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# Victoria Government Gazette

No. S 277 Friday 29 May 2026  
By Authority of Victorian Government Printer

## National Electricity (Victoria) Act 2005 MINISTERIAL ORDER UNDER SECTION 63 Central Highlands Renewable Energy Zone

I, Lily D'Ambrosio, Minister for Energy and Resources and Minister responsible for administering the **National Electricity (Victoria) Act 2005** (the 'Act'), make the following Order pursuant to section 63 of that Act.

### PRELIMINARY

#### 1. Commencement

This Order commences on the day it is published in the Government Gazette.

#### 2. Definitions and interpretation

In this Order, unless the context otherwise requires, the following words have the following definitions:

**Act** means the **National Electricity (Victoria) Act 2005**.

**CESV Documentation** means information and documentation that demonstrates how the Eligible Project is applying, or will apply, the Victorian Government's Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects.

**Declared Transmission System** has the same meaning as in the Law.

**Note:** See Ministerial Order under section 30 of the Act made 26 June 2009, published in Special Gazette No. S 222 on 30 June 2009, which defines the Declared Transmission System.

**Law** means the National Electricity (Victoria) Law.

**REZ** means a renewable energy zone declared under section 63 of the Act and, in this Order, means the Central Highlands Renewable Energy Zone.

**Rules** means the National Electricity Rules made under Part 7 of the Law, as amended or modified from time to time in accordance with Part 7 of the Law or the Act.

**Transmission Hosting Capacity** means the amount of Variable Renewable Generation (in megawatts) which can be connected to the Declared Transmission System by the end of the Victorian Transmission Plan planning horizon to a specified level of curtailment due to network constraints forecast within the REZ.

**Transmission Project Areas of Interest** means the transmission project(s) specified in clause 4(a).

**Variable Renewable Generation** means generation systems that produce electricity from renewable energy sources, such as solar and wind, whose output varies due to environmental conditions and cannot be precisely controlled or scheduled.

**Victorian Transmission Plan planning horizon** means the time period set out in section 59(1)(a) or (b) of the Act (as applicable).

#### 3. Declaration of the Central Highlands Renewable Energy Zone

The Central Highlands Renewable Energy Zone is declared to be the area within the boundaries marked in blue in Schedule 1.

#### 4. Transmission Project Areas of Interest

a) The preferred Transmission Project Areas of Interest constitute:

- (i) the region surrounding a proposed transmission line upgrade (project 1.3 in the 2025 Victorian Transmission Plan), which involves rebuilding the existing (No. 1) 220 kV single circuit transmission line from Ballarat Terminal Station

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to Moorabool Terminal Station into a new high-capacity double circuit 220 kV transmission line, approximately 63 km in length; and

- (ii) the region surrounding a proposed new transmission line (project 4.2 in the 2025 Victorian Transmission Plan), which involves constructing a new 500 kV double circuit transmission line approximately 200 km in length from Tarrone Terminal Station to Moorabool Terminal Station, passing through Mortlake Terminal Station, and includes the cut-in of the existing 500 kV transmission line between Heywood Terminal Station and Mortlake Terminal Station at the existing Tarrone Terminal Station.

- b) Subject to sections 63 and 64 of the Act, this Order does not preclude further refinement or replacement of the preferred Transmission Project Areas of Interest following further investigation or regulatory approvals.
- c) Inclusion of the preferred Transmission Project Areas of Interest in this Order does not constitute regulatory approval of any kind for the location of specific transmission infrastructure, if any.

#### 5. **Transmission Hosting Capacity**

The intended Transmission Hosting Capacity for the Central Highlands REZ is 4.0 Gigawatts (GW).

#### 6. **Engagement requirements and expectations of project proponents during project development**

A person who intends to apply for a REZ scheme authority for the Central Highlands REZ must submit documentation to VicGrid in accordance with the engagement requirements and expectations of project proponents during project development under section 63 of the Act, in accordance with the requirements of section 33K of the Act (including any CESV Documentation), and any requirements set out by VicGrid.

