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Department of the Prime Minister and Cabinet

CANBERRA ACT 2600

Via online portal

Re: Getting it right: Building AI infrastructure that works for Australia

GrainGrowers welcomes the opportunity to provide feedback on the Australian Government's consultation paper, *Getting it right: Building AI infrastructure that works for Australia*. GrainGrowers is a national organisation, driven by its vision: "Thriving Australian growers in vibrant communities." Australian growers are at the heart of all that GrainGrowers does. Guided by grower insights and on-farm experience, GrainGrowers is delivering best practice, future-focused advocacy and development initiatives for the benefit of the grain industry and regional communities.

The development of AI infrastructure in Australia must occur in a manner that protects productive agricultural land, critical natural resources and the interests of regional communities. GrainGrowers recommends that the Australian Government:

1. **Require mandatory, standardised and publicly accessible facility-level reporting** of data centre energy use, energy efficiency and emissions on at least a quarterly basis.
2. **Require mandatory and transparent water reporting**, including total water consumption, water efficiency metrics, seasonal reporting and wastewater management outcomes.
3. **Recognise and assess social, economic and community impacts** alongside infrastructure and network costs, including impacts on agricultural production, community wellbeing, workforce availability and social licence.
4. **Establish a national enforceable code of conduct** for data centre developments and associated infrastructure, including minimum standards for consultation, transparency, dispute resolution, accountability and community benefit-sharing.
5. **Require the assessment of cumulative impacts**, recognising that data centres often drive associated renewable energy, transmission, telecommunications and other infrastructure development that may collectively affect agricultural regions.
6. **Prioritises existing industrial precincts, brownfield sites and land with limited agricultural value** for data centre development.
7. **Establish nationally consistent requirements for early and meaningful community engagement**, ensuring growers, landholders and regional communities are able to participate in decision-making before key project decisions are finalised.
8. **Address equity and power imbalances in development processes** by supporting access to independent technical, professional and legal advice for affected landholders and communities.

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9. **Ensure communities hosting AI infrastructure share in the benefits of development**, including through improved digital infrastructure, workforce development, agricultural research partnerships and opportunities for electrification.
10. **Require proponents to explore opportunities to improve regional telecommunications connectivity** alongside infrastructure investments associated with data centre development.
11. **Recognise productive agricultural land as a strategic national asset** and ensure long-term food and fibre production, agricultural productivity and food security are appropriately considered in planning and development decisions.
12. **Improve national land use mapping, monitoring and analytical capability** to support evidence-based decision-making and identify emerging cumulative land-use pressures.
13. **Increase transparency around significant agricultural land acquisition activity**, including consideration of disclosure requirements for large-scale options to purchase agricultural land and beneficial ownership arrangements.
14. **Ensure renewable electricity obligations include appropriate consideration of cumulative land-use impacts** arising from associated generation, storage and transmission infrastructure.
15. **Clarify how renewable electricity obligations, REGO arrangements and compliance mechanisms will operate in non-NEM jurisdictions** and how co-located generation and data centre developments will be assessed.

Yours sincerely,



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General Manager, Policy and Advocacy

Is a single threshold such as an energy capacity (MW) sufficient to identify the data centres that should be subject to the AI standards? If not, what additional thresholds (for example water use, compute [FLOPS], or electricity consumption [MWh]) should be considered?

GrainGrowers does not consider a single energy capacity threshold (MW) to be sufficient to identify which data centres should be subject to the AI standards.

While energy capacity is a useful indicator of the likely scale of electricity demand and associated infrastructure requirements, it does not adequately capture the potential impacts of a development on agricultural land, water resources or regional communities. The impacts of a data centre are influenced not only by its size, but also by its location and the availability of supporting infrastructure.

In addition to energy capacity thresholds, the government should consider:

- Location-based thresholds, including whether a development is proposed on land zoned for primary production or within a region of strategic agricultural importance
- Water use thresholds, particularly in regions where water resources are constrained or subject to competing demands
- Cumulative impact thresholds, recognising that a number of smaller facilities within the same region may collectively create significant demands for agricultural land, energy, water, telecommunications and supporting infrastructure
- Thresholds linked to the scale of associated enabling infrastructure, including generation, transmission and telecommunications assets required to support a development.

