# Best Effort.

*The weekday briefing on Australian telecommunications, data centres and AI infrastructure.*

TODAY'S BRIEFING

## Friday 6 November 2026

- Data centre approvals are under scrutiny on several fronts.
- A cross-party NSW inquiry found projects are assessed one by one despite combined effects on water, power and infrastructure, yet voted 6-1 against a moratorium.
- A Treasury official told a parliamentary committee on 30 October 2026 that no formal net benefit calculation exists for hosting large AI data centres.
- Deloitte counts 37 data centre projects worth $141 billion in a record $1.39 trillion pipeline.

**6** stories · **12 min** reading · **15** sources · Online at besteffort.au/editions/2026-11-06

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# NSW inquiry finds data centre approvals ignore combined impacts, rejects moratorium

A cross-party New South Wales inquiry concluded that data centres are assessed project by project even though their effects on water, power and infrastructure add up. The committee voted 6-1 against a moratorium, over the objection of its Greens chair.

**Best Effort desk** · Fri 6 Nov 2026 · 3 sources · 1 min read

WHY IT MATTERS

Approvals stay open while the report points to a planning gap over shared power and water demand, so developers in New South Wales may face a state strategy and closer coordination rather than a pause.

A cross-party inquiry in New South Wales has concluded that the state's data centre approvals did not weigh the combined demands of projects on resources and infrastructure. The committee nonetheless stopped short of urging a halt to new approvals. According to minutes attached to the report, members of the Public Accountability and Works Committee voted 6-1 to drop recommended state and national moratoriums.

The report said the state had no coherent strategy for handling the boom's effect on water, electricity and infrastructure. It cautioned that existing guidelines may set future power demand too low and understate limits on water supply, and that facilities placed close together could strain infrastructure. In the committee's words, the planning framework treats data centres "primarily as individual developments despite many impacts being cumulative in nature".

Instead of a pause, the committee asked for a comprehensive data centre strategy and tighter coordination among those involved in the approvals pipeline. The dropped proposals would have kept the pauses in place until the social and environmental harms were fully understood.

Chair Abigail Boyd, a Greens member of the state's upper house, cast the lone vote to retain the moratorium recommendations. In the report's foreword she described an "AI-fuelled data centre frenzy" that threatened to use huge volumes of energy and water. She also argued that governments had been taken in by an AI-driven scheme to get rich quickly, adding: "But it's a false economy."

NextDC and OpenAI are waiting on approval for a data centre in the state. Residents in one suburb have already led to a smaller project being withdrawn, and a state election is due in March 2027. Reuters reported that the inquiry

reflects a wider tension for lawmakers, who want a share of an AI buildout that McKinsey estimates will be worth $7 trillion by 2030 while communities resist.

REPORTING FROM

1 **AI Affairs** · New South Wales inquiry finds data centre approval gaps but rejects a moratorium
2 **ETCIO.com** · Inquiry Reveals Issues in Australia's Data Centre Approvals Amidst AI Boom, ETCIO
3 **CNA** · Australia data centre inquiry finds inadequate checks, stops short of moratorium

Written by AI from the reporting above. Quotes, numbers and names were checked against those sources before publication.

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POLICY & REGULATION 2 OF 6

# Treasury has not calculated net benefit of attracting AI data centres, inquiry hears

A Treasury official told a parliamentary committee on 30 October 2026 that the department has done no formal net benefit calculation for hosting large AI data centres. Parliamentarians pressed on grid demand, tax and where the value ends up.

**Best Effort desk** · Fri 6 Nov 2026 · 2 sources · 2 min read

WHY IT MATTERS

With the government planning mandatory standards on energy, water and location for large data centres, the inquiry shows Treasury has no quantified net benefit to point to, while parliamentarians question grid demand, tax and local value.

Treasury has not established whether drawing large AI data centres to Australia will leave the country better off, a parliamentary inquiry has heard. Treasury official Jeremy Lawson told the Joint Select Committee on Artificial Intelligence on 30 October that the department had not carried out "a formal net benefit calculation" on such investment. Lawson said he doubted such a calculation was possible given the uncertainties, and that any figure would probably be too "rubbery" to guide decisions by itself.

