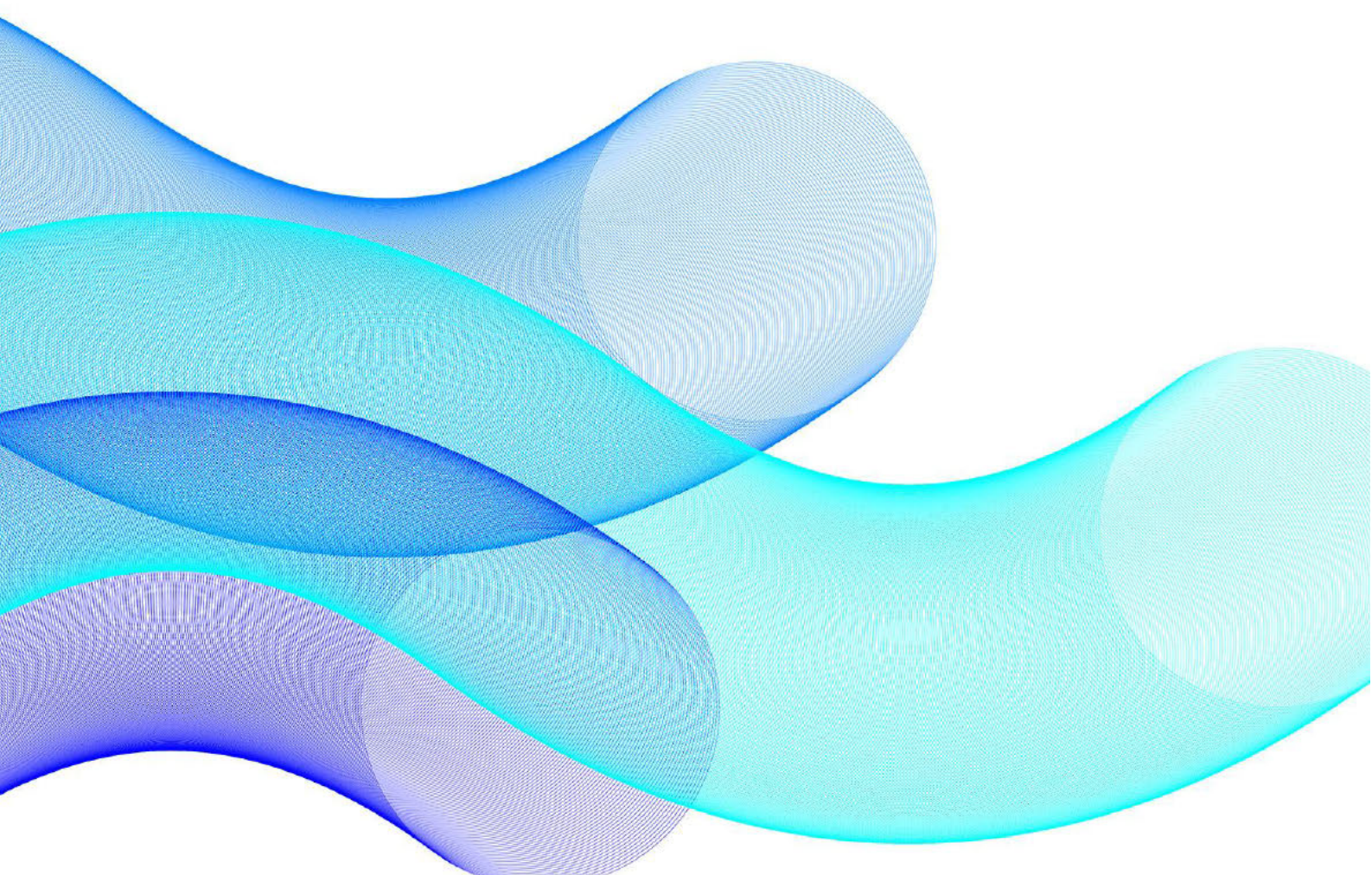

Vocus Response

Inquiry into AI Data Centres in Tasmania

21 September 2026



About Vocus

Vocus, Australia's specialist fibre and network solutions provider, owns and operates 50,000km of secure, high-capacity fibre connecting all Australian mainland capitals with New Zealand, Asia, and the USA. Beyond the fibre network, Vocus operates a growing network of submarine cables spanning nearly 15,000kms that includes the Australia Singapore Cable, North-West Cable system, the Darwin-Jakarta-Singapore system, and the PPC-1 cable from Sydney to Guam.

