5 November 2026

SA Department of Premier and Cabinet

Submitted by email: DPC.DataCentreLegislation@sa.gov.au

Data Centre Management – Discussion Paper

The Australian Financial Markets Association (AFMA) is responding to the South Australian Department of Premier and Cabinet's discussion paper on a proposed Data Centre Management Act.

AFMA is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist markets. We have more than 140 members, from Australian and international banks, leading brokers, securities companies, and state government treasury corporations to fund managers, energy firms, and industry service providers, including key participants in the NEM and Australia's environmental product markets.

Key Points

- **SA should align its framework with national data centre reforms**
- **Energy contracting requirements should be informed by current market practices**

The potential scale of data centre construction requires sound management to minimise its impact on the community and related markets. AFMA supports policy to manage the impact of data centres on the electricity market but is keen for governments to adopt consistent approaches that work well with existing electricity market contracting practices.

Electricity is an unusual product in that it is not tangible in any useful sense. As a result, it is not really possible to allocate electricity generated from one source to an individual user within an interconnected power system. To accommodate this, the market has developed financial derivative structures that allow users to purchase the economic benefit of generation, while not strictly buying the physical output of a unit. Additionally, governments have created tradeable certificate schemes (Large Scale Renewable Energy Certificates and Renewable Energy Guarantee of Origin Certificates) to allow buyers to gain the benefit of renewable generation. We consider that any obligations imposed on data centres regarding the purchase of electricity should be designed to work with these existing instruments. AFMA is keen to assist policy makers to understand current market practices.

We also note that the Australian Energy Market Commission has received a rule change proposal regarding firming obligations for data centres that will consider similar electricity market issues to those presented in your discussion paper.[1] We encourage the South Australian Government to align its approach to that adopted in the national framework.

[1] https://www.aemc.gov.au/rule-changes/data-centre-contracting-obligation-firmed-energy

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AFMA Recommendations

i. Energy contracting obligations should be designed to work with existing market instruments and contracting practices.

ii. SA obligations should be aligned with the national framework.

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required Please contact me at lgamble@afma.com.au or 02 9776 7994.

Yours sincerely,

Lngamble

Lindsay Gamble

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