

NOTICE OF DECISION AND STATEMENT OF REASONS

Section 55 of the *Environment Protection Act 2019* (EP Act)

Regulations 58(1)(b) and 63 of the *Environment Protection Regulations 2020* (EP Regulations)

NOTICE OF DECISION

Proposed action name	Project Ares
Proponent name	Energy North Pty Ltd
NT EPA reference	EP2026/052
Nature of proposed action	Utilities and services and Energy (renewable)
Description of proposed action	The proposed action is for a hyperscale data centre campus located on Murrnji Station (NT Portion 851), approximately 52 km north-west of Elliot and 100 km south-west of Daly Waters. The proposed action includes: • a hyperscale data centre with a total information technology capacity of 1 GW • up to 4 GL/yr of groundwater extracted from the Wiso Basin and water treatment facility • a large scale (7,000 ha) solar farm • gas fired power generation infrastructure up to 1,038 megawatt and onsite gas storage • solar photovoltaic generation up to 3,000-megawatt peak • battery energy storage systems up to 16 gigawatt hours • non-process infrastructure (access roads, airstrip, workers accommodation, laydown areas, workshops, rail siding, waste management) • a preliminary disturbance footprint of 19,150 ha within a Project area of 186,000 ha. The proposed action is anticipated to have an operational life of at least 25 years for the data facility, with the overall duration exceeding 30 years.
Person authorised to make decision	Dr Paul Vogel AM, Chairperson Northern Territory Environment Protection Authority (NT EPA) Delegate of the NT EPA under section 36 of the Northern Territory <i>Environment Protection Authority Act 2012</i>
Decision	Standard environmental impact assessment is required in accordance with section 55 of the EP Act and regulation 58(b)(i) of the EP Regulations The method of environmental impact assessment to be by environmental impact statement in accordance with regulation 58(1)(b)(ii)
Signature	
Date of decision	15 September 2026

**Matters considered under
EP Regulation 56**

The NT EPA has considered the following:

- the accepted referral (including the referral form, referral report and appendices, draft terms of reference and statement of reasons)
 - submissions received in relation to the referral
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Consultation

Submission period 09 July 2026 – 20 August 2026

Submissions received:

- 6 government authority submissions
- 63 public submissions

Submissions are available on the NT EPA website.

The public submissions identified multiple recurring issues and concerns including:

- Regional water demand and security, groundwater drawdown, cumulative impacts on groundwater and surface water systems. Most notably with reference to impacts to Lake Woods and supporting systems (raised in ~80% submissions).
 - Impacts on migratory birds, waterbirds and threatened species including Greater Bilby. Lack of appropriate detail and survey methods for terrestrial ecosystems. Information gaps on other sensitive environmental values like groundwater-dependent ecosystems and stygofauna (raised in ~80% submissions).
 - Calls for a holistic assessment of cumulative environmental, social and economic impacts from the proposed action, including associated infrastructure and other regional developments (current and proposed), with specific reference to gas supply and ammonia generation proposals (Project Sol) and site access corridors (raised in ~75% submissions).
 - Greenhouse gas emissions, reliance on gas-fired power generation, links to hydraulic fracturing, and impacts to net-zero objectives. Impacts to air quality from gas-fired power generation. Calls for greater detail and transparency in relation to the proposed gas supply and commitment to transition to renewable energy sources (raised in ~70% submissions).
 - The large scale of vegetation clearing resulting in habitat loss or fragmentation, the introduction of weed and biosecurity risks, and the adequacy of rehabilitation and closure planning. Calls for more specificity on the proposed disturbance footprint to minimise and avoid loss of habitat and other environmental values (raised in ~65% submissions).
 - The significant cultural values associated with the project footprint and associated ecosystems. Calls for meaningful Traditional Owner consultation, cultural heritage assessments, protection of cultural values, and consideration of Native Title interests (raised in ~40% submissions).
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- The need for greater transparency and public consultation (including alternative consultation methods) and a moratorium on datacentres in the NT. Two submissions specifically referred to elevation from a standard EIS process to an assessment by inquiry (regulation 5(1)(d)) (raised in ~35% submissions).
- The need for further information on benefits of the proposed action to the Northern Territory, local employment outcomes, pressure on services and infrastructure, yielding mixed submission responses to the proposal. Human health and safety impacts (heat, air, noise, light, vibration), and waste (including e-waste) and contamination management concerns were also raised. (~30% submissions).

