



STOP THE GAS PLANT

Southern Highlands

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SUBMISSION – INQUIRY INTO DATA CENTRES IN NEW SOUTH WALES

Public Accountability & Works Committee, NSW Legislative Council

1. About us

Stop the Gas Plant – Southern Highlands is a community campaign opposing a proposed gas-fired power station precinct at 30 Douglas Road, Moss Vale. The plant is proposed by Nakar Property Pty Ltd, also trading as Cloud Carrier and Square Energy, to power a private data centre campus. It will not supply electricity to homes, businesses, or the public grid.

We are local residents, medical professionals, planning researchers and volunteers. We write to highlight the implications of data centres and digital infrastructure as we have watched the NSW planning system fail our community in real time. The Moss Vale proposal is a direct, live example of the failures this inquiry was established to investigate.

Members of our group have also been involved in earlier State Significant Development and Independent Planning Commission processes in the Wingecarribee Shire, including the campaigns concerning the Hume Coal mine and the Plasrefine plastics facility. That experience informs the views in this submission, including those at section 7 below.

This submission is made late. We were not aware of this inquiry until after the 27 March 2026 deadline. We request the committee's indulgence in accepting it, given that the Moss Vale case study offers evidence the committee does not currently have before it from the community directly affected.

2. The proposal: what is actually being built

The Southern Highlands Data Campus at 30 Douglas Road, Moss Vale is not a data centre with backup power. It is a gas-fired power station precinct designed to power a private data centre. The operator (Cloud Carrier) publicly advertises "full independence from the electricity grid." The site's development has unfolded in stages, with the scale of the gas precinct only becoming apparent over time.

Early site preparation and first data centre

DA 16/720 (Subdivision and Civil Works): This enabled the developer to establish the foundational footprint, including a 1km sealed private access road, drainage systems and trunk utilities. The developer subsequently retained the entire property as a single, contiguous land holding.

25 February 2021 – DA 21/1042 (Data Building 1): Conditional development consent was granted by Wingecarribee Shire Council for the initial data centre building (DB1). This facility operates via standard grid connection. No public documentation at this stage indicated a long-term commercial intent to co-locate a fossil-fuel generation precinct on the land.

Introduction of on-site gas generation

19 April 2024 – DA 24/0055 (Stage 1 Power, SQE1): Development consent was granted for the first phase of on-site gas-fired generation, comprising a 14MW facility. By remaining under the 30MW threshold that triggers State Significant Development assessment, this stage was processed through the local council pathway without state-level scrutiny or cumulative impact assessment.

Scaled expansion

10–11 September 2025 – DA 26/0352 (Stage 2 Power, SQE2): The developer lodged a local DA for a 16MW gas generation expansion alongside an 80MW Battery Energy Storage System. Combined with Stage 1, this brought on-site gas generation to exactly 30MW, the threshold at which SSD assessment is triggered. This application is currently before the Land and Environment Court.

22 December 2025 – SSD-102795459 (Stage 3 Power): The Department of Planning issued SEARs for a 673.2MW generation facility comprising 19 separate industrial generation halls. This brings the cumulative proposed footprint to 21 generation halls and 703.2MW of gas-fired capacity. The SSD remains in the "Prepare EIS" phase.

How the community found out

The planning system's existing notification mechanisms failed to alert the community to this development. Discovery occurred only through an administrative crossover: on 17 February 2026, inquiries about an unrelated AGL battery project led Council staff to provide documentation revealing the existence of SSD-102795459 instead.

Council confirmed that the Department of Planning did not formally notify Wingecarribee Shire Council when issuing the SEARs for the gas plant on 22 December 2025, despite notification requirements under Section 176 of the Environmental Planning and Assessment Regulation 2021. Council became aware of the SSD when the proponent shared preliminary scoping files directly with Council staff.

On 22 May 2026, following public exposure of the project's full scale, 200 or more local residents rallied outside 30 Douglas Road during the Land and Environment Court's on-site conciliation conference for the SQE2 application.

The Planning Portal's automated notification system only alerts residents once an EIS has been formally placed on public exhibition. Because SSD-102795459 remains in the "Prepare EIS" stage, the Portal offered no mechanism to alert the community. Under the current framework, a developer can advance a 700MW-plus fossil fuel development to the final stages of state assessment with zero community notification.

The committee is asked to recommend: that the Statewide Community Participation Plan must be amended to mandate immediate notification to affected neighbours and local government the moment an SSD project code or Scoping Report is generated.

For context: the largest gas-fired power station currently operating in NSW is the Colongra Power Station, at approximately 667MW. The recently commissioned Kurri Kurri (Hunter) Power Station is 660MW. The Stage 3 proposal alone, at 673.2MW, is larger than either.

