

Submission to the House of Assembly Standing Committee on Government Administration A Inquiry into AI Data Centres in Tasmania

From: Ernest Odey **Date:** 19 August 2026 **To:** The Secretary, Government Administration Committee A, Inquiry into AI Data Centres in Tasmania, House of Assembly, Parliament House, Hobart, TAS, 7000 / assemblygaa@parliament.tas.gov.au

Introduction

I welcome the opportunity to make a submission to this inquiry. I note the inquiry is not directed at any single company, and my submission is offered in that spirit: it is concerned with the adequacy of Tasmania's regulatory, disclosure and oversight settings for AI data centre development generally. However, because Firmus Technologies' three-site Project Southgate expansion (St Leonards, Bell Bay and Wesley Vale) is currently the most advanced and highest-profile example of this development pathway in Tasmania, it is also the most useful available case study for testing whether the state's current framework is fit for purpose. I have drawn on it accordingly throughout this submission, not to single the company out, but because it is the only sufficiently developed real-world test case Tasmania currently has.

I address each of the Committee's seven Terms of Reference in turn, before making specific recommendations on retrospective application and a possible moratorium, and a further recommendation on how the Committee might build independent claim-verification into any future regulatory framework — a need I believe the Firmus case illustrates with particular clarity.

1. Protection of Public Resources and the Environment

The clearest public resource question raised by the Firmus development is water. Tasmanian Irrigation has publicly stated it gave Firmus no undertaking to supply water for its AI facilities, and that its existing irrigation scheme was intended for agricultural use and hydrogen production — a direct public contradiction of the impression created around Firmus's proposed water sourcing. This matters for the inquiry's purposes because it demonstrates that a data centre proponent's own public statements about resource sourcing may run ahead of, or be inconsistent with, the actual position of the public resource manager in question, and that this gap can persist publicly for some time before being corrected.

Separately, this submission has identified questions about Firmus's own published efficiency claims. Firmus's headline Power Usage Effectiveness (PUE) figure of 1.03 — used to support its environmental and efficiency narrative — has been acknowledged by the company itself to be a single, unverified point-in-time measurement from 2021, since quietly revised in company marketing to "as low as 1.1." A first-principles comparison against the world's best

independently verified operators (Google, Meta, Microsoft, AWS, and others, all in the 1.08–1.18 range after decades of engineering iteration) suggests a defensible real-world estimate for Firmus's Tasmanian operations may sit closer to 1.15–1.30. Because PUE claims underpin downstream representations about total power draw, and because water-use efficiency claims for immersion cooling systems have not been shown to be independently verified to any greater standard than the PUE figure was, I recommend the Committee treat *all* self-reported efficiency and resource-use metrics from data centre proponents — power, water, and noise alike — as unverified until confirmed by an independent, appropriately qualified third party, not as established fact on the strength of the proponent's own disclosure.

Recommendation: Any future approval or ongoing compliance framework should require independent, third-party verification (not self-certification) of material environmental and resource-use claims — PUE, water usage effectiveness, and noise modelling — both at approval stage and periodically once operational, with results made public.

2. Adequacy of the Resource Management and Planning System

The current planning experience of Firmus's Bell Bay and Wesley Vale proposals — both facing stalled council approval processes alongside sustained community concern — suggests Tasmania's existing planning system was not designed with a load of this scale and character in mind. AI data centres differ materially from conventional industrial development in ways the current system may not capture: extremely high, continuous (rather than variable) electricity draw; a direct, quantifiable claim on state transmission infrastructure shared with export-critical projects; and technology and efficiency claims that require specialist verification the ordinary planning process is not resourced to test.

Recommendation: The Committee should consider recommending a dedicated assessment pathway for large-scale AI/data centre proposals (above a defined MW threshold) that specifically requires: (a) an independent grid-impact assessment addressing cumulative effects across all proposed and approved facilities, not just the individual project; (b) independent verification of efficiency and resource-use claims as above; and (c) explicit consideration of the project's interaction with state transmission infrastructure priorities, including Marinus Link.