Dated 26 May 2026

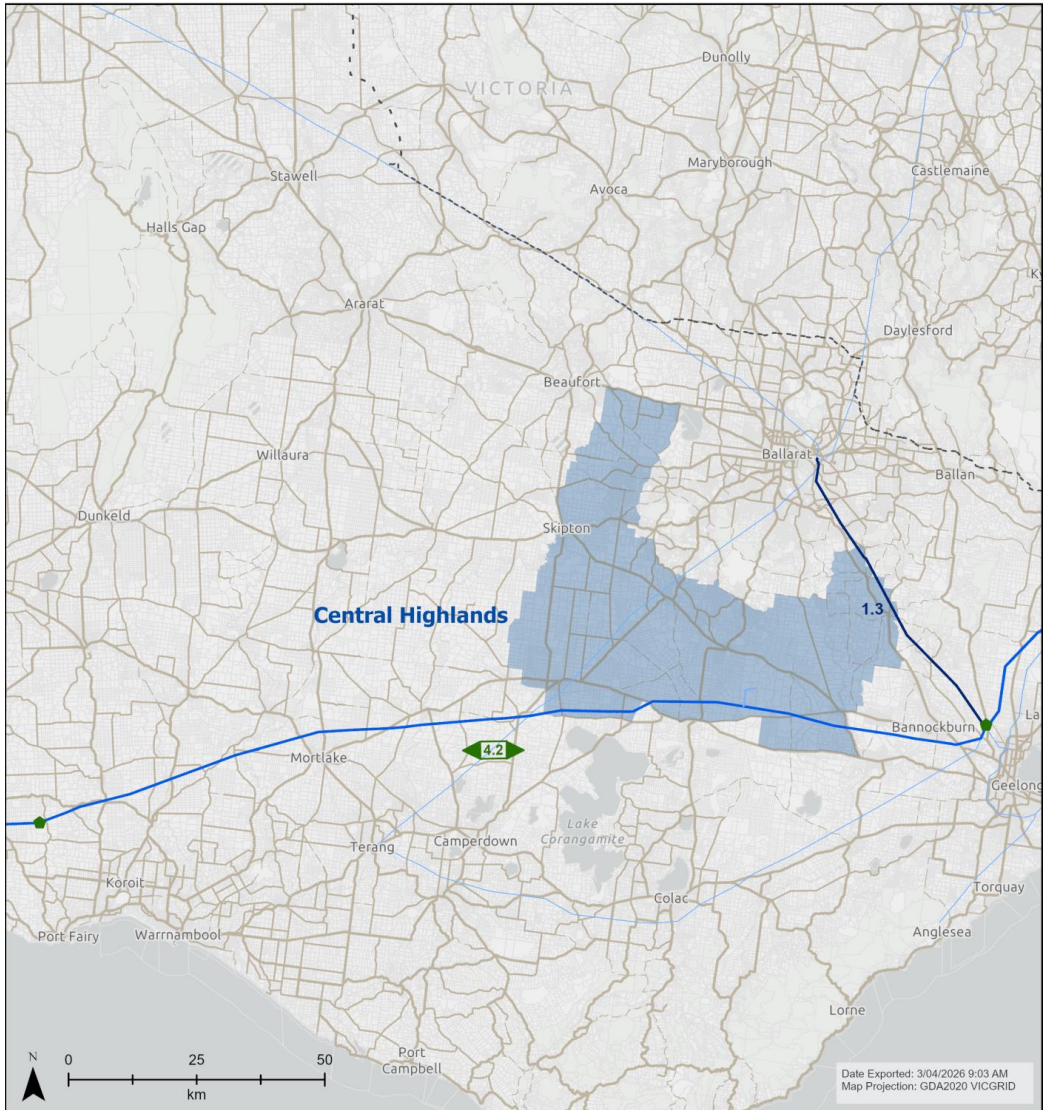
HON. LILY D'AMBROSIO MP  
Minister for Energy and Resources

### SCHEDULE 1

Figure 1 delineates the geographical boundaries of the Central Highlands Renewable Energy Zone. Access to the corresponding shape file, REZ\_2026, dated 29 May 2026, version 1, is available via the following link: <https://datashare.maps.vic.gov.au>

Transmission networks: existing high-voltage transmission lines and routes, compiled by VicGrid are from Geoscience Australia, National Electricity Infrastructure, <https://ecat.ga.gov.au/geonetwork/srv/api/records/3844c10c-ecfd-44a9-94f5-29222bb6d36d>

Figure 1: Central Highlands REZ



### Central Highlands REZ

#### Victorian Transmission Plan program\*\* number

- 1: Western Victoria reinforcement program**  
1.3 Rebuild the existing transmission line from Ballarat to Moorabool into a 220 kV high-capacity double circuit
- 4: South West expansion program**  
4.2 New 500 kV double circuit line from Tarrone to Mortlake to Moorabool and Tarrone 500 kV turn in

\*\*This includes transmission projects defined as Committed and Anticipated or Actionable under the Australian Energy Market Operator's 2024 Integrated System Plan.

\*\* Please refer to the 2025 Victorian Transmission Plan Appendix A for further details about proposed works included in each program. Each program includes multiple transmission projects.

<span style="display: inline-block; width: 15px; height: 15px; background-color: #4F81BD; border: 1px solid black;"></span> Central Highlands REZ	<span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black;"></span> Property Parcel
<span style="display: inline-block; width: 10px; height: 10px; background-color: green; border-radius: 50%;"></span> New transmission connection point	<span style="display: inline-block; width: 15px; border-bottom: 1px solid black;"></span> Roads
<span style="display: inline-block; width: 15px; border-bottom: 2px solid blue;"></span> Upgrade to existing transmission network	<span style="display: inline-block; width: 15px; border-bottom: 2px solid brown;"></span> Highway
<span style="display: inline-block; width: 15px; border-bottom: 2px dashed black;"></span> Transmission projects under development*	<span style="display: inline-block; width: 15px; border-bottom: 2px solid grey;"></span> Major Road
<b>Existing transmission network</b>	<span style="display: inline-block; width: 15px; border-bottom: 2px solid grey;"></span> Minor Road
System Capacity	<span style="display: inline-block; width: 15px; border-bottom: 2px dashed grey;"></span> Local Road
<span style="display: inline-block; width: 15px; border-bottom: 2px solid blue;"></span> 220 KV	
<span style="display: inline-block; width: 15px; border-bottom: 4px solid blue;"></span> 500 KV	



Sources: Vicmap, ESRI, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community



REASONS FOR MAKING THE CENTRAL HIGHLANDS  
RENEWABLE ENERGY ZONE MINISTERIAL ORDER UNDER SECTION 63 OF THE  
NATIONAL ELECTRICITY (VICTORIA) ACT 2005

In accordance with section 63(1) of the **National Electricity (Victoria) Act 2005** (NEVA), I, Lily D'Ambrosio, Minister for Energy and Resources, am authorised to declare an area of Victoria as a renewable energy zone (REZ) by making a REZ Order.

I make this statement of reasons for my decision to make the Central Highlands REZ Order in accordance with section 63(4) of the NEVA.

