The Secretary, Government Administration Committee A
House of Assembly
Parliament House, Hobart, TAS, 7000
Via email: assemblygaa@parliament.tas.gov.au

21 September 2026

Dear Secretary,

RE: Inquiry into AI Data Centres in Tasmania

On Wednesday, 5 August 2026 the *House of Assembly Government Administration Committee A* commenced an inquiry titled *Inquiry into AI Data Centres in Tasmania*. Submissions to the Committee were open between 18 August and the 21 September 2026.

The *Standing Committee on Government Administration A* resolved the *Terms of Reference* to 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;
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;
3. Provide Parliamentary oversight and accountability for new facility construction and resource allocation;
4. Ensure transparent public disclosure of resource consumption;
5. Provide the Tasmanian community with adequate opportunities for consultation;
6. Ensures the Tasmanian community receive tangible benefits from all AI and data facilities constructed in the state; and
7. Any other matter incidental.

Planning Matters Alliance Tasmania Inc. (PMAT) was established with the principal purpose of educating and communicating information on land use planning in Lutruwita/Tasmania. Land use planning plays a vital role in protecting and enhancing Tasmania's natural environment and supporting ecologically sustainable development. PMAT believes our planning system must also provide opportunities for informed community input in planning matters and decisions, including provision of appeal rights.

Consistent with the above *Terms of References*, PMAT is calling for four key actions regarding AI data centre development in Tasmania:

1. **Immediately implement a moratorium in Tasmania on AI data centre development until safe regulations are in place across Tasmania;**
2. **Immediately initiate an Interim State Planning Provision (SPP) amendment to recognise and address the specific impacts of the development and construction of AI and data facilities in Tasmania while ensuring planning appeal rights;**
3. **Immediately expand the *State Policy on Water Quality Management 1997* to include water usage; and**
4. **Immediately create a Tasmanian State Policy on Energy.**

These actions are attached in more detail below.

As highlighted by the Environmental Defenders Office here Tasmania has an opportunity to get data centre development right: ***They're the defining development of the decade and the decisions made today could inform environmental outcomes for a generation or more.***

We would welcome the opportunity to appear as a witness before the committee to share directly our submission and to clarify any issues raised in our written submission.

We are happy for our submission to be made public.

Yours sincerely,

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KEY ACTION 1: IMMEDIATELY IMPLEMENT A MORATORIUM IN TASMANIA ON AI DATA CENTRE DEVELOPMENT UNTIL SAFE REGULATIONS ARE IN PLACE ACROSS TASMANIA

Consistent with the *EDO Principles for Responsible Data Centre Development* released on the 14 September 2026, PMAT supports immediately implementing a moratorium on AI data centre development until ecologically sustainable and community safe regulations are in place across Tasmania.

KEY ACTION 2: IMMEDIATELY INITIATE AN INTERIM STATE PLANNING PROVISION (SPP) AMENDMENT WHILE ENSURING PLANNING APPEAL RIGHTS

Interim State Planning Provisions amendments (made through **30NB. Interim SPPs amendments** of the *Land Use Planning and Approvals Act 1993* here) are Tasmania's most effective tool for making urgent, statewide changes to the planning system.

They are the fastest way to ensure Tasmania's AI data centre developments face rigorous, purpose-built planning controls giving confidence to communities they are being thoroughly assessed. Plus retaining AI data centre assessments under the *Tasmanian Planning Scheme* and within local councils preserves the community's and developers' right to merits based planning appeals to TASCAT (The Tasmanian Civil and Administrative Tribunal)—a crucial check and balance that is entirely absent under the Major Projects process.

An Interim State Planning Provisions amendment could 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 while guaranteeing public comment and merits-based planning appeal rights.

The Minister for Planning may make an interim State Planning Provisions amendment under subsection (3)(a) of the *Land Use Planning and Approvals Act 1993* if the Minister is satisfied that it is necessary or desirable to ***urgently address issues relating to a natural or environmental hazard, public health, public safety or a prescribed circumstance or matter; and it is in the public interest to give effect as soon as practicable to the provisions of the draft amendment of the SPPs contained in the interim SPPs amendment***.

