

c/o Committee Secretary
Senate Environment and Communications References Committee
Parliament House
Canberra ACT 2600
Via email: ec.sen@aph.gov.au

11 September 2026

Dear Senate Committee,

RE: Submission to the Senate Inquiry into Artificial intelligence and data centres

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a submission to the Senate's Environment and Communications References Committee Inquiry into *Artificial intelligence and data centres*.

ALCA represents organisations that work to conserve, manage, and restore nature on privately managed land. The conservation efforts of our 23 member organisations have influenced over 9.3% of Australia with more than 4,000 landholders; we have over 70,000 supporters and our combined annual turnover exceeds \$400 million.

Together, ALCA and our members address some of the most pressing conservation issues across the country, by restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and deploying nature-based solutions to mitigate climate change.

Our submission focuses on part (b) of the Terms of Reference (*"the potential impacts of AI and data centres on Australian communities, industries and the environment, water and energy"*).

Summary

The current and future environmental impacts of data centres – especially via water impacts – are serious and well-known¹. Some of the key impacts relating to biodiversity are listed below:

Land-use conflict with conservation landscapes

This includes the siting of new data centres and the associated transmission lines, roads, pipelines, substations, energy infrastructure, mining and extractive activities required to supply construction materials, and critical minerals. Impacts can include clearing of native vegetation (leading to fragmentation of habitat and disruption to ecological corridors), disturbance of threatened species and destruction of their habitat, and pressure on Indigenous-managed land and cultural landscapes.

¹ Just for example: <https://www.lincolninst.edu/publications/land-lines-magazine/articles/land-water-impacts-data-centers/>; <https://www.climatecouncil.org.au/wp-content/uploads/2026/06/CC-Report-Data-Centres.pdf>; and <https://www.abc.net.au/news/2025-08-27/ai-to-take-up-one-quarter-of-sydney-water-in-a-decade/105700928>.

In addition to these landscape-scale impacts, data centres can affect nearby communities and ecosystems through waste heat emissions, noise from cooling systems and backup generators, visual intrusion, lighting, and increased construction traffic. These impacts should form part of environmental assessment and siting decisions.

Water impacts

Data centres can require substantial volumes of water for cooling and associated operations, placing pressure on water tables, rivers, wetlands, aquifers, and groundwater-dependent ecosystems. These risks are heightened by declining rainfall and runoff, more frequent and severe drought, competition among urban, agricultural, environmental, and industrial users, limited transparency about actual water consumption, the cumulative impacts of multiple facilities, and the water requirements of associated energy and industrial infrastructure. The potential scale of this demand risks additional pressure on public drinking water supplies and already stressed rivers and aquifers.

Climate impacts

Data centres may increase emissions through their construction, embodied materials, backup generation, and ongoing operations, while their electricity demand may also prolong reliance on fossil fuels or delay the retirement of coal and gas infrastructure. The associated expansion of renewable generation, transmission, storage, firming capacity, and critical mineral extraction may create further environmental pressures. These impacts risk intensifying the climate pressures already facing Australian species, ecological communities, rivers, wetlands, and landscapes, particularly where additional clearing or water use undermines habitat connectivity, threatened species recovery, or the resilience of conservation reserves.

Key recommendations

Mandatory standards for data centres must include the environment

1. Any national standards or guidance for data centres must include environmental requirements. This means, at minimum, that data centres and their siting does not significantly impact upon protected areas for conservation, threatened species habitat, threatened ecological communities, significant water resources and systems, cultural landscapes, and other areas of significant environmental value.

It was deeply concerning that the recent meeting of National Cabinet in which ‘National AI laws in Australia’s Interests’ were discussed, no reference was made to the environment². Just as energy, water use, and (general) land-use were raised as key issues in the summary of National Cabinet summary, so should the environment also be raised. The environment is intrinsically valuable, but also underpins national prosperity, with 49% of Australia’s GDP either moderately or heavily reliant upon nature according to World Economic Forum methodology³. There must be environmental standards included in the proposed mandatory standards.

