community outrage erodes confidence rather than building it, and the sounder course is for the State to regulate with industry. Expectations set early and shaped with the sector and the community, that industry must then meet, are how social licence is built and how oversight becomes credible to communities and proponents alike.

In summary

CCA recommends that the State:

- Establish a coordination function able to work with multiple proponents and infrastructure providers to colocate enterprises and share costs.
- Align data centre servicing with TasWater's network investment through precinct planning.
- Carry coordination and cost-sharing through the Economic Diversification and Investment Strategy delivery architecture and a supporting legislative vehicle, directing limited State funding strategically.
- Regulate with industry, setting expectations early to build social licence.
- Set load thresholds that trigger oversight and coordinated allocation.

7. Transparent disclosure of resource consumption (Term of Reference 4)

Combined demand cannot be managed without disclosure. Neither the water nor the energy demand of major facilities must currently be disclosed, so the cumulative pressure of several developments on already-constrained systems is poorly understood.

Responsibility for water services and demand in Tasmania is distributed:

- TasWater manages reticulated system capacity.
- NRE sets catchment-level caps and irrigation licences tied to natural catchment flows.

- EPA sets environmental load limits.
- Councils manage stormwater and urban runoff.
- Tasmanian Irrigation manages agricultural irrigation demand tied to engineered scheme storage.
- Hydro manages regulated river flows.

No single agency holds a complete cumulative-demand model.

Above these agencies sits the planning system itself. The State Planning Office maintains LUPAA and the Tasmanian Planning Scheme and prepares the Tasmanian Planning Policies and State Planning Provisions, while councils act as planning authorities. This is the layer that determines where and at what scale new demand is approved, yet nothing connects a planning approval to coordinated servicing investment by the agencies that must meet it. The current State Planning Provisions review, which includes alignment with infrastructure legislation and contributions, and the Tasmanian Planning Policies, are candidate vehicles for that link, alongside the coordinating function described under Term of Reference 3.

Large data centres can place significant cumulative pressure on existing water and electricity assets, requiring major upgrades to treatment plants, trunk mains, reservoirs, substations and transmission lines. How these upgrade costs are governed differs sharply between the two sectors.

Energy network costs are regulated by the Australian Energy Regulator under the National Electricity Rules, which approves only costs that are fully justified before they can be recovered from consumers. National expectations increasingly require large new loads to bring their own generation and cover their own network costs, so the cost of growth is both regulated and allocated to the party driving it.

Water has no equivalent. TasWater submits a program of projects to the Tasmanian Economic Regulator, shaped by the three regulators that oversee its core obligations: the EPA for the sewerage network, the Department of Health for safe and reliable drinking water, and NRE Tasmania for dam safety. TasWater publishes water-quality and treatment-plant performance reporting, which shows where investment is needed. The Regulator then sets a maximum revenue allowance, and TasWater builds its capital program internally around that envelope, prioritising the compliance and safety obligations its regulators oversee.

What is reported is the need. What is not reported is the outcome. When the approved revenue envelope falls short of TasWater's submission, TasWater reprioritises its capital program internally. It is not required to report which projects are deferred or dropped, and no external body reviews or answers for that choice. So there is neither visibility of the trade-offs the reprioritisation creates nor accountability for how they are made.

This gap bears most heavily on growth. Because that compliance and safety spending comes first, investment to service new industrial or residential demand competes for what is left and is routinely deferred. It is the least visible and the least accountable investment when it is cut, even where the risk of non-take-up is low and it would broaden the utility's revenue base. What is missing is not a rule requiring that investment, but a mechanism that lets it be made ahead of demand and recovered as the revenue base grows. That mechanism is the coordinating function set out under Term of Reference 3.

From the perspective of planning for future needs, Tasmanians are not in a position to genuinely understand the impact of data centres on already strained water and electricity infrastructure. TasWater and TasNetworks assess connections to their own networks one application at a time, and no one holds a combined view of what several facilities would draw across water and power together. Until that cumulative demand can be seen across both systems, data centre proposals cannot be responsibly weighed against the infrastructure they would rely on.

