Green Building Council Australia

Building a sustainable future

9 October 2026

Office of Artificial Intelligence
Department of Prime Minister and Cabinet
Australian Government

Via online submission: https://www.pmc.gov.au/news/have-your-say-future-ai-training-and-infrastructure-australia

Dear Office of Artificial Intelligence

RE: The future of AI training and infrastructure in Australia

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide feedback on the future of artificial intelligence (AI) training and large data centres in Australia and inform future decision making and advice to government.

GBCA commends the Australian Government for consulting on this topic and the policy direction outlined in the consultation document which builds on the Expectations of data centres and AI infrastructure developers released by the Department of Industry, Science and Resources in March. We note that GBCA also provided a submission to the Parliamentary inquiry into artificial intelligence and data centres in June.

Data centres are central part of the digital economy and a growing opportunity for Australia's economy. They are a rapidly growing piece of the built environment (including associated infrastructure requirements), competing for space, labour and resources such as energy and water.

Given this, there is a clear case for considering the regulatory approach to data centres, to manage potential impacts on resources, infrastructure, the community and the environment, as well as carbon emissions – both upfront and operational.

This submission responds to selected questions posed in the consultation paper and advances three key propositions:

1. Data centres should support the clean energy transition, with growth in data centre capacity accompanied by new renewable energy generation that enhances Australia's progress towards net zero.
2. Data centres should be subject to robust, transparent and nationally consistent sustainability standards, including clear, relevant metrics for energy, water, embodied carbon, refrigerants and operational performance.
3. Data centres should deliver long-term social and economic benefits to communities, while appropriately managing impacts on infrastructure, nature and local amenity.

There is currently no sector-specific best practice framework for sustainable data centre design, construction and operation in Australia, and international frameworks fall short as they don't fully reflect Australian conditions, climate, grid, or regulatory context. GBCA has established the Sustainable Data Centres Program and a Working Group with members representing developers, financiers,

operators, consultants and material suppliers. The Working Group is exploring what industry-su criteria could look like and the role it could play to ensure the delivery of more sustainable data centres. The Working Group is currently drafting an Issues Paper which seeks to align the Working Group's priorities with existing and evolving national and state guidance and requirements, as well as focusing on current gaps in existing guidance such as embodied carbon, materials, and circularity.

GBCA supports the development and implementation of nationally consistent mandatory standards for large data centres. The mandatory standards proposed in the consultation paper represent a strong foundation to build from. We have provided information in this submission to support the proposed requirements as well as information on issues that should also be considered within the scope of this consultation, such as embodied carbon and refrigerants.

We commend the Australian Government on this consultation process and the work it has undertaken so far. We also note the Energy and Climate Change Ministerial Council's commitment for jurisdictions to work together to develop a set of national standards for data centres.[1] Encouraging national harmonisation and consistency in the approach to regulating and approving data centres will be critical.

We urge the Department of Prime Minister and Cabinet, and other departments supporting the development of Australia's AI Standards, to engage directly and deeply with GBCA and the industry leaders already working towards achieving more sustainable outcomes for data centres in Australia.

About the GBCA
GBCA's purpose is to lead the sustainable transformation of the built environment. We do this primarily through our core functions:

- We advocate policies and programs that support our vision and purpose.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system - Green Star.
- We educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- We collaborate with our members and other stakeholders to achieve our mission and strategic objectives.

Please find detailed responses to selected questions from the consultation paper at Attachment A. We note that GBCA provides its comments from the perspective of data centres as buildings. They draw power, water and materials at industrial scale, sit within communities and have impacts that extend well beyond their walls. Given the unprecedented rapid growth and potential of this asset type, we must be careful to ensure that data centres address the full range of issues the rest of the built environment already responds to, as well as anything additional or beyond what we expect for more standard development on this scale.