² <https://www.pm.gov.au/media/meeting-national-cabinet-26-august-26>

³ <https://www.acf.org.au/news/the-nature-based-economy-how-australias-prosperity-depends-on-nature>

No fast-track approvals for data centres

2. The environmental impacts of large data centres can reasonably be expected to be significant, especially environmental impacts via impacts upon water. On this basis, fast-track approval processes under the *EPBC Act* should not be utilised for data centres, and the Act should be explicitly amended to remove access to fast-track approvals for data centres. State jurisdictions should mirror this approach.

Certain data centres may be deemed strategic infrastructure and therefore considered under the national interest exemptions for standard environmental assessment process under the *EPBC Act*. However, fast-tracking risks incomplete assessment, reduced community input, inappropriate siting, and approvals occurring before appropriate regulatory safeguards are in place.

It should also be noted that long-term data sovereignty, cyber resilience, critical infrastructure security, and economic resilience will all depend on maintaining healthy ecosystems, reliable water resources, and climate resilience.

Water considerations

3. The *EPBC Act* should be amended to bring at least medium and larger-scale data centres within the scope of the Act's 'water trigger', namely, that there be a requirement to comprehensively assess the impacts on water resources from data centres beyond a certain size (such, for example, at least data centres with footprints bigger than 1,500m²) where there is likely to be a significant impact on a water resource (as defined in the Water Act 2007⁴ to include surface water, groundwater, water courses and bodies; and also includes organisms and other components and ecosystems that contribute to the physical state and environmental value of the water resource).

Proposals should demonstrate compatibility with climate-adjusted regional water availability and assess impacts on rivers, wetlands, aquifers, groundwater-dependent ecosystems, and environmental water needs, including during drought and low-flow conditions.

4. Construction and operational standards for data centres should include stringent and legally enforceable water efficiency requirements.

This means requiring best-practice cooling technologies, including dry or hybrid cooling systems where feasible, and prioritising the use of recycled or non-potable water sources.

No regional bias in favour of data centres

5. Data centres being contemplated for remote, rural and regional Australia should not be treated differently to urban Australia.

Where AI workloads do not require low-latency urban locations, developers may increasingly seek remote and regional sites. This increases the importance of rigorous assessment of biodiversity, water availability, cultural heritage, energy infrastructure requirements, as well as cumulative regional impacts. Remote and regional landscapes, such as many that ALCA member organisations manage, must not be treated as 'more available' for development

⁴ Section 4: "water resource means: (a) surface water or ground water; or (b) a watercourse, lake, wetland or aquifer (whether or not it currently has water in it); and includes all aspects of the water resource (including water, organisms and other components and ecosystems that contribute to the physical state and environmental value of the water resource).";
<https://www.legislation.gov.au/C2007A00137/latest/downloads>

simply because they are less densely populated, less economically developed or assessed at simple face-value (i.e. prior to a rigours assessment) as having less environmental value.

Cumulative impacts need to be fully accounted for.

6. Given the significant impacts that can be expected from larger data centres but also cumulatively, particular care should be given to ensure that cumulative impacts are fully assessed.

ALCA and its member organisations look forward to engaging with the Inquiry and its deliberations.

Australian Land Conservation Alliance

About the Australian Land Conservation Alliance

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Our twenty-three member organisations are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Biodiversity Legacy
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nari Nari Tribal Council
- National Landcare Network
- Nature Foundation
- North Australian Indigenous Land and Sea Management Alliance
- NRM Regions Australia
- Odonata
- Queensland Trust for Nature
- Rainforest Rescue
- South Endeavour Trust
- Tasmanian Land Conservancy
- The Nature Conservancy Australia
- Trust for Nature (Victoria)
- Wildlife Bank Trust
- World Wildlife Fund - Australia

ALCA member land conservation efforts have influenced over 9.3% of Australia with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$400 million. Together ALCA and its members address some of the most pressing conservation issues across the country, including restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and deploying nature-based solutions to tackle climate change.

Through their active land management, ALCA member organisations are deeply embedded in rural communities and economies, providing jobs, securing significant regional investment, and safeguarding remaining native habitat, with its many positive spillover effects for community, wellbeing, and food security. We seek to demonstrate the role and value of land conservation as a cornerstone of the Australian economy.

Some ALCA members are statutory entities; the views expressed in this submission do not necessarily represent the views of the Government administering those statutory entities.