STATEMENT OF REASONS

Overview

The NT EPA notes the Australian Government’s developing policy expectations of data centres and AI infrastructure developers and its aim to incentivise investment consistent with national interests. As policy and industry evolve, requirements of proponent’s and environmental impact assessment will also evolve.

The NT EPA considers that the proposed action has the potential to have a significant impact on environmental values associated with 10 environmental factors¹ as outlined below.

Land	Landforms
	The integrity of the landform and its underlying karst system has the potential to be significantly impacted by direct disturbance to the landform and landscape values through excavation, drilling, levelling and introduction of industrial features within a predominantly natural/pastoral landscape.
	An assessment of the landscape values of the proposal area is required to identify key landscape character elements, such as landforms, karst topography features, sinkholes, and drainage features.
	Terrestrial environmental quality
	<i>Erosion</i>
	The proposed action involves the clearing of vegetation, earthworks for site preparation and construction of solar fields, data centres and associated infrastructure. Clearing of up to 19,150 ha creates a potentially significant risk of erosion requiring management controls to minimise soil loss. Erosion can result in land degradation and reduce the likelihood of successful rehabilitation following decommissioning of Project infrastructure.
	Incorrect erosion management measures present risks to the downstream receiving environments including Lake Woods.
	<i>Soil quality degradation</i>
	Photovoltaic panels would be replaced every 40 years and batteries every 15 years, generating significant volumes of e-waste which has the potential to impact soil quality if stockpiled or disposed of in landfill. Soil quality may also be impacted through accidental leaks or spills of hydrocarbons, hazardous materials, and industrial and domestic waste.

¹ [NT EPA Environmental factors and objectives](#)

	Further assessment is required to determine potential significant impacts to terrestrial environmental quality. Terrestrial ecosystems The proposed action would result in removal of up to 19,150 ha of vegetation across the site. Within the proposal area there are mapped areas of potential significant vegetation. The proponent's desktop assessment identified potential for several threatened species to occur. Further information, including ground truthing and targets surveys are required to determine potential significant impacts to terrestrial ecosystems. Further consideration of potential avoidance and mitigation measures is also required.
Water	Hydrological processes The construction of a large area of photovoltaic panels is likely to alter the drainage and permeability of a significant area of land, and there is a high level of uncertainty on how the proposed action would affect surface flows, particularly during heavy rainfall conditions. The proposed action may require 4 GL/yr of groundwater from the Montejini Limestone aquifer within the Wiso Basin. Further information is required to show water usage calculations Information is required to determine if the proposed extraction is sustainable. There is also uncertainty regarding the extent of cumulative groundwater impacts. Further assessment is required to determine the potential significant impacts to hydrological processes. Inland water environmental quality The scale of land disturbance presents the potential for significant impacts to inland water environmental quality through erosion and sediment transport impacting on the nearby Newcastle Waters and downstream Lake Woods. There is uncertainty regarding the storage volumes of wastewaters, hazardous materials, volumes of hydrocarbons including gas storage for the gas-fired power generation facility. Further information is required to appropriately assess the potential significant impacts to inland water environmental quality. Aquatic ecosystems The proposed action has the potential to impact aquatic ecosystems due to the duration and geographic extent of the proposed action and its proximity to Newcastle Waters and Lake Woods. The magnitude of groundwater use also presents the potential to impact on aquatic ecosystems, including stygofauna. There is insufficient information in the referral information to appropriately assess the significance of potential impacts to aquatic ecosystems.
Air	Air quality There is insufficient information in the referral information to assess the significance of potential impacts to air quality and associated potential impacts to sensitive receptors. Further information is required to assess potential air emissions from the proposed action as well as the types and quantities of pollutants relevant to the National Pollution Inventory, the National Environment Protection (Ambient Air Quality) Measure and the National Environment Protection (Air Toxics) Measure.

