CLIMATE TASMANIA

Independence, knowledge and commitment to climate action

Submission to the Standing Committee on Government Administration A on the construction and operation of AI data centres in Tasmania

The 2024-25 Independent Review of the Climate Change (State Action) Act 2008 has highlighted a negligible reduction in greenhouse gas emissions across key emission sources. The stated claim of achieving net zero emissions is based on historic changes within the land use (LULUCF) sector with the independent review outlining the risk of over-reliance on sequestration in the absence of more robust efforts to reduce the source of emissions. Excluding the influence of the LULUCF sector Tasmanian greenhouse gas emission rose by 0.06 Mt CO2-e between 1990 and 2023.

The consideration of proposed expansion of AI data factories in Tasmanian cannot be made in isolation from the urgency of reducing our greenhouse gas emissions and developing equitable mitigation and adaptation strategies.

1. Protect public resources and the environment;

The recent UNEP report 'Limiting overshoot – Navigating exceedance of 1.5°C and pathways towards return 'makes very clear the present and close-future threats to human livelihoods and life and the reality that every increase and every reduction in emissions counts. This must be a high priority of every government policy and project.

The rapid uncontrolled development of AI has super-charged the building of data centres, including in Tasmania. There are already 5 publicly announced centres and an additional 6 confidential projects in Tasmania in early planning (according to Response to Notices of Motion No.146 in the Tasmanian Parliamentary papers of 2026). The Government's 'Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania 'anticipates that data centres 'can help bring forward new renewable energy generation....where proponents fund the demand and infrastructure they require.' The expectation is that Hydro will supply shortfalls but Firmus is planning to install fossil fuel (diesel) generators for firming and is already challenging the restrictions on their use. (https://www.abc.net.au/news/2026-09-15/firmus-technologies-lodge-tascat-appeal-for-generator-use/107144572) Appendix 1 outlines the issues relating to diesel generators.

Climate Tasmania is concerned that the emissions impacts (including the embodied energy of the structures) and the potential compromise to the availability of renewable electricity to electrify transport and other industrial uses are not being adequately addressed. This latter issue is essential to Tasmania actually reducing fossil fuel emissions.

Data centre construction and use must be integrated into a robust strategy to reduce emissions within the Industrial Processes and Product Use sector. As such, any new AI data factory proposal must have a mandated pre-construction plan for eliminating fossil fuel use within ongoing operations.

2. Ensure Tasmania's Resource Management and Planning System adequately recognises and addresses the specific impacts of the development and construction of AI and data facilities;

The objectives of the RMPS do not contain any reference to climate change even though the principles they embody are relevant. For example, they speak of providing for 'the fair, orderly and sustainable use and development of air, land and water 'and requiring 'sound strategic planning and coordinated action by State and local government'.

Climate Tasmania urges the inclusion of clauses recognising the urgency of climate change action in the legislated objectives of the RMPS and appropriate amendments to strengthen the Climate Change (State Action) Act.

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3. Provide Parliamentary oversight and accountability for new facility construction and resource allocation;

The 2024-25 Independent Review of the Climate Change (State Action) Act 2008 also highlighted low confidence among stakeholders over current governance arrangements and transparency in tackling climate change. It was emphasised that governance around current legislation lacked "independence and oversight", with recommendations to "establish an independent body to oversee implementation of the Climate Change (State Action) Act 2008." p10

The absence of such an independent body raises critical concerns over the capacity of this and future governments to provide adequate accountability for the broader impacts of new AI data factories on our future emissions trajectory. Again we emphasise here that current and future renewable energy generation should be viewed as a critical resource to support a reduction in emissions among other industrial users and sectors, such as transport.

4. Ensure transparent public disclosure of resource consumption;
Tasmania needs a strong Climate Change (State Action) Act which requires all major projects to identify and mitigate climate change impacts, including disclosing fossil fuel use.

