Jemena Electricity Networks (Vic) Ltd

2026-31 Electricity Distribution Price Review Regulatory Information Notice

Delivery strategy

Written Response 4.4.3

Table of Contents

List of appendices

Glossary

next regulatory period	The regulatory control period covering 1 July 2026 to 30 June 2031
current regulatory period	The regulatory control period covering 1 July 2021 to 30 June 2026
Plan	This Delivery Strategy
Jemena	Jemena is the brand name of a range of entities with the SGSPAA Group of entities
SGSPAA	SGSPAA is the parent company of Jemena
Program of Work	Personnel, Fleet, Plant, and Material to Manage the Workloads and Deliver the

Abbreviations

AER	Australian Energy Regulator
AMP	Asset Management Plan
COWP	Capital and Operating Works Program
JEN	Jemena Electricity Networks (Vic) Ltd., is the entity holding an electricity distribution licence in Victoria and is subject to economic regulation under the NER.
NER	National Electricity Rules
OB	Opportunity Briefs
PMM	Project Management Methodology
PSE	People, Safety & Environment

1. Overview

Jemena Electricity Networks (Vic) Ltd. (**JEN**) is an electricity distribution network service provider subject to economic regulation under the National Electricity Rules (**NER**). Our network is one of five operating in Victoria. We are the sole distributor of electricity in north-west greater Melbourne. Every day, we help deliver electricity to over 387,000 homes and businesses across north and western Melbourne, including Melbourne Airport.

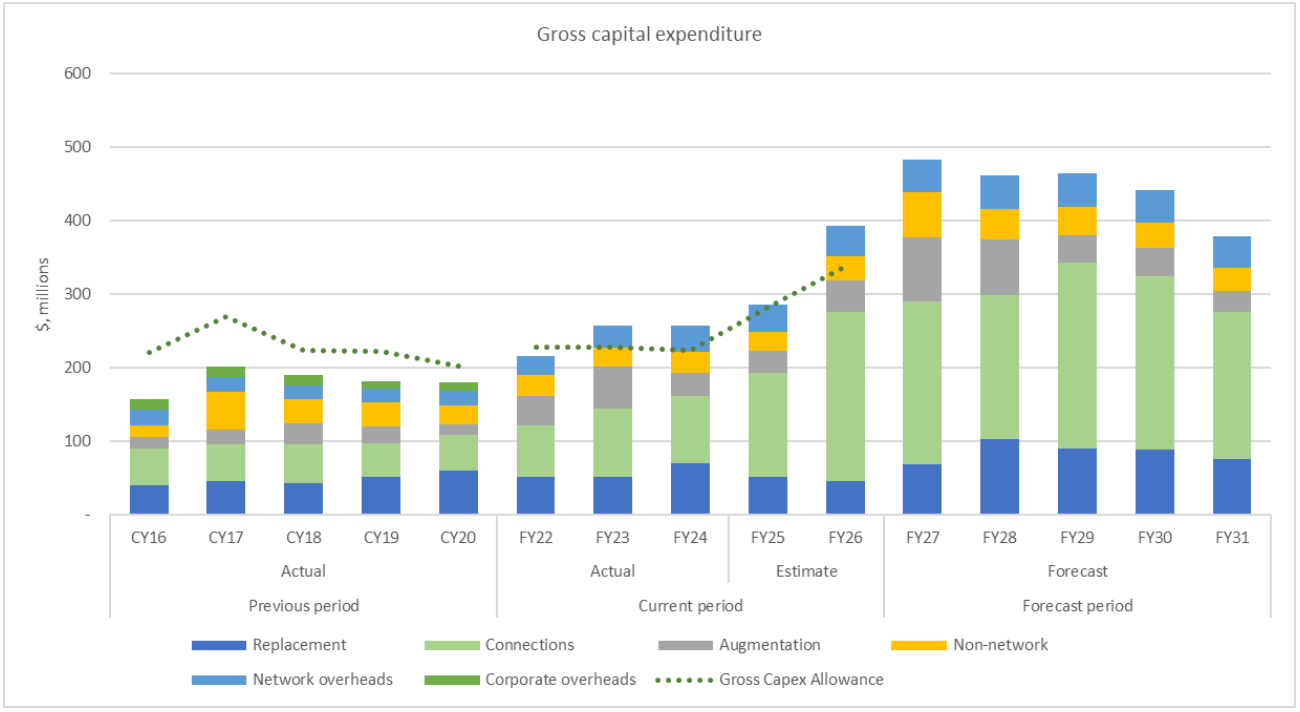
Under the NER, we reset our prices every five years. In the build-up to each new cycle, we submit a proposal to the Australian Energy Regulator (**AER**) that outlines our plans for the five years from 1 July 2026 to 30 June 2031 (**the next regulatory period)** and how we expect to fund and deliver them. The AER assesses our proposal and then sets the regulatory allowance that we can recover through distribution charges that we pass to our customers' electricity retailers.

1.1 Background

We forecast a total capital expenditure of around $2.2B in the next regulatory period. This is 58% higher than our expected capital expenditure and 9% higher than the estimated allowance for the 2021-26 regulatory control period (**current regulatory period**).

As shown in Figure 1–1, the gross capital expenditure profile for the next regulatory period will be significantly different from the previous and current regulatory periods.

Figure 1–1: Gross network capital expenditure, $2026, millions



Source: Attachment 05-01.

Around 49% of forecast gross capital expenditure is driven by increased demand for connections from large customers, including data centres. The remaining half of our forecast expenditure will help us to meet and address other operating challenges we have begun to experience during the current regulatory period and will continue to experience during the next regulatory period. These operational challenges were brought by the megatrends associated with the energy transition, deteriorating asset conditions, regulatory obligations and our customers' expectations. Specifically, our forecast spend will help us to:

- invest in asset replacement programs to maintain our network's reliability and manage risk

- manage the growing challenges associated with maximum and minimum demand and address the greater reliance on the electricity network to support the substitution of reticulated gas and transition to transport electrification
- accommodate more customer energy resources into our network, benefitting all customers
- leverage new technology solutions to use our network more efficiently, respond more quickly to changing customers' expectations and deliver more efficient services.

