

PUBLIC SUBMISSION

Inquiry into the Construction and Operation of AI Data Centres in Tasmania

Standing Committee on Government Administration A
Parliament of Tasmania • Terms of Reference resolved 5 August 2026

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1. About this submission

Dear AI Data Centre Inquiry Committee members, I am a mother, serial entrepreneur and both a high school vocational and humanities educator, so this submission is not a plea against technology, nor even AI. I have benefited in all roles from the use of AI. It is a plea for policies and legislation to raise human civilisation and enable our children and great-grandchildren, Australians, to remain human, even to remain free citizens. Hear me out please, I intend to back up all assertions here. AI policy must be guided not only by the asymmetry of productivity and profit, but by the question of ***what kind of people and what kind of society we are becoming***. *An autocratic technocracy removes human rights, and citizens become corporate assets, imperial vassals, worse still vassals to autonomous AI agents.* If we permit a small number of corporations to build the technical infrastructure of thought itself, we may awaken to find that efficiency has been purchased at the expense of creativity, freedom, depth, dignity and democracy.

"Even under the best circumstances, the transition to this new AI era will be one of the most turbulent times in human history. How will we use this technology to make the world a fairer place and keep it from widening the divide between rich and poor? How will we protect the people who are most vulnerable to the harms caused by artificial intelligence, including those who lose their livelihoods and the sense that they are in control of their future?"

Bill Gates 27/8/26

Every assertion in this submission is sourced. A full source list appears at Part 12.

2. Executive summary

Tasmania is hosting hyperscale AI compute infrastructure at a scale that will reorder the state's energy system, and it is doing so with no binding state legislation governing the sector.

- **The proposal is not one facility.** At least ten hyperscale AI data facilities are proposed or in development in Tasmania. Most have not been publicly identified. Their owners, locations, energy and water requirements, emissions and end-of-life liabilities are largely unknown to the public, and none has been the subject of public consultation.
- **Scale.** Firmus Technologies has secured 104MW of Tasmanian hydropower for its Launceston site and is seeking up to 450MW across three sites — roughly 30 per cent of the state's current electricity use, and well ahead of Bell Bay Aluminium at 355MW. The Premier has described the proposal as a "world-first AI Factory Zone".
- **No binding rules.** The Tasmanian Government's Draft Expectations for Data Centres and AI Infrastructure Developers (September 2026) states on its own face that it is non-statutory and creates no approval or regulatory process. It arrived years after the Office of the Coordinator General began courting the industry.
- **No federal backstop.** Commonwealth data centre standards are not expected to be legislated until 2027 and will not apply retrospectively. The Prime Minister has confirmed the rules will apply to new proposals only. Everything currently on the

table for Tasmania would therefore be permanently exempt.

- **No public return identified.** There is no legislated royalty, no legislated jobs guarantee, no legislated water or energy cap, and no public disclosure of the terms on which public hydropower and public land are being made available.
- **Unresolved supply arithmetic.** Tasmania's AI and data centre pipeline represents potential demand above 1,150MW, while Hydro Tasmania's Marinus Link business case depends on mass export. Both cannot be satisfied from the same generation.
- **Water demand undisclosed and uncapped.** No proposed facility's water consumption has been publicly quantified. There is no legislated cap, no priority protection for drinking water or agricultural supply, and no requirement to disclose water source or volume.
- **Unassessed environmental liabilities.** The Bell Bay facility proceeds with 276 backup diesel generators and no formal state environmental assessment, and there is no framework at all — state or federal — for the toxic electronic waste these facilities will generate.

This submission asks the Committee to recommend a pause on further hyperscale approvals, and a legislated framework covering planning, royalties, energy, water, environment, transparency, employment and human-reserved domains. Twenty-two specific recommendations are set out at Part 12 and mapped to the Committee's Terms of Reference at Part 3.

3. How this submission addresses the Terms of Reference

The Committee resolved on 5 August 2026 to inquire into and report upon the construction and operation of AI data centres in Tasmania, including recommending future legislation and regulation. This submission addresses each limb as follows.

Term of Reference	Where addressed
1. Protect public resources and the environment	Parts 9, 10 · Recommendations R11–R13, R22
2. Ensure the Resource Management and Planning System addresses AI and data facility impacts	Parts 5, 10 · Recommendations R2– R4
3. Parliamentary oversight and accountability for construction and resource allocation	Parts 4, 5 · Recommendations R6, R8, R21
4. Transparent public disclosure of resource consumption	Parts 5, 8 · Recommendations R5, R8, R19
5. Adequate community consultation	Parts 4, 6 · Recommendations R1, R3, R14
6. Tangible benefits to the Tasmanian community	Parts 4, 6, 8 · Recommendations R7, R9, R14–R17
7. Any other matter incidental	Parts 7, 11 · Recommendations R18, R20, R21

4. What is proposed, and what is missing

4.1 The scale of what is proposed

Public discussion has centred on a single proponent. The proposal actually before Tasmania is considerably larger: at least ten hyperscale AI data facilities are proposed or in development in this state, and most of them have not been publicly identified.