3. Planning frameworks and project segmentation (TOR b(i) and b(iii))

The Moss Vale proposal could be seen as an example of project segmentation, designed to circumvent SSD thresholds and avoid the scrutiny that cumulative assessment would require. As stated by Michael McCabe (Director, Communities & Place, WSC), it is a known planning strategy. We do not suggest that this is what has happened in this case.

The current planning framework has no mechanism to require a proponent to declare its full intended build-out before a first approval is granted. Cumulative impact assessment is triggered project by project, not site by site. This has enabled the Moss Vale proposal to proceed, and it is compounded by the notification failure described above: even if cumulative assessment were required, the community would have no way of knowing to ask for it until an EIS reaches public exhibition.

The committee is asked to recommend: that the EP&A Act be amended to require proponents to disclose the full intended development footprint of a site, including all reasonably foreseeable stages, before any stage can be approved, with cumulative impact assessment required from the first application; and that the EP&A Regulation 2021 be amended to require notification at the point an SSD project code or scoping report is generated, not at EIS exhibition.

4. Agency consultation bypassed (TOR h(ii))

In response to community inquiries, the Department of Planning, Housing and Infrastructure confirmed in writing that it did not consult with the EPA, NSW Health, Endeavour Energy, or Wingecarribee Shire Council before issuing SEARs for SSD-102795459. The reason given in that written response was that the proponent threatened legal action if SEARs were delayed.

Material obtained through GIPA application (26-4235) that the SEARs request was rejected and re-lodged before the final SEARs were issued on 22 December 2025. The GIPA Schedule of Documents records a document titled 'Rejection of SEARs request' dated 13 November 2025. Released correspondence from Urban Legal (acting for Nakar Property Pty Ltd) to the Department dated 18 December 2025 confirms that 'the request for SEARs has been re-lodged on the portal.' The full content of the correspondence chain around this rejection was withheld from release under legal professional privilege.

Based on the documents available, it may appear that concern over possible litigation was sufficient cause for a state government department to bypass the consultation requirements that give communities and councils their earliest voice in a major project. The agencies that should have informed the scope of the EIS were excluded from the process before it began.

The committee is asked to recommend: that the EP&A Act be amended to prevent proponents from using legal threats to accelerate or curtail agency consultation requirements in the SEAR process, and that a minimum mandatory consultation period be established that cannot be waived; and that the committee examine the transparency of correspondence between government departments and proponents during the SEARs process more broadly.

5. On-site gas generation and emissions (TOR c(ii) and c(iii))

The proponent characterises 703.2MW of gas generation as “ancillary infrastructure” to a data centre. The scale alone contradicts this framing. Based on current calculations, it will be the largest single consumer of gas in NSW.

The developer’s own documentation acknowledges that connecting to the public electricity grid is commercially preferred but unavailable “for many years.” The answer to grid infrastructure constraints should not be to build one of the largest gas plants ever proposed in NSW. That response locks in fossil fuel infrastructure for the life of the asset, likely 25 years or more, at exactly the moment NSW’s energy transition requires investment in clean generation.

A new 703.2MW gas asset is fundamentally incompatible with the Climate Change (Net Zero Future) Act 2023. The EIS for Stage 3, when lodged, must be assessed against NSW’s legislated net zero obligations. That assessment has not yet occurred.

The committee is asked to recommend: that the Department of Planning be required to assess any proposed on-site gas generation for a data centre against NSW’s legislated emissions reduction targets as a precondition for SSD approval; and that “ancillary infrastructure” classifications be scrutinised where generation capacity far exceeds backup requirements.

6. Water use in a drinking water catchment (TOR d)

The site at 30 Douglas Road sits entirely within the Sydney Drinking Water Catchment, triggering requirements under the State Environmental Planning Policy (Resilience and Hazards) 2021.

The operator describes a cooling model using groundwater to achieve “zero utility water” consumption. The cumulative extraction required to cool 703.2MW of thermal generation and a hyperscale data centre running continuously has not been independently modelled against the Wingecarribee River system’s drought resilience, or assessed under the catchment SEPP.

The facility will also store significant quantities of hazardous materials on-site, confirmed in development application documents to include over 10,000 litres of lubricating oil, 10,000 litres of diesel fuel, and over 5,000 litres of AdBlue, in proximity to intermittent watercourses.

The committee is asked to recommend: that any data centre energy facility proposing groundwater cooling within a drinking water catchment be required to commission independent hydrogeological modelling of cumulative extraction impacts before approval; and that “data centre” water rights not be used to circumvent restrictions that apply to other industries.

