Digital Infrastructure
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STRATEGY & FRAMEWORK PAPER

Tasmania & the Data Centre Opportunity

A development and assessment framework for sustainable, beneficial growth of data centre and AI infrastructure

A strategic overview tying together the planning, public-benefit, modelling and community tools

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Audience: State Government, local councils, networks and industry

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About this paper

This is a strategy and framework paper, not a statutory instrument or a project proposal. It sets out how Tasmania can capture the opportunity of data centre and AI infrastructure while managing its impacts and building lasting public benefit — and how a connected set of practical tools supports that aim. It is offered as a contribution to the broader conversation about the future of the industry and how national and international good practice can be applied in a Tasmanian context.

The toolkit this paper frames

Data Centre Planning & Assessment Guide (Tasmania) — for assessing development applications.

AI Public Benefit Agreement (AIPBA) — a model for securing tangible community benefit.

Planning & Sustainability Tool — interactive modelling of design choices, ISO/IEC 30134 metrics, NABERS, SDGs, compliance and risk.

Community materials — plain-English explainers on the issues communities raise (energy, water, noise, heat, electromagnetic fields, traffic and more) that support social licence.

Executive summary

The moment. Data centre and AI infrastructure is one of the largest waves of industrial investment of the decade. Australia attracted around $10 billion of data-centre investment in 2024 and announced pipelines that could exceed $100 billion, and the Australian Government's National AI Plan sets out an ambition to capture the opportunity while ensuring the benefits are shared. Tasmania is unusually well placed to compete — a predominantly renewable grid, a cool climate ideal for efficient cooling, available industrial land, water, and international connectivity.

The challenge. These facilities draw heavily on shared resources — power, water, land and network capacity — yet employ relatively few people once operational, and they raise impacts (energy prices, water, noise, heat, electromagnetic fields, visual amenity) that are unfamiliar to many assessors and concerning to communities. Handled case-by-case, this produces inconsistent decisions, protracted negotiation and fragile social licence. Handled with a clear framework, it produces confident decisions, fairer outcomes and durable community support.

The approach. This paper proposes a coordinated, Tasmanian-specific framework with four connected parts: a planning and assessment guide; a public-benefit mechanism; an interactive sustainability and compliance tool; and community-engagement materials. Together they let the State, councils and industry pursue growth that is environmentally and socially sustainable, aligned with national policy, and genuinely beneficial to Tasmanians.

The recommendation. Adopt the framework as a shared reference; apply it consistently to data centre proposals above a defined scale; pilot the public-benefit mechanism; and build local assessment capability — positioning Tasmania as a leading, trusted destination for sustainable AI infrastructure.

1. The opportunity and the moment

1.1 A global build-out

Demand for computing and artificial intelligence is driving an unprecedented expansion of data centre infrastructure. Investment is flowing to jurisdictions that can offer reliable clean energy, land, water, connectivity and a stable, transparent operating environment. The scale is significant: a single large AI campus can draw the power of a small town and represent billions of dollars of capital.

1.2 Tasmania's natural advantages

Few places are as naturally suited to sustainable digital infrastructure as Tasmania:

- A predominantly hydro and wind electricity system — among the lowest-carbon grids in the country — which lowers operational emissions and supports credible renewable-supply claims.
- A cool temperate climate that enables free cooling, lowering energy use (PUE) and water use (WUE).
- Available industrial land and established precincts with separation from sensitive uses.
- Water resources and, with careful stewardship, scope for non-potable and circular water solutions.
- International connectivity and a strategic position, with major energy initiatives (interconnection and storage) strengthening the grid.

1.3 Aligned with national ambition

The National AI Plan frames three goals — capture the opportunities, spread the benefits, and keep Australians safe — and the Australian Government is developing national data-centre principles and

Expectations with the states and territories, signalling that proposals which align will be prioritised in Commonwealth processes. Tasmania has an opportunity to be an early, credible mover: to show how that national ambition is delivered on the ground.

2. The strategic challenge

Opportunity is not the same as benefit. Capturing genuine, lasting value — rather than simply hosting infrastructure — requires deliberate management of three tensions.

2.1 Capturing benefit, not just investment

Data centres are highly automated and lightly staffed once operational. Without a deliberate mechanism, the visible local return can feel thin relative to the resources consumed and the value generated elsewhere. The strategic question is how a host community secures an enduring, tangible share of the value — including a share of the facilities' own product, compute and AI capability.

2.2 Managing real impacts

Energy demand and prices, water use and disposal, continuous low-frequency noise, heat rejection and heat-island effects, electromagnetic fields, visual amenity and traffic are all legitimate matters that must be assessed rigorously and consistently. Done well, this protects communities and gives proponents certainty; done poorly, it erodes trust and invites conflict.

2.3 Building and keeping social licence

Community confidence is earned through transparency, good-faith engagement and demonstrable benefit — and it is easily lost to rumour and to impacts that feel imposed. A credible framework, plain-English community materials and binding, monitored commitments are what convert concern into support.

3. A coordinated framework

Rather than addressing each issue in isolation, the framework links four practical tools, each with a clear purpose and audience. Together they take a proposal from assessment, through benefit-capture, to community confidence — consistently and transparently.

