



An Australian Government Initiative



NSW & ACT

Department of the Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

9 October 2026

Re: Regional Development Australia (RDA) NSW & ACT Network submission to *Getting it right: Building AI infrastructure that works for Australia* Consultation Paper.

About the RDA NSW & ACT Network

Regional Development Australia (RDA) is a Commonwealth initiative delivered through a national network of committees. The RDA NSW & ACT Network comprises 13 regionally based RDA organisations across New South Wales and the Australian Capital Territory. Member RDAs work with government, industry and communities and contribute local intelligence on regional infrastructure, workforce, industry and community conditions.

Executive summary

The RDA NSW & ACT Network supports investment in AI infrastructure in Australia, including AI training facilities in suitable regional locations. Because AI training is less dependent on proximity to users than cloud and inference services, it opens a real opportunity for regions across New South Wales and the ACT.

That opportunity is conditional. A regional site needs the full infrastructure bundle the consultation paper describes, land, firm energy, water and high-capacity telecommunications, and a workforce to build and run the facility. Where those resources are limited or shared with established industries, a single large facility can have significant effects on a regional economy, creating new investment and infrastructure opportunities while also increasing competition for energy, water, labour and land.

For regions, the central question is not how much AI infrastructure Australia attracts. It is **where facilities locate, how their combined impacts are assessed and whether the investment leaves enduring benefit in the communities that host it.**

The RDA NSW & ACT Network supports mandatory national minimum requirements for large data centres and AI training infrastructure that preserve state and territory responsibility for planning and approvals. It recommends that these standards:

1. **Recognise regional differences** in infrastructure capacity, natural resources, labour markets, land use and economic conditions.

2. **Assess cumulative impacts** through a regional impact test where large proposals draw on the same water systems, electricity and telecommunications networks, labour markets or transport infrastructure.
3. **Support strategic identification of suitable locations** based on energy, water, telecommunications, workforce, land use and regional development priorities.
4. **Require identifiable and enduring regional benefits**, including a transparent minimum benefit-sharing framework for large facilities, supported by early community engagement and appropriate capability support for host councils and communities, rather than assuming capital investment alone will deliver them.
5. **Ensure workforce commitments expand skills capacity**, rather than increasing competition for workers already in shortage.
6. **Protect regional water security and existing productive industries** through transparent, place-based assessment.
7. **Create pathways for regional businesses, training providers and researchers to participate in the wider AI economy**, beyond construction activity.
8. **Require proponents to fund or provide the infrastructure capacity their projects require**, including appropriate energy, water, telecommunications and waste-management infrastructure, so costs, risks or reduced service levels are not shifted onto existing communities, industries or utilities. Where shared infrastructure is the most efficient solution, proponents should make an appropriate contribution to its development or augmentation.

1. A place-based national framework

National standards should set consistent principles, not uniform outcomes.

Nationally consistent minimum standards will give governments, communities and proponents greater certainty. They should also allow assessment to respond to regional conditions, which differ markedly in water availability, electricity network capacity, telecommunications, workforce supply, agricultural production, industrial land and housing demand.

Regional land is not unconstrained because it sits outside a capital city. In many regions, land, water, energy and skilled labour already support nationally important industries, including agriculture, energy, manufacturing, mining, defence and construction.

Inside and outside Renewable Energy Zones

Regions inside and outside Renewable Energy Zones (REZs) start from different positions. National settings should recognise this.

- Inside REZs, coordinated transmission planning, government focus and established community benefit arrangements can give prospective data centres a stronger platform. Some renewable-energy projects can also drive telecommunications upgrades needed for their own operations.
- Outside REZs, some locations may face greater energy constraints and fewer opportunities for renewable-energy-driven telecommunications co-investment. Backhaul capacity can also be a pressure point in some regions.

REZ status should not be treated as a proxy for data-centre suitability. Some locations outside a REZ may have substantial existing transmission, generation or industrial infrastructure, while locations inside a REZ may still face constraints in water, telecommunications, workforce, land or connection capacity. Site assessment

should therefore be based on the actual infrastructure and resource capacity of the location rather than its REZ designation alone.

Local institutional capability can also differ markedly between regions. Councils that have dealt with successive large renewable-energy projects have had opportunities to develop policies, engagement processes and negotiating experience around cumulative impacts and community benefit-sharing. Others may encounter infrastructure of comparable scale without having previously needed to build that capability.