For the majority of these facilities, the Tasmanian public does not know who owns them, where they will be sited, how much electricity and water they will draw, what emissions they will produce, what they will be used to compute, what they will cost the public, or what happens to the site and the hardware at end of life.

Collectively, Tasmania's AI and data centre pipeline represents potential energy demand of over 1,150MW, a figure put to the Premier in Parliament on 9 September 2026 and not disputed. These are foreign-owned commercial and, in their end use, defence-adjacent facilities being built into state and national infrastructure. They are proceeding without adequate planning or environmental regulation, without energy or water caps, without disclosed public costs, and without any public consultation. There are, at present, no democratic, social or ethical safeguards attached to any of them.

The one substantially disclosed proponent illustrates the scale of what is being decided without a framework. Firmus Technologies funded through a reported US\$10 billion Blackstone debt facility, together with Nvidia, Coatue and Jane Street are building what Premier Rockliff has described as a "world-first AI Factory Zone" in northern Tasmania. The company has locked in 104MW of Tasmanian hydropower and is scaling toward 450MW across three sites. That is enough to make a single company the state's largest electricity user within four years. Firmus is reported to be preparing a substantial \$30 billion ASX listing.

If one disclosed proponent alone can reach roughly 30 per cent of current state electricity use, the Committee cannot assess the cumulative impact of ten or more facilities without first requiring that they be identified. That is the threshold question for this inquiry: the public cannot consent to, and Parliament cannot scrutinise, developments it has not been told exist.

4.2 What Tasmanians have not been given

Against that scale, the following are all absent:

- **Binding state legislation or regulation.** The Government released only a draft, non-binding Statement of Expectations on 7 September 2026, 8 years after the Office of the Coordinator General began courting the industry in 2018. No current local, statewide planning nor environmental planning yet exists.
- **A legislated jobs guarantee.** Firmus's own jobs projections have been publicly disputed by AI researcher Professor Toby Walsh. Minister Ellis quotes 107, yet Steve Loring points out the 170 jobs include shutdown workers and possibly indirect workers providing additional services for the servicing of equipment. The number we all want to know is how many direct and ongoing full-time positions the three projects will create, because we

want jobs; however, how much royalty tax are they paying for the privilege? Tasmanians can't afford to give anything away when we are facing a \$146 billion fiscal crisis. In Tasmania, offshore industries attract offshore capital that is seeking offshore rents that profit-shift offshore.

- **Legislated water or energy caps.** The Minister for Water was unable to present a supply plan when questioned in Parliament. The Boyer paper mill, an existing Tasmanian employer was refused power capacity around the same period in which Firmus secured its arrangement.
- **A copyright or data-scraping framework** governing what these facilities process or train.
- **Public disclosure of any royalty** received by Tasmanians for the use of public hydropower and public land — the same question that was never answered in relation to salmon farming.

4.3 This was not a bipartisan safeguard

The Liberal Government created the zone and struck the deal. When Tasmanians had a genuine opportunity to pause it — a Greens moratorium motion supported by an e-petition of more than 10,000 signatures and by independent MP Helen Burnet and the Labor joined the Liberals to vote it down on 2 September 2026. A transparency motion passed in its place, this transparency after the fact is not public consent.

5. The regulatory gap: unenforceable at state level, not retrospective at federal level

5.1 The federal standards will arrive too late to apply

Australia's forthcoming federal data centre standards are not expected to be legislated until early 2027, and the Commonwealth has confirmed they will not apply retrospectively. Facilities already approved or under construction would escape the new rules entirely even as ABC analysis shows that the next generation of approved-but-unbuilt centres will be significantly larger and more resource-hungry than those already operating.

This ... will be for new proposals. You can't retrofit.

— Prime Minister Anthony Albanese, ABC Radio Sydney

On that statement, every data centre approved before the 2027 legislation including everything currently on the table for Tasmania is permanently exempt from the very standards the federal government is designing in response to these concerns. The practical effect of racing approvals through now is to place this industry permanently outside the national framework.

5.2 The state framework says, in its own words, that it is not enforceable

The Tasmanian Government's Draft Expectations for Data Centres and AI Infrastructure Developers (September 2026) states plainly that the expectations are a non-statutory statement of government policy, that they create no new approval or regulatory process, do not alter statutory assessment criteria, do not fetter independent decision-makers, and do not replace any requirement to comply with existing law.

Even its energy and water provisions that proponents partner with new generation projects, minimise water use, and be transparent about how they source electricity are framed only as matters proponents are "expected to" do. Compliance is left to voluntary certification and commercial arrangements, rather than to any statutory approval condition, licence condition, or penalty.

A document that expressly disclaims legal effect is not a regulatory framework. It is a press release with footnotes.

6. Tangible benefits: the social and ethical question

6.1 Information is not understanding

In his recent Ralston College lecture, the psychiatrist, philosopher and author Dr Iain McGilchrist warns that modernity's great danger is the replacement of understanding and wisdom with information. He challenges the reductionist thinking that diminishes human consciousness to mere information processing — as if a human being, or a planet, were a machine.

McGilchrist treats intelligence not as the accumulation of facts, nor the parroting of received language, nor the mimicry of another person's imagery or prose, but as the capacity to grasp meaning, perceive context, and respond fittingly to the living whole. AI mimics thinking; it substitutes information for meaning.

