Data Centres AUSTRALIA

DCByte

Australian Data Centre Forecast Report

Issue 2

October 2026

Introduction

Growth forecasts are an important input to constructive policy design, utility planning, business planning across the ecosystem and informing public debate.

The Australian Data Centre Forecast Report provides new levels of detail based on validated research and analysis that relies on deep industry expertise.

Forecasting data centre growth is notoriously challenging, with extrapolation of inputs such as development applications, announcements or energy connections producing misleading and simplistic market views. Issues range from speculative and 'phantom' demand, duplicate applications, approval uncertainty, capital availability, development lead-times and facility ramp-up schedules.

Our Forecast Report takes these challenges into account, removing duplicative and speculative capacity, recognising credible developers with a proven track record, factoring in approval and energisation timelines, key phases of data centre development and customer ramp-ups, to provide a robust forecasting benchmark.

The Australian Data Centre Forecast Report is based on research by DC Byte, the leading provider of data centre market intelligence with coverage of over 8,700 data centres across 136 countries. Its data is used globally by data centre operators, investors, advisory firms regulators and utilities.

DC Byte's unique methodology and insight produces a view of the capacity pipeline that looks significantly different to other forecasts. This is a result of DC Byte's rigorous assessment of project viability rather than relying on announced plans.

Australia has a significant opportunity to take a leading position as a hub for AI infrastructure investment and sustainable data centre development. Credible forecasting is an essential part of ensuring we get the policy settings and enabling infrastructure in place to support the ambition.

Current

1.6 GW

Operational Capacity, national

2030 Forecast

3.9 GW

Operational Capacity, national

Key Insights

- Australia's data centre development pipeline has continued to grow over the past six months across all phases of development, with an additional 5.2GW added to the total pipeline forecast since April.
- Operational capacity has increased by 0.1GW over the report period, and capacity in the Under Construction phase has doubled since April - evenly split across Sydney and Melbourne.
- More capacity has moved from Early Stage to Committed in Melbourne (1.2GW) than Sydney (0.7GW) which may indicate the impact of faster approval processes through the Victorian Government's Development Facilitation Program compared to the NSW State Significant Development process.
- Sydney's total pipeline and Early Stage capacity have decreased by 3.6GW and 4.4GW respectively which is quite significant and is likely a combined result of Sydney's announced energy constraints, less certain policy approval timelines and recent policy announcements.
- In contrast, Melbourne's total pipeline forecast has increased by 1.7GW and now exceeds Sydney's total pipeline. Early Stage projects have only increased by 0.3GW with the movement from Early Stage to Committed projects the greatest shift with 1.2GW. This likely reflects Victoria's faster approval times and the clear 'open for business' message communicated by Government˜.
- The footprint of Australia's data centre development is expanding outside of Sydney and Melbourne with the total pipeline forecast outside of these two hubs increasing from 19% to 31% over a two-year period. This includes Early Stage projects in Queensland, Tasmania, South Australia and Western Australia.
- We expect to see this trend continue as energy constraints, new policies in NSW and Victoria, and an 'open for business' messages from the South Australia and Queensland governments in particular influence investment decisions.
- The impact of the Federal Government's AI infrastructure standards, energy and capital availability are other aspects to watch over the next six months.

˜ The approach in Victoria has changed recently with the Government announcing new policies for data centres and an apparent pause on approvals in the lead up to the November 2026 state election. Our next forecast report may show whether this has a material impact.

Operational Data Centres and Pipeline

DC Byte is currently tracking 163 operational data centres in Australia, with activity concentrated in NSW and Victoria. This represents data centres with at least some of their capacity available for use.

The operational base reflects a historically diverse mix of enterprise, co-location, owner-built, and edge deployments, resulting in a broad distribution of facilities.

New facilities are increasingly at a scale above 100MW, reflecting evolving demand requirements and a move toward higher-density, scalable infrastructure aligned with hyperscale cloud and AI workloads. While there are currently four data centres with operational capacity exceeding 100MW (one more since our April report), 52 of those in the pipeline forecast have announced capacity exceeding 100MW (noting that this includes projects that may or may not eventuate, see below).

