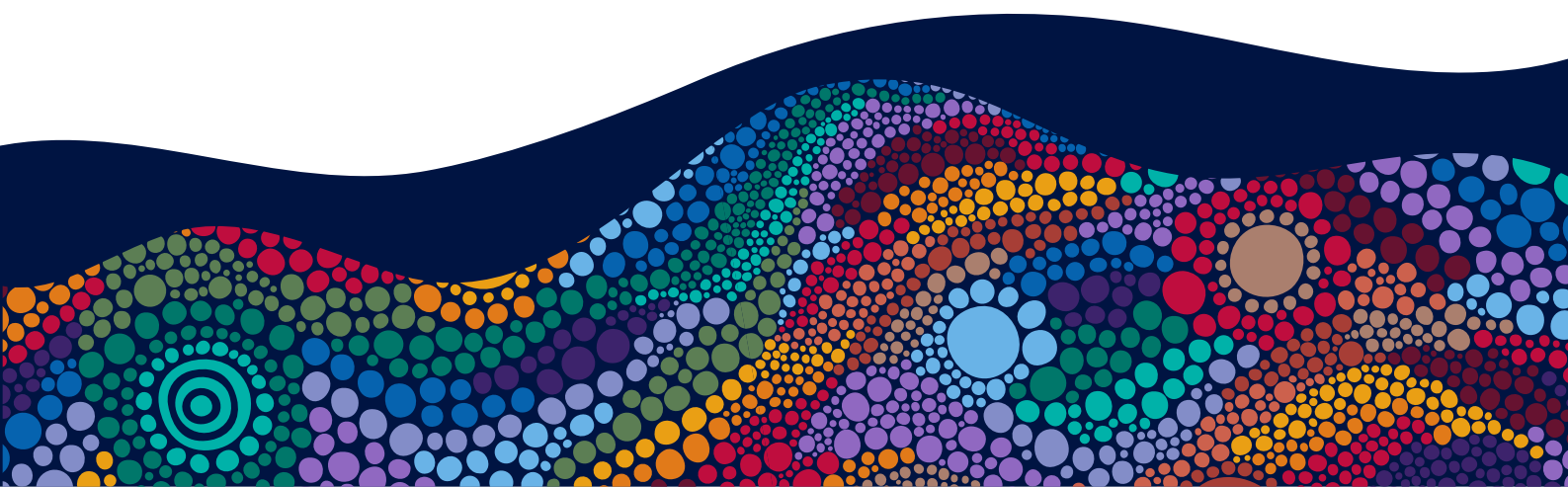


Getting it right: Building AI infrastructure that works for Australia

Submission to the Department of Prime
Minister and Cabinet

October 2026



About NACCHO

NACCHO is the national peak body representing 150 Aboriginal Community Controlled Health Organisations (ACCHOs). We also assist a number of other community-controlled organisations.

The first Aboriginal medical service was established at Redfern in 1971 as a response to the urgent need to provide decent, accessible health services for the largely medically uninsured Aboriginal population of Redfern. The mainstream was not working. So it was, that over fifty years ago, Aboriginal people took control and designed and delivered their own model of health care. Similar Aboriginal medical services quickly sprung up around the country. In 1974, a national representative body was formed to represent these Aboriginal medical services at the national level. This has grown into what NACCHO is today. All this predated Medibank in 1975.

NACCHO liaises with its membership, and the eight state/territory affiliates, governments, and other organisations on Aboriginal and Torres Strait Islander health and wellbeing policy and planning issues and advocacy relating to health service delivery, health information, research, public health, health financing and health programs.

ACCHOs range from large multi-functional services employing several medical practitioners and providing a wide range of services, to small services which rely on Aboriginal health practitioners and/or nurses to provide the bulk of primary health care services. Our 150 members provide services from about 550 clinics. Our sector provides over 3.1 million episodes of care per year for over 410,000 people across Australia, which includes about one million episodes of care in very remote regions.

