



COMMUNITY INFORMATION SHEET

AI factories explained

What an “AI factory” is, and how it differs from a traditional data centre

What is an AI factory?

“AI factory” is the industry term for a large data centre built specifically to train and run artificial intelligence at scale. The idea is that, just as a factory turns raw materials into products, these facilities turn electricity and data into “intelligence” — the outputs of AI models.

How they differ from traditional data centres

Feature	Traditional data centre	AI factory
Main job	Hosting websites, apps, storage	Training & running AI models
Power density	Lower per rack	Very high — packed with GPUs
Cooling	Often air-cooled	Frequently liquid-cooled
Scale	MW to tens of MW	Tens to hundreds of MW

Why the distinction matters

Because AI factories are so power-dense, they concentrate the energy, heat and cooling demands described in this series. That makes good siting, an efficient and additional energy supply, sensible cooling and water choices, and genuine community benefit especially important — and is why a clear assessment framework matters.

Want to know more? Your local council, the EPA Tasmania and ARPANSA publish further information. This sheet is general information, not medical, legal or planning advice; figures are indicative and a specific proposal is confirmed by qualified assessment.