GrainGrowers is particularly concerned that a threshold based solely on energy capacity may fail to capture developments that have significant impacts on productive agricultural land. Regardless of energy demand, any data centre proposed on land zoned for primary production should be subject to enhanced transparency, community engagement and impact assessment requirements. Productive agricultural land is a strategic national asset, and developments proposed on such land warrant additional scrutiny irrespective of facility size.

Similarly, consideration should be given to incorporating water use thresholds into the framework. In some regions, water availability may be a more significant constraint than electricity supply, and relatively modest increases in water demand can have important implications for local communities, agricultural production and environmental values.

The government should also recognise that cumulative impacts may not be apparent when facilities are assessed individually. Several smaller data centres within the same district could collectively have substantial impacts on land use, infrastructure requirements, water resources and community capacity, while remaining below a MW-based threshold individually. The framework should therefore include mechanisms to consider cumulative regional impacts in addition to the characteristics of individual facilities.

This approach would better align the standards with the real-world impacts of data centre development and ensure that developments with significant implications for agricultural regions, natural resources or local communities are not excluded solely because they fall below a particular energy capacity threshold.

At what point in development processes should mandatory requirements apply for large data centres?

GrainGrowers supports the application of mandatory requirements to projects already in the development pipeline where they have not yet reached operational status or connected to the electricity network. Many of the framework's objectives, including community engagement, transparency, and accountability, are most effective when implemented before development pathways become fixed. Applying the standards only to future projects risks undermining their effectiveness by excluding projects that may have some of the largest impacts on regional communities and agricultural land. An appropriate transition period should be provided to allow proponents to comply, while ensuring that key expectations are established before major infrastructure decisions are locked in.

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

GrainGrowers notes that the consultation paper proposes a renewable electricity obligation intended to ensure that growth in data centre electricity demand is accompanied by the development of new renewable generation capacity. Careful consideration should be given to how "new" renewable capacity is defined and how compliance mechanisms influence the location of associated infrastructure development.

From a grain grower perspective, the location of generation, storage and transmission assets is not a secondary consideration. The renewable electricity obligation has the potential to influence where significant new infrastructure is developed and therefore where associated land-use pressures occur. The Government should consider whether additional locational safeguards are required to ensure that compliance mechanisms do not unintentionally concentrate development pressure within productive agricultural regions.

Additionally, GrainGrowers seeks further clarification on how the proposed framework will operate outside the National Electricity Market (NEM), particularly in Western Australia's South West Interconnected System (SWIS) and North West Interconnected System (NWIS). The consultation paper's proposed renewable electricity obligations, REGO framework and associated compliance mechanisms appear to be largely designed around NEM arrangements. It is unclear how these requirements would apply and be enforced in non-NEM markets, or how compliance would be assessed where data centres are directly co-located with dedicated generation assets. GrainGrowers encourages the Government to clarify whether co-located developments will be assessed on an equivalent basis to projects reliant on renewable generation, transmission and network infrastructure connected through the broader electricity system, and how consistency will be maintained across jurisdictions.

How frequently should data centres be required to transparently and publicly report their energy use, efficiency, and emissions as part of plans demonstrating compliance with mandatory requirements?

GrainGrowers supports mandatory, standardised and publicly accessible reporting of energy use, energy efficiency and emissions at the individual facility level. To avoid unnecessary regulatory burden, any new reporting obligations should be integrated with existing frameworks such as the National Greenhouse and Energy Reporting (NGER) scheme. Leveraging existing reporting frameworks will help minimise duplication and regulatory burden while ensuring consistent, transparent and comparable information is publicly available.

Reporting should occur at least quarterly rather than annually. Data centre energy consumption can vary significantly over time, particularly as facilities expand, commission new infrastructure or increase utilisation. More frequent reporting would provide governments, communities and industry with a clearer understanding of emerging trends and enable earlier identification of potential impacts on electricity networks and regional energy infrastructure.