Delivering the capital expenditure program

While we are confident in the need for such a large increase in the capital expenditure program relative to historic amounts, we need to demonstrate our ability to deliver. While we receive capital contributions, we are responsible for the delivery and completion of connection works and customer-initiated replacement works.

We have a good track record of delivering our capital works program, and we are capable of flexing to deliver even more; however, there are challenges ahead.

(1) The significant increase in forecast capital expenditure is not unique to JEN. The other distribution network service providers are also forecasting capital expenditure increases—particularly in Victoria—which means we will all be seeking to increase our resources (labour services, recruitable skills).

(2) To date, there has been a range of supply and capacity constraints that have led to shortages, delays and price increases. These factors have been particularly acute in the infrastructure and energy sectors. Given the global movement towards reducing emissions, together with advances in digital transformation and AI integration, which in turn leads to more data centres, we expect supply constraints to persist in the medium to longer term.

To meet these changing needs, JEN must have the systems, resource capacity, and capability to deliver required programs of work efficiently and prudently.

JEN is a relatively small distribution network service provider that could struggle with scalability. To overcome these challenges, we partner with Zinfra. Zinfra is a national provider of electricity infrastructure projects and has extensive scope, scale, and delivery capability that we can leverage to meet the needs of our customers during the next regulatory period and beyond and do this efficiently.

1.2 Purpose

The purpose of this Delivery Plan (**Plan**) is to provide an overview of how we plan to deliver our capital works program for the next regulatory period safely and efficiently, including why we consider the implementation of the forecast work program is achievable. The Plan does not seek to justify our forecast capital expenditure; we have set this out in attachment *JEN – Att 05-01 Capital expenditure* and the various business cases and support documents under each capital expenditure category.

1.3 Scope

The Plan demonstrates our ability to deliver $1.8B worth of connections, replacement and augmentation projects over the next regulatory period, which accounts for around 81% of our total forecast capital expenditure, as shown in Table 1–1.

Table 1–1: Breakdown of forecast capital expenditure, $2026, millions

Category	Capital expenditure	Share to total (%)
Connections	1,103	49
Replacement	427	19
Augmentation	270	12

Category	Capital expenditure	Share to total (%)
Sub-total	**1,799**	**81**
Non-network	207	9
Network overheads	222	10
Total	**2,229**	**100.0**

(1) Numbers may not tally due to rounding.

In developing our Plan, we have thoroughly evaluated the extensive scope of our required investments, the key resource needs, potential delivery risks and strategic objectives. Our framework is designed to ensure that each work program is delivered efficiently, upholds the highest standards of safety for the public, our staff, and contractors, and is delivered consistently with approved service standards and set milestones.

1.4 Key assumptions

The Plan assumes that:

- there will be no major changes to the regulatory and policy environment that could affect the delivery of our forecast capital investments
- there area no events similar to the coronavirus pandemic will occur during the next regulatory period which could potentially affect our project delivery due to lack of materials or labour.
- our application to the AER to vary our current price determination will be approved.

While the Plan is developed with these assumptions in mind, we have the ability to modify it should changes arise.

1.5 Scope

This Plan excludes forecast programs of works for other categories of expenditure, and delivery models for those categories are provided in their own supporting documentation.

- non-network ICT - our Technology Plan[1] sets out our delivery plan for our ICT operating and capital projects
- metering - our delivery plan for metering inspections and replacements in our smart metering forecasts.[2]
- non-network Other capital expenditure,

Expenditure on non-network Other capital expenditures is also forecast to increase, but the amount is less significant in the context of the overall capital expenditure program and can be managed.

1 *JEN – RIN – Support – Technology Plan – 20250131.*

2 *JEN - RIN 4.6.1 Business Case - Inspection of metering installations – 20250131.*

2. The rapidly changing energy market

As part of developing a robust and credible delivery plan, we must consider external factors as well as our own capabilities. We consider these external factors in detail below.

2.1 Electricity market drivers

The global energy transition is currently underway, moving from fossil fuel generation—such as coal, natural gas and oil—towards renewable energy sources, such as wind and solar energy; in some countries we see the energy transition include nuclear power generation. Government policies are also driving this transformation as we see the banning of new reticulated gas networks in Victorian and proactive incentives to accelerate the update of electricity appliances.

This transformation in the electricity system is driving changes across all parts of the electricity supply chain, including electricity distribution businesses. This requires a significant increase in resources, both in terms of people and materials, to deploy the necessary changes. This, along with the significant increase in customer connections, in particular data centres,[3] network augmentation and replacement on the JEN network is creating a challenging back drop for the delivery of projects in the next regulatory period.

2.2 Resource outlook

The energy transition is driving up global demand for electrical field resources involved in transmission, distribution and renewable electrical infrastructure construction and materials including transformers, switchgear, switchboards and circuit breakers. This growing demand for resources presents new challenges to secure additional resources to deliver their works program.

2.3 Government policy

The Victorian Government's 95% renewable energy target by 2035 requires a significant increase in skilled workforce to achieve this target. VicGrid and the SEC are key government organisations underpinning this growth in renewable energy and have a significant part to play in supporting the development of the transmission and distribution infrastructure. We will work closely with these government organisations to ensure we continue to provide Victorian homes and businesses with safe and reliable electricity into the future.

2.3.1 Training and recruitment

There are a number of Government initiatives established to facilitate the training and recruitment of electrical field resources to support the industry during this period of heightened demand for resources.

1. **Worker training centres**[4] - The SEC Centre of Training Excellence will further attract and train the workforce needed to support the renewable energy transition. These centres will ensure Victoria has a pipeline of skilled workers to meet workforce needs and deliver the wind and renewable hydrogen projects to come.

2. **SEC Training**[5] **-** The SEC will support the attraction, training and retention of a skilled renewable energy workforce. This includes establishing the SEC Centre of Training Excellence.

3. **Developing the Victorian energy jobs plan**[6] **-** The Victorian Energy Jobs Plan will outline the actions we need to take to develop our energy workforce to support this transition. Importantly, the plan aims to

[3] Refer to attachment 05-01.

