

Public Interest Principles for Data Centres

JOINT STATEMENT

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Executive Summary

Introduction

Data centres have the potential to unlock significant new infrastructure investment and direct jobs in construction and operation, but without proper planning and regulation, they risk significant impacts on the electricity grid, local communities, workers, and on nature, water and climate. Australia has already attracted significant investment for the digital economy and data centres may become an important part of Australia's industrial and infrastructure landscape if these opportunities are realised.

Data centres are also energy hungry. The Australian Energy Market Operator (AEMO) projects that data centre demand could grow from around 3 terawatt-hours (3 TWh) today to as much as 30 TWh by 2035. Concurrently, Australia is racing to replace fossil fuels with clean energy – and use that clean energy to power burgeoning green export industries. Without effective planning, the surge in demand risks pushing up retail power prices, significantly increasing climate pollution, slowing the transition to renewables, the realisation of a Future Made in Australia, and straining electricity grids and scarce water resources.

If communities and civil society are not adequately engaged, a backlash against the sector is inevitable. We have a once in a generation opportunity to shape this industry so that it supports cheap, clean power, stronger regional economies, secure essential services and employment opportunities, rather than undermining them.

About This Statement

This joint statement has been developed by a coalition of climate and environmental groups, unions, peak bodies and the renewable energy industry. The principles that follow are designed to guide policy makers to capitalise on these opportunities while protecting people, nature, water and the power system we all rely on. This statement does not reflect any of the signatories' positions on artificial intelligence (AI) use or regulation – which are important conversations, but sit outside the scope of the Government's National Data Centre Principles – while recognising perceived AI demand is a key driver of data centre growth and must be managed consistently with Australia's climate, water, and energy goals.

Public Interest Principles for Data Centres

The following principles are grounded in existing policy levers, research, and on-the-ground experience, recognising the diversity and importance of the issues outlined below. There is a clear need for a whole of government approach to the management of data centres. Policy and decision makers must manage the rapid rise of data centres and what they mean for planning, energy, water, jobs and communities.

To ensure the maximum public benefit with the lowest amount of public harm all new data centre developments must:



Be powered by 100% additional renewable energy



Strengthen grid stability



Be appropriately sited to minimise impacts on nature and land use



Minimise embodied emissions and maximise efficiency and circularity



Use water resources responsibly



Operate with transparency



Commit to earning and delivering ongoing social licence



Support the training and upskilling of the workforce

Public Interest Principles for Data Centres

Principle 1 — Powered 100% by Additional Renewable Energy



New data centres will significantly increase electricity demand. It is critical that data centres provide their own additional zero emissions energy supply. Data centres must expand Australia's renewable energy supply by adding to our renewable energy capacity rather than relying on certificates or offtakes from existing projects. Every new facility should be matched with additional renewable generation (pre-final investment), or curtailed generation equivalent to at least 100% of its electricity demand (MWh) from the day facilities open.

Principle 2 — Strengthen Grid Stability



New data centres must provide demand response, deploy storage, and meet grid-support requirements through connection and planning processes, while bringing new renewables onto the grid; this includes firming capacity, controllable load, and participation in demand response and contingency services. Incentives should steer siting to relieve network congestion and lower system costs. Data centre benefits and impacts should be considered in AEMO's system planning (including for residents of renewable energy zones), regional and bioregional planning frameworks. Where data centre growth drives the need for new transmission, firming or network augmentation, those costs should not be socialised onto households and small businesses.

Principle 3 — Site it Right – Nature and Land Use Impacts



Data centres should follow smart siting principles applied to other major infrastructure: avoiding high-value biodiversity areas, prioritising already-cleared or industrial land, and using robust spatial mapping to minimise environmental conflict. Siting decisions should consider water availability, First Nations interests, biodiversity values, and cumulative regional impacts, not energy resources alone.

Principle 4 – Embodied Emissions, Efficiency & Circularity



Data centres should meet best-practice standards for energy efficiency, water use, cooling, and heat reuse, while addressing embodied emissions across construction and equipment lifecycles. Benchmarks include NABERS and Green Building Council of Australia 5-6 star ratings, which set minimum performance expectations for PUE (≤ 1.4) and WUE (≤ 0.3 L/kWh), fossil-free energy, and building materials. Circular-economy principles should be embedded from the outset, including responsible procurement, reuse and recycling of IT equipment, and clear end-of-life management plans to minimise waste and toxic impacts.

Principle 5 — Be Responsible Water Users



Highly water efficient cooling systems are viable and should be implemented. Where potable water resources are stressed or likely to become stressed, data centres must use closed-loop systems or alternative technology for cooling (e.g. dielectric liquid to chip). In other places, a water use hierarchy and water efficiency standard should be used that prioritises non-potable water for cooling. Water-use projections must be disclosed at the planning stage. Water availability and impacts should be assessed through coordinated independent regulatory processes to avoid fragmented or conflicting approvals. Locationality tests should be considered to avoid locating in water poor regions or at-risk riverine or groundwater ecosystems.

Principle 6 — Be Transparent



Data centres 1 MW and over should be subject to a national minimum reporting standard to a public database, including hourly energy mix, water use, annual emissions, cooling methods, heat dispersal, and waste streams at a facility level. Reporting frameworks should enable differentiation between AI-intensive and non-AI workloads, given their markedly different energy, water and emissions profiles. This transparency is essential for community trust, system planning and genuine accountability

Principle 7 - Commit to Earning and Delivering Ongoing Social Licence



Public acceptance of data centre development will depend on whether projects deliver clear and demonstrable social and community benefits. Data Centre proponents must earn and maintain social licence through early and meaningful community engagement and genuine commitments to local benefits-sharing to ensure that projects are creating benefits for workers, communities, First Nations people, and nature. Governments have a central role in setting and enforcing expectations for data centre developers to earn social licence.

Existing policy frameworks, such as the eligibility and merit criteria embedded in the Capacity Investment Scheme (CIS) and the forthcoming Future Made in Australia Community Benefit Principle rules, provide tested mechanisms to support important social outcomes, including First Nations self-determination, alignment with Free, Prior, Informed Consent (FPIC), and benefit-sharing. Similar approaches should be applied to data centre development to ensure that fast-tracked approvals are conditional on binding and measurable social licence commitments, with social outcomes embedded into planning, approval and the operation of data centres, and clear avenues for accountability.

Principle 8 — Train and Upskill the Workforce



Data centres must contribute to training the future workforce. 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. Government and industry should work together to coordinate a stable pipeline of projects to avoid ‘valleys of death’ and provide continuity of employment across multiple projects to provide durable prosperity beyond the peaks and troughs of the construction cycle, including into the operational period.

Our organisations stand ready to work with governments, policy makers, and industry to ensure that all new data centre developments in Australia serve the public interest.

Signed,

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