[1] ECMC Communique 11 September 2026. https://www.energy.gov.au/energy-and-climate-change-ministerial-council/meetings-and-communiques

GBCA welcomes the opportunity for further, targeted consultation. The Sustainable Data Centres Issues Paper will be launched on 17 November, and we would be pleased to arrange a briefing before or after this date to share this in more detail. To arrange a meeting, or for any additional information or clarification of the points made above, please do not hesitate to contact Corwin Wallens, Policy Manager, via email at corwin.wallens@gbca.org.au

Yours sincerely



Davina Rooney
Chief Executive
Green Building Council of Australia

Attachment A

GBCA response to consultation questions provided in Getting it right: Building AI infrastructure that works for Australia: Consultation Paper - September 2026

What can Australia learn from other jurisdictions that regulate large data centres, particularly in designing obligations that are proportionate to potential community impacts while maintaining incentives for investment?

GBCA is a founding member of the Green Data Centres Coalition a global initiative to set clear, credible standards for sustainable data centre development worldwide. The coalition's initial programme of work will focus on two priorities:

- Common sustainability criteria: Developing an internationally aligned framework of environmental and social performance standards for data centres, covering energy, carbon, water, waste, biodiversity and community impact.
- Market enablement: Supporting the development of credible green finance instruments — including green bonds and sustainability linked loans — for data centre investment that meets the coalition's standards.

GBCA welcomes the opportunity to brief the Australian Government on the work of this coalition alongside the work we are leading in Australia.

Other jurisdictions are already moving from encouraging good practice to making it a condition of growth. Great Britain's energy regulator, Ofgem, has replaced first-come-first-served grid connections with readiness gating, so projects without land and planning progress lose their place in the queue. Ireland's Commission for Regulation of Utilities requires new data centres to bring on-site generation or storage matched to their demand. Singapore's second Data Centre Call for Application (December 2025) only allocates capacity to projects that commit to Green Mark Platinum certification, a design PUE of 1.25 or lower, IT equipment meeting SS 715:2025 and at least half their power from green sources. In the United States, Texas Senate Bill 6 (2025) requires new loads above 75 MW to disclose backup generation and accept curtailment during emergencies, with compensation, and Virginia legislated load flexibility for customers above 25 MW in 2026. Canada's Responsible Data Centre Development Principles (September 2026) put community and Indigenous benefit first.

Energy use and renewable energy requirements

The Australia Government intends to create an obligation for data centres subject to the AI standards to match their energy demand with new renewable electricity capacity. GBCA supports this goal as an important component of meeting climate commitments as well as contributing to energy capacity.

A data centre's electricity use accounts for most of its operational carbon. At the scale at which data centres operate, procurement of renewable energy is the only option. How renewable energy is procured and installed is important, especially if government's aim is to boost new generation and enhance the grid.

How could obligations be phased in to account for the time needed to build data centres and new renewable projects?

For a large modern data centre, the total timeline is typically three to six years from initial planning to full operation[2]. Renewable generation can be slightly shorter or longer with indicative timeframes of two to five years for solar, four to eight years for wind farms[3], and transmission lines could be two to five years. Data centres can take time to move to a full capacity power draw. On this basis, any phase-in (where data centre demand is not yet matched to renewables) should be limited to the very short term. New South Wales data centre requirements include a four-year phrase in where contracted renewable energy supply must equal the data centre's annual average energy demand.

Policies to speed up approval for renewable generation and transmission should also be prioritised. This could include policies that encourage planning generation ahead of demand, so it can be triggered if/when energy demand increases.

How should 'new' renewable capacity be defined in relation to data centre investments?

The central issue is whether the purchase of a generation certificate drives the development of new generation capacity beyond that already expected under the current net zero transition pathway.

This concept is hard to turn into an operational policy given the uncertainty on whether a project is within the transition pathway or additional. One approach could be to require a long-term offtake is signed before a renewable generation project reaches financial close, as this will help underwrite it. A minimum would be to require eligible certificates to be from new generation completed within a set timeframe of the data centre.

GBCA recommends that a renewable energy claim is tested against three things: ownership of the renewable attributes, additionality, and timing. Additional means new generation that would not otherwise have been built. Australian operators are showing what this can look like. In April 2026 AWS signed nine Australian power purchase agreements totalling 430 MW, eight of which include co-located batteries.

At what capacity threshold should an obligation to retire or surrender renewable energy certificates apply?

