SUBMISSION TO THE

GOVERNMENT ADMINISTRATION COMMITTEE A

Inquiry into AI data centres in Tasmania

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I make this submission as a **private individual**, a concerned scientist currently employed as a researcher in the School of Geography Planning and Spatial Sciences at the University of Tasmania. In my recent professional experience, I have developed environmental monitoring and assessment frameworks, and environmental accounting tools, for State (Qld) and Commonwealth governments. I have also professionally researched and communicated the impacts of climate change on people and places in Tasmania.

Position statement

I believe our most urgent need in relation to the development of artificial intelligence (AI) and its associated infrastructure is to protect public resources and the environment, which is the first of this Inquiry's Terms of Reference. From an economic perspective, one of Tasmania's most valuable public resources is our firm renewable energy and its associated infrastructure. We must develop and use this wisely. From an environmental perspective, AI development must not be allowed to compromise our commitment to reducing CO_2 emissions. This is one route by which runaway AI could threaten our future as a species.

To protect public resources and the environment we need a strong planning system and good governance. Accordingly, I have focused my submission on the second Term or Reference.

Some matters I set out to understand, in drafting this submission, are as follows:

- How has it been possible, under existing planning laws, for large AI data centre developments in Tasmania, with state-wide environmental, social and economic impacts, involving interconnected infrastructure, markets and governance, to be wholly assessed and permitted within the legal bounds of local jurisdictions (Councils)?
- How do development proposals progress between levels of the planning system, and what hinders such progression?
- Does legislation currently exist to enable a *comprehensive integrated* assessment of AI data centres, as a class of development, *including their cumulative impacts*?

1. Introduction

Artificial intelligence (AI) data centres offer Tasmania potential benefits in investment, digital infrastructure and economic diversification. They also present a governance challenge because their impacts extend across administrative boundaries, involving resources and interests not confined to an individual development site, as well as complex interconnections between systems and sectors.

This submission focuses on governance, environmental assessment and transparency in relation to AI data centre development in Tasmania. It asks whether the State's existing decision-making arrangements are adequate for infrastructure whose impacts may extend across electricity supply, water, environmental capacity, emissions, local amenity, infrastructure, economic development and public confidence in government.

Table 1 sets out potential environmental, social and economic impacts of large AI infrastructure, showing the important distinction between local impacts that arise mainly within or immediately surrounding a development site, traditionally addressed through local planning, and those whose impact and/or consequences are broader than a local government area or involve interconnected infrastructure (e.g. energy, water), markets (e.g. energy) or governance systems (e.g. planning, energy, environmental protection). The Table is indicative of the issues, not a comprehensive list of all potential impacts.

2. Bell Bay as a case study

The Bell Bay AI data centre proposed by Firmus Technologies provides a powerful case study in governance as related to large AI infrastructure. The proposal was considered by George Town Council under the ordinary planning pathway of the *Land Use Planning and Assessment Act* (LUPAA). Council's planning report records that some important matters raised by the community – including energy consumption, water consumption and cumulative AI data-centre impacts – were outside what could be determined by Council under the Tasmanian Planning Scheme. The Council sought EPA involvement, especially in relation to the emergency generator system; the EPA Board determined that its assessment was not required; and the planning process continued.

The subsequent dispute over the use of the site's 276 diesel generators makes the governance issues more concrete. Conditions on the Council's permit restrict generator use to outages, testing, maintenance and genuine emergencies and prohibits their use to augment mains supply. Firmus has now appealed that condition, seeking limited use of the generators during electricity curtailment, network constraints and energy-market stress. This throws a potential state-wide energy-system question back onto the individual local planning decision. TASCAT is obliged to decide the appeal under the same legal constraints as the Council, while the question of how Firmus backup generators will be used has broad economic, social and environmental consequences for all Tasmanians.