For example, councils within the South West Renewable Energy Zone, including Hay and Edward River, have developed specific renewable-energy position statements and community benefit frameworks. That experience provides a useful body of practice that should be transferable to prospective data-centre host communities. National settings should therefore support early guidance, access to specialist expertise and knowledge-sharing between councils before project parameters and commercial negotiations are substantially advanced.¹

The Northern Rivers provides a contrasting example. The approved Richmond Valley Solar Farm provides an opportunity to build further local experience in major-project engagement and community benefit-sharing. This reinforces the case for transferring established practice between regions rather than expecting each council and community to develop its own approach after a major proposal emerges.²

The regional opportunity in AI training

The Network supports investigating regional locations for AI training and other workloads that are not latency-sensitive, such as scientific simulation, bulk data processing and archival storage. This could strengthen onshore compute capability, reduce pressure on metropolitan networks and support regional industries such as agritech.

Suitable regional locations could also contribute to Australia's sovereign AI capability by broadening the geographic distribution of secure, onshore compute capacity and supporting Australian research and industry access to advanced AI infrastructure. Regional development should therefore be considered as part of the national capability equation, where locations can meet the necessary infrastructure, security and operational requirements.

Former industrial sites deserve particular attention. Some are developing as energy hubs with co-located battery storage and existing buffers from residential areas.

Emerging regional example – Ettamogah, Albury. In September 2026, AI infrastructure company Sharon AI confirmed it had acquired the former Visy paper mill at Ettamogah, north of Albury. The company has said it intends to return the underutilised brownfield site to productive operation and will undertake community consultation, although it has not yet disclosed a development proposal for the site. The acquisition illustrates the emerging commercial interest in regional brownfield industrial sites, while also reinforcing the need for infrastructure capacity, land-use suitability and community impacts to be assessed before conclusions are drawn about their suitability for data centre development.³

The RDA NSW & ACT Network operates across New South Wales and the Australian Capital Territory, within policy and regulatory frameworks spanning Commonwealth, state and territory governments. National minimum standards should therefore complement, rather than duplicate or conflict with jurisdiction-specific requirements. This is particularly important in border regions, where labour markets, supply chains and infrastructure systems – including electricity, water and telecommunications – can extend across administrative boundaries.

2. Cumulative impacts should be considered at the appropriate regional scale

A single data centre may have manageable requirements when assessed independently. Several developments drawing on the same water system, electricity and telecommunications network, transport corridor or labour market can create materially different combined impacts. So can a data centre built alongside renewable generation, transmission, mining or defence projects in the same region.

Assessment should therefore consider other approved or proposed developments, shared infrastructure capacity, workforce availability, future population and industry growth and competing demand for water and energy. The relevant area may extend beyond a single local government area, as these systems frequently cross council boundaries.

The RDA NSW & ACT Network recommends that cumulative impact requirements apply where multiple data centres, regardless of ownership, draw on the same regional energy, water, telecommunications, transport or labour systems. The proposed 150MW cumulative threshold should therefore capture combined regional demand, not only the portfolio of a single proponent.

A regional impact test

The RDA NSW & ACT Network recommends a regional impact test be established for large data centre proposals. States and territories could apply it within their planning systems or through an independent body, working with councils, communities and other agencies such as the RDA NSW & ACT Network. The test should assess cumulative effects on:

- water supply and wastewater systems
- electricity networks and firming
- telecommunications backhaul
- housing and construction workforce accommodation
- regional workforce availability
- roads and transport
- emergency services
- potential air quality, noise and local health or amenity impacts associated with routine testing and emergency operation of backup generation and other operational equipment, including cumulative effects where several facilities are located within the same precinct or locality
- other approved or proposed major projects.

The AI infrastructure standards could require this test as part of the approval process and specify the minimum matters it must address, leaving administration to states and territories. This is consistent with the Commonwealth's intention to complement, not duplicate, existing approvals.

Visible pipelines and credible demand

Communities, councils and utilities need to understand the pipeline of proposed large facilities alongside other major infrastructure so they can plan for combined demand.

Electricity connection pipelines can include speculative capacity requests from projects that may not ultimately proceed. Regional infrastructure should be sized to credible demand and delivered on time, as both oversized and late infrastructure impose costs on regions.

