



Standing Committee on Government Administration into the Construction and Operation of AI data centres in Tasmania.

Introduction

The Tasmanian Branch of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia (CEPU Tasmania) welcomes the opportunity to provide input to the *Standing Committee on Government Administration into the Construction and Operation of AI data centres in Tasmania*.

The CEPU Tasmania is the principal union for workers in the communications, electrotechnology, and plumbing industries across Tasmania. Our members build, operate and maintain the power plants that provide energy to Tasmanian homes and industries, and maintain the industrial plants that employ Tasmanians across the island.

Our members are and will be employed in the construction and operation of data centres, in the construction of renewable energy generation and storage assets that power these centres, and the poles and wires that connect data centres to the grid. Our members are also employed in maintaining and operating large industrial facilities in Tasmania.

Attracting data centres to Australia represents a huge opportunity to bolster the Tasmanian economy and provide good quality jobs for the community. However, it is crucial we get the right balance. The Tasmanian government must get the settings right to ensure that data centres can operate alongside our existing industrial users, by training up new generations of tradespeople and investing in sufficient new generation to meet their energy demand.

The CEPU Tasmania's position is clear: data centres that invest in Tasmanian energy and skills are welcome here – ones that drive up power prices, take drinking water and lock young people out of jobs are not. Data centres cannot displace the existing heavy industries that have provided generations of Tasmanians with jobs – policy settings must be designed to protect old industries even while Tasmania attracts new industries to its shores.

In overseas jurisdictions that have led on data centre development, the unfettered rollout of data centres has led to significant social pushback, grid instability (including instances of total grid failure), and increased power prices. In many of these jurisdictions, from Ireland to various US states, governments have responded to these issues by putting in place moratoriums on further data centre development until risks could be addressed.

Australia – including Tasmania - has the opportunity to learn from these jurisdictions, to design in protective mechanisms from the outset.

Significantly, these mechanisms cannot be delivered by one level of government alone, and the CEPU Tasmania looks forward to working with the Tasmanian and federal governments to build a data centre industry that delivers long-term prosperity for Tasmania and Australia more broadly.

Finally, we note that the Tasmania government is currently consulting on their expectations



for data centres in Tasmania. The CEPU Tasmania will be making a submission to that inquiry and invite this Committee to review our submissions to that inquiry when submitted.

Federal government engagement

Nationally, the Electrical Trades Union (ETU) has been engaging with state, territory and federal governments on the implementation of expectations and mandatory requirements for data centres. The ETU engaged on the development of the federal government's *Expectations of data centres and AI infrastructure developers* (Expectations),¹ and has continued to engage all levels of government and the data centre industry on how to operationalise the Principles and Expectations through robust regulatory frameworks.

We welcomed the Federal Government's creation of the Office of AI and its commitment to legislating their *Expectations*. We call on the Tasmanian government to engage constructively in the development of these standards and establish legislated minimum standards for data centres to prevent a race to the bottom.

The ETU and CEPU Tasmania welcome the Federal Government's announcement of an Office of AI, and the plans to legislate their Expectations by developing and implementing data centre standards in consultation with states and territories.

Recommendation: the Tasmanian government must engage constructively with the federal government in the development of the Standards and their implementation through state legislation, regulation and investment.

Data centres and the Grid

Data centres are a significant new source of energy demand. In 2025, Oxford Economics was commissioned by AEMO to model data centre load projections.² They forecast that data centre consumption would grow at an average annual rate of 25.1% from 2% of the NEM in FY25 to 6% (12TWh) in 2030 and 12% (34.5 TWh) in 2050. This is consistent with modelling by Baringa for Data Centres Australia. In NSW alone, 22 data centres with approvals or applications are projected to consume 25,719 GWh/year - more than double the electricity of all greater metropolitan Sydney households.

Additionally, individual data centres are getting larger: the proposed 1.2 GW Mamre Road Data Centre in Sydney is set to be one of the largest data centres in the world (and 25% larger than the Tomago aluminium smelter).