Quarterly reporting would also improve transparency regarding whether facilities are meeting efficiency and emissions objectives while providing regional communities with confidence that the impacts associated with rapid sector growth are being actively monitored.

From a grain grower perspective, transparency is particularly important because some of the most pronounced impacts are likely to arise from the generation, storage and transmission infrastructure required to support growing electricity demand arising from the development of data centres. Public reporting will support evidence-based planning and improve understanding of cumulative impacts over time.

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

GrainGrowers supports mandatory, standardised and publicly accessible facility-level water reporting. Transparency is essential to support informed decision-making, maintain community confidence and assess cumulative impacts over time.

GrainGrowers supports the consultation paper's proposed hierarchy for water sourcing, with recycled and other non-potable water sources prioritised wherever feasible and potable water supplies used only as a last resort. This approach will help minimise competition for scarce water resources while encouraging efficient and sustainable water management practices. As data centre development expands, prioritising alternative water sources will be particularly important in regions where agricultural production, communities and industry already compete for limited water supplies.

Reporting should extend beyond simple measures of water efficiency. A facility may become more water efficient while simultaneously increasing its total water consumption as operations expand. For this reason, policymakers and communities require visibility of both efficiency outcomes and actual water use.

Frequency of water consumption reporting is critical. GrainGrowers supports regular reporting throughout the year rather than annual reporting alone. Seasonal reporting would provide a more accurate understanding of local impacts during periods when water systems may already be under pressure and would assist governments and communities to assess emerging risks.

GrainGrowers supports a clear requirement that data centre developments do not adversely affect existing water users. This principle should explicitly extend to agricultural, domestic water users, groundwater-dependent users and regional communities. Assessment frameworks should consider not only average water availability but also impacts during periods of drought and prolonged dry conditions when water systems are under the greatest pressure. This is particularly relevant in regions that have recently experienced water security challenges and where future climate variability may increase competition for available water resources.

The consultation document does not make reference to wastewater management and wastewater reporting. Transparency regarding wastewater management is particularly important where facilities discharge wastewater to municipal systems or other receiving environments, as this can have implications for local infrastructure and community confidence. Consideration

should also be given to wastewater management beyond reporting requirements alone. Depending on cooling systems and operational processes, wastewater may contain elevated temperatures, chemicals or other contaminants that require appropriate management prior to discharge or reuse. Assessment frameworks should ensure that wastewater management arrangements do not create risks for local water resources, agricultural users, environmental values or community infrastructure. Transparency regarding water use and wastewater will become increasingly important as the scale and geographic distribution of data centre development grows.

GrainGrowers also cautions against the use of water offset arrangements that rely on the acquisition or retirement of agricultural water entitlements. While the consultation paper identifies water offsets within the same catchment as a potential management option, such approaches could have unintended consequences where offsets are achieved by purchasing water previously used for agricultural production. In practice, this may result in water being transferred out of productive agriculture without reducing overall pressure on water resources. Any offset mechanisms should therefore avoid creating incentives that reduce Australia's agricultural production capacity or diminish the reliability of water access for existing agricultural users. Priority should instead be placed on reducing demand, improving efficiency and utilising recycled or alternative water sources.

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?

Costs associated with data centre development should not be borne by consumers, agricultural industries or regional communities. Experience from the rollout of renewable energy and transmission infrastructure across regional Australia demonstrates that the impacts of major development are not solely economic or environmental. In many communities, rapid and overlapping land use change has contributed to community division, increased stress for landholders and declining confidence in planning and approvals processes. These impacts can persist long after individual projects have been approved and constructed.

Costs should therefore not be considered solely in terms of infrastructure and network impacts. Community wellbeing and social cohesion should be recognised as important considerations when assessing the costs of data centre development. Planning and assessment processes should consider not only direct infrastructure and network impacts, but also the cumulative effects of development on agricultural production, community wellbeing, regional identity, workforce availability and social licence.

