

SUBMISSION TO THE PARLIAMENTARY INQUIRY INTO AI DATA CENTRES

Prepared for: House of Assembly Government Administration Committee 'A'
Subject: Leveraging Interstate Policy Precedents for the Tasmanian Regulatory Framework

1. Executive Summary

The rapid scaling of digital infrastructure pipelines in Tasmania, driven by proposals totaling over 400MW, poses unprecedented pressures on the state's energy and water resources. To manage these risks safely, Tasmania must look to tested frameworks in New South Wales, South Australia, and Victoria. This submission details how Tasmania can translate these interstate successes into localized, major project pathways.

2. Adapting the NSW Model: Major Project Designation Thresholds

New South Wales successfully manages data center development by integrating facilities into its State Significant Development framework. This removes the administrative burden from local councils which lack the engineering capacity to assess extreme power demands and cooling footprints.

Proposed Legislative Language for Tasmania:

"Any proposed data storage, processing, or co-location facility with a projected total maximum electricity demand exceeding 10 megawatts (MW), or an estimated capital investment value exceeding \$50 million AUD, shall be automatically declared a Project of State Significance (POSS) under Section 18 of the State Policies and Projects Act 1993."

3. Adapting the South Australian Model: Grid-Linked Guarantees

South Australia requires heavy-load data infrastructure projects to underwrite new renewable capacity, protecting residential ratepayers from grid instability and cost shifting.

Proposed Legislative Language for Tasmania:

"No high-voltage grid connection offer shall be executed by TasNetworks or Hydro Tasmania unless the proponent demonstrates a legally binding Power Purchase Agreement (PPA) underwriting new renewable energy generation capacity within the state equal to or greater than 100% of the project's peak demand footprint."

4. Adapting the Victorian Model: Resource Integration & Net Benefit Tests

Victoria uses state-directed plans to enforce strict resource protections. Following the recent water and cooling controversies in Wesley Vale and Bell Bay, Tasmania needs clear restrictions to isolate vital agricultural infrastructure from industrial compute loads.

Proposed Legislative Language for Tasmania:

"Data centre developments utilizing liquid cooling systems are strictly prohibited from sourcing water from existing Tasmanian Irrigation schemes or municipal drinking supplies. Proponents must deploy closed-loop dry-cooling systems or fund entirely separate recycled water infrastructure at their own capital expense."

SUBMISSION TO THE PARLIAMENTARY INQUIRY INTO AI DATA CENTRES

Prepared for: House of Assembly Government Administration Committee 'A'

Prepared by: [REDACTED]

Address: [REDACTED]

Subject: Leveraging Interstate Policy Precedents for the Tasmanian Regulatory Framework

1. Executive Summary

The rapid scaling of digital infrastructure pipelines in Tasmania, driven by proposals totaling over 400MW, poses unprecedented pressures on the state's energy and water resources. To manage these risks safely, Tasmania must look to tested frameworks in New South Wales, South Australia, and Victoria. This submission details how Tasmania can translate these interstate successes into localized, major project pathways under the *Land Use Planning and Approvals Act 1993*, replacing fragmented local council oversight with an expert, consolidated assessment mechanism.

2. Adapting the NSW Model: Major Project Designation Thresholds

New South Wales successfully manages data center development by integrating facilities into its State Significant Development framework. This removes the administrative burden from local councils which lack the specialized engineering capacity to assess extreme power demands and cooling footprints. Tasmania should mirror this by funneling these developments into the Declared Major Project pathway.

"Any proposed data storage, processing, or co-location facility with a projected total maximum electricity demand exceeding 10 megawatts (MW), or an estimated capital investment value exceeding \$50 million AUD, shall be automatically eligible for declaration as a Major Project under Section 60M of the Land Use Planning and Approvals Act 1993."

3. Adapting the South Australian Model: Grid-Linked Guarantees

South Australia requires heavy-load data infrastructure projects to underwrite new renewable capacity, protecting residential ratepayers from grid instability and cost shifting. Incorporating this protection within a Major Project assessment ensures Tasmania's energy security is legally defended before approvals are granted.

"No high-voltage grid connection offer shall be executed by TasNetworks or Hydro Tasmania unless the proponent demonstrates a legally binding Power Purchase Agreement (PPA) underwriting new renewable energy generation capacity within the state equal to or greater than 100% of the project's peak demand footprint, to be enforced as a mandatory condition of the Major Project permit."