Resource-demand assumptions should also be regularly tested against current technology and project design, as requirements for energy, water, workforce and land can change as data-centre technologies and operating models evolve.

3. Responses to selected consultation questions

Water security

Question 1

What aspects of water use should data centres transparently and publicly report?

Reporting should enable communities, governments, utilities and existing water users to understand both project-level and cumulative demand, including:

- annual, maximum and peak water demand
- potable, non-potable and recycled-water sources
- seasonal variation and drought resilience
- water-efficiency measures
- infrastructure requirements and expected demand as facilities scale
- cumulative impacts on the relevant water system or catchment.

The consultation paper acknowledges that national water consumption figures may obscure significant local impacts where facilities are concentrated within one supply system or catchment. This distinction is particularly important in regional Australia.

Regional example – Albury. Albury’s drinking-water supply is sourced from the Murray River downstream of Lake Hume. Any future large data-centre proposal in the Albury area should therefore make clear whether recycled water or new treatment infrastructure would provide genuinely additional capacity and what other uses that water or infrastructure could otherwise support.⁵

Regional example – Northern Rivers. Parts of the Northern Rivers are already undertaking long-term water-supply planning in response to population growth and climate pressures. Rous County Council’s Future Water Project 2060 is intended to secure and diversify supply for Ballina, Byron, Lismore and Richmond Valley. Any large data-centre proposal drawing on these systems should therefore be assessed against forecast regional demand and planned supply diversification.⁶

Question 2

Should data centres be required to demonstrate that proposed water use will not adversely affect local water security, drought resilience, environmental water requirements, or existing water users as part of a plan outlining their compliance?

Yes. This is an essential part of the proposed AI Infrastructure national standards. At a minimum, data centre development should not reduce the availability or reliability of water for existing communities, industries, agriculture or environmental requirements.

Assessment should occur at the scale of the relevant water system or catchment. The consultation paper identifies the risk to irrigated agriculture in the Murray–Darling Basin, and similar competition arises wherever water supports agriculture, industry and growing towns.

Relevant considerations include existing water users (including agriculture), future population growth, other industrial development, environmental water requirements, drought conditions and restrictions, peak demand, cumulative development and the availability and timing of alternative water infrastructure.

In water-constrained or highly contested systems, assessment should also consider community confidence and perceived fairness. A lawful entitlement or technically available supply does not, by itself, resolve concerns about introducing a substantial new industrial water user where agriculture, towns, environmental requirements and other industries already compete for a finite resource. Proponents should clearly explain the source, volume, reliability and opportunity cost of their water use, how demand would be managed during drought or other periods of constraint and why the proposal would not disadvantage existing communities or productive industries.

Where a proposal relies on future recycled water or another alternative source, the plan should establish its feasibility, funding and delivery timeframe. Facilities should also show how they will reduce water use during drought, in line with restrictions applying to the wider community.

Assessment should also consider the resilience of both the facility and the relevant water system to extreme weather and other supply disruptions, including drought, flood-related impacts and changing climatic conditions where relevant to the location.

Beyond avoiding adverse impacts, governments should encourage proposals that can demonstrably increase regional infrastructure capacity. For water, this could include proponent-funded recycled-water, treatment, storage or water-efficiency infrastructure that leaves the relevant supply system with greater usable or more reliable capacity after accounting for the facility's own demand. Similar additionality could be considered for energy and telecommunications infrastructure. Any claimed net-positive benefit should be independently demonstrated and should be additional to the infrastructure and mitigation required to service the development itself.

Technical assessment of water availability, environmental flows and system capacity should remain with water authorities and specialist regulators. The AI Infrastructure national standards should establish that local water security, existing productive uses and community confidence in the fair allocation of water are primary considerations in siting and approval decisions.

Costs and cumulative community impacts

Question 3

Aside from infrastructure and network augmentation costs attributable to their energy and water demand, are there other significant potential costs from data centre activity, and how might accountability be provided for managing these?

