Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
By email: ec.sen@aph.gov.au

8th September 2026

Dear Secretary,

Submission to Senate inquiry into artificial intelligence and data centres

The Central Land Council (**CLC**) is pleased to make a submission into the Senate inquiry into artificial intelligence (**AI**) and data centres.

The CLC is a corporate Commonwealth entity established under the *Aboriginal Land Rights (Northern Territory) Act 1976* (**ALRA**), with statutory responsibilities for Aboriginal land acquisition and management in the southern half of the Northern Territory (**NT**). The CLC is also a Native Title Representative Body (**NTRB**) established under the *Native Title Act 1993 (Cth*) (**NTA**).

Through its elected representative Council of 90 community delegates, the CLC represents the interests and aspirations of approximately 24,000 Traditional Owners and other Aboriginal residents in the region. We advocate for our people on a wide range of land-based, economic and socio-political issues to ensure that our families can continue to survive and thrive on their land.

The CLC region spans 777,000 square kilometres across central Australia, with arid deserts in the south and vast savannahs in the north. More than half of the region is Aboriginal freehold land under the ALRA, with additional rights having been asserted and recognised under the NTA.

There is growing interest in data centre development in the NT because of its proximity to Asia, small population, large landmass, underground water reserves, and significant energy production capacity. The NT Government is encouraging data centre development and is reportedly in talks with at least 12 proponents about potential projects in the NT. This development push coincides with a marked erosion of transparency and disregard for the rights and interests of Traditional Owners, evidence-based decision making, and democratic processes more broadly since the change of government in 2024.

The CLC and its members hold significant concerns about the potential environmental, social and economic impacts of data centres in the NT without the right safeguards in place. We feel that the current regulatory environment, both at the NT and Commonwealth levels, is insufficient to manage this rapidly emerging industry.

The CLC urges the Commonwealth and NT Governments to proceed with caution and ensure that robust, uniform and enforceable minimum standards are in place and endorsed across all states and territories to minimise harm and maximise community benefit before allowing these projects to proceed. This must be based on a genuinely consultative approach with communities at the centre.

The CLC welcomes the opportunity to meet with you to discuss this submission further. To arrange a meeting or if you require further information please contact Harriet Scandol, Senior Policy Officer at harriet.scandol@clc.org.au.

Yours sincerely,



Les Turner

CHIEF EXECUTIVE OFFICER

List of recommendations

Recommendation 1: Free, prior and informed consent must be a fundamental pillar of data centre regulation and national standards.

Recommendation 2: All new data centres built in the NT must be required to undertake a comprehensive impact assessment including through consultation with relevant Traditional Owners and native title holders prior to approvals.

Recommendation 3: The Commonwealth must ensure that all jurisdictions, including the NT, are held accountable to strong, uniform national standards for data centres.

Recommendation 4: Third parties must have the right to appeal the merits of all decisions relating to data centres.

Recommendation 5: National minimum standards must include minimum enforceable standards for community benefit.

Recommendation 6: The Commonwealth should establish an Aboriginal benefits working group with Land Councils and NTRBs to explore ways communities can benefit from data centres and embed these in practice.

Recommendation 7: The Commonwealth and NT governments must collaborate with local community-led organisations to support local Aboriginal people to participate in the data centre workforce.

Recommendation 8: Data centres must be required under the national minimum standards to employ best practices to minimise water usage, including an expectation that water will be recycled in a close loop system as much as possible.

Recommendation 9: Water must not be given away for free to data centres. The Australian Government should work with the NT Government to implement a volumetric charge for water use by data centre operators in the NT to incentivise efficient water usage and cover the costs of sustainable regulation, enforcement, monitoring and independent research.

Recommendation 10: Ensure Australian environmental laws are responsive to the growing demand on water resources associated with data centres by amending the current water trigger under the EPBC Act to capture *any* action that has or will have a significant impact on a water resource or is likely to have a significant impact on a water resource.

Recommendation 11: National standards must ensure proponents undertake assessment of ecosystem impacts from land clearing that includes consideration of cultural values and mitigation of impacts on culturally and environmentally significant species through consultation with relevant Traditional Owners.

Recommendation 12: The Commonwealth should not make any bilateral agreement with the NT that allows the NT to assess and approve data centre projects under the EPBC Act.

Recommendation 13: When assessing the appropriateness of a data centre location, regulators must consider the local cultural and social context and assess the location on a project-by-project basis through consultation with affected communities.

