

SUBMISSION TO THE TASMANIAN PARLIAMENTARY INQUIRY INTO AI DATA CENTRE INFRASTRUCTURE

Submitted by:

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Purpose of this submission: This is not an opposition to data centres. It raises concerns about the planning process, transparency and actual local benefit of gigawatt-scale AI infrastructure.

1. Protect public resources and the environment.

Firmus Technologies is seeking 450MW across three Tasmanian sites — approximately 30% of the state's available energy generation capacity — under a framework that the government describes as "draft expectations" rather than binding regulation. No cumulative impact assessment has been conducted across the combined sites.

The environmental claim is undermined by Firmus's own conduct. They are marketing "green AI tokens" to clients while simultaneously appealing Condition 13 of their George Town approval, which restricts generator use to outages, testing and emergencies. Firmus's appeal seeks permission to use the generators "to augment the mains electricity supply" during normal operations. The Minister's response — "sometimes you need backup" — does not address what 276 fossil-fuel generators represent in a state that has built its economic identity on renewable energy.

The assumption that AI in Tasmania requires gigawatt-scale infrastructure has not been tested against the actual range of AI use cases that serve local government, small business and community services.

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.

Three councils have approved or are processing data centre applications in parallel, each assessing only against the Tasmanian Planning Scheme. George Town Council's own planners noted that concerns about power, water and AI policy fell outside their legal remit. Latrobe Council unanimously requested the Planning Minister declare Wesley Vale a "major project" — and was told the existing process is sufficient.

Firmus reports its facilities as "AI factories" rather than data centres. The Tasmanian Planning Scheme contains no category for an "AI factory." The planning system has no framework to assess it differently from a conventional data centre.

Firmus reported 128 diesel generators in its planning application to George Town Council. The approved facility includes 276 — more than double. The council approved the facility based on 128.

The regulatory framework that governs these approvals is not statute. It is "draft expectations." And the first company to apply under it is already appealing its own conditions. On September 10, Firmus lodged a TASCAT appeal seeking to vary Condition 13, which prohibits generator use "to provide electricity during normal operations, or to augment the mains electricity supply." When asked by ABC News how often the generators would be used, Firmus declined to comment.

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

The power arrangements for these facilities were negotiated at boardroom level, not through parliamentary process. When asked in Estimates how 1,150MW of new demand coexists with Project Marinus, the Premier declined to answer. Federal regulatory rules will not apply until early 2027 and will not apply retrospectively to already-approved sites.

The inquiry should consider whether the current oversight framework is adequate when a company can negotiate power arrangements outside parliamentary process, have its conditions appealed within weeks of approval, and operate under a regulatory framework that is described as "draft expectations" rather than binding statute.

4. Ensure transparent public disclosure of resource consumption.

Firmus has declined to disclose sponsorship figures on the grounds of "commercial in confidence" while simultaneously requesting access to public resources including water and power. No royalty scheme exists — unlike mining, data centres extract energy and water without a statutory obligation to pay anything back. The terms of what Firmus committed to in exchange for approvals have not been made public.

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The inquiry should consider whether the current disclosure framework is adequate when a company can request public resources, decline to answer specific technical questions from the media and parliament, and appeal its own conditions within weeks of approval.

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

The government has courted data centre companies for approximately eight years. A moratorium motion carrying 10,357 signatures was voted down by both major parties. The George Town approval attracted 349 formal representations and a nearly 6,000-signature e-petition. The Premier's response to community concern was "we want Tasmania open for business."

Consultation with local AI developers has not occurred in any meaningful sense. The inquiry should consider whether the consultation process has adequately included those building AI in Tasmania.

6. Ensure the Tasmanian community receives tangible benefits from all AI and data facilities constructed in the state.

The stated benefit of hyperscale data centres in Tasmania is "AI innovation." The actual architecture of the project suggests otherwise.

Firmus and SUBCO announced an agreement on 2 June 2026 to build a new submarine fibre-optic cable connecting Tasmania to mainland Australia, "significantly expanding the state's digital capacity and supporting the next generation of AI infrastructure." The purpose of this cable is to deliver AI tokens from Tasmanian compute facilities into the international market. The local benefit is not access to AI capability for Tasmanian users. It is the provision of a delivery pipeline for tokens consumed offshore.

The compute within these facilities is pre-sold to foreign hyperscalers under multi-year contracts. The "local benefit" is the construction phase, a small number of maintenance roles estimated at approximately half a permanent position per megawatt, and the ongoing electricity bill paid by Tasmanians.

In the past six months, GPU hardware pricing has increased by more than 60%. This price increase is driven by the same capital allocation that funds data centre construction. The hardware required for local AI development — the GPUs, memory and compute that an independent developer or small enterprise needs to build, test and deploy AI systems — is being absorbed at scale by data centre operators. The result is that the cost of entry for local AI innovation has risen sharply while the data centres themselves provide no product, service or capability that is not already accessible to Tasmanian users via existing online AI platforms.

TASICT, the local technology industry body, has stated publicly: "We're yet to be convinced that [data centres] have created jobs. We need to see data centres contributing to Tasmania, not for one day or for one month."

The inquiry should consider whether a facility that delivers its output offshore, pre-sells compute to foreign entities, absorbs the hardware required for local development and costs Tasmanians 30% of the state's energy generation capacity constitutes a "tangible benefit" to the Tasmanian community.

7. Any other matter incidental.

There is no requirement to publish ministers' diaries. There is no public register of lobbyists meeting decision-makers. In the absence of these, Firmus has purchased social licence through sports sponsorship — the Devils, Jack Jumpers and Jewels, whilst also being promoted as an opportunity to obtain or further sovereign AI enterprise in Tasmania.

Recommendations:

- Require cumulative impact assessments for multi-council data centre projects.
- Mandate public disclosure of sponsorship, resource use and compensation terms for all facilities.
- Establish a support structure for local AI innovation and developers.
- Consider whether the "AI factory" category requires its own planning framework, or whether existing data centre provisions are adequate.
- Consider the long-term impact on Hydro Tasmania's revenue base if state energy assets are repurposed to serve foreign compute facilities.