The principle of imposing no net costs on consumers and communities should extend beyond direct electricity and water connection costs. Depending on location and scale, other costs may include:

- **Roads and transport:** construction traffic and heavy vehicle movements on regional roads.
- **Housing:** accommodation pressure from construction workforces in small markets.
- **Emergency services:** new fire, battery storage and hazardous materials risks that regional services must be trained and equipped to manage.
- **Air quality and noise:** potential impacts from routine testing and emergency operation of diesel, gas or other backup generation, particularly where several facilities are concentrated within the same area.
- **Telecommunications:** backhaul capacity absorbed by a single user.

- **Skilled labour:** competition that raises costs or delays other projects.
- **Local government capability and transaction costs:** major proposals can require substantial council resources for technical assessment, legal and planning advice, infrastructure coordination, community engagement and negotiation, particularly where a council has limited experience with infrastructure of this scale.
- **Stranded infrastructure:** councils and utilities left with oversized infrastructure if an operator relocates, consolidates or changes technology.
- **Opportunity costs:** scarce network or water capacity absorbed in ways that restrict other development.
- **Cross-boundary impacts:** effects felt in neighbouring local government areas rather than the host area.

Where these costs are material, national settings should allow for proponents to contribute to reasonable independent technical and engagement capability for host councils and communities. Funding arrangements should preserve the independence of advice, with councils or an appropriate independent body controlling the appointment and scope of advisers rather than the proponent. This should complement, not duplicate, existing planning fees, infrastructure charges or cost-recovery arrangements.

Lower-emissions backup fuels. Where liquid-fuel backup generation remains necessary, proponents should assess technically compatible lower-emissions alternatives, including renewable diesel and other sustainable biofuels. Assessment should consider lifecycle greenhouse-gas emissions, local air-pollutant performance, feedstock sustainability and provenance, recognised certification, supply availability, equipment compatibility and competing priority uses. Where verified lower-emissions fuels can be sourced or produced regionally, long-term offtake agreements may also provide an opportunity to support regional supply chains. Any claimed environmental or regional benefit should be demonstrated rather than assumed.

These impacts should be assessed on evidence, not presumed, including cumulative impacts that are not apparent when projects are assessed individually (see Section 2).

National AI infrastructure standards should clearly allocate responsibility for infrastructure or mitigation attributable to development. Where proponents make commitments, these should be transparent and capable of being monitored.

Engage meaningfully with local communities and councils

Question 4

What does best practice community engagement look like for data centres, including with nearby businesses?

Best practice engagement begins early enough to influence significant project decisions. Engagement that starts after location, scale and principal infrastructure requirements are settled limits what communities and regional stakeholders can contribute and causes friction and misunderstanding.

Timing is particularly important where data-centre investment decisions and development pathways move quickly. In those circumstances, engagement with host councils and communities should begin before key parameters – including scale, energy and water requirements, infrastructure needs and proposed regional benefits – are effectively settled. Otherwise, consultation risks becoming an exercise in explaining a largely formed investment decision rather than allowing the host community to influence it.

The affected community should extend beyond immediately adjoining landholders. Depending on location and scale, it may include:

- local councils and neighbouring communities
- nearby businesses, industries and agricultural producers
- Traditional Owners and First Nations organisations
- utilities and infrastructure providers
- education, training and regional economic development organisations.

Consultation information should be clear about anticipated energy and water requirements, construction impacts, workforce needs, infrastructure requirements and expected regional benefits.

Regions hosting several major projects face repeated, proponent-by-proponent consultation. Engagement coordinated across the regional pipeline would reduce consultation fatigue and let communities plan benefits across projects.

Engagement should continue beyond approval where proponents have made commitments on employment, local procurement, training, infrastructure or community benefit.

Question 5

How can communities and industry work together to ensure data centres deliver lasting community benefits? How can upfront commitments be reflected in state and territory planning processes or community engagement?

Capital investment and construction employment are not, by themselves, measures of enduring community benefit. Benefits should be specific, measurable and publicly reported, with assessment distinguishing short-term project activity from longer-term regional outcomes. These may include the quality and durability of employment, skills transfer, regional procurement and SME participation, apprenticeships and traineeships, partnerships with TAFE, universities and training providers, infrastructure improvements with wider community benefit and opportunities for complementary industries.

Infrastructure required to enable a development, or expenditure necessary to mitigate impacts attributable to it, should not automatically be treated as community benefit-sharing. A clear distinction should be maintained between:

- infrastructure and expenditure necessary for the development to operate
- mitigation of impacts attributable to the development
- additional benefits provided to the host community because it is accommodating major infrastructure.

