Have Your Say

CLOSES SEPTEMBER 1

Federal Senate Inquiry - Artificial Intelligence & Data Centres

THE ISSUE

The Environment and Communications References Committee is conducting an inquiry on artificial intelligence (AI) and data centres. ***These involve enormous environmental threats, especially in the NT. Community submissions are needed to balance industry pressure and governance shortcomings.***

PROBLEM PART 1 – Environmental harm & risks

Hyperscale datacentres involve huge amounts of energy, water and environmental damage. Threats include:

- **Greenhouse gas emissions** – e.g. the recently announced Beetaloo Digital hyperscale datacentre proposal near Darwin requires 2 gigawatt of on-site power generation using fracked gas (enough to power over 2 million homes) [1]
- **Water use** – e.g. Project Ares proposed in the Barkly plans to take 4,000,000,000 litres of groundwater [2] - enough to supply at least 10,000 people[2a]. Extraction also takes water away from groundwater dependent ecosystems.
- **Water and soil contamination** including refrigerants, concentrated salts, metals, nitrites, biocides and bacteria [3,4,5] and other chemicals used through the facility including underground fuel storage, E-waste and human waste**.** These can pose risks to aquifer, waterways and wetlands.
- **Land clearing harms ecosystems & species -** e.g**.** Project Ares wants clear up to 191 square kilometres in a Greater bilby stronghold. [2] (The entire Alice Springs municipality is 330 square kilometres!)
- **Risks from Solar -** Solar precincts of this size cause major harm to birds, bats and insects. Projects elsewhere of Project Ares' size are estimated to cause tens of thousands of bird deaths annually [6].
- **Unchecked data demand** Hyperscale data centres do not reveal who they supply services to. We do not know if users are ethical. There are no rules to minimise data storage and processing demands and hence environmental footprints.

PROBLEM PART 2 - Regulatory vacuum

There are no dedicated laws or binding industry standards for datacentres or AI.

Data centres can be built in different ways with very different environmental impacts.

Without rules, design decisions will be based on minimising cost. It will be a race to the bottom between jurisdictions.

<u>Northern Territory Government</u>

The NT Cabinet (CLP Ministers) wants big datacentres. Yet it has produced no environmental standards/guidelines for datacentres, only a brochure promoting the opportunity to investors [7].

The *Territory Coordinator Act 2025* lets the Chief Minister 'step-in' to potentially override many NT statutory processes or statutory decisions which could mitigate environmental impacts.

Not taking climate change seriously: the NT Government is actively spruiking gas from the Beetaloo Basin as a power source. All other states and territories (except Queensland) have stated they will not power their centres with fossil fuels [8].

Supply of solar power at the scale needed also has severe environmental consequences [9].

Water risks: NT water allocation plans:

- Are not binding [10]
- Lack legal protection for water allocations for the environment [10]
- Do not cover all water sources. In the absence of a plan groundwater mining is permitted in arid zone [11].
- Give water away free (licence holders do not pay for the water they take - exceptions for frackers).

Decisions on data centres are being made *ad hoc*. Despite secret negotiations with companies there has been no public consultation on a territory wide plan or design rules.

ABOUT THE INQUIRY

Link

Who

The Environment and Communications References Committee is a Federal Senate standing committee covering issues within the portfolios of Climate Change, Energy, the Environment and Water, and Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

Inquiry Purpose

Report on AI and data centres, with particular reference to:

1. The effectiveness of existing regulatory frameworks in managing the growth of data centres in Australia, including in relation to existing and future deals between the Government and global AI companies;
2. The potential impacts of AI and data centres on Australian communities, industries and the environment, water and energy; and any other related matters.

WHAT IS A HYPERSCALE DATA CENTRE

Large, centralised facilities designed to meet the needs of large cloud computing, IT and increasingly AI providers.

Either owned and operated directly by technology companies, or developed and managed by a data centre operator [10].

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PROBLEM PART 2 (cont.)

Australian Government

Australian Government requirements are just a voluntary "statement of expectations"[11].

The Government has promised legislative improvements, but these are not in place. It is unclear if they will be sufficient and written free from industry interference[13].

The Northern Territory is already lobbying for fossil fuels to be allowed to power data centres

Federal environmental legislation (*Environmental Protection and Biodiversity Conservation Act 1999*) could do more to safeguard NT environments at risk under weak Territory laws. For example we need better protections for groundwater dependent ecosystems, threatened environmental communities, wetlands of international significance, aquifers without water allocation plans and aquifers which cross state borders.

RECOMMENDED VIEWING (SATIRE)

The Juice Media, AI and Datacentres:
https://www.youtube.com/watch?v=kON2ZI2BNj8&list=PLrQu8dSg1bHYH4Iz4y3q2sBTQpwuXZ-2H&index=14

SUBMISSION TIPS

LODGE SUBMISSION HERE:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/AIdatacentres48P

SUGGESTIONS:

1. National Moratorium on data centres until laws are in place.
2. The Federal government to stand firm and draft comprehensive laws, with data centre and AI companies kept at arms' length to stop industry lobbying and interference.
3. Strong, consistent national protections and approval processes under federal legislation, to guard against shortcomings and recalcitrance in the NT (and Queensland)
4. To manage NT circumstance:
    a. Mandate no fossil fuels for data centres and no offsetting from carbon capture and storage (this is too little to late)
    b. Urgent review of protected matters under the Federal EPBC Act and international conventions.
        i. **Groundwater dependent ecosystems** – these biodiversity hotspots are vulnerable to the shortcomings of NT water laws. GDEs need Federal safeguarding as new 'protected matter' under EPBC Act - see GDE case card [14].
        ii. Review and update the list of **threatened ecological communities in the NT** (NT has only 2 of the over 500)
        iii. **Protect wetlands that qualify for inclusion under international conventions** (e.g. Lake Woods need to be listed under the Ramsar convention)[15]
5. The Federal Government mandate that the NT produce a plan for AI datacentres/zones that optimises the public interest and includes public consultation, rather than the wishes of developers.

NOTE. These suggestions cover only environmental issues particularly with data centres – this inquiry is also a chance to raise your concerns about artificial intelligence.

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