3. Parliamentary Oversight and Accountability

The scale of Firmus's combined Tasmanian proposal — approximately 400MW across three sites, representing a substantial share of the state's total grid capacity — was disclosed to Parliament only incrementally, through Budget Estimates questioning rather than proactive government disclosure. Energy Minister Nick Duigan's confirmation, during Budget Estimates, that Firmus's three stages were expected to require "in the realm of 400 megawatts" appears to be the clearest public confirmation of the project's true combined scale, months after individual site announcements had already been made piecemeal.

This pattern — cumulative scale becoming clear only in response to direct parliamentary questioning, rather than through proactive disclosure at the time of each new site announcement — is precisely the kind of gap in parliamentary oversight this Committee has been asked to examine.

Recommendation: Any proponent developing multiple related sites in the state should be required to disclose, at the time of the *first* development application, the full scope and combined resource demand of its broader publicly announced program, updated as new sites are announced, with that cumulative figure tabled in Parliament rather than requiring extraction through Estimates questioning.

4. Transparent Public Disclosure of Resource Consumption

I raise this in direct connection with the findings above: transparent disclosure is only meaningful if the disclosed figures are accurate and verifiable. This submission has documented a recurring pattern in Firmus's own public disclosures — across job advertisements, media interviews, and executive social media — in which headline figures escalate well beyond what the company's own more conservative disclosures, or independently confirmable facts, support. Examples documented in this submission include: a claimed "approximately 2 million GPUs through to 2028" against the company's own stated roadmap of "hundreds of thousands," and against currently confirmed orders totalling well under 200,000 units; and a claimed "4–5GW of power in the near term," which appears to conflate Firmus's own committed electricity demand with a separate, much larger figure describing third-party renewable generation the company's broader project might merely help anchor by 2028.

This pattern is directly relevant to Term of Reference 4. A disclosure regime that relies on proponent self-reporting, without independent verification or a clear evidentiary standard, is vulnerable to exactly this kind of figure inflation — whether through deliberate overstatement or simple promotional enthusiasm untethered from technical review.

Recommendation: Public resource-consumption disclosure should distinguish clearly, in any published format, between (a) currently contracted/confirmed capacity, (b) capacity under construction, and (c) aspirational or forecast future capacity — with the same distinction required across all a proponent's public communications, not only formal regulatory filings.

5. Opportunities for Community Consultation

More than 120 residents raised concerns over energy and water impacts at a single George Town Council meeting concerning the Bell Bay proposal — a scale of community engagement that reflects a genuine and substantial local concern, not a fringe objection. The pattern across Bell Bay and Wesley Vale suggests community consultation has, to date, tended to follow project announcements rather than genuinely inform them, with clarifying information (such as Tasmanian Irrigation's water clarification) emerging reactively, in response to public questioning, rather than being volunteered proactively by the proponent at the outset.

Recommendation: Community consultation for projects of this scale should be a mandatory, structured, pre-application stage — not a response mechanism triggered after a proposal is already substantially formed — with proponents required to publish plain-language, independently reviewed summaries of resource requirements (power, water, noise) before formal consultation begins.

6. Tangible Benefits to the Tasmanian Community

The clearest risk to this objective is the direct, structural tension between Firmus's proposed electricity demand and the Marinus Link project — the \$5 billion undersea transmission link intended to allow Tasmania to export clean energy to the mainland, itself already scaled back once, from 1,500MW across two cables to 750MW on a single cable, under cost pressure. Climate Change Authority chair Matt Kean has publicly warned that data centre expansion of Firmus's scale brings Marinus Link's underlying business case into doubt, and industry commentary has made the underlying trade-off explicit: transmission capacity used to firm Tasmanian domestic supply for a large new industrial load is, definitionally, capacity that cannot simultaneously be used to export energy for the state's economic benefit.

Firmus's own Chief Executive has publicly acknowledged the company's position is subordinate to existing Tasmanian users — "last on and first off" — which, while a reasonable acknowledgement of grid priority in principle, also underscores that the state currently has no formal, binding framework requiring new large loads to demonstrate net community benefit before consuming shared transmission capacity that could otherwise support export revenue, at all.

Recommendation: The Committee should require that any large new electricity load proposal include a transparent, independently reviewed assessment of its impact on the state's broader energy strategy (including Marinus Link's business case), and that "tangible benefit" be defined to include, at minimum, whether the project's own generation and transmission arrangements are self-funded and additive to the grid, rather than drawn from capacity otherwise available for Tasmanian consumers or export.