The CEFC estimates that if data centre loads increased total demand on the NEM by 1.2GW by 2034 (consistent with industry figures) *without* adding additional renewable energy generation, this would see:

- 26% increase in the NSW wholesale electricity price
- 23% increase in the Vic wholesale electricity price³

These price rises would largely be driven by increasing reliance on gas peakers to meet evening peak demand, reversing the decreases to energy prices that have resulted from the accelerating rollout of batteries on the grid.

¹ Australian Government (2026), [Expectations of data centres and AI infrastructure developers](#).

² Oxford Economics (2025), [Data Centre Energy Demand](#)

³ CEFC (2025), [Getting the balance right: data centre growth and the energy transition](#)



These price rises do not take into account the additional network infrastructure (transmission and distribution) required to connect these new demand loads and their corresponding generation.

However, as the Clean Energy Investor Group (CEIG) and the Clean Energy Council (CEC) argue, data centres may also provide a pathway to FID for the gigawatts of wind projects in the pipeline that cannot sign sufficient PPAs of suitable duration to secure the financing required to proceed to construction.

Bring your own, new renewable energy

The CEPU Tasmania supports the federal government's proposal that data centres will provide their own, new renewable energy equivalent to the total demand projected in their connection request.

This is similar the approach that Ireland adopted after lifting its moratorium: applicants must demonstrate their connection will bring at least 80% new renewable generation. With more natural potential to build renewable energy generation, we argue that Australia should go further and adopt a threshold of 100% or more of demand. Critically, the government must ensure that data centres contract new renewable energy, not sign PPAs for renewable energy that would have been built anyway, thereby providing no net increase in renewable supply on the grid.

This is critically important to ensure that data centres do not displace existing large energy users in Tasmania and instead add to the overall jobs profile and industrial growth of Tasmania.

Recommendation: Data centre operators must be required to provide their own, new renewable energy equivalent to the total demand projected in their connection request. The CEPU Tasmania encourages the Tasmanian government to work closely with the federal government to develop robust standards that require data centres to bring their own, renewable energy to match demand.

The role for Hydro Tasmania

It has been reported that a factor in the collapse of the deal for Liberty Bell Bay was the price of power offered to the company. Anecdotal, data centres are able to pay higher prices for power than heavy industry facilities, whilst remaining commercially viable.

Hydro Tasmania is a Government Business Enterprise (GBE). We note that the Government Business Enterprises Act 1995 provides for Ministerial Direction to perform a community service obligation. Specifically:

65 (1) The Portfolio Minister and Treasurer, jointly, may give a direction to a Government Business Enterprise to perform, provide or allow a function, service or concession that they are satisfied would not be performed, provided or allowed if the Government Business Enterprise were a business in the private sector acting in accordance with sound commercial practice.

The CEPU Tasmania calls on the Tasmanian government to consider using these powers to



ensure that Hydro Tasmania can enter into energy contracts with large industrial users at a price that allows them to remain internationally cost competitive, even if these prices are lower than that offered by data centres. These decisions should take into account the significant contributions that these facilities make to Tasmanian workers and communities.

Pay for connection costs

The ETU supports AEMC requirements that data centres pay for their share of network costs, to ensure that the costs associated with network augmentation to enable data centres are not passed onto consumers.

A data centre workforce for the future

The construction of data centres and associated renewable energy infrastructure are one large electrical project. They require a highly qualified electrotechnology workforce that includes licensed electricians, high-voltage technicians and specialist post-trade roles. And they need these workers on a scale that significantly surpasses all other projects.

Currently, data centres employ approximately 800 – 1000 electricians at the peak of construction. **This demand will exacerbate the persistent, structural shortages of electrotechnology trades in every State and Territory across the country.**⁴ In 2023, JSA's *Clean Energy Generation* report finds that Australia will require an additional 42,500 electricians by the end of the decade, growing to nearly 100,000 extra electrical workers by 2050 to meet the Australia's energy transition requirements. **This figure did not include the data centre build or housing targets. PSO estimates will add a further 13,280 and 17,300 electricians respectively.**⁵ (We note that none of the modelling includes Tasmanian specific figures).

If data centres are not required to contribute to training new electrical apprentices, they will critically threaten the delivery of key government priorities – most acutely housing.

