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Business Hunter backs sustainable approach to data centre growth

Business Hunter has welcomed the NSW Government's release of new data centre planning guidelines, recognising data centres as an important emerging industry that will play a critical role in supporting the state's digital economy, artificial intelligence capabilities and future investment attraction.

Business Hunter CEO Bob Hawes said the Hunter region was well-placed to benefit from growth in the sector, particularly as part of the region's broader economic diversification.

"Data centres are an increasingly important piece of Australia's digital infrastructure and have the potential to generate investment and employment opportunities in regional areas, including on former mining and industrial sites across the Hunter," Mr Hawes said.

"However, for the Hunter, data centres are one part of a diverse and evolving economy. Their development must be considered alongside the needs of other critical industries that also rely on land, water, energy and infrastructure."

Mr Hawes said it was important that the economic opportunities presented by data centres were balanced against their potential impacts, particularly given their significant energy and water requirements.

"We support the NSW Government's focus on ensuring data centre growth occurs in a coordinated and sustainable way. Requirements for proponents to secure renewable energy through power purchase agreements are a positive step that will help support the state's energy transition while limiting pressure on the broader electricity system.

"Similarly, the planned IPART review of water pricing and use is an important safeguard to ensure water resources are managed responsibly and that local communities and existing industries are not disadvantaged."

Business Hunter also welcomed measures encouraging data centres to be located in areas with appropriate infrastructure capacity and opportunities for regional development.

"The Hunter has a unique opportunity to leverage its existing industrial land, skilled workforce, energy expertise and emerging renewable energy assets to attract suitable digital infrastructure investment," Mr Hawes said.

"What's important is that development is guided by long-term planning that supports local jobs, protects existing industries, manages resource impacts and delivers tangible benefits for regional communities.

"Done right, data centres can form part of the Hunter's next chapter of economic growth, alongside advanced manufacturing, clean energy, logistics, defence and other emerging industries that are helping diversify the regional economy."

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