

Item 14.12**Notices of Motion****Imposing a Statewide Moratorium on New Data Centres**

By Councillor Thompson

It is resolved that:

(A) Council note:

- (i) Australia is on track to become the second largest host worldwide of data centres by 2030, with the country considered a prime location by international tech companies for its geopolitical and geological stability and connections to the major markets. This foreign capital, while offering economic short-term growth is not flowing through to affected communities
- (ii) in NSW, there are currently 60 data centres, and another 19 in the pipeline, valued at \$50.3 billion. The majority of operating data centres are located in Sydney and in the Western Sydney Corridor. According to CBRE, Sydney has the sixth largest concentration of data centres by megawatt capacity in the world
- (iii) the new data centres proposed are hyperscale facilities, with high energy and water consumption. The Australian Energy Market Operator expects electricity demand to triple in the next 4 years and says Sydney's data centres will use 11% of available power by 2030, up from 4% now. The Climate Council's study suggests that prices could increase by 20% across our main grid by 2035

(B) Council further note:

- (i) in November 2025, the City of Sydney joined 10 other global cities including Athens, Paris, Milan, Johannesburg, and Melbourne to sign an agreement to address the environmental impact of data centres at the C40 World Mayor's Summit
- (ii) in December 2025, Council unanimously supported Deputy Lord Mayor Councillor Miller's motion 'Maximising Community Benefits from Tech Infrastructure in the City of Sydney' calling for best practice models for data centres, developer contributions and a report back to Council
- (iii) in March 2026, the City of Sydney made a submission to the upper house inquiry into data centres chaired by Greens MLC Abigail Boyd calling for statewide guidance, strong water and energy targets, and mandatory reporting
- (iv) in April 2026, the Lord Mayor committed to the C40 Global Urban Data Centres Pact with other global leaders, calling for sustainable data centre development

(C) Council further note:

- (i) current federal guidelines, published on 23 March 2026, provide no enforceable regulation for data centre operators, tenants or other builders of AI infrastructure

- (ii) in NSW, many data centre developments bypass existing council controls as they are designated as 'State Significant Development', and approved by the Investment Delivery Authority
 - (iii) last week, the NSW Government released the NSW Data Centre Guidelines, which outline a 75-day fast track process for new data centre applications that comply with energy and water targets
 - (iv) the NSW Labor Government's new guidelines are not mandatory, have no enforcement criteria or public reporting requirements
- (D) Council further note:
- (i) there are significant calls to increase community benefit from data centre investment. While the national or state-level short-term economic benefit is clear, local communities suffer ongoing impacts
 - (ii) there are concerns in our community about data centre's use of energy and water; and the impacts on the renewable energy transition, and the reallocation of construction resources away from housing development
 - (iii) there are very real concerns about AI infrastructure in Australia and its potential impacts for wide job displacement. Given these issues remain largely unaddressed by government bodies, data centres will struggle to find the social license to operate
 - (iv) the current state planning rules ask for little to no transparency from data centre operators or tenants, don't ensure that their computational infrastructure will be reserved for Australian companies, or that the benefits will stay onshore
- (E) Council in principle agree:
- (i) inner city land should be used for housing, employment and other infrastructure needed to sustain and build a liveable city
 - (ii) that until clear federal guidelines are developed and communities appropriately consulted, there should be a moratorium on new data centres
- (F) the Lord Mayor be requested to write to the NSW Premier, Chris Minns:
- (i) calling for a statewide moratorium on new data centres until clear federal guidelines have been implemented and communities appropriately consulted
 - (ii) requesting a revision of the new state planning rules advocating for stronger mandatory enforceable guidelines for data centre applications
 - (iii) requesting that the NSW Government legislate ongoing financial contributions from developers of data centres to local councils to fund infrastructure for the benefit of community.