In Australia, there is no minimum building size or electricity demand threshold that triggers a requirement to purchase renewable energy certificates. However, for conventional commercial buildings pursuing the Climate Positive Pathway under GBCA's Green Star Buildings rating tool, achieving the required emissions outcomes will often necessitate procuring renewable electricity equivalent to most, if not all, of the building's operational electricity consumption. On this basis, if the intent is for data centres to be sustainable then there should either be no threshold, or a very low-capacity threshold equivalent to the power use of an average commercial building should be used.

Should the information on REGO certificates be used to time-match electricity use in certain periods? If so, what should these periods be?

Hourly matching is where a facility is running on carbon-free power at the time it is running. Every hour of consumption is met by generation in the same hour, on the same grid.

Hourly matching is not yet verifiable in Australia, but the pieces exist. GBCA made the case for buildings matching their demand to renewable supply in From Net Zero to Zero: A Discussion Paper on Grid-Interactive Efficient Buildings (2023).

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[2] Data Center Construction Timeline: Phases, Duration & Delays | Broadstaff

[3] How long does it take to develop a wind farm? - WestWind Energy

Time matching has been successful in a trial that matched renewable generation to commercial consumption hour by hour. This is done using granular certificates based on the EnergyTag standard. It's modelling found that 90 to 95 per cent hourly matching carries a modest cost premium.

This approach has been trialled in Australia through RACE for 2030's 24/7 TRUZERO project, led by UNSW with Enosi, AGL and Mirvac. NABERS has also reported a Renewable Energy Indicator on every Energy rating since 2023, and its November 2025 consultation flagged time-of-use factors, giving the framework a ready path to time-matched reporting.

Time matching will be required if data centres are to be sustainable and drive renewable investment, this investment can also help limit the upward pressure that data centre demand could place on electricity prices. The rapid growth of data centre development and investment provides an opportunity for government investment in developing the infrastructure required for time matching and grid-interactive buildings which can deliver a range of benefits for other building asset types, the electricity grid, energy resilience and user costs.

Microsoft's Amsterdam data centre matches its metered consumption hour by hour against Eneco's Dutch offshore wind under a power purchase agreement[4]. Microsoft's Swedish region has run on Vattenfall's (State energy company) hourly-matched supply since 2021[5].

What incentives or obligations would encourage data centres to invest in on-site generation, batteries or other flexible demand measures, to minimise energy usage during peak pricing?

The Australian Government should avoid encouraging on-site fossil power generation. When data centres use their diesel generators it is poor for both the climate and the air quality of the surrounding area, this is an even greater concern when the data centre is located near people. There is no complete replacement option for the diesel generators yet, this means policies encouraging innovation, future phase out, and designing in flexibility for fast adoption of alternatives (such as batteries, hydrogen) should be encouraged.

Alternatives to diesel backup already exist, but are very limited in Australia. Google replaced a diesel generator at its Saint-Ghislain data centre in Belgium with a 2.75 MW / 5.5 MWh battery that also supports the Belgian grid. Microsoft has replaced diesel generators at a Swedish data centre with a 16 MWh battery system that provides black-start services, and its Dublin site uses grid-interactive batteries to provide frequency response to the grid operator. AWS has run its European backup generators on hydrotreated vegetable oil (HVO) since 2023, with feedstock traceability requirements.

Minimising energy usage during peak pricing should include encouraging time of use certificates. They can help, through economic incentives, data centres, generators and others to shift renewable power supply to peak times.

Where electricity is being purchased from a state-owned operator, what should the AER consider when assessing whether to modify a data centre's renewable electricity obligation?

