RTI 25-26-74
the following information has been released in response to a request for information relating to Firmus Technologies

Tasmanian Government

DEPARTMENT OF STATE GROWTH

Dept. Ref _____

Critical Signing Date _____

NOTED
SIGNED: .....
DATE:

ISSUES BRIEFING NOTE FOR THE MINISTER FOR TRADE, MAJOR INVESTMENT, TOURISM AND HOSPITALITY

SUBJECT: PROJECT SOUTHGATE

Minister's notation:

Released Under RTI

Background:

Firmus Technologies (Firmus) is an Australian technology company that established its first operations with a data centre in St Leonards, Tasmania in 2021. Firmus has since moved the majority of its activities to Singapore where it has attracted investment from Temasek (Singapore's internationally renowned sovereign wealth fund) to deploy several hyper-scale datacentres using its innovative data centre design (which is significantly more efficient than other designs) and has subsequently also developed a leading AI Factory technology solution and developed a close relationship with Nvidia as a consequence.

The Office of the Coordinator-General (OCG) first commenced working with Firmus when they were considering different locations to establish date centre operations in Australia or offshore. The OCG worked with Firmus to find a suitable site with the necessary electricity supply and connectivity, an introduced Firmus to the required utilities and service providers, leading them to establish their operations in Northern Tasmania in 2020.

Launceston 1

Since 2020 Firmus has invested $55-60 million in its data centre site at the site of the former Blue Ribbon factory in the northern Launceston suburb of St Leonards. The Launceston 1 site was established as a 20MW data centre and cryptocurrency mining facility and is where the Company first deployed its innovative immersion cooling technology.

Firmus' immersion cooling technology reduces the energy required for cooling and the space required for housing data centre technology and the original business model was to build out a large data centre in Tasmania with increased processing capacity for commercial clients given the strong sustainability credentials from the company's innovative design and its location in Tasmania and use spare capacity for cryptocurrency mining to assist cash flow while it expanded and attracted new corporate customers to the Northern Tasmanian data centre concept.

The Company had plans to expand the Launceston site with another 20 MW data centre however in 2022 it determined that it was not commercially feasible due to changes in the price of energy and cryptocurrency – the company was exposed to the spot price for energy.

The site currently provides FCAS services to the Tasmanian electricity grid and supports the Company's Singapore operations.

Singapore

Firmus looked to Singapore for further expansion due to Singapore's focus to be a data hub for Asia and the limits their government had placed on power usage and land availability for data centres (due to Singapore's significant constraints with both) which gave the Company's technology an advantage. Firmus developed a joint venture Sustainable Metal Cloud (SMC) with a Singaporean Government's ST Telemedia Global Data Centres (STT GDC), and with significant investment from Temasek.

With SMC, Firmus developed its innovative immersion cooling technology with leading technology from Dell, Nvidia, Intel and others to transform several STT GDC locations, reducing energy consumption by up to 50% and improving computational performance. It also developed its AI Factory initiative utilising its innovative technology and its AI Factory initiative was named Asia Pacific Data Centre of the Year for 2024 at the DCD Awards in London.

Firmus was named in the 2025 APAC Cleantech 25, Cleantech Group's annual list of the most promising private cleantech companies in the Asia-Pacific region for developing energy and cost-efficient AI data centre infrastructure.

It was reported in the Australian Financial Review that Firmus raised $1.4 billion in 2024 to support its AI Factory plans in Singapore.

Current Situation:

Project Southgate

Project Southgate is a proposed project for Firmus to develop AI Factory infrastructure in Tasmania. This would involve a purpose-built AI facility designed to maximise high performance computing infrastructure

Stage 1 – Launceston

Stage 1 of Project Southgate is to develop an AI Factory next to its existing site at St Leonards on land the Company previously planned to develop for its second Launceston standard form data centre. The key elements of Project Southgate Stage 1 as indicated by Firmus are set out in the table below:

Capital Investment	$1.5 billion
Indicative Staff Numbers	80-100 FTE
Staff Type	High qualified service technicians to support infrastructure maintenance. For its developments to date, the company has employed staff from oil and gas industry, smelters and advanced manufacturing.
Power Requirements	40MW
Planning Approvals	Has an already approved Development Application with CoL, however it is likely it will need amendments and may be quicker and more efficient to submit a new DA rather than amendments to existing.
Transmission Infrastructure	Installed capacity of up to 44 MW. TasNetworks' CEO has advised the OCG that it has a long standing arrangement with Firmus and the company is in good standing and it will work collaboratively if any further work is required for this project.
Electricity Supply	Not confirmed. Firmus has been purchasing from Aurora on spot prices.