[4] https://www.premier.vic.gov.au/training-renewable-energy-workers-future

[5] https://www.secvictoria.com.au/workforce

[6] https://www.energy.vic.gov.au/renewable-energy/victorian-energy-jobs-plan

increase visibility and understanding of Victoria's current and forecast energy workforce. Through the actions in the plan, we aim to:

1. support more people to enter and excel in the energy workforce, including transitioning workers
2. increase diversity in the energy workforce by supporting underrepresented groups to enter, such as women, people with disabilities and First Peoples
3. identify how Victoria's education and training sector can support the needs of current and future energy workforce
4. support local communities across Victoria to benefit from energy sector jobs and skills development
5. improve industry confidence and increase renewable energy investment in Victoria.

Whilst many of these policy initiatives have an emphasis on renewable energy skills training, those skills will be transferable to supporting the JEN electricity network, particularly as program look towards cross-skilling.[7]

[7] https://cleanenergycouncil.org.au/news-resources/skilling-the-energy-transition

3. Our capability

3.1 Jemena

Jemena is the brand name of a range of entities with the **SGSPAA** Group of entities. SGSPAA provides group-level services to its various controlled entities; this includes JEN and our delivery partner, Zinfra. This shared support approach allows for consistency, scalability and scale efficiency in the delivery of services that eventually make their way to our customers.

Corporate functions

There are key corporate teams that support the asset and operations and customer service functions:

- People, Safety and Governance
- Finance
- Regulation
- Digital technology

Customer Operations

There are a number of Customer Operations teams that manage the following aspects of the customer experience:

- Customer care and response
- Contact centre
- Customer insights and research
- Customer complaints resolution
- Recoverable works
- Customer metering and billing

JEN also has it's own dedicated capabilities to deliver distribution services to our customers. These services are structured by service groups as outlined below.

Asset and Operations

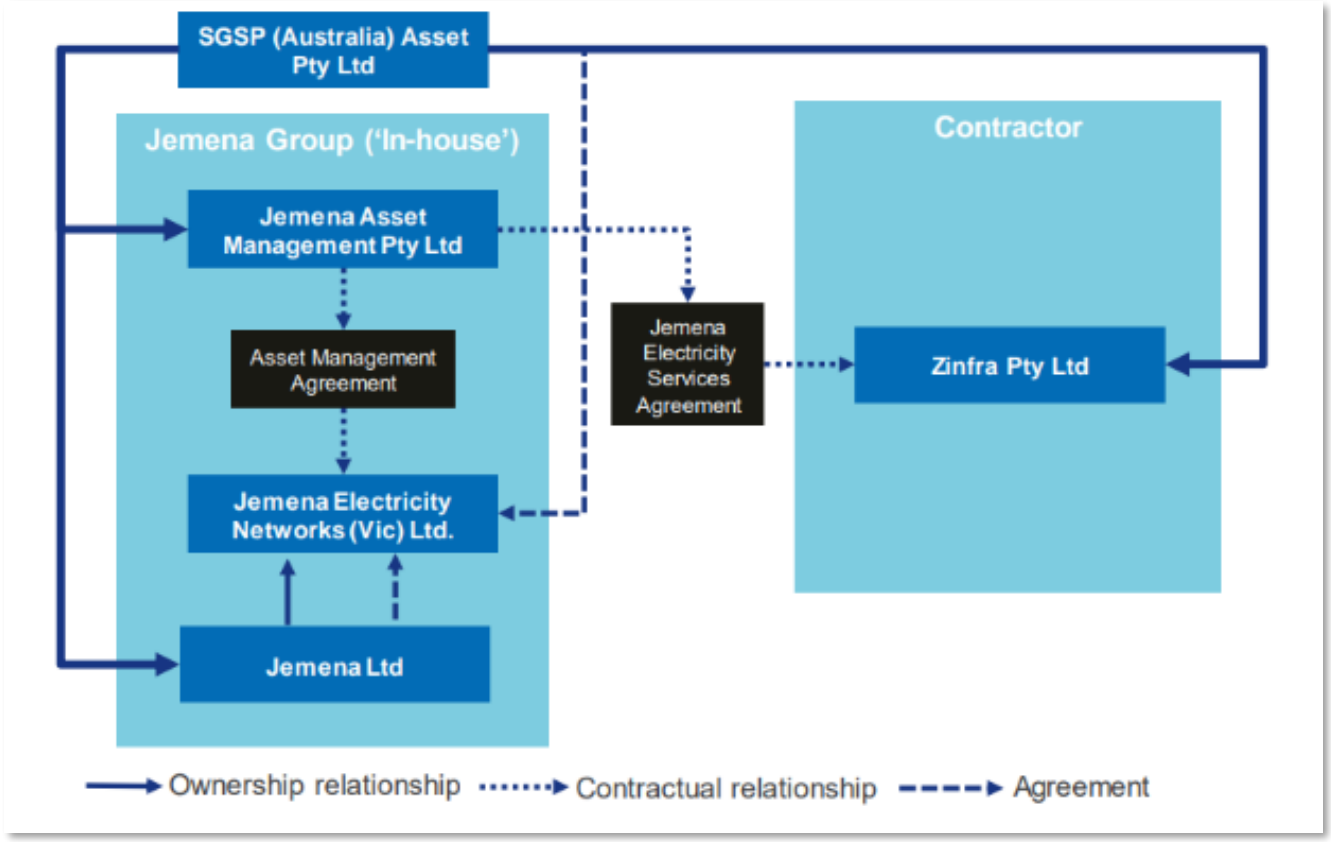
There are a number of teams within JEN required to manage and operate the distribution network, these include:

- *Network asset management,* including primary and secondary plant, distribution and metering assets.
- *Future networks and planning* that include network planning, network reliability and intelligence, grid transformation and future networks
- *Network investment and delivery* that include asset investment, front-end engineering design, network safety compliance and accreditation, risk and assurance
- *Network operations* that include network control, coordination and dispatch, planned outage management and geographic information.