	Atmospheric processes Greenhouse gas emissions would be generated from clearing of 19,150 ha of vegetation, and from gas-fired power generation. The proposed action intends to transition to renewable-powered operations, however there is insufficient information available to determine the transition timeframes and associated reduction of emissions. Further information is required to calculate greenhouse gas emissions from the proposed action and how these would reduce with the transition to renewable-powered operations and the associated timeframe.
People	Community and economy There is insufficient information in the referral information to assess the significance of potential impacts to the amenity of sensitive receptors. Broader consultation within the community has not been undertaken and potential social impacts have not been characterised. There are likely to be significant direct and indirect impacts associated with mobilisation of the construction workforce to the remote Barkly region, including increased pressure on logistic services such as air and road freight and essential services, especially health and emergency services. The proposed action has the potential to significantly impact communities, including Aboriginal communities, within the locality and the region, both adversely and beneficially. As broader stakeholder engagement has not yet been undertaken there is a high level of uncertainty regarding the potential impacts to community and economy. Culture and heritage There has been limited research undertaken in the proposal area and there are knowledge gaps regarding potential impacts to Aboriginal sacred sites. Energy North has committed to applying for an Authority Certificate under the <i>Northern Territory Aboriginal Sacred Sites Act 1989</i>. The proposal area is subject to Native Title, and ongoing consultation is required to determine the potential for significant impacts to cultural landscape values and cultural land uses. Archaeological surveys are required to determine the presence of archaeological features protected under the <i>Heritage Act 2011</i>. Further assessment is required to determine the potential significant impacts to culture and heritage values.

The NT EPA considered other environmental factors during its consideration of the referral; however, the potential impact on those factors was not considered to be significant.

Justification

A standard assessment by environmental impact statement is required because:

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| Regulation 59 (a) | the significance of the potential impact of the proposed action as described above. |
| Regulation 59 (b) | the need to improve the NT EPA's level of confidence in predicting potential significant impacts of the proposed action taking into account the extent and currency of existing knowledge, particularly in relation to the: |

- the geographic extent, location and disturbance footprint of the proposal area
- the impact pathways potentially affecting the environmental values of Newcastle Waters and Lake Woods
- proposed water use and associated impacts from groundwater extraction both within and outside the proposal area
- the cumulative impact of the proposed action and other users of groundwater resources in the region
- the significance of impacts to threatened species and habitats within the proposal area
- the proposed energy generation approach, specifically the design intent of power architecture to transition to renewable power generation for operations, the associated timeframes and the dependency on firming technology (systems and equipment used in the electricity grid to stabilise intermittent renewable energy sources like solar and ensure a reliable, steady power supply)
- management of waste from the construction, operation and decommissioning of the proposed action, specifically e-waste and the risk of contamination
- the complexity of the proposed action which contains a number of large-scale components, such as a solar precinct, battery energy storage system, hyperscale data centre, workers camps, and gas-fired power generation facility, and associated cumulative impacts
- information about social and cultural impacts that may arise through engagement and consultation with communities affected by the proposed action, including Aboriginal communities.

Regulation 59 (c) the need to develop measures to avoid, mitigate and manage potential significant impacts, and increase the NT EPA's level of confidence in the effectiveness of the proposed measures. As the proponent has deferred the development of most of the measures to avoid, mitigate and manage potential significant impacts, the NT EPA has a low level of confidence in the effectiveness of proposed measures to manage potential significant impacts.

Regulation 59
(d) & (e) the extent of community engagement that has occurred in relation to the proposed action was limited prior to submitting the referral information. The proposed action is the first of its kind to be assessed under the EP Act. The proposed method of assessment would support communities and individuals likely to be affected to access and understand information about the proposed action and its impacts.

Conclusion

The NT EPA considers that the proposed action has potential for a significant impact on 10 environmental factors, and that environmental impact assessment is required. There is insufficient information on most environmental aspects for the NT EPA to be confident that the proponent has (a) adequately predicted the potential significant impacts of the proposed action, and (b) demonstrated that the proposed measures to avoid, mitigate or manage potential significant impacts are likely to be effective. Further information and stakeholder engagement is required to enable the NT EPA to complete its assessment. The method of environmental impact assessment is an assessment by environmental impact statement.

In making its decision under EP Regulation 58(1)(b), the NT EPA has considered:

- the objects of the Act in section 3 of the EP Act
- the purpose of the environmental impact assessment process in section 42 of the EP Act
- the matters under regulation 56 of the EP Regulations
- the matters relevant to a consideration of the method of environmental impact assessment in regulation 59 of the EP Regulations.