GrainGrowers is particularly concerned that project assessment frameworks often evaluate developments individually rather than considering the combined impacts of data centres, renewable energy projects, transmission infrastructure, housing development, critical minerals projects and other competing land uses occurring within the same region. Where multiple developments occur simultaneously, the cumulative impacts on landholders and communities can be substantial and should be explicitly considered within assessment and approvals processes.

GrainGrowers notes that the consultation paper largely focuses on energy, water and infrastructure considerations, with comparatively limited discussion of the implications for agricultural industries and regional communities. Given many data centres and their associated infrastructure are likely to be located in regional Australia, it is important that the framework

appropriately considers impacts on agricultural land, water resources, farming businesses and the communities that will host these developments.

In agricultural regions, consideration should also be given to a range of practical impacts associated with the construction and operation of data centres and their enabling infrastructure. Construction activity can place significant pressure on local road networks, including grain freight routes and other transport infrastructure relied upon by agricultural businesses. Increased heavy vehicle movements may contribute to accelerated road deterioration, create safety risks and conflict with seasonal farming activities such as harvest. Proponents should be responsible for funding necessary road upgrades and repairs attributable to their developments and should work with local communities to minimise impacts during critical agricultural periods.

Biosecurity risks should also be considered. Construction vehicles, equipment movements and earthworks have the potential to spread weeds, pests and soil-borne diseases between properties and across regions. Appropriate farm hygiene and biosecurity protocols should therefore form part of any national minimum development standards applying to data centre projects and associated infrastructure.

Fire management is another important consideration for regional communities. Data centres, associated energy infrastructure and transmission assets may introduce additional fire risks or complicate emergency response arrangements. In many grain-growing regions, emergency response capacity relies heavily on volunteer firefighters and community-based fire services. Project proponents should be required to assess fire risks, support emergency preparedness and ensure developments do not create additional burdens on local volunteer emergency service capacity. These considerations are particularly important during harvest periods when fire risks are elevated and rapid response is critical.

Associated transmission and energy infrastructure may also create operational challenges for agricultural businesses. New transmission lines and related infrastructure can complicate aerial application activities, restrict farm operations and create challenges for aerial firefighting activities. These impacts should be recognised and assessed as part of broader project planning and approvals processes.

Insurance and liability implications should also be considered. Major infrastructure developments can create uncertainty regarding insurance coverage, public liability arrangements and responsibility for damages where infrastructure interacts with agricultural operations. Governments should ensure that liability settings are clear and that landholders are not exposed to increased risks or costs as a consequence of hosting or neighbouring major developments.

Workforce and housing pressures also warrant consideration. The consultation paper recognises that data centre development is likely to increase demand for skilled workers, including electricians, engineers and technicians. Many regional agricultural businesses already face difficulties attracting and retaining these workers. Large construction workforces may also place additional pressure on rental housing and accommodation markets in regional communities. Governments should consider workforce development requirements, including regional apprenticeship and training opportunities that create lasting local benefits, while ensuring temporary workforce accommodation arrangements do not adversely affect housing availability for local residents and agricultural workers.

Claims regarding job creation should also be considered carefully. While data centre developments may generate significant construction employment, ongoing operational

workforces are often substantially smaller. Governments should consider not only the total number of jobs created, but also where those jobs will be located, the extent to which they will be accessible to local residents, and whether host communities will experience sustained employment benefits over the long term. Greater transparency regarding workforce requirements and local employment opportunities would assist communities in assessing both the benefits and costs of proposed developments.

Accountability frameworks should also extend to the full lifecycle of data centre developments and associated infrastructure. While much of the policy focus is on planning, construction and operation, consideration should also be given to infrastructure ageing, decommissioning and end-of-life management. Data centres, transmission infrastructure and associated assets will not operate indefinitely, and proponents should be responsible for site rehabilitation, infrastructure removal where appropriate, and the management of legacy impacts at the end of a project's useful life. This is particularly important in agricultural regions, where communities and landholders should not be left with the long-term costs or constraints associated with ageing infrastructure.

