From: adrian pickin
To: House of Assembly - GAA
Subject: AI data centres
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Submitted by: Adrian Pickin

I welcome the Parliamentary inquiry into the construction and operation of AI and data centres in Tasmania.

I believe Tasmania needs to have a serious conversation about these developments before we commit large amounts of our finite public resources to an industry whose long-term economic, environmental and community impacts are not yet adequately understood.

My concern is not about technology or innovation. Data centres are an important part of the modern economy.

My concern is whether Tasmania's planning and regulatory framework is capable of properly assessing developments that can consume enormous amounts of electricity and water, place pressure on infrastructure, occupy significant amounts of land and potentially provide relatively few permanent local jobs.

In my view, the answer at present is **no**.

Tasmania has been encouraging data-centre investment for several years, yet our planning legislation has not kept pace with the scale and nature of these facilities.

That is a significant problem.

The Tasmanian Parliament has already heard concerns that the rapid development of AI infrastructure is outpacing the ability of governments and planning systems to establish appropriate guardrails. Federal expectations for data centres are useful, but expectations are not the same as enforceable planning requirements.

The Government has also acknowledged that data centres can involve substantial energy and water requirements and that their establishment depends on matters including energy, water, infrastructure, workforce capability and planning approvals.

Tasmania should not be relying on ordinary development assessment processes to deal with developments that can have consequences extending well beyond the boundaries of an individual council.

A local council should be able to assess the local planning impacts of a proposal.

But a council should not be expected to determine whether Tasmania has sufficient electricity, water or other strategic infrastructure to support a major AI data centre.

Nor should an individual council be expected to assess the cumulative impact of multiple facilities competing for the same finite resources.

These are State-wide questions.

The current framework risks placing local councils in an impossible position: they may be responsible for assessing a development locally while having limited ability to properly assess its broader State-wide consequences.

That is not fair to councils, ratepayers or communities, their hands are tied

I submit that **large-scale AI and data centres should be capable of being declared Projects of State Significance**, with mandatory State-level assessment based on clearly defined thresholds.

Tasmania already has a legislative mechanism for Projects of State Significance under the *State Policies and Projects Act 1993*. Such projects can undergo an integrated assessment by the Tasmanian Planning Commission, following a declaration process that involves Parliamentary approval.

This framework provides an obvious model for developments whose impacts extend beyond a single municipality.

I am not suggesting every small server facility should automatically become a Project of State Significance.

Rather, legislation should establish clear thresholds based on factors such as:

- electricity demand;
- water consumption;
- land area;
- cooling requirements;
- connection to major electricity infrastructure;
- impact on existing electricity customers;
- impact on water resources;
- greenhouse gas and environmental impacts;
- expected permanent employment;
- infrastructure requirements; and
- cumulative impacts where multiple facilities are proposed.

Above those thresholds, State-level assessment should be mandatory

Tasmania must also ask a very simple question:

What does Tasmania actually receive in return for allowing these facilities to consume our resources?

A large capital investment figure can look impressive, but capital expenditure alone does not necessarily mean a large number of permanent Tasmanian jobs.

Data centres are highly automated facilities. Construction can generate significant employment, but once operational, staffing requirements can be considerably smaller than the scale of the physical infrastructure might suggest.

That means every proposal should be required to provide transparent information about:

- construction employment;
- permanent full-time equivalent employment;
- Tasmanian employment;
- apprenticeships and training;
- local procurement;
- taxes and charges paid in Tasmania;
- royalties or other payments to the State;
- electricity and water costs;
- infrastructure contributions; and
- the overall economic benefit to the Tasmanian community.

Tasmanians should not simply be told that a project is worth hundreds of millions or billions of dollars.

We should know **what Tasmania gets back**.

Electricity and water are not unlimited resources.

If a major facility is going to consume substantial quantities of either, that consumption should be publicly disclosed.

I support the establishment of a public register identifying major AI and data facilities and reporting their:

- electricity consumption;
- water consumption;
- peak demand;
- renewable energy arrangements;
- infrastructure contributions;
- environmental conditions; and
- employment outcomes.

This information should be reported regularly, not simply provided during the initial planning process.

The Tasmanian community has a legitimate interest in knowing how much of our shared infrastructure and resources are being allocated to these facilities. The Parliamentary inquiry itself recognises the need for transparent disclosure of resource consumption and tangible community benefits.

The environmental assessment of a major data centre should extend beyond the building itself.

Assessment should consider:

- water extraction and consumption;
- cooling systems;
- electricity demand;
- transmission and distribution infrastructure;
- backup generation;
- land clearing;
- biodiversity;
- noise;
- heat discharge;
- waste;

- battery storage;
- diesel or other backup fuel systems;
- cumulative impacts; and
- climate resilience.

A development should not be considered environmentally acceptable simply because the building footprint is relatively contained.

The environmental footprint of a data centre includes the resources required to operate it.

I am particularly concerned about the possibility that ordinary Tasmanians could ultimately carry costs associated with major new loads.

If significant investment in electricity generation, transmission, distribution, water infrastructure or roads is required to service a private data-centre development, the proponent should make an appropriate contribution.

The principle should be simple: Tasmanian households and existing businesses should not be expected to subsidise infrastructure required primarily to support large private technology

I support the Committee's consideration of mechanisms to ensure the Tasmanian community receives tangible benefits.

For major facilities, this could include legally enforceable commitments relating to:

- local employment;
- apprenticeships;
- education and technology programs;
- local procurement;
- renewable energy investment;
- water infrastructure;
- community infrastructure; and
- direct contributions to affected communities.

These commitments should be measurable and enforceable rather than simply promises made during the approval process.

I respectfully suggest that the Committee consider

Amending Tasmania's planning legislation to specifically recognise AI and large-scale data centres as a distinct form of development.

Creating mandatory State-level assessment thresholds based on electricity demand, water consumption and other resource impacts.

Designating large-scale AI and data centres as a class of development capable of being declared a Project of State Significance.

Preventing major facilities from being assessed solely through ordinary local council planning processes where their impacts are State-wide.

Requiring cumulative impact assessments where multiple data centres are proposed within the same region or connected to the same infrastructure.

Establishing a public data-centre transparency register covering energy, water,

employment and infrastructure use.

Requiring proponents to demonstrate a net economic and community benefit to Tasmania.

Requiring appropriate infrastructure contributions from proponents, so existing Tasmanian households and businesses are not left carrying disproportionate costs.

Requiring enforceable employment and training commitments for major facilities.

Requiring comprehensive environmental assessment, including water, energy, land, biodiversity, waste, backup generation and cumulative impacts.

Providing local councils with specialist State resources and expertise when assessing data-centre developments, rather than expecting councils to carry the technical and financial burden themselves.

A billion-dollar facility does not automatically mean a billion dollars of benefit to Tasmania. What matters is the lasting return to our communities, our economy and our environment.

Our electricity, water, land and infrastructure are valuable public resources.

Before Tasmania commits those resources to large-scale AI infrastructure, we need legislation that answers three basic questions:

What will it consume?

What will Tasmania receive in return?

And who pays for the infrastructure required to support it?

Tasmania has an opportunity to get this right before the industry expands further.

We should not wait until councils and communities are confronted with multiple large-scale facilities before establishing the rules.

The planning system needs to catch up with the technology.

For major AI and data-centre developments, the impacts are no longer simply local planning matters.

They are matters of State significance.