20 September 2026

Inquiry into AI Data Centres in Tasmania - submission

To Committee Secretary,

We are two young people concerned about the rapid and poorly regulated rise of AI technologies and hasty expansion of AI data centres. Most of our friends (early-20s to mid-30s) feel the same way.

Recently we've been hearing a lot of people saying, "We're looking at how we can incorporate AI into our organisation/processes". We think there is too much focus on the "how" and not enough on the "why".

Some people mention that they "don't want to be left behind". Surely it is prudent to take a step back and assess the impacts of AI in other jurisdictions before diving into something unknown. We don't want to leave our critical thinking skills, creativity, propriety, humanity, ethics and environment behind instead.

We are worried about lots of AI matters, including its use in war, AI-generated porn, the absence of human authority/decision-making, the fact that frequent AI use is reducing people's critical thinking skills, the fact that bots are typically sympathetic to their users, the fact that bots can go rogue even when programmed to perform specific tasks, the possibility that bots might deliberately lie, Western biases of AI and more, but have tried to keep this submission relatively concise!

We have listed some of our general concerns about AI as well as specific points relating to the data centres at the end.

Lack of regulation

The lack of adequate governance around AI alarms us, including the absence of consistent standards/requirements to label AI-generated content. A lot of online content can be deceptive and we are finding it increasingly harder to trust, even as digital natives. It's frustrating having to second-guess everything ("Is this a real product/review/comment/image?") now that there are more bots than people on the internet. Australians have the equal most negative views towards AI in the world, according to an EY survey of people from 23 countries and almost half of Australians say the risks outweigh the benefits.

We have recently discovered that some AI companies will be adding hidden digital watermarks to content which will be only obvious to the AI systems, not to users ("The difference between watermarked and un-watermarked text will not be distinguishable to readers"). We suspect this is to prevent AI cannibalising itself further. It seems odd to have a watermarking system in place but not to make it transparent.

We recognise that the Tasmanian Government does not have a lot of authority in implementing these types of regulations, however we would like to see regulations in place prior to the data centre rollout (dare we say we do not want AI at all!).

Deepfakes

It is now possible for anyone to generate an image or video of someone doing virtually anything, which can certainly be used for nefarious purposes. This could include a Minister making a false statement, a person committing a crime, a child in a sexually explicit pose or any other example of something fictious. On the flip side, real crime can be purported as being AI-generated. AI is blurring the line between reality and fantasy.

Surveillance

This year, Meta released its AI glasses which record people without consent. The recording light can be tampered with so there is no signal to indicate when the camera is operating. The user can use the footage for whatever purposes they like.

Coles has partnered with Palantir to record customer activity in its supermarkets. Each person's shopping habits are now tracked. It is all feeling very dystopian!

Inaccuracy

There are lots of examples of AI systems hallucinating and making things up even when asked for real information. They are also incestuous - by generating AI content from other AI content, results are getting further and further removed from the source (however this may change with the upcoming watermarking).

Google Gemini AI overviews are wrong 10 per cent of the time, which is a very high margin of error.

There are too many examples of AI misinterpreting or confusing inputs to list, however some have serious consequences. A recent headline showed that a woman was reported to have used illegal drugs despite having never touched them after her medical appointment was incorrectly transcribed by AI.

AI systems do not seem to take any responsibility for getting things wrong and do not seem to face any ramifications for misleading users. While we recognise this is outside of the Tasmanian Government's powers, we do not wish for AI use to be encouraged and supported.

Impact on children and educational outcomes

AI is having harmful impacts on children and developing minds, and while there is a certain amount of responsibility that should sit with parents and managing access, we are very worried about the youngest members of our communities.

Our pre-AI education built our foundational knowledge to be able to learn and comprehend, to recognise patterns, to understand frameworks and to have the skills to recognise things that don't look right. A big part of this included social skills and interactions with people. We worry about children and students who are currently surrounded with AI and may not have the same underlying backgrounds and skills.

We understand that Tasmanian schools are currently trialling AI in the classroom, which seems like a huge risk to our education system and puts children in the firing line. We hope that this trial does not progress into ongoing practice. We note that the most recent NAPLAN tests revealed that one in three Australian students are not meeting benchmarks across reading, numeracy and writing - surely this is worst possible time to implement bots during a literacy crisis?!