7. Any Other Matter Incidental — Recommendations on Retrospectivity and a Moratorium

I recognise the Committee has noted that the parliamentary process does not itself halt or prevent existing projects from proceeding, and I do not suggest the inquiry has the power to retrospectively unwind approvals already granted or construction already underway (such as the St Leonards facility). However, I would ask the Committee to give serious consideration to the following:

On a moratorium: I recommend the Committee consider recommending a moratorium on new AI data centre approvals beyond currently approved and under-construction facilities, pending the Committee's final report and the implementation of any resulting legislative or regulatory reforms. Given that Bell Bay and Wesley Vale remain without finalised council approval, a moratorium would not disturb any existing legal right, but would prevent the

state locking in further large-scale commitments — including, critically, further transmission and grid-capacity allocations that interact directly with Marinus Link — under the current, untested regulatory settings this inquiry has been asked to review.

On retrospective application of new disclosure standards: While I accept that new *planning* conditions cannot reasonably be applied retrospectively to a facility already under construction, I would recommend the Committee consider whether new *disclosure and verification* requirements — independent PUE/water/noise verification, and standardised public reporting distinguishing confirmed from aspirational capacity — could be applied to *all* operating and approved facilities, not only future applications. Disclosure obligations are a different category from planning conditions: they impose an ongoing transparency requirement rather than retrospectively altering a project's approved scope, and there is a reasonable public interest basis for requiring even already-approved facilities to meet the same verification standard the Committee ultimately recommends for new ones.

A Further Recommendation: Building Independent Verification Into the Framework, Given the Pattern of Unclear or Inflated Public Claims

I raise this as a distinct, cross-cutting recommendation because it underpins nearly every Term of Reference above. Over the course of researching Firmus's Tasmanian and broader Australian operations, I have documented a consistent and repeated pattern in which the company's own public claims — made across job advertisements, media interviews, and executive social media, rather than formal regulatory filings — run well ahead of what is independently confirmable. This includes:

- A PUE efficiency claim (1.03) publicly acknowledged by the company to be a single unverified 2021 measurement, since quietly revised downward in its own marketing;
- A stated roadmap of "hundreds of thousands" of GPUs by 2028 appearing alongside a separate public claim of "approximately 2 million";
- A power capacity claim of "4–5GW near term" that appears to conflate the company's own committed demand with third-party renewable generation it might merely help anchor;
- Company leadership publicly described in its own promotional material as bringing "a background in finance and mining engineering," a claim not corroborated by independent reporting, which instead describes the company's three founders as having built their careers in commodities trading and cryptocurrency rather than formal engineering practice.

None of this proves deliberate deception, and I do not allege that it does. But I believe it is directly relevant to how this Committee, and Tasmania's regulatory system more broadly, should treat *any* proponent's self-reported claims going forward — not only Firmus's. A regulatory and disclosure framework that relies on proponent self-certification, without a mechanism for independent verification, is structurally vulnerable to exactly this kind of gap

between promotional narrative and operational reality — regardless of whether that gap arises from genuine error, promotional enthusiasm, or something more deliberate.

Tasmania is being asked, in effect, to take a great deal on trust from an industry that is new to the state, financially complex, and — on the evidence collected in this submission — not always reliable in its own public self-description.

Recommendation: The Committee should recommend that Tasmania's future AI data centre regulatory framework include a standing, independent technical verification function — whether housed within an existing regulator or a newly designated body — with the power to test proponent claims (efficiency, capacity, resource use, and financial capacity to deliver) against independent evidence before those claims are relied upon in planning, parliamentary, or public communications. This would not be a punitive measure directed at any one company; it would simply close the verification gap this submission has documented, for the benefit of every future proponent and every Tasmanian community asked to host these facilities.

Conclusion

Tasmania has a genuine opportunity, through this inquiry, to establish a regulatory framework equal to the scale and novelty of AI data centre development — one that protects public resources, ensures Parliament and the community are dealing with accurate information, and secures real, durable benefit for Tasmanians from any facilities that do proceed. I thank the Committee for its work and would be pleased to provide further information or documentation in support of any of the matters raised in this submission.

Sincerely,

Ernest Odey