

Inquiry into AI Data Centres in Tasmania

(Parliament of Tasmania, Standing Committee on Government Administration A)

Submission

In making this submission, I shall canvass the full terms of reference as presented in their Resolution of 5 August 2026 and I shall draw on relevant material arising in Tasmania from within Government and outside.

My main thrust is the urgent need for enhanced governance for data centres, especially in the first instance concerning their development (planning and construction) and subsequently with their operation.

Unfortunately, the recent release of the **Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania¹ [Draft Expectations]** reveals a shallow appreciation by Tasmanian Government. The document does not adequately anticipate the complexity and interlinking demands of data centres, nor the irreversible commitments and constraints on alternative developments for the State. If this is indicative of the level of governmental knowledge relating to the implications of a considerable number of data centres with aggressive AI industry behind them, Tasmanian communities will be vulnerable to exploitation through environmental degradation, hidden financial costs and dishonoured promises.

At a minimum, *all* development applications for data centres should be assessed as Level 2 Activities to **protect public resources and the environment**. It is a significant omission to **Schedule 2 (Level 2 Activities)** of the **Environmental Management and Pollution Control Act 1994²** that Data Centres have not been expeditiously included. The absurdity is seen in the inclusion of “Wind Energy Facilities: facilities for *generating* energy through wind with a maximum generating capacity of 30 megawatts or more” [italics are my emphasis]. Whereas, a single data centre approved for Bell Bay will *demand* 288 megawatts (MW) from the Tasmanian electricity grid³. Moreover, operation of either 128 or 276 diesel generators⁴ to backup (and possibly supplement) grid supply will vastly exceed the fuel burning criterion of **Schedule 2** (i.e. 7 a. “Fuel Burning: any process or combination of processes involving the use of fuel burning equipment or

¹ Tasmanian Government, 2026. Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania, September 2026. <https://engage.building.tas.gov.au/draft-expectations-data-centres-and-ai-infrastructure-developers>; accessed 18 September 2026.

² Environmental Management and Pollution Control Act 1994. <https://www.legislation.tas.gov.au/view/html/inforce/current/act-1994-044>; accessed 18 September 2026.

³ Firmus Project Southgate Bell Bay. <https://firmus.co/ourcommitments/tasmaniancommunity/bell-bay-industrial-precinct-ai-factory-project>; accessed 18 September 2026.

⁴ ainave Tech News, 2026. Tasmania's Firmus appeal tests how backup generators shape AI data centre approvals. <https://ainave.com/tech-news/tasmania-s-firmus-appeal-tests-how-backup-generators-shape-ai-data-centre-approvals>; accessed 18 September 2026.

incineration and where the equipment alone or in aggregate is capable of burning combustible matter at a rate of one tonne or more per hour.”).

Although Level 2 categorisation should ensure effective assessment of all environmental impacts of data centres by EPA Tasmania, it cannot encompass their crosscutting influence over resources, environment, state benefits/detriments and workforce planning. Such holistic evaluation can only be achieved through ***Parliamentary oversight and accountability for new facility construction and resource allocation***. A template has already been provided by the Hobart AFL Stadium project (estimated cost \$1.13 billion) which was independently assessed as a *Project of State Significance* by the Tasmanian Planning Commission, whose report was placed before Tasmanian parliamentarians before a vote in both Houses. Large data centres (say >100 MW), such as the Firmus Project Southgate Bell Bay (288 MW, estimated cost >\$2.4 billion), should follow the same path to ensure rigorous evaluation and representative decision-making.