Recommendation 14: All new data centres, including in the NT and in Queensland, should be powered primarily by renewable energy. This must be subject to rigorous cultural and environmental assessment processes and approvals.

Recommendation 15: All data centres must demonstrate that they are aligned with the Australia's emissions reduction targets.

Recommendation 16: The NT and Commonwealth governments must urgently fund projects to fix the power and water issues in the NT's remote Aboriginal communities through reinstating National Water Grid Funding for First Nations water projects and allocating funding to remote power upgrades.

Recommendation 17: The NT and Commonwealth governments should explore options to enable power from data centres to be shared with nearby remote communities, to improve the affordability and reliability of power.

Recommendation 18: In addition to recommendation (9), water revenue generated from volumetric charges should be reinvested into safe drinking water infrastructure for remote communities.

Recommendation 19: The NT and Commonwealth governments need to work with community organisations to implement programs to support Aboriginal people and remote residents to stay safe online whilst using AI.

Given the CLC's primary statutory responsibilities in the protection and promotion of Aboriginal people's rights and interests in land, this submission responds to parts (1) and (2) of the Inquiry TOR focusing on the impacts and implications of data centre development in Central Australia. In this submission we provide information on the limitations of existing regulations and environmental management in the NT and the implications for water, climate change, biodiversity, community consultation and free, prior and informed consent. The submission finishes with a brief outline of some of the CLC's concerns about the potential negative impacts of AI on our constituents.

1. Free, prior and informed consent must be a non-negotiable pillar of these regulations.

There is a clear mood of public distrust towards data centres in Australia[1] and internationally and this is reflected amongst the CLC's membership. This industry is relatively new, unknown, and rapidly growing. As data centres become a widespread part of our digital and economic infrastructure, a genuine and enduring social licence to operate will be essential. This can only be achieved when Traditional Owners[2] and affected communities have a genuine seat at the table in decision making.

In the CLC region, many Traditional Owners are fortunate to exercise strong rights over their land through ALRA and the NTA. ALRA grants Traditional Owners a right to veto proposals on their land if that is their wish. Under the NTA, proponents wishing to construct and operate a data centre where native title rights exist would need to enter into an Indigenous Land Use Agreement (**ILUA**).[3] Governments and project proponents must respect the wishes of Traditional Owners if they object to projects on their land.

At the CLC's council meeting in August 2026, delegates expressed the importance of data centre proponents being up front and providing a full picture when they are asking Traditional Owners to decide on projects. One delegate told the CLC:

> *"When they put that gas pipeline through the NT across from Queensland, they asked us to put that gas pipeline and we gave permission, then they asked for fracking… What I'm saying to our countrymen where this place gonna be built - what are we agreeing to? … Make it clear. We gotta be very sure." – Region 6 delegate*

Traditional Owners, affected communities, and their representatives need sufficient time, detail, and resources to make informed decisions about project proposals. Proponents should be required to undertake comprehensive risk assessments, including Traditional Owner impact assessments, and provide them upfront for Traditional Owners to consider. Proponents must also provide details about the leadership and financial position of the company, and what the data centre will be used for.

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[1] Wiggins, J. (2026). Data centres face 'significant financial risk' from community backlash. Australian Financial Review. 17 August 2026. https://www.afr.com/companies/infrastructure/data-centres-face-significant-financial-risk-from-community-backlash-20260817-p60p0u

2 The use of the term 'Traditional Owners' is used to include all types of Aboriginal landowners including traditional Aboriginal owners as defined in ALRA and native title holders as defined in the Native Title Act 1993 (Cth)

[3] Native Title Act 1993 (Cth) Part 2, Division 3, Section 24GB does not cover non-primary production activities.

Consent is not just given once when an agreement is signed; true consent requires an ongoing partnership between data centre operators, Traditional Owners, and affected communities.

Recommendation 1: Free, prior and informed consent must be a fundamental pillar of data centre regulation and national standards.

Recommendation 2: All new data centres built in the NT must be required to undertake a comprehensive impact assessment including through consultation with relevant Traditional Owners and native title holders prior to approvals.

2. Rigorous minimum standards must be mandated and applied equally across all jurisdictions

The Commonwealth and state and territory governments must work together to agree on strong minimum standards that minimise harm and maximise community benefit. Otherwise, there may be a 'race to the bottom' where data centres will be concentrated in the jurisdiction with the weakest regulations. We are already seeing this in other areas such as online gambling regulation.

