central highlands COUNCIL

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08 October 2026

B Morris
Local Government Association of Tasmania

Emailed to: [redacted]

Dear Sir/Madam,

Response to the Draft Expectations for Data Centres an AI Developers Tasmania

1. Power Delivery

Across Australia the development of new renewable energy (RE) generation is painfully slow. Faced with ever-accelerating fossil fuel costs and excessive development controls, developers are instead focussing on storage projects, mostly large batteries, to soak up the big daytime surplus of available energy from rooftop solar. When all available daytime excess power is absorbed, there's no guarantee that developers will switch to building new RE plants. It's increasingly likely that the root cause of high diesel and petrol costs, the Iran War, will continue until at least January 2029.

2. Energy availability

There is a danger that data centres will outbid householders for power supply, heightening our reliance on importing power from the mainland, and paying more for it.

3. Assessment Against the Tasmanian Planning Scheme.

Land Use, Ai and data centres should be located on appropriately zoned land and not to the detriment of food security. Existing surrounding land use such as agriculture should not be compromised by the location of Ai or data centres, water use or the increased risk of fire from the development.

Council joins with Latrobe Council in seeking the State Planning Office to amend State Planning Provisions, so that Councils can adequately assess data and Ai centres in terms of use class, zoning, Bushfire Risk and attenuation distances. There is a lack of clear guidance as to whether Ai and data centres should be defined as a utility or resource development, both definitions have been applied thus far across the state by various Councils. Guidance from the State Planning Office is also required if these developments should be assessed under the Attenuation Code due to the potential for the development to cause emissions from the use diesel generators.

Clear guidance is required from Tas Fire as to the increase in Bushfire Risk from these developments and the storage of fuel on site for generators.

Furthermore, Council also agrees with Latrobe Council in that Ai and data centres should be assessed by the EPA as they clearly meet the requirements of a Level 2 activity.

4. Employment opportunities

The evidence is that very few long-term jobs arise from these developments and the handful of jobs that are, aren't likely to be filled by the local labour market.

5. Fire risk

Fire brigades across the State need to be appropriately resourced and trained to be able to respond to battery fires.

6. Local Government finance.

In common with RE sites, local government needs to be enabled to rate both the data centres and associated batteries or RE plants. The present system for RE rating in Tasmania is highly deficient. It's notable that Victoria is working on a process for rating batteries, as they don't now readily fit under their PiLoR system. **("Appended to this response is a copy of the Victoria Government Gazette dated 29 February 2024 relating to the order under section 94 Payment-In-Lieu of Rates").**

7. Local community benefits/compensation

In line with the developing State Guidance for Community Benefit Sharing, data centres and Ai centres should be included in the renewable energy developments to contribute to Community Benefit Sharing. In addition, neighbourhood compensation for any noise or other nuisance should also be a condition.

8. Water usage

It is notable the TasWater struggles to meet present water use demand. It is poorly placed to support the demand likely from data centre development.

Yours faithfully

Stephen Mackey
General Manager

Electricity Industry Act 2000

ORDER UNDER SECTION 94 – PAYMENT-IN-LIEU OF RATES

Order in Council

The Governor in Council under section 94(6A) of the **Electricity Industry Act 2000** (Act) and section 41A of the **Interpretation of Legislation Act 1984** makes the following Order:

PART 1 – PRELIMINARY

1. Objective

The objective of this Order is to prescribe a methodology for determining amounts payable under section 94(5) of the Act by a generation company, an associated entity of a generation company or an exempt generator to a relevant council in respect of land used for generation functions.

2. Commencement

This Order commences on the date on which it is published in the Government Gazette.

3. Revocation

The existing Order under section 94, made under section 94(6A) of the Act and published in Victoria Government Gazette G41 on 11 October 2018, is revoked.

4. Prescribed methodology

(1) Subject to paragraphs 4(2) and (3), for the purposes of section 94(6A) of the Act, the prescribed methodology for determining amounts required to be paid under section 94(5) of the Act by a generation company to a relevant council in respect of land used for generation functions is the methodology set out in paragraph 5.

(2) If –

(a) the total nameplate capacity of all generating units comprising the power station is 25 MW or lower; and

(b) the fuel source for electricity produced is solar, wind, or a combination of both,

PART 2 – METHODOLOGIES

the prescribed methodology for determining amounts required to be paid under section 94(5) of the Act by a generation company to a relevant council in respect of land used for generation functions is the methodology set out in paragraph 6.

(3) Where the land used for generation functions lies within more than one municipal

district, the amount determined in accordance with either paragraph 5 or 6 is payable to more than one relevant council and payments must be apportioned between each relevant council, having regard to the proportion of the nameplate rating of the power station located in each municipal district.

5. Prescribed methodology for electricity generators

(1) Subject to paragraphs 5(2) and (3), the generation company must pay to the relevant council in respect of that financial year:

(a) for each power station of the generation company located on the land used for generation functions and within the municipal district of the relevant council, $54,400, as escalated; and

(b) for each MW of the nameplate rating for each generating unit comprising the power station, $1,225, as escalated; or

(2) Where, in any financial year, the power station operates at an average capacity factor of:

(a) less than 10%, the amounts otherwise payable under paragraph 5(1), must be reduced by 50%;

(b) between 10% and 20%, the amounts otherwise payable under paragraph 5(1), must be reduced by 25%;

(3) The amount otherwise payable under paragraphs 5(1)(a) and (b) may be further increased or decreased with the parties' agreement, having regard to other factors presented by the parties and which the arbitrator considers relevant, which may include:

(a) the age of the power station, where this may be shown to have a demonstrated effect on the efficiency of the output of the power station; and

(b) the impact of the generation company or associated entity on the local area;

(4) The generation company or associated entity may initially pay the amounts under paragraph 5(1), where paragraph 5(2) is applied using an estimate of the average capacity factor of the power station for the financial year.

