Joint submission to the Inquiry into AI Data Centres in Tasmania

Tasmanian Chamber of Commerce and Industry and Clean Energy Tasmania
21 September 2026

House of Assembly Government Administration Committee A
Parliament of Tasmania

About TCCI and Clean Energy Tasmania

The Tasmanian Chamber of Commerce and Industry (TCCI) is the peak employer body in Tasmania. The Chamber is heavily involved in advocacy in relation to public policy and has a strong interest in advocating for the best ways that governments can facilitate and support Tasmanian businesses and the wider state economy.

Clean Energy Tasmania (CET) is a member-funded committee that brings together organisations involved in Tasmania's clean energy sector, including owners, operators, users and developers. CET contributes industry expertise to energy policy and advocacy, promotes informed public discussion and supports the development of Tasmania's clean energy sector and its contribution to the state's economy.

This joint submission brings together TCCI's statewide business perspective and CET's clean energy industry expertise. Both support an investment environment that enables Tasmanian businesses to grow, attracts new private capital and makes the most of the state's renewable energy advantages.

Our position

TCCI and CET support private investment that creates jobs and economic growth. AI data centres and their supporting infrastructure present an opportunity to attract capital, generate work for Tasmanian businesses and develop a broader artificial intelligence industry in the state.

Tasmania should welcome this opportunity. Investors have choices, and clear processes and certainty influence where they invest. The inquiry should help establish an evidence-based understanding of the benefits and impacts of data centres and identify any demonstrated gaps in existing arrangements. It should not assume that a new industry requires additional legislation or a separate layer of political approval.

Welcoming investment is consistent with properly assessing energy and water use, noise, environmental effects and local impacts. We support transparent, proportionate assessment and meaningful consultation. These processes should provide confidence to investors and Tasmanians alike.

Our objective is to support existing businesses, welcome new private investment and bring forward the renewable generation and infrastructure needed to support both.

Policy principles and priorities

This submission is consistent with TCCI's Policy Principles and Policy Agenda. These support fair and consistent regulation, investment certainty, encouraging successful businesses to invest further, maximising Tasmania's renewable energy advantage, increasing generation capacity and keeping business energy costs low.

Relevant priorities include taking politics out of planning decisions, introducing assessment panels for significant projects, improving government efficiency and coordination, reducing the costs of doing business and maximising private sector investment. Public infrastructure investment should be prioritised according to its economic benefits, and government should avoid picking winners.

1 Protecting public resources and the environment

Data centre proposals should be assessed on their actual design, location, scale and resource requirements. The inquiry should distinguish between different technologies and cooling arrangements rather than assume all facilities have the same impacts. Assessment should address water availability and use, electricity demand, noise, construction impacts and the measures proposed to manage them.

Tasmania's cool climate and renewable electricity provide advantages for attracting this investment. Making productive use of those advantages can support economic growth, provided resource use is properly assessed and commercial arrangements appropriately allocate costs and risks.

We support investors paying their way. Commercial electricity and water arrangements should recover the appropriate costs of supplying developments, including clearly allocated responsibility for infrastructure required to service them. Project-specific costs should not be inappropriately transferred to existing businesses, households or taxpayers.

The inquiry should distinguish infrastructure serving an individual development from shared infrastructure with wider economic benefits. Any public investment in the latter should be assessed transparently against other infrastructure priorities, with a clear public benefit and appropriate contributions from beneficiaries. Support for data centre investment should not depend on subsidised electricity or preferential treatment.

2 Planning and assessment

We support a planning system that can properly assess significant developments and deliver timely, predictable decisions. Before recommending new legislation or regulation, the Committee should identify the specific impacts that existing planning, environmental and resource-management arrangements cannot adequately address.

Where gaps are demonstrated, changes should be targeted and proportionate, with their costs and benefits assessed. Requirements should be clear from the outset and comparable risks should receive consistent treatment across industries.

The priority should be coordinated assessment, clear responsibility between agencies, concurrent consideration where practical and published timeframes. Repeated information requests and duplicated assessments add costs and uncertainty without necessarily improving outcomes.

Significant projects should be assessed through appropriately qualified assessment panels against established criteria. The inquiry should not delay the assessment of proposals under existing processes. Any changes should respect existing approvals and commitments and avoid retrospective changes that undermine the basis on which investment decisions have been made.

3 Parliamentary oversight and accountability

Parliament has an important role in scrutinising government policy, the use of public resources and the performance of government businesses. We support accountability for public expenditure, infrastructure commitments and the commercial performance of state-owned entities.

That oversight should preserve clear responsibilities for planning authorities, regulators and government businesses. We would not support a separate parliamentary approval requirement for individual data centres or commercial supply agreements. This would introduce political uncertainty and duplicate established decision-making processes.

Government businesses should demonstrate that arrangements are commercially sound, appropriately manage risk and deliver benefits to Tasmania. Accountability can be achieved through reporting and scrutiny of those outcomes while protecting legitimate commercial confidentiality.