In this statement of reasons, **Central Highlands REZ Order** means the REZ Order which declares the area within the boundaries marked in blue in Schedule 1 of attached REZ Order to be the Central Highlands REZ.

### Background

As acknowledged in the 2025 Victorian Transmission Plan (2025 VTP), Victoria's transition away from coal-fired power requires new renewable energy, storage and transmission infrastructure to maintain a reliable and affordable electricity system as coal power stations close (pages 10 and 25). The 2025 VTP also identifies that many areas with strong renewable energy potential are constrained by limited transmission capacity, highlighting the need for coordinated transmission planning and development (page 28).

A REZ is an area identified as suitable to host renewable energy infrastructure, designed to coordinate generation development, and minimise the extent and inefficiency of required transmission network upgrades (2025 VTP, page 28). The 2025 VTP identifies REZs as a key mechanism to support Victoria's orderly transition from coal-fired power to renewable energy (pages 10 and 25).

By prioritising areas with existing grid infrastructure (2025 VTP, page 28) and planning targeted upgrades only where needed, REZs enable more efficient use of the transmission network and help reduce congestion (2025 VTP, page 18). This coordinated approach avoids higher costs from uncoordinated and duplicative infrastructure, while supporting a more cost-effective, reliable energy system and delivering regional economic benefits (2025 VTP, pages 21 and 28).

Currently, an 'open' access regime applies in Victoria under the National Electricity Market (NEM). In the NEM there are currently no restrictions on where generators can connect to the Declared Transmission System (DTS). Victoria is delivering a new access regime in which there will be an introduction of 'physical' access arrangements for projects seeking to connect to the DTS. Under the new Victorian Access Regime, a generating system or integrated resource system may apply to VicGrid to access the DTS through:

- a. a REZ scheme authority, where the project is an eligible technology and is inside a REZ; or
- b. a grid impact authority, where the project is not an eligible technology and/or is outside a REZ.

The Victorian Government's expectations for developers to engage with and create social value for communities, Traditional Owners and landholders will apply to all projects under both processes.

The Renewable Energy Zone scheme declarations is the mechanism that coordinates the new access regime for eligible generation and storage facilities within declared REZs.

A REZ Order declares the geographic area of the REZ. That declared area provides the foundation for the relevant REZ scheme declaration under the NEVA, and for VicGrid to grant and administer REZ scheme authorities under that REZ scheme declaration. This process governs how eligible projects obtain rights to access and connect to the DTS within the declared REZ.

### Declaring a REZ Order

The Central Highlands REZ is located in central west Victoria, west and south of Ballarat, and covers parts of the Golden Plains, Corangamite and Pyrenees local government areas. Small sections of the REZ also sit within the Moorabool and Colac Otway local government areas.

The Central Highlands REZ is located within the Registered Aboriginal Party boundaries of the Wadawurrung Traditional Owners Aboriginal Corporation and Eastern Maar Aboriginal Corporation.

In making the REZ Order, I have considered information provided by Traditional Owners and First Peoples about Aboriginal cultural heritage, cultural values and related matters under section 64(2)(b) of the NEVA.

In developing the 2025 VTP and proposed REZs, VicGrid's 2024 VTP Guidelines emphasise partnering with First Peoples and treat cultural heritage and cultural values as key considerations, including through VicGrid's strategic land use assessment. The 2024 VTP Guidelines also note that Aboriginal cultural heritage information used at this strategic planning stage is limited to publicly available datasets and does not capture all known values, and that detailed regulatory requirements (including under the **Aboriginal Heritage Act 2006** (Vic.)) continue to apply to any future works and I took this into account in making this Order.

I also note that in accordance with section 4B of the **Flora and Fauna Guarantee Act 1988** (Vic.), in performing any of my functions that may reasonably be expected to impact on biodiversity in Victoria, I must give proper consideration to the objectives of that Act and instruments made under that Act, so far as is consistent with the proper exercising of my functions. I note the REZ Order establishes a strategic area for renewable energy development and that REZs will contain some sensitive areas that are not suitable for development. Declaring an area to be a REZ does not remove or otherwise diminish the need for future projects to comply with applicable environmental assessment, approval and offset requirements, such as the requirement to obtain approvals under the **Planning and Environment Act 1987** (Vic.) and, where applicable, the **Environment Effects Act 1978** (Vic.). A more detailed assessment of impacts of any future energy infrastructure will necessarily depend on the location, scale and design, and are more appropriately assessed at the project level. Any proposed development will continue to be subject to applicable planning approvals, environmental impact assessments and compliance with relevant legislation. Where issues related to biodiversity have been raised through the REZ development process, 2025 VTP process, and draft REZ Order consultation, these issues have been considered as part of any relevant decisions to amend or not amend REZ boundaries, to strike a balance between differing objectives of the **Flora and Fauna Guarantee Act 1988** and objectives of the NEVA.

Consistent with the 2025 VTP, I expect that declaring the Central Highlands REZ will support a more coordinated approach to generator access and connection to the DTS. This is expected to reduce the risk of inefficient or duplicative transmission investment and support efficient use of existing and planned transmission infrastructure, noting that the detailed access and connection arrangements will be established and administered through the relevant REZ scheme declaration.