ACCHOs contribute to improving Aboriginal and Torres Strait Islander health and wellbeing through the provision of comprehensive primary health care, and by integrating and coordinating care and services. Many provide home and site visits; medical, public health and health promotion services; allied health; nursing services; assistance with making appointments and transport; help accessing childcare or dealing with the justice system; drug and alcohol services; and help with income support. Our services build ongoing relationships to give continuity of care so that chronic conditions are managed, and preventative health care is targeted. Through local engagement and a proven service delivery model, our clients 'stick'. Clearly, the cultural safety in which we provide our services is a key factor of our success.

ACCHOs are also closing the employment gap. Collectively, we employ about 7,000 staff – 54 per cent of whom are Aboriginal or Torres Strait Islanders – which makes us the third largest employer of Aboriginal or Torres Strait people in the country.

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Recommendations

NACCHO recommends:

- 1 Any government guidelines to address artificial intelligence align with the National Agreement and its four Priority Reform Areas.
- 2 Strong, independent vetting processes for new data centre proposals.
- 3 Any guidelines and vetting processes must be retroactively enforced on existing data centres as well as new ones.
- 4 Government investment in further research on the effects of data centres on people and the environment.
- 5 Mandated Indigenous Data Sovereignty and Indigenous Data Governance training, run by reputable organisations such as Maïam nayri Wingara, for public servants working in data roles.
- 6 A national AI governance committee, with strong Aboriginal and Torres Strait Islander representation.
- 7 All government data is stored within Australia.
- 8 Clear government guidelines on the implementation of Indigenous Data Sovereignty and Indigenous Data Governance in use of data and AI, developed in partnership with the relevant experts.
- 9 Investment in the uplift of digital and data capability of Aboriginal and Torres Strait Islander people through Aboriginal Community Controlled Registered Training Organisations.
- 10 Training for all APS workers on the ethics of AI, using AI responsibly and identifying AI content.
- 11 No externally hosted AI is used by government.
- 12 Any copyright guidelines protect Aboriginal and Torres Strait Islander cultural intellectual property and copyright.
- 13 An independent body for regulating AI and copyright, so it cannot be influenced by government or industry interests.

Acknowledgements

NACCHO welcomes the opportunity to provide a submission to the Department of Prime Minister and Cabinet. NACCHO supports the submissions to this consultation made by NACCHO Members and Affiliates, as well as that of the Lowitja Institute.

National Agreement on Closing the Gap

Advocating for and securing the National Agreement on Closing the Gap was an historically significant act of Aboriginal and Torres Strait Islander self-determination. The National Agreement is evidence of a new era of engagement by and with Aboriginal and Torres Strait Islander people. It commits Australia to a new direction and is a pledge from all governments to fundamentally change the way they work with Aboriginal and Torres Strait Islander communities and organisations – to support self-determination and build the capacity of the community-control sector.

This Government's first Closing the Gap Implementation Plan commits to achieving Closing the Gap targets *through implementation of the Priority Reforms*. This represents a shift away from focussing on the Targets, towards the structural changes that the Priority Reforms require, and which are more likely to achieve meaningful outcomes for our people in the long term.

The reforms and targets outlined in the National Agreement seek to overcome the inequality experienced by Aboriginal and Torres Strait Islander people, and achieve life outcomes equal to all Australians. Governments at all levels have committed to the implementation of the National Agreement's four Priority Reform Areas, which offer a roadmap to meaningfully impact structural drivers of poor health and social outcomes for Aboriginal and Torres Strait Islander people:

Priority Reform Area 1 – Formal partnerships and shared decision-making

This Priority Reform commits to building and strengthening structures that empower Aboriginal and Torres Strait Islander people to share decision-making authority with governments, and to accelerate policy making that centres Aboriginal and Torres Strait Islander voices.

Priority Reform Area 2 – Building the community-controlled sector

Recognising that community-controlled services achieve better outcomes, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services, this Priority Reform commits to building Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap.

Priority Reform Area 3 – Transformation of mainstream institutions

This Priority Reform commits to systemic and structural transformation of government organisations to identify and eliminate racism, embed and practice cultural safety, deliver services in partnership with Aboriginal and Torres Strait Islander people, support truth telling about agencies' history with Aboriginal and Torres Strait Islander people, and engage fully and transparently with Aboriginal and Torres Strait Islander people when programs are being changed.

