

**National Electricity (Victoria) Act 2005**  
MINISTERIAL ORDER UNDER SECTION 63

Gippsland 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 Gippsland 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 Gippsland Renewable Energy Zone**

The Gippsland 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 Area of Interest constitutes the region surrounding the proposed new build transmission line (project 2.1 in the 2025 Victorian Transmission Plan), which involves installing a second Hazelwood Power Station to Yallourn Power Station 220 kV double circuit transmission line, approximately 10 km in length.
- 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 Gippsland REZ is 5.2 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 Gippsland 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