DC Byte is currently tracking a pipeline of 97 new data centre projects nationally, an increase of seven facilities over the last six months. This pipeline shows two less projects in NSW pipeline and five more in the Victoria pipeline. Two were added to states other than Victoria and NSW, demonstrating the emerging broader footprint for data centre development in Australia.

	Operational Data Centres			
	Total	<1MW	1-100MW	>100MW
National Total	**163**	**60**	**99**	**4**
New South Wales	61	14	44	3
Victoria	30	7	22	1

* Data current at 30 September, 2026

	Pipeline Data Centres+			
	Total	<1MW	1-100MW	>100MW
National Total	**97**	**2**	**43**	**52**
New South Wales	42	2	21	19
Victoria	35	0	11	24

* Data current at 30 September, 2026
+ Pipeline Data Centres refers to total projects across the spectrum of DC Byte's tracked phases including projects that may or may not eventuate (see below).

Unpacking the Capacity Pipeline

Interpreting the capacity pipeline requires differentiation between development phases. This is because not all announced plans for new capacity will ultimately be delivered. Aggregating all phases without distinction can overstate future supply and obscure underlying market dynamics.

DC Byte segments the pipeline into Operational, Under Construction, Committed and Early Stage phases to reflect delivery probability. Early Stage capacity typically represents the largest share but carries the highest uncertainty (even once speculative and duplicative projects are accounted for), making this segmentation critical to distinguishing between theoretical capacity and realistically deliverable supply.

How DC Byte defines key phases of data centre development

Operational Capacity

- The IT load of fitted out data halls that are operational and available for use. Operational Capacity is not always equal to the capacity being utilised.

Under Construction Capacity

- The IT load of data halls that are undergoing fitout of mechanical and electrical equipment.

Committed Capacity

- The IT load of projects where DC Byte maintains high confidence of its eventual addition to a market's Operational Capacity. To the best of DC Byte's knowledge, these projects have all required elements for development (land, power, permits etc) secured, or will be developed by an operator with a reliable track record.

Early Stage Capacity

- The IT load of projects that have not secured all elements required for development (land, power, permits etc) and may or may not eventuate.

Pipeline Total Capacity

- The sum of all four categories: Operational, Under Construction, Committed and Early Stage Capacity, representing the spectrum from current and actual live capacity through to early stage capacity.

Capacity Pipeline Forecasts

The capacity pipeline provides a forward view of market expansion by illustrating both the scale of development activity and the maturity of projects across different phases.

The weighting toward Early Stage capacity indicates a significant volume of proposed development, although a substantial portion of this category remains subject to execution risk and should not be interpreted as guaranteed to proceed to delivery. The movement since our April report demonstrates how this category fluctuates and we outline our observations in the Key Insights section above.

National Capacity Pipeline

Phase	Capacity (GW)	
	Apr 26	Oct 26
Operational	1.5	1.6 ↑0.1
Under Construction	0.2	0.4 ↑0.2
Committed	3.1	5.2 ↑2.1
Early Stage	16.8	19.6 ↑2.8
Pipeline Total	21.6	26.8 ↑5.2

* Data current at 30 September, 2026

Capacity Pipeline Location Trends

Sydney and Melbourne continue to dominate the pipeline as primary hubs, however the increased national pipeline highlights the emerging trend for developments in locations outside of these major centres.

These latest figures also show a substantial reduction in Early Stage capacity in Sydney. A small number of these projects will have moved into the Committed phase, while new projects in other locations, including Melbourne and non-metro locations, may also account for that reduction. Melbourne's pipeline has increases across all phases and now exceeds Sydney in total pipeline. Melbourne has moved much closer to Sydney in Committed capacity over the report period.

