



Government Administration Committee A
Inquiry on AI Data Centres in Tasmania

The House of Assembly Standing Committee on Government Administration A has resolved to inquire into and report upon the construction and operation of AI data centres in Tasmania.

Members of the public may use this form as a template to provide comment on the Committee Inquiry Terms of Reference. The Terms of Reference are set out below and comments should be limited to these areas.

Submissions become Committee documents that may be published on the Committee website and quoted in the Committee's report to Parliament. Should you not wish whole or parts of your submission to be published, please clearly indicate this in your submission. Persons making submissions must not release them without the approval of the Committee. Submissions are protected by parliamentary privilege but the unauthorised release of them is not.

Submissions should be received by the closing date of **Monday, 21 September 2026** and should be emailed to assemblygaa@parliament.tas.gov.au, or posted to: Secretary, Inquiry into AI Data Centres in Tasmania, Parliament House Hobart, 7000.

Submitters contact details:

Name: Melissa Staples

Email:

Contact number:

(The above information is used by the Secretariate to verify submissions and to contact the submitter should the Committee wish to seek further information. Should you not provide the above information, the Committee may not accept your submission to the Inquiry.)

Terms of Reference:

Inquire into and report upon the construction and operation of AI data centres in Tasmania, including recommending future legislation and regulations necessary to:

1. Protect public resources and the environment;

Unregulated air pollution

- Tasmania's EPA decided in August 2026 that Firmus's 288MW Bell Bay data centre did not need a formal environmental assessment, finding the risk of serious harm “very low or negligible”. However, the Bell Bay site alone will run 276 backup diesel generators. Diesel exhaust contains NO_x and fine particulate matter that can be 200–600 times more concentrated than emissions from an equivalent gas-fired power station, and is classified as carcinogenic.

Unregulated noise pollution

- A peer-reviewed letter in the journal *Eco-Environment & Health* (Elsevier) states plainly that data centre noise from diesel generators and HVAC systems can reach up to 96 A-weighted decibels internally — well above the 85 dBA threshold considered harmful to hearing — and that this “adversely affects data centre staff, nearby communities, and local wildlife.”

- Residents living near existing data centres describe the lived reality behind those figures: a constant low-frequency hum and diesel-generator noise disrupting sleep, headaches and stress from round-the-clock operation, and worry over particulate and diesel exhaust drifting into their neighbourhoods. Researchers interviewed note that chronic noise exposure near data centres is linked to poorer sleep, elevated stress and cardiovascular strain.

Source: U.S. News & World Report — “Living in Hell”: Data Center Neighbors Grapple With Noise, Air Pollution”

- Backup generator sites store large volumes of diesel fuel on-site (commonly 10,000–50,000 litres per generator); accidental spills or leaks can cause localised soil, surface-water and groundwater contamination requiring costly remediation — a risk multiplied across facilities running dozens to hundreds of generators.

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;

- Firmus's own leaked FAQ material revealed the company planned to draw on Tasmanian irrigation water for cooling — with an internal note reading “we do not want to highlight this yet.” Tasmanian Irrigation subsequently confirmed publicly that it had given Firmus no undertaking to supply water, and that its scheme was intended for agricultural use and hydrogen production, not AI data centres.

- Tasmania's “renewable” grid is not the abundant surplus it's marketed as: around 90% of the state's power is hydro, and Tasmania was a net electricity importer across Basslink — drawing mainland coal-and-gas power — for 11 of 12 months in 2023–24 and 10 of 12 months in 2024–25, the worst multi-year hydro drought on record, during which Hydro Tasmania's profit before tax collapsed 96%, from \$193.7 million to \$7.5 million. CSIRO data shows 19 of 25 Tasmanian hydrological gauges recording a statistically significant declining streamflow trend since 1970 — the highest proportion of any drainage division in Australia. Meanwhile Boyer Paper Mill, Australia's last newsprint manufacturer and a major Tasmanian employer, was told by Hydro Tasmania there was no spare capacity for the 45–60MW it needed to electrify its coal-fired boiler — around the same time Firmus secured 104MW.

Source: The Point / Australia Institute (Louise Morris) — “Tasmania's renewable energy is being handed to an AI startup while local industry left waiting”

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

- ☐ The Office of the Coordinator-General's 2018 "Data Centre Action Strategy" set out a deliberate plan to court data centre investors with cheap hydropower, low water costs and streamlined approvals, years before AI turned this into a global speculative rush. Greens MP Tabatha Badger has told parliament the Office of the Coordinator-General has been courting AI facilities since 2018 with no public consultation process Tasmanians have ever seen, raising a basic question: which companies were engaged under that strategy, and through what process?
Source: Office of the Coordinator-General — "Data Centre Action Strategy" (2018)
Source: Tabatha Badger MP — "AI Factories and Datacentres" speech, House of Assembly (25 March 2026)
- ☐ George Town Council with limited resourcing for technical/financial scrutiny, was the sole approval body for Firmus's 288MW Bell Bay facility, Tasmania's largest single power-consuming development, despite the state's own EPA declining to formally assess it.
Source: ABC News — "Firmus 288-megawatt AI data centre at Bell Bay, Tasmania gets approval after 6-1 council vote"
- ☐ Councillors said their hands were largely tied: acting only as a planning authority, they could weigh the proposal solely against the Tasmanian Planning Scheme, not against the wider energy, water or AI-policy questions residents raised — and Tasmania's EPA had already decided in August it did not need to assess the project at all, finding the risk of serious harm "very low or negligible." ☐ Source: Pulse Tasmania — "George Town Council approves 288-megawatt AI data centre at Bell Bay"
- ☐ A Greens-sponsored parliamentary petition calling for a moratorium on all new AI data facilities until legislated guardrails are in place drew more than 4,200 signatures within a week of launching and later grew past 10,000. Greens MP Tabatha Badger noted the Tasmanian Parliament "hasn't been presented with a business case for these AI factories. Neither has the Tasmanian community."