On principle, it is not clear why state ownership of generation should alter a data centre's renewable electricity obligation. The additional electricity demand created by data centres will ultimately need to

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[4] Microsoft, Eneco and FlexiDAO – 24/7 Renewable Energy-Matching Partnership - EnergyTag

[5] Microsoft Azure blog, "Achieving 100 percent renewable energy with 24/7 monitoring in Microsoft Sweden" (2020); Vattenfall press releases on 24/7 Matching for Microsoft (2020) and Conapto (2021)

be supplied by renewable generation if Australia is to achieve its emissions reduction objectives. In considering whether any modification should be made on the basis of state ownership, relevant considerations include:

- The impact on national and state emissions reduction targets.
- The external costs of fossil fuel generation, including health, environmental and climate impacts.
- The rehabilitation and clean-up costs associated with any new fossil fuel generation or mining developments.
- The fiscal risks associated with maintaining or expanding public ownership of assets in an industry expected to face long-term structural decline.
- The opportunity cost of capital, including whether public funds would deliver greater long-term value if invested in renewable generation, storage or network infrastructure.
- The risk of creating inconsistent investment signals.

What unintended consequences or implementation challenges should the government consider in designing a renewable electricity framework for data centres?

The framework will need to address several implementation challenges:

- Project delivery and reliability risks: How compliance obligations will be met if renewable generation, storage or transmission projects are delayed, while avoiding increased reliance on diesel generators or other fossil-fuelled backup generation.
- Additionality: How to distinguish between renewable generation that is required to meet Australia's existing net zero pathway and renewable generation that is needed to support new data centre demand.
- Certificate market impacts: Significant growth in demand for renewable electricity certificates may increase certificate prices. While higher prices may help incentivise additional renewable investment, governments should consider whether complementary policies to support renewable generation, transmission and energy efficiency are needed to moderate costs.
- Technology lock-in: Requirements should be sufficiently flexible to accommodate future developments in renewable energy, storage, firming technologies, demand response and electricity market design.
- Regulatory durability and investment certainty: Given the scale and lifespan of data centre and energy infrastructure investments, the framework should provide early regulatory clarity and maintain stable policy settings over time. This will help avoid pressure to weaken sustainability requirements after capital has been committed, particularly where facilities have not been designed for efficient operation.
- Speculative demand. AEMO's 2026 Electricity Statement of Opportunities counts 225 data centre projects and 67 GW of demand in the connection queue, most of which will never be built. Without readiness tests, speculative applications can crowd out genuine projects and distort network planning.
- Gas lock-in. Firm gas is typically contracted over around 20 years to bridge a gap that is closer to five. Proposals such as Beetaloo Digital, with up to 2 GW of on-site gas generation near Darwin, and Project Ares show this risk is already emerging in Australia. GBCA recommends the framework avoids carve-outs that allow on-site gas to become the default.

What performance metrics or ratings would reflect an appropriate standard for energy usage and efficiency in data centres?

Energy efficiency is generally the lowest-cost and lowest-emissions means of reducing a building's environmental impact. The concept involves dividing useful output by the energy input.

Power Usage Effectiveness (PUE) has been the data centre sector's efficiency metric for fifteen years. It divides total facility power by IT power. The metric may not be suitable for understanding energy efficiency for policy purposes. The weakness of this metric is that it says nothing about the carbon in the electricity or whether the IT load is doing anything useful – a facility at 30 per cent utilisation with a good PUE is still wasting most of its embodied carbon. We note that WUE should be reported alongside PUE because water and energy performance are interdependent and, in some cases, PUE could be lowered through high water use (please see next section for further information about WUE).

Australia's real estate sector has a different mechanism for measuring operational energy performance; the National Australian Built Environment Rating Scheme (NABERS). In 2013, NABERS expanded its rating system to include data centres with NABERS Energy for Data Centres. A NABERS Energy rating assesses a building's performance with twelve months of metered energy data. It is expressed in stars up to six, and lapses after twelve months, so it has to be re-earned annually.

A NABERS rating can be awarded based on the boundary of control:

- Infrastructure includes the power and cooling needed for IT.
- IT Equipment covers the energy drawn by servers, storage and network gear.
- Whole Facility covers both, for operators that own and occupy their own site, or that cannot meter the two separately.

Australia's national standards should consider:

- explicit design ratings for data centres modelled on the NSW Data Centre Guidelines, but adapted for the relevant climates;
- a measured rating as a condition of connection or approval within two years of operation; and
- a public register of both PUE and the operating rating.