Table 1 Potential impacts of large AI infrastructure

LARGE AI INFRASTRUCTURE DEVELOPMENT – IMPACTS AND ISSUES	
1. Local (place-based) impacts These are impacts that arise principally within or immediately surrounding the development site and are those traditionally addressed through local planning.	
Environment	
	Direct land conversion.
	Local biodiversity impacts.
	Noise.
	Heat generation.
	Air pollution from back-up power systems.
	Construction impacts.
	Construction traffic.
Communities and local economy	
	Local employment.
	Local amenity.
	Competition for local water supplies.
	Community confidence in decision-making
2. System impacts These extend beyond a local government area or involve interconnected infrastructure, markets or governance systems.	
Ecological systems	
	Climate change implications of large, 'always on' power generation needs.
	Additional renewable generation and transmission requirements, including timing and staging impacts (cost and benefits).
	Potential freshwater issues: effects on environmental flows and the dynamics of natural freshwater systems, competing users, water security.
	Cumulative biodiversity and land-use effects across time and multiple developments.
Social and economic systems	
	Electricity affordability.
	Allocation of renewable electricity between competing uses. Distribution of economic benefits and environmental costs.
	National AI capability and economic development.

This one example (Bell Bay) highlights a structural disconnect in the Tasmanian planning system and suggests a central question for the Inquiry: how can Tasmania preserve the legitimate role of local planning authorities and their constituents, while ensuring that decisions about major AI infrastructure, as a class of development, also address impacts at the scale of the Tasmanian

economy, environment and public interest? System-wide questions, such as those affecting our energy/power system, must have a clear place in the approval process, triggered by an unambiguous pathway. Further, such consequential questions must be assessed at the appropriate scale and explained transparently to the community.

3. ToR 2 – Ensure the RMPS adequately recognises and addresses the specific impacts of AI and data facilities

3.1 Bell Bay as a test of the existing pathway

The Bell Bay case illustrates the way in which an AI data centre application can move between different Levels of the planning system and different areas of government responsibility. Initially George Town Council assessed the development under LUPAA and the Tasmanian Planning Scheme. Council was explicit that some matters raised by the community were outside the matters it could determine as Planning Authority.

> *'In some instances, concerns raised in representations do not directly relate to the applicable provisions of the planning scheme and, as such, cannot be addressed through the planning approval process.'*

George Town Council Planning Officer's Report, pp.21–22.

> *'Council cannot lawfully refuse or condition a permit on matters that fall outside the scope of the planning scheme.'*

George Town Council Planning Officer's Report, p.22.

This is an important feature of the case. The Council was not the appropriate body to decide every issue raised by the proposal. *The governance question is what happens to those issues when they remain important but fall outside the local planning authority's statutory remit.*

3.2 The Council–EPA pathway

The Bell Bay planning record shows that Council did not proceed without considering EPA involvement. The development was initially not referred as a Level 2 activity, with the Council report attributing that position to previous EPA advice. Following representations and further discussion about the emergency generator system, Council referred the application to the EPA.

> *'Following consideration of representations, Council has undertaken further discussions with the EPA regarding the 'fuel burning' potential of the emergency generator system. Council has subsequently referred the application to the EPA along with all representations received.'*

George Town Council Planning Officer's Report, p.37.

The EPA's letter of 6 August 2026 confirms that Council's correspondence was received on 24 July 2026. The Board determined under s.25(1D) of the *Environmental Management and Pollution Control Act 1994* (EMPCA) that it did not need to assess the activity. It gave as its reasons that Council's LUPAA process and powers could facilitate an appropriate level of environmental impact assessment and regulatory control, and that the risk of serious or material environmental harm or environmental nuisance was very low or negligible.

EPA, Board Assessment Not Required, 6 August 2026, DA 2026-29.

As a result, the local planning assessment continued and the EPA did not undertake a substantive environmental assessment. The Council's subsequent report puts on record that energy consumption and water consumption were outside the Planning Scheme and that cumulative future AI data-centre impacts were not relevant to assessment against the Planning Scheme. The following statement is particularly telling.

> *'The future cumulative impacts of AI data centres in the region/Tasmania/Australia are not relevant to an assessment against the planning scheme.'*

George Town Council Planning Officer's Report, p.35.