3.2 Delivery partner model

An outline of the Zinfra / JEN delivery partnership model is presented in Figure 3–1 below. The partnership delivery model ensure service delivers to JEN's customers are efficient, largely due to scale efficiency.

Figure 3–1: Outline of the Zinfra / JEN delivery partnership model



3.3 Delivery partner – broader capability

Zinfra is a leading national utility infrastructure service provider specialising in electricity transmission, distribution and zone substations. Zinfra has long-standing operational, maintenance and construction contracts with a range of electricity businesses. This significant market penetration and scale of Zinfra's services ensure that we are assured of a secure and cost-effective grade of service in the delivery of our program or work.

3.3.1 Operations on the JEN network

Zinfra has established a dedicated delivery team responsible for managing and supplying services to JEN. The team is wholly responsible for delivery of on projects and programs. The services are managed from operational depots at Broadmeadows and Tullamarine, together with other Zinfra management functions and resources in their other depots, meaning the staff are close to the customers that JEN provides services to. Each site is resourced with sufficient personnel, fleet, plant, and material to manage the workloads and deliver the **Program of Work**.

3.3.2 Current Internal and External Resource Base

[redacted]

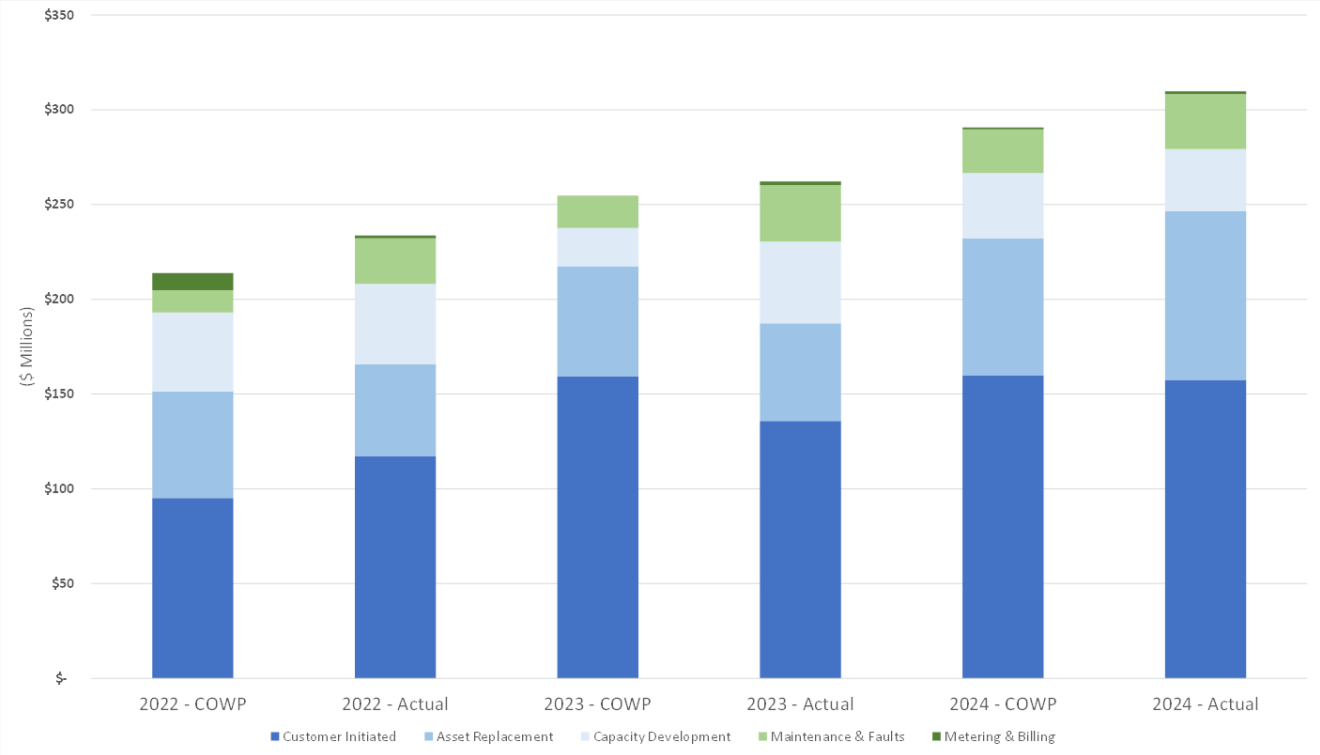
[8] As at July 2024.

[redacted]

3.4 Proven delivery record

Each year, JEN prepares a Capital and Operating Works Program (**COWP**) to plan for the activities necessary to deliver services to our customers. Delivering against the COWP is a significant step towards meeting our customers' electricity supply needs. As outlined in Figure 3–2, the planned works programs was met and exceeded in each year, demonstrating that with JEN's effective delivery management, the capability can flex significantly to meet the changing need over very short periods of time.

Figure 3–2: JEN Capital and Operational Works Program comparison planned to actual ($M)[10]



9 Other Zinfra Delivery teams include key resource types (Fitters, Testers, Line Workers (Dx/Tx), Underground cable jointers, Comms/SCADA Technicians) available on United Energy, AusNet Transmission and AusNet Distribution

10 *(Jemena $ Nominal Millions) Including fees and values associated with Free Issue Material (FIM) and excludes Non-Network and other Jemena specific programs (e.g. Asset management, corporate, regulation and commercial etc).