Accountability for managing these impacts should extend beyond project approvals. The government should consider establishing a national enforceable code of conduct for data centre developments and associated infrastructure. Such a framework should establish minimum standards for consultation, engagement, transparency, dispute resolution and community benefit-sharing, while requiring ongoing reporting against these commitments. This would provide communities with greater confidence that social impacts are being actively managed throughout the life of a project, rather than considered only during the approvals process.

Transparent reporting of energy, water and other resource use will also be important to ensure communities can understand and assess the costs of data centre developments over time. Public confidence is more likely to be maintained where the benefits and costs of development are clearly understood, cumulative impacts are assessed, and where communities can see that appropriate safeguards and accountability mechanisms are in place. However, transparency alone does not address impacts. Assessment and approval frameworks must also ensure that identified risks are appropriately avoided, mitigated or managed, and that development resulting in unacceptable impacts can be modified where necessary.

Beyond costs, governments should ensure that data centre developments do not reduce opportunities for the communities that host the infrastructure necessary to support them. This includes ensuring that regional communities hosting significant generation and transmission infrastructure are not disadvantaged in accessing electricity network capacity, opportunities for electrification, or telecommunications connectivity.

Ultimately, AI infrastructure should be developed in a manner that delivers net benefits to Australia without compromising agricultural production or water security. Regional communities should not be expected to absorb economic, social or environmental costs associated with that development.

What role should the Commonwealth's mandatory requirements play in relation to location and community engagement? For example, the Commonwealth could promote transparency around where new data centres are being developed or plans for community engagement.

GrainGrowers considers that the Commonwealth's mandatory requirements should play an important role in establishing nationally consistent expectations for transparency, community

engagement and accountability, while complementing existing state and territory planning and approvals processes. The greatest risk to grain growing communities from data centre developments is planning and approval processes that compromise food, fibre and water security, and fail to adequately involve growers, landholders and regional communities in decisions that affect them. Commonwealth requirements should establish that projects with unacceptable impacts on these essential agricultural resources and communities must not proceed.

At a minimum, proponents should be required to publicly disclose the location of proposed developments, associated enabling infrastructure, and their proposed approach to community engagement early in the planning process. Transparency around proposed developments is essential to enabling informed participation by affected landholders, local communities and local governments, particularly where developments are proposed in regions already experiencing significant land use change or infrastructure development. However, the purpose of the national standards should not be limited to improving transparency regarding impacts. Standards should also provide clear safeguard and decision-making principles to ensure significant impacts on agricultural land, water resources and regional communities are avoided.

The government should also recognise that the impacts associated with data centres often extend beyond the facility itself. In agricultural regions, the most significant impacts may arise from associated renewable energy generation, transmission infrastructure, telecommunications infrastructure and other enabling developments. Mandatory requirements should therefore require consideration of cumulative impacts and ensure communities are made fully aware of the broader infrastructure required to support a project.

Planning frameworks should recognise the risk of reverse amenity impacts arising where data centres are developed within productive agricultural regions. While agricultural activities are often required to manage impacts on neighbouring land uses, the converse should also apply. Data centre developments should be required to accept and accommodate existing lawful agricultural activities, including harvesting, spraying, aerial application, stubble management, machinery operation and grain handling activities. Developers should not be able to seek restrictions on neighbouring farming operations due to normal and accepted agricultural practices.

Any setbacks or buffer requirements should be the responsibility of the proponent and contained entirely within the project footprint. Buffer requirements should not impede on neighbouring agricultural land, reduce farming flexibility or impose additional obligations on surrounding landholders.

Experience from other forms of major infrastructure development in recent years demonstrates that projects are more likely to achieve community acceptance where affected communities have genuine opportunities to influence outcomes rather than being consulted after key decisions have already been made. Data centre development provides an opportunity to apply these lessons from the outset. In some regions, concerns have already emerged regarding data centre community engagement, transparency, social licence and the ability of communities to effectively participate in decision-making processes. These issues should be considered proactively when establishing regulatory frameworks for data centres and associated infrastructure.

