

TASMANIA'S STRATEGIC ENERGY & INVESTMENT DIVIDEND

Public resources, planning, accountability, transparent consumption and tangible community benefit

10 September 2026

Mr Brian Mitchell MP
Chair, Government Administration Committee A
House of Assembly
Parliament House, Hobart TAS 7000
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Submitted to the Standing Committee on Government Administration A

Subject: Submission - Inquiry into AI Data Centres in Tasmania - Strategic Energy & Investment Dividend

Dear Chair and Committee Members,

Please accept the attached submission to the House of Assembly Inquiry into AI Data Centres in Tasmania. It is intended to respond constructively to the Committee's Terms of Reference, particularly protection of public resources, Parliamentary accountability, transparent resource disclosure, consultation and tangible benefit to the Tasmanian community.

The submission proposes a rules-based framework under which major projects pay project-specific network and water costs, support additional energy supply, disclose non-sensitive resource consumption, meet jobs and local procurement commitments, and face clawback for under-delivery. Any enhanced electricity rebate is capped at 20% and further limited by a defined share of verified net-new State fiscal benefit.

I respectfully ask the Committee to consider the fiscal-ratchet and public-benefit conditions as mechanisms that could be recommended for further Treasury and legislative/regulatory examination. The proposal is independent and is not submitted on behalf of a data-centre, construction or materials-supply business.

I bring more than three decades of experience in construction, strategic planning and consulting. That includes founding and directing Singapore-registered Quanta Group Proprietary Limited and Quanta International, with project activity across Asia and the Pacific Islands. My motivation in advancing this concept is positive long-term growth that benefits Tasmania and its people. I have no Tasmanian construction company, data-centre company or materials-supply business, and no private commercial interest in adoption of this policy.

I would welcome the opportunity to provide a short briefing or answer questions on the model.

Yours sincerely,

Mark Scown

Independent Tasmanian proponent

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THE OPPORTUNITY

Tasmania already has a credible competitive platform: renewable generation, hydro firming capability, a temperate climate, industrial land and an expanding electricity and telecommunications backbone.

The policy window is open now. The Tasmanian Government released draft Expectations for Data Centres and AI Infrastructure on 7 September 2026, while a parliamentary inquiry into AI data centres is also taking submissions.

The missing piece is a disciplined commercial incentive: make Tasmanian power more competitive where the State can prove the investment produces a larger fiscal and economic return.

WHY NORTH-WEST TASMANIA DESERVES PRIORITY SCREENING

- Heybridge/Burnie is the Tasmanian end of Marinus Link and the North West Transmission Developments are upgrading the regional 220 kV network.
- Marinus Link includes fibre optic capacity stated to increase Bass Strait internet capacity by about 150 times; its commercialisation should be treated as an opportunity, not yet an assumption.
- Bernacchi-1, announced by Firmus and SUBCO, is expected to add more than 60 Tbps through a new northern Tasmanian subsea connection, targeted for Q2 2027.
- Site selection should avoid prime agricultural land (Classes 1–3) and favour existing industrial or lower-capability land with suitable grid, fibre, water/wastewater and transport access.

THE ASK For the Inquiry: consider recommending enforceable public-cost protection, transparent resource reporting, additional-energy obligations, consultation, local benefit and a fiscal rule under which any strategic concession is earned from verified new State value.

PROPONENT BACKGROUND & DISCLOSURE Advanced independently by Mark Scown, founder and former director of Singapore-registered Quanta Group Proprietary Limited and Quanta International, with more than three decades of experience in construction, strategic planning and consulting. The motivation is positive long-term growth that benefits Tasmania and its people. The proponent has no Tasmanian construction, data-centre or materials-supply business and no private commercial interest in adoption of the proposal.

Key sources: Tasmanian Government, Draft Expectations for Data Centres and AI Infrastructure Developers (Sep 2026); Parliament of Tasmania, Inquiry into AI Data Centres in Tasmania; Marinus Link project overview; TasNetworks North West Transmission Developments; SUBCO/Firmus Bernacchi-1 announcement (2 Jun 2026); NRE Tasmania land capability classification.