As a mother and an educator, I would put it more simply. Factual knowledge cannot replace embodied, experiential knowledge. Human intelligence is not rote learning, copying facts, or mimicking others. A society that outsources judgement to machines and to autonomous agents will gradually lose the habits of attention, reflection and moral agency that make citizenship possible.

6.2 The warning from historians and technologists

Military historian Professor Yuval Noah Harari has observed that the USA corporate closed-system frontier AI of this kind is best suited to bureaucracy wholly, specifically finance, law, and administration. I am a history teacher, high school history will tell you what this portends, the end of democracy? Are we in empire collapse and now beholden to a new authoritarian empire? When will our leaders be transparent?

A consistent further warning regards the intrusive, surveillance-driven and authoritarian potential of this technology has come from figures across very different disciplines: Military historian Professor Yuval Noah Harari; Holocaust Professor Timothy Snyder; the historian Professor Rutger Bregman; the journalist Carole Cadwalladr; and Signal President Meredith Whittaker.

The Harvard scholar Shoshana Zuboff named the underlying business model "surveillance capitalism": companies harvest human experience, what you click, where you go, what you say, how you move, what you buy as raw material. Professor Harari spells it out as "humans are to be hacked." That data is converted into prediction products which forecast what you will do next, and those predictions are sold in what Zuboff calls behavioural futures markets to advertisers, political campaigns, insurers, and anyone else who wants to know, or to

nudge, what you will do before you do it. It is the model behind targeted advertising, algorithmic feeds, facial recognition, and increasingly AI systems trained on scraped human data at massive scale.

6.3 The compute substrate question

It should be stated fairly that Firmus sells computing power, not Tasmanian data and are not accused of harvesting anyone's personal information.

But that compute is the physical engine underneath an industry that runs on exactly this model. The now Wall Street commodified GPUs in these data halls train and run the models that power behavioural prediction, ad targeting, facial recognition and mass-scale data scraping elsewhere in the technology economy including for clients about whom Tasmanians have been told nothing. Yes GPU is commodified as wheat and oil, yet GPU lasts but a few years.

So the question for this Committee is a precise one. When Tasmania commits public hydropower, public water and public land to AI infrastructure at this scale, with no data-scraping rules, no privacy conditions and no copyright conditions attached, what industry is the Tasmanian public actually underwriting and was the public ever asked?

6.4 Risks that need safeguards designed before systems scale

Bill Gates has urged democratic leaders publicly to enforce human-reserved domains, and has identified four risks directly relevant to this inquiry:

- AI adoption can occur within a decade, displacing entry-level and mid-level jobs faster than workers can retrain, with the benefits concentrated among a small group unless governments intervene.
- Cyber risk is accelerating: attackers are gaining capability faster than defenders can close weaknesses, putting hospitals, utilities, banks and government services at risk.
- Children and young people face heightened risks from addictive AI companions, reduced critical thinking and personalised misinformation. Safeguards must be designed before systems scale.
- Without coordinated policy, AI will ripple across employment, security, education, health, energy and elections and our current institutions were not designed to manage that.

Gates has also argued that AI tokens and robots should be taxed, so that businesses are not rewarded by the tax system for replacing human labour, and that certain human domains must be set aside and protected from encroachment by AI agents.

7. Democratic and digital sovereignty

7.1 Platforms behaving as sovereign powers

In his address to the European Parliament on 17 September 2026, Canadian Prime Minister Mark Carney warned that technology platforms now act like sovereign powers in their own right — setting the rules, controlling data, harming children, and answering to no one.

His central point was blunt: nations that rely on "global" corporations for critical infrastructure discover, when the crunch comes, that those companies are not global at all. They are national, and their loyalties lie elsewhere. Carney's proposed answer is not isolation but collective resilience, a forest rather than a lone tree instead of each nation quietly handing the keys to empire.

Tasmanians have long understood the risk of handing public infrastructure to foreign corporations. If this were Chinese-owned infrastructure as with Chinese ownership of rail assets in the United Kingdom, would Tasmanians be so relaxed? These facilities centralise into foreign-owned hands, data processing that Australians currently hold in decentralised form on their own hard drives?

7.2 AI sovereignty is national sovereignty

Military historian Harari has made the same argument from a different discipline: if a nation's economy, healthcare and military infrastructure run on AI systems owned and controlled offshore, that nation is not independent. It is a vassal state, one instruction, one policy change, one flipped switch away from losing control of its own affairs.

A military historian and a sitting head of government, from two vantage points, have arrived at the same conclusion. Control over the digital and AI infrastructure that now underpins personal privacy, professional life, business, education, government and defence is becoming indistinguishable from control over the country itself.

In my own youth, Tasmania led the world in computer technology. The government did not invest, and that talented capability left. The question now is whether we repeat that, but this time by surrendering the substrate rather than failing to build it.

7.3 Concentration of economic power

The economist Daron Acemoglu has calculated that each of the largest frontier AI corporations now commands wealth on a scale exceeding that of historic imperial aristocracies. Each is, in effect, a borderless entity with revenues larger than many nations, with influence over data, labour, education, politics, finance, taxation, trade, media, human creativity and defence — and together they form a formidable concentration of market power.