#### **Matters required to be addressed in a REZ Order**

Section 63(2) of the NEVA requires a REZ Order to set out specific matters. These requirements have been addressed as follows:

- a. The boundaries of the REZ, including a map of the REZ. The Central Highlands REZ Order includes an appended map that shows the boundaries of the Central Highlands REZ within Victoria. In defining the boundaries of the Central Highlands REZ, I considered the submissions received on the draft REZ Order to the extent they raised issues relevant to the boundaries of the REZ.
- b. The intended transmission hosting capacity within the REZ. The Central Highlands REZ Order specifies the intended transmission hosting capacity within the REZ. The intended transmission hosting capacity describes, at a high level, the amount of renewable generation that the Central Highlands REZ is intended to accommodate through the coordinated access regime, having regard to the capability of the DTS and the transmission development identified in the current 2025 VTP. I specified the intended transmission hosting capacity on the expert advice of the Department of Energy, Environment and Climate Action (DEECA) and VicGrid based on energy market modelling and planned transmission capacity. In setting this value, I also considered the submissions received on the draft REZ Order to the extent they raised issues relevant to intended hosting capacity.

- c. Engagement requirements and expectations of project proponents during project development. Engagement requirements have been addressed by requiring that project proponents submit documentation in accordance with the requirements for a REZ scheme authority application under section 33K of the NEVA, including demonstrating how they meet the expectations set out in the Victorian Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects. These guidelines set out minimum expectations of project proponents in relation to community engagement and the creation of social and economic benefits for communities, Traditional Owners and landholders in Victoria, and provide a consistent benchmark for engagement and social value expectations for renewable energy and transmission projects in Victoria. I consider this appropriately fulfils engagement requirements and expectations of project proponents during project development.

The REZ Order may also, in accordance with section 63(3)(a) of the NEVA, contain the preferred transmission project areas of interest:

- a. within the REZs for the development of major electricity transmission infrastructure; and
- b. between the REZ and the location of the DTS, or a part of that system, for the development of major electricity transmission infrastructure.

The REZ Order includes the preferred transmission project areas of interest to provide transparency to the community and industry on how the REZ is intended to be supported by future transmission infrastructure. These areas of interest identify broad locations where future major transmission infrastructure may be developed to support connections within the REZ and are intended to inform strategic planning and engagement rather than determine a final route or project design. I have included these areas of interest on the advice of DEECA and VicGrid, having regard to the Victorian transmission planning objective (VTPO) and the 2025 VTP, to indicate the most plausible transmission development pathways that could support the REZ over a 15 year planning horizon.

The REZ Order may also, in accordance with section 63(3)(b) of the NEVA, contain any other matters I consider appropriate. I have not included any other matters in the Central Highlands REZ Order.

#### **Matters the Minister must consider when declaring a REZ**

Section 64(2)(a) of the NEVA requires that, in making a REZ Order, I must have regard to:

- a. the VTPO; and
- b. the current VTP.

#### *Victorian Transmission Planning Objective*

The VTPO is set out in section 56(1) of the NEVA. The VTPO is:

- a. to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:
  - i. the price, quality, safety, reliability and security of supply of electricity; and
  - ii. the reliability, safety and security of the national electricity system.
- b. the delivery of transmission services, consistent with a least-regrets development pathway; and
- c. the achievement of targets set by Victorian legislation for reducing, or that are likely to contribute to reducing, Victoria's greenhouse gas emissions.

#### *Victorian Transmission Plan*

The VTP is developed under section 59 of the NEVA. The VTP sets out an optimal set of projects that address the planning and development needs over 15 years for the first VTP, and 25 years for each subsequent VTP related to new major electricity transmission infrastructure to facilitate connection of renewable energy zones to the DTS.

#### *Other relevant information*

Section 64(2)(b) of the NEVA permits me to have regard to any other information I consider relevant.

In having regard to submissions and other information under section 64(2)(b) of the NEVA, I note that opposition to the declaration of a REZ, concerns about social licence, or a lack of willingness by some landholders or community members to host renewable energy infrastructure do not, of themselves, prevent the declaration of a REZ. Those matters are nonetheless relevant considerations that I have weighed together with the VTPO, the 2025 VTP and the long-term interests of Victorian electricity consumers.

### **Steps taken to develop the REZs**

In developing the 2025 VTP under section 59 of the NEVA, VicGrid was required to comply with section 60(2) of the NEVA. In identifying the proposed REZs in the 2025 VTP (including the proposed Central Highlands REZ), VicGrid was required to undertake the strategic land use assessment, multi-criteria analysis, robustness analysis and cost-benefit analysis required by section 60(2) of the NEVA, and to undertake any consultation required by the 2024 VTP Guidelines and consider the results of that consultation (section 60(2)(d) of the NEVA). The steps described below summarise how VicGrid undertook these analyses and consultation in developing the proposed REZs in the 2025 VTP.

Consistent with this, the NEVA requires the VTP to include maps setting out the boundaries of each REZ and each proposed REZ. Accordingly, VicGrid's development of the 2025 VTP necessarily included identifying proposed REZs and settling proposed REZ boundaries for inclusion in the 2025 VTP.

First, VicGrid undertook the statewide strategic land use assessment required by section 60(2) of the NEVA, which incorporated community feedback alongside information about agriculture, land use, biodiversity, cultural and social factors. To gather early information about community values and preferences, VicGrid undertook a renewable energy planning survey and opened an interactive mapping activity in 2023 to help inform the identification of REZ study areas. VicGrid sought further community feedback on the REZ study areas and the draft VTP Guidelines in 2024, which was reflected in the draft 2025 VTP.

In developing the 2025 VTP, VicGrid undertook further analysis to narrow and develop REZ candidate areas, including energy market modelling and related calibration checks, spatial multi-criteria analysis (a mapping-based assessment that considers and compares multiple factors across different locations to help identify areas that are relatively more suitable or constrained), and preliminary generation resource planning. These steps informed VicGrid's consideration of proposed REZs and associated transmission pathways in finalising the 2025 VTP, consistent with the analysis requirements in section 60(2) of the NEVA.

