The Hon Anthony Albanese MP, Prime Minister
The Hon Chris Bowen MP, Minister for Climate Change and Energy
The Hon Andrew Charlton MP, Assistant Minister for Science, Technology and the Digital Economy
Senator the Hon Tim Ayres, Minister for Industry and Innovation, Minister for Science
Parliament House
Canberra ACT 2600

Dear Prime Minister & Ministers,

We call on you to ensure Australia's new national laws for data centres deliver genuine climate protections.

Data centres are being built across Australia at record pace to meet growing demand for AI and cloud computing. How they are powered will shape our energy system, and our climate, for decades to come.

The Climate Council welcomes the Federal Government's commitment to require data centres to bring on new renewable energy and firming to fully offset their demand, and that this will be mandatory for large facilities.[1]

This is critical to protecting Australians from rising costs and escalating climate harm: if new data centres instead draw on the existing energy grid, this could extend the life of ageing coal generation and increase reliance on expensive and polluting gas, pushing up wholesale power prices by more than 20% – and climate pollution by 14% – on average across Australia's main grid by 2035.[2]

However, the Federal Government's consultation paper, *Getting it right: Building AI infrastructure that works for Australia*,[3] lacks detail on how significant climate pollution and price increases will be prevented:

1. **Climate pollution is largely unaddressed:** The paper makes no mention of the need to align data centre growth with our climate targets. With enormous data centres being proposed in Australia that could single-handedly create as much **pollution as millions of extra cars** on the roads if they use gas or power from the grid, we can't afford to ignore their climate impacts.[4]

2. **No start date is confirmed for when the new standards will apply**: This leaves a significant loophole for the 225 data centres already in the development pipeline to lock in more coal and gas generation before the rules take effect.[5]

3. **No clear definition of what counts as "new" renewables:** There is no specification of how new renewables will be defined or how quickly data centres must bring clean energy on after coming online, leaving the door open to increased fossil fuel generation.

4. **Off-grid gas is not explicitly ruled out:** this leaves the door open for data centres to power themselves with new gas generation – including while they wait for new renewables to be built. Gas is a polluting fossil fuel that's driving worsening climate impacts, and Australia needs to be reducing gas in our energy system as quickly as possible, not adding to it.

There is overwhelming public support for the Government to implement strong national rules: 82% of Australians agree governments should insist new data centres pay for additional renewable energy and storage to match their energy use, and seven in ten support strict energy and water standards for new facilities.[6]

We call on the Albanese Government to close these gaps before the standards are legislated, and ensure the new rules align with our climate laws and targets by:

1. **Making sure that every new data centre and its customers match no less than 100% of their energy use with genuinely new renewable power and storage.**

2. **Ensuring new renewable generation and storage is built within three years** – not a long or unlimited window – with penalties for non-compliance. NSW already requires data centres to match their demand with new renewables within four years to be eligible for fast-tracked planning assessment.[7]

3. **Closing the door on off-grid gas as a primary power source for data centres** – including while they set up new renewable energy sources.

4. **Requiring data centres to adopt best-practice water and energy efficiency measures**, and avoid drawing on drinking water supplies – like the Victorian Government's data centre rules which will require data centres to use recycled or non-drinking water for cooling.[8]

5. **Ensuring the rules apply to all data centres, everywhere in Australia** – including facilities already in the pipeline

Getting these rules right now is how the Government can protect Australians from rising power prices and worsening climate harm for decades to come.

The Australians who have signed this letter are calling on the Federal Government to make sure data centres are done right.

With urgency,

Alex Engel-Mallon, on behalf of the Climate Council and the undersigned
Advocacy Director
Climate Council

References:

1. Confirmation on renewable-powered data centres welcome, but risks remain – Climate Council
2. Clouded Future: Managing the risks of the data centre boom, figure 11 – Climate Council
3. Getting it right: Building AI infrastructure that works for Australia – Department of the Prime Minister and Cabinet
4. Climate pollution the missing piece in proposed data centre law – Climate Council
5. 2026 Electricity Statement of Opportunities – Australian Energy Market Operator (AEMO), released August 2026
6. Pay to play: Aussies tell data centres to fund their own clean energy – Climate Council
7. NSW Data Centre Guidelines – NSW Government
8. Sustainable Data Centre Action Plan – Victorian Government