There is already a precedent for a mandatory rating. Since 1 July 2025, data centres hosting Commonwealth workloads must hold a 5-star NABERS Energy rating (roughly equivalent to a PUE of 1.4), enforced through the Digital Transformation Agency's Data Centre Panel. NSW environmental impact statements show design PUEs of 1.15 to 1.4, averaging 1.3, and NEXTDC's M1 was the first data centre to achieve a 5-star NABERS rating. GBCA recommends extending this requirement nationally, with a pathway to tighten it over time.

Sustainable water use

Should data centres be required to meet performance metrics or ratings for water usage and efficiency in data centres?

Water is emerging as a critical strategic planning and infrastructure consideration for data centre development in Australia. Data centres can have high water requirements associated with cooling systems. There are options such as closed-loop systems that use less water, and alternative technology for cooling. Water availability and impacts are very location dependent and could be regulated at a water catchment level. There is also an opportunity to investigate increased use of recycled water and ensure data centres contribute the capital required to expand water systems to accommodate increased demand.

The NABERS team has secured funding to develop a NABERS Water rating tool for data centres. It is essential that this work, along with the further refinement of the NABERS Energy for Data Centres tool, be supported to encourage uptake of this essential industry benchmark.

The European Union's Energy Efficiency Directive has required data centres over 500 kilowatts to report water usage effectiveness annually to a common public database since 2024. The obligation sits with the operator, applies the same template across all member states, and does not depend on a facility volunteering the figure.

If so, are existing metrics (for example, WUE ratings) fit for purpose, or would new or adjusted metrics be more appropriate (for example, by factoring water stress regions and water sources into WUE ratings)?

WUE should be reported alongside PUE because water and energy performance are interdependent. A lower WUE achieved through much higher energy use is not necessarily an improvement. The WUE should be stress-adjusted, reflecting water scarcity in the facility's local catchment rather than applying one absolute national benchmark.

Operators currently calculate WUE differently, and Australian disclosure remains voluntary and uneven. GBCA is advocating for a consistent national methodology to be developed and then used for mandatory annual WUE reporting.

Should a minimum NABERS data centre rating, based on WUE and agreed by states and territories, be required once a facility is operational?

Data centres should be required to obtain an independently measured operational water rating within two years of commencing operation, with the requirement applied consistently across states and territories. However, a minimum WUE-based NABERS rating should not be prescribed until NABERS has completed its data centre water methodology. The methodology should report WUE alongside PUE, adjust performance for catchment water stress, and distinguish potable from recycled water. Both the design commitment and the measured operational result should be publicly reported, with the rating renewed periodically.

Victoria has already set the first Australian benchmark, with design WUE limits of 1.0 or lower for potable water and 1.6 or lower for non-potable water, measured to ISO/IEC 30134-9:2022 and publicly reported. GBCA recommends a national minimum rating aligned with Victoria's approach. Net water-positive claims should be reported separately from the use of recycled water, so the two aren't conflated.

Should water-use thresholds trigger additional requirements? If so, what thresholds should apply, and should they align with the tiered approach outlined on page 8?

Water-use thresholds should trigger additional assessment and mitigation requirements. However, thresholds should not be based on raw consumption alone. They should consider stress-adjusted WUE, the proportion of potable water used, maximum and peak demand, drought exposure, cooling technology, catchment conditions, and cumulative precinct demand.

The scale of individual proposals justifies extra scrutiny. Sydney Water projects data centre demand of up to 250 ML a day by 2035, or 15 to 20 per cent of the city's supply. Forecasts vary partly because proponents apply for worst-case capacity. Contracts in colocation facilities also often default to the least demanding tenant's temperature settings, which locks in less water-efficient operation. Thresholds should trigger requirements to use recycled or non-potable sources and to justify design temperature ranges.

What aspects of water use should data centres transparently and publicly report? E.g. maximum and peak demand, potable and non-potable water sources, efficiency measures, drought resilience measures and impacts on local water systems.