Released under RTI

	Hydro Tasmania's CEO has advised the OCG that it would be willing to offer contracts directly to market customers or Tasmanian retailers for new demand requests and that given the current balance of energy supply/demand in the state this would be priced reflective of the cost to secure new supply.
Water Supply	Firmus have indicated that the latest design developed will use less input water, have less discharge and that discharge will be less damaging to the waste water system than the permits Firmus currently have with TasWater. OCG has discussed with TasWater (who have recently been contacted by engineering consultants on behalf of Firmus). TasWater has indicated that it will honour what has been agreed to in the past subject to receiving more detailed information on the new requirements.
Data Connectivity	Existing connectivity is sufficient but would prefer additional redundancy. Firmus has a telecommunications carrier license and hope to acquire capacity from existing infrastructure owners
Timing	Commence construction in July/August 2025 Complete in March 2026

Firmus have indicated that it is working with Nvidia towards its CEO announcing Project Southgate Stage 1 at GTC Asia (Computex) on 21 May 2025 with Nvidia CEO Jensen Huang who is a key-note speaker at this international event in Taipei, Taiwan. It is believed the Nvidia executive's visit to Tasmania around 30 April 2025 is to review the Tasmanian Firmus operations and plans as part of its due diligence and final decision making.

The computing power of the technology cluster in this AI factory is expected to be 16,000 GPU which would be a top 10 cluster in the world.

Stage 2 – Larger Industrial Site

Firmus have also indicated that it has ambitions to develop a larger site to become a more significant leader in providing computing power to global AI companies.

The indicated electricity infrastructure capacity and requirement for such a site would be at least 200MW.

This would naturally require new energy generation projects in order to secure the supply of additional energy and this will require further work around whether this would be Firmus directly with the new energy supplier or through Hydro together with a firming arrangement.

The ideal site for a larger AI Factory cluster would be an industrial site with existing energy and water infrastructure. Firmus have indicated that a site such as Bell Bay would be ideal. Firmus does have land under contract in Wesley Vale but the energy infrastructure is not currently sufficient for such expansion. Other industrial precincts may also be suitable such as part of the Boyer Paper Mill site, which has industrial land, significant water resources and energy infrastructure – the OCG would work with Firmus around the best site selection options for its purposes.

While there is much more to occur for this stage 2 project to become a reality, it could well provide the energy demand at current market rates that has been missing and is required to underpin the investment sought for new energy supply in Tasmania. It may also help underpin the necessary additional data cable connectivity to Tasmania that has long stymied investment in traditional data centres and other digital projects.

Released under RTI

AI Factory - Difference from Traditional Data Centre

AI factories (also known as AI data centres) transform raw data into intelligence (insight or decisions) at scale. AI factories generate tokens that manifest as text, images, videos and research outputs, which represents a shift from simply retrieving data based on training datasets to generating tailored content using AI.

The major difference from a traditional data centre which run a mix of workloads is that an AI factory is purpose-built for AI. With the entire AI development pipeline occurring in one place, it enables a faster time to value.

Other major differences include power density and cooling efficiency. AI factories are estimated to have a power density five to 10 times that of a traditional data centre and are therefore built on a smaller footprint, with a colling efficiency approximately 10 times superior. Importantly also, AI factories do not require the same latency and data bandwidth as traditional datacentres because the AI work is conducted within the factory and then the outputs then shared through connectivity.