4 Disclosure of resource consumption

Tasmanians should have clear and accessible information about the expected impacts of major developments. Proponents should explain forecast electricity demand, water requirements, relevant environmental impacts and the measures proposed to manage them. Forecasts should distinguish initial operations from possible future expansion.

Where ongoing reporting is warranted, it should use consistent measures and existing reporting channels wherever possible. Requirements should be proportionate to the scale and risk of the facility, avoid duplication and protect commercially sensitive and security-related information. Disclosure should help people understand actual impacts and compliance with approval conditions.

5 Consultation

We support early and meaningful consultation with affected residents, businesses and other stakeholders. Information should be understandable, concerns should receive a considered response, and proponents should explain how issues have been addressed through project design or management measures.

Consultation should occur within clear assessment processes and timeframes. It should inform decisions against established criteria and give participants a fair opportunity to be heard. Governments should also consult closely with affected businesses and their representatives before introducing policy or regulatory changes.

6 Tangible economic benefits for Tasmania

The economic contribution of data centres should be assessed across construction and operations, their supply chains and the infrastructure they support. Direct ongoing employment is important, but it is only one part of that contribution.

Construction can provide work for Tasmanian contractors, trades and suppliers. Operational activity can support technical roles, maintenance and other services. Investment in digital infrastructure can also create opportunities for Tasmanian businesses, research and the development of a local AI industry. These wider opportunities should be assessed realistically, distinguishing committed investment from potential future benefits.

TCCI's Mercury opinion piece identified Firmus's commitment to underwrite the Bernachchi-1 undersea fibre optic cable as an example of supporting infrastructure with potential benefits beyond an individual data centre. The Committee should examine those wider benefits alongside the direct contribution of the facilities themselves.

Proponents should be encouraged to engage early with local suppliers and training providers, make procurement opportunities visible and identify the skills needed during construction and operation. This would help Tasmanian businesses and workers participate in the investment.

Assessment of benefits should account for costs, delivery timeframes and whether activity is additional to what would otherwise occur. It should avoid double-counting construction, operational and indirect benefits. Equally, it should recognise the contribution of capital-intensive industries and avoid judging their value solely by the number of permanent employees.

7 Energy supply and the wider investment environment

The inquiry should consider both electricity supply and the contribution large customers make to the electricity system. Tasmania's existing major industrials support jobs, regional economies and local suppliers, while also contributing to shared network costs. New data centres can add to that customer base.

Many costs of operating and maintaining the transmission system remain even if a major customer leaves. New large customers can broaden the customer base contributing to those shared costs and may help contain upward pressure on the network component of other customers' bills.

This potential benefit should be examined alongside the cost of any additional network investment and how those costs are allocated. The effect on overall electricity bills also depends on generation supply, demand, wholesale prices and other costs.

TCCI's Mercury opinion piece outlined Firmus's commercial electricity arrangements at its Launceston facility, without a power subsidy, and its commitment to fund the transmission infrastructure required to connect its developments. The Committee should consider evidence from the relevant parties about those arrangements and their implications for other electricity users.

Additional demand can support investment in new renewable generation by providing customers and greater revenue certainty for developers. Realising that opportunity requires timely approvals and coordination of generation, networks and new demand. Tasmania should pursue simpler and faster approvals for renewable generation while maintaining appropriate assessment standards.

Energy policy should support secure, competitively priced supply for established businesses and new investors. Retaining existing industry, enabling further investment and attracting new businesses should be complementary objectives. Restricting new demand is not a substitute for addressing barriers to additional electricity supply.

Recommendations

TCCI and CET recommend that the Committee:

1. Recognise AI data centres and supporting digital infrastructure as an opportunity for private investment, jobs and economic growth in Tasmania.
2. Identify demonstrated gaps in existing arrangements before recommending additional regulation, and ensure any changes are proportionate, consistent and avoid retrospective impacts on investment.
3. Support timely, coordinated assessment through established planning and regulatory processes, without an additional parliamentary approval requirement for individual projects.
4. Require appropriate assessment and disclosure of resource use and local impacts, with meaningful consultation and protection of legitimate commercial confidentiality.
5. Support commercial supply arrangements and appropriate allocation of infrastructure costs, with transparent scrutiny of any public commitments.
6. Assess the full economic contribution of developments, including local supply chains, skills, digital infrastructure and potential AI industry development, using evidence that distinguishes committed and prospective benefits.
7. Consider the contribution of large electricity users to shared network costs alongside their effects on supply, infrastructure requirements and overall electricity prices.
8. Prioritise faster renewable generation approvals and coordinated infrastructure delivery to support existing businesses and new investment.

Tasmania should provide a clear message that responsible private investment is welcome. The outcome of this inquiry should be greater confidence in the state's assessment processes and its capacity to secure economic benefits from new investment.

Submitted jointly by the Tasmanian Chamber of Commerce and Industry and Clean Energy Tasmania