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More international tech companies are building their own data centres on Australian shores. Image by PR

HANDOUT IMAGE PHOTO

SCIENCE AND TECHNOLOGY

Australia's tech cloud keeps expanding

Tara Cosoleto | January 29, 2023



For many, the cloud is an obscure, ethereal place to send files when they run out of space on their phone or laptop.

But all of that information goes to a physical site – a data centre where thousands of servers work around the clock to store and manage content.

With Australians becoming increasingly reliant on the cloud, more international tech companies are building their own data centres on Australian shores.

Amazon Web Services is the latest, with the US company launching a cloud region in Melbourne this week, a decade after it launched its first in Sydney.

Microsoft and Google also have sites in several Australian cities.

More Australian data regions means consumers can store data and use advance technologies like artificial intelligence more easily, Amazon Web Services' Australia and New Zealand managing director Rianne Van Veldhuizen said.

"We are here to help our customers lower costs, become more agile and basically innovate faster," she told AAP.

"Being in Victoria, you're closer to your customers. So that will offer lower latency, higher network

quality and advanced solutions.”

Having cloud regions closer to home will also improve privacy and security in a time when people are increasingly concerned about data hacks, technology expert Adel Toosi said.

“If you have to send all the data that is generated in the Australian region somewhere else, to another country or place, that’s a big problem,” the Monash University lecturer told AAP.

“But now we have data centres which are managed locally, so you’re sure where the data is going.

“Data centres are also managed by cloud providers and they have lots of expertise and a very strong team working on security. So the cloud is more secure in many aspects.”

But the impact of these “power hungry” data centres on the environment is concerning, Dr Toosi said.

Each individual server inside a hub requires megawatts of energy to run, with cooling systems also needed to ensure the technology operates smoothly and safely.

“With more data centres, we are generating more carbon footprint,” Dr Toosi said.

“Previously, aviation was one of the most polluting industries but these cloud data centres are coming very close. We have to be very careful about that.”

Dr Toosi said renewable energy sources like solar panels could be one way to reduce environmental harm.

Amazon Web Services has committed to powering its entire business with only renewable energy by 2030, with the company on track to meet its goal five years early.

It also predicts its Melbourne site will bring \$6.8 billion to Victoria’s economy over the next 15 years, along with 2500 jobs annually across the network.

Mrs Van Veldhuizen said there would be more Amazon data regions launching in Australia, with

smaller "local zones" already opening in Perth and Brisbane.

It's expected Amazon won't be the only tech company to establish more Australian data centres because of the rising demand for the cloud, expert Rajkumar Buyya said.

"The adoption of the cloud has been rapidly growing during the past 10 years," the University of Melbourne professor told AAP.

"During COVID-19, more people worked from home and a lot of access to computing capabilities went through the cloud instead of private servers.

"That model is getting very, very popular because it's an easier form of computing."