In his address to the National Press Club on the 5th of August 2026, the Energy and Climate Minister Chris Bowen said, *"the Commonwealth will not be standing by and letting a race to the bottom of states falling over themselves to attract data centres, at the cost to household bills, reliability or emissions… these new rules will be a national standard. States and territories will be free to add more rigorous requirements if they feel that is appropriate for their circumstances, but not to water them down."*[4]

The CLC was disappointed that less than a month later the Commonwealth agreed to exempt the NT and Queensland governments from the proposed requirement that all new data centres be powered by renewables.[5] This exemption legitimises the use of coal and gas, including fracked gas, for data centres. This not only undermines Australia's climate targets but risks the safety of the NT's groundwater. The CLC's strongly held view is that it was premature to make such a consequential decision to exempt these jurisdictions from the national standards prior to receiving public feedback through this inquiry process.

The NT Government has given its support to several proposed data centres across the NT without conducting any public consultation or speaking to Traditional Owners. This follows a pattern of eroding community rights and legislative protections and thereby undermining the legitimate cultural, social and environmental concerns of Traditional Owners.

Since coming to power in 2024, the NT Government has introduced legislative changes that sideline stakeholders and seek to expedite approvals processes. First, in 2024 the NT government established the Territory Coordinator, an unelected bureaucrat with unprecedented and wide-ranging powers to override regulations and exempt 'significant projects' from 32 pieces of legislation (**Scheduled Acts**).[6] These Scheduled Acts include the *Water Act 1992*, the *Environment Protection Act 2019*, the

[4] https://minister.dcceew.gov.au/bowen/speeches/speech-national-press-club-canberra

[5] Tregenza, H. (2026). Queensland allowed to use coal, gas for data centres despite renewables push. 26 August 2026. https://www.abc.net.au/news/2026-08-26/gun-licences-restricted-to-citizens-data-centre-carve-out/107079926

[6] See *Territory Coordinator Act 2025 (NT): Scheduled Acts*

Planning Act 1999, the *Territory Parks and Wildlife Conservation Act 1976*, and the *Heritage Act 2011*. The Territory Coordinator, or the Minister for the Territory Coordinator, is also empowered to 'step in' and make decisions in place of experienced decision makers or to vary their decisions.[7]

Second, in 2025 the NT Government removed the right of third parties to seek merits review of decisions relating to water, planning, and petroleum.[8] This means that third parties such as Traditional Owners, environmental experts, and affected communities no longer have the right to appeal decisions on matters like land clearing and water licenses based on the merit of that decision. The CLC's view is that merits review is a standard and vital part of democracy to improve and ensure fair decision-making. The Bill was not subject to scrutiny by the Legislative Scrutiny Committee or developed through any public consultation.

Third, in 2024 the NT Government also made a raft of changes to the *Northern Territory Aboriginal Sacred Sites Act 1989* against the recommendations of the CLC and without consulting Traditional Owners.[9] These changes included allowing the transfer of Authority Certificates between proponents without consultation with custodians for projects, even if the scope and scale of the project did not match original consultations. These changes weakened protections for sacred sites and undermined cultural authority and control over sacred site protection and access.[10]

These considerable changes undermine legitimate community concerns about developments, disempower stakeholders, and weaken trust in governments and developers. The Commonwealth needs to assert uniform, mandatory minimum standards to give NT residents and Traditional Owners confidence that data centres are subject to rigorous approvals.

Recommendation 3: The Commonwealth must ensure that all jurisdictions, including the NT, are held accountable to strong, uniform national standards for data centres.

Recommendation 4: Third parties must have the right to appeal the merits of all decisions relating to data centres.

3. National minimum standards must include strong, enforceable mechanisms to deliver community benefit.

Part of the reason for the high levels of distrust in data centres is that neither the Commonwealth nor the NT Government has successfully articulated the benefit to communities. Communities are increasingly aware of the negative externalities such as noise and light pollution, high consumption of power and water, and competition for land use, whilst the benefits remain opaque.