AI Factory Examples:

ResetData AI factories

Cloud services provider, ResetData is developing Australia's first sovereign public AI-Factory (AI-F1). The multi-megawatt factory, located in Melbourne's CBD is expected to be operational in the second quarter of 2025. The 1.25 MW AI factory will be powered by high-density NVIDIA H200 GPU clusters and liquid cooling technology.

Texas, United States

In April 2025 Nvidia announced that it will partner with Taiwanese electronics companies to construct two manufacturing facilities in Texas — one with Foxconn in Houston and another with Wistron in Dallas. The plants will manufacture chips and supercomputers and are expected to ramp up to mass production within 12-15 months.

Apple recently announced the establishment of a new factory in Houston, Texas, to produce servers that support Apple's in-house AI effort, Apple Intelligence.

s.27



Sed under RTI

s.27 [redacted]

Out of Scope [redacted]

John Perry
Coordinator General

30 April 2025

Prepared by:	Out of Scope	Cleared by:	John Perry
Position:	Executive Director – Investment Attraction	Position:	Coordinator General
Email:	[redacted]cg.tas.gov.au	Email:	[redacted]cg.tas.gov.au
Date:	30 April 2025	Date:	30 April 2025
Phone:	[redacted]	Phone:	

Released under RT

Tasmanian Government

Document 2

DEPARTMENT OF STATE GROWTH

Dept. Ref

Critical Signing Date 5/4/2025

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SIGNED:
DATE:

ISSUES BRIEFING NOTE FOR THE MINISTER FOR TRADE, MAJOR INVESTMENT, TOURISM AND HOSPITALITY

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The Office of the Coordinator-General (OCG) first commenced working with Firmus when they were considering different locations to establish date centre operations in Australia or offshore. The OCG worked with Firmus to find a suitable site with the necessary electricity supply and connectivity, an introduced Firmus to the required utilities and service providers, leading them to establish their operations in Northern Tasmania in 2020.

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With SMC, Firmus developed its innovative immersion cooling technology with leading technology from Dell, NVIDIA, Intel and others to transform several STT GDC locations, reducing energy consumption by up to 50-60% and improving computational performance. It also developed its AI Factory initiative utilising its innovative technology and its AI Factory initiative was named Asia Pacific Data Centre of the Year for 2024 at the DCD Awards in London.

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It was reported in the Australian Financial Review that Firmus raised $1.4 billion in 2024 to support its AI Factory plans in Singapore.

Current Situation:

Project Southgate

Project Southgate is a proposed project for Firmus to develop AI Factory infrastructure in Tasmania. This would involve a purpose-built AI facility designed to maximise high performance computing infrastructure. The facility will be a global leader in technology.

Stage 1 – Launceston

Stage 1 of Project Southgate is to develop an AI Factory next to its existing site at St Leonards on land the Company previously planned to develop for its second Launceston standard form data centre. The key elements of Project Southgate Stage 1 as indicated by Firmus are set out in the table below:

Capital Investment	$1.5 billion
Indicative Staff Numbers	80-100 FTE
Staff Type	High qualified service technicians to support infrastructure maintenance. For its developments to date, the company has employed staff from oil and gas industry, smelters and the advanced manufacturing sector.
Power Requirements	40-45 MW
Planning Approvals	Has an already approved Development Application with CoL, however it is likely it will need amendments and may be quicker and more efficient to submit a new DA rather than amendments to existing.
Transmission Infrastructure	Installed capacity of up to 44 MW. TasNetworks' CEO has advised the OCG that it has a long-standing arrangement with Firmus and the company is in good standing and it will work collaboratively if any further work is required for this project.

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Data Connectivity	Existing connectivity is sufficient but would prefer additional redundancy. Firmus has a telecommunications carrier license and hope to acquire capacity from existing infrastructure owners.
Timing	Commence construction in July/August 2025. Complete in March 2026.

Firmus have indicated that it is working with NVIDIA towards its CEO announcing Project Southgate Stage 1 at GTC Asia (Computex) on 19 May 2025 with NVIDIA CEO Jensen Huang who is a key-note speaker at this international event in Taipei, Taiwan. A NVIDIA executive visited Tasmania on 30 April 2025 to review the Tasmanian Firmus operations and plans as part of its due diligence and final decision making and met with Government and the Office of the Coordinator General.