Pope Leo XIV, in his recent encyclical, names the mechanisms directly: the systemic extraction and deliberate design of economic systems that move value from the many to the few. He identifies financialisation, monopoly, share buy-backs, carried-interest tax treatment and offshore profit shifting. Every one of those mechanisms is present in the AI compute build-out now proposed for Tasmania.

This is not an argument against trade or investment. It is an argument for democratic ownership, local control, and a legislated public return.

7.4 Copyright and training-data transparency

Tasmanians' copyright and creative work, family photographs, business websites, council forms, songs, poems, and artworks should not be treated as free LLM extraction training for a trillion dollar Wall Street IPO. The leaked Attorney-General's Department document "AI on Australian Terms" raises exactly this concern at national level.

As Digital Rights Watch has argued, AI data centres cannot be permitted to operate as opaque, foreign-controlled "grey boxes" in which training data is hidden from regulators and the public. Without mandatory training-data transparency there is no way to verify compliance with Australian copyright, privacy and data-protection law for models running on Tasmanian soil.

7.5 Speculation, debt, and who carries the risk

Capital created on speculation and debt, without corresponding material and labour value in the real economy, is a poor foundation for a state's industrial strategy. Large compute build-outs internationally have been reported to rely on low-wage outsourced data labour, on scraped copyrighted works, on circular vendor financing, and on billions in borrowed capital arrangements designed to inflate equity valuations.

That is not investment in Tasmania. It is a public resource transfer: profits privatised, losses socialised. Tasmania has seen the pattern before, and the Commonwealth is living it now with Snowy 2.0.

7.6 Conflicts of interest in the policy environment

The firms renting compute of this kind include Anthropic, OpenAI, Google and xAI the same firms reported to hold United States defence contracts worth up to US\$200 million each, with reporting indicating their models have already been used in US military decision-making. In the United States, people shaping the AI policy driving the global data centre boom include the President's own family, who hold direct financial stakes in the very

industry that policy accelerates, with no legal requirement to recuse. Bloomberg reports that the US President made 29000 securities trades alone , with the entire Congress trading 22 000 since returning to power. *Tasmania is not obliged to import that governance environment along with the hardware.*

8. Tax, royalties and the Public Return

With these gross anomalies above in mind, protect the Tasmanian public!

8.1 The scale of the existing tax gap

The Australian Taxation Office finalised ruling TR 2026/2 on 4 September 2026, reclassifying certain cross-border payments routed by US technology companies to their overseas parents as royalties making them taxable in Australia rather than shielded from it. Apple, Microsoft and Amazon together reported almost A\$30 billion in Australian income in 2023–24, yet paid approximately A\$478 million in tax between them. That is the scale of the gap the ruling is intended to close.

8.2 The open question for this inquiry

Firmus is a Singapore-domiciled, largely foreign-institution-funded company on track to become Tasmania's single largest electricity user. What royalty or resource-rent payment, if any, will flow back to Tasmania in return for reserving hundreds of megawatts of the state's power supply beyond jobs projections and voluntary renewable-energy commitments?

At present the only identifiable public financial returns are:

- ordinary company income tax which is vulnerable to the transfer-pricing and intra-group debt-loading techniques multinational operators commonly use to minimise locally reported profit;
- payroll tax and council rates on a genuinely small operational workforce; and
- commercial payments to Hydro Tasmania for electricity, reported by Firmus's own co-CEO as running to hundreds of millions of dollars a year in other jurisdictions and said to carry a contractual obligation to help fund new renewable generation and storage, although the specific Tasmanian contract terms remain undisclosed as commercial-in-confidence.

Missing from that list is the one instrument that would guarantee a return: a royalty on the public resource being consumed, paid on top of any negotiated power price. A 6 year Firmus AFL/jack Jumpers footy jumper sponsorship doesn't cut the public licence mustard.

8.3 An illustrative royalty model

Tasmanian independent candidate Steve Loring has proposed a simple capacity- or energy-based levy paid on top of the normal electricity bill. Because it is levied on physical consumption rather than declared profit, it avoids the transfer-pricing problems that undermine profit-based taxes.

Illustrative annual amounts for a 100MW facility at 80 per cent utilisation:

Model	Rate	Indicative annual return
Capacity levy	A\$50,000–150,000 per MW	A\$5–15 million per year
Energy levy	A\$5–15 per MWh	A\$3.5–10.5 million per year
Hybrid (illustrative)	Blend of both	~A\$8–10 million per year

These charges would sit on top of the operator's power cost — roughly A\$50–60 million per year at typical Tasmanian industrial rates. A mid-range outcome of approximately A\$7–12 million per year would give Tasmania a clear, verifiable return while remaining workable for the project.

8.4 The proponent's own financing is not settled

The Weekend Australian (5–6 September 2026) reported that Firmus's overall funding position has become more precarious. Separately from the Tasmanian project, Firmus and a smaller rival, Sharon AI, were the first two partners named in an experimental Nvidia financing scheme announced on 1 July 2026, under which Nvidia provided credit support and took a share of future revenue in exchange — covering Firmus's Indonesian build-out of up to 170,000 GPUs in Batam.

