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Re: Submission on the Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania

The Australian Manufacturing Workers' Union (AMWU) Tasmania Branch welcomes the opportunity to provide a submission on the Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania.

Who We Are

We represent members in metal and engineering trades across various industries, food production, mechanical trades, shipbuilding and printing and paper industries.

Our membership spans across the Major Industrials and their supply chains and would also cover new industries such as Data Centres.

Our submission

The workers and their families employed and connected to the Major Industrials are concerned about their job future due to the 444MW energy agreement being considered for Firmus, and what that would mean for other industries reliant on large energy contracts. Communities are concerned of the economic impacts to their towns and cities if closures occur and thousands of jobs are lost.

This is following Liberty Bell Bay being put into liquidation and the reporting that the energy price from Hydro Tasmania was not globally competitive and a contributing factor to the end outcome of no sale occurring.

Our submission will focus on what we believe must occur in order to properly assess if and how Major Industrials, Data Centres, and future opportunities of more traditional energy-reliant industries can all co-exist within Tasmania's energy system with good, well-paid and secure jobs.

'Expectations' v 'Regulation'

'Commitments', 'Policy' or 'Expectations' will not ensure anything is supported or completed.

Where possible, regulation and legislation are required.

What practical commitments would best support Tasmanian jobs, skills, local procurement and lasting community benefits?

In Tasmania there is currently one data centre approved and in development at St Leonards, one application approved at Bell Bay, and another application lodged for Wesley Vale.

Yet we still do not know details on jobs and skills for these new industry applications.

For each application, what is the:

- Job title of each employee
- Description of the role and responsibilities associated with each job
- Trade, degree or other qualification required for each job
- Training requirements and any gaps in Tasmania to provide said training
- Industrial relations proposal and wages

We do not want a situation where due to energy constraints and/or energy pricing, that Data Centres are effectively chosen over Major Industrials and future opportunities of more traditional energy-reliant industries.

Due to the discrepancy in employment numbers between Data Centres and the traditional industries, we are troubled that closures will see thousands of jobs lost and a hit to our economy in the billions.

The concern is that Hydro Tasmania's profits are being prioritised at the expense of Tasmanian jobs, the economy and our communities as Data Centres can pay a higher price for energy than other industries. This can be seen as the commercialisation of Hydro Tasmania, away from its historic role of cheap power for industry and jobs to support the economy.

For example, in mid-2025 the Boyer Mill had been told an additional 50MW was not available for it to convert their coal-fired power to electricity without new generation coming online.

Fast forward 9 months to March 2026, and Firmus had secured 104MW with no new generation into the grid. It doesn't make sense.

On Hydro Tasmania's website it states when assessing Firmus:

- Selling at high prices into the National Energy Market
- Acting commercially
- Managing water storages

What we want to see in an assessment of energy for Data Centre's is:

- ensuring energy is also available for Major Industrials and future traditional energy-reliant industries, at globally competitive prices.

What information should proponents provide early, and which stakeholders should be engaged, to inform community understanding and project design?

Proponents of Data Centre's connecting to our energy system should at least be replacing the contracted MW usage with their own renewable energy back into Tasmania's energy system.

Proponents should be providing their renewable energy project application either at the same time of, or as part of, their data centre application.

This must be regulated and legislated to ensure this occurs.

How can government assist proponents in navigating existing approval, infrastructure and commercial processes?

How can proponents and government improve early coordination and provide clearer information within existing approval pathways?

Local Planning Authorities do not have the scope to assess energy and water use, as was the case when the Bell Bay application was approved by the George Town Council.

For these reasons, the Latrobe Council referred the Wesley Vale application to the State Government requesting the application be assessed as a Major Project.

It is clear the existing approval process at a local authority level is not adequate to deal with these new industry applications.

What project information would best support meaningful early community engagement?

What commercial arrangements, demand-flexibility measures and technologies can support additional energy supply while protecting system security and existing customers?

What practical information should proponents provide to support coordinated network and generation planning?

Hydro Tasmania wants to make a decision on the proposed 444MW agreement with Firmus by the end of 2026.

As such, it is alarming that Hydro Tasmania's website states when assessing Firmus:

> *"We're also considering how new demand could be met while any new renewable projects are being built."*

Current private renewable energy projects can be found on the Renewable, Climate and Future Industries Tasmania (ReCFIT) website. Many wind and solar are listed as either still seeking approval or only approved.

Practical information that should be publicly available as soon as possible is:

- how Hydro Tasmania plans to meet the proposed new demand for Firmus while renewable projects are still being built, and;
- Greater detail on ReCFIT on the current status of wind and solar projects and a more precise timeline on when current projects will be commissioned

It is astounding that Hydro Tasmania wants to make a decision in three-months time on whether to approve a 444MW agreement, and they are still considering how this demand could be met with projects continually delayed and ReCFIT showing a likely best-case scenario is around 2030 for wind, solar and biomass.

With the proposed change from Hydro as base-load power to firming, the firm supply adequacy is crucial for keeping existing customers, mainly the Major Industrials, but also for understanding the firming MW available for future industries reliant on large energy contracts. This would assist when decisions are made on the social and economic benefits to Tasmania of these contracts.

The Major Industries provide stability to Tasmania's energy system in a base-load power system. Numerous outages of BassLink sent Tasmania into an energy crisis, and this should heed as a warning with the proposed Marinus Link. Should Marinus Link be built, Tasmania must ensure our state still has energy security and that requires Major Industrial customers for system security and stability.

In summary

1. 'Expectations' are pointless. Legislation and regulation of data centres are required to ensure what is expected is actually delivered.
2. Current local planning authorities are not adequate for assessing energy usage and therefore the development applications of data centres
3. Approval for data centre applications should be a Major Project or other mechanism the Parliament may legislate for, effectively ensuring energy contracts form part of the approval
4. Any Data Centre approval be required to factor in on-going energy availability for Major Industrials and future traditional energy-reliant industries
5. Parliamentary approval would allow for proper oversight of our energy system and how decisions on energy contracts may support or weaken Tasmania's economy
6. Parliamentary oversight would provide a clear understanding as to how, or if, Data Centres and traditional large energy industries can co-exist

Regards,



Jacob Batt
Tasmania State Secretary