However, with the right policy settings in place, data centres represent one of the strongest opportunities to address trades shortages across the entire economy. No other worksites offer the same scale of opportunities to train new electrical apprentices. These sites are some of the cleanest, safest sites for new apprentices, and they are located close to existing concentrations of training infrastructure.

Data centres must be required to train new apprentices

Data centres must open doors for young and re-skilling Australians to train for skilled, rewarding electrical careers, not just siphon existing skills away from important national priorities like housing and energy transition.

Data centres must work with training organisations, government and unions to provide high-quality apprenticeships, traineeships and other accredited training that address critical workforce shortages in key occupations across construction, maintenance, operations phases and digital infrastructure roles.

To ensure that data centres are contributing to training up the future workforce, the

⁴ JSA (2023), [Skills Priority List September 2023 – Historical](#).

⁵ PSO (2026), [Electrician Workforce Capacity Study](#)



Tasmanian government should require data centres to employ a minimum 1 apprentice for every 5 tradespeople, including on connected renewable energy projects. This ratio should include targeted requirements for apprentices in their first and second year, to mitigate against data centres poaching more experienced apprentices SMEs.

Where data centre operators can demonstrate that they are unable to hire enough apprentices to meet the ratio, they should be required to pay into state training funds at a set amount per apprentice below the government ratio. The training funds would be invested in increasing training capacity, including through investing in industry-led registered training organisations (RTOs) and supporting workers to become VET teachers.

Recommendation: The Tasmanian government should require apprentices to make up 20% of the trades' workforce in the development phase of data centres, including on connected renewable energy projects, with ongoing opportunities for apprentices in operations phases.

Recommendation: Data centre operators who are unable to hire enough apprentices to meet the ratio should be required to pay into a training fund at a set amount per apprentice. These funds should be earmarked to fund new training capacity and support workers to become VET teachers.

The role of industry-led group training organisations

Apprentice ratios could be met through direct employment or the use of industry-led Group Training Organisations (GTOs). GTOs enable the transfer of apprentices between host employers, providing continuity of on-the-job training across the entire length of an apprenticeship, even when project length is substantially shorter than the length of an apprenticeship.

Industry-led GTOs typically achieve higher apprentice completion rates than direct employment,⁶ particularly for women and other underrepresented cohorts in the electrical trades.⁷

Where existing industry-led GTOs do not exist, the development of locally available industry-led GTOs should be a key priority for government as part of developing training market capacity.

Recommendation: State and federal governments should invest in establishing and growing industry-led group training organisations, to provide apprentices to large data centre projects. Where data centres agree to host apprentices over and above the required apprentice ratio these apprentices should be part subsidised by government.

State and federal governments must invest in increased training capacity

Materially increasing the number of apprentices employed by data centres will require a commensurate increase in the number of training places available to complete the relevant qualifications.

⁶ NCVER (2026), [Completion rates for group training organisations and direct employers: how do they compare?](#)

⁷ Per Capita (2024), [Charged Up: Strategies for Addressing the Skill Shortage in Electrical Trades for the Clean Energy Transition](#); First Nations Clean Energy Network (2024), [Powering First Nations Jobs in Clean Energy](#)



Communications Electrical Plumbing Union COMMIT ENGAGE PREPARE UNITE

If Tasmania wants to host data centres, they must work with the federal government to invest in new training capacity to meet this increased demand. This increased investment must include industry-led RTOs, which have significantly higher than average completion rates, to ensure the most productive use of government funds.

The recent announcement by the Victorian government to establish the SEC Apprenticeship Academy is a model for this type of investment. The Academy will offer 2000 electrical trades apprenticeships over the next four years, addressing clear market failures in the private training market.⁸ Apprentices will be directly employed by the SEC, and potentially hosted out to other employers – including data centre developers.

Recommendation: Federal and state governments must invest in growing the training of the Vocational Education and Training sector, including TAFEs and industry-led RTOs.

⁸ Premier of Victoria (2026), [SEC Will Hire 2,000 Apprentices to Secure Our Future](#), May 23.