(5) If an amount has been paid under paragraph 5(4) but a subsequent calculation of the amounts in paragraph 5(1), using the actual average capacity factor of the power station for that year for the purposes of paragraph 5(2), results in an amount that:

(a) is more than any amount initially paid under paragraph 5(4), the generation company or associated entity must pay the difference between the amounts to the relevant council; or

(b) is less than any amount initially paid under paragraph 5(4), the relevant council must pay the difference between the amounts to the generation company or associated entity.

6. Prescribed methodology for solar/wind generators with nameplate capacity of 25 MW or lower

(1) Subject to paragraphs 6(1), (2) and (3), the generation company must pay to the relevant council in respect of each financial year an amount calculated in accordance with the following formula:

$$\mathbf{A}_n = (\mathbf{E} \times \mathbf{R}_n) + (\mathbf{D} \times \mathbf{R}_{n-1})$$

Where –

$\mathbf{A}_n$ is the amount payable to the relevant council under section 94(5) of the Act by a generation company for the current financial year n, expressed in dollars;

E is an estimate of the amount of electricity anticipated to be generated by the facility for the current financial year n, expressed in MWh;

$\mathbf{R}_n$ is the following amount, expressed in dollars and as escalated, for the current financial year n;

a) $0.56, in the case of a Community Generator;

b) $1.12 in any other case;

D is the difference between the estimated and actual generation for the facility for the previous financial year n–1, calculated in accordance with the following formula* –

$$\mathbf{D} = \mathbf{G}_{n-1} - \mathbf{E}_{n-1}$$

Where –

$\mathbf{G}_{n-1}$ is the actual amount of electricity generated by the facility for the previous financial year n–1, expressed in MWh;

$\mathbf{E}_{n-1}$ is the estimate of the amount of electricity anticipated to be generated by the facility for the previous financial year n–1, expressed in MWh;

* for the avoidance of doubt, **D** may be a positive or negative value;

$\mathbf{R}_{n-1}$ is the amount for $\mathbf{R}_n$ for the previous financial year n–1.

(2) If the amount A_n calculated in accordance with the formula in paragraph 6(1) for a Community Generator is less than $5,000, then the amount payable under section 94(5) of the Act by the generation company to the relevant council is $5,000.

(3) If the amount A_n calculated in accordance with the formula in paragraph 6(1) for a generation company that is not a Community Generator is less than $7,500, then the amount payable under section 94(5) of the Act by the generation company to the relevant council is $7,500.

PART 3 – DEFINITIONS AND INTERPRETATION

(1) In this Order –

Community Generator means a generation company –

1) for which at least 20% of the persons that have a shareholding interest in the power station are an organisation established for community service purposes (except political purposes); and

2) that undertakes community service activities within the municipal district of the relevant council and distributes at least 20% in revenue from the sale of electricity generated by the power station towards such activities (except lobbying and political activities).

generation company includes an associated entity of a generation company or an exempt generator;

nameplate rating means the maximum continuous output of a generating unit, expressed in MW; and

power station means:

1) where the fuel source for electricity produced is coal or gas, a generating unit or group of generating units connected to a common connection point;

2) where the fuel source for electricity produced is solar, water or wind, a generating unit or group of generating units connected to one or more connection points, but forming part of the same scheme, as determined by the arbitrator, having regard to the scheme ownership structure, relevant planning approvals and environment effects statements.

(2) A reference to **as escalated** in this Order is to be read as if it means 'as adjusted in accordance with the following formula:

$A_2 = A_1 * (CPI_2/CPI_1)$

Where:

A_2 = the adjusted amount;

A_1 = the amount to be adjusted;

CPI_2 = the Consumer Price Index: All Groups Index for Melbourne as published by the Australian Bureau of Statistics (ABS) for the March quarter immediately preceding the beginning of the relevant financial year;

CPI_1 = the Consumer Price Index: all Groups Index for Melbourne as published by the ABS for the June 2018 quarter.'

(3) A reference to **average capacity factor** in this Order means the percentage figure determined in accordance with the following:

ACF = (SOG/NR*8760)*100

Where:

ACF = average capacity factor for a financial year;

SOG = unless otherwise agreed between the generation company and relevant council, the sent out generation for a power station being, the total amount of electricity supplied by all generating units to the transmission or distribution network for a financial year, measured at its connection point or points, in MWh;

NR = the total nameplate rating for all generating units comprising the power station.

Dated: 27 February 2024

Responsible Ministers:

THE HON LILY D'AMBROSIO MP
Minister for Energy and Resources

HON MELISSA HORNE MP
Minister for Local Government

ANGELA SMITH
Clerk of the Executive Council

Flora and Fauna Guarantee Act 1988

SPECIFICATION OF ITEM IN THE THREATENED LIST

Order in Council

The Governor in Council, under section 10(3) of the **Flora and Fauna Guarantee Act 1988**, orders that the Warm Temperate Rainforest Community be specified in the Threatened List.

This Order comes into effect on the date it is published in the Government Gazette.

Dated: 27 February 2024

Responsible Ministers:

STEVE DIMOPOULOS MP
Minister for Environment

HON. ROS SPENCE MP
Minister for Agriculture

ANGELA SMITH
Clerk of the Executive Council