5. Provide the Tasmanian community with adequate opportunities for consultation;

It is clear that the AI driven proliferation of data centres is losing social license in the United States, conceivably energising the interest in building centres in compliant locations. At the same time, largely unreflective and uncontrolled AI expansion is driven by unrestrained overseas investors. The risks are a real community concern. The Environmental Defenders Office is recommending a moratorium on data centre construction to allow for the proper consultation and planning.
(https://www.edo.org.au/edo-principles-for-responsible-data-centre-development/)

Climate Tasmania supports their data centre principles: Appendix 2

6. Ensures the Tasmanian community receive tangible benefits from all AI and data facilities constructed in the state; and

Linked to (5), it is not clear how Tasmanians will benefit from these developments, despite the confident statements of the government (Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania Sept 2026). The enthusiasm to promote data centre development raises many questions:
• Why does Tasmania think it has an investment edge over the rest of the world? As indicated above we are already seeing resistance from AI data factory proponents to basic operating requirements intended to reduce the harm to local residents.

• What is the fallout in the event of failure of such energy intensive ventures? Is it even possible to include protections that prevent burdens falling disproportionately to those who can least afford it?

• How does that risk get managed in any power supply contract deal?

• What are the possible climate impact implications, not only through direct emissions, but in the event that existing and new renewable energy generation is diverted from the urgent task of reducing our reliance on coal, oil and gas?

* Related to the above is the need for a transparent process for identifying opportunity costs. For example, would surplus electricity provide greater tangible benefit to Tasmanians through the electrification of Tasmania's transport fleet? We note that at the time of writing household fuel costs represent one of the largest cost of living pressure for the majority of our population.

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Appendices

Appendix 1

Data centres are said to require extraordinarily high levels of electricity supply reliability, and so usually come with a large number of diesel generators (gensets). If a 200 MW data centre uses 5 MW gensets, that's an array of 40 gensets. Issues:

- Each machine will have its own fuel tank, probably with enough diesel for a few days of continuous running, or there will be a central fuel tank with a plumbed in fuel supply system – or some combination of both
- Each genset will need to be test-run, for a defined time, and frequency. At fuel terminals, diesel fire pumps were test run every month, with each diesel engine running for 15 to 30 minutes. Just this activity results in significant noise (including noise exposure of the technicians running the tests), air pollution, and of course CO_2 emissions.
- Will running all of the gensets at once – if there is a power supply outage – comply with air pollution discharge limits?
- Diesel fuel does not store well. What are the plans to clean or replace the diesel? What happens to the "old" diesel?

Appendix 2

EDO Principles for responsible data centre development

1. A moratorium is established until ecologically sustainable and community safe regulations are in place across Australia.

2. A national, legislated, enforceable and ecologically sustainable regulatory framework be developed and apply to all data centres in Australia.

3. Data centres must be powered by their own, additional, renewable energy sources only, and must further the energy transition, not undermine it.

4. Data centres must be designed to have minimal impacts on water resources.

5. Pre-planning and strategic environmental assessments must be undertaken nationally to ensure appropriate siting of data centres to mitigate risk of impacts.

6. Data centre design must include air, sensory, and chemical pollution and heat discharge mitigation measures.

7. Data centre design must include whole-of-life impacts and cost assessments, including measures to minimise waste and e-waste, and recycling or responsible disposal and decommissioning.

8. Data centre design must consider future climate change impacts on the environment and communities.

9. Data centre regulation and development must provide for effective and meaningful First Nations engagement, participation and consent in the design, delivery, and benefits of data centres.

10. Certain areas and impacts must be identified as unacceptable and off-limits for data centres.

11. Data centres must avoid and minimise impacts, and only use carbon and biodiversity offsets for unavoidable impacts as a last resort.

12. Data centre proposals must be subject to community engagement and consultation, to ensure data centres have social licence.

13. All data centres must comply with human rights obligations and environmental justice principles, and be subject to mandatory due diligence requirements.

14. Data centres must be subject to robust reporting and transparency requirements, and planning and assessment processes must ensure transparent and accountable decision-making.

Appendix 3

The UN- commissioned report explores opportunities, risks and impacts of AI:

https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

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