3.5 Ability to program work

We develop our program of works by first understanding the drivers which will underpin the need for our expenditure. At a high level, we need to spend money to connect new customers to our network, meet expected demand and maintain the quality, reliability, security, and safety of our services. We summarised below some of the key drivers we have considered.[11]

Key drivers we have considered in developing our forecast expenditure

- our customers' expectations, preferences, and requirements for the forecast period
- how our customers' expectations, preferences and requirements may change over the long term
- technical, safety, environmental and other obligations we will need to comply with
- maximum and spatial demand that our network will need to meet
- number of customers that we will serve
- the capacity required and the amount of electricity that our customers will consume
- level of reliability, resilience and the quality of supply on our network
- condition of our assets
- emerging trends in technology and vendor products
- changes in our input costs
- trade-offs that we can make between operating and capital expenditure.[12]

3.6 Investment and prioritisation framework

Our Investment Framework defines a top-down asset investment program. Investment requirements are evaluated and prioritised against defined business benefits (customer, financial, risk mitigation and strategic) to determine the bottom-up build of the program of work. The Investment Framework ensures consistent evaluation of business cases and options across the program of work. Each business case is assessed against the Business Plan and Strategic objectives, which includes the following criteria:

Customer benefit. Customer benefits put an economic value on the asset reliability or asset efficiency that benefits the customer (social economic value). When the net annualised customer benefit is measured against the net annualised project cost, a positive value shows that the customer benefit is defined as greater than the cost of doing the work. The customer benefit is evaluated through the financial model. Customer benefits of non-network capital projects are determined through alignment to Customer KPIs and assessed through the strategic benefits assessment in the Investment Framework Model.

Risk mitigation. Risk mitigation is evaluated using the Jemena Risk Framework.

Economic evaluation. Financial analysis is defined using the Jemena Financial Model.

Resource availability. Any investment considers the availability of resources required to deliver the program.

11 See *Att 05-01 Capital expenditure*.

12 JEN, *2026-31 Regulatory control period, Expenditure forecasting methodology*, June 2024, p.2.

3.7 Program of work forecasting

A bottom-up forecast (also referred to as a zero-based forecast) of our capital expenditure is developed. Different methods are used for different types of capital expenditure. For example, we use estimation models for regularly recurring expenditures, such as asset replacement, to forecast the required replacement volumes for certain assets. For some assets, these models may use asset conditions or other data to estimate when assets require replacement. We estimate the replacement unit cost and multiply this cost by the forecast volume to derive an expenditure forecast.

For less regular (non-routine) projects such as network upgrades (augmentation), we develop a forward view of the projects required over the forecast regulatory period and estimate their costs individually.

3.8 Optimisation process and considerations

Once we have developed our forecast work program that addresses the identified drivers/needs, we will undertake a further review to ensure its delivery is optimal and efficient. Including deliverability as part of the development of the program of work improves efficiency and lowers the cost of specific projects. In broad terms, our delivery strategy is optimised to ensure that an appropriate balance is struck between the needs of the network and our customers on the one hand, as well as the costs of delivery. The delivery of the program of work is targeted for completion to deliver the best outcomes for our customers, for example:

- replacement expenditure for critical assets is timed efficiently to manage the risk of asset failure
- augmentation projects are typically delivered prior to the critical summer loading period in order to reduce the risk of unserved energy
- related works are combined to maximise the opportunity for productive efficiency.

Our optimisation process, therefore, considers the following key factors:

- demand levers where we can balance the customer-initiated work with network-initiated work to provide a smoother works program
- alignment of projects at the same location and with other distribution and transmission business requirements
- seasonal variations in project delivery, for example, by identifying those projects that must be commissioned prior to summer
- project lead time, including:
  - the network reliability implications for projects with long lead times
  - procurement of long lead time items and
  - timely identification and acquisition of land and easement requirements.

We focus on ensuring that the delivery is relatively smooth throughout the year rather than having peaks and troughs. This helps with planning and managing resources more efficiently and effectively. However, there will be instances where peaks are unavoidable. For example, the nature of connections activities and expenditure is unique compared to most other expenditure categories, and this uniqueness poses challenges for preparing short, medium and long-term forecasts. This is because:

- connections are a reactive activity only undertaken in response to customer requests
- the volume of work is primarily driven by external factors (for example, economic activity)
- there is a wide variation in customers' requirements, and therefore, connection project types and costs will vary significantly and

- the number and type of customers we expect to connect to the electricity distribution network is the key driver to forecasting the connection capital expenditure required in the next regulatory period. This is especially true for non-routine connections, which are customer-driven in nature and difficult to predict. For example, since the AER approved our price determination for the current regulatory period, we have connected a number of large data centres that we had not accounted for in our previous forecasts.[13]

There are also replacement projects, which, if not implemented as planned, could risk degrading performance on the network and could even lead to non-compliance.

Examples of such projects include replacing end-of-life assets at Coburg North, Coburg South, and North Heidelberg zone substations and upgrading distribution assets that have been identified through inspection as having reached end-of-life.

We, therefore, ensure that we have a delivery strategy in place that is flexible enough to enable us to reprioritise delivery within the regulatory period if needed.

[13] We outline how we will deliver on data centre and other major connection in our reopener application, *Application to reopen the 2021-26 Electricity Distribution Price Review Determination, Appendix B-01, Unforeseen event expenditure*, 15 Oct 2024. Section 4.

4. Delivery systems

The following sections describe the systems and processes that Jemena has in place to support the delivery of the works program.

4.1 Works Management Model

[redacted]

This intent is achieved by planning and scheduling all key phase of works delivery: **engineering, procurement, execution, commissioning, and closure**

4.2 Works Planning Optimisation

[redacted]

4.3 Program delivery governance

Effective program governance is an essential component of achieving effective and efficient project and program outcomes. The Plan operates within the framework of the Governance Structure outlined in Figure 4–3 below. The purpose of the Governance Structure is to establish a formal set of controls for overseeing and managing all activities within the Program of Work. The Asset Performance Management Team serves as the key interface between operations and the executive team to ensure seamless communication and alignment.

The Delivery Plan is governed as part of the Jemena Electricity Services Agreement Governance Structure shown in Figure 3–1. The purpose of the Governance Structure is to provide a formal mechanism for monitoring and controlling all effort expended within the Program of Work.

The Asset Performance Management Team is the key interface between the parties for all Commercial and Operational escalated issues.

Figure 4–3: Program delivery governance framework

4.3.1 Operating rhythm

The operating rhythm is well-established for a structured and regular pattern of activities and communication.

Key information, reports and discussions are undertaken at these meetings regarding the status and tracking of the program of work. Where appropriate, actions are determined and assigned to the relevant team in order to ensure the achievement of the contract and business requirements.

