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Submitted via: enquiries@infrastructurevictoria.com.au

Re: Victoria's draft 30-year infrastructure strategy consultation

Dear Mr Spear,

Jemena welcomes the opportunity to respond to the consultation on Infrastructure Victoria's *Draft 30-year infrastructure strategy*.

Jemena owns and operates a diverse portfolio of energy assets throughout northern and east coast Australia. With more than \$12 billion of major gas and electricity infrastructure, we deliver energy to millions of households, institutions, and industries every day.

Our assets include the Jemena Electricity Network in northwest Melbourne, the Jemena Gas Network in New South Wales, and gas transmission pipelines such as the Eastern Gas Pipeline, Darling Downs Pipeline, Queensland Gas Pipeline and the Northern Gas Pipeline. In addition, our group includes Zinfra, an energy services business, which provides project management, construction, operations and maintenance services for the electricity and gas sectors.

Digital infrastructure, and specifically modern data centres are key to the development of advanced manufacturing, artificial-intelligence services, digital health, biotechnology, smart mobility, the smart-energy ecosystem and sovereign data-security needs. Furthermore, under the Security of Critical Infrastructure Act, nationally critical data sets must be processed and stored onshore, making modern data centres indispensable to national security compliance.

Nationally, new data centre investment is forecast to exceed A\$26 billion by 2030, creating about 8,300 ongoing jobs and supporting a tech sector worth A\$250 billion (~10 % of GDP). Other jurisdictions are already acting to support this critical infrastructure: New South Wales fast-tracks data centre projects as state-significant projects, Western Australia promotes itself as a global hub, and the United Kingdom has granted data centres formal critical-infrastructure status.

Victoria currently has a narrow two-to-three-year window of opportunity to capture global data centre market share before these highly competitive investment decisions are locked in elsewhere. Data centres are a critical enabler of the future economy and are an anchor for further investment in Victoria across a range of sectors.

The Jemena Electricity Network has been at the forefront of the data centre expansion, as the growth is already tangible in our network, with five facilities presently connected, and further projects either in the planning or construction phases. Yet, Victoria's draft Infrastructure Strategy does not recognise digital infrastructure, particularly data centres, as core infrastructure. This omission risks Victoria missing a once-in-a-generation opportunity to anchor itself in the Asia-Pacific digital economy.

As such Jemena recommends Victoria's Infrastructure Strategy:

1. Recognises digital infrastructure as core, "utility-class" infrastructure.

Formally classify data centres and related digital assets alongside water, energy, transportation and telecommunications in the final strategy. This simple policy signal will align Victoria with other jurisdictions at the forefront of the digital economy, while also giving investors certainty by signalling that "Victoria is open for business"¹.

2. Prioritises enablement actions that unlock rapid, private Data Centre investment.

Integrate digital infrastructure corridors into statewide planning instruments, streamline approvals for State-significant digital projects, and support coordination for energy network connections and precinct level clustering. These measures are low-cost to Government yet pivotal to attracting the next wave of digital economy capital.

These simple steps would support the prioritisation of the necessary sovereign digital infrastructure that will underpin Victoria's future economy.

For more information regarding Jemena's submission or to arrange a discussion please contact Adriano da Costa, Senior Policy Adviser via [REDACTED]

Yours sincerely,

Shaun Reardon

Shaun Reardon

Executive General Manager of Networks

¹ Victoria's Economic Growth Statement (<https://www.vic.gov.au/sites/default/files/2024-12/Economic-Growth-Statement.pdf>)

Submission form: Victoria's draft 30-year infrastructure strategy

Your details

Name:	Adriano da Costa
Organisation (if applicable):	Jemena
Position (if applicable):	Senior Policy Adviser
Email:	[REDACTED]
Phone:	[REDACTED]

About you

Please tell us which best describes you:

☐ Victorian resident
☒ Victorian business owner/operator
☐ Industry professional
☐ Community organisation representative
☐ Local government representative
☐ State government representative
☐ Researcher
☐ Other (please specify): Click or tap here to enter text.

Your focus areas

Select the topics or regions you are providing feedback on (select all that apply):

Topics	Regions
☒ Across sectors	☐ Regional Victoria
☐ Circular economy	☒ Urban growth areas
☐ Cities	☒ Melbourne
☐ Climate change	
☐ Community infrastructure	
☐ Education	
☒ Energy	
☐ Freight	
☐ Health	
☐ Housing	
☐ Infrastructure for Victoria's First Peoples	
☐ Transport	
☐ Water	

Your feedback

Add as many sections as you need to provide all your feedback in this submission.

Topic/area:	Click or tap here to enter text.
Recommendation name:	Click or tap here to enter text.
Recommendation number:	Click or tap here to enter text.
1. Do you support this topic or recommendation?	☐ Yes ☐ No ☐ In part
2. Tell us why	Click or tap here to enter text.
3. Share any supporting evidence or examples	Click or tap here to enter text.
4. Include proposed changes and improvements	Click or tap here to enter text.

More feedback (optional)

Tell us about infrastructure challenges, gaps or opportunities not covered by the draft strategy. This can include things you think we should add to an existing recommendation, or suggestions for a new recommendation.

Please provide evidence for your suggestions. This can include data, specific examples, cost benefit analyses, surveys, or program evaluations. Also, explain how your suggestions align with the objectives of our draft strategy (see page 11 of the draft strategy).