THE PROPOSAL

1. **Business Energy Competitiveness Rebate** — a modest, budget-capped electricity rebate available to existing and qualifying new Tasmanian businesses. Treasury should model 5%, 7.5% and 10% scenarios before fixing the rate.
2. **Strategic Investment Rebate** — for major new loads such as AI/data centres and advanced industry, an electricity concession of up to 20% — but only when it is earned by verified new value to Tasmania.

SAFEGUARDS

Proponents pay all connection and project-specific infrastructure costs; no shifting of network or water costs to households.

Large new loads support additional renewable generation, storage or firming and provide demand flexibility.

Rebate is conditional on delivered capex, Tasmanian jobs, payroll, local procurement, compliance and transparent resource reporting.

A household energy dividend — potentially up to 10% — is considered only from audited scheme surplus, not promised upfront.

Inquiry relevance: directly addresses Terms of Reference 1, 3, 4, 5 and 6, and informs planning-system design under 2 and incidental matters under 7.

SUBMISSION TO THE INQUIRY INTO AI DATA CENTRES IN TASMANIA | 10 SEPTEMBER 2026

Tasmania's Strategic Energy & Investment Dividend

A self-funding electricity competitiveness framework for renewable compute, advanced industry and Tasmanian business

Executive summary

Tasmania has a strategic opportunity to turn its renewable electricity system into a durable investment advantage without exposing households or the State Budget to an open-ended subsidy. The core proposal is not a flat electricity price cut. It is a performance-based rebate in which the State shares only a portion of verified new value created by investment.

The concept has two tiers. First, a modest Business Energy Competitiveness Rebate would be available to existing and qualifying new Tasmanian businesses, within a fixed annual budget. Second, major strategic investments — including AI/data centres, advanced manufacturing and other large new loads — could qualify for an electricity rebate of up to 20%, but only where the project creates sufficient verified net-new fiscal value for Tasmania.

Recommended core rule

Strategic rebate = lower of 20% of eligible electricity cost OR 50% of verified net-new State fiscal benefit

This ensures Tasmania retains at least half of the measured fiscal gain before wider economic spillovers are counted.

This proposal aligns closely with the Tasmanian Government's September 2026 draft Expectations for Data Centres and AI Infrastructure, which emphasise jobs, local supply chains, new renewable generation, protection of existing customers, full cost recovery, sustainable water use and transparency. It adds a missing commercial mechanism: a transparent way to reward projects when, and only when, they demonstrably leave Tasmania better off.

This submission directly addresses the Committee's Terms of Reference: protection of public resources and the environment; planning-system treatment of AI/data facilities; Parliamentary oversight; transparent resource disclosure; community consultation; and tangible Tasmanian benefit. The fiscal-ratchet is offered as one possible mechanism for making 'tangible benefit' measurable rather than rhetorical.

Prepared by: Mark Scown | Independent Tasmanian proponent | 30+ years construction, strategic planning & consulting | No private commercial interest

1. The strategic case: electricity as an investment lever

Tasmania's advantage is not simply "cheap power". The stronger proposition is the combination of renewable generation, hydro capability, a temperate climate, developable industrial land, improving transmission and telecommunications infrastructure, and a State that can coordinate investment through public infrastructure businesses and the Office of the Coordinator-General.

Tasmania reached 100% net self-sufficiency in renewable electricity generation in 2020 and has legislated a 200% renewable generation target by 2040. The Government's own 2026 data-centre draft identifies renewable electricity, hydropower capability, temperate climate, industrial land and regulatory stability as reasons Tasmania can be competitive for digital infrastructure.

The policy problem

Electricity-intensive investors compare jurisdictions on total delivered energy cost, grid connection timing, reliability, fibre, water, planning certainty, land and tax settings. Tasmania can lose otherwise viable investment if its natural advantages are not translated into a clear commercial offer. At the same time, indiscriminate electricity discounts can simply transfer value from the public to private users, distort regulated pricing and provoke legitimate concern that households are subsidising large new loads.