Lawson argued that Australia would slip further behind other countries on productivity and living standards without upfront investment. He cited Productivity Commission research suggesting AI could raise labour productivity by about 4.3 per cent over a decade. Nationals Senator Ross Cadell replied that the same research found the largest gains came from using AI, not from training models, the most power-hungry part of the industry.

Cadell said governments had already spent $12.5 billion supporting energy-hungry businesses, including $2.5 billion for the Tomago aluminium smelter in his region. He added that one proposed Queensland data centre would draw 2.16 gigawatts at full capacity. Cadell said the word "'May,' for a politician, is the scariest word you can ever hear, because we don't know what we're getting".

Independent Curtin MP Kate Chaney likened the data centre push to the gas industry, where she said much of the value went offshore into private hands. She asked whether Australia would end up as a landlord for training models. Treasury's submission, a chapter of the 2026 Intergenerational Report, notes that much of the equipment is imported, so only about one-third of data centre investment is expected to directly support Australian activity.

Lawson agreed under questioning that the facilities need not sit beside a local industry for Australia to gain from AI. He said, "In a modern economy, co-location isn't strictly necessary to enjoy the benefits of having that domestic capacity". He added that local training capacity could still help researchers and businesses develop AI, though he stressed nothing was certain. A previous Senate inquiry heard that foreign firms could train their most advanced models here without giving local researchers access to the development process, and that the models stay the firms' intellectual property wherever the computing happens.

On tax, Treasury's Trevor Power said data centre operators would pay company tax like any other business, with the Tax Office policing multinationals. Chaney raised concerns about "clever accounting" and transfer pricing. Power, who said he was not Treasury's tax expert, pointed to national AI standards under development, which he said would set the rules for ensuring the investments are net economic benefits. Prime Minister Anthony Albanese announced in July that the government intends to legislate the standards, including mandatory requirements for large data centres, and Treasury's submission says they will cover energy, water and location.

Independent Senator David Pocock has separately argued in a Guardian opinion piece, reported by Mindiam, that tech multinationals building AI data centres should be taxed to deliver a fair return, citing Microsoft's A$25 billion and Amazon Web Services' A$20 billion pledges.

REPORTING FROM

1 **Mindiam** · Pocock: Tax AI Data Centres Like Gas Exports
2 **The Epoch Times** · Treasury Yet to Calculate Net Benefit of Attracting Data Centre Investment

Written by AI from the reporting above. Quotes, numbers and names were checked against those sources before publication.

FIBRE, SUBSEA & INTERCONNECT 3 OF 6

# EonFibre adds 400G Trans-Tasman capacity between New Zealand and Australia

New Zealand wholesale fibre provider EonFibre has lifted its Trans-Tasman offering to 400G, targeting data centre, cloud, hyperscaler and carrier customers. The company said the service is available from November 2026.

**Best Effort desk** · Fri 6 Nov 2026 · 3 sources · 2 min read

WHY IT MATTERS

The upgrade gives carriers, cloud providers and data centre operators a 400G wholesale option on the Trans-Tasman route between New Zealand and Australian interconnection points, as AI and cloud workloads lift demand for capacity.

EonFibre, a New Zealand bandwidth infrastructure specialist, can now supply 400G links between New Zealand and Australia after expanding its Trans-Tasman network. The company said customers can take the service from November 2026, with each circuit engineered around the customer's location, capacity, resilience and routing needs.

EonFibre is pitching it at organisations shifting growing volumes of data across the Tasman, among them data centre operators, hyperscalers, cloud providers, carriers and enterprises with AI and other data-heavy workloads. The new transport capacity ties into the company's national fibre footprint.

On the build side, EonFibre installed new optical equipment and extra terrestrial transport that carries traffic from international infrastructure into its New Zealand network. The work included installation, commissioning and end-to-end testing along the international and domestic path. The 400G option is offered next to EonFibre's existing international bandwidth services, and reaches New Zealand sites and data centres as well as key interconnection locations in Australia as a single integrated product.