4.3.2 Management meetings

The management meetings facilitate effective communication, coordination, and oversight of the delivery of the program of work. The purpose is to ensure that all parties involved are aligned with the goals and objectives. These meetings play a crucial role in managing and monitoring the program execution to ensure its successful completion and delivery.

4.3.3 Risk and issue management

Risk and issue management is embedded within the delivery of the program and the management operating rhythm.

Project-level risks and issues are tracked and documented within project information systems and are escalated during the monthly Project Review Forums. Program-level risks are addressed and managed at the weekly leadership team meetings.

4.3.4 Management plans

Management plans, in addition to the Plan, are in place to describe the control and governance of the delivery of the program of work. These contribute to the successful delivery of the program of work and include:

- Health Safety Environment and Quality (HSEQ) Plan
- Annual Audit and Inspection Plan
- HR Management Plan
- Procurement Management Plan
- Warehouse and Inventory Management Plan

4.3.5 Subcontractor management

Subcontractors are engaged to support the delivery of the program of work. Subcontractor planning is considered and reviewed within established operational meetings. Their planning and performance are reviewed as part of regular operational meetings. Proactive measures are taken to manage and control subcontractor resources effectively, ensuring alignment with business.

4.3.6 Reporting

Routine reporting in place to support the monitoring and governance of the delivery of the program of work to allow the management team and key stakeholders to:

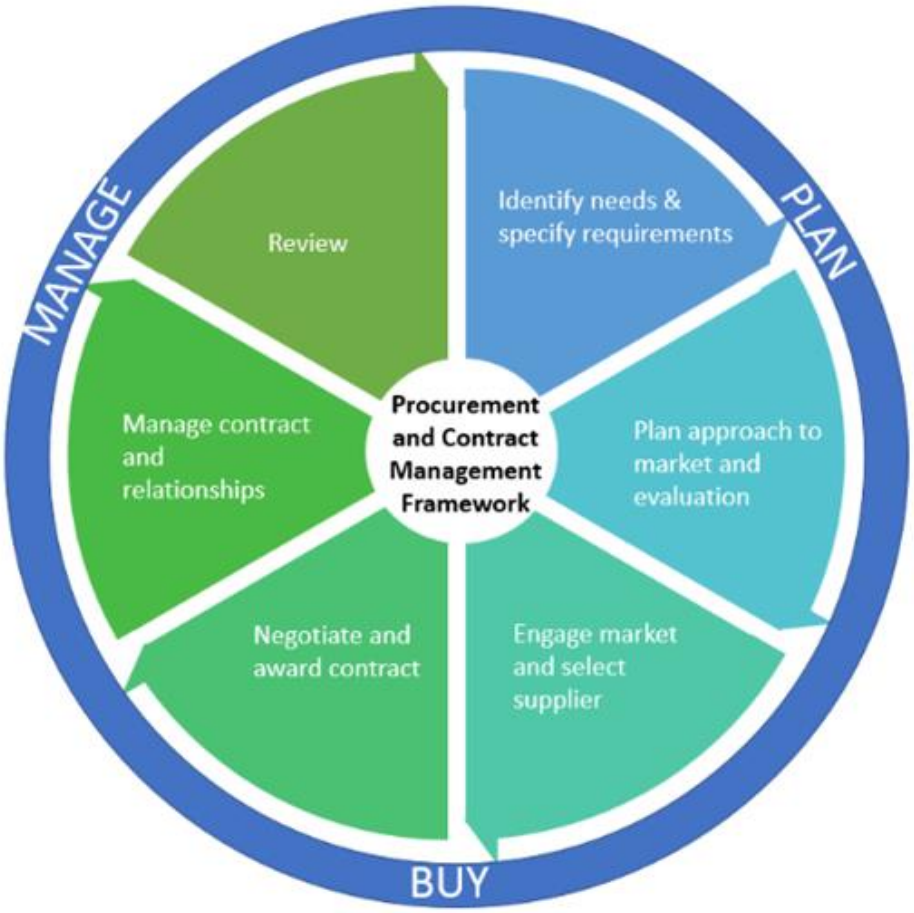
- Meet, review, and maintain awareness and control over the program; and
- Make decisions that will optimise efficiency and ensure delivery of required results.

Visualisation dashboards are used in governance forums. They assist with assessing performance and anomalies and making informed decisions by highlighting both positive and negative trends, including areas of concern. This simplifies the process and addresses potential risks proactively.

4.4 Procurement and Contract Management Framework

The Procurement and Contract Management Framework, as outlined in Figure 4–4, provides a clear and standardised approach to buying goods and services and effectively managing our contracts with suppliers throughout the procurement and contract lifecycle.

Figure 4–4: Procurement and Contract Management Framework



The Framework of Plan-Buy-Manage is designed to:

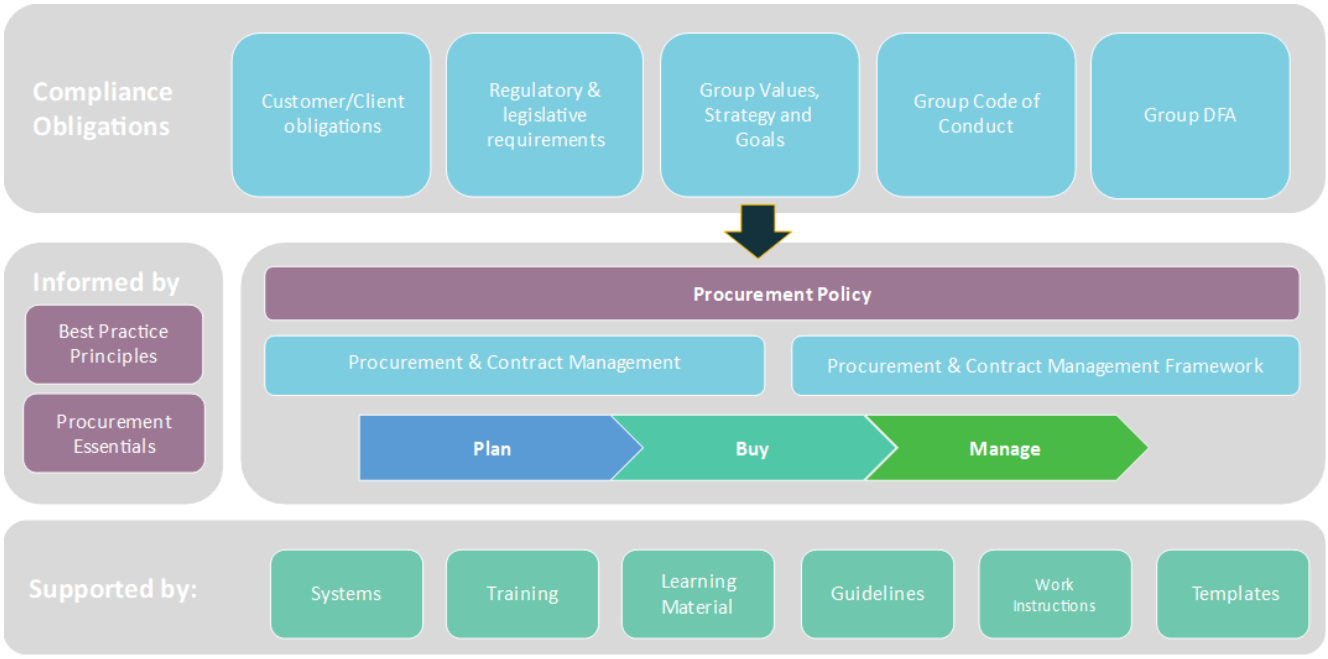
- Promote safety and maximise performance in line with our vision and strategy.
- Provide governance and help manage risk.
- Deliver outcomes that optimise our competitiveness and adaptability.
- Enhance stakeholder and supplier relations and improve communication.
- Apply best practice contracts and performance management and methodology.
- Generate continuous improvement opportunities and effective change management.
- Adopting good procurement practices results in decisions that are sound, sustainable, fair, and transparent. In turn, this produces outcomes that:
- ensure the highest standards of corporate, social, and environmental responsibility.
- enhance value delivery and promote competitiveness.
- create opportunities to develop collaborative relationships with our community, customers, and suppliers.
- Applying good contract and performance management ensures that each party meets their obligations so that the contracted goods and or services are:
    - maximising strategic and competitive value and outcomes
    - delivered safely and competently.

- in line with our requirements and specifications, so our health, safety, environmental, quality, delivery and performance expectations are achieved.

- on time and within budget and builds effective and beneficial relationships.

The governance framework, as outlined in Figure 4–5 below, underpins our procurement and contract management activities. This framework helps us manage our compliance obligations and deliver safe and value-based outcomes aligned to our Values, Strategic Priorities and Goals.

Figure 4–5: Procurement and Contract Governance Framework

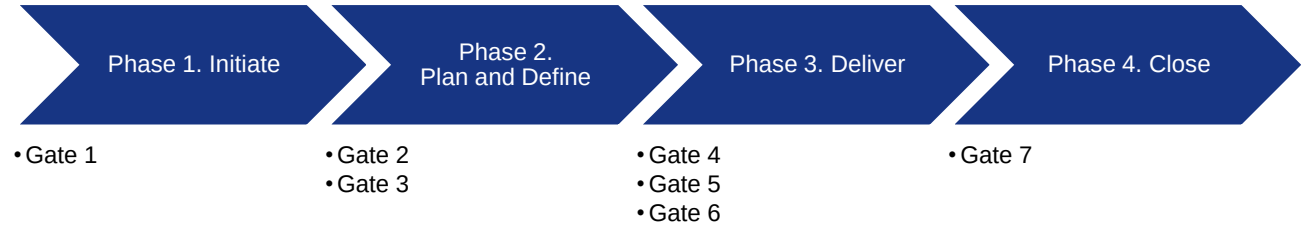


4.5 Best Practise Project Management

As with all long-term planning processes, the success of a project is enhanced through the systematic development of the scope during initial phases within the lifecycle of the project. The Project Management Methodology (**PMM**) applies a bottom-up approach, which involves preparing Opportunity Briefs (**OB**) to be considered in the Asset Management Plan (**AMP**). Once a project is considered viable to be included in the PoW a Project Mandate will be developed.

The PMM is structured around seven sequential ‘gates’, which provide management focus at key points within the project’s life, ensuring the delivery of projects on time, within cost and to the required quality in a safe, reliable, and efficient manner. There are four phases within the PMM as illustrated in Figure 4–6.

Figure 4–6: Project Management Methodology phases and related Gates



Projects officially commence with the issue of a Preliminary Project Mandate document, produced as part of pre-project planning and assessment activities. The first two phases are focused on planning and designing to a level of detail and certainty sufficient to obtain a final investment decision. Following the final investment decision, the

project moves into the delivery phase, which entails any necessary further detailed design work, when a gate four certificate is issued to verify that the project is ready to commence construction in a safe and controlled state. Mobilisation, construction, and commissioning activities can then proceed. Finally, the close phase ensures that high-quality technical and financial asset records are produced and archived promptly in accordance with regulatory requirements.

5. Key resource skills and capacity

This section provides an assessment of resource demand against the forecast program of work, which identifies the available internal resources and where additional resources will be procured.

5.1 Key resources

The key resources required to address the uplift in the works program are predominately field-based personnel. These key resources were assessed by the requirement for various skill types, namely overhead line construction, underground cable construction, zone substation tester and zone substation fitter works. For each area, any required increase in external resourcing has been identified as manageable within existing contractual arrangements with our service providers. The resourcing profile is also regarded as appropriate, as it ensures that internal resourcing is appropriately utilised and that the demand on external providers is unlikely to produce an inefficient peak in resource costs.

Office-based resources, including project managers, planners, coordinators, estimators, designers, and schedulers, are more readily accessible for recruitment to deliver the higher program of work and are not considered a risk to deliver the works program.

5.2 Project category skill sets

5.2.1 AUGEX – New 66 kV Lines

JEN forecasts significant network expansion to support the data centre program of work. The new 66kV lines projects are an integral part of this network expansion and are required to support the increase in capacity and allow for flexibility in the network.