VicGrid released the draft 2025 VTP for public consultation in May 2025 and invited feedback (including submissions) on the proposed REZs, modelling assumptions and transmission pathways. VicGrid considered the feedback received in finalising the 2025 VTP, released in August 2025, which includes six proposed onshore REZs and the Gippsland Shoreline REZ, and the proposed transmission projects needed from 2025–2040.

### **What VicGrid heard during the 2025 VTP consultation and adjustment to REZ boundaries**

During consultation on the draft 2025 VTP, VicGrid received a range of feedback relating to the size and position of the draft proposed Central Highlands REZ. Submissions from some landholders and community members called for a reduction in the size of the draft proposed REZ to minimise impacts on productive farmland and agricultural activity and to protect biodiversity and the natural environment. Feedback relating to agriculture raised concerns about potential impacts on local horticulture production, particularly potato farming near Ballarat, and questioned the compatibility of farming practices with energy infrastructure. Submissions raising biodiversity concerns identified potential impacts on threatened and protected species and areas of high biodiversity and environmental value, including the Wombat State Forest, Mount Bolton and Mount Beckworth.

Community members also raised concerns about the cumulative impacts of increased renewable energy development in the region, including in combination with the Western Renewables Link (WRL) project. In contrast, submissions from developers called for an increase in both the size and expected capacity of the REZ to reflect planned capacity and location of pipeline projects.

VicGrid considered this feedback as part of finalising the 2025 VTP. Following the draft VTP consultation, adjustments were made to the boundaries of the proposed Central Highlands REZ in the final 2025 VTP. The northern section of the REZ was reduced, having regard to land-use sensitivities, limited land availability, and the anticipated preference of generators to connect to the 500 kV transmission to the south. The southern section of the REZ was slightly expanded to provide additional space in proximity to the 500kV transmission line, while continuing to avoid areas with a high concentration of wetlands and lakes.

### **The REZ Order consultation process**

Consultation relevant to identifying and declaring the REZ occurred in three stages. The first stage occurred during VicGrid's statewide strategic land use assessment in 2024, the second stage when VicGrid released the draft 2025 VTP for public consultation, and the third stage when I published the draft REZ Order and invited submissions under section 64(1) of the NEVA.

Under section 64(1) of the NEVA, I am required to publish a draft of the REZ Order and invite submissions to be made within a period of not less than six weeks. A draft Central Highlands REZ Order was published on 20 November 2025. The end of the consultation period was extended from 22 February 2026 to 15 March 2026 to accommodate stakeholders impacted by the 2026 bushfires. In total, this consultation period ran for more than 16 weeks.

#### *How feedback was considered and addressed*

Consultation feedback received in response to the draft REZ Order was collated and assessed by VicGrid, in partnership with DEECA, to inform my decision. In making the REZ Order, I had regard to the matters set out in section 64(2)(a) of the NEVA, including the VTPO and the current 2025 VTP, and I also had regard to other information I consider relevant (section 64(2)(b) NEVA), including issues raised in submissions about potential impacts on Traditional Owners, the environment, land use and local communities and the efficient use of existing and planned transmission infrastructure. Some of the information provided by Traditional Owners and First Peoples was provided to VicGrid and to me on a confidential basis and is not for public disclosure. I have nonetheless had regard to that information to the extent I considered it relevant to my decision under section 64(2)(b) of the NEVA. I considered and weighed that information thematically together with the other submissions and information received through the consultation process.

VicGrid and DEECA assessed consultation feedback received in response to the draft REZ Order against the factors considered in determining the location of proposed REZs in the 2025 VTP, including agricultural land use, land use and landscape values, energy generation projects in planning, modelled generation build, transmission network requirements, engagement feedback, consultation with Traditional Owners, and regional development considerations.

In assessing any proposed boundary adjustments, VicGrid and DEECA applied a clear and consistent methodology to the assessment of all submissions received through the consultation period. This included applying consistent boundary change principles, undertaking objective analysis, and adopting a statewide approach where appropriate. Advice from DEECA and VicGrid on the proposed changes was provided to me for my consideration.

VicGrid documented submissions and feedback that, while noted, were not relevant to the matters that a REZ Order is required or permitted to deal with under ss 63(2) and 63(3) of the NEVA (including the setting of REZ boundaries, intended transmission hosting capacity and engagement requirements). This included matters better addressed through broader system planning processes (such as the VTP), transmission project design, environmental assessment and planning approval processes, or matters requiring longer-term analysis. VicGrid will carry that feedback forward to the development of the 2027 VTP. Matters raised in submissions that are relevant to any REZ scheme declaration or the granting of REZ scheme authorities will be considered as part of the design of those instruments and, where applicable, any public consultation processes.

### **Response to feedback**

A total of 40 submissions relating to the draft Central Highlands REZ were received in this consultation phase.

Submissions were organised by VicGrid into key common themes identified through a structured decision-making framework. These themes represent the vast majority of submissions and are:

- a. impacts on the region;
- b. impacts on agriculture and other land use;
- c. impacts on biodiversity and the natural environment, and
- d. boundary adjustments for individual projects and REZ hosting capacity.

A summary of these submissions, together with responses to the issues raised, are organised thematically and set out below.

In making the REZ Order, I have considered all of the submissions received and had regard to the matters set out in section 64(2) of the NEVA, including the VTPO and the current 2025 VTP, and other relevant information under section 64(2)(b).