Why They Are Created

- **Urgent Public Interest:** They provide an immediate mechanism to respond to urgent matters, such as updated safety or environmental risk information.
- **Immediate Effect:** Changes take effect right away for up to 12 months while the Tasmanian Planning Commission continues its formal review and public exhibition process.
- **Temporary Bridge:** The interim provision acts as a stopgap measure before being replaced by a permanently approved State Planning Provisions amendment once full assessments are conducted by the Tasmanian Planning Commission.

In Tasmania, the *Tasmanian Planning Scheme* (i.e. which is made up of the State Planning Provisions) does not have a dedicated, specific land-use category or definition for AI data centres.

Due to this regulatory gap, local councils have assessed AI data centre proposals by classifying them under existing definitions. For example:

Firmus Bell Bay AI data centre (George Town Council): is located at Long Reach within the Bell Bay Advanced Manufacturing Zone and has been classed as '**utilities**' use in the **General Industrial Zone**.

Firmus Wesley Vale AI data centre (Latrobe Council): is located on part of the former Wesley Vale Pulp Mill landholding and has been classed as '**utilities**' use in the **General Industrial Zone**.

Interim State Planning Provisions amendments could facilitate the following with regards to AI data centre assessment:

- ✓ **AI Date Centres must be defined as a use class under *Table 6.2 Use Classes* of the *Tasmanian Planning Scheme*.** There are currently 34 use classes, which you can find in Table 6.2. of the *Tasmanian Planning Scheme*. There is no use class for AI data centres.
- ✓ **As per the *EDO Principles for Responsible Data Centre Development*, a data centre could be defined as follows:** *any facility that houses IT equipment, including servers, network and storage equipment, for the purposes of providing services and applications, including training of or hosting AI models, as well as all associated and supporting infrastructure.*

  It should be noted, as highlighted by PIMBY (Policy In My Backyard) here there two main types of data centres and perhaps they should be differentiated for the purpose of the Use Class. There are **conventional data centres** which are used to host things like cloud storage, Government IT systems, and are more for local or regional customers. They typically draw less than 1 MG of power and have a small land footprint. Then there are **AI data centres** which are sometimes called 'AI factories' and it is these that is the focus of the current debate in Tasmania. They are primarily used to train and run AI models but can also provide high-performance computing services. Most AI factories are 'hyperscale' and will draw over 100MW of power. They usually have a land footprint of at least five hectares. **A new Use Class could also include 'evolving technologies'.**
- ✓ **AI data centres must be classed as a *Discretionary* use in all Zones they are allowed to be considered in under the *Tasmanian Planning Scheme* to guarantee public comment and merits-based planning appeal rights** to The Tasmanian Civil and Administrative Tribunal. *Discretionary* developments require a permit, and the council has the power to approve or refuse it after considering impacts and public notice. See the step-by-step process that councils use to assess an application here.
- ✓ **AI data centres must be considered a Level 2 activity under the *Environmental Management and Pollution Control Act 1994***. When an activity is classified as a Level 2 activity under the *Environmental Management and Pollution Control Act 1994* (EMPCA), it

must undergo a formal environmental impact assessment by EPA Tasmania before it can be approved to operate. Currently the State Planning Provisions allow little meaningful consideration of the impact of large data centres on water and power consumption, the two critical areas of concern for many in relation to these developments. Consideration of them as Level 2 activities, gives great opportunity for consideration of these issues as well as noise and other emissions, and for more enforceable and targeted conditions to be applied.