The computing power of the technology cluster in this AI factory is expected to be 16,000 GPU which would be a top 10 cluster in the world.

Consideration to doubling the capacity of stage one will occur within approximately 12-18 months and with the support of the OCG that will occur either on site at St Lenard's or preferably move straight to stage 2.

<u>Stage 2 – Larger Industrial Site</u>

Firmus have also indicated that it has ambitions to develop a larger site to become a more significant leader in providing computing power to global AI companies.

The indicated electricity infrastructure capacity and requirement for such a site would be at least 200MW.

This would naturally require new energy generation projects in order to secure the supply of additional energy and this will require further work around whether this would be Firmus directly with the new energy supplier or through Hydro together with a firming arrangement.

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AI Factory Examples:

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[redacted]

Request of Government

At this stage Firmus has not made a request for financial assistance from the Tasmanian Government and has not indicated that such a request will be made.

s.27

[redacted]

Out of Scope [redacted]

Coordinator General

30 April 2025

Prepared by:	[redacted]	Cleared by:	John Perry
Position:	Executive Director – Investment Attraction	Position:	Coordinator General
Email:	[redacted]cg.tas.gov.au	Email:	[redacted]cg.tas.gov.au
Date:	30 April 2025	Date:	30 April 2025
Phone:	[redacted]	Phone:	

Released under RTI

Document 10

From: [redacted]
Sent: Friday, 12 December 2025 9:23 AM
To: Hendriks, Dennis; Out of Scope
Subject: TasNetworks and Firmus

Hi Dennis

I had a good discussion with Out of Scope from TasNetworks yesterday. He confirmed that TasNetworks are strategically supporting Firmus to look at any way that they can meet the companies transmission needs. Firmus had met with Out of Scope and other TasNetworks executives recently following our introduction.

Out of Scope onfirmed that Firmus are pursuing 3 connection sites

- St Leonards – 160 MW
- Wesley Vale – 180MW
- Bell Bay – 600MW

This is a total of 940MW which is an increase in the state's operating capacity of approx. 80%

Regarding Bell Bay Out of Scope said that in Bell Bay pre-Marinus there is only 400MW of capacity in this area and any increase in load above 210MW will require the system augmentation which was considered under the RIT-T as a contingent project to support the expected loads for the hydrogen hub. Therefore Firmus plans at Bell Bay are likely to have some impact on the TGHH if they go ahead. TasNetworks plans to remind ReCFiT of this.

Out of Scope [redacted]

Thanks

[redacted] Executive Director – Investment Attraction
Office of the Coordinator-General
47-49 Cattley Street, Burnie, TAS 7320| PO Box 1186 Launceston TAS 7250
Phone: +61 3 [redacted] | Mobile: [redacted]
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www.cg.tas.gov.au

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Document 11

From: Hendriks, Dennis
Sent: Tuesday, 3 February 2026 8:49 PM
To: [redacted]
Cc: Out of Scope [redacted]
Subject: RE: Firmus

I agree. Given everything else if this is likely to be an issue the sooner we know the better.

Cheers

Dennis

From: [redacted]
Sent: Tuesday, 3 February 2026 6:05 PM
To: Hendriks, Dennis
Cc: Out of Scope [redacted]
Subject: Firmus

Hi Dennis

I contacted [redacted] from Firmus today Out of Scope [redacted]

He gave me a quick update some of their recent discussions with TasNetworks and Hydro Tas

Based on discussions with TasNetworks it is likely that they will limit the plan for Bell Bay to around 300MW and Wesley Vale is likely to be 144MW. This works with the updated modular design.