#### *Impacts on the region*

Feedback focused on potential impacts on township growth, land use compatibility, landscape values, areas of historical significance and community wellbeing. Submissions raised concerns about potential effects on townships such as Meredith, particularly where renewable energy developments could constrain planned growth. There was also feedback regarding the potential and cumulative impacts of planned transmission infrastructure on Bannockburn.

Several submissions also raised issues regarding noise, visual impacts, shadow flicker, proximity of turbines and other impacts associated with existing wind farm developments in the region. In addition, some landowners also expressed concerns about the WRL project, citing potential risks to property access, firefighting safety, farming operations and mental wellbeing. Overall, feedback reflected apprehension by some community members that large scale infrastructure could alter landscape character, disrupt established land uses and recreation, affect local businesses and tourism, and place additional stress on rural communities.

#### *Response to impacts on the region*

I have considered these submissions and had regard to the VTPO and 2025 VTP, and in doing so I note some of these submissions raise similar issues to matters raised during consultation on the 2025 VTP. These issues were reconsidered and where they did not, on balance, necessitate further change, the outcome of the VTP assessment has been maintained.

I acknowledge the concerns expressed regarding the potential impacts of generation and transmission projects on the region covered by the Central Highlands REZ. I have balanced these concerns with the VTPO, and in particular the generation and transmission challenges facing Victoria arising from the planned retirement of thermal coal generators.

In this regard, I note the 2025 VTP identified that the Central Highlands REZ offers significant advantages to the community in terms of efficient investment in electricity services. The southern boundary runs close to the existing 500 kV transmission line from Moorabool towards Haunted Gully and takes in a section of the 220 kV line from Ballarat to Terang. The 2025 VTP also identified the area's high-quality wind resources and a greater prevalence of farming practices that are more compatible with renewable energy infrastructure.

The VTPO requires me to have regard to efficient investment in electricity services for the long-term interests of Victorian electricity consumers, the reliability and security of the electricity system, Victoria's emissions reduction targets, and the delivery of transmission services consistent with a least-regrets development pathway.

Consistent with the VTPO and the 2025 VTP, I note that the Central Highlands REZ is located in an area with existing and planned transmission infrastructure that may support a more coordinated approach to development. I have also had regard to information in the 2025 VTP concerning the potential for coordinated development to support reliable and affordable electricity services, and to the potential for development to attract investment, support regional employment, improve services, boost local economies, facilitate payments to landholders, and generate benefits for Traditional Owners and local communities.

I have considered the concerns regarding cumulative impacts of development, including impacts on visual amenity. I note, however, that the detailed impacts of any future project will necessarily depend on its location, scale and design. These impacts are more appropriately assessed at the project level. In particular, the potential impacts on the Bannockburn Growth Zone and the Bannockburn South East Precinct Structure Plan relate primarily to the siting, alignment and design of future transmission infrastructure and are not determined by the geographic footprint of the REZ. These are matters that will be considered through applicable planning, design, environmental assessment and approvals processes. These processes are specifically designed to enable engagement with all interested parties and facilitate detailed and thoughtful consideration of the issues raised.

On balance, having regard to the benefits the Central Highlands REZ can provide to the local communities and the need to secure viable electricity services for the benefit of all Victorian electricity consumers over the long term at the most efficient cost, and given the existing nearby transmission infrastructure, I am satisfied that the REZ boundary as proposed in the draft REZ Order represents a balanced and appropriate outcome.

In reaching this decision, I have taken into account Victoria's electricity needs and the VTPO, as well as the opposing views expressed by some community members.

#### *Impacts on agriculture and other land use*

Feedback received focused on the impacts of renewable energy and transmission infrastructure on agricultural land use, food production and farm viability, including on intensive agricultural precincts such as the Golden Plains Food Production Precinct. Concerns were raised that renewable energy projects and associated transmission infrastructure could result in the permanent loss or fragmentation of productive farmland through easements, tower foundations, access tracks and safety exclusion zones, with cumulative impacts where multiple projects overlap.

Several submissions highlighted potential land-use conflicts between renewable infrastructure and existing agricultural and agritourism businesses, particularly where visual impacts, traffic, or prolonged construction activity could potentially undermine on-farm diversification or long-term business planning. Submissions also drew attention to the risk of property devaluation caused by proximity to turbines and transmission infrastructure, particularly in circumstances where land was a primary family asset and part of retirement or succession planning.

Some submissions noted reliance on groundwater bores as sole water supplies and sought assurances that deep excavation and large concrete foundations would not affect aquifers or water quality. Councils emphasised the need to align REZ planning with adopted rural land use strategies and land capability mapping, noting that productive agricultural areas had not been adequately avoided and that existing transmission proposals were already affecting a substantial number of farms through land acquisition and easements.

Other land use feedback focused on requests to remove Lethbridge Airport from the REZ due to concerns about operational constraints and preserving flexibility for potential future expansion of the airport.

#### *Response to impacts on agriculture and other land use*

I have considered these submissions and had regard to the VTPO and the 2025 VTP in doing so I note some of these submissions raise similar issues to matters raised during consultation on the 2025 VTP. These issues were reconsidered and where they did not, on balance, necessitate further change, the outcome of the VTP assessment has been maintained.