Priority Reform Area 4 – Sharing data and information to support decision making

This Priority Reform commits to shared access to regional data and information to inform local-decision making and support achievement of the first three Priority Reforms. This Priority Reform supports principles of Indigenous Data Sovereignty.

Despite some progress, the need for fundamental systemic reform remains evident. In its first review of the National Agreement on Closing the Gap, the Productivity Commission found that governments are not adequately delivering on their commitments. Despite support for the Priority Reforms and some good practice, progress has been slow, uncoordinated, and piecemeal.

The Commission noted that to enable better outcomes, governments need to relinquish some control, share decision making and acknowledge that Aboriginal and Torres Strait Islander people know what is best for their communities. Aboriginal Community Controlled Organisations must be treated as critical partners rather than passive funding recipients, and trusted to design, deliver and measure government services in ways that are culturally safe and meaningful for their communities.

‘Too many government agencies are implementing versions of shared decision-making that involve consulting with Aboriginal and Torres Strait Islander people on a pre-determined solution, rather than collaborating on the problem and co-designing a solution’¹

NACCHO recommends any government guidelines to address artificial intelligence align with the National Agreement and its four Priority Reform Areas.

Introduction

AI tools are already in use across Australian primary care.¹ Ambient scribes, clinical decision support, triage and intake systems, and administrative automation tools are already being deployed, often without the necessary governance to ensure clinical and cultural safety, or accountability when something goes wrong.² AI is increasingly being used within policy work, including to summarise submissions and develop policy.

Existing national AI governance instruments, including the National AI in Healthcare Policy Roadmap,⁵ the Voluntary AI Safety Standard,⁶ and the Therapeutic Goods Administration’s Software as a Medical Device Framework,⁷ provide important scaffolding but are not specifically designed for the Aboriginal Community Controlled Health Organisation (ACCHO) operating context. Existing guidance does not adequately embed Indigenous Data Sovereignty or Indigenous Data Governance as foundational principles. They also do not centre Community authority over health data, nor do they account for the workforce and resourcing realities of Community-Controlled Organisations.

Consultation process

NACCHO is also concerned by the Department of Prime Minister and Cabinet’s use of AI in this consultation, with no choice to opt out. AI analysis and summaries of submissions will exclude important background information and nuance. AI may misrepresent case studies, or, in the worst case, AI distortion may generate incorrect conclusions. AI large language models are also programmed to condense information and focus on regularly repeated material. In practice this process further marginalises minority voices and overlooks new or innovative ideas.

The use of AI to analyse and compile feedback signals a concerning lack of respect for the time and expertise of those writing submissions. It also a concerning lack of self-awareness – in using AI to determine policy on government use of AI, government is being pre-emptive.

Additionally, four weeks is not enough time to thoroughly consult with our members on the impacts of a huge topic. This is doubly true nearing the end of the year – when our services are busy doing budget submissions, holding annual general meetings and working towards other end of year deliverables. This does not allow the voices of our sector to be heard.

NACCHO is further disappointed by the lack of contact details on the consultation web page in order to contact the team conducting this consultation with questions or request accommodations such as extensions.

¹ Productivity Commission, Review of the National Agreement on Closing the Gap, Study Report, Canberra, 7 Feb 2024 <https://www.pc.gov.au/inquiries/completed/closing-the-gap-review/report>.