With the right regulations in place, the Commonwealth must ensure that Traditional Owners and affected communities are included in the economic opportunities of data centres. At a minimum this would require fair financial compensation for environmental impacts, land and water usage, and

[7] See CLC and NLC's joint media release expressing concerns the Territory Coordinator Bill from March 2025 and other media coverage of the controversial Bill: What is the NT's territory coordinator bill and what laws could it override? - ABC News
[8] See *Petroleum, Planning and Water Legislation Amendment Act 2025*
[9] Bin your bill until you have consulted with us about our sacred sites - Central Land Council May 2025
[10] For more detail see CLC's submission Inquiry into the Northern Territory Aboriginal Sacred Sites Legislation Amendment Bill 2025 - Central Land Council April 2025

impacts on amenity, and local training and employment opportunities. This could be expanded to include shared ownership, investment in local power, water and road infrastructure, contributions to community development funds, or the investment in the protection and restoration of neighbouring habitat. We cannot rely on the data centre industry to deliver community benefit of its own good will. Without this clear expectation from government, data centres risk becoming yet another extractive industry that derives benefit from Aboriginal land without delivering benefits to Aboriginal people.

There may be some employment opportunities for local Aboriginal people on data centres in construction, maintenance, security and community engagement. However, in the near future we expect the workforce to be primarily FIFO – indeed Project Ares has stated they will employ up to 4,500 FIFO workers. With government leadership in collaboration with local organisations, Aboriginal people could gain the education and training to take on more complex operational jobs as engineers, electricians, technicians and data analysts. Data centres should not operate on FIFO workers alone; strong local employment initiatives can help to retain value in the community.

Recommendation 5: National minimum standards must include minimum enforceable standards for community benefit.

Recommendation 6: The Commonwealth should establish an Aboriginal benefits working group with Land Councils and NTRBs to explore ways communities can benefit from data centres and embed these in practice.

Recommendation 7: The Commonwealth and NT governments must collaborate with local community-led organisations to support local Aboriginal people to participate in the data centre workforce.

4. <u>Water is a precious resource and must be protected</u>

Water holds profound cultural, spiritual and economic significance for Aboriginal people in central Australia and across the country. Waterways, aquifers and springs are often sacred sites connected by songlines that form part of the living cultural landscape. Traditional Owners have personal responsibilities to protect these places and country for future generations and damage to water places can cause physical, spiritual and social injury and illness, as well as erode culture, language and the biodiversity values of land. Access to good drinking water is also fundamental to being able to live on Country.

Advocating to protect Aboriginal peoples' water rights is a key priority for the CLC, affirmed by our delegates at the CLC council meeting in Kalkarindji in August 2025. There is already competition for scarce water resources in the CLC region from mining and energy production, agriculture, pastoral and domestic use.

One of our delegates told the CLC:

> *"It's a desert in the centre here, it's desert. If they take that water away from us, what we gonna drink? It's precious, kwatje. It's our life. Without that, we gone… gotta think about that kwatje, it's precious for us. They gonna take it both ways from us, from fracking and the data centres." –CLC delegate.*

The CLC has consistently documented our constituents' concerns about the NT Government's management of water in the NT.[11] NT water governance is characterised by a lack of transparent and enforceable planning and disregard for Aboriginal peoples' perspectives, rights and interests, Aboriginal cultural values, and environmental health. The CLC is deeply concerned by the lack of meaningful engagement with Traditional Owners and the failure of the NT Government to adequately take into consideration ecological and cultural impacts before approving high-impact developments and associated licences.

For example, the High Court of Australia recently overturned the NT Government's decision to grant the controversial 40,000ML water licence for an irrigated horticultural project at Singleton Station. [12] This was by far the largest groundwater licence in the NT, and likely all of Australia, granted at no cost, despite clear and united opposition of native title holders (given the significant and irreversible impacts this unprecedented scale of water extraction is modelled to have on groundwater dependent ecosystems and cultural values) and a cost-benefit analysis that demonstrated very little in the way of local economic benefits, let alone benefits for Traditional Owners or other local Aboriginal people. The High Court ruled that the Singleton Station water licence was unlawfully granted because a 30-year licence, instead of the standard 10-year licence, was not properly justified and that native title holders were denied procedural fairness in the licensing process.