3.3 Bell Bay: backup generation becomes an electricity-system question

The backup generation system provides a potent example of why the boundary between a local planning decision and a system-wide policy question matters. The applicant's technical material describes 276 prime-rated diesel generators, of which 206 could operate simultaneously.

Firmus Mechanical, Operational Noise Report – Project GEE01 – Long Reach Data Centre, 6 May 2026, pp.7 and 9.

The Council's permit allows generator operation during an unscheduled failure or interruption to mains supply, for routine inspection, testing or maintenance, or in a genuine emergency. It expressly prohibits operation during normal operations or to augment mains electricity supply. Testing of more than one generator is subject to a cumulative annual limit.

George Town Council, DA 2026-29 recommended permit conditions, Condition 13.

This condition is now the subject of an appeal by Firmus. According to ABC News, the appeal seeks to allow limited operation of the generators to offset electricity curtailment and to manage energy security, network constraints and energy-market stress. Firmus has described this as a potential benefit of using the generators during periods of electricity-system stress.

ABC News, 'AI data centre company Firmus lodges TASCAT appeal against council's 'unreasonable' restricted generator use', 15 September 2026. The article reports the wording of the appeal lodged on 10 September 2026.

On the evidence currently available, Firmus is not (yet) proposing to export diesel-generated electricity to the Tasmanian grid. Rather, the proposed change would allow the facility to use its own generation to reduce or replace its demand on the mains during periods of system stress.

Nevertheless, the distinction between what Council has permitted under condition 13 and what Firmus proposes is important.

At the scale of this facility, changing between grid supply and on-site generation is not simply a matter internal to the site. A transfer of hundreds of megawatts of demand would produce a significant change in the load on the wider Tasmanian electricity system. If the generators were operated while the facility remained connected to the grid, this would introduce a further set of technical and operational issues. These include system security, frequency and voltage behaviour, emissions, and the effects on other electricity users. Such changes would therefore need to be coordinated with the requirements of the wider electricity system.

This raises the governance question: *which body or combination of bodies is responsible for assessing and coordinating these implications?* The relevant responsibilities are distributed between the network operator, AEMO, the proponent and the planning and environmental regulatory system. The Inquiry should consider whether the existing arrangements provide a clear mechanism for these responsibilities to be brought together when a very large electricity consumer proposes to change how it interacts with the grid, particularly during periods of system stress.

The need to address this question is reinforced by Firmus' own public description of the Bell Bay project as designed to be 'dispatchable' and able to manage its electricity demand in response to grid conditions. Firmus states that during periods of energy scarcity or system constraint the site can reduce its electricity use to help ease pressure on the grid.

Firmus, Project Southgate Bell Bay FAQs, accessed September 2026.

This raises questions beyond the remit of an individual planning condition: *who should determine when such an arrangement is appropriate, under what circumstances it should operate, what environmental and emissions consequences it carries, and how it fits within Tasmania's longer-term renewable-energy objectives? More fundamentally, it raises the question of when a decision that may appear to be a private operational matter becomes a matter of public system governance.*

3.4 The governance significance

The Bell Bay sequence suggests that the challenge is partly one of fit between existing pathways. The ordinary planning system can assess many local effects. The EPA has environmental powers that can be engaged where the relevant statutory thresholds and criteria are met. Electricity-system decisions sit in another part of the governance structure.

A project can be compliant within each individual part of the system while important questions about the combined effect of the project are not required to be considered by any single decision-maker at the scale at which those effects occur.

That is an issue I suggest the Inquiry should examine: *whether the RMPS and related governance arrangements provide an unambiguous route by which system-wide consequences are assessed somewhere, by an authority with the appropriate remit and expertise.*

3.5 Proposed governance response

The Inquiry should consider whether the existing Council–EPA pathway is adequate for large, complex developments with environmental consequences extending beyond the local site.
A targeted strengthening of the existing pathway may deal with the structural disconnect in the Tasmanian planning system between Council and EPA responsibilities (as seen in the Bell Bay DC case).