4. Adapting the Victorian Model: Resource Integration & Net Benefit Tests

Victoria uses state-directed plans to enforce strict resource protections. Following the recent water and cooling controversies in Wesley Vale and Bell Bay, Tasmania needs clear restrictions to isolate vital agricultural infrastructure from industrial compute loads. The Major Project criteria should explicitly ban unmitigated sourcing from sensitive shared water assets.

"Data centre developments utilizing liquid cooling systems are strictly prohibited from sourcing water from existing Tasmanian Irrigation schemes or municipal drinking supplies. Proponents must deploy closed-loop dry-cooling systems or fund entirely separate recycled water infrastructure at their own capital expense, with compliance verified independently during the Major Project assessment criteria review."



Urgent Policy Request- AI Data Centre Regulation

2 messages

Sun, 23 Aug at 5:05 pm

To: kerry.vincent@parliament.tas.gov.au <kerry.vincent@parliament.tas.gov.au>, nick.duigan@parliament.tas.gov.au <nick.duigan@parliament.tas.gov.au>

Formal Briefing: Energy Grid Security & Data
Centre Regulation
To: Hon. Nick Duigan MP, Minister for Energy and Renewables
Date: August 2026
Subject: Urgent Policy Request - AI Data Centre Regulation

Dear Ministers,

I am writing to you formally as a concerned Tasmanian resident regarding the massive 400MW AI data centre pipeline currently proposed across Bell Bay, St Leonards, and Wesley Vale. This combined development blue print is projected to draw up to one-fifth of Tasmania's entire peak electricity demand.

Mr Duigan as Minister for Energy and Renewables, and Planning I urge you to look closely at the regulatory precedents established on the mainland to safeguard public infrastructure. Specifically, South Australia's grid-load matching frameworks provide a clear roadmap: they legally prevent large-scale data facilities from connecting to the high-voltage network unless the developer enters into a binding

Mr Vincent as Minister for Planning, it is critical to recognise that local municipal councils simply do not possess the specialized engineering, environmental, or technical resources required to audit or assess the monumental electricity and water demands of these heavy industrial facilities.

Power Purchase Agreement (PPA) that directly underwrites the creation of new renewable energy generation capacity within the state equal to 100% of their peak demand footprint.

Tasmania must implement similar strict grid-linked guardrails. We cannot allow interstate tech firms to cannibalise the existing hydro grid that everyday Tasmanian households and local small businesses rely on. Data centres are major industrial projects and must be regulated accordingly to protect our long-term energy security.

Thank you for your time and your commitment to safeguarding Tasmania's public utilities.

Sincerely

[Redacted signature]

Sun, 23 Aug at 5:06 pm

To: kerry.vincent@parliament.tas.gov.au <kerry.vincent@parliament.tas.gov.au>, nick.duigan@parliament.tas.gov.au <nick.duigan@parliament.tas.gov.au>

See attached file, sorry but I am disabled so please attach my file to my submission thank you
Sincerely [Redacted signature]
[Quoted text hidden]
Major Project 2 .pdf

Minister for Housing and Planning
Minister for Infrastructure and Transport
Minister for Local Government

Level 10, 15 Murray Street, HOBART TAS 7000 Australia
GPO Box 123 HOBART TAS 7001 Australia
Email: Minister.Vincent@dpac.tas.gov.au



Dear [REDACTED]

Thank you for your correspondence regarding Firmus Technologies AI Factory. I understand you wish for the project to be declared a major project under the *Land Use Planning and Approvals Act 1993*.

Tasmania has a strong, well-established framework for managing new development, including data centres and AI infrastructure. These developments are regulated through Tasmania's Resource Management and Planning System, which incorporates the Tasmanian Planning Scheme. This system provides a comprehensive and consistent approach to land-use decision-making across the State.

Under the current development assessment process, where a proposal is permitted or discretionary, there is no requirement for cumulative impact assessment. The process also does not directly assess water or electricity supply capacity beyond confirming that a development can be serviced. Responsibility for servicing lies with the developer and the relevant infrastructure provider.

Where a proposal is discretionary, it must be publicly advertised. During this period, any person may make a representation; you do not need to live within the municipality. Not all data centres and AI infrastructure will be discretionary, this depends on the zone and any applicable overlays, such as flooding or vegetation constraints.

The Environment Protection Authority may require a cumulative impact assessment for Level 2 activities. These are activities listed under the *Environmental management and Pollution Control Act 1994* as they have a potential for causing environmental harm without appropriate controls. Data centres and AI infrastructure are not typically Level 2 activities; their primary emission is noise, which is normally managed under existing noise regulations.