Data centres should publicly report expected demand before approval and verified actual performance during operation. At a minimum, disclosure should include:

- expected annual, maximum and peak water demand, with worst case capacity clearly distinguished from credible operating demand
- actual annual water consumption and peak demand
- WUE reported alongside PUE and, when the methodology is available, stress-adjusted WUE
- potable, recycled and other non-potable sources separately
- drought resilience and water security measures, including recycled water availability and connection arrangements
- impacts on the relevant local catchment, drinking water and recycled water networks
- the facility's contribution to cumulative precinct or city demand and performance against approval commitments
- catchment replenishment, offsets or net water-positive measures separately from operational efficiency and recycled-water sourcing.

Should a nationally consistent hierarchy of water sources be adopted for data centres, prioritising non-potable/recycled water with potable water as last resort?

GBCA supports a nationally consistent hierarchy that first minimises water demand through efficient and, where suitable, closed-loop cooling; then prioritises recycled or other non-potable water where it can be supplied; and treats potable water as the least-preferred source, particularly in stressed catchments. The hierarchy should be applied flexibly because the appropriate cooling solution depends on climate, site conditions, technology and the associated energy and carbon trade-off.

Where recycled or non-potable water supplies are not reasonably available, what alternative approaches might be promoted to achieve equivalent water security outcomes?

Where recycled or non-potable water is not reasonably available, proponents should demonstrate equivalent water-security outcomes through a site-specific package of measures. Priority should be given to closed-loop or very low-water cooling, supported by a transparent assessment of the energy, water, carbon and drought trade-offs.

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

Data centre proponents should be required to demonstrate before approval that proposed water use will not adversely affect local water security, drought resilience, environmental values or the reliability and affordability of shared water services. The assessment should identify expected demand, source and cooling technology; test performance under local drought and catchment-stress scenarios; distinguish credible operating demand from maximum connection capacity; consider cumulative demand from existing and proposed facilities; and examine implications for drinking-water and recycled-water networks. Utilities and regulators should lead precinct- and city-scale assessment, because system-wide impacts cannot be resolved by individual proponents acting alone. Approval conditions should require ongoing monitoring, public reporting and corrective action where operational performance diverges materially from the approved case.

Community engagement and project locations

How should competing land uses be managed and prioritised?

Land use regulation has a central role in managing the externalities associated with data centres, which have distinct locational and infrastructure needs. The planning system can help identify and secure appropriate locations for data centre development, both proactively through strategic planning and reactively through assessment of individual proposals. This is important to ensure data centres are located where they can access power and communications infrastructure efficiently while minimising conflicts with surrounding land uses.

Land use controls can also be used to place conditions on development so that impacts such as noise, waste, visual intrusion and other amenity effects are managed. The planning framework can also encourage nature-positive outcomes and support the delivery of enabling infrastructure needed for sustainable operation. These tools allow governments to balance the economic benefits of data centres with the need to protect communities, the environment and the efficient functioning of surrounding urban areas. Enabling infrastructure for sustainable operation can include:

- Transmission and firming for renewable energy generation
- Batteries
- Recycled water
- DC power connections.

Victoria offers a practical model. Data centres are prohibited on residential land and must sit at least 150 m from homes. A 55 dB(A) night-time noise limit applies, with cumulative assessment. Data centres are excluded from Green Wedge land and allowed in rural zones only where serviced by critical infrastructure such as transmission or recycled water. Operators are also showing good practice voluntarily. Microsoft published an independent noise verification report for its Kemps Creek site, and Equinix's PA10 data centre supplies waste heat to the Paris 2024 Olympic Aquatics Centre, planned together from the start.

Impacts on infrastructure and community

GBCA supports the position that the Australian Government will seek to ensure no net costs are imposed on consumers and communities from the development of large data centres. GBCA agrees that while major data centre projects can support economic growth and digital capability, they can also create additional costs for the wider community if their increased demand for electricity, water, land, transport and supporting infrastructure is not proactively managed.

Strategic planning and infrastructure funding tools have an important role in ensuring that land and enabling infrastructure are available for data centre development in the right locations. Cities routinely allocate land in advance for different uses, and data centres should be treated in the same way. If they are not planned for explicitly, they can end up competing with housing and other industrial uses for scarce well-located land. This is particularly important in metropolitan areas, where zoning and planning systems should reserve suitable space for infrastructure uses such as data centres on metropolitan edges where access to land and major infrastructure corridors can be better aligned.