There is however significant concern about the proposed price of the proposed firming product from Hydro. I am happy to discuss this when we catch up tomorrow but I think it would be worth catching up with Out of S to get some more detail and clarity around this issue. It may be something that we need to raise as a potential barrier to investment s.35 [redacted]

Happy to discuss further before we go back to Firmus

Thanks

[redacted] Executive Director – Investment Attraction
Office of the Coordinator-General
47-49 Cattley Street, Burnie, TAS 7320| PO Box 1186 Launceston TAS 7250
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Tasmanian Government

Document 12

DEPARTMENT OF STATE GROWTH

Dept. Ref MIN26/13639

Critical Date

MEETING BRIEF FOR MINISTER FOR BUSINESS, INDUSTRY AND RESOURCES

SUBJECT: FIRMUS

Minister's notation:

Meeting Date: 26 February 2026

Attendees: [redacted] Co-Founder of Firmus

The Hon Felix Ellis MP, Minister for Business Industry and Resources

The Hon. Guy Barnett MP, Deputy Premier, Acting Minister for Energy and Renewables

Out of Scope Senior Adviser Minister for Business Industry and Resources

Dennis Hendriks - Acting Coordinator General

Jim Dunham, Chief of Staff for Hon Guy Barnett MP

Out of Scope Senior Adviser Trade for Hon Guy Barnett MP

Venue: Online via Teams

Time: 8:30am

Key messages:

- Firmus Technologies (Firmus) are developing Project Southgate - a multi-stage project to develop AI Factory infrastructure across Australia.
- Stage 1 is under construction at St Leonards, whilst Firmus are investigating options for Stage 2 at Bell Bay and a further stage at Wesley Vale.
- Stage 2 involves a $11 billion investment from Firmus (including build and infrastructure) and is expected to create approximately 95 direct ongoing jobs. Additional jobs will be created through the construction phase and indirectly through supply chains including the potential support for new renewable production.

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- Power supply and pricing are crucial to the project's feasibility and Firmus' decision to commit to developing Stage 2, and future stages of the project in Tasmania.

- Firmus has indicated it has progressed discussions with the proponents of new renewable energy projects for the supply of energy for stage 2 that is acceptable to both parties however, indicative firming pricing from Hydro Tasmania exceeds what Firmus consider feasible to develop the project in Tasmania.

- s.27 [redacted]

- [redacted]

Background:

Firmus Technologies (Firmus) are developing Project Southgate - a multi-stage project to develop AI Factory infrastructure across Australia. This involves both greenfield and brownfield AI facilities designed to maximise high performance computing infrastructure.

There are three stages planned for Tasmania. Stages 1a and 1b are currently under construction at St Leonards – adjacent to Firmus' existing data centre. Stage 2 is being considered at a new site in Bell Bay and a further stage is being considered in Wesley Vale.

Expansion of project Southgate across Australia

On 16 October 2025 Firmus announced which it is expanding Project Southgate across Australia through a strategic alliance with CDC Data Centres – a Canberra based sovereign data centre operator. The alliance plan to develop $4.5 billion of AI infrastructure in stage 1 which will deliver the development at St Leonards, as well as a new greenfield AI Factory to be built in Melbourne, which is expected to offer ~60MW of capacity, and be operational around April 2026. The remaining expansion of Project Southgate involves up to $73.3 billion and 1.6GW of operational AI factories through 2028. This includes a fit out of CDC Data Centres' in Canberra, Sydney, Melbourne and Perth with Firmus' technology, including its hyper-cooling technology.

Tasmania remains (at this point in time) the company's flagship project, and could provide a new digital baseload to support the growth of Tasmania's renewable energy sector and enable sustainable expansion in AI infrastructure

The OCG understands that Firmus' Melbourne facility is on track to be operation in Q2 2026. The Company is also engaging with stakeholders in other states including South Australia.

Released under

Backing from global investors

Over the past six months, Firmus has raised more than $800 million in equity with backing from a number of large domestic and international investors including Nvidia and Ellerson Capital. The company has indicated it has plans to list of the Australian Stock Exchange at a future date.

On 9 February 2026 Firmus announced that it had secured a US$10 billion (AU$14.17 billion) debt financing facility led by funds managed by Blackstone the world's largest alternative asset manager, and supported by Coatue, a leading global investment firm. The financing will accelerate AI Factory deployment, infrastructure manufacturing, and energy integration to serve hyperscale and AI-native customers around the world.