Vocus' national fibre backbone also provides the foundational infrastructure for Starlink's Low Earth Orbit (LEO) satellite service – enabling revolutionary high-speed connectivity to 100% of Australia's landmass, no matter how remote. Vocus also operates 25+ private 4G/5G mobile networks across the country.

Vocus owns a portfolio of well recognised brands catering to enterprise, government, wholesale, small business and residential customers across Australia. For more information, visit vocus.com.au.

Executive Summary

Vocus welcomes the opportunity to make a submission to the Tasmanian Parliament's Inquiry into the construction and operation of Artificial Intelligence (AI) data centres. As an Australian fibre and network infrastructure provider, Vocus is committed to supporting Tasmania to capture the productivity, economic and national resilience opportunities afforded by AI.

AI has the potential to deliver significant benefits for Tasmanians. Businesses, critical industries and public services will increasingly rely on AI-enabled technologies to lift productivity growth and strengthen economic competitiveness. The future global competitiveness of critical sectors – including defence industry, mining, and manufacturing – will hinge on our ability to embrace and deploy automation and emerging technologies at scale. Around the world, unprecedented investment in data centres, cloud infrastructure and digital networks is reshaping global competition.

Our central message to the Inquiry is simple: Tasmania cannot automate without connectivity, and connectivity requires digital infrastructure. Data centres, cloud platforms and AI models all depend on secure, resilient and high-capacity communications networks to move data between users, businesses and global markets. Subsea cable systems and terrestrial fibre networks are therefore foundational infrastructure for the AI economy.

To date, national policy discussions on AI have focused on the electricity, water, environmental planning and community impacts associated with data centre development. While these are important considerations, the connectivity requirements that underpin data centre investment remain largely absent from the discussion, creating a critical gap in Tasmania's AI strategy. Without sufficient investment in the networks that connect digital assets together, Tasmania's ability to realise the full benefits of AI will be constrained.

Vocus has begun addressing this challenge nationally through the launch of the Australian Digital Infrastructure Platform (ADIP), a multi-year investment program designed to expand Australia's fibre capacity and strengthen the digital foundations required for future AI growth. Vocus is also investing in subsea cable infrastructure and partnering with global hyperscalers to expand Australia's international connectivity. These investments provide practical insights into the connectivity foundations required to construct and operate data centres, which Vocus would be pleased to share with the Inquiry.

However, private investment alone is not sufficient. Australia also needs a policy and regulatory framework that supports the timely deployment of digital infrastructure and provides certainty for long-term private investment. Recognising connectivity infrastructure as a strategic enabler of AI and addressing barriers to network deployment will help ensure Tasmania is well positioned to capture the opportunities presented by AI.

Tasmania's AI ambitions risk outpacing its digital infrastructure

Tasmania has set a clear mandate to invest in transformative technologies to ensure the state remains at the forefront of innovation to grow productivity.¹ The draft *Tasmanian Economic Diversification and Investment Strategy* clearly articulates Tasmania's ambition to align digital infrastructure with economic opportunities and unlock options for private investment.²

Realising this ambition presents a significant economic opportunity, but it will require overcoming equally significant challenges. Around the world, unprecedented investment in AI, cloud computing and digital infrastructure is reshaping economic competition. Australia's future competitiveness will increasingly depend on the ability of critical industries to automate, adopt AI-enabled technologies and operate at scale. As global tensions rise and data sovereignty becomes more important, having secure, reliable data centre capacity in Tasmania is not just an economic necessity – it is a strategic imperative. This sovereign digital capability will enable everything from stronger automation across critical sectors – including Tasmania's defence industry, critical minerals and mining sector, and manufacturing – to better connectivity for regional and remote communities.