Tool	What it does	Primary users
Planning & Assessment Guide	Consolidates the Tasmanian planning and environmental framework, international standards and best practice into a working reference for assessing data centre applications — energy, water, noise, heat, EMF, hazards, resilience and sustainability.	Council planners, environmental health officers, referral agencies
AI Public Benefit Agreement	A model framework to secure a fair, enduring share of a facility's cloud, compute and AI capability for government and community — calibrated to scale, secured and independently governed.	Councils, State Government, proponents
Planning & Sustainability Tool	An interactive model that turns design	Planners, proponents, assessors

	choices into ISO/IEC 30134 metrics, an indicative NABERS rating, UN SDG alignment, a compliance check and a risk assessment — to support pre-lodgement discussion and design optimisation.	
Community materials	Plain-English explainers and FAQs across the issues communities raise — energy, water, noise, heat, electromagnetic fields, traffic and more — that put the facts in context and support transparent engagement.	Communities, councillors, proponents

Designed to work together. The Guide defines what good looks like; the Tool measures it; the AIPBA captures the benefit; and the community materials explain it. The same principles, thresholds and evidence run through all four, so a proposal is assessed, improved and communicated against one coherent standard.

4. Applying it in a Tasmanian context

4.1 The statutory foundation

The framework is built on Tasmania's own instruments: the *Land Use Planning and Approvals Act 1993* and the *Tasmanian Planning Scheme* (State Planning Provisions and Local Provisions Schedules) for land use; the *Environmental Management and Pollution Control Act 1994* and EPA assessment for environmental effects; the Environment Protection Policy (Noise) for acoustic limits; and the network and water frameworks for grid and water servicing. Public-benefit commitments can be secured through a Part 5 agreement under LUPAA, tied to the permit.

4.2 A shared-responsibility model

Actor	Role in the framework
State Government	Set strategic direction and thresholds; coordinate with the Commonwealth on national principles; enable network and water servicing; consider a state-level public-benefit / digital-infrastructure trust.
Local councils	Apply the assessment guide consistently; secure proportionate public benefit; engage communities transparently.
Networks & utilities	Confirm capacity, allocate connection costs fairly, and protect affordability and grid stability for all users.
Industry / proponents	Meet the Expectations and the design targets; commit to additional renewables, water stewardship, skills and public benefit; engage in good faith.

4.3 Leveraging Tasmania's energy transition

Tasmania's renewable generation, interconnection and storage ambitions make it possible to grow digital infrastructure while strengthening — not straining — the energy system, provided new load is matched by

new, additional clean generation and the facilities contribute to grid stability and their fair share of network costs. Aligning data-centre growth with the State's energy strategy is the single greatest lever for sustainable, affordable expansion.

5. Principles for sustainable, beneficial growth

Six principles run through the framework and can guide any individual decision:

- Proportionate — obligations and benefits scale with the size and impact of the development.
- Additional — benefits and clean energy are over and above statutory obligations and normal commercial supply; not double-counted.
- Enduring — commitments run for the life of the facility, with review points, not one-off gestures.
- Transparent & accountable — independent governance, public reporting and measurable outcomes.
- Prudent & precautionary — design to recognised standards and, for emerging concerns such as electromagnetic fields, adopt prudent-avoidance design targets well inside regulatory limits.
- Locally beneficial — prioritise local capability, skills, research and under-served communities, consistent with national inclusion goals.

6. A roadmap for Tasmania

1. Adopt the framework and principles as a shared reference across State and local government.
2. Set scale thresholds, calibration bases and design targets (energy, water, noise, EMF, public benefit) with independent advice, benchmarked to national and international practice.
3. Embed the assessment guide and the sustainability tool in pre-lodgement and assessment processes, and build assessor capability.
4. Pilot the AI Public Benefit Agreement on a suitable proposal, and consider a state-level digital-infrastructure trust.
5. Coordinate with the Commonwealth so aligned proposals benefit from streamlined pathways under the national data-centre principles.
6. Report publicly on outcomes — investment, jobs, energy, water, public benefit — and refine the framework over time.

7. Conclusion

Tasmania can be more than a host for digital infrastructure; it can be a model for how to do it well — capturing investment, strengthening the clean-energy transition, sharing the benefits of AI, and keeping the confidence of its communities. The tools exist and the national settings are aligning. What is needed now is a clear, consistent framework, applied with transparency and ambition. This paper, and the toolkit it frames, is offered as a practical contribution to that goal.

Appendix — the toolkit at a glance

Document / tool	Purpose
Data Centre Planning & Assessment Guide (Tasmania)	Working reference for assessing development applications.
AI Public Benefit Agreement — Proposal & Model Framework	Secures tangible community benefit; includes model clauses.
AI Public Benefit Agreement — decision deck	Briefing for elected members and decision-makers.
Planning & Assessment overview deck	Overview of the assessment approach for planners.
Data Centre Planning & Sustainability Tool	Models metrics, ratings, compliance and risk from design inputs.
Community explainer series	Plain-English explainers and FAQs on the issues communities raise — energy, water, noise, heat, electromagnetic fields, traffic and more — supporting social licence.

Note on status and advice: this paper and the toolkit are strategic and interpretive aids, not statutory instruments or legal, financial or planning advice. Thresholds, figures and drafting should be settled with qualified advice and verified against the instruments in force. The position reflects June 2026.