EonFibre chief executive Richard Mooney said international bandwidth is taking on a larger role in New Zealand's digital infrastructure. Mooney said the investment gives EonFibre "significantly more capability across the Tasman and enables us to deliver 400G connectivity, putting us in a strong position to meet future demand as it grows". He also said, "New Zealand is a great option for those looking to build data centres and take advantage of the opportunities AI is creating".

Reseller News reported that the capability complements DC Direct and Zone Direct, which launched in October, along with the FlexWave optical service. EonFibre describes FlexWave as dedicated wavelength connectivity inside New Zealand and to overseas locations.

EonFibre runs more than 11,000 km of fibre, including metro rings in Auckland, Hamilton, Wellington and Christchurch, and connects to more than 30 data centres and exchange sites. It is a co-owner of the Tasman Global Access submarine cable and supplies international capacity to Australia and the United States. Pricing and customer onboarding timelines were not stated.

REPORTING FROM

1. **scoop.co.nz** · EonFibre Adds 400G Trans-Tasman Connectivity
2. **We are the Frontier** · EonFibre Adds 400G Trans-Tasman Data Links
3. **Reseller News (NZ)** · EonFibre boosts trans-Tasman connectivity to meet AI, cloud and data centre demand

Written by AI from the reporting above. Quotes, numbers and names were checked against those sources before publication.

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DATA CENTRES 4 OF 6

# Firmus 26MW AI research facility approved at Wesley Vale without a council vote

Latrobe Council staff cleared Firmus's 26-megawatt AI research and development facility at the former Wesley Vale pulp mill with no advertising or councillor vote, and the outgoing mayor says the planning scheme is not fit for purpose. The Environmental Defenders Office has separately urged a parliamentary inquiry to back a moratorium on large data centre approvals.

**Best Effort desk** · Fri 6 Nov 2026 · 4 sources · 3 min read

WHY IT MATTERS

The approval shows an AI facility can clear Tasmania's planning scheme as a routine use-class application, with no advertising or councillor vote, while a larger Firmus data centre at the same site awaits a major-project decision. The EDO's proposed reforms and the government's draft expectations point to the rules that could shape future AI infrastructure approvals in the state.

Firmus has been granted approval to turn an existing warehouse at the former Wesley Vale pulp mill, in Tasmania's north-west, into a 26-megawatt AI research and development facility. Under the state's planning scheme the application did not have to be advertised or put to councillors. Council staff signed it off and the general manager formalised the decision.

Firmus said the facility will carry computing hardware running AI workloads for customers, alongside a research program into cutting reliance on backup power such as diesel generators. Co-founder and principal engineer for research and development Jonathan Levee said Tasmanian engineers would use it to trial new ways of operating AI infrastructure. He said the work draws on software developed and patented in Tasmania, aimed at making AI computing respond to grid conditions, and would test whether batteries could reduce diesel use.

Firmus expects about 70 jobs during construction and 20 ongoing roles once operating. It said dry cooling will be used for most of the year, with annual cooling water use estimated at approximately 224,000 litres, drawn mainly from rainwater collected on site and subject to final design and operating conditions. Construction is planned seven days a week, with reduced weekend hours.

The facility is distinct from a proposed 26-megawatt Firmus data centre at the same site, which Latrobe Council has asked the state government to assess as a major project. That proposal covers about three hectares at 174 and 226 Mill Road and carries a proposed investment of about $2.1 billion. ABC News reported that Firmus, which plans three AI data centres in Tasmania, pulled its public share offering last month after investor interest cooled.

Outgoing Latrobe mayor Peter Freshney said the handling was standard for applications that fit the relevant use class. He told 936 ABC Radio Hobart that an application needing discretion would have been advertised and gone before council. Freshney said the scheme "doesn't provide a rigorous and robust assessment of these emerging technology development applications". He added that the outcome "does seem rushed".