Nvidia shelved the arrangement less than two months later, reportedly over competition-law concerns and unease about a chipmaker effectively dictating how its own customers run their businesses. That closed off a financing avenue Firmus had been counting on. A company seeking public trust, public power and a declared economic zone is itself navigating financing arrangements novel and risky enough to draw antitrust scrutiny and be withdrawn within weeks.

9. Power and water sovereignty: unregulated and uncapped public resource consumption

9.1 Tasmania has no energy strategy

Retired Tasmanian corporate energy analyst John Devereux told the recent public AI Data Centre meeting at Hobart Town Hall that Australia's energy transition has been hampered for three decades by fossil fuel interests, and that Tasmania lacks an actual Energy Strategy — there is, at best, a draft. He describes our energy implementation as ad hoc: "anything goes".

That is the central governance failure. Tasmania is allocating a third of its generating capacity to a single new industry in the absence of any legislated strategy against which to test that allocation.

9.2 Who carries the risk on Marinus Link

Mr Devereux warns that Tasmanian energy consumers are not protected by "Battery of the Nation" projects such as the \$5.3 billion Marinus Link. He points to the precedent of Snowy 2.0, where Four Corners exposed cost escalation from an initial \$2 billion to an anticipated

\$22–40 billion, with the public carrying the blowout.

On Mr Devereux's account, Marinus Link Pty Ltd and TasNetworks will receive a guaranteed return on investment over the 60-year life of the project regardless of whether the link performs as expected, and it is Tasmanian and Victorian consumers who carry the ongoing costs and therefore the risk. Meanwhile Tasmanians are being asked to accept cuts to the public services we pay for.

9.3 The supply arithmetic does not close

Mr Devereux outlined roughly 50 renewable projects in the pipeline, the largest totalling 3,800MW. Current hydro capacity is around 2,280MW.

In Parliament on 9 September 2026, Greens MP Vica Bayley put the arithmetic directly to the Premier: Tasmania's AI and data centre pipeline represents potential demand of over 1,150MW, while Hydro Tasmania's business case for the Marinus Link export cable is built on mass energy exports delivering an estimated \$470 million in "super-profits" to offset local power prices. The Premier was unable to explain how both mass local AI demand and mass export could be supplied *at the same time*.

Firmus's 450MW request equates to roughly 30 per cent of Tasmania's total current energy use and would make it the state's single largest power user by a wide margin well ahead of Bell Bay Aluminium at 355MW. Hydro Tasmania has confirmed it would not fund, build or maintain the new wind or solar generation such a deal would require; that risk would sit with Firmus or third-party developers.

Hydro Tasmania has not yet decided whether to grant the request and expects to decide by the end of 2026. Firmus currently holds only a three-year, 104MW contract for its Launceston site and needs an entirely new long-term agreement to secure power for all three proposed facilities. That decision point is the Committee's window.

9.4 Demand will not stop here

Siemens' Ciaran Flanagan notes that as AI processors become more powerful they consume more energy and generate more heat. The implication is a ratchet: greater power draw, greater demand, and pressure for further builds. Nationally, AEMO's 2026 Integrated System Plan forecasts that data centre electricity demand on the main grid will roughly triple by 2030 and could approach 10 per cent of total National Electricity Market demand by 2050 — which puts upward pressure on prices, including in states such as Tasmania that export into the shared NEM.

The Climate Council's data centre analysis found that while national data centre electricity demand is set to triple by 2030, in Tasmania energy use for this sector is predicted to increase by 400 per cent by 2030 on AEMO figures. Climate Council CEO Amanda McKenzie has said that out-of-control construction of data centres would hit Australians in the hip pocket, and has called for strict rules requiring new data centres to bring their own renewables and storage.

9.5 AI can be useful — that is not the point at issue

Saul Griffith and Rewiring Australia built an AI tool in partnership with Google to help people navigate electrification, and he is prototyping further tools including advocacy

support and help finding lowest-cost electricity plans. He uses AI for physics, engineering and economic modelling, builds roughly one custom CAD application a week, and frames it as an engineering accelerator rather than hype or doom.

I include this deliberately. The case for regulation does not depend on AI being useless. It depends on public resources being allocated without a strategy, a cap, a royalty, or a plan.

9.6 Water sovereignty

I am just as concerned about the consumption of Tasmania's public water resources by AI data factories — whether that water is drawn from drinking water catchments or from the water relied on for Tasmanian agriculture — as I am about electricity. I have not had time to research this as thoroughly as I would like, and I say that plainly rather than pretend otherwise. But the gap in public information is itself the point I want the Committee to act on.

Hyperscale AI data centres are large industrial water users. Cooling a facility of this kind, particularly at the density AI workloads require, can consume very large volumes of water either directly, through evaporative or liquid cooling systems, or indirectly, through the water used to generate the electricity the facility draws. Nowhere in the material released so far including the Government's Draft Expectations is the water demand of any proposed Tasmanian facility quantified, disclosed or capped.