Further examples of poor water management in the NT include:

a) The NT Government continues to fail to comply with the Native Title Act by refusing to acknowledge that water licences constitute future acts under the Native Title Act, denying native title holders of their basic rights under Commonwealth statute to be notified about water extraction activities and their right to compensation.
b) The Productivity Commission's 2024 Inquiry reported that the NT is non-compliant with its commitments to national best practice standards for water management set by the National Water Initiative and is backsliding in key areas.[13]
c) Water allocation plans for NT water planning areas are not binding on decision-makers and have been stripped back to the bare minimum. They fail to protect Aboriginal cultural values and groundwater-dependent ecosystems and are increasingly drafted by the NT Government staff without Water Advisory Committees or solid evidence bases (and as such have been the subject of much controversy[14] and even litigation[15]).
d) Outside of water planning areas - the overwhelming majority of the NT - the NT Government continues to rely on a severely outdated two-page policy document from 2000 that allows the mining of arid aquifers, without any statutory or scientific basis and no mention of stakeholder engagement or Aboriginal cultural values.[16]

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[11] See the CLC's submission to the Productivity Commission's Inquiry on National Water Reform May 2026 and joint submission with the Northern Land Council to the Australian Government on the *Future National Water Agreement* in May 2024.

[12] Mpwerempwer Aboriginal Corporation RNTBC v Minister for Territory Families and Urban Housing as delegate of the Minister for the Environment [2026] HCA 23; see also High Court rules in favour of native title holders fighting Northern Territory water licence - ABC News; High court blocks plan to extract two Sydney Harbours' worth of groundwater from the desert | Indigenous Australians | The Guardian

[13] Productivity Commission, 2024 *Inquiry into National Water Reform*.

[14] For example, see CLC Submission - Draft Alice Springs Water Allocation Plan 2026-2036; NT government reveals new Mataranka, Western Davenport water plans in raft of environment reforms - ABC News; FOI documents show Eva Lawler approved controversial water plan in two days, while environment minister was on holiday - ABC News

[15] Traditional owners travel to Darwin as fight over aquifer reaches NT Supreme Court - ABC News

[16] See the NT Water Allocation Planning Framework

e) There are no legislated minimum standards for safe and accessible drinking water in remote Aboriginal communities and drinking water security and quality challenges are ongoing and significant in many communities (see more detail at section 8 below).

The CLC and the Northern Land Council recently advocated for the federal water trigger under the *Environment Protection and Biodiversity Conservation Act* **(EPBC Act)** to be strengthened during the legislative review and reform process to cover all large-scale water projects. If agreed this would have provided a higher level of scrutiny and protection for the NT given the significance of our concerns about the NT's water management. Groundwater management is a matter of national interest, and the narrow scope of the current water trigger, which applies only to fossil fuel projects, undermines its purpose to provide a consistent national framework to oversee, manage and protect Australia's nationally significant groundwater resources. We reiterate these calls to the Australian Government to ensure federal laws keep up with the demand of data centres on our water resources, and ask the Australian Government to explore all other avenues to incentivise improved accountability and decision-making for water management in the NT.

4.1 Data centres should pay for their water use

In the NT, water remains free for developers to acquire and use (subject to small government application fees). There is no pricing regime for licenced water to recover costs for sustainable management including research, regulation, monitoring and compliance or administration. This means the NT government has granted licences for vast amounts of water without charge to companies deriving private profit. Until water is properly valued and priced for private development, there is little incentive for industry to improve water efficiency, and the NT has no way to recoup the costs for sustainable water management.

Recommendation 8: Data centres must be required under the national minimum standards to employ best practices to minimise water usage, including an expectation that water will be recycled in a close loop system as much as possible.

Recommendation 9: Water must not be given away for free to data centres. The Australian Government should work with the NT Government to implement a volumetric charge for water use by data centre operators in the NT to incentivise efficient water usage and cover the costs of sustainable regulation, enforcement, monitoring and independent research.

Recommendation 10: Ensure Australian environmental laws are responsive to the growing demand on water resources associated with data centres by amending the current water trigger under the EPBC Act to capture *any* action that has or will have a significant impact on a water resource or is likely to have a significant impact on a water resource.

5. <u>Data centres must not damage the cultural and environmental values of the NT.</u>

Aboriginal people in Central Australia have been caring for Country for millennia. But the impacts of colonisation have seen the region become a hotspot for mammalian extinction and widespread biodiversity decline. Through its ranger program, the CLC supports Traditional Owners and residents to combine traditional ecological knowledge with western science to preserve habitat and protect vulnerable species from threats like land clearing, weeds, and feral animals. The impacts of

ecological decline are felt deeply by Aboriginal people whose physical, emotional and spiritual health are intimately connected with the health of Country.