Local resident Erin Woodcock said she felt shut out of the process. According to unconfirmed minutes, community members put questions to the October council meeting on the building's footprint, its power supply, planned diesel generator use and the council's ability to assess a project of this scale. Planning and Housing Minister Kerry Vincent defended the process, saying it was "entirely appropriate for developers to rely on the planning system when determining where to invest". He said the government had put out draft expectations for data centres and AI infrastructure and wanted major AI developments to deliver for local communities.

At a parliamentary inquiry on 4 November, Environmental Defenders Office managing lawyer Mae Tanner called for a moratorium on large data centre approvals until planning and environmental laws are reformed. The EDO wants data centres treated as their own use class, with large ones automatically

referred to the Environment Protection Authority at a suggested threshold of 30 or 50 megawatts. Tanner said the existing utilities and research and development classes, under which the Firmus proposals were assessed, were not designed for data centres. She said referrals to date had been triggered only by the fuel-burning capacity of backup diesel generators. The EDO also wants large data centres legally required to bring at least 100 per cent new renewable energy before they operate, with continuing energy and water reporting.

REPORTING FROM

1. **ABC News** · Firmus lab approved without council vote, sparking calls for reform
2. **Pulse Tasmania** · EDO calls for moratorium on Tasmanian AI data centre approvals
3. **LAFM** · Firmus facility greenlit by council
4. **Coast Herald** · 26MW AI R&D Facility Approved at Wesley Vale as Tasmania Planning Rules Face Scrutiny

Written by AI from the reporting above. Quotes, numbers and names were checked against those sources before publication.

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DATA CENTRES 5 OF 6

# Data centres push Australia's project pipeline to a record $1.39 trillion, Deloitte says

Deloitte Access Economics' Investment Monitor counts 37 data centre projects worth $141 billion within a $1.39 trillion national pipeline. The firm warns that skilled labour shortages and above-target inflation threaten delivery.

**Best Effort desk** · Fri 6 Nov 2026 · 2 sources · 2 min read

WHY IT MATTERS

Data centre construction is landing in the same cities and trades as housing and infrastructure work, so delivery timing and costs for operators and builders hinge on skilled labour and power connections. Deloitte cautions that the economic benefit may be smaller than the investment totals imply.

Australia's pipeline of major projects hit a record $1.39 trillion in the September quarter, and 37 data centre projects worth $141 billion are part of it, Deloitte Access Economics reported in its quarterly Investment Monitor on 5 November 2026. The data centre figure is 36 per cent higher than a year earlier. Across 986 projects, the overall total grew 3.6 per cent in the quarter.

Deloitte said projects under construction are approaching $870 billion in 2027, more than twice the mining boom's peak. It noted that the economy has little room to take on that work while inflation sits above target. Definite investment, covering projects under construction or committed, rose 0.4 per cent to a record $563 billion, and planned investment gained 5.9 per cent to $828 billion.

Sheraan Underwood, the report's lead author and a director at Deloitte Access Economics, said data centres are joining a pipeline that is "already historically large". Finance, property and business services, the category that includes data centres, posted the biggest quarterly rise, up 26.4 per cent to $171 billion. Transport is still the biggest industry at $437 billion, with utilities at $387 billion. Briefs Finance reported that data centres made up most new announcements in the quarter, headed by Queensland's Western Downs Digital Park, where Anthropic finalised a lease in September.

Deloitte said the current cycle differs from the mining boom in where the activity sits. New South Wales, Victoria and Queensland hold 67 per cent of data centre investment in the database, while about 80 per cent of mining-boom spending went to Western Australia, South Australia and the Northern Territory. Underwood said that proximity to major cities puts data centres in direct competition with housing and infrastructure for workers and materials. He described labour as the main pinch point, given that electricians and other trades are already scarce, and said the contest for them will lift costs and raise the risk of projects being delayed or scaled back.

Underwood also argued that the economic gain will fall short of what the headline numbers imply, since much of the technology inside data centres is imported and few staff are needed to operate them. In his view, the building and inflation pressures arrive now, while any productivity dividend may be far off.