A project may fund upgrades to water, electricity, roads or telecommunications that also create wider public value. That wider utility should be recognised, but it should not automatically be treated as an adequate substitute for long-term community benefit-sharing. Benefit arrangements should also reflect community priorities and deliver visible, additional and enduring value to the host region.

Where these benefits form part of the case for a development, commitments should be specific enough to be monitored.

Learning from renewable energy. Renewable energy offers tested models, including REZ access arrangements that require proponent contributions, published benefit-sharing guidance and agreements negotiated by leading developers. Adapting these for data centres would avoid building new arrangements from scratch. The best proponents listen first and then respond to what communities need.

Capability transfer. The renewable-energy experience also demonstrates the value of building the capability of host councils and communities before major-project negotiations are substantially advanced. Governments should support practical guidance, model principles, knowledge-sharing between councils and access to

independent specialist advice so that communities facing their first very large data-centre proposal are not required to develop negotiating and benefit-sharing frameworks from scratch.

The RDA NSW & ACT Network is well placed to support this transfer of practice, drawing on member RDAs' place-based experience working with councils, communities and industry through renewable-energy and other major infrastructure investment. Member RDAs can help identify local capability gaps, share lessons between regions and support early engagement as new proposals emerge.

Minimum community benefit contribution. Governments should consider establishing a transparent minimum community benefit contribution for large data centres, drawing on benefit-sharing models already used for renewable energy development. A contribution linked to facility capacity could provide communities and proponents with greater certainty and consistency, while allowing additional benefits to be negotiated in response to local circumstances. The appropriate metric and rate should be developed specifically for data centres, reflecting their scale, resource demands, operating life and regional impacts rather than simply transferring renewable-energy contribution rates.

Rewarding additional regional benefit. Mandatory standards should establish the minimum expected of all large data centres, but governments should also consider proportionate ways to recognise projects that demonstrably exceed those requirements. This could include projects that create additional shared infrastructure capacity, materially improve resource efficiency or deliver verified regional workforce, innovation or supply-chain benefits beyond those required to mitigate their own impacts. Any incentive should be transparent, evidence-based and contingent on additional public benefit rather than ordinary compliance.

Reflecting commitments in planning processes. Upfront commitments should:

- be informed by, and respond to, the findings of any regional impact test applied to the proposal, including identified cumulative impacts on infrastructure, resources, workforce and surrounding communities
- be secured through the appropriate mechanism – including planning conditions or other statutory instruments where the commitment relates to impact mitigation or a planning obligation, and transparent community benefit agreements where it relates to additional benefit-sharing – so commitments can be monitored, with commitments and progress publicly reported at regular intervals
- be maintained, or replaced with an equivalent, if a proponent's technology or plans change after approval
- be linked to staged connection milestones where relevant.

Shared infrastructure and circular economy.

- Plan shared infrastructure early so that multiple major users can co-invest in infrastructure that serves the wider precinct or region, rather than duplicating facilities project by project. For example, in NSW's Parkes Special Activation Precinct, coordinated sequencing could allow several proponents to co-invest in upgraded recycled-water infrastructure that serves multiple users.⁴
- Test, rather than assume, whether infrastructure built for a data centre can serve surrounding businesses and communities.

Integrated resource planning. For large facilities, the compliance plans proposed under the national standards should bring energy, water and other resource requirements together rather than address them in isolation. Plans should set out energy and water efficiency measures, renewable electricity and firming arrangements, demand flexibility, water reuse, lower-emissions backup power and opportunities for waste heat recovery where technically and commercially feasible. Performance should be transparently reported

over the operating life of the facility and plans updated where material changes in technology, operating conditions or regional infrastructure affect resource use.

Lifecycle and circular-economy planning. Large data centre proposals should identify how major equipment – including servers, batteries, cooling systems and electrical infrastructure – will be managed through replacement and end of life. Planning should consider expected replacement cycles and material volumes, opportunities for repair, refurbishment and reuse, access to appropriately certified recycling and materials-recovery capacity, and lawful management of hazardous or regulated waste. Where the scale and location of a precinct create substantial recurring freight movements, site planning should also consider opportunities for consolidated logistics and, where operationally justified, rail or intermodal connections.