Data centres

Regarding the impact of data centres, there is still much that is not known. There has been alarmingly little research into the health risks of living close to data centres. Potential concerns include:

- Noise pollution from data centres' cooling systems, fans and diesel generators, harming people² and wildlife³
- Gas powered data centres affecting air quality⁴
- Water usage affecting local populations, through increased water rates and changes to water availability.
 - The last few years have been overwhelmingly rainy, and reservoirs are full. It is unclear how water use will be prioritised when draught inevitably returns.
- Electricity usage affecting local populations, through increased electricity rates and regular, lengthy, blackouts as electrical infrastructure is upgraded to meet requirements.
- The increasing need for water and electricity will require infrastructure upgrades, causing increased council rates. This will affect not just homeowners – it will result in rent increases as landlords seek to cover this new expense, and increased costs for local business.
 - One report coming out of the United States found that “[wholesale] electricity now costs as much as 267% more for a single month than it did five years ago in areas located near significant data center activity”.⁵ This cost was passed onto residential consumers.
 - NACCHO has heard of multi hour blackouts (caused by data-centre related electrical upgrades). We have heard of people having to move accommodation during these blackouts. Electricity is needed for a number of basic functions, such as storing medicines safely, cooking food, and managing small children.
- A recent story in the Guardian highlighted how data centre construction is increasingly dominating the construction, affecting the ability to build new homes.⁶

The Discussion Paper has posed questions and potential solutions regarding some of these issues. However, it must be noted that data centres are already being built at a shocking rate. It is unclear whether any regulations will be applied to existing data centres.

Protection measures enacted by governments are not delivering the desired results. For example, Victoria have banned data centres in residential areas, however in practice they are still being built 150m away from residences.

The increased number of data centres are justified as creating jobs for communities. However, even the largest data centres only create around 150 permanent jobs.⁷ It is clear that a number of fundamental rights are at risk of being compromised in order to secure these jobs.

² Burgess, M., & Davy, J., Are data centres actually noisy, and is this bad for our health? UNSW Newsroom, September 2026, <https://www.unsw.edu.au/newsroom/news/2026/09/are-data-centres-actually-noisy-and-is-this-bad-for-our-health>.

³ Kandasamy, A., More data centers, more environmental problems? National Wildlife Federation, September 2025, <https://www.nwf.org/Magazines/National-Wildlife/2025/Fall/Conservation/AI-Data-Centers>

⁴ Walker, C.D., & Goldsmith, I., From Energy Use to Air Quality, the Many Ways Data Centers Affect US Communities, World Resources Institute, February 2026, <https://www.wri.org/insights/us-data-center-growth-impacts>.

⁵ Bloomberg in Latham & Watkins LLP, The Rise in Data Centers and Energy Bills: Assessing Rate Impacts, Regulatory Trends, and the Future Landscape, April 2026, <https://www.lw.com/en/people/admin/upload/SiteAttachments/The-Rise-in-Data-Centers-and-Energy-Bills-2026.pdf>.

⁶ Jericho, G., Australia is building a lot of new homes. But is the datacentre boom holding us back?, The Guardian, October 2026, <https://www.theguardian.com/business/grogonomics/2026/oct/08/australia-is-building-a-lot-of-new-homes-but-is-the-datacentre-boom-holding-us-back>.

⁷ Walker, C.D., & Goldsmith, I., From Energy Use to Air Quality, the Many Ways Data Centers Affect US Communities, World Resources Institute, February 2026, <https://www.wri.org/insights/us-data-center-growth-impacts>.

NACCHO recommends:

- a) Strong, independent vetting processes for new data centre proposals.
- b) Any guidelines and vetting processes must be retroactively enforced on existing data centres as well as new ones.
- c) Government investment in further research on the effects of data centres on people and the environment.

Indigenous Data Sovereignty and Indigenous Data Governance

The Maiam nayri Wingara Indigenous Data Sovereignty principles¹⁵ set out the foundational position: data about Aboriginal and Torres Strait Islander people is the property of Aboriginal and Torres Strait Islander people. Indigenous Data Sovereignty is expressed differently across communities, reflecting local priorities and preferences, and specific requirements may need to be considered at the service delivery or community-led level.

The Discussion Paper notes that mandatory standards will include “Engaging meaningfully with communities, First Nations peoples and councils to make sure communities can participate in planning and assessment processes”. This would be a good start, however, it is important that this process is a genuine opportunity for Aboriginal and Torres Strait Islander people to raise concerns, and affect policy. As data and AI usage is more than a local issue, consultation and governance processes also need to happen more broadly.