However, AI does not operate in isolation – it depends on the infrastructure that connects it. Data centres require three essential inputs: power, water and connectivity. While substantial attention has been given to energy and water requirements for data centre development, connectivity risks becoming the missing piece of Tasmania's AI agenda.

The urgency of this problem is clear. Data centre capacity in Australia is projected to triple by 2030, while AI workloads are expected to drive between 85 and 95 per cent of long-haul fibre demand and 70 to 80 per cent of metropolitan fibre demand. As AI adoption accelerates, capacity on these networks will become constrained without significant upgrades. The digital highways that connect data centres, businesses and users must therefore be expanded and upgraded ahead of demand.

Meeting Tasmania's AI ambitions will require sustained investment in both subsea cable systems and the terrestrial fibre networks they connect into. Together, these assets form the backbone of the digital economy, enabling the movement of data between users, businesses, data centres and global markets. Subsea cables carry more than 99 per cent of international data traffic and underpin everything from cloud services and financial systems to government operations and AI workloads. Once viewed primarily as telecommunications infrastructure, these networks have become strategic national assets that support economic growth, digital trade, national security and resilience.

Subsea cable systems and long-haul fibre networks require significant upfront capital, long-term planning horizons and supportive policy settings. They are investments measured in decades, not years. If Tasmania is to realise its AI ambitions, investment in connectivity infrastructure must occur ahead of demand, not in response to it. Without greater focus on the networks that underpin the digital economy, there is a risk that Tasmania's AI ambitions will outpace the infrastructure needed to support them.

Building the backbone connectivity to power the AI Island

Vocus has begun to address this challenge nationally by investing ahead of demand to ensure Australia has the connectivity infrastructure required to support the next phase of AI-driven growth. Vocus has launched the Australian Digital Infrastructure Platform (ADIP); a multi-year initiative designed to address Australia's emerging fibre capacity

¹ The Hon Felix Ellis MP, 'AI Island: Driving economic growth for Tasmania's future' (30 November 2025) < <https://www.premier.tas.gov.au/latest-news/2025/november/ai-island-driving-economic-growth-for-tasmanias-future> >.

² Economic Strategy Unit, 'Economic Diversification and Investment Strategy – Consultation Draft' (8 July 2026) < https://hdp-au-prod-app-sgtas-engage-files.s3.ap-southeast-2.amazonaws.com/5317/8346/5973/Economic-Diversification-and-Investment-Strategy-Consultation-Draft_0708.pdf >.

challenge and strengthen the digital foundations of the AI economy. ADIP provides practical insights into the connectivity required to construct and operate data centres, which Vocus is pleased to share with the Inquiry.

The first project under ADIP is Australia's first ducted long-haul fibre route between Sydney and Melbourne. Capable of accommodating up to 6,912 fibre cores (3,456 fibre pairs), the project introduces a deployment model that has become standard across major AI and cloud infrastructure markets in North America and Europe.³ Unlike traditional fibre deployments, ducted networks enable additional capacity to be deployed in the future without breaking ground again or disrupting active customer services. This approach improves scalability, resilience and long-term infrastructure efficiency.

ADIP represents a long-term commitment to future-proofing Australia's digital infrastructure to ensure connectivity infrastructure is available before capacity constraints emerge. The initiative will deliver thousands of kilometres of new fibre routes, thousands of new fibre pairs and significant additional network capacity in locations strategically aligned with the land, water and power requirements of emerging AI and data centre developments.

At the same time, global technology companies are becoming some of the world's largest investors in digital infrastructure. Hyperscalers such as Google, Microsoft, Amazon and Meta are investing heavily in subsea cable systems to support rapidly growing cloud and AI workloads. This trend presents a significant opportunity for Australia to become a digital infrastructure hub in our region. Beyond delivering additional international capacity, hyperscaler investment can catalyse broader infrastructure development and attract complementary investment across the digital ecosystem.