Suggestions for new recommendations should point towards infrastructure opportunities that can deliver long-term benefits for Victorians. They should also be areas where the Victorian Government has a leading role.

Jemena believes the draft strategy does not yet recognise digital infrastructure, particularly data centres, as critical enablers of Victoria's future economy. Modern data centres are essential for AI, advanced manufacturing, biotech, digital health and smart mobility, and although the strategy notes that "infrastructure can drive a more productive economy", the digital asset base is the missing link.¹

Water, energy and transportation are rightly prioritised, but in a data-driven economy, digital infrastructure is equally essential, and data centres are its core, being the backbone of Australia's digital infrastructure and national security. They underpin both routine internet traffic and mission critical functions, such as emergency response, transport operations, banking and more. By delivering secure, high-density cloud computing, these advanced facilities power the digital services Australians rely on every day.

Furthermore, Australia's revised Critical Infrastructure Risk-Management Program classifies data-storage and processing assets as "critical infrastructure", requiring on-shore hosting and

¹ Infrastructure Victoria, Victoria's draft 30-year infrastructure strategy, Mar 2025

heightened cyber-resilience². Offshore hosting now triggers sovereignty and compliance risks, therefore, accelerating Victorian data centre capacity is essential not only for economic development but also for defence, emergency response and sovereign AI development.

Nationally, new data centre investment is projected to exceed A\$26 billion by 2030, supporting an industry workforce of circa 17,900, with 8,300 these being new jobs.³ Meanwhile, Australia’s tech sector is forecast to contribute A\$250 billion (around 10% GDP) by 2030, up from A\$167 billion in 2021, on the back of 13% y/y IT-investment growth, which is triple the global average.⁴ Any delay risks Victoria losing investment to faster-moving jurisdictions. Therefore, without scalable and sovereign data infrastructure, Victoria cannot capture its share of this growth. Furthermore, this growth enables key government strategies such as Victoria’s Economic growth statement, Manufacturing statement, the Victorian Defence vision statement and the Victorian Digital Strategy.

Other states and countries are acting: NSW fast-tracks data centres as State-significant developments, WA markets itself as a global hub, while the UK classifies Data centres as critical infrastructure.⁵⁶⁷ Thus Victoria has a two-to-three year window of opportunity to capitalise on global data centre demand, before locational advantages are locked in elsewhere. For that reason, it is critical for the Victorian Government to support the ongoing investment to cement its position as a leading hub in the Asia-Pacific region.

Therefore, Jemena proposes a new recommendation:
Recognise data centres and associated digital infrastructure as critical enablers of Victoria’s future economy.
Prioritise infrastructure planning, land-use coordination and network enablement to accelerate next-generation digital infrastructure deployment and secure emerging opportunities.

Proposed actions:

- 1. Integrate digital infrastructure into statewide infrastructure and land-use plans.
- 2. Streamline planning and environmental approvals for State-significant digital projects.
- 3. Enable clustering of data-infrastructure assets within innovation precincts to maximise productivity synergies.

The new recommendation and actions align with the strategy objectives of a *High productivity & circular economy*, as well as *good access to jobs & services*. It further supports current draft recommendations:

<u>Recommendation 19</u> : Invest in digital healthcare	Reliable, scalable data infrastructure is critical to scaling telehealth, e-health records, AI-driven diagnostics, and resilient healthcare systems.
<u>Recommendation 39</u> : Use digital technologies to better design, build, operate and maintain government infrastructure	Smart infrastructure management systems (e.g., digital twins, predictive maintenance) require sovereign data processing and real-time analytics capabilities.

²Cyber and Infrastructure Security Centre, Guidance for the Critical Infrastructure Risk Management Program (<https://www.cisc.gov.au/resources-subsite/Documents/guidance-for-the-critical-infrastructure-risk-management-program.pdf>)

³ Mandala Partners, Empowering Australia’s Digital Future – Data Centres, Oct 2024 (https://mandalapartners.com/uploads/Empowering-Australia's-Digital-Future---Report_October-2024.pdf)

⁴ CBRE, Australia Data Centres Report, Oct 2024. (<https://www.cbre.com.au/insights/reports/australia-s-data-centres-2024>)

⁵ NSW Planning Portal, SSD Warehouses & Data Centres (fast-track approvals) (<https://www.planning.nsw.gov.au/policy-and-legislation/planning-reforms/ssd-warehouses-and-data-centres>)

⁶ Government of Western Australia, Data Centre Prospectus, 2022 (https://www.wa.gov.au/system/files/2022-12/221202_DataCentre%20Prospectus_V4.pdf)

⁷ UK Government, Data-centre critical-infrastructure boost, 2024.(<https://www.gov.uk/government/news/data-centres-to-be-given-massive-boost-and-protections-from-cyber-criminals-and-it-blackouts>)

Recommendation 40: Use modern traffic control technology for efficient and safe journeys	AI-driven mobility systems, dynamic traffic control, and connected vehicle technologies depend on fast, secure, local data processing enabled by robust data centre networks.
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Finally, the cost range, timing and funding:

- Cost to Government: Low (policy and planning).
- Timing: Immediate (two-year critical window) to mid-term (as data centres gradually expand).
- Funding: Low cost, predominantly private sector capex; Government role is facilitative.