Matters to consider include: *whether there should be clearer criteria for identifying large or complex Level 1 developments that warrant substantive EPA assessment and whether system-wide or cumulative environmental consequences should be more explicitly recognised.*

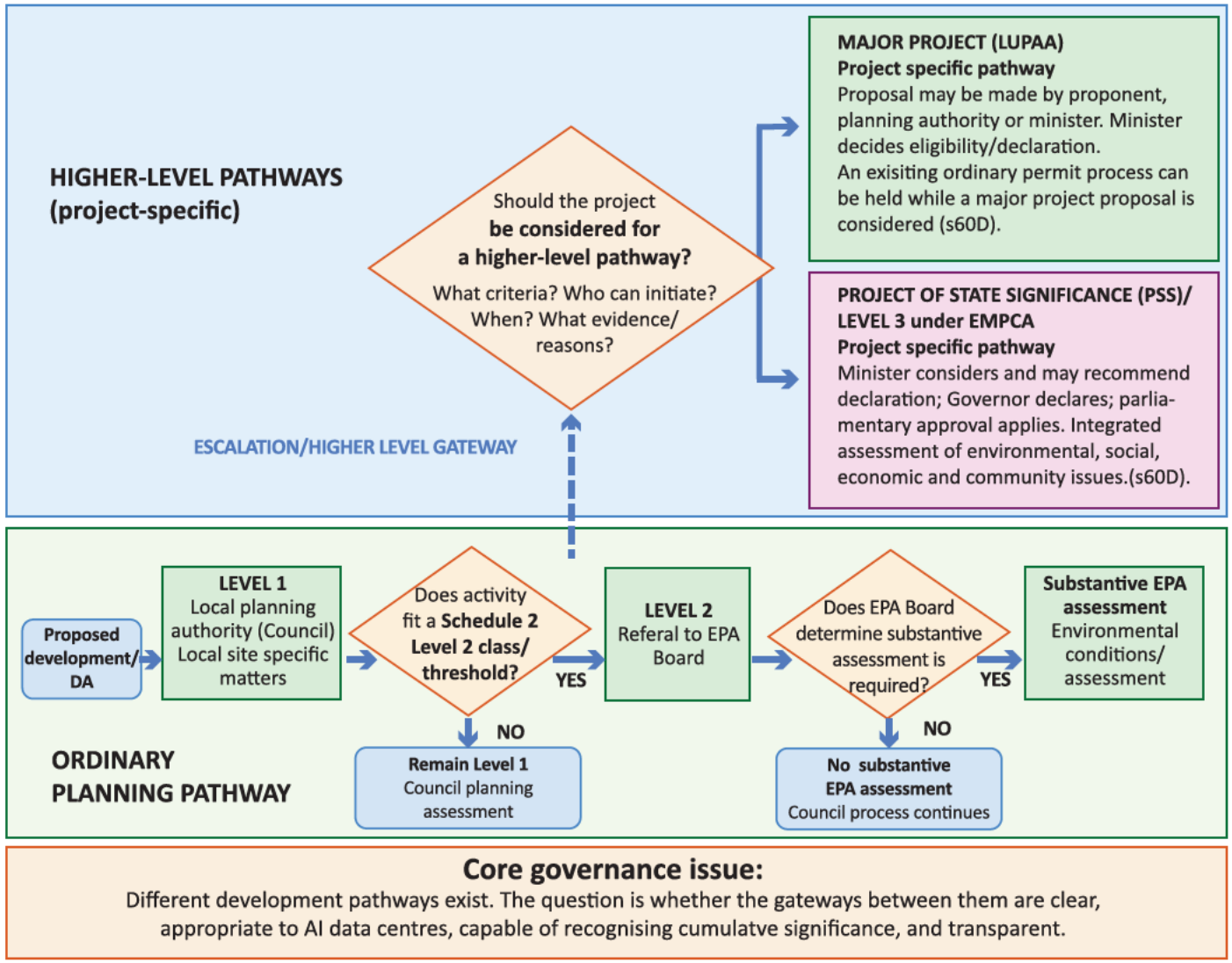
Overall, AI data centre planning should have the following complementary elements, with unambiguous responsibilities for authorities at the various levels of the planning system and clear pathways for moving projects between levels:

- preserve councils' legitimate authority over matters properly dealt with at the local planning scale, including amenity, local noise, local pollution, traffic and site-specific impacts. This would also preserve an important opportunity for local communities to have input into planning decisions.
- where impacts extend beyond that authority but fall within existing regulatory responsibilities – for example, matters that may be referrable to the EPA – existing pathway should be unambiguous in identifying and determining assessment responsibilities.
- the addition of AI data centres to schedule 2 of the EMPCA should be considered, noting that within the current regulatory pathway, this is one place where activities are treated on a class basis and can legally trigger environmental assessment simply by being members of a particular class (potentially, AI data centres). Higher pathways such as Major Projects and Projects of State Significance appear to be single project based.
- attention to these elements still leaves unresolved a major issue with assessing the impacts of data centres. It appears that no planning legislation captures their *state-wide or system-wide cumulative impacts*. Accordingly, where complex or system-wide impacts cannot be adequately addressed through existing local planning and project-based regulation, there should be a scale-appropriate mechanism for assessing cumulative impacts, for example an additional integrated assessment pathway. Under these arrangement, projects should be assessed within a framework that allows for interaction among impacts, both synergies and tradeoffs, to be considered.

Figure 1 represents my understanding of the core pathways in the Tasmania Resource Management and planning scheme as I have been able to understand them after exploring the Bell Bay case study. Given the small amount of remaining time to complete this submission, I will briefly work through the 'cross cutting governance questions' set out on the right of the figure, referring to the Bell Bay case where applicable and making such recommendations as seem appropriate.

Tasmania: planning/environmental assessment pathways

Key gateways and questions for AI data centres



Core governance issue:

Different development pathways exist. The question is whether the gateways between them are clear, appropriate to AI data centres, capable of recognising cumulatve significance, and transparent.

CROSS-CUTTING GOVERNANCE QUESTIONS

1. **CLASSIFICATION**
   Are AI data centres adequately captured by existing Level 1/ Level 2 categories and thresholds?
2. **SCREENING**
   Once referred, are criteria and reasons for substative EPA assessment clear and transparent?
3. **ESCALATION**
   Is there a clear transparent route from ordinary planning to Major Project/PSS where warranted?
4. **CUMULATIVE EFFECTS**
   Can the significance of multiple AI data centres as a class be considered?
5. **LOCAL ROLE**
   Can higher-level asessment preserve an appropriate role for Council and effected communities.
6. **TRANSPARENCY**
   Can the public see who chose the pathway, what evidence was used, and why?

4. Cross-cutting governance questions

4.1 Classification – Are AI data centres adequately captured by existing Level1/Level 2 categories and thresholds?

EMPCA uses activity classes and thresholds to determine when developments warrant Level 2 referral. The guiding principle for listing as Level 2 is that an activity is a 'industrial [or] municipal activit[y] considered to have a high potential for emitting pollutants and/or causing environmental harm'.

AI data centres can have very large electricity and water demands, along with other potential environmental impacts, yet fall outside the existing activity categories, raising the question of whether the current classification system reflects the characteristics of this emerging form of infrastructure.

Recommendation: Review whether EMPCA Schedule 2 adequately captures the environmental characteristics and scale of major AI data centres, including whether new activity classes or thresholds should be considered.

4.2 Screening – How does the EPA Board decide that substantive assessment is not required?

Bell Bay shows that referral to the EPA and substantive EPA assessment are separate decisions. The existing screening pathways whereby a project may move back and forth between Levels 1 and 2 appear to be ambiguous and discretionary. The readily accessible public record shows when a decision has been made whether or not to assess a project as level 2, but does not appear to identify the reasons for the decision.

Recommendation: Examine whether the EPA's Level 2 screening process remains fit for purpose for emerging forms of major infrastructure such as AI data centres.

4.3 Escalation – When should a project move to a higher assessment pathway?

Tasmania already has Major Project and Project of State Significance pathways capable of broader assessment. The question is not whether higher pathways exist, but when and how developments with system-wide implications should be considered for them.

