

5th February 2009

Senate Finance and Public Administration Committee
Department of the Senate
Po Box 6100
Parliament House
Canberra ACT 2600

Senate Standing Committee on Finance and Public Administration.
Inquiry into the Nation Building and Jobs Plan

Submission enclosed as requested. Email to fpa.sen@aph.gov.au

Subject : ICT industry new data centre development project supporting growth, new jobs and underpinning the Australian ICT sector.

Request : Technical Real Estate (TRE) are seeking Federal Government sponsorship to enable relevant departments to directly lease our Data Centre project in Canberra.

Federal Government commitment will allow TRE to initiate an immediate commencement of the project.

At this point in time we have a lease commitment from a BBB rated covenant which currently have contracts with the Federal Government, but we are unable to obtain either debt or equity funding from the market.

Federal Government departments that have identified requirements to us are :

- Department of Defence
- Australian Taxation Office
- AGIMO (Whole of Government data centre responsibility.)

Technical Real Estate (TRE) request that the Canberra Technology City project be sponsored by the Federal Government and the ACT Government as a critical infrastructure project. This Project has received international acclaim and attention as one of the most significant green data centre projects in the world.

The Canberra Technology City Project in Summary :

- 1 Construction and delivery of 6 modern data centres on a 12 hectare campus in order to support the transfer and to hold the Federal Governments critical computer systems and IT support staff in the ACT.
- 2 A new data centre campus in the ACT that supports and ensures the lowest ongoing long term costs of operations to the Australian taxpayers.
- 3 The project is about to get ACT Government Planning Approval which would trigger TRE acquisition of a 12 hectare site at Hume and allow civil works to commence within 30 days. TRE has received tendered responses in October 2008 from Bovis Lendlease, Lang O'Rourke and Leighton's for the construction of our modular data centres.
- 4 **A full Economic Impact Study of this project was completed and submitted to the ACT Government in October 2008. In summary :**
 - a. **Capital cost of construction of \$748m**
 - b. **229 direct and indirect jobs during the construction phase**
 - c. **426 direct and indirect jobs supporting the 24 x 7 daily operational needs of the computer systems located on site. Contributing \$60m per annum to the ACT turnover.**
- 5 **Cost reduction and carbon emission reductions** - The Canberra Technology City Campus will provide the Federal Governments computing infrastructure an opportunity to demonstrate leadership in the ICT industry by reducing its current Data centre operational costs by **50%**, its power consumption by **50%**, its power costs by **57%** and the resultant carbon emissions by **77%**. This campus will place Australia in a world leadership position and is one of the greenest data centre initiatives worldwide.
- 6 The Project directly supports and is in line with The Gershon Report published in October 2008 recommending that the Federal Government consolidates its Agency computer footprint.

The findings in summary were :

- a. 18 data centres of the largest Agencies are completely full and at maximum capacity.
- b. 16 of the 45 data centres fail minimum availability (power , cooling floor strength)
- c. Savings of \$1b over 15 years by consolidation of the computer footprints.

Technical Real Estate seek to support the Federal Government data centre consolidation project by providing a campus based data centre development. This Campus and its 6 data centres would provide via Government lease agreements both separate computer rooms and separate buildings for highly sensitive Agencies. The data centres will also be able to support the grouping of smaller clusters of Agency computers. This is as recommended by the Gershon report.

This Project will provide critical infrastructure for the Federal Government and the ACT Government and will deliver a significant increase in employment in the ACT. It is a project that can start construction in the 1st and 2nd quarter of 2009.

Your sincerely .

Directors
Andrew Campbell
Stephen Ellis
Bruce McEwen

Kind regards

Bruce Mc Ewen
Director