

10 September 2026

Department of Climate Change, Energy, the Environment and Water
4 Parramatta Square
12 Darcy Street
Parramatta NSW 2150

Submitted via email network.economicpolicy@dcceew.nsw.gov.au

Re: Reforming electricity network connection and cost recovery arrangements for data centres in NSW

Dear DCCEEW

Thank you for the opportunity to make a submission to the *Reforming electricity network connection and cost recovery arrangements for data centres in NSW-Consultation Paper*. This submission has been prepared with the input and support of our member councils but should be considered draft until it is formally endorsed by the NSROC Board.

The Northern Sydney Regional Organisation of Councils (NSROC) members are the eight councils in the northern Sydney area: Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, Ryde, and Willoughby. NSROC brings these councils together to work on projects and common goals to create solutions that benefit not just individual communities, but the entire region. NSROC member councils service an area of 639km² with a population of 662,281 as of 2026 which extends from the Hawkesbury River in the north to Sydney Harbour in the south, west to Meadowbank on the Parramatta River.

NSROC member Councils are at the forefront of managing the growth in data centre development. The existing and planned data centre sites in the NSROC region total more than 1,000 MW, taking up *at least* 232,000 square metres of space, particularly in the City of Ryde, Willoughby City Council and Lane Cove Council.

NSROC and its member councils support reforms that ensure data centres:

- impose no net cost on local communities and small businesses,
- drive investment in new renewable energy generation,
- remain compliant with water and electricity usage, noise, fire and stormwater requirements,
- do not have a negative impact on the environment including tree canopy and light pollution,
- do not displace regionally significant industrial and employment lands,
- are not located within 800m of train or metro stations to ensure these locations are prioritised for housing and commercial uses that generate travel movements and maximise the productivity and returns from the public transport investment.

The consultation paper considers introducing an entry bond alongside improvements to cost allocation and recovery. However, there is a lack of transparency in how the cost of the proposed \$30,000/ MW entry bond was derived. This is also true of the proposed \$200,000/MW upgrade fee. Will the bond be sufficient to achieve the desired outcome? Does the upgrade fee accurately reflect the cost incurred by the NSPs? Setting these fees and charges appropriately will be important to ensure that costs are not passed on to community.

While the consultation paper addresses high-voltage transmission and major network upgrades, the downstream impacts on local distribution networks must be considered. The construction of large digital infrastructure requires continuous supply chain logistics. Connection cost-recovery mechanisms must also account for local road wear and tear and traffic management during construction with a fee/levy that is passed back to the council to ensure that the costs of maintaining and repairing the roads are not borne by the local council and its community.

The Secretary's Environmental Assessment Requirements (SEARs) should require proponents to identify and assess potential impacts on local infrastructure, the environment and council assets at an early stage. Previous examples have demonstrated that under existing frameworks for managing telecommunications infrastructure, significant local environmental impacts occur without councils being appropriately informed or involved. These impacts have included the loss of native canopy, with councils subsequently incurring legal and administrative costs to pursue proponents for remediation. The SEARs should therefore establish clear requirements for early council notification, assessment and mitigation of local impacts, including appropriate arrangements for remediation and cost recovery.

Local communities must have a voice in the process to ensure their needs are considered in data centre developments. Heavy power demands translate to significant ancillary footprints, including massive cooling systems, noise pollution from chillers and backup generators, and visual amenity impacts. The reforms must align closely with local environmental controls and require meaningful engagement with the community and stakeholders that informs mitigation measures with significant input from Councils.

It is unclear how this reform will support the implementation of the NSW Data Centre Guidelines Principles 5 and 6 regarding investment in future industries and a commitment to training and skills to support local jobs. Consideration should be given to how the principles will be integrated alongside these network reforms, including whether major developers should contribute to additional apprenticeships and training capacity to ensure sector growth expands the broader workforce.

NSROC recognises the need for data centres and acknowledges that they are critical economic infrastructure that underpins wider opportunities in a digital economy. We seek a long-term and strategic lens for how and where they are developed. NSROC member councils would welcome the opportunity to have greater input to the planning and delivery of data centres.

For any further information, please contact Dr Meg Montgomery, NSROC Executive Director on 0401 640 823 or mmontgomery@lanecove.nsw.gov.au.

Yours sincerely



Dr Meg Montgomery

Executive Director

Northern Sydney Regional Organisation of Councils

Attachment – NSROC Submission on Infrastructure NSW Data Centre Consultation Paper