Verification of actual use matters alongside disclosure of projected demand, so that a facility's stated name-plate demand aligns with real-world performance. Standardised metrics exist and monitoring should be required. Power Usage Effectiveness measures total facility power against the power delivered to computing equipment, and modern, well-sited facilities achieve a ratio of 1.2 to 1.4. Water Use Efficiency captures water drawn per unit of energy, and the wide spread across operators is the reason it must be reported. The National Australian Built Environment Rating System provides an established benchmark, and the Australian Government already requires its partners to hold a minimum five-star rating.

Public reporting lets combined demand be tracked over time, the precondition both for coordinated planning and for community trust.

In summary

CCA recommends:

- Mandatory disclosure of projected and actual water and energy consumption, at application and on an ongoing basis.
- Standardised reporting using Power Usage Effectiveness, Water Use Efficiency and the National Australian Built Environment Rating System.
- Public reporting of combined demand at the regional scale to support long-term infrastructure planning.

8. Community consultation (Term of Reference 5)

Our workshops have highlighted that weak proponent engagement and mixed messaging have left an information gap that fear has moved into. As a result strong demand has emerged for independent, plain-language facts. Australian polling shows genuine community concern about power bills, potable water use, and who

pays for new generation, and artificial intelligence itself is shaping community sentiment. Development should be required to add to the region through the quality of what is built, the treatment of the landscape and the public spaces it creates, rather than only drawing on the region's resources.

Recent national research illustrates what the community expects government to secure. In the Centre for Policy Development's Purpose of Government Pulse, released in September 2026, Australians identified the primary purpose of government as improving the overall wellbeing of the population, at 29 per cent, ensuring a decent standard of living, at 24 per cent, and delivering and funding critical services and social infrastructure, at 23 per cent. Together these account for roughly three-quarters of respondents. Maintaining public safety and the rule of law sat at 16 per cent, and creating opportunities for children and future generations at 8 per cent. The community measures government by wellbeing, living standards and the services and infrastructure it secures, which is precisely what coordinated precinct planning and negotiated community benefit are designed to deliver. Consultation on data centres should be framed around those outcomes, not treated as an add-on.

A social impact assessment, engaged early, finalised before a development application is lodged, is the mechanism that brings the community in before a development application rather than after it. The Tasmanian Government has a responsibility to set that expectation early, before a proponent arrives.

In summary

CCA recommends that genuine, early proponent engagement and a social impact assessment be required ahead of any development application; that independent, plain-language public information be resourced; and that consultation be framed around the wellbeing, services and infrastructure outcomes the community expects government to secure.

9. Tangible community benefit through coordinated planning (Term of Reference 6)

Benefit is captured when housing, healthcare, water, energy, transport, workforce and infrastructure are planned to the region's combined demand. Coordinated precinct servicing is one worked example, and can unlock other development if delivery is targeted. Adjacent industries and potentially housing could be beneficiaries, where this is proximal to precinct development..

Value can also be captured beyond the facilities themselves. Development can be connected to the region's existing strengths, including skills, agriculture, advanced manufacturing, composites fabrication, a clean-energy centre of excellence and a growing technology sector. Compute can be made available to existing industries and researchers so that productivity gains reach beyond the facilities, and a share of fibre-optic capacity can be negotiated for community use, with the Marinus Link easing long-standing Bass Strait pricing and redundancy constraints. This will require

support services for implementation and coordination. Making compute and fibre-optic cable accessible is also an opportunity to bring industry together, support clusters, peak bodies, share skills and coordinate ambition. Access to this resource can in turn bring together motivated leaders to develop initiatives that allow local industry to be more competitive on the global stage. This will support innovation diffusion locally, but there will need to be explicit resources delivered to cultivate the soft infrastructure (community members, local business and networks) that will then be able to benefit from the hard infrastructure (compute and fibre-optic cable access).

On workforce, what matters most for the Cradle Coast is the type of work. National demand for data centre skills is projected to grow, with roughly four in ten roles currently unfilled and the largest gaps in trades and entry-to-mid ICT, and these are roles trainable through TAFE and the University of Tasmania and able to be retained locally.