Importantly, meaningful engagement should not be regarded solely as a process requirement. Community consultation should have the capacity to influence project design, location, mitigation measures and, where necessary, whether a project proceeds in its proposed form.

Communities are unlikely to have confidence in engagement processes where significant concerns can be identified but have no practical effect on project outcomes.

Planning and approval frameworks should recognise the significant power imbalances that can exist between developers and landholders and provide safeguards that support fair negotiation, genuine community participation and equitable outcomes for affected growers and regional communities. This should include transparent and consistent compensation frameworks that recognise loss of income, property devaluation and non-economic impacts. Consideration should also be given to the distributional and equity impacts of developments. There is a risk that development pressures may be borne disproportionately by communities with limited resources, lower capacity to engage in complex planning processes, or less access to independent technical and professional advice.

To support this, the government should establish a national enforceable code of conduct for data centre developments and associated infrastructure, including codified minimum community benefits and developer engagement obligations. Such a framework should establish minimum standards for consultation, engagement, transparency, dispute resolution and community benefit pathways, while allowing states and territories to retain responsibility for planning and development approvals.

Furthermore, GrainGrowers considers that assessment of impacts on agricultural land should form part of the national minimum standards for data centre development. The Commonwealth framework should require proponents to avoid impacts on productive agricultural land and, where impacts cannot be avoided, assess and transparently disclose all direct, indirect and cumulative impacts on agricultural production, farm businesses and landholders.

Importantly, this requirement should apply across all planning and approval pathways, including accelerated, fast-tracked and major project assessment processes. Inconsistent treatment of agricultural impacts creates uncertainty for growers and risks overlooking the strategic importance of agricultural production when major developments are being assessed. Establishing a national minimum expectation would help ensure that agricultural impacts are considered consistently across jurisdictions while preserving the role of states and territories in determining final planning outcomes.

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?

GrainGrowers supports the principle that communities hosting AI infrastructure and its associated enabling infrastructure should have opportunities to share in the benefits created by that investment. This should extend beyond compensation for impacts and include practical, long-term benefits that strengthen local productivity, resilience and economic development. Community benefit discussions should commence early in project development and be undertaken in partnership with local communities. Rather than being predetermined by proponents, benefit-sharing arrangements should reflect local priorities and recognise the unique circumstances of each region.

Importantly, community benefits should not be limited to harm minimisation or compensation. Communities hosting data centres and associated infrastructure should have opportunities to share in the benefits created by that investment. Depending on local circumstances, this may include:

- Improved regional telecommunications connectivity
- Agricultural research and innovation partnerships
- Workforce development and skills programs
- Regional digital infrastructure investments
- Improved access to electricity infrastructure and regional electrification opportunities.

Telecommunications uplift should be one of the first co-benefits considered whenever a project is proposed. Data centre developments often require significant telecommunications infrastructure investment, creating opportunities to improve connectivity outcomes for regional communities that continue to face service challenges.

Similarly, many regional communities already host, or are expected to host, significant renewable energy generation and transmission infrastructure. As investment in AI infrastructure drives further development of energy networks, governments should consider how host communities can share in the resulting benefits. This includes ensuring regional communities are not disadvantaged in accessing electricity network capacity and opportunities for agricultural electrification.

Of particular relevance to grain growers, governments should also explore opportunities to leverage AI infrastructure investment to strengthen Australia's agricultural and plant science research capability. Access to advanced computing and high-performance data infrastructure has the potential to support crop breeding, genomics, yield forecasting, climate modelling, biosecurity, pest and disease prediction, precision agriculture and other AI-enabled agricultural applications. Regional AI infrastructure investments could therefore deliver benefits not only to local communities, but also to Australia's broader agricultural productivity and resilience.

To ensure these commitments are meaningful, state and territory planning processes should require proponents to identify proposed community benefits upfront and demonstrate how local communities have influenced their design. Community benefit plans should form part of project assessment processes and be subject to ongoing monitoring and public reporting throughout the life of a project. This would help ensure commitments remain transparent, accountable and responsive to community needs over time.