The proposed answer is a fiscal ratchet: Tasmania offers a meaningful incentive, but the incentive expands only when the project's measured contribution expands. A project that produces little State revenue receives little rebate. A project producing substantial recurring value can earn a larger rebate, up to a hard 20% ceiling.

What should count as "verified net-new State benefit"?

- Incremental Tasmanian payroll tax actually paid, after applicable thresholds, grouping rules, rebates and concessions.
- Incremental land tax, duties, licence charges and other directly attributable State receipts where relevant.
- Incremental after-cost dividends, tax-equivalent payments or other measurable returns to the State from publicly owned electricity/water businesses that arise from the new activity.
- Less project-specific State expenditure, grants, infrastructure contributions, administration costs and other incentives.
- Local council rates and broader economic spillovers should be reported separately as public value, but not automatically counted in the State rebate pool. Commonwealth company tax should likewise be excluded unless there is a defensible State-attribution mechanism.

This definition is intentionally conservative. It makes the scheme harder to game and keeps the "self-funding" claim credible. Treasury would establish the final accounting standard before any project is admitted.

2. Proposed incentive architecture

Tier A — Business Energy Competitiveness Rebate

A broad but budget-capped rebate should be available to existing Tasmanian businesses and qualifying new businesses. The objective is to improve competitiveness across the economy, not only for data centres. Before fixing a rate, Treasury should model 5%, 7.5% and 10% electricity-bill rebate scenarios, with eligibility rules and an annual per-entity cap so that the program cannot become an uncontrolled liability.

To avoid interference with regulated network pricing, the preferred design is a State-funded rebate or tax-offset mechanism applied after the normal electricity bill, rather than an artificial reduction in TasNetworks regulated charges. Legal and competition-neutrality advice would be required before implementation.

Tier B — Strategic Investment Rebate (up to 20%)

Major new projects would be eligible for a higher, negotiated rebate where they create strategic value and meet strict conditions. Applicants should first demonstrate commercial viability without the rebate; the incentive is intended to influence location and share newly created value, not rescue an otherwise unviable project. The rebate should be calculated annually and paid in arrears, or provisionally paid with a true-up, against audited fiscal results.

Energy cap	20% × eligible electricity cost
Fiscal cap	50% × verified net-new State fiscal benefit
Annual rebate	Lower of the energy cap and fiscal cap
Hard stop	No rebate where project obligations, tax compliance or public-cost protections are not met

Illustrative sensitivity — not a forecast

Eligible annual electricity cost	20% energy cap	Verified net-new State benefit	50% fiscal cap	Rebate paid	Effective rebate
\$25m	\$5m	\$6m	\$3m	\$3m	12.0%
\$50m	\$10m	\$16m	\$8m	\$8m	16.0%
\$80m	\$16m	\$10m	\$5m	\$5m	6.25%
\$80m	\$16m	\$40m	\$20m	\$16m	20.0%

In the third example, an \$80 million electricity customer does not automatically receive a \$16 million discount. If verified net-new State benefit is only \$10 million, the rebate falls to \$5 million. This is the central discipline of the proposal: the incentive follows performance, not headline project size.

Optional household dividend

The original concept of household relief can be retained without weakening fiscal discipline. Once the scheme produces an audited net surplus, Government could direct a defined share of that surplus to a Household Energy Dividend — potentially up to 10% bill relief — rather than promising residential relief before the new revenue exists. This creates a visible community benefit and strengthens social licence.

3. Conditions for strategic projects, especially data centres

Data centres can be valuable investors, but their economics differ from labour-intensive industries: capital expenditure and electricity demand can be very large while permanent operating employment may be comparatively modest. For that reason, capex alone should never justify a recurring power concession. The annual fiscal ratchet should remain decisive.