Msl acknowledge your request for the project to be declared a major project under the Act. To be declared a major project, a proposal must meet at least two of the following criteria:

- have a significant impact on a region's economy, environment, or social fabric
- be of strategic importance to a region
- be of significant scale and complexity, requiring two or more permits.

Data centres and AI infrastructure generally do not meet these criteria. Standard development assessment processes, are appropriate and capable of addressing relevant land-use matters, including emissions and hazards.

The Tasmanian Government is finalising a draft Tasmanian Statement of Expectations for Data Centres and AI Infrastructure. This document will be released for public consultation in the coming months, providing an opportunity for Tasmanians to comment on the development of this infrastructure within the State.

I encourage you to engage in the upcoming consultation.

Yours sincerely



Hon Kerry Vincent MLC
Minister for Housing and Planning

02 SEP 2026

The Problems with the Ministers Letter

1. Minister Vincent said *"There is no requirement for cumulative impact assessment... The process also does not directly assess water or electricity supply capacity..."*

The Reality: The Minister just openly admitted that under standard local council rules, **nobody is looking at the big picture**. George Town Council approved a 288-megawatt power hog, but they were legally barred from checking if it will drain Tasmania's total energy grid or drive up your power bills.

2. The Data Centre Escape Hatch

What he said: *"Data centres and AI infrastructure generally do not meet these criteria [for a Major Project]."*

The Reality: He claims a **\$2.7 billion industrial site** running **276 massive diesel generators** all day and night is just a "standard warehouse matter." This is a deliberate policy choice to protect the State Government from having to do the hard work of an independent expert review.

3. The Statement of Expectations Deflection

What he said: *The Government is finalising a "Statement of Expectations" for public consultation in the coming months.*

The Reality: This is a total contradiction. Why is the government urgently inventing a brand new "Statement of Expectations" for AI data centres if the current local council rules are already "appropriate and capable" like he claims? They *know* the system is broken, but they are choosing to fix it *after* Firmus gets its foot in the door

Motion for Major Project for AI Data Centres Tasmania


To: <council@georgetown.tas.gov.au>

Sun, 23 Aug at 12:13 am

 [Major Project-Tas Planning](#)

Dear General Manager,

I am writing to you as the General Manager of the Georgetown Council regarding the rapid expansion of large-scale AI data centres in Tasmania. Local councils do not have the technical capacity to properly assess the vast resource demands of these facilities.

I urge the Council to put forward a motion to adopt the New South Wales model. Tasmania needs to amend the State Policies and Projects Act 1993 so any data centre proposal exceeding 10MW automatically bypasses local councils and is declared a Project of State Significance.

We need centralised, state-level guardrails for this industry. Thank you for your time.

Sincerely,



Major Project-Tas Planning



Motion for Major Project for AI Data Centres Tasmania

Louise Dickenson

Mon, 24 Aug at 10:53 am

To: [Redacted]

Dear [Redacted],

Thank you for your motion and details of the New South Wales model regarding AI data centres.

I formally acknowledge receipt and advise that the email has been forwarded to Councillors for their consideration.

Kind Regards,

Louise Dickenson

Senior Executive Support & Governance Officer

George Town Council

16-18 Anne Street, George Town Tasmania 7253

PO Box 161, George Town Tasmania 7253

p (03) 6382 8800 | **f** (03) 6382 8899 | **m** 0439 100 713

w www.georgetown.tas.gov.au | **e** louised@georgetown.tas.gov.au

From: [Redacted]

Sent: Sunday, 23 August 2026 12:14 AM

To: council <council@georgetown.tas.gov.au>

Subject: Motion for Major Project for AI Data Centres Tasmania

Submission to the Inquiry into AI Data Centres in Tasmania

5 messages

To: <gaca@parliament.tas.gov.au>

Sun, 23 Aug at 4:53 pm

23 August 2026

The Hon. Minister for Planning Tasmanian Government Parliament House

Hobart TAS 7000

Dear Minister,

RE: Submission to the Parliamentary Inquiry into AI Data Centres – Major Project Pathway

Please find attached my formal submission to the House of Assembly Government Administration Committee 'A' Inquiry into AI Data Centres, focusing on the critical need to adapt Tasmania's regulatory framework for high-demand digital infrastructure pipelines.

As detailed in the submission, proposals totaling over 400MW present unprecedented pressures on our state's energy grid and water resources. To manage these risks safely while providing certainty to developers, I strongly urge the government to bypass the standard local council approvals process for these ultra-scale industrial loads. Instead, these facilities should be automatically assessed as Declared Major Projects under Section 60M of the Land Use Planning and Approvals Act 1993.