7. Community and amenity impacts (TOR e(i) and g(ii))

The Southern Highlands community will bear the full industrial impact of this development, including air quality, noise, visual amenity, hazard risk and traffic, while receiving none of the economic benefit. The electricity generated will not supply homes or local businesses. There are no community benefit agreements. There is no local jobs guarantee.

Air quality: The site sits in a valley subject to temperature inversions, less than 3km from existing industrial operations at the Boral cement works. The cumulative air quality impact of 703.2MW of continuous gas combustion, generating NO₂ and PM2.5, against this existing baseline has not been assessed. Nearest residential receptors are approximately 500 metres from the Stage 2 facility. Research consistently links long-term exposure to these pollutants with increased rates of asthma, respiratory illness, cardiovascular disease and cognitive decline.

Medical research: The proposed Stage 3 facility is located less than 1km from the Garvan Institute’s Australian BioResources facility. Low-frequency seismic vibration from multiple gas turbines operating continuously threatens to disrupt sensitive animal research programs supporting nationally funded cancer and Alzheimer’s research.

Hazard risk: High-pressure gas infrastructure co-located with grid-scale lithium battery storage adjacent to a secure data centre creates compounding physical risk. A thermal runaway event or gas infrastructure failure would compromise the very facility the plant is built to serve.

Community participation: Our community learned the full scope of this proposal through sustained volunteer research and the administrative crossover described above, not through any planning system mechanism designed for this purpose. The proposed reforms to the Statewide Community Participation Plan would make this situation worse, not better, by compressing exhibition windows and reducing re-exhibition rights at precisely the stages where regional communities need them most.

Our experience with this proposal is consistent with what we have seen in other major developments in this Shire, including the Hume Coal and Plasrefine proposals. In each case, proponents have had effectively unlimited time to compile, amend and refine technical documentation, while the community has been confined to a standard 28-day statutory exhibition window to read often-voluminous technical material, raise funds for independent review where needed, and prepare a considered response. For a project of this scale and technical complexity, spanning gas generation, hazardous materials and groundwater cooling, a 28-day window is not adequate for genuine community participation. It favours the party with professional resources and compresses the response of the party without them.

Distribution of costs and benefits: This proposal illustrates a broader pattern the committee should consider: a development that imposes the full range of community costs while the economic benefit accrues to the proponent and its data centre client. The committee’s inquiry into the distribution of costs and benefits across the sector should treat Moss Vale as a clear example of that imbalance.

The committee is asked to recommend: that community impact assessment, including cumulative assessment across all stages of a proposal, be a mandatory requirement before any stage of a large data centre energy precinct can be approved; and that the committee’s consideration of the distribution of costs and benefits explicitly examine cases, such as Moss Vale, where a host community receives no demonstrated benefit from a development of this scale.

8. Recommendations

1. **Amend** the EP&A Act to require proponents to declare full intended site build-out at the time of first application, with cumulative impact assessment required from Stage 1.
2. **Amend** the Environmental Planning and Assessment Regulation 2021 and the Statewide Community Participation Plan to mandate immediate, transparent notification of affected neighbours and local government at the point an SSD project code or Scoping Report is generated, rather than delaying notification until the EIS exhibition stage.
3. **Establish** a mandatory minimum agency consultation period in the SEAR process that cannot be waived or shortened in response to proponent legal threats, and require greater transparency of correspondence between government departments and proponents during that process.
4. **Require** that proposed on-site gas generation for data centres be assessed against NSW's legislated net zero targets and provide a positive contribution towards those goals, as a precondition for SSD approval.
5. **Require** that the Department of Planning classify any data centre development proposing on-site generation capacity of 30MW or more as power generation infrastructure for the purposes of environmental assessment, regardless of how that generation is characterised by the proponent.
6. **Require** independent hydrogeological modelling of cumulative groundwater extraction impacts for any data centre energy facility within a drinking water catchment before approval.
7. **Mandate** community impact assessment, including cumulative assessment, before any stage of a data centre energy precinct proceeds, regardless of the pathway used for that stage.
8. **Impose** a moratorium on new SSD approvals for fossil fuel generation infrastructure proposed to power data centres, and on associated groundwater extraction for cooling purposes, until regulatory change is enacted to protect NSW net zero transition and natural resources.
9. **Summon** the proponent, Nakar Property Pty Ltd / Cloud Carrier / Square Energy, to give evidence.

Thank you for the opportunity to contribute. We are available to discuss any aspect of this submission and to provide supporting documentation, including the GIPA decision.

[Signatories redacted for online publication]