Sydney Capacity Pipeline

Phase	Capacity (GW)	
	Apr 26	Oct 26
Operational	0.8	0.9 ↑ 0.1
Under Construction	0.1	0.1
Committed	1.9	2.6 ↑ 0.7
Early Stage	8.6	4.2 ↓ 4.4
Pipeline Total	11.4	7.8 ↓ 3.6

* Data current at 30 September, 2026

Melbourne Capacity Pipeline

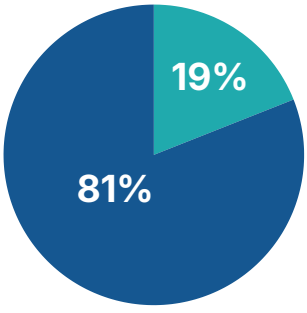
Phase	Capacity (GW)	
	Apr 26	Oct 26
Operational	0.4	0.5 ↑ 0.1
Under Construction	0.1	0.2 ↑ 0.1
Committed	1.0	2.2 ↑ 1.2
Early Stage	7.5	7.8 ↑ 0.3
Pipeline Total	9.0	10.7 ↑ 1.7

* Data current at 30 September, 2026

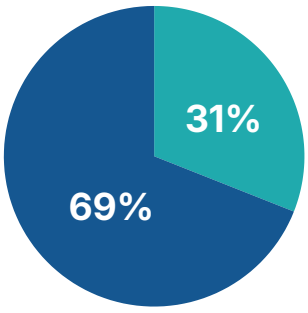
Sydney and Melbourne vs Rest of Australia

A shift away from Sydney and Melbourne as primary hubs can be seen by taking a longer time view of the trend. Over a two year period the percentage of total pipeline forecast capacity for Sydney and Melbourne has reduced from 81% in 2024 to 69% in September 2026. The 31% includes regional NSW and Victoria where there is an addition (1.3GW) and (0.7GW) in early stage phase respectively.

Q3 2024



Q3 2026



Sydney and Melbourne

Rest of Australia

* Data current at 30 September, 2026

Operational Forecasts

Operational forecasts translate the development pipeline forecast into expected operational capacity outcomes, incorporating delivery probability, construction timelines, and ramp-up dynamics. This provides a more realistic view of how capacity is likely to enter the market over time.

Australia's national operational capacity is expected to grow from approximately 1.8GW at the end of 2026 to around 3.9GW by 2030. The increased forecast highlights continued growth as additional investment comes into the market.

Growth is primarily driven by Sydney and Melbourne, however we anticipate seeing new activity in other markets over time.

National

Year	Operational (GW)
2025	1.4
2026F	1.8
2027F	2.3
2028F	2.7
2029F	3.4
2030F	3.9

* Data current at 30 September, 2026

Sydney

Year	Operational (GW)
2025	0.8
2026F	1.0
2027F	1.2
2028F	1.5
2029F	1.8
2030F	2.0

* Data current at 30 September, 2026

Melbourne

Year	Operational (GW)
2025	0.4
2026F	0.6
2027F	0.8
2028F	1.0
2029F	1.2
2030F	1.4

* Data current at 30 September, 2026

About the Australian Data Centre Forecast Report

The Australian Data Centre Forecast Report is a collaboration between Data Centres Australia and DC Byte, designed to provide new insight and context to coverage and discussion of data centre development in Australia. The biannual report is based on DC Byte forecasts, generated using a statistical model that identifies relationships in historical data and applies them to predict future outcomes. The models learns how changes in market variables, such as sold capacity, relate to subsequent changes in operational capacity, and uses these patterns to estimate future operational capacity based on current market conditions.

About Data Centres Australia

Data Centres Australia is the peak representative body dedicated to data centres in Australia. Our vision is for Australia to be a regional hub for AI infrastructure investment and sustainable data centre development, growing capacity to support national advantage. Together with our members - data centre developers and operators, and the expanding data centre ecosystem – we work collaboratively with government and stakeholders to raise awareness and advance coordinated policy action. **www.datacentres.org.au**

About DC Byte

DC Byte is the leading provider of data centre market intelligence, offering extensive coverage on over 8,700+ data centres worldwide. Our meticulous, technology-led approach delivers consistent, unbiased research to equip our customers with the knowledge they need to navigate the industry successfully. Headquartered in London, DC Byte has strategic hub offices in Northern Virginia and Singapore, boasting the largest team of research analysts globally. We aim to provide customers with accurate, up-to-date insights to empower informed decisions and success in the data centre market. **www.dcbyte.com**

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