The following conditions should be mandatory for the enhanced rebate and are consistent with the Government's current draft Expectations:

- New energy: major new loads must support additional renewable generation in Tasmania through credible commercial arrangements, with suitable storage/firming and staged delivery as load ramps up.
- No cost shifting: proponents pay all project-specific grid connection costs and their fair share of network augmentation; existing customers are not left with stranded-asset risk.
- Demand flexibility: large loads should demonstrate the ability to reduce or reshape demand during system stress, and consider whether battery/back-up assets can provide wider grid value.
- Water discipline: use efficient cooling, closed-loop, air/dry or immersion technologies where suitable; prioritise non-potable or recycled water; quantify annual and peak demand and pay all water/wastewater connection costs.
- Jobs and skills: disclose realistic construction and permanent job numbers; set apprenticeship, TasTAFE/UTAS, graduate and local skills commitments that can be verified.
- Local procurement: establish measurable Tasmanian supplier targets across design, civil works, electrical works, maintenance and operations where capacity exists.
- Transparency: report non-sensitive electricity use, water use, delivered jobs, local procurement and community commitments while protecting genuine commercial, cyber and national-security information.
- Compliance and clawback: material under-delivery, tax non-compliance or breach of agreed public-cost protections suspends the rebate and may trigger repayment.

Fibre should be treated as critical infrastructure, not an afterthought

A hyperscale or AI facility needs more than "internet access". Site screening should require carrier-neutral access, scalable multi-terabit capacity, physically diverse long-haul routes and resilient paths to mainland and international gateways. The objective is to avoid a single cable cut or single-carrier dependency becoming a critical failure mode.

North-west Tasmania's fibre outlook is materially better than it was a few years ago. Marinus Link includes fibre optic cable and states that it can increase internet capacity between Tasmania and Victoria by around 150 times. However, a 2026 parliamentary review noted that the commercialisation model for this fibre was still being developed, so a submission should describe it as prospective capacity rather than guaranteed market access. Separately, Firmus and SUBCO announced Bernacchi-1 in June 2026, with more than 60 Tbps of additional capacity and a northern Tasmanian landing, targeting operation in Q2 2027.

4. North-West Tasmania: recommended pre-feasibility screen

The North-West should be treated as a priority investigation area, not predetermined as the final site. The strongest current infrastructure convergence is around Heybridge/Burnie, where Marinus Link lands and the North West Transmission Developments are upgrading the 220 kV network, including upgrades to Burnie and Sheffield substations and a new switching station at Heybridge. The broader Penguin–Ulverstone–Devonport hinterland also warrants screening because of transport access, industrial history, climate and proximity to North-West/Northern infrastructure corridors.

Site-selection principles

Criterion	Preferred position	Reason
Electricity	Close to available high-voltage capacity; minimise new line length	Connection speed, cost and system impact
Fibre	Two physically diverse routes; multiple carriers; scalable terabit capacity	Resilience and latency
Land	Existing industrial land or suitable lower-capability land; avoid Classes 1–3 prime agricultural land	Protect high-value agriculture and reduce planning conflict
Water	Low-water cooling preferred; access to non-potable/recycled supply where needed	Protect potable and agricultural users
Hazards	Outside unacceptable flood, bushfire, coastal, landslip and natural-values constraints	Resilience and approvals
Transport	Reasonable heavy-vehicle access to port/road logistics without urban disruption	Construction and maintenance logistics
Community	Buffer to residences and early council/community engagement	Noise, trust and social licence

Tasmania's land capability system classifies Classes 1–3 as prime agricultural land and Class 4 as marginal for cropping. A proper GIS screen should therefore deliberately search for industrial-zoned sites and suitable Class 4–6 land while still testing biodiversity, heritage, water, flood, bushfire and community constraints. "Near a river" should not be a siting objective in itself; efficient closed-loop or low-water cooling may allow better sites to be selected away from sensitive waterways.

Recommended first-pass geographic screen

- Heybridge–Burnie: highest priority for power/fibre infrastructure convergence and direct relationship to Marinus/NWTD.
- Penguin–Ulverstone hinterland: screen non-prime land with practical access to the coastal transport corridor, transmission and fibre.
- Devonport/Wesley Vale corridor: screen existing industrial land and utility capacity, and test cumulative impacts if multiple large-load proposals progress in the wider corridor.
- Hampshire/Ridgley hinterland: investigate where transmission, land capability, bushfire risk and logistics align; do not assume water access alone makes a site suitable.