Hyperscale data centres, particularly those powered by solar, will require extensive land clearing. For example, the Project Ares hyperscale data campus proposed by Energy North on Murranji Station will require the clearing of 19,500 hectares of land that includes endangered Greater Bilby habitat. The NT does not have adequate laws to protect native vegetation and biodiversity – instead it has a patchwork of outdated laws that fail to prioritise biodiversity values over industrial and pastoral demands. The CLC is concerned that a failure to adequately consider the ecosystem impacts of largescale habitat destruction will further threaten the region's unique flora and fauna and critical habitat refugia.

In addition, data centres emit a constant low-level hum from power generation and cooling systems that can disturb wildlife. They may also generate artificial light which disrupts animal behaviour by masking the natural light signals that influence sleep, navigation, and reproduction. This can have consequences for whole ecological communities.[17]

As noted in section 2, the NT Government has legislated measures to exclude stakeholders and circumvent proper approvals processes, which leaves the Territory's cultural and environmental values at risk. The CLC calls on the Commonwealth to ensure that all data centre applications are subjected to thorough, science-based, and independently verified environmental impact assessments – not fast-tracked approvals. The Commonwealth should not make any bilateral agreement with the NT that allows the NT to assess and approve matters under the EPBC Act.

Recommendation 11: National standards must ensure proponents undertake assessment of ecosystem impacts from land clearing that includes consideration of cultural values and mitigation of impacts on culturally and environmentally significant species through consultation with relevant Traditional Owners.

Recommendation 12: The Commonwealth should not make any bilateral agreement with the NT that allows the NT to assess and approve data centre projects under the EPBC Act.

6. Decisions on appropriateness of locations needs to consider local cultural contexts.

Many communities across Australia have pushed back against the construction of data centres due to noise, air pollution, visual amenity, and environmental disturbance. This is causing data centre developers to look for alternatives to the outskirts of major cities. As noted, the NT has been identified as an attractive location for data centres because of its proximity to Asia, vast land mass and small population. The CLC cautions the Australian Government and regulators to avoid making any assumptions about Central Australia as 'appropriate' land based solely on the metric that it has less dense human settlement. This extractive view of the land contradicts Aboriginal peoples' perspective on and relationship to Country and dismisses the rich biodiversity and ancient cultural heritage of this land.

[17] DCCEEW (n.d.) Light Pollution. https://www.dcceew.gov.au/campaign/light-pollution Accessed on 31 August 2026.

Recommendation 13: When assessing the appropriateness of a data centre location, regulators must consider the local cultural and social context and assess the location on a project-by-project basis through consultation with affected communities.

7. Data centre approvals must take climate change into account.

Aboriginal people living in remote communities are on the forefront of the climate crisis in Australia. Projections under the National Climate Risk Assessment suggest that parts of the NT, which have been continually inhabited and cared for by Aboriginal people for millennia, could become practically unliveable in our lifetime.[18] In Central Australia we are already experiencing hotter temperatures, more intense heatwaves, harsher and more frequent fire weather, longer periods in drought, more erratic rainfall and aquifer recharge, an increase in the likelihood of major flood events, drier soils, increased evapotranspiration, and increased risk of erosion.[19]

Despite its commitment to Australia's net zero by 2050 target, the NT Government currently has no credible plan for climate mitigation or adaptation. As such, there are no safeguards in place under NT rules that ensure data centres are aligned with Australia's climate targets. The proliferation of hyperscale datacentres – regardless of how they are powered - will profoundly undermine Australia's climate targets and contribute to the existential threat of climate change faced by people in Central Australia. On one hand, gas-powered datacentres will generate significant greenhouse gas emissions. On the other hand, renewables-powered data centres will require vast land clearing that will generate its own emissions, threaten biodiversity and hinder natural carbon sequestration.

In our joint submission to the Commonwealth Government's proposed reforms to the EPBC Act in November 2025, the four NT Land Councils called on the Commonwealth to introduce a climate trigger, which would require the environment minister to consider the climate impacts of a project. The CLC reaffirms those calls now in relation to data centres.

Recommendation 14: All new data centres, including in the NT and in Queensland, should be powered primarily by renewable energy. Renewable infrastructure must be subject to rigorous cultural and environmental assessment processes and approvals.

Recommendation 15: All data centres must demonstrate that they are aligned with the Australia's emissions reduction targets.

