City of Whittlesea | Whittlesea 2040 A place for all

Data centre regulation in Victoria

The City of Whittlesea is asking the Victorian Government to immediately place a hold on all data centre applications until a stronger regulatory framework is established to govern the development and operations of data centres across Victoria. The Victorian Sustainable Data Centre Action Plan and planning scheme amendment VC324 were introduced in October 2026, these need to be strengthened and apply to existing data centre applications.

Stronger regulations need to consider the impacts of new data centres on:



community safety and health



environment and local biodiversity



local residents and community



resources and infrastructure, including water and power consumption



facility redundancy and remediation of the land



cultural heritage

We need a commitment from the Victorian Government to implement a rigorous and transparent planning permit assessment process for data centres.

A fit-for-purpose planning framework will provide:

Strategic location planning - putting data centres in the right location:

- establish a statewide framework identifying suitable locations based on land use compatibility, infrastructure capacity and environmental constraints
- introduce mandatory separation distances from existing and future residential areas and sensitive land uses
- protect future land use opportunities, including planning residential growth and employment areas.

Clear planning controls that provide certainty and accountability:

- establish consistent requirements and transparent assessment processes
- introduce clear, enforceable standards addressing amenity, infrastructure capacity environmental performance and site rehabilitation
- require data centres to demonstrate local economic and community benefits

A meaningful local voice – ensuring councils and communities have a say:

- require early consultation with councils, Traditional Owners, affected communities and relevant infrastructure authorities
- mandate consistent and extensive public notification and appeal rights and other opportunities for community input
- establish a formal role for local government ensuring local planning policies and expert advice inform decisions. Provide appropriate independent review and oversight of all decisions.

Data centres should be located in industrial sites, away from residential areas, with strong regulation about energy source, water use and remediation.

What are data centres?

Data centres are a modern infrastructure supporting nearly all digital and cloud-based activities, from everyday business operations to advanced AI workloads. As the digital economy expands, the role of data centres in driving innovation, economic growth, and sustainability becomes increasingly vital.

The Victorian Government has prioritised data centre development, recognising its importance in supporting business continuity, public services, and economic resilience. Data centre planning permit applications are often able to by-pass local government planning approval and community consultation through the Victorian Government's Development Facilitation Program (DFP) removing the role of council as a decision maker and community in public notification processes. The issue is not whether Victoria needs data centres. It is where they should be located, how their impacts are managed and who has a voice in those decisions.

Case study

525 and 535 McDonalds Road, South Morang

Development application lodged on 20 June 2024.

- Data centre planning permit application (PA2402997) was submitted under the Victorian Government Development Facilitation Program (DFP).

Council objection on 19 July 2024.

- Objection based on policy considerations within the Victorian Planning Provisions impacting the Plenty Valley Structure Plan and Activity Centre Zone.
- The proposed development would also compromise the future road network by removing an identified key road connection.

A major development with no community voice.

- In addition to lack of consideration being given to local government planning, there was no community consultation through this pathway.

No public notification. No appeal rights

- Public notification was not undertaken for this application, and third-party appeal rights did not apply to this application, as such there was no ability to inform the community of the planning permit application.

Community response.

- With no objection pathways, the community responded with a petition to the Victorian Government to 'Stop the South Morang data centre developments.' The petition quickly reached over 5,900 signatures.

Key Concerns from community

- High water and energy consumption with limited regulatory benchmarks for water and power efficiency, noise, urban heat island impacts, waste heat management, e-waste and pressure on electricity networks.

Case study

165 Williamson Road, South Morang

Development application lodged 13 August 2026.

- Data centre planning permit application (PA2604586) was submitted under the Victorian Government Development Facilitation Program (DFP).

Council objection lodged on 23 October 2026.

- The proposed location is not suitable for a data centre use.
- Objection based on policy considerations within the Victorian Planning Provisions including lack of separation and amenity impacts on nearby residential properties.
- Compromises future development on adjoining land including potential for new housing.

New planning controls do not apply.

- New planning controls introduced via VC324 to guide data centre development do not currently apply to this application.

Key Concerns from community.

- The proximity of the proposed data centre to existing homes. The data centre is proposed to be approximately 60m from existing homes, inconsistent with the new State Government benchmark of 150m.
- Noise, visual impact, fire safety, diesel storage and emissions, battery gasses, water and energy demand. These concerns are not just for the single facility but consider the cumulative effect of multiple data centre applications within close proximity.

For further information

visit whittlesea.vic.gov.au/datacentres

Scan the QR code

Interpreter

Free telephone interpreter service

131 450

Arabic خدمة الترجمة الشفهية الهاتفية المجانية
Chinese Simplified 免费电话传译服务
Chinese Traditional 免費電話傳譯服務
Greek Δωρεάν τηλεφωνική υπηρεσία διερμηνέων
Italian Servizio di interpretariato telefonico gratuito
Macedonian Бесплатна телефонска услуга за преведување
Persian/Farsi خدمات مترجم شفاهی تلفنی رایگان
Punjabi ਮੁਫ਼ਤ ਟੈਲੀਫ਼ੋਨ ਦੁਭਾਸ਼ੀਆ ਸੇਵਾ
Turkish Ücretsiz telefonla tercümanlık servisi
Vietnamese Dịch vụ thông dịch qua điện thoại miễn phí

City of Whittlesea