Strategic planning also intersects with energy system investment. Data centres could become anchor loads that help underwrite renewable generation within Renewable Energy Zones, but only where enabling infrastructure is delivered in step with demand. In practice, this means timelier investment in transmission, firming capacity such as battery storage, and streamlined connection processes so that renewable supply can keep pace with growth in electricity demand. The current wave of data centre

investment therefore presents a window of opportunity to address existing system weaknesses while supporting a more coordinated and resilient transition to a low-emissions energy system.

Developing workforce skills and training

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?

Local benefit is increasingly treated as a condition of development. In NSW, streamlined assessment pathways can require proponents to demonstrate commitments to local jobs, skills and community outcomes. Similarly, the Australian Government's expectations for AI infrastructure emphasise investment in Australian capability, workforce development and domestic supply chains. The appropriate level of local benefit is generally determined through project assessment processes rather than a fixed formula.
Victoria's Sustainable Data Centre Action Plan commits to a Local Investment Guarantee covering local jobs, skills, First Nations engagement, local procurement and local amenity. Canada's Responsible Data Centre Development Principles go further, treating Indigenous communities as rights holders whose priorities guide the benefits a project delivers. Microsoft's 18-month Connecting to Country process with the Dharug Nation at Kemps Creek shows how this can work in practice. Green Star Buildings rewards the same outcomes through its Inclusive Construction Practices and First Nations Inclusion credits.

In the Green Star Buildings rating tool, there is a specific 'Procurement and Workforce Inclusion' credit within the People category. This credit is intended to promote workforce participation and economic development for disadvantaged and under-represented groups during construction. Projects can earn points by:

- Implementing a social procurement strategy
- Directing at least 1% of total contract value towards generating employment opportunities for disadvantaged and under-represented groups
- Setting workforce targets and reporting outcomes
- Engaging social enterprises, First Nations businesses, disability enterprises, or other organisations that create employment opportunities.

Embodied carbon – an important consideration to add to the scope of consultation

Unlike many building such as offices, data centres are dominated by carbon-intensive mechanical and electrical equipment. Embodied carbon from these systems and repeated technology refresh cycles is a material sustainability issue that remains largely unregulated.

GBCA is working with industry to develop appropriate measures and requirements. We recommend that the Australian Government consult further on this issue and consider requirements to:

- measure and disclose embodied carbon at the design stage across the full life cycle
- report mechanical, electrical and plumbing systems separately, as they are a major source of embodied carbon
- specify low-carbon materials early in the design process, when emissions reductions are more cost-effective than later offsets
- use whole-of-life carbon accounting to capture emissions from ongoing technology replacement
- make Environmental Product Declarations and Product Environmental Profiles standard procurement requirements.

Refrigerants - an important consideration to add to the scope of consultation

Refrigerant losses from cooling systems are a source of Scope 1 greenhouse gas emissions for data centres. data centres rely heavily on cooling infrastructure, so refrigerant choice becomes an important sustainability consideration. Refrigerants should be considered at the design and procurement stage, rather than after cooling equipment has already been selected. GBCA supports moving toward refrigerants with lower Global Warming Potential (GWP) where technically feasible.

AirTrunk reported in its FY23 Sustainability Report that a review of low-GWP refrigerants had produced immediate changes to its refrigerant specification for water-cooled chiller procurement, alongside a commitment to net zero Scope 1 and Scope 2 emissions by 2030.

Australia's Kigali commitments require an 85 per cent reduction in HFCs by 2036, and data centre cooling should be part of that plan. Switchgear is another source. SF6 has a global warming potential of around 24,000, and the EU began phasing it out of new medium-voltage switchgear in 2026. GBCA recommends the framework requires low-GWP refrigerants and SF6-free switchgear in new facilities, and clear allocation of refrigerant emissions between colocation operators and their customers.

Policy should require disclosure of refrigerant type, refrigerant leakage rates and associated Scope 1 emissions, and encourage or require the use of low-GWP refrigerants in new data-centre cooling systems.