As with energy, the state's own framework does not require water protection, it only requests it. The Draft Expectations state that proponents are "expected to" minimise water use, with no volumetric limit, no licence condition and no penalty attached. And as with energy, the responsible minister has not been able to demonstrate that a plan exists: the Minister for Water was unable to present a water supply plan when questioned in Parliament (see Part 4.2).

I ask the Committee to treat water on the same footing as electricity throughout this inquiry, and specifically to establish:

- **What is actually being drawn.** A public accounting, facility by facility, of water sourced whether from town drinking water supply, from a dedicated catchment, from groundwater, or from a river or our farmers agricultural irrigation system and the volume drawn per year, published before approval and reported ongoing.
- **A hierarchy of protected uses.** Legislated recognition that drinking water for Tasmanian communities and water allocated for Tasmanian agriculture and irrigation take priority over industrial AI cooling demand, so that a data centre cannot be approved in a way that draws down a catchment or an irrigation scheme that households or farmers already depend on. Do these cooling strategies precipitate forever chemicals PSA as in the USA data centre models? Leaching into public waterways?
- **Legislated volumetric caps.** Water allocations for AI data facilities were brought within the ordinary water licensing system under Tasmanian water management law, with an enforceable cap set per facility rather than a voluntary undertaking to "minimise" use.
- **A strong preference for non-potable and closed-loop cooling.** A requirement that new facilities use non-potable, recycled or closed-loop cooling water in preference to drinking water-grade supply wherever the site allows it, with any use of potable water

requiring specific justification and approval.

- **Drought and climate contingency.** Conditions that reduce or suspend a facility's water allocation during drought or low-catchment periods, on the same priority basis that would apply to any other large industrial user, rather than treating the facility's baseline allocation as fixed regardless of season or climate.
- **First Nations and agricultural community consultation.** Genuine, specific consultation with Tasmanian Aboriginal communities and with agricultural water users in any catchment a proposed facility would draw from, consistent with the EDO's First Nations engagement and community consultation principles at Appendix A.

I raise this as a request for the Committee's own expertise as much as a submission of fact: I do not have the technical resources to model the water footprint of ten-plus undisclosed facilities, and I do not believe any member of the Tasmanian public currently can. *That, in itself, is the case for requiring proponents to disclose it before approval rather than after.*

10. Environment and public health

10.1 Diesel backup generation at Bell Bay

Tasmania's EPA decided in August 2026 that Firmus's 288MW Bell Bay data centre did not require a formal environmental assessment, finding the risk of serious harm "very low or negligible", and leaving detailed air-quality conditions to be set later by the local council rather than by the state environmental regulator.

The Bell Bay site alone will run 276 backup diesel generators. Diesel exhaust contains oxides of nitrogen and fine particulate matter at concentrations reported to be 200–600 times those of an equivalent gas-fired power station, and is classified as carcinogenic.

A decision of that consequence, affecting an airshed shared with an existing industrial precinct and nearby residential communities, should not be delegated to a local council as a post-approval condition.

10.2 Fossil subsidy and honest pricing

Fossil fuel use worldwide is supported by subsidies estimated at around US\$7 trillion a year. These appear in three forms: direct cash support from governments; favourable or absent taxation compared with other industries; and the largest by far the health, climate, extreme weather and environmental damage costs that the industry does not pay and the public does.

If energy were priced honestly, the clean transition would be the obvious path. Devereux notes that twenty-five years ago the route was a decentralised clean-energy "prosumer" model, which fossil fuel lobbying displaced. Tasmania should not now subsidise health-damaging, climate damaging dirty diesel or even gas fuel backup generation as the price of hosting this industry.

10.3 E-waste and end-of-life hardware liability

Environmental scrutiny of AI data centre proposals has focused almost entirely on

electricity and water. That misses a comparably serious and largely unaddressed harm: the volume of toxic electronic waste these facilities generate over their operating life, and the absence of any plan in Tasmania or nationally for managing it.

A September 2026 white paper by the Basel Action Network, *The Coming AI Waste Wave*, found that prior estimates of AI-related e-waste dramatically understated the problem by counting only servers and GPU accelerators, which represent just 13 per cent of a data centre's electromechanical infrastructure. Once networking equipment, power distribution, backup power and cooling infrastructure are included, BAN projects global AI-driven equipment retirement of 8.6–13.1 million tonnes annually by 2030, rising to 31–46 million tonnes a year by 2050 (395–617 million tonnes cumulatively) — enough to fill 15–23 million shipping containers.

This is directly relevant to any Tasmanian facility for two concrete reasons.

- **Early hardware turnover is structural, not incidental.** Approximately 70 per cent of data centres globally remain air-cooled as at 2026. As operators convert to liquid cooling to support AI workloads, existing air-cooled plants are scrapped early, and liquid-cooling systems themselves require replacement every five to seven years.
- **The waste-handling system this would feed into is already failing.** Globally only around a quarter of ordinary e-waste is formally collected and recycled; the remainder flows through informal processing networks in which lead, mercury, cadmium and forever chemicals known as PFAS are released through burning, landfilling and manual stripping for valuable metals, exposing workers and surrounding communities directly. That burden falls disproportionately on lower-income communities and countries receiving exported hardware, a pattern BAN has documented for over two decades, as at Agbogbloshie in Ghana.