8. We must close the gap in essential services delivery before investing in infrastructure for data centres.

The CLC rejects the assertion that the NT has abundant power and water for data centres. Aboriginal people living in Central Australia face some of the highest levels of energy and water insecurity in the country. Of the 32 communities powered by Indigenous Essential Services (a subsidiary of the Power and Water Corporation) in the CLC region, 24 communities' primary water sources are classified as high, very high, or extreme risk. Twenty-seven face either a very high or extreme risk of

[18] Australian Climate Service (2025). Australia's National Climate Risk Assessment.

[19] CSIRO (2020) Climate Change in the Northern Territory: State of the science and climate change impacts; Australian Security Leaders Climate Group (2024) Too Hot to Handle? The Scorching Reality of Australia's Climate-Security Failure, (weblink)

water contamination by pathogen or chemicals, and two have water that does not currently meet the safety standards set by the Australian Drinking Water Guidelines. Ten communities' power grids are at capacity, which prevents the construction of new houses, development of new community infrastructure, and addition of essential appliances like air conditioning.

Meanwhile, there are data centres being proposed that will consume volumes of power and water that eclipse the Territory's domestic resource use. For comparison, Project Ares will have capacity of 1GW, which is approximately four times the gross demand of the Darwin-Katherine Interconnected System (DKIS) in the middle of the day. It is also seeking a four gigalitre per year water licence, which is half the annual water consumption of the town of Alice Springs.

There is currently no significant funding allocated towards proper upgrades of the power and water infrastructure in remote communities. Guided by our members, the CLC has been active in advocating to the Australian Government to re-instate the funding for First Nations drinking water infrastructure through the National Water Grid. The CLC was deeply concerned by the Australian Government's decision to repurpose the remaining funds in the latest budget given the ongoing need for the critical funding.

The CLC is also concerned that resources including capital and skilled labour could be redirected towards data centres at the expense of remote communities who urgently need that capacity. For example, Project Ares expects to employ 4,500 workers during the construction phase, which may increase costs and decrease supply of skilled workers needed to build houses and community infrastructure, grade roads and so on.

One of the ways that data centres could reinvest into the community in the NT would be through the sharing of power generation. Data centres, that meet stringent environmental and cultural assessment requirements that are constructing new generation capacity, whether through solar or gas, could assist nearby communities by providing power at a reduced cost, to help address issues with the affordability, reliability and volume of power.

Recommendation 16: The NT and Commonwealth governments must urgently fund projects to fix the power and water issues in the NT's remote Aboriginal communities through reinstating National Water Grid Funding for First Nations water projects and allocating funding to remote power upgrades.

Recommendation 17: The NT and Commonwealth governments should explore options to enable power from data centres to be shared with nearby remote communities, to improve the affordability and reliability of power.

Recommendation 18: In addition to recommendation (9), water revenue generated from volumetric charges should be reinvested into safe drinking water infrastructure for remote communities.

9. <u>AI is already having negative consequences on Aboriginal communities.</u>

The CLC has several concerns about the proliferation of AI and its impacts on our constituents:

- As a major employer of Aboriginal people in the region, the CLC is concerned that the automation of entry-level jobs will affect employment pathways, especially for young Aboriginal people who already have the highest rates of unemployment in the country.
- Generative AI is already resulting in breaches of cultural and intellectual property rights. For instance, AI is already being used to produce false Aboriginal art without the free, prior and informed consent of artists and cultural leaders. The CLC is also alarmed by the creation of deepfakes that claim to be Aboriginal people, such as the AI-generated character 'Jarren' depicted on the social media account 'The Bush Legend'.[20] AI-generated depictions like these misappropriate Aboriginal culture and can perpetuate racist stereotypes.
- Regular use of social media and lower rates of digital literacy amongst users of all groups make Aboriginal people more vulnerable to scams or fake content.
- Our members expressed concerns about the impacts of AI and data centres on their privacy. Derek Williams, region four delegate from Yuendumu said, *"You take photos of your family, it goes to that database there. And it'll keep it there. All your private things will be kept there. You don't want that. That's taking away our privacy too… You gotta think about what's gonna come after that."*

Recommendation 19: The NT and Commonwealth governments need to work with community organisations to implement programs to support Aboriginal people and remote residents to stay safe online whilst using AI.

[20] Guenzler, J (2026) *Social media accounts featuring AI-generated Indigenous host slammed as 'digital Blackface.' National Indigenous Times. 19 January 2026.* https://nit.com.au/19-01-2026/22183/this-aboriginal-man-is-not-real-and-it-is-not-ok