By establishing clear statutory thresholds (such as 10MW or \$50 million investment), Tasmania can utilize independent expert panels to evaluate complex resource integration. This approach scales seamlessly with tested interstate precedents from New South Wales, South Australia, and Victoria, ensuring robust grid-linked guarantees and agricultural water protections are legally locked in from day one.

Thank you for your consideration of this critical planning reform. I would welcome the opportunity to brief you or your department on these policy proposals in further detail.

Sincerely,

Major Project 2 .pdf

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Sun, 23 Aug at 4:53 pm



Address not found

Your message wasn't delivered to **gaca@parliament.tas.gov.au** because the address couldn't be found or is unable to receive email.

LEARN MORE

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Sun, 23 Aug at 4:54 pm

Try this one 👉

[Quoted text hidden]

Major Project 2 .pdf

Tue, 25 Aug at 7:16 am

excellent

[Quoted text hidden]

Tue, 25 Aug at 8:12 am

This is Duigans response

Minister for Energy and Renewables

Minister for Parks and Heritage

Minister for Sport

Level 5, 4 Salamanca Place, HOBART TAS 7000 Australia

GPO Box 123 HOBART TAS 7001 Australia

Phone: +61 3 6165 7739

Email: minister.duigan@dpac.tas.gov.au

24th August 2026

Thank you for your email of 20 August 2026 regarding energy policy for data centre developments in Tasmania.

I would like to reassure you Tasmania has a strong and well-established framework for managing new developments, and this applies to AI and data centre facilities. Any proposal for an AI or data centre facility must go through the same robust planning approvals process as any other development in the State.

We continue to work with proponents regarding the development of AI infrastructure in Tasmania and the opportunities that may be created for our State in this fast-growing field. We are also working closely with the Australian Government to ensure new national policy settings and regulatory frameworks in this space are designed to deliver benefits for Tasmania and align with the interests of our communities, businesses, and workers.

As you note in your email, data centres can have high energy requirements, such as the proposed Firmus developments across their Bell Bay, St Leonards, and Wesley Vale sites. The Tasmanian Government recognises this, and we have always been clear in our position that any significant new demand for electricity, including data centres, must be supported across the long-term by additional generation capacity, such as wind and solar.

Data centre proponents in Tasmania are aware of this requirement, including Firmus, and I encourage you to read their Australian Energy Policy, which outlines their commitment to support the development of new renewable generation capacity of at least 2 MW for every 1 MW of Firmus contracted capacity. The policy can be found on their website: <https://firmus.co/ourcommitments>.

The Tasmania Government also expects data centres to cover their share of any network costs, contribute to continued grid stability, and to not negatively impact electricity prices for other customers. These requirements are outlined in Australian Government's National Expectations for Data Centres and AI Infrastructure Developers, published earlier this year.

Building on the national work, Tasmania is currently developing its own Statement of Expectations for Data Centres and AI Infrastructure. This work is intended to ensure any new projects align with Tasmania's long-term objectives and reflect the needs of the Tasmanian energy system and community expectations. This will be released in the coming months, and I encourage you to engage with the document through the public consultation process.

Once again thank you again for raising this important issue and I trust this information is useful

[Quoted text hidden]

Subject: URGENT: Ministerial Intervention and Procedural Failure under LUPAA — Reference:

Thu, 27 Aug at 9:14 pm

Subject: URGENT: Ministerial Intervention and Procedural Failure under LUPAA — Reference:

MIN26/42026

To: kerry.vincent@parliament.tas.gov.au

From:

Dear Departmental Liaison Officer,

Thank you for acknowledging my correspondence under reference number MIN26/42026.

I am writing back immediately to ensure the Minister's upcoming response addresses a critical procedural failure regarding the Land Use Planning and Approvals Act 1993 (LUPAA)—specifically the inappropriate political blocking of the Major Project assessment pathway.

During the ordinary meeting where the 288-megawatt Firmus data centre was approved, George Town Council leadership explicitly stated on the record that the only reason this facility was not assessed as a Major Project or a Project of State Significance was because Minister Vincent directly informed them at the LGAT conference that he "would not declare it a major project, can't and won't."