Recommendation: Clarify when projects with system-wide implications should be considered for existing higher-level assessment pathways. Preserve the legitimate role of local planning authorities and the ability of local communities to have input into planning decisions.

4.4 Cumulative effects – Where are the impacts of multiple AI data centres considered together rather than one at a time?

AI data centres are an emerging class of infrastructure rather than isolated developments. Their combined electricity demand, water use and environmental pressures may become significant across multiple projects yet each proposal is assessed individually.

Recommendations: Investigate how Tasmania's planning and environmental framework can recognise cumulative and strategic effects across multiple AI data-centre developments, rather than considering each project entirely in isolation.

Consider new forms of integrated assessment using frameworks capable of capturing and considering interactions between and among environmental, social and economic impacts – both trade-offs and synergies.

4.5 Local role – How can higher level assessment preserve legitimate local decision making?

Councils have an important role in deciding local matters such as amenity, traffic, local pollution and site-specific impacts. Planning decisions at the Council level give local communities an opportunity to influence development in their immediate environment. Higher-level assessment should seek to complement rather than replacing local planning.

At the same time, the planning system should not place unsustainable burdens on poorly resourced local authorities to assess and condition development applications that would be better dealt with at higher levels of the planning system.

Recommendation: Preserve councils' legitimate authority over local planning matters while providing clear pathways for issues that extend beyond the local planning scale.

4.6 Transparency – What mechanisms are needed to enhance public access to reasoning behind pathway decisions?

Public confidence depends not only on what decision is made, but on understanding why it was made. Bell Bay illustrates how difficult it can be to determine from the public record why a project remained within one assessment pathway rather than another.

Recommendation: Require clearer public explanations of the principal evidence, assumptions and reasoning behind significant pathway and screening decisions.

Dr Jan Tilden

[redacted]

References

Primary legislation

Environmental Management and Pollution Control Act 1994 (Tas). Especially Schedule 2; ss.24–25. Tasmania Legislation Online.

Land Use Planning and Approvals Act 1993 (Tas). Particularly ss.57, 58, 60C–60ZZC (Major Projects provisions). Tasmania Legislation Online.

State Policies and Projects Act 1993 (Tas). Particularly Part 3 (Projects of State Significance). Tasmania Legislation Online.

Official government guidance

EPA Tasmania. Environmental Management and Pollution Control Act 1994 (EMPCA). Overview of Tasmania's environmental assessment framework.

EPA Tasmania. State Policies and Environment Protection Policies. Overview of statutory environmental policy instruments under EMPCA and the State Policies and Projects Act.

Planning in Tasmania. Major Projects. Explanation of the Major Project declaration, assessment process, public participation and decision-making responsibilities.

Planning in Tasmania. LUPAA (Miscellaneous Amendments) Bill 2026. Consultation material illustrating ongoing reform of the planning system.

Bell Bay (Firmus) development application documents

(These are the primary case-study documents used throughout the submission.)

George Town Council. Development Application DA 2026-29 – Planning Officer's Report. (Used throughout for Council's assessment of electricity, water and planning jurisdiction.)

George Town Council. DA 2026-29 – Recommended Permit Conditions. (Particularly Condition 13 relating to generator operation.)

George Town Council. DA 2026-29 – Plans for Advertising (Reduced Size). (Generator layouts and associated plans.)

Firmus. Mechanical and Operational Noise Report – Project GEE01: Long Reach Data Centre. 6 May 2026. (Generator numbers and operational configuration.)

Environment Protection Authority Tasmania. Determination not to assess DA 2026-29 under EMPCA s.25. (Including Attachment 1.)

Other official planning references

Planning in Tasmania. Major Projects Process Review. Consultation materials relating to review of the Major Projects framework.

Media (used as illustrations)

ABC News. AI data centre company Firmus lodges TASCAT appeal against council's ‘unreasonable’ restricted generator use. 15 September 2026. (Used as evidence that the generator-condition appeal sought operation during periods of system stress.)

ABC News. Six new confidential data centre proposals in Tasmania revealed. September 2026. (Used as evidence that Latrobe Council requested consideration of Major Project status for Wesley Vale and that broader pathway questions are live.)