In order to ***ensure Tasmania's Resource Management and Planning System [RMPS] adequately recognises and addresses the specific impacts of the development and construction of AI and data facilities***, this system will require recalibration. A new specific category for data centres needs to be added to the RMPS; otherwise, their diverse and interrelated effects will only be haphazardly covered. It is also important that this be done, so that data-centre developers (and AI Infrastructure developers generally) are clear on the development framework in Tasmania and its ramifications. It would appear logical that small data centres (say <100 MW) would be channelled to *Projects of Regional Significance (PORS)*, because their influence is likely to extend beyond the local government region in which they reside. Large data centres (say >100 MW) would be directed to *Projects of State Significance*, because of their ability to cordon off the use of resources (mainly energy, but also possibly water and qualified/experienced workforce) statewide to the detriment of other industries. It is also likely that amendments will need to be made to the RMPS to factor in conditions or regulations specific to data centres that arise from the Commonwealth's consideration of data-centre development (e.g. absolute requirement for energy supply from renewables). With the pace at which data centre applications are currently being rushed through, clearly with an attempt to pre-empt regulation, RMPS provisions/regulations need to be made retrospective, as do any development approvals for data centres that pre-date definitive regulations. A statement of expectations (e.g. current Draft Expectations) is never going to be sufficient to hold an insatiable industry to account; only clear contractual obligations will suffice.

Not only is it critical that proposed resource use (energy, water, land and workforce) for a data centre development be on the public record, but once operational authorities must ***ensure transparent public disclosure of resource consumption***. Full and

regular communication of resource use must be mandatory, so that it is clear the industry is living up to its commitments. For energy use, this would include total electricity consumption and the proportion of renewable energy, with the prerequisite that the latter would grow inexorably.

It is crucial for the data centre industry and the Government/agencies to **provide the Tasmanian community with adequate opportunities for consultation** if it is to gain full and informed social licence. It must include opportunities for input on a wide range of factors and give adequate time for digesting development applications and for public submissions, not unduly tight deadlines and non-existent opportunities. Furthermore, the public should be given licence to comment after preliminary independent expert evaluation of applications has been done and communicated in plain language. It should not be countenanced that the only material the public has access to is proponent hyperbole, voluminous and impenetrable environmental impact assessments, and skewed Government/agency barracking.

The final term of reference is **ensures the Tasmanian community receive tangible benefits from all AI and data facilities constructed in the state**. This is the crux determination and requires evaluation of tangible benefits, and accompanying disadvantages, by an independent authority. It is not a criterion to be skated over by superficial and perfunctory processes, but should be done rigorously and communicated in full to all Tasmanians. The Tasmanian Planning Commission (TPC) would have this responsibility for the large data centres (>100 MW), in consequence of the recommendation made above. To support the TPC for large data centres and provide coverage of smaller data centres, a second independent agency—potentially Audit Tasmania or Building Tasmania (in the Tasmanian Department of Treasury and Finance)—would be charged with providing a universal framework for evaluating the worthiness of data centre proposals in contributing to betterment of the State. This would include demonstrable pathways for Tasmania to benefit from digital technology and artificial intelligence.

Finally, the source for serious environmental, economic and social concerns with data centres, and the driver for their resolute regulation, is the USA—the original home of data centres. Recent reviews are available in the peer-reviewed scientific literature on their ecological sustainability⁵; their undermining of Net Zero goals⁶; their effects on

⁵ George, B. and Conteh, L., 2026. Ecological sustainability challenges of large data centers: Environmental pressures, resource depletion, and sustainable digital infrastructure. *Explora: Environment and Resource*. 3(3), 026120005. <https://doi.org/10.36922/EER026120005>; accessed 18 September 2026.

⁶ Xiao, T., Nerini, F.F., Matthews, H.D., Tavoni, M. and You, F., 2025. Environmental impact and net-zero pathways for sustainable artificial intelligence servers in the USA. *Nature Sustainability*, 8(12), pp.1541-1553.

public health⁷; and their environmental footprint as manifested in the water–energy nexus⁸.



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⁷ Tao, Y. and Gao, P., 2025. Global data center expansion and human health: A call for empirical research. *Eco-Environment & Health*, 4(3), p.100157.

⁸ Siddik, M.A.B., Shehabi, A. and Marston, L., 2021. The environmental footprint of data centers in the United States. *Environmental Research Letters*, 16(6), p.064017.