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

Productive agricultural land should be recognised as a strategic national asset that underpins Australia's food and fibre production capacity, regional economies and long-term food security. As governments seek to support the growth of AI infrastructure, planning frameworks must balance new development opportunities with the long-term value of maintaining Australia's productive agricultural land base.

GrainGrowers considers that avoiding impacts on productive agricultural land should be a primary objective of data centre siting and planning processes. Productive agricultural land delivers ongoing economic, social and food security benefits that extend well beyond the life of an individual development project. Where competing land uses arise, governments should first seek to avoid impacts on productive agricultural land before considering mitigation or compensation measures.

Where governments are identifying preferred locations for AI infrastructure, the starting point should be existing industrial precincts, brownfield sites and former industrial or power generation sites that already possess some of the infrastructure necessary to support development. Where these locations are not available or suitable, preference should be given to land with limited or no productive agricultural value.

GrainGrowers also considers that any state-led site identification process should include early engagement with the agricultural sector and incorporate mapping of productive agricultural land, strategic agricultural regions and existing land-use pressures. Agricultural interests should be considered at the outset of site selection processes rather than after potential development locations have already been identified. Productive agricultural land is a finite national resource. Once converted to industrial purposes, it rarely returns to agricultural production. For this reason, proposals involving productive agricultural land should be subject to heightened scrutiny and demonstrate that alternative locations have been properly considered before approval is granted. While transparency and impact assessment are important, the objective should be to avoid impacts on productive agricultural land wherever practicable rather than simply documenting them.

The consultation paper repeatedly discusses energy, water, land and community impacts at the level of an individual facility. However, from a grain grower perspective, a primary concern is not only the direct footprint of individual data centres, but the cumulative impacts that arise when data centre development occurs alongside renewable energy projects, transmission infrastructure, telecommunications infrastructure, critical minerals developments, housing growth and other competing land uses. In many regions, the combined impact of these developments may place greater pressure on agricultural land and regional communities than any single project considered in isolation, and the impacts may not be fully captured through project-by-project assessment processes.

For this reason, data centres should not be assessed in isolation. Governments should adopt a coordinated approach to managing competing land uses that:

- Prioritises the retention of productive agricultural land and avoids conversion of farmland to industrial uses
- Requires cumulative impact assessments in regions experiencing multiple forms of development pressure
- Requires greater transparency around significant land acquisition activity associated with major industrial developments, including the registration and disclosure of options to purchase agricultural land above a specific threshold, identifying the proposed end use and beneficial owner
- Improves national land use mapping, monitoring and analytical capabilities to support evidence-based decision-making.

There is a need for improved national land use data, mapping and monitoring capabilities. Current information on land use change is often fragmented across jurisdictions and datasets, making it difficult to develop a comprehensive understanding of emerging trends and cumulative impacts. Improved national-scale spatial modelling and land use monitoring would support evidence-based planning, help identify regions experiencing increasing land use competition, and provide governments with the information needed to ensure Australia's food security and agricultural productivity objectives. Without this, there is a risk that land use decisions will be made inconsistently across jurisdictions and without adequate consideration of long-term agricultural impacts.

Governments should also consider mechanisms to improve transparency around significant land acquisition activity associated with major industrial developments, particularly where options to purchase are being assembled across agricultural regions. Consideration should be given to the registration and disclosure of options to purchase agricultural land above a specified threshold, including the intended end use of the land and the beneficial owner. Such arrangements are often assembled incrementally across a district before a project becomes publicly visible, limiting opportunities for landholders, communities and governments to understand emerging land use pressures. Improved transparency would support informed community engagement, enable earlier assessment of cumulative impacts, and identify emerging risks to productive agricultural land before development pathways become entrenched. This is particularly important given the consultation paper notes that early decisions will determine where future AI training activity, capability and associated industries are anchored and how they might expand.