Stage 1 site progress

Stage 1 of Project Southgate is being undertaken on land at St Leonards, adjacent to Firmus' current data centre. A development application for Stage 1 (a) and (b) was approved by Launceston City Council in September 2025, with construction commencing soon after.

Firmus recently encountered a construction delay with the discovery of aboriginal relics on site. They have sought approval to relocate these to an alternative location, which is being dealt with by the Aboriginal Heritage Tasmania (AHT), and is expected to be resolved in the coming weeks.

It is expected that stage 1 (a) will be operational in 2026.

Stage 2 site progress

The OCG has been working with Firmus to identify appropriate sites for stage 2 of Project Southgate along with facilitating introductions to renewable energy projects.

Firmus have been focussing their attention on the Bell Bay region due to the project's significant power requirements, with the OCG facilitating introductions to the major industrial landowners in the region - Rio Tinto and Austrak. It is understood that Firmus have agreed to secure land from Austrak next to the previously proposed Gunns pulp mill.

Firmus also have a contract in place for land in the Mill Park industrial precinct at Wesley Vale, however it understood that Firmus are prioritising the development of the Bell Bay project due to the shorter time frame of required infrastructure upgrades for this region.

Economic benefits of Project Southgate

Project Southgate is purported to deliver multi-faceted economic benefits for the state. These include direct jobs from the data centre, construction phase benefits, benefits for the supply chain and having suppliers establish or expand their operations in the state, and the benefits of renewable generation projects being fast tracked.

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Stage 1 of the project involves a $2 billion investment (including infrastructure) by Firmus to establish a 92MW facility. It is expected to create approximately 40-50 FTE direct ongoing jobs.

Stage 2 involves a $11 billion investment (including infrastructure) by Firmus to establish a 288MW facility, as is expected to generate approximately 95 FTE ongoing jobs across with a range of skilled and semi-skilled roles.

In addition, if Stage 2 proceeds new key contractors are expected to establish local offices to support ongoing works and maintenance, which could generate an estimated 10 FTE jobs in the region. There is also expected to be additional work generated for existing area contractors and specialists.

During the construction phase for stage 2 Firmus expect an 18 month build timeframe. A preliminary assessment of the impact indicates the generation of up to 850 FTE jobs during peak construction.

Power requirements and issues

Firmus has been engaging directly with TasNetworks and energy suppliers about the infrastructure requirements for the project and its various stages, and the OCG understand there is sufficient grid infrastructure with capacity to supply 44MW of electricity for Stage 1a. A further connection request for up 160MW has been submitted for Stage 1b.

The OCG also understands Firmus has made a connection request with TasNetworks for up to 180MW capacity for the site at Wesley Vale, and up to 600MW capacity for the Bell Bay region.

Due to limitations on the network pre-Marinus, Firmus have re-scaled their plans for Bell Bay to fit with the availability of infrastructure. They are now proposing to develop 288MW AI campus comprising of two 144MW capacity clusters. These are planned to be operational 2027-28. Due to infrastructure requirements and operational efficiency of the 144MW cluster model, Wesley Vale is proposed to be resized to this capacity.

Firmus has outlined to OCG, that although it is satisfied with both the engagement with and commercial offerings of TasNetworks to date, it is experiencing challenges with the offered price from Hydro Tasmania around both Stage 1, and firming costs associated with Stage 2.

It is understood Stage 1 of Project Southgate will not require any new generation to underpin the project - the load of 104MW can be covered through existing generation. Firmus also aim to commence operations in 2026 which is too early for new generation projects to come online.

For Stage1 Firmus required and has requested - for reasons of delivering their investment return and cost certainty - long-term power contracts (10-15 years plus) for its operations. However, it is only currently able to consider and accept a three-year contract through retailer Aurora Energy (underpinned by the arrangements being negotiated between Hydro and Firmus) for a power supply of 92MW, with flex up to 104MW. This is understood to be primarily due to material increases in offered electricity price after year three which, according to Firmus, may make operations unviable.