No Tasmanian or federal framework currently requires AI data centre operators to plan for, fund, or report on end-of-life hardware disposal at this scale. There is accordingly no public assurance that hardware retired from a Tasmanian facility, whether disposed of onshore or exported, would be handled through certified, accountable recycling pathways rather than through the informal channels responsible for most global e-waste harm.

What laws concerning data centre E waste and PSA forever chemical pollutants in water, air, soil?

10.4 The EDO framework should be adopted

The Environmental Defenders Office's Data Centres, Done Right principles offer a clear, evidence based framework that should inform any decision Tasmanian representatives make. The fourteen principles are reproduced at Appendix A, and I ask the Committee to recommend that they be given statutory effect rather than treated as guidance. I reiterate *what laws concerning data centre PSA forever chemical pollutants in water, air, soil?*

11. Information integrity, lobbying and media concentration

Frontier AI systems now shape what citizens see. A collaborative study by researchers at Harvard and MIT, published in the MIT Sloan Management Review, found that in enterprise and market research contexts, generative AI systems employed a sophisticated rhetorical tactic described as "persuasion bombing" escalating output that competed with and displaced workers' own knowledge base. The technique itself is two thousand years old; the scale is off the charts in a political environment in which "flooding the zone" to quote Steve Bannon is an explicit strategy. Australian public fact-checkers and independent investigators, including award-winning reporter Hamish Macdonald, are warning that disinformation is damaging democracy globally; his three-part series *The Matter of Facts* is available on ABC iview.

There is also a question about why Google, previously "do no harm" entered into significant defence-related arrangements in recent 2 years now gatekeep search behind an AI-generated result, with measurable consequences for business and academic discoverability. But how does it affect the combatting of mass disinformation?

Tasmania's own media and lobbying environment is not well placed to withstand this. The Tasmanian Integrity Commission has warned that a "revolving door" between government and industry including former premiers and staffers moving directly into corporate lobbying roles can create industry-friendly networks that warp access to politicians, and has noted that Tasmania is the only state that still permits lobbyists to be paid success fees for achieving a policy outcome for a client.

A free press is a cornerstone of democracy. Media concentration is serious in Tasmania and untenable globally. Each of the frontier AI corporations renting compute through hyperscale infrastructure is simultaneously a private media and defence-adjacent entity centralising private, public, professional, business and government data.

I ask the Committee: how does the Government intend to promote independent media in Tasmania to counter this concentration and protect the public from disinformation?

12. Recommendations

I ask the Committee to recommend legislation and regulation in the following terms.

A. Pause and planning framework (ToR 1, 2, 5)

R1 Halt approvals of new hyperscale AI data centre developments until enforceable, ecologically sustainable and community-safe regulation is in place at both state and national level.

R2 Independent AI-specific planning legislation. Amend the Resource Management and Planning System so that it directly and adequately addresses the specific social, environmental and resource impacts of hyperscale data and AI developments, rather than assessing them as generic industrial buildings.

R3 Mandatory independent impact assessment. Require genuinely independent assessment of water use, energy demand, emissions, grid stability, airshed impact and end-of-life waste, with public reporting and community consultation completed before any approval. To this end our EPA must also be decoupled from the state Government.

R4 Adopt the EDO principles. Give the Environmental Defenders Office's fourteen Data Centres, Done Right principles (Appendix A) statutory effect as approval criteria.

B. Transparency and parliamentary oversight (ToR 3, 4)

R5 Public Transparency Register. Legislate a mandatory public register covering every AI and data facility in Tasmania proposed, approved and operating. It should record proponent identity and ownership chain, site, requested and contracted electricity and water load, and intended use, published at application stage; and thereafter report at defined intervals the actual energy consumption, water usage, emissions and operational footprint of each facility. No facility should be able to progress through assessment while its existence remains undisclosed.

R6 Parliamentary oversight. Establish a formal mechanism for parliamentary scrutiny of operations and resource allocation for any facility exceeding 50MW capacity, including tabling of resource allocation decisions.

R8 End commercial-in-confidence over public resources. Require disclosure of the pricing, volume and duration terms on which public hydropower, water and land are made available. Commercial confidentiality should not extend to the price paid for a public asset.

R19 Public impact dashboard. Publish an ongoing dashboard tracking local impacts on jobs, services, water, energy and safety, so communities can hold decision-makers to account.

R21 Lobbying reform. Prohibit success fees for lobbyists, strengthen the lobbyist register, and impose meaningful post-separation restrictions on ministers and senior staff entering the sectors they regulate.

C. Public return and consumer protection (ToR 1, 6)

R7 Legislate a resource royalty. Impose a capacity- or energy-based levy on large-load data centres, paid on top of the negotiated electricity price (see Part 8.3 for an illustrative

model). A levy on physical consumption is resistant to transfer pricing.

R9 Consumer electricity protection. Enact explicit statutory guarantees protecting Tasmanian households and small businesses from electricity price increases driven by the connection and infrastructure demands of these facilities.

R20 No socialised losses. Legislate against public bailout of, or contingent public liability for, private data centre or transmission ventures, and require disclosure of any existing contingent liabilities to Parliament.