To equitably support patient care, AI must be implemented with clear accountability, human oversight, and ongoing monitoring for safety and unintended impacts. Safe and effective implementation depends on Aboriginal and Torres Strait Islander leadership, culturally informed decision-making, and a workforce that is supported to question, shape and govern the use of AI in ways that reflect local priorities and community expectations. Every proposed use of AI should be able to clearly answer: *How does this improve outcomes for Aboriginal and Torres Strait Islander people?*

Across Australia, a vast amount of data is being generated on a daily basis. Currently, the majority of this is sent to cloud storage in Sydney and Melbourne. Ideas of Indigenous Data Sovereignty and Indigenous Data Governance within data storage have not been fully explored, however one operationalisation of it could be preference for holding community controlled data a data warehouse on community land. In the current world of suboptimal internet connections, proximity of Aboriginal Community Controlled Organisations (ACCOs) to the warehouse holding their data could also improve speed and reliability of operation.

Government agencies are increasingly using AI, however government AI systems are not required to be internally hosted.⁸ Because privacy laws differ between jurisdictions, there is potential for on-use of data elsewhere in ways that would not be acceptable in terms of Indigenous Data Sovereignty. It's important to keep data physically within Australia, and to have clear controls for what can and cannot be done with data in Australia.

Target 17 of the National Agreement on Closing the Gap is that, by 2026, Aboriginal and Torres Strait Islander people have equal levels of digital inclusion. Existing data does not allow for measurement of progress towards this target, however the fact remains that there is much work to do in terms of building digital skills and data capability.

We have seen in many areas that the most effective venues for training of Aboriginal and Torres Strait Islander people are Aboriginal Community Controlled Registered Training Organisations. These organisations should be prioritised for delivery of place based, culturally appropriate training in digital skills, artificial intelligence and data use.

⁸ Digital Transformation Agency, Australian Government AI technical standard, Version 1, August 2025, <https://www.digital.gov.au/sites/default/files/documents/2025-08/Australian%20Government%20AI%20technical%20standard.pdf>.

NACCHO recommends:

- a) Mandated Indigenous Data Sovereignty and Indigenous Data Governance training, run by reputable organisations such as Maïam nayri Wingara, for public servants working in data roles.
- b) A national AI governance committee, with strong Aboriginal and Torres Strait Islander representation.
- c) All government data is stored within Australia.
- d) Clear government guidelines on the implementation of Indigenous Data Sovereignty and Indigenous Data Governance in use of data and AI, developed in partnership with the relevant experts.
- e) Investment in the uplift of digital and data capability of Aboriginal and Torres Strait Islander people through Aboriginal Community Controlled Registered Training Organisations.

Conditions for AI training

AI tools trained on non-representative datasets are likely to perform less reliably for Aboriginal and Torres Strait Islander patients, with documented evidence of algorithmic underperformance in priority populations.⁹ Data generated by ACCHO client interactions carries cultural, community, social and sovereignty obligations that do not apply uniformly across the broader health system.¹⁰ As noted above, NACCHO is also concerned that large language models erase minority voices and opinions.

Existing AI have been able to train and develop their models in what can only be described as a free-for-all – scraping data from all parts of the internet. In creating a framework for AI standards and safeguards, we may in practice lock in the market position of existing AI giants, and stifle innovation. The fact remains that current AI tools are not well suited to Aboriginal Community Controlled Health, and regulations may make it difficult for advances in this area. This is not to say that standards and safeguards are not necessary, however community needs must be prioritised. Aboriginal and Torres Strait Islander leadership and governance can help ensure this balance is maintained.

It is important that AI is used in an ethical, responsible manner. AI training should also extend to training for workers who are using AI. Government workers should also be able to identify AI content.

NACCHO recommends:

- a) Training for all APS workers on the ethics of AI, using AI responsibly and identifying AI content.
- b) No externally hosted AI is used by government.

NACCHO AI Governance framework

AI is being used in the health sector. ACCHOs already hold deep expertise in culturally safe, community-governed care. NACCHO recently developed and published an ACCHO sector-led AI Governance Framework. The Framework builds on that strength, giving every organisation a shared structure to assess and independently govern AI through an equity lens. This Framework can then be adopted and adapted by individual ACCHOs, as a step towards ensuring that any AI governance in Aboriginal and Torres Strait Islander health is led by the Aboriginal and Torres Strait Islander community controlled sector, not imposed on it.