The benefit case should be framed honestly. Ongoing operational numbers are modest, with a one hundred megawatt facility potentially employing twenty to thirty staff, while construction is labour-intensive but time-limited. The case therefore rests on flow-on effects and coordination rather than headline operational headcount, and its scale for North West Tasmania is worthy of dedicated economic research. The benefit-sharing toolkit is well established: community benefit funds, local procurement, workforce and training agreements, and planning conditions that lock those commitments in. Community benefit agreements, addressed at section 5, are the instrument that makes these binding. Data centres could also support renewable energy build-out and make a net-positive contribution to water, wastewater and energy infrastructure.

In summary

CCA recommends that binding community benefit agreements be required as the instrument that locks in commitments; that compute access and negotiated fibre capacity be secured for regional use; that resources to ensure locals can access and benefit from the compute and fibre capacity; that workforce and training agreements target local trades and ICT pathways through TAFE and the University of Tasmania; and that net-positive contributions to energy, water and wastewater infrastructure be required.

10. Other incidental matters (Term of Reference 7)

A standing regional coordination and colocation function is the enduring structural gap, and the single change that most enables everything else. Regional parity also matters: the opportunity, and the say in how it is shaped, should not concentrate solely in the State's south-east or on the mainland. The region has a view on what it expects a Tasmanian data centre to be, namely a well-sited, efficiently cooled, renewably powered facility that contributes to the network and the community rather than only drawing on them. Because impact and opportunity scale very differently across

facility types, from edge through to hyperscale and AI factories, any regulatory and benefit settings should differentiate accordingly.

CCA recommends that a standing regional coordination and colocation function be established; that regional parity be secured in the distribution of investment and decision-making; and that the State define what a Tasmanian data centre should be and differentiate settings by facility type.

11. Consolidated recommendations

1. Require large data centre loads to bring additional renewable generation and firming, cover their own network costs, and operate flexibly.
2. Apply a non-potable-first water hierarchy, drawing on sources such as recycled water and treated wastewater, that keeps large-scale cooling demand off drinking-water supplies.
3. Protect agricultural land and food-producing capacity, and safeguard the region's limited industrial land supply.
4. Protect dark-sky and environmental values through siting conditions.
5. Define data centres as a distinct planning use, differentiated by scale.
6. Give the planning framework the capacity to assess cumulative impact at the regional scale and to require net-positive energy and water outcomes.
7. Adopt a regional environmental planning approach to resource management, consistent with the model advanced by Ken Henry.
8. Embed community benefit agreements on the Queensland model, requiring a social impact assessment and a binding agreement with the relevant council before a development application.
9. Support the region to deliver precinct and regional-scale planning, including in remote and regional locations.
10. Establish a standing regional coordination function able to work with multiple proponents and infrastructure providers to colocate enterprises and share costs. This can align data centre servicing with TasWater's and TasNetworks network investment through precinct planning.
11. Use the Economic Diversification and Investment Strategy delivery architecture, and a supporting legislative vehicle, to carry coordination and cost-sharing and to direct limited funding strategically, and regulate with industry to build social licence.
12. Require mandatory disclosure of energy and water consumption, using standardised metrics, reported publicly at the regional scale.
13. Require genuine, early proponent engagement and a social impact assessment ahead of any development application, and resource independent, plain-language public information.

14. Secure compute and negotiated fibre capacity for regional use.
15. Target workforce and training agreements at local trades and ICT pathways.
16. Require net-positive contributions to energy, water and wastewater infrastructure.
17. Support regional parity.
18. Differentiate regulatory and benefit settings by facility type.

12. References and evidence base

Water Services Association of Australia, Data Centres and Water in Australia: A resource for sustainable data centre development, 2025.

TasWater, Regional Master Plans for the Mersey and Central Coast, West Coast, and North West regions.

Baringa and Clean Energy Finance Corporation, Getting the balance right: data centre growth and the energy transition, 2025.

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

Ken Henry, National Press Club address, Our last, best chance: national environment laws to restore nature and power the net zero economy, 2025.

Danielle Wood, The Red Tape Impulse, 2026.

Centre for Policy Development, Purpose of Government Pulse: Australian attitudes towards government and democracy, September 2026.