This admission completely undermines the integrity of the Tasmanian planning system and highlights a profound paradox:

1. Evidence of Major Project Status: By the Mayor's own admission, the council felt entirely dependent on a ministerial green light to determine the assessment pathway. The fact that a local government required top-down ministerial direction just to handle the application proves that this development inherently possesses the regional complexity, grid scale, and political sensitivity that LUPAA explicitly reserves for the independent Tasmanian Planning Commission.
2. De Facto Vote Blocking and Control: While a Minister cannot legally direct a council planning authority how to vote, Minister Vincent effectively took charge of the outcome by pre-emptively

blocking the only legally appropriate assessment pathway. By removing the Major Project option via an informal directive, the Minister forced a small local council into a legal corner under a rigid local industrial zoning scheme, leaving them with no statutory choice but to approve a project of immense state-wide significance.

3. Bypassing the Statutory Process: By informally stating he "can't and won't" declare it a major project during a conference Q&A, the Minister effectively sidelined the formal legal review process. There was no structured, transparent evaluation of whether the Firmus project met the legal criteria under Section 60C of LUPAA. Instead, an informal ministerial policy stance was used to keep the project on George Town Council's desk, forcing them to assess a multi-billion-dollar state utility asset as if it were a standard warehouse.

4. Severe Regulatory and Resource Discrepancies: A 288-megawatt facility using 276 industrial backup generators has massive, state-wide electrical grid and environmental footprint implications. Standard local planning schemes are completely inadequate for assessing a project of this magnitude. By refusing to trigger a Major Project status, the Minister used his political authority to dump a project with massive, statewide energy grid impacts onto a small municipal council that lacks the specialist expertise to review it.

5. Shifting the Legal and Financial Burden: If the council had listened to the community and voted "no" based on state-wide power grid concerns or carbon emissions, Firmus Technologies would have immediately appealed to the Tasmanian Civil and Administrative Tribunal (TASCAT). Because grid capacity and macro-economics are outside a local council's legal planning jurisdiction, the council would have lost the appeal. The council would then be liable for millions of dollars in legal costs and damages—an expense that would fall directly on George Town ratepayers.

Given that a project requiring 288MW of grid capacity and 276 industrial backup diesel generators crosses regional boundaries, I demand a transparent answer to the following under file MIN26/42026:

- Under what explicit legal evaluation criteria did the Minister determine that a project of this unprecedented statewide energy scale fails to qualify for an independent expert panel under the Major Project pathway?

- Why did the Minister use informal, off-the-record directives to block a Major Project pathway, effectively taking charge of the planning trajectory and forcing a small municipal council to carry the legal liability and structural burden for a state-scale industrial project?

The community expects a rigorous, legally grounded explanation regarding this intervention. I look forward to the Minister's direct response.

Yours sincerely,





24 August 2026

Thank you for reaching out to myself, Senator Tyrrell and Senator Polley, to share your concerns about the Firmus AI Data Centre application.

We understand that proposals of this scale can raise questions about local impacts for residents, including electricity demand and pricing, water use, proximity to homes and what the project will mean for local jobs and the community.

Consistent with our [National AI Plan](#), released in December 2025, our ambition is to ensure Australia can capture the opportunities of AI, share the benefits and keep Australians safe.

In March 2026, the Albanese Government announced a set of [Expectations for Data Centres and AI Infrastructure developers](#) which make it clear that Australian communities and the national interest come first.

Since then, we have met with Firmus to assert these expectations, particularly that they put in as much energy as they take out, minimise noise levels and be as water efficient as possible.

To reinforce this message, the Government will legislate a set of world-leading Australian Standards for AI. The new Standards will set out simple, consistent and mandatory requirements for large AI data centres by making the Data Centre Expectations enforceable.

The new standards will set out clear rules for large data centres including:

- A legal obligation to underwrite their own new power supply
- Pay their full share of connection costs, so energy bills are not impacted
- Reduce power when needed to strengthen the grid
- Be as water efficient as possible

We will also work with State and Territories to ensure large data centres are built in the most appropriate locations, and with input from local communities. For example, we do not want data centres being built in locations that are otherwise suitable for new housing. That's why the Prime Minister is taking a proposal to National Cabinet this month for a set of nationally consistent Australian Standards for AI.

As you may be aware, planning and approvals for specific developments such as the proposed Firmus AI Data Centre are generally managed through state government and council processes, such as Tuesday's council decision on whether the project is compliant with the local planning scheme.

With that in mind, you may wish to share your concerns with the relevant decision-makers, including with Council, Minister Duigan and Minister Ellis.

The Albanese Government has every confidence that Australia can seize the opportunities of AI, while ensuring it is developed and used in the national interest.

Thank you again for taking the time to write about this important issue.

Kind regards,

Jess Teesdale
Federal Member for Bass

Helen Polley
Senator for Tasmania

Tammy Tyrrell
Senator for Tasmania