4. Ensure transparent public disclosure of resource consumption;

- ☐ Latrobe council has effectively admitted it isn't equipped to assess these projects. Considering Firmus's 52MW Wesley Vale application, Latrobe Council voted to formally ask the Planning Minister to declare it a "major project" — meaning the council itself would not have to assess it — and separately requested amendments to the planning scheme, which Mayor Peter Freshney said was "not fit for purpose" to appropriately consider data centre proposals. "Those concerns from the community and others in the sector cannot be addressed to the extent they need to be under the current framework," Cr Freshney said. Residents were given just 14 days to lodge representations on the application.
Source: ABC News — "Six new AI data centres proposed for Tasmania, but companies behind them are being kept secret"
- ☐ The power deal underpinning Firmus's whole Tasmanian pitch has never been made public or put to a parliamentary vote. Firmus's original 104MW agreement with state-owned Aurora Energy and Hydro Tasmania only became publicly known because the company's own co-CEO mentioned it on ABC Radio — not because government disclosed it. Greens MP Tabatha Badger has called the arrangement "highly unusual," saying: "There's never been any details on what exactly was promised to Firmus, or what Firmus was promising to deliver for the Tasmanian community." The much larger 450MW request — up to 30% of the state's entire power supply — is being decided inside Hydro Tasmania's boardroom by the end of 2026, again with no parliamentary vote or public tender.
Source: The Point / Australia Institute (Louise Morris) — "Tasmania's renewable energy is being handed to an AI startup while local industry left waiting"

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

•❑The power deal underpinning Firmus's whole Tasmanian pitch has never been made public or put to a parliamentary vote. Firmus's original 104MW agreement with state-owned Aurora Energy and Hydro Tasmania only became publicly known because the company's own co-CEO mentioned it on ABC Radio — not because government disclosed it. Greens MP Tabatha Badger has called the arrangement “highly unusual,” saying: “There's never been any details on what exactly was promised to Firmus, or what Firmus was promising to deliver for the Tasmanian community.” The much larger 450MW request — up to 30% of the state's entire power supply — is being decided inside Hydro Tasmania's boardroom by the end of 2026, again with no parliamentary vote or public tender.

Source: The Point / Australia Institute (Louise Morris) — “Tasmania's renewable energy is being handed to an AI startup while local industry left waiting”

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

It is unlikely Tasmanians will receive long term benefits.

•❑The Australia Institute's co-CEO, economist Dr Richard Denniss, argues Big Tech is now “running the same script” the gas industry used for decades: inducing governments to hand over public resources free and untaxed by exploiting fear of missing out. “That FOMO ... is being weaponised by the world's most profitable companies at the moment,” he said, warning that the same pattern seen with gas — profits posted to overseas head offices while locals are left with higher bills — is repeating with AI data centres, and that if the same politicians who negotiated Australia's gas deals go on to negotiate with the world's most powerful AI companies, “the red light should be flashing in voters' minds.”

Source: The Point — “From gas to big tech: Richard Denniss warns Australia is falling for the same old trick”

•❑The same US AI companies competing for Tasmanian and global data centre capacity — Anthropic, Google, OpenAI and xAI — have each signed Pentagon contracts worth up to US\$200 million to build AI tools for military decision-making, tying the commercial data-centre boom directly to defence-industry financing.

Source: The Intercept — “AI Giants Work Hand-in-Hand With the Pentagon, Contracts Reveal”

7. Any other matter incidental.

•□Australia's own forthcoming federal data centre standards are not expected to be legislated until early 2027 — and the government has confirmed they will not apply retrospectively. Facilities already approved or under construction, including Tasmania's, could escape the new rules entirely, even as ABC analysis shows the next generation of approved-but-unbuilt centres will be significantly bigger and more resource-hungry than those already running.
Source: ABC News — "The bigger, hungrier AI data centres set to escape looming water and power restrictions"

•□While chasing approvals across the state, Firmus has also been rapidly buying local goodwill: within weeks it signed sponsorship deals with the Tasmania Devils (AFL/AFLW, six years, branding on coaching uniforms and playing shorts), the Tasmania JackJumpers and Tasmania Jewels (principal community partner), and Cricket Tasmania/Hobart Hurricanes (five years, over \$1 million for grassroots programs) — while the Devils' own CEO confirmed the sponsorship's dollar value is “commercial in confidence.” Marketing academics quoted on the deals said the sponsorships could offer Firmus “visibility, legitimacy and social licence” but would need genuine community engagement to build lasting public trust, with one report on the pattern explicitly framing it as a test of “social licence or 'sportswashing'.” Critics have asked why a company that keeps its sponsorship figures confidential should be trusted to be transparent about the far larger public power, water and land resources it has been allocated.
Source: Capital Brief — "Social licence or 'sportswashing'? Behind Firmus' new play to win over Tasmanians"
Source: ABC News — "AI data centre company Firmus announced as Tasmania Devils AFL sponsor"