The deliverable from this stage should be a ranked 3–5 site shortlist, not a single preferred property. This keeps the concept independent and prevents any perception that the policy has been designed around a particular landholder or developer.

5. Implementation, governance and requested next step

A practical 90-day feasibility process

- Treasury: model the fiscal-ratchet formula, State exposure, accounting definition of net-new fiscal benefit, 40% / 50% / 60% fiscal-share ratios, and 5% / 7.5% / 10% business-rebate scenarios.
- State Growth / Office of the Coordinator-General: test investor demand, project eligibility, local procurement and jobs criteria.
- Energy agencies and Government businesses: test legal/NEM implications, connection-cost treatment, supply/firming arrangements and protection of existing customers.
- TasNetworks / telecommunications stakeholders: prepare a high-level grid and fibre capacity screen, including route diversity and timing of Marinus/Bernacchi capacity.
- TasWater / NRE / planning authorities: identify water, wastewater, land capability, hazard, environmental and planning constraints.
- Publish a short findings paper and decide whether to pilot the framework with one or more strategic projects before expanding it.

Governance safeguards

The scheme should be rules-based, auditable and project-neutral. Eligibility criteria, rebate methodology, annual caps, reporting requirements and clawback rules should be published. Individual commercial contracts can remain confidential where necessary, but the methodology and aggregate public benefit should be visible. This is especially important in the current environment, where community concern about large AI/data-centre energy and water use is significant and Parliament is examining public-resource protection, planning, transparency and tangible community benefits.

The requested decision

Accept the proposal as evidence relevant to Terms of Reference 1-7 and consider recommending further Treasury, planning and regulatory examination of: full project-cost recovery; transparent resource reporting; additional-energy obligations; enforceable local-benefit conditions; clawback; and a capped fiscal-ratchet for any strategic electricity concession.

Proponent background and conflict-of-interest disclosure

The concept is advanced independently by Mark Scown, founder and former director of Singapore-registered Quanta Group Proprietary Limited and Quanta International, bringing more than three decades of experience in construction, strategic planning and consulting. This includes approximately a decade leading construction and project work across Asia and the Pacific Islands, with operations/branches in Ho Chi Minh City, Bangkok and the Philippines and five-star/luxury hotel work including Park Hyatt Saigon. This background is included only to establish practical experience in construction, planning, project delivery and commercial coordination.

The motivation for this proposal is positive long-term growth that benefits Tasmania and its people. The proponent has no private commercial interest in adoption of the concept: no Tasmanian construction company, data-centre company, materials-supply company or related business through which the proponent would benefit. No preferential role, procurement position or commercial appointment is sought through this proposal. Any future private activity should be separately disclosed and subject to normal transparent processes.

Selected references

1. Tasmanian Government, Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania, September 2026 (Building Tasmania consultation).
2. Parliament of Tasmania, House of Assembly Standing Committee on Government Administration A, Inquiry into AI Data Centres in Tasmania — submissions close 21 September 2026; Terms of Reference dated 5 August 2026.
3. ReCFIT, 100% Target Achievement and 200% Tasmanian Renewable Energy Target.
4. Marinus Link, Project Overview — Heybridge converter station, Stage 1 750 MW and fibre optic capacity stated to increase Tasmania–Victoria internet capacity by 150 times.
5. TasNetworks, North West Transmission Developments — Stage 1 includes 3 km new and 126 km upgraded lines, Burnie/Sheffield substation upgrades and Heybridge switching station.
6. SUBCO and Firmus, Bernacchi-1 announcement, 2 June 2026 — >60 Tbps additional capacity, northern Tasmanian landing, Q2 2027 target.
7. NRE Tasmania, Land Capability Classification System — Classes 1–3 are prime agricultural land; Class 4 is marginal for cropping.
8. State Revenue Office Tasmania, Payroll Tax Rates and Thresholds, 2026–27.