In addition to direct land conversion, governments should consider the broader effects that major industrial developments can have on agricultural land markets. International experience suggests that data centre development can increase demand for strategically located land, particularly sites with access to transmission infrastructure, reliable electricity supplies and transport connections. As land begins to attract speculative value associated with future development opportunities, purchase prices and leasing costs can rise beyond levels justified by agricultural production alone. This can affect the viability of farm expansion, create barriers for new entrants, and place additional pressure on productive agricultural businesses, even where relatively little land is ultimately converted to non-agricultural uses. These indirect impacts should form part of broader land use and cumulative impact assessments.

GrainGrowers also encourages the government to consider the potential land-use implications of emissions reduction and net zero commitments associated with data centre development. As operators seek to meet emissions obligations or voluntary net zero targets, care should be taken to ensure these requirements do not create unintended incentives for productive agricultural land to be converted to environmental plantings or other land-based carbon offset projects. Consistent with [GrainGrowers' Land Use Policy](#), priority should be given to direct emissions reduction measures rather than offsetting. Productive agricultural land is a finite

national resource and should not be unnecessarily removed from production to offset emissions associated with industrial development.

Agricultural land should not be viewed solely as a development constraint. It is a finite and irreplaceable national resource that delivers enduring economic, social and food security benefits and should be recognised as such in land-use planning and infrastructure decisions. While AI infrastructure presents significant economic opportunities, these opportunities should not be pursued at the expense of Australia's long-term agricultural production capacity. The most effective way to manage competing land uses is to avoid unnecessary conversion of productive agricultural land in the first instance and direct development toward less sensitive locations wherever possible.

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

GrainGrowers supports requiring data centre proponents to explore opportunities to improve community telecommunications connectivity alongside their own infrastructure investments. Reliable telecommunications are essential to modern grain production, business management, logistics, safety, precision agriculture and emergency response. Despite ongoing investment, regional communities continue to experience connectivity challenges that affect productivity, on farm health and safety, and community wellbeing.

Data centre developments often require substantial investment in telecommunications infrastructure, including high-capacity fibre connectivity. Where developments are proposed in or near regional communities, proponents should be expected to engage with governments, telecommunications providers and local stakeholders to identify potential opportunities for broader community benefit.

This does not necessarily mean that developers should be solely responsible for delivering telecommunications upgrades. However, planning and engagement processes should explicitly consider whether infrastructure investments associated with data centre developments can be leveraged to improve connectivity outcomes for surrounding communities.

Improved telecommunications infrastructure represents one of the most tangible and enduring opportunities associated with AI infrastructure development in regional Australia. Where communities are hosting the infrastructure necessary to support these developments, they should have meaningful opportunities to share in the resulting benefits.

**What mechanisms should the government consider for securing these contributions?
For example: negotiated in-kind contributions, a compute reservation scheme, a public-interest research payment, or other approaches.**

GrainGrowers supports mechanisms that ensure AI infrastructure development delivers tangible benefits to Australian research, innovation and productivity. Of particular importance is ensuring that Australian researchers and industries can access the computing resources necessary to develop solutions to nationally significant challenges.

GrainGrowers supports consideration of a compute reservation scheme as one mechanism to secure these benefits. Such a scheme could reserve a proportion of compute capacity for public-interest research and innovation activities, particularly in sectors of strategic national importance, including agriculture, food production, biosecurity, climate resilience and environmental management.

Australia has internationally recognised strengths in agricultural and plant science research. Access to advanced computing infrastructure has the potential to accelerate research in crop breeding, genomics, precision agriculture, yield forecasting, climate modelling, pest and disease management, and biosecurity preparedness. Ensuring researchers can access the computational resources required to undertake this work would help maximise the public value generated by AI infrastructure investments.

Consideration could be given to enabling access through nationally significant research institutions, universities, publicly funded research organisations and industry research bodies. For the grain sector, organisations such as the Grains Research and Development Corporation (GRDC) could play an important role in ensuring reserved compute capacity is directed toward projects that deliver practical benefits for Australian growers and regional communities.