- ✓ **AI data centres can only be considered in the General Industrial Zone of the State Planning Provisions that make up the *Tasmanian Planning Scheme*.**
- ✓ **AI data centres must be *Prohibited* in all residential Zones unless their smaller size does not trigger the need for assessment as a Level 2 activity under EMPCA.** For example, AI data centres should be prohibited in the following planning Zones of the State Planning Provisions that make up the *Tasmanian Planning Scheme*: General Residential Zone; Inner Residential Zone; Low Density Residential Zone; Rural Living Zone and Village Zone. *Prohibited* developments cannot be approved or undertaken in that zone.
- ✓ **AI data centres must be prohibited in other planning Zones including Landscape Conservation Zone, Environmental Management Zone, Recreation Zone; Open Space Zone, Future Urban Zone and other Zones where AI data centres will cause land use conflict.**
- ✓ **PMAT recommends the draft standards to be applied to AI data centres be drafted by the Tasmanian Planning Commission and released for consultation.**

More information:

- ➢ See the State Planning Office here regarding *How the Tasmanian Planning Scheme* changes with regards to interim State Planning Provision amendments.
- ➢ See details of how to make an Interim State Planning Provisions amendment at 30NB Interim SPPs amendments of the of the *Land Use Planning and Approvals Act 1993*: View - Tasmanian Legislation Online.

KEY ACTION 3: IMMEDIATELY EXPAND THE *STATE POLICY ON WATER QUALITY MANAGEMENT 1997* TO INCLUDE WATER USAGE

As per the information outlined under Key Action 4 below, State Policies in Tasmania are the highest level of statutory policy governing sustainable development, land use, and environmental management.

The existing *State Policy on Water Quality Management (1997)*, also known as the Water Quality Policy, only focuses on water quality management, discharges to receiving waters and meeting water quality standards, with no mention of overall water consumption, or how water should be allocated between users.

PMAT is calling for our State Policy on water to be expanded to include consideration of overall water consumption and ensure priority is given to the protection of drinking water for the Tasmanian community, over any one industry's needs.

AI data centre water usage is critical given the increasing pressures on our water supplies and especially considering climate change uncertainty regarding rainfall levels in the future.

Furthermore, because hydropower generates roughly 80%[1] of Tasmania's electricity, the state's power supply is inextricably linked to annual rainfall, changing weather patterns, and competing water demands.

Water from 54 major dams flows through 30 hydropower stations to produce roughly 80% percent of the state's electricity in an average year.

This means AI data centres in Tasmania rely on a power grid is highly vulnerable to water availability. While AI data centres themselves consume large amounts of water directly for cooling, this also highlights Tasmania's **massive dependency on water** through our electricity consumption.

This is what that could mean for AI data centres operating in Tasmania:

Grid Vulnerability: AI Data centres require a continuous, uninterrupted supply of massive amounts of power. Because **80% of Tasmania's electricity** comes from hydropower, the very energy keeping the AI data centres online depends entirely on having enough water flowing through dams and turbines.

Climate Risks: If Tasmania experiences a drought, low annual rainfall, or unpredictable weather patterns due to climate change, the state's power generation capacity drops. This introduces a risk of power shortages or increased electricity costs for energy-heavy industries like AI data centres.

[1] https://www.aemc.gov.au/energy-system/electricity/changing-generation-mix/tasmania

Resource Competition: AI Data centres are not the only entities that need water. They must compete for this shared resource against agriculture, local communities, drinking water supplies, and ecosystem preservation. In times of water scarcity, prioritizing water for electricity to run AI data centres would conflict with these other critical needs.

In short, a AI data centre in Tasmania cannot look at its water footprint purely by what comes out of its own taps; its entire operational stability is tied to the state's water ecosystem.

KEY ACTION 4: IMMEDIATELY CREATE A TASMANIAN STATE POLICY ON ENERGY

State Policies in Tasmania are the highest level of statutory policy governing sustainable development, land use, and environmental management.