Vocus is already demonstrating this model through its partnership with Google to deliver the Pacific Connect and Australia Connect subsea cable projects. Together, these investments will expand Australia's international connectivity and strengthen links with key global markets. They will also create opportunities for domestic infrastructure providers to build complementary terrestrial networks, increase capacity and support the continued growth of Australia's digital economy.

The experience of ADIP and our subsea investments demonstrates that industry is prepared to invest in the connectivity infrastructure needed to support Australia's AI ambitions. The challenge is ensuring that policy, planning and investment settings keep pace with the scale of infrastructure required.

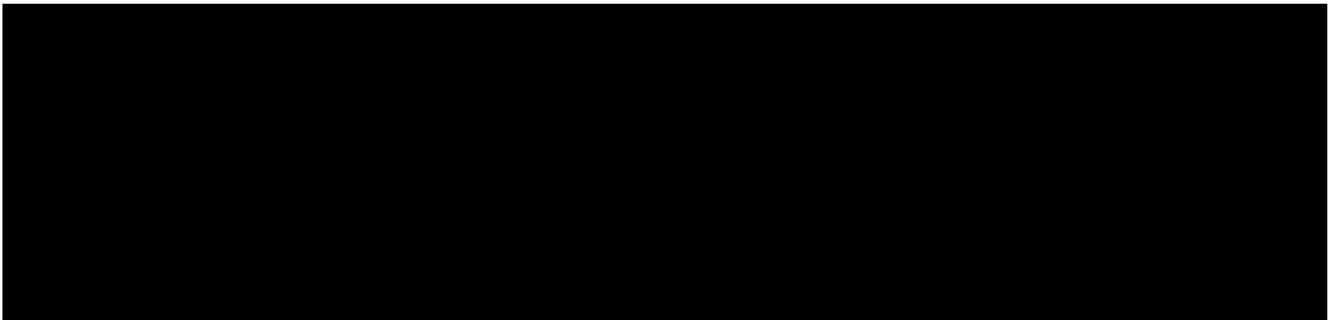
Removing barriers to infrastructure investment and deployment

Data centre approvals alone do not authorise the fibre infrastructure required to connect and support these facilities. Deploying fibre networks involves navigating multiple land access, planning, environmental, heritage and land tenure approval processes. The Inquiry has an opportunity to consider how investment and deployment settings can better support both data centre development and the digital infrastructure required to connect and operate these facilities. Currently, complex and unpredictable approval pathways increase costs, delay deployment and create uncertainty for investors, slowing the rollout of the connectivity infrastructure needed to support Tasmania's digital future.

Carriers currently rely on powers under Schedule 3 of the *Telecommunications Act 1997* to inspect land, install low-impact facilities and maintain telecommunications infrastructure. The carrier powers and immunities framework was designed to support nationally consistent network deployment and provides important authority over certain state and territory requirements. However, the framework has now been in place for more than 20 years and its practical operation is increasingly challenged by overlapping land access, environmental, planning and cultural heritage requirements across jurisdictions.

³ For more information, please see Vocus's announcement: <https://www.vocus.com.au/news/vocus-announces-intent-to-build-and-operate-australias-first-ducted-long-haul-fibre-route>.

In practice, telecommunications carriers are often required to navigate multiple approval pathways despite the existence of a Commonwealth framework intended to facilitate network deployment. State, territory and local authorities frequently seek additional approvals or impose separate requirements, resulting in delays, increased compliance costs and uncertainty for infrastructure projects. These challenges are not unique to Vocus, with other major fibre infrastructure providers similarly identifying regulatory complexity as a key barrier to deployment.



There is an opportunity for the Tasmanian Government and industry to work together to create a more supportive environment for digital infrastructure investment and deployment. This should include early, coordinated planning for the fibre networks and other digital infrastructure required to support data centre developments. Where activities are already regulated under Commonwealth frameworks, Tasmania should seek to avoid duplicative information requirements or approval processes, while preserving the operation of legitimate state environmental, heritage and land-use protections.

Reducing regulatory complexity and improving coordination across jurisdictions would help accelerate investment, lower deployment costs and provide greater certainty to invest in the digital infrastructure needed to construct and operate AI data centres.