⁹ Obermeyer Z, Powers B, Vogeli C, Mullainathan S. Dissecting racial bias in an algorithm used to manage the health of populations. *Science*. 2019;366(6464):447-453.

¹⁰ Maïam nayri Wingara Indigenous Data Sovereignty Collective. Indigenous Data Sovereignty Communique. Canberra: Maïam nayri Wingara; 2018.

Copyright

There are a number of unanswered questions regarding AI, copyright and intellectual property. If, for example, submissions to a consultation are summarised using externally hosted AI, it is unclear who would own this intellectual property, and if the submission's content would be used by the AI to inform the creation of new content in the future.

NACCHO notes its concerns about the use of AI in creating cultural content. In the words of leading Indigenous cultural and intellectual property lawyer Dr Terri Janke:

“AI can preserve languages, share stories, and connect generations. But without safeguards, it risks accelerating cultural exploitation, erasing context, and deepening the digital divide.”¹¹

We have already seen Aboriginal and Torres Strait Islander cultures mimicked and distorted by fake influencers,¹² and fake art created,¹³ with little to no consequences. This is a complex, emerging space and legislation is not up to speed. NACCHO is not qualified to comment on the intricacies of this issue, however it requires further thought.

NACCHO notes that various Government entities have existing relationships and MOUs with AI companies.^{14, 15, 16} This will inevitably affect their desire to prosecute any potential copyright cases.

We have already seen that in the United States, AI companies have agreed to ‘police themselves’.¹⁷ This will likely lead to a lax enforcement of regulations. Instead, such duties should belong to an independent body, with no ties to the industry.

NACCHO recommends:

- a) Any copyright guidelines protect Aboriginal and Torres Strait Islander cultural intellectual property and copyright.
- b) An independent body for regulating AI and copyright, so it cannot be influenced by government or industry interests.

¹¹ Terri Janke and Company: Lawyers and Consultants, AI Got No Dreaming: Defending Indigenous Rights in the Digital Age, <https://www.terrijanke.com.au/post/ai-got-no-dreaming-defending-indigenous-rights-in-the-digital-age>.

¹² Collard, S., ‘It’s AI blackface’: social media account hailed as the Aboriginal Steve Irwin is an AI character created in New Zealand, The Guardian, January 2026, <https://www.theguardian.com/australia-news/2026/jan/15/aboriginal-steve-irwin-ai-character-created-new-zealand>.

¹³ Alwakal, Y., Transcript: AI Art generates cash and controversy at the same time, SBS News In Depth, January 2026, <https://www.sbs.com.au/news/podcast-episode/ai-art-generates-cash-and-controversy-at-the-same-time/maqvc08mf>

¹⁴ Department of Finance, Ministerial Meeting Brief: Minister for Finance, Open AI Chief Strategy Officer - Meeting with Jason Kwon, September 2025, <https://www.finance.gov.au/sites/default/files/foi-25-26-154-document-1.pdf>.

¹⁵ Department of Industry, Sciences and Resources, Memorandum of understanding between the Australian Government and Microsoft on collaboration on AI opportunities, April 2026, <https://www.industry.gov.au/publications/memorandum-understanding-between-australian-government-and-microsoft-collaboration-ai-opportunities>.

¹⁶ Cannane, S., Robinson, L., Sonnenschein, L., & Ainsworth, K., Federal government accused of AI policy retreat as US tech giants plan Australian investments, ABC News, June 2026, <https://www.abc.net.au/news/2026-06-08/federal-government-ai-policy-retreat-data-centres-four-corners/106753596>.

¹⁷ Ryan, B., Trump says US AI giants agreed to ‘police themselves’ after White House meeting, ABC News, October 2026, <https://www.abc.net.au/news/2026-09-30/artificial-intelligence-execs-meet-donald-trump-at-white-house/107209762>.