I acknowledge concerns with the impact on agricultural land and other land use, as well as the potential impact on land values. I recognise and respect the vital contribution that farming makes to Victoria's economy, to regional and rural communities, and to the food security and way of life of farming families. The compatibility of some farming practices with renewable energy infrastructure is a relevant consideration, however, it is not a standalone or determinative factor. Agricultural compatibility was weighed as part of the broader balancing exercise required by the VTPO, together with other matters identified in section 64(2) of the NEVA. In considering these matters, I balanced the concerns raised about agricultural land and other land use, and potential impacts on land values with the need to plan for an efficient, reliable and affordable electricity system for Victoria over the long term.

Consistent with the 2025 VTP, I note that agricultural land use and existing land use patterns were considered in identifying the proposed REZ area. The REZ boundaries are the product of a rigorous, multi-stage process that has expressly considered agricultural land use at both statewide and regional levels.

VicGrid's strategic land use assessment considered farmland using data including farmgate output, soil quality, rainfall, access to irrigation water and farm infrastructure investment, as well as the compatibility of different types of farming with the co-location of renewable energy infrastructure.

The Central Highlands REZ offers strong connection opportunities to existing and future transmission lines, which makes it very likely that renewable energy projects will be interested in co-locating with agricultural land. This creates an opportunity to encourage coordinated investment that supports efficient investment in, and efficient operation and use of, electricity services in the long term interests of all Victorians.

I note the REZ Order establishes a strategic area for renewable energy development and does not authorise individual projects or determine the final location or design of future infrastructure. Any proposed development within or outside the REZ will continue to be subject to applicable planning approvals, environmental impact assessments and compliance with relevant legislation, including the **Aboriginal Heritage Act 2006** (Vic.). Potential site-specific impacts on agricultural operations and other land uses are therefore more appropriately addressed through subsequent project-level design, engagement, assessment and approvals processes. These processes are specifically designed to enable engagement with all interested parties and facilitate detailed and thoughtful consideration of the issues raised.

Accordingly, on balance, having considered the impacts raised in submissions relating to agriculture and other land use, and having weighed those matters with the VTPO, the 2025 VTP and the benefits the REZ will provide for the community, I have decided to retain the Central Highlands REZ boundary as proposed in the draft REZ Order in response to submissions under this theme.

#### *Impacts on biodiversity and the natural environment*

During the consultation period on the draft 2025 VTP, VicGrid received feedback on the sensitive areas around Mount Bolton and Mount Beckworth. In response to this feedback, and having regard to a range of considerations, the northern section of the draft proposed Central Highlands REZ was removed.

Feedback received during the draft REZ Order consultation period continued to highlight potential impacts of renewable energy development on biodiversity and the natural environment. In particular, submissions from community members focused on impacts to landscapes such as Mount Beckworth, Mount Bolton and surrounding bushland as ecologically significant, supporting remnant forests, granite outcrops, wetlands and wildlife corridors that function as refuges following recent bushfires. There was strong support from community members for VicGrid's decision to remove the northern section of the REZ, including the area around Mount Bolton and Mount Beckworth, between the draft and final 2025 VTP.

Submissions also highlighted the presence of threatened and protected species, including birds of prey and other bird species, as well as impacts on other fauna and areas supporting a high diversity of native flora. Additional concerns were raised about potential bushfire risk from ignition sources associated with infrastructure, such as electrical faults, lightning strikes or mechanical failure. Some submissions were concerned with the implications for aerial and ground-based firefighting activities, including potential obstruction of water bombing aircraft flight paths and concerns for ground crews navigating access roads, cables and structures during emergencies.

#### *Response to impacts on biodiversity and the natural environment*

I have considered these submissions and have had regard to the VTPO and the 2025 VTP in doing so. I note biodiversity values and natural hazard vulnerability were considered during the development of the proposed REZ. I note some of these submissions raise similar issues to matters raised during consultation on the 2025 VTP. These issues were reconsidered and where they did not, on balance, necessitate further change, the outcome of the VTP assessment has been maintained.

While the area around Mount Bolton and Mount Beckworth is no longer part of the REZ, I note the sustained submissions from community members on the cultural significance and natural beauty of this area. The consultation processes on the REZ have been robust and ensured that these sensitive areas were known and factored into the proposed REZ. Balancing environmental considerations alongside

the VTPO and the 2025 VTP's statewide cost-benefit assessment, I am satisfied the Central Highlands REZ boundary appropriately minimises environmental and land use impacts while enabling least-cost development that secures reliability and reduces emissions for the benefit of all Victorians.

As I have observed elsewhere in this statement, declaring an area to be a REZ does not remove or otherwise diminish the need for future projects to comply with applicable environmental assessment, approval and offset requirements, such as the requirement to obtain approvals under the **Planning and Environment Act 1987** (Vic.) and, where applicable, the **Environment Effects Act 1978** (Vic.). Detailed environmental impacts will need to be assessed at the project stage.

I acknowledge concerns raised in submissions regarding bushfire risk and emergency response, including concerns renewable energy development may increase fire risk, and pose challenges for aerial and ground-based firefighting capacity.

Bushfire risk and existing land use patterns were considered at a regional and statewide level in identifying the REZ areas, including through the strategic land use assessment and cumulative impacts analysis undertaken as part of the 2025 VTP.

The REZ Order is a strategic planning instrument and does not determine the final siting, layout or design of individual renewable energy or transmission projects. Consideration of bushfire risk, emergency access, firefighting requirements and potential impacts on aerial firefighting operations will occur at subsequent project planning, environmental assessment and statutory approvals stages, including further consultation with the relevant authorities and communities.