D. Energy and water (ToR 1, 3)

R10 Legislate a Tasmanian Energy Strategy. Tasmania currently has none. Until one is legislated, cap aggregate data centre load at a level set by Parliament.

R11 Additionality. Require that data centres be powered by additional, dedicated renewable generation and storage brought online by the proponent, and prohibit allocation that draws down existing public hydro capacity or undermines the broader energy transition.

R12 Emissions conditions on backup generation. Require full state-level EPA assessment not delegated council conditions for any facility proposing diesel backup at scale, with enforceable airshed limits, continuous monitoring and public reporting.

R22 Water transparency, priority and caps. Require public, facility-by-facility disclosure of water source and volume before approval; legislate that drinking water and agricultural or irrigation allocations take priority over AI cooling demand; bring data centre water use within the ordinary water licensing system with enforceable volumetric caps; require non-potable, recycled or closed-loop cooling in preference to potable supply; and apply drought contingency reductions on the same basis as other large industrial users.

E. Waste and decommissioning (ToR 1)

R13 Extended producer responsibility. Condition any approval on binding EPR commitments requiring the operator to fund and report on certified end-of-life recycling for all retired equipment not only headline server hardware, together with public disclosure of equipment refresh schedules and disposal pathways, and a bonded decommissioning fund held against site restoration.

F. People, jobs and human-reserved domains (ToR 5, 6)

R14 Legislated local employment and a Transition Council. Require binding frameworks guaranteeing permanent, ongoing local employment rather than short-term construction roles. Establish a **Tasmanian AI Transition Council** (workers, unions, educators, health workers, small business, youth, First Nations and community groups) to draft a **Human Reserved charter and a retraining framework**.

R15 Human-reserved domains. Legislate protections for human creativity, copyright and human decision-making in education, government, health, media, banking and

finance, and justice, so that AI remains subordinate to accountable human judgement.

R16 Child-safe AI standards. Adopt standards for schools and youth services, including limits on AI companions, mandatory transparency about AI use, and critical-thinking curricula.

R17 Training-data transparency and copyright. Condition approvals on mandatory training-data transparency for models trained or operated on Tasmanian soil, sufficient to allow verification of compliance with Australian copyright, privacy and data-protection law.

G. Competition, Lobbying and media (ToR 7)

R18 Competition and media plurality. Support strong merger, competition and anti-monopoly enforcement, anti trust laws across AI infrastructure, cloud, chips, model distribution and data access, including limits on vertical integration of the full AI stack; and fully fund and protect independent public broadcasting and independent Tasmanian media.

Lobbying protections. This is a lobbying transparency problem, not just a Firmus problem

- Tasmania has no requirement to publish ministers' diaries. There's no meaningful public register showing which lobbyists met which decision-makers, on whose behalf, or how often. That's the actual reform to demand not a verdict on one company, but:
 - - Mandatory, timely publication of ministerial diaries and meeting records
 - - A public, enforceable lobbyist register with real penalties for non-disclosure
 - - A properly resourced Integrity Commission with the power and independence to actually investigate, not just receive complaints
 - - A transparent, competitive process for any company seeking public land, power access, or concessions for data centre development

13. Conclusion

This submission asks the Committee to do what neither the state framework nor the federal timetable currently does: to legislate before, rather than after, the infrastructure is built.

Hydro Tasmania expects to decide on the 450MW request by the end of 2026. The Commonwealth standards will not arrive until 2027 and will not apply retrospectively. In the gap between those two dates, Tasmania can either set enforceable terms, or discover afterwards that it had none.

I ask the Committee to investigate the real public costs and strategic risks of this development, and to recommend that AI be legislated as a domain that serves the common good rather than dominates it. I thank the Committee for its consideration.

Ruth Howard

New Town, Tasmania · 21st September 2026

Appendix A — EDO, Data Centres, Done Right: the fourteen principles

Reproduced from the Environmental Defenders Office's 2026 principles paper.

1. **Moratorium** — halt approvals until ecologically sustainable, community-safe regulations are in place nationally.
2. **National regulatory framework** — legislated, enforceable, and applying to all data centres in Australia.
3. **Own renewable power** — data centres must be powered by additional, dedicated renewable sources and must not undermine the broader energy transition.
4. **Minimal water impact** — design must minimise impacts on water resources.
5. **Strategic pre-planning** — national environmental assessments to guide appropriate siting and mitigate risk.
6. **Pollution mitigation** — air, sensory and chemical pollution and heat discharge controls.
7. **Whole-of-life assessment** — waste and e-waste minimisation, responsible disposal and decommissioning built into design.
8. **Climate resilience** — design must account for future climate change impacts on environment and communities.
9. **First Nations engagement** — effective, meaningful engagement, participation and consent in design, delivery and benefits.
10. **No-go zones** — certain areas and impacts declared unacceptable and off-limits.
11. **Avoid before offset** — impacts minimised first; carbon and biodiversity offsets only as a last resort.
12. **Community consultation** — proposals need genuine engagement to earn social licence.
13. **Human rights and environmental justice** — mandatory due diligence requirements.
14. **Transparency and accountability** — robust reporting requirements and transparent, accountable decision-making.

Appendix B — Sources

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