Question 6

How should competing land uses be managed and prioritised, for example where land is also suitable for housing or agriculture?

Data centre siting should form part of broader strategic land-use and economic planning, considering agricultural productivity, industrial and housing needs, environmental values, existing industries and the availability of water, energy and supporting infrastructure.

Competition can also be indirect. A data centre may not physically displace other development but may compete for scarce electricity capacity, water, construction workers or supporting infrastructure.

The question is therefore not only whether suitable land is available, but whether a proposal is an appropriate use of finite regional resources alongside existing industries and longer-term regional development priorities.

National AI infrastructure standards should be established and support consideration of these trade-offs without prescribing uniform land-use outcomes across very different regions.

Sensitive-site separation. National AI infrastructure standards should establish a risk-based principle that large data centres and associated infrastructure are appropriately separated from residential areas and other sensitive land uses. A single national setback distance is unlikely to reflect the substantial differences between facilities and locations. States and territories should establish evidence-based planning controls that take account of facility scale, continuous and tonal noise, generator testing and air emissions, heat rejection, lighting and visual impacts, fire and hazardous-material risks, cumulative development and the potential for future expansion. Where reduced separation is proposed, site-specific modelling, mitigation and enforceable operating controls should demonstrate that sensitive uses receive an equivalent level of protection. Strategic planning should also seek to avoid future residential or other sensitive development encroaching on established major facilities.

Question 7

Should states and territories work with energy, water and telecommunications companies to proactively identify sites for data centres that could support future builds away from populated areas? What efforts are already underway?

Yes. States and territories should work with energy, water and telecommunications providers to identify suitable sites, assessed against the full infrastructure bundle: firm electricity supply and transmission capacity, water availability and source, resilient high-capacity telecommunications, transport access, workforce and housing capacity, competing land uses, proximity to existing industry and regional development priorities.

Proximity to renewable generation alone does not make a site suitable. The most effective approach plans whole regions, considering generation, storage and large loads together, and builds infrastructure able to serve several users rather than duplicating it project by project.

The RDA NSW & ACT Network and councils should be part of this work, testing whether a candidate site fits a region's industry base, workforce and long-term development priorities.

Site identification should also consider whether AI infrastructure could reinforce existing or emerging regional industry and research strengths. Candidate locations should be assessed for relevant industry clusters, research and training capability, skills pipelines and credible demand for AI and compute services. Productive regional use of AI infrastructure should be a positive factor in site selection, alongside – and not in place of – infrastructure capacity, environmental suitability and community impacts.

Site identification should also identify any host-council or community capability gaps early, so appropriate guidance and specialist support can be put in place before major-project negotiations are substantially advanced.

A NSW regional example – the Hunter. Former industrial sites may offer advantages for data centre development where they already have suitable land-use settings, energy infrastructure and buffers from residential areas. During the NSW Legislative Council Public Accountability and Works Committee's Inquiry into Data Centres, live proposals at Muswellbrook and Kurri Kurri were raised as examples of former industrial sites being considered for new uses. The RDA NSW & ACT Network noted that co-location with battery energy storage and existing industrial infrastructure could make such sites attractive, provided the broader infrastructure and regional impacts are also suitable.⁴

Question 8

Should data centre proponents be required to explore options with government and industry to uplift community telecommunications connectivity alongside their own investment?

The RDA NSW & ACT Network considers this should be explored where technically and commercially feasible. In regional locations, the high-capacity, resilient telecommunications a large data centre requires may create an opportunity to address wider connectivity constraints affecting businesses and communities.

Dedicated data centre infrastructure may not always be suitable or accessible for community use. The RDA NSW & ACT Network therefore supports early engagement between proponents, telecommunications providers and governments on shared infrastructure, complementary upgrades or co-investment.

Where wider telecommunications benefits form part of the rationale for a project, they should be clearly defined rather than assumed.

RDA NSW & ACT Network evidence to the NSW Legislative Council Inquiry into Data Centres identified telecommunications backhaul as a potential constraint, particularly outside REZs, while noting that renewable energy projects within REZs may already be driving upgrades.⁴

Workforce and skills

Question 9

How should data centre operators be required to provide skills and training opportunities, including for under-represented cohorts in skilled workforces, during construction and into ongoing operation?

