

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:

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Addressing the stated Terms of Reference:

1. Protect public resources and the environment;

Energy Consumption by AI factories is excessive, and demands increased power generation, which in turn leads to a large carbon footprint and contributes to global warming. The proponents of the Firmus projects exclusively suggest Diesel generation, which is a fossil fuel and an unacceptable practice which cannot be "offset" by growing trees. The proponents are green-washing their project by pretending there is sufficient hydro power in the state.

Water consumption will be significant and likely to contribute to water contamination by addition of "PFAs". Suggested "closed circuit" water systems inevitably fail and lead to ground water contamination. There are alternative closed cycle cooling systems. Using more of the state's limited water resources is unacceptable. Water demand is very likely to increase as global warming gets worse, and the water resources are needed by people and livestock.

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;

Network traffic and congestion is a serious bottleneck. There is insufficient network infrastructure for the placement of AI factories in Tasmania, and requires a significant upgrade of fibre resources that should not be paid for by the Tasmanian public.

In addition, as and when such AI facilities begin operations, as a direct consequence they place all the connected networks at risk of piracy / hijacking by rogue AI agents. This risk needs to be accounted for and mitigated.

Market Distortion is also a significant consideration. The Firmus proposal is one of the largest business proposals in Tasmanian history, and its price tag of Billions of dollars will inevitably distort the local markets. This will bring undue leverage and suppress competition in the state, as well as inflating the market price of a great many local commodities (as the new company can afford to pay premium prices). This will have a significant and disproportionate impact on many lower-income Tasmanians, as the mean income is already lower than mainland states. Prices for power, fuel, and many other essentials will inevitably rise to meet the expectations of the new player in the market. Tasmanians need to be able to afford fuel, power, water, food, housing, and essential resources, without having to pay an extra premium.

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

Be aware that “accountability” includes saying NO to unacceptable projects.

4. Ensure transparent public disclosure of resource consumption

This in particular can be focused on the level of diesel and water consumption by the AI facilities, for example as litres consumed per month, or CO2 equivalent released.

5. Provide the Tasmanian community with adequate opportunities for consultation

This glib concept needs to expand to cover more than this rudimentary enquiry. To begin with, the safety of large AI systems is not at all established, and there exist significant and real risks to infrastructure, food supply, human welfare, and the global environment that come from the implementation of large scale AI. This is addressed more definitively under point (7).

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

Wealth imbalance is likely to be exacerbated by the AI factories. In addition, to the aforementioned effects on local markets, AI factories are expected to employ very few people, relative to the expected income. This will directly lead to the concentration of wealth into the hands of a very few individuals, some of which have criminal convictions. Most of the beneficiaries are not even state residents, and hence money will be funnelled out of the state economy into some billionaire's pocket.

One wonders on what basis the AI systems will be taxed? The distribution of cryptographic tokens is widely used and a known means to obscure financial transactions, and make proper tax liability accounting much harder. How will the state government manage to collect taxes from these operators when they have a massive AI powered tax minimisation system at their disposal?

The AI factory projects are on shaky financial footing, relying on elevated market prices, including high costs for the use of AI agents. Increased competition and local-use LLM systems have made this an untenable proposition. The proposal is an AI factory that requires significant resources be dedicated to the process of creating cryptographic tokens, adding greatly to the resources it uses. At some point in the foreseeable near future, there will inevitably be a stock market “correction” and many of these AI companies will go bankrupt, leaving wasted hardware and facilities.

7. Other matters incidental.

This is actually the most serious matter, and it is unfortunate it has to fit into this marginal category:

Insufficient regulation of the application of AI and its' agents makes these projects a significant risk to the Australian internet and the public. AI is capable of doing very great harm in a very short space of time, and experts have been shown to be incapable of containing them. Unless and until a safe "sandbox" environment can be established for the use of AI agents, their use on the open internet should be restricted or even totally prohibited. AI agents and their derivatives do not have the moral or ethical capacity to even decide against immoral or illegal conduct, and there is no evidence whatsoever that their programmers or the company operating these systems can safely develop such a framework. Permitting their unrestricted use on the open internet is a certain recipe for disaster. Even the AI companies themselves publicly recognise this risk. They acknowledge that AI introduces real non-zero risks to all life on Earth, let alone human civilisation, the internet, global finance, the environment, and more. This cannot be overstated.

Until such time as a safety framework to contain and restrain AI agents is developed and implemented, there should be a full moratorium on AI centre build-outs, and their connectivity to the wider internet.

Secondly; Copyright protection is a very significant concern. AI agents have no understanding of copyright, legal frameworks, or any such human restraints, and will violate any rule or law as they see fit, in order to achieve their stated objectives. There is some argument that this also describes the behaviour of their owners and operators. In any case, this utterly abrogates copyright protection for artists, musicians, and other creators.

The only reliable way to ensure these rights are not violated is to insert human oversight and intervention into the process. AI theft of copyrighted work is rampant, and a known problem that the development of AI factories will only exacerbate. Creators deserve continuing protection for their hard work and effort, and enduring creative rights that cannot be eroded or subjugated to serve AI profiteers. Human oversight of the copyright protection process is vital to allow the continued work of artists, musicians, writers, poets, and other creative workers. Again, this requires the development of an appropriate legal framework *prior* to the acceptance of AI factories as a viable proposition. If they rely on theft, they should not operate at all.