Deloitte expects business investment to climb as a share of the economy over the next few years despite slowing growth, though Underwood called the supporting base narrow. He said that beyond data centres, infrastructure and the net zero transition, business confidence has weakened and forward orders sit below their long-run average. Public investment, he said, has peaked: state and territory budgets set aside $280 billion for infrastructure over the four years to 2029-30, which Deloitte put at $9.4 billion less after inflation than a year before.

Briefs Finance reported that the Reserve Bank has lifted interest rates five times this year. It said power is another risk, with coal plants closing and generation, storage and grid spending possibly lagging. It also reported that last month a developer of one of Australia's largest planned data centres hit power supply problems. According to Briefs Finance, Commonwealth Bank of Australia estimates the buildout could reach A$150 billion by 2030.

REPORTING FROM

1 **Deloitte** · Deloitte Access Economics' Investment Monitor: Data centres join a crowded pipeline

2 **Briefs Finance** · Data Centers Drive Australia's A$1.4T Project Boom

Written by AI from the reporting above. Quotes, numbers and names were checked against those sources before publication.

WORLD 6 OF 6

# Chorus lifts FY26 dividend to 60c, sees copper gone by 2028

Chorus posted FY26 EBITDA of $726 million and fibre uptake of 76.2%, paid out 60 cents a share and now expects its copper network to be fully retired by 2028.

**Best Effort desk** · Fri 6 Nov 2026 · 1 source · 2 min read

WHY IT MATTERS

Chorus's plan to retire copper by 2028 and reach 80% uptake by 2030 shows how a New Zealand wholesale fibre operator is managing a move off legacy networks, a transition Australian carriers and wholesalers also face.

Chorus has lifted FY26 EBITDA to $726 million from $705 million, while the share of premises taking fibre reached 76.2%. Shareholders were also told the company now expects copper to be fully shut down by 2028.

Chair Mark Cross addressed the annual shareholders' meeting in Auckland on Wednesday, reporting 1,147,000 fibre connections, a 3% rise on FY25, and net operating cash flows up 4% at $740 million. Net profit came in at $37 million, which is $33 million higher than the year before. Cross said the company's fibre base "continued to grow, up 3% vs FY25 and we continued to see improvements across our key financial metrics".

Unimputed dividends for the year totalled 60 cents per share, up 2.5 cents or 4.3%. For FY27 the board guides to at least 62 cents per share, partially imputed, which Cross said represents a 3.3% increase and fits a policy of dividends that grow in real terms. Cross said the aim is to move uptake from 76.2% toward 80% by 2030, and that the board regards a credit rating of at least 'BBB' or equivalent as suitable.

Chief Executive Mark Aue said the company is well into Horizon Two, a programme running to the end of 2030 with growth, simplicity and efficiency as its themes. He said copper keeps declining and, because alternative products are available, Chorus now forecasts complete retirement by 2028. Copper connections dropped by 48,000 over the year, leaving under 40,000

nationwide, nearly all where fibre is unavailable. Recycling of copper has grown from a trial into a scaled operation, adding $4 million to FY26 EBITDA, with cumulative returns from FY25 to 2030 estimated at $50 million to $70 million.

Aue said the Equity Fibre product, which combines fibre access with retail services capped at $30 per month, has almost 4,000 connections and is still growing. He said 85% of customers are on plans of 500Mbps or faster, 25% are on 1GB plans, and average monthly use reached 741GB per connection.

On regulation, Aue said the Government's final telco sector review report set out 22 opportunities to simplify older rules, among them scrapping the shareholder caps of 10% and 49.9%. Shareholders were asked to approve that change by special resolution at the meeting. Aue said FY27 guidance is unchanged and he is confident about the long-term outlook, pointing to an estimate that AI will account for around 30% of global traffic over the coming decade.

REPORTING FROM

1 **newswire.nz** · Chorus lifts FY26 dividend to 60c as fibre uptake hits 76.2% — newswire.nz

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