The financial forecast for this expansion is categorised under Augmentation, specifically for shared network costs. We will fund the required uplift in network capacity and flexibility.

The most significant elements of these projects include:

- Construction of new poles across the JEN network
- Installation of conductors between terminal stations and newly constructed Zone Substations.

We will deliver these projects using:

- Dedicated Zinfra overhead line workers
- Supplemental support from other Zinfra delivery teams.

In the event of a workforce shortfall, external panel contractors will be used to ensure timely project completion.

This comprehensive approach demonstrates our commitment to network expansion and flexibility in resource allocation to meet project demands efficiently.

5.2.2 AUGEX – Feeder program

JEN forecasts to build and construct feeders across its network to increase network capacity and support its growth.

Financially, the major portion of these projects is driven by civil works. The delivery model is to fully outsource civil works via the existing panel arrangement. This arrangement is expected to continue and is deemed adequate to meet future growth.

The most significant elements of these projects include:

- Trenching, boring, conduit installation, and reinstatement are delivered by civil contractors under panel arrangements.
- Cable installation, jointing, and termination works; these activities are currently performed by internal staff.

5.2.3 Connections – Data Centres (Greenfield)

The favourable geographical location of JEN's network and the growth in data centres make our network highly attractive for data centre developers. There are several data centre hot spots in the JEN network, specifically around Brooklyn, Tullamarine and Craigieburn, which already have attracted several developers. The data centres have load requirements ranging from 30 to 300 MVA, and as a result, these sites require their own Zone Substation (Greenfield).

We will deliver these projects using:

- A dedicated internal delivery team that manages these complex greenfield construction projects.
- Fully outsourced design and civil works via existing panel arrangements.
- Internal fitter and tester resources will be used for construction.

This comprehensive approach demonstrates our commitment to supporting customer-driven network expansion and flexibility in resource allocation to meet project demands efficiently.

5.2.4 Connections – New 66 kV Lines

JEN forecasts significant network expansion to support the data centre program of work. The new 66kV lines projects are an integral part of this network expansion and are required to support the increase in capacity, allow for flexibility in the network, and allow the HV customers to connect to the network.

The financial forecast for this expansion is categorised under Connections, which means that JEN's HV customers will fund these network capacity projects.

The most significant elements of these projects include:

- Construction of new poles across the JEN network
- Installation of conductors between terminal stations and newly constructed Zone Substations.

We will deliver these projects using:

- Dedicated internal overhead line workers
- Supplemental support from other delivery teams.

In the event of a workforce shortfall, an external panel contract will be used to ensure timely project completion.

This comprehensive approach demonstrates our commitment to network expansion and flexibility in resource allocation to meet project demands efficiently.

5.2.5 REPEX – Brownfield Zone Substation

The major uplift in this category is linked to JEN identifying the need to redevelop three (3) Zone Substations in the next regulatory period. The Coburg North Zone Substation (CN), Coburg South Zone Substation (CS), and North Heidelberg (NH) will need to be redeveloped due to their age and to support the forecast network growth.

We will deliver these projects using:

- Fully outsourced design and civil works via existing panel arrangements.
- For construction, dedicated Zone Substation fitter and tester resources will be used.

This approach demonstrates our commitment to network expansion and flexibility in resource allocation to meet project demands efficiently.

5.2.6 REPEX – Switchgear

JEN has identified the need to replace network switches. Financially the major portion of these project are driven by labour.

The most significant elements of these projects include:

- Replacement of overhead switches.

We will deliver these projects using:

- Dedicated internal overhead line workers.
- Supplemental support from other delivery teams.

5.2.7 REPEX – Underground cable replacement (UG)

JEN has identified the need to remove its existing oil-filled cable asset and replace it with Cross-Linked Polyethylene (XLPE). Financially, the major portion of these projects is driven by civil works.

The most significant elements of these projects include:

- trenching, boring, conduit installation and reinstatement are delivered by civil contractors under panel arrangements.
- Cable installation, jointing, and termination works are delivered by dedicated Underground Cable construction staff.

5.3 Delivery strategy

The assessment of the resource requirement to deliver the next regulatory period Program of Work was undertaken using data derived from the project estimation process. For specific projects, an assessment of the proposed scope and delivery requirements was used to determine the level, make-up, and timing of the resource requirements by skill type. For projects of a routine nature, the assessment was made on an overall average job requirements basis, where resources had been determined on a job type basis.

The overall resource requirements were collated for the duration of the works program on a specific skill type basis for both the specific projects and the routine program components. An estimate of hours required to deliver the Program of Work on an annual basis has been developed, as shown in [redacted]

[redacted]

[redacted]

5.4 Attracting Skills and Talent

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

- [redacted]
- [redacted];
- [redacted].

[redacted]

5.4.4 Skilled Immigration

An assessment of the labour workforce nationally will be undertaken, and if necessary, we will undertake an overseas recruitment drive under a temporary skills shortage visa, as has been done in previous years, to supplement the local workforce successfully.

5.4.5 Materials

We will utilise the existing available space in facilities such as Tullamarine and Broadmeadows depots and the Craigieburn ZSS to store large lead time materials, such as poles, cross arms, and distribution transformers. This will enable bulk orders to be placed early in the program and ensure that procurement of materials will not be a limiting factor in delivering the Program of Works.

There will also be a review of some items to use more readily available materials, such as a trial of composite poles and crossarms.

Appendix A
Group Diversity Inclusion and Belonging

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A1. Diversity, Inclusion and Belonging

We are committed to building a workforce that reflects the diversity of our customers and values the contributions of every individual. Our diverse workforce enables us to achieve better outcomes by thinking differently and leveraging a range of experiences in everything we do.

Ageing Workforce strategy

The ageing workforce is one of the six megatrends identified by the CSIRO that will impact the way we work and live now and into the future, and as such is an important component of our Diversity Inclusion and Belonging Plan.

We have has developed an Ageing Workforce Strategy concentrated on the five key areas below. We will continue to expand this strategy over time as we better understand the needs of our older workers and the challenges they face