Victoria's transmission network is designed, operated and maintained in line with strict safety laws and regulations to reduce the risk of bushfires. Licensed transmission companies in Victoria must have an Electricity Safety Management Plan, which sets out how they reduce the risk of transmission lines starting fires. Energy Safe Victoria monitors compliance with these plans and holds transmission companies to account for any breaches or non-compliance. The Country Fire Authority has standard operating procedures for how its members can work safely around high-voltage transmission lines and large pylons.

On balance, taking into consideration the benefits the REZ will provide for the community, I have decided to retain the Central Highlands REZ boundary, as proposed in the draft REZ Order in response to submissions under this theme.

#### *Boundary adjustments for individual projects and REZ hosting capacity*

It was suggested by a range of stakeholder groups that the proposed boundary and transmission hosting capacity may not fully reflect the scale of renewable resource potential, or the level of project readiness already present in the region. Some submissions requested that the draft Central Highlands REZ boundary be extended to include projects that have progressed through landholder agreements, environmental and heritage assessments, and early planning pathways. Proponents noted that some projects are now partially or wholly outside the REZ, introducing additional complexity for delivery and access to transmission.

Project proponents also noted that future projects that locate adjacent to existing substations or transmission corridors may reduce the need for new easements or additional network infrastructure. It was suggested that aligning REZ boundaries more closely with established network assets could support efficient utilisation of transmission investment and reduce cumulative land-use impacts.

#### *Response to boundary adjustments for individual projects and REZ hosting capacity*

I have considered these submissions and have had regard to the VTPO and the 2025 VTP. I acknowledge the feedback from project proponents that future projects that locate adjacent to existing substations or transmission corridors may reduce the need for new easements or additional network infrastructure that support efficient utilisation of transmission investment and reduce cumulative land-use impacts. This feedback aligns with the VTPO and guided the strategic identification of REZs. The VTPO requires me to have regard to efficient investment in electricity services for the long-term interests of Victorian electricity consumers, the reliability and security of the electricity system, Victoria's emissions reduction targets, and the delivery of transmission services consistent with a least-regrets development pathway.

I note that the REZ Order is the outcome of a REZ-wide strategic planning decision rather than the aggregate of assessments of individual landholdings, projects or proponents. A REZ is a strategic planning tool designed to support coordinated planning for renewable energy and transmission infrastructure across the state. It is not intended to respond to individual site or project-specific

requests. Therefore, while requests for boundary adjustments affecting particular sites have been noted, individual requests to adjust the REZ boundary for a particular project needs to be balanced with the VTPO and the 2025 VTP.

I observe, however, that matters relating to how projects will be assessed as located in a REZ and the process to obtain a REZ scheme authority for access in a REZ will be set out in the draft REZ scheme declaration for the Central Highlands REZ. As the responsible Minister, I will consult further on the draft REZ scheme declaration when this is published for community and industry feedback. The REZ Order establishes a strategic area for renewable energy development and does not authorise individual projects or determine the final location or design of future infrastructure. Proposed developments are still subject to planning approvals, environmental impact assessments and compliance with laws.

On balance, taking into consideration the benefits this Central Highlands REZ will provide to the region, and helping to secure viable electricity services for the benefit of all Victorian electricity consumers well into the future, I have decided to retain the REZ boundary as proposed in the REZ Order in response to submissions under this theme.

A more detailed account of the feedback will be set out in the *What We Heard* report, released alongside the final REZ Order and the statement of reasons.

#### **Consultation with the Premier and Treasurer (section 64(1)(c) of the NEVA)**

I wrote to the Premier and the Treasurer for the purposes of section 64(1)(c) of the NEVA. I have considered any responses received from the Premier and/or Treasurer in making the REZ Order.

#### **Conclusion**

Having considered the submissions received during consultation on the draft REZ Order, and having complied with the consultation requirements in section 64(1) of the NEVA (including publishing a draft REZ Order, inviting submissions for at least six weeks and considering the submissions received), and having regard to the matters set out in section 64(2)(a) of the NEVA, including the VTPO and the current 2025 VTP, I am satisfied that making the Central Highlands REZ Order supports efficient investment in and use of transmission services in the long-term interests of Victorian electricity consumers (including in relation to price, reliability and security of supply), supports achievement of Victoria's emissions reduction targets, and is consistent with the least-regrets development pathway set out in the 2025 VTP for transmission development in and around the Central Highlands REZ. In making this assessment, I have also had regard to other information I consider relevant under section 64(2)(b) of the NEVA, including issues raised in submissions about impacts on local communities, land use, the environment and Traditional Owners.

In refining the REZ boundaries, VicGrid applied a consistent statewide approach, aligning zone boundaries with existing administrative and planning features, including local government boundaries, roads, and designated planning areas. As a result of this refinement process, minor changes have been made from the draft to final REZ boundaries.

Where proposed changes would have undermined or delivered outcomes that were not consistent with the VTPO or the 2025 VTP, or conflicted with other mandatory requirements, they were not recommended. Where submissions proposed changes that are more appropriately considered against the wider strategic outcomes of the Victorian Access Regime, I have directed VicGrid to include these matters for consideration and further discussions as part of the draft 2027 VTP.

As part of considering the draft REZ Order, consideration has also been given to the cost-benefit analysis which was conducted for the optimal development pathway as outlined in the 2025 VTP. The cost-benefit analysis demonstrates that the net benefits of the proposed plan to Victorians as a whole are substantial, with a net present value of \$9.6 billion and projected reductions in household and business energy bills.

For the reasons given in this statement, and having regard to the matters referred to in this statement, I am satisfied that the final Central Highlands REZ Order represents a reasonable and appropriate outcome to support Victoria's long-term energy needs.

HON. LILY D'AMBROSIO MP  
Minister for Energy and Resources