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s.27 [redacted]

Stage 2, however, will require Firmus to 'bring on' new generation projects (consistent with the Government's long-standing policy position for new large loads such as hydrogen – priority for existing capacity has been allocated to re-contracting major industrial loads, such as Bell Bay Aluminium).

s.27 [redacted]

In parallel, Firmus have been engaging with Hydro regarding a firming contract to firm up supply for the solar projects. The OCG understands that whilst further modelling is being undertaken to firm up this pricing and also reflect Firmus' contribution to various system protection schemes as a dispatchable load

s.27 [redacted]

s.27

[redacted]

It is further noted the new renewable generation project pricing alone (which Firmus are willing to pay) are above the total delivered prices currently paid by the four major Industrial entities in Tasmania (for flat load, not load only when renewables are generating).

s.27

[redacted]

Committee Papers

Minute to Energy Cabinet Committee
For the meeting of 6 March 2026

Subject:

Energy Contracting for Large Customer Loads (New and Existing)

Purpose:

s.26 [redacted]

Recommendation:

s.26 [redacted]

Background:

- There continues to be strong commercial interest from large customer loads (both existing and new) seeking to enter into long-term energy supply contracts with Hydro Tasmania.
- Work is being undertaken through the Major Industrial Committee of Cabinet to understand the challenges of our existing major industrial companies and policy options available to government.
- The Government's long-standing policy position for new large loads has been for projects to partner with new renewable generation for electricity supply, with firming sought from any capacity available from Hydro Tasmania.
- Existing capacity has been allocated to re-contracting major industrial loads as a priority.

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- Consistent with the Government's 2030 Strong Plan for Tasmania's Future, Hydro Tasmania's Ministerial Charter was updated in 2024. Further, a power of direction has now been incorporated into the *Government Business Enterprises Act 1995*.
- While the Government expects Hydro Tasmania to operate commercially and to deliver a return to the Budget, the revised Ministerial Charter also requires it to give a focus to economic growth and jobs in Tasmania.
- s.26 [redacted]

Issues and Supporting Information:

- s.26 [redacted]

s.26

[redacted]

	Name	Department	Contact
Prepared by	[redacted]	ReCFIT	[redacted]
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Attachments:

1. Current AI Investment Opportunity

Attachment 1: Current AI Investment Opportunity

- Firmus Technologies (Firmus) is developing Project Southgate - a multi-stage project to develop AI Factory infrastructure across Australia.
- There are three stages planned for Tasmania. Stages 1a and 1b are currently under construction at St Leonards – adjacent to Firmus' existing data centre.
    - Stage 1 of the project involves a $2 billion investment (including infrastructure) by Firmus to establish a 92MW facility. It is expected to create approximately 40-50 FTE direct ongoing jobs.
    - It is understood that Stage 1 of Project Southgate will not require any new generation to underpin the project - the load of 104MW can be covered through existing generation. Firmus also aim to commence operations in 2026 which is too early for new generation projects to come online.
    - Firmus required and has requested - for reasons of delivering their investment return and cost certainty - long-term power contracts (10-15 years plus) for its operations.
    - However, it is only currently able to consider and accept a three-year contract through retailer Aurora Energy (underpinned by the arrangements being negotiated between Hydro and Firmus) for a power supply of 92MW, with flex up to 104MW.
    - This is understood to be primarily due to material increases in offered electricity price after year three which, according to Firmus, may make operations unviable. Such price rises are anticipated across all NEM jurisdictions as coal-fired energy assets are retired.
- Stage 2 is being considered at a new site in Bell Bay and a further stage is being considered in Wesley Vale.
    - Stage 2 involves a $11 billion investment (including infrastructure) by Firmus to establish a 288MW facility, as is expected to generate approximately 95 FTE ongoing jobs across with a range of skilled and semi-skilled roles.
    - This will require Firmus to 'bring on' new generation projects.
    - s.26 [redacted]

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- s.26
  - [redacted]
  - [redacted]
  - [redacted]

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