Major data centre developments should expand workforce capacity rather than rely predominantly on existing pools of skilled labour.

The consultation paper identifies electricians, engineers, heating, ventilation and air conditioning (HVAC) technicians, cyber security specialists and ICT specialists among occupations expected to have increased demand. It also acknowledges the risk of drawing labour from housing, energy, telecommunications and defence.

This is particularly relevant in regional labour markets where specialist workforces are already limited. Workforce commitments could include:

- apprenticeships, traineeships and graduate pathways
- partnerships with regional TAFE, universities and registered training organisations
- retraining and upskilling programs
- targeted pathways for under-represented cohorts and investment in additional training capacity where needed.

Requirements should be flexible enough to reflect different regional labour markets. The objective is that major investment adds to Australia's skills base rather than redistributing scarce workers between major projects and established industries.

Question 10

What broader workforce development obligations should apply to data centre operators during ongoing operations?

Obligations should continue for the life of the facility.

Operations typically require a smaller, more specialised workforce than construction, so workforce development should extend beyond jobs within the data centre itself. Partnerships with regional universities, TAFE and industry can build enduring technical and digital capability that supports both data-centre operations and other regional employers.

Ongoing obligations could include annual public reporting against workforce commitments, continuing training partnerships, graduate and technical career pathways, professional development and regional science, technology, engineering and mathematics (STEM) and digital skills programs.

Skills in electrical and plumbing trades, cyber security, HVAC, digital operations and critical infrastructure management also support defence, advanced manufacturing and clean technology. Obligations should build this shared regional capability, not skills tied to one employer.

Regional innovation and participation in the AI economy

Question 11

What contributions would add the greatest value to Australia's future industries and research and innovation system?

The greatest value will come from connecting regional businesses, researchers and training providers to AI capability, not only from where facilities are built. Construction and infrastructure spending matter, but do not ensure regions take part in the higher-value activity AI enables. Valuable contributions include:

- access to compute for regional start-ups, SMEs, researchers and training providers, with technical support to use it
- regional SME participation in AI and digital supply chains
- locally based research and engineering staff
- partnerships with regional universities, TAFE and research organisations
- industry-led research and commercialisation
- AI adoption across established regional industries.
- regional AI adoption and literacy programs that help SMEs, regional industries and communities develop the capability to make productive use of AI infrastructure and services.

Regional strengths in agriculture, resources, manufacturing, health, logistics and energy offer real-world problems where AI can lift productivity, as do emerging sectors such as agritech, defence analytics and space technology.

- Any compute access mechanism, such as a compute reservation scheme, should include regional institutions and businesses and support their capability to use it.

Where governments provide material public support for a project – for example through publicly funded enabling infrastructure, land or concessional finance – benefit arrangements should consider transparent pathways for regional businesses, universities, TAFE providers and research organisations to access compute or associated AI capability where technically and commercially feasible. Access should be accompanied by the technical capability and partnerships needed to translate compute into productivity, innovation and commercial activity.

- Indicators of contribution should count regional partnerships and regional users, not only national totals.
- Where AI training locates in a region, it should connect to the local economy and anchor new regional industries, not operate as an isolated enclave of global infrastructure.

Conclusion

The RDA NSW & ACT Network recognises the significant opportunity that investment in data centres and AI infrastructure presents.

Australia will gain the greatest long-term benefit where AI infrastructure is strategically located and adequately supported, cumulative impacts are managed and investment builds workforce capability, delivers enduring community benefit and connects regional businesses and institutions to the wider AI economy.

Host councils and communities should also have sufficient time, information and capability to participate effectively in decision-making and negotiate enduring regional benefits before key project parameters and commercial arrangements are substantially settled.

Because these impacts and opportunities are inherently place-based, a successful national AI infrastructure framework should combine consistency of principle with the flexibility to respond to regional circumstances. This will help ensure AI infrastructure investment supports both Australia's national digital capability and resilient, productive regions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pillay', with a stylized flourish at the end.

Chair
RDA NSW & ACT Committee

References

1. Hay Shire Council, "South West Renewable Energy Zone", 2026; Edward River Council, "Edward River Council Renewable Energy Position Statements and Community Benefits Framework", 2025–26.
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5. AlburyCity, "Albury's water cycle", 2026.
6. Rous County Council, "Future Water Project 2060", 2026.