Creating a State Policy on Energy is important because it would:

- **Help inform statutory rules or planning assessment guidelines.** For example, it would bind the *Tasmanian Planning Scheme* and regional strategies.
- **Inform an energy strategy for Tasmania**. At present Tasmania has no Statewide energy strategy or framework to deliver sustainable, reliable, and affordable energy while balancing infrastructure growth with community and environmental protection.
- **Help ensure essential energy needs are met**. It could ensure households, businesses, and industries across Tasmania have continuous access to the energy required for daily life, health, and economic viability.
- **Help guide infrastructure decisions** as it would help direct the planning and development of energy assets and infrastructure to appropriate locations while minimizing negative impacts on the natural environment, built areas, and regional communities.
- **Help balance Land Use**. It could provide guidance on managing potential conflicts between energy projects and surrounding land uses or environmental assets.

About State Policies

State Policies in Tasmania are the highest level of statutory policy governing sustainable development, land use, and environmental management.

State Polices are the **highest authority** and form the top tier of the Tasmanian planning framework, sitting above regional and local planning schemes.

State Policies provide for **legal consistency** as all local planning schemes and regional strategies must strictly comply with State Policies; any conflicting rules must be amended.

State Polices direct how we should achieve **sustainable management** as they are supposed to direct how the state balances economic growth with the protection of natural resources.

State Policies are policies made under the *State Policies and Projects Act 1993*. They lay out the Tasmanian Government's strategic policy direction on matters of state significance related to the sustainable development of natural and physical resources, land use planning, land management, environmental management and environment protection.

State Policies do not override legislation. They are implemented through Tasmania's planning, development and regulatory systems, including incorporation into planning schemes or special planning orders.

There are currently only three State Policies operational in Tasmania. The Australian Government's National Environment Protection Measures are also taken to be State Policies in Tasmania. Find more information about National Environment Protection Measures at the Environment Protection Authority Tasmania website:

1. *State Policy on the Protection of Agricultural Land 2009*
2. *Tasmanian State Coastal Policy 1996*
3. *State Policy on Water Quality Management 1997*

National Environment Protection Measures (NEPMs) are also taken to be State Policies in Tasmania. NEPMs are made under Commonwealth legislation, and given effect in Tasmania through the State Policies and Projects Act. n Tasmania, NEPMs are State Policies in accordance with section 12A of the *State Policies and Projects Act 1993*. They are generally not directly enforceable and are implemented using a variety of mechanisms and approaches depending on the particular contents of each NEPM.

More information on State Policies:

- State Planning Office re State Policies see here
- Department of Premier and Cabinet re State Policies see here (scroll down).
- Tasmanian Planning Commission re State Policies see here.
- EPA: *State Policy on Water Quality Management 1997* here.
- EPA: *Environment Protection Policy (Air Quality) 2004* here.
- EPA: Environment Protection Policy (Noise) 2009 here.

State Polices versus Tasmanian Planning Policies (TPPs)

During the 2014 Tasmanian State Election the Liberal Party promised it would create a suite of State Policies to inform the creation of the statewide *Tasmanian Planning Scheme*.

This never happened and instead, the Tasmanian Liberal Government created a new instrument within the planning system called the *Tasmanian Planning Policies (TPPs)*.

The Tasmanian Planning Policies (TPPs) were made by the Minister and came into effect on 1 July 2026. The TPPs have seven core policy areas (Settlement; Environmental Values; Environmental Hazards; Sustainable Economic Development; Physical Infrastructure; Cultural Heritage; Planning Processes).

It is PMAT's view that the Tasmanian Planning Policies are subordinate polices compared to State Policies for the following reasons:

- There is no defined hierarchy/priority within the TPPs.
- The TPPs do not apply to Development Applications.
- Where is the evidence the TPPs ever have or could be used as a safety net – for example especially in relation to AI data centres?
- The TPP's are not a guide to practical decision making.
- There is no guidance in how trade-offs are made.
- It gives the Minister the power, rather than the local Councils with community, to decide the trade-offs.
- TPPs only apply to the planning system unlike State Policies which provide for a whole of Government approach.
- They are created by the Minister rather than the State Parliament as is the case for State Policies.

Examples of State Energy Policies from other jurisdictions

Similar energy Polices operate in other Australian jurisdictions like South Australia which has the *State Planning Policy 12: Energy*.