It is also tricky to assess student assignments (including for university qualifications) and to determine whether their work is their own.

Copyright and theft

There seems to be no apparent consequence for AI systems scraping all sorts of content from the internet (often without any prior permission). An AI database is essentially a human-built library, which AI companies are now selling or offering a free subscription to so users can access a synthesised version of human content.

A project to scan and destroy thousands of books has recently made headlines. Anthropic (behind the bot Claude) is removing the original copies of works and taking the data to train their large language models, in a scheme they did not want made public. This seems absolutely immoral.

AI steals pieces of other people's work, and also steals work opportunities from people. We find it disappointing that anyone would want to support this.

Impact on the arts

Anyone can generate a song that sounds like it was made by a certain singer. AI-generated music is creeping into all streaming platforms - Deezer reported that more than 50% of daily uploads are AI-generated.

A 2024 APRA AMCOS report estimated that AI would cost the local industry $519 million within three years. Not only is AI taking away the work of artists, artists are having to defend that their own work is not AI-generated, which is an unnecessary burden in an already challenging industry.

One author explained how his entire body of work had been used to train large language models, stating, "In about five seconds three pages came up that had elements of pretty much every book I'd ever written… I truly felt like someone had backed up a truck to my imagination and stolen everything I'd ever created".

AI has no soul, perspective or lived experience. These are the things that art is all about.

Work impacts

Administrative staff are likely to decline as a result of generative AI. This disproportionately affects women and reduces the number of entry-level jobs. AI is not replacing a single category of work; rather it is encroaching simultaneously on dozens. White-collar, creative, analytical and technical roles are all within its expanding reach. This is a slippery slope, which is never good news for anyone holding or looking for a job.

Some businesses and organisations are looking to find "efficiencies" and cut jobs for so-called "savings" - but at what cost?

The work benefits seem to be overstated. A 2026 Fortune article reported that "Executives forecast AI will increase productivity by 1.4% and increase output by 0.8% over the next three years". Surely these figures are hardly going to make a spike in a graph?

Copilot

Up until 12 June 2026 (four months ago), Copilot's Terms of Use stated in clear bold text that Copilot was intended for "entertainment purposes only". We wonder how much faith Microsoft has in its product and whether it is even suitable to use in the workplace, given is has been rolled into just about every product available.

- **Copilot is for entertainment purposes only. It can make mistakes, and it may not work as intended. Don't rely on Copilot for important advice. Use Copilot at your own risk.**

Like many AI programs, the onus is very much on the user to take care and seemingly not on the creator to make a more robust product.

Copilot is powered by OpenAI systems, which is also the system behind ChatGPT.

OpenAI ethical issues

There are numerous ethical issues and questionable investments associated with OpenAI. Here are a few that we are aware of:

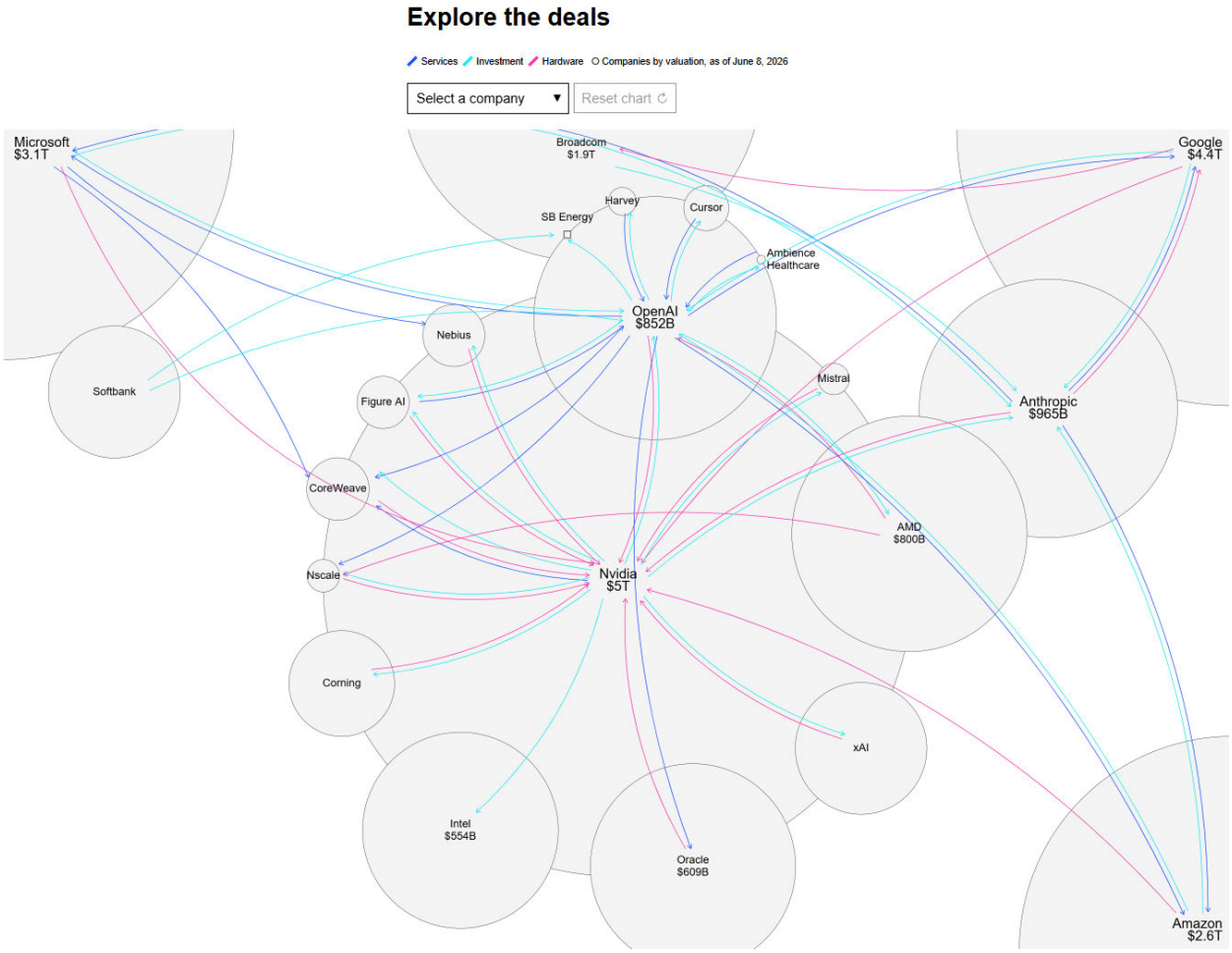
- The OpenAI president, Greg Brockman, donated USD$25 million to Donald Trump's super PAC.
- The former OpenAI Head of Robotics, Caitlin Kalinowski, resigned over concerns around AI warfare, surveillance of Americans without judicial oversight and lethal autonomy without human authorisation.
- The OpenAI CEO, Sam Altman, has said many concerning statements such as "I expect some really bad stuff to happen because of the technology" and

> "I think AI will probably most likely lead to the end of the world but in the meantime there will be great companies created with serious machine learning". His colleagues have expressed that he has a very basic understanding of coding and machine learning, noting he dropped out of university. Sam Altman has also been accused of sexually abusing his sister.

In the last fortnight, Sam Altman and Elon Musk (xAI) have supported Anthropic CEO Dario Amodei's calls to slow down AI due to the serious risks it poses. If even the top executives are concerned, we should all be very cautious.

Circular investment and instability

The circular investment between various tech hardware and software companies is very codependent and has created a somewhat artificially inflated demand.



(Bloomberg)

As it all hinges on this flow and perceived hype, the term "AI bubble" has emerged.

> At the core of the AI bubble is a basic math problem. There is a fundamental mismatch between the trillions being invested in the infrastructure to develop AI and the billions people and companies are spending to use AI. Specifically, J.P. Morgan Chase analysts anticipate $5 trillion of spending on AI infrastructure between now and 2030. This year alone, four tech companies—Amazon, Alphabet, Meta and Microsoft— have plans to invest $670 billion on AI infrastructure. When measured as a percentage of U.S. GDP, this is more than the Apollo space program, the U.S. interstate highway system, railroads, and every other major capital expenditure in U.S. history except the Louisiana Purchase, according to the Wall Street Journal. Yet OpenAI and Anthropic have annualized revenues of about $25 billion and $19 billion, respectively. Unless AI revenues grow by orders of magnitude soon, there's a Grand Canyon-sized gap that will be hard to cross.

(TIME magazine)

More recent leaked financial statements showed that OpenAI had $21 billion in losses against $13 billion in revenue.

Anthropic accidentally released the entire Claude code and it is now out in the open, showing how easily a company can lose value.

It is possible that this big arms race could all collapse and that everyone is jumping on a bandwagon to nowhere. We would rather see the huge amounts of money invested in AI to be repurposed into education, housing, health and environmental protection.

Environmental impact of data centres

These statistics are harrowing:

> **Richmond Hill, Ontario, Canada (3 June 2026)** – By 2030, the global data centres powering artificial intelligence are projected to consume 945 terawatt-hours of electricity. This is nearly triple the combined annual electricity use of Pakistan, Bangladesh, and Nigeria—countries collectively home to more than 650 million people. Their associated water footprint will equal the basic annual domestic water needs of all 1.3 billion people in Sub-Saharan Africa, and their land footprint will exceed 14,500 square kilometers, roughly twice the Jakarta metropolitan area, home to more than 32 million people.

(United Nations University)

It is not a secret that AI sucks up energy. Generative AI can use as much energy to produce one image as it takes to fully charge a smartphone and use as much energy to produce an eight-second video as it takes to run a microwave for an hour. We are already living in a period of unprecedented climate change and AI data centres will only exacerbate this further.

A one-megawatt data centre can consume up to 25.5 million litres of water each year for cooling purposes. This is competing with drinking water supplies. As many have noted, we can easily live without AI but we can't live without clean water!

Data centres can heat surrounding land by up to 9.1 degrees and produce constant high-pitch noise (however Firmus has claimed the Tasmanian infrastructure will be quieter). This is not fair to residents who have bought into an area in good faith and may have lived in their home for many decades.

We are hearing about various health impacts associated with living near data centres, including people experiencing headaches and nosebleeds, and animals in nearby farms miscarrying or not reproducing at all. Bee pollination is also disrupted by electromagnetic field vibrations. We imagine there may be more long-term impacts that are yet to show, and we expect there will be studies conducted over longer periods of time.

Australia is currently home to at least 162 operational data centres, with around 90 more in the pipeline. While these are not all for AI purposes, why do we need so many and why are they being rolled out so quickly? It is very confronting.

It has been reported that Firmus requires about 400 megawatts to power its first three proposed data centres, which would make it the largest power user in the state. This represents about 20 per cent of Tasmania's energy use, or more than the combined demand of all Tasmanian households. We were horrified to learn that there are another six on the way for Tassie. We are aware of many other enormous proposals across Australia which we see as wholly unnecessary and catastrophic for the environment.

We have also recently discovered that Firmus co-CEO Oliver Curtis went to prison for insider trading - surely not the best person to do business with!

Final thoughts

In short, we see using AI as supporting companies with dubious ethics; putting information and reputation at risk; ripping off writers and artists; and consuming a huge amount of energy, water and land for an often poor and unreliable result. We are not entirely convinced that there is safe, responsible or ethical use of AI.

We note that the focus of this parliamentary inquiry includes "protect[ing] public resources and the environment". We hope this consideration is at the forefront of all future discussions.

We ask that you very seriously consider the impacts of the planned data centres and weigh up whether they are truly a good investment for Tasmania (noting the entire AI sector could collapse at any time). We see far more pitfalls than benefits and would like to see the proposals rolled back.

We hope that decisions around AI are made very gradually and carefully, with sufficient, genuine, long-term community consultation. In our view, we really don't need AI at all - we as humans hold all of the skills we need. We need real work, art and skills to be valued properly. What's the point of being human if we just rely on robots to run our lives?

The AI takeover is not inevitable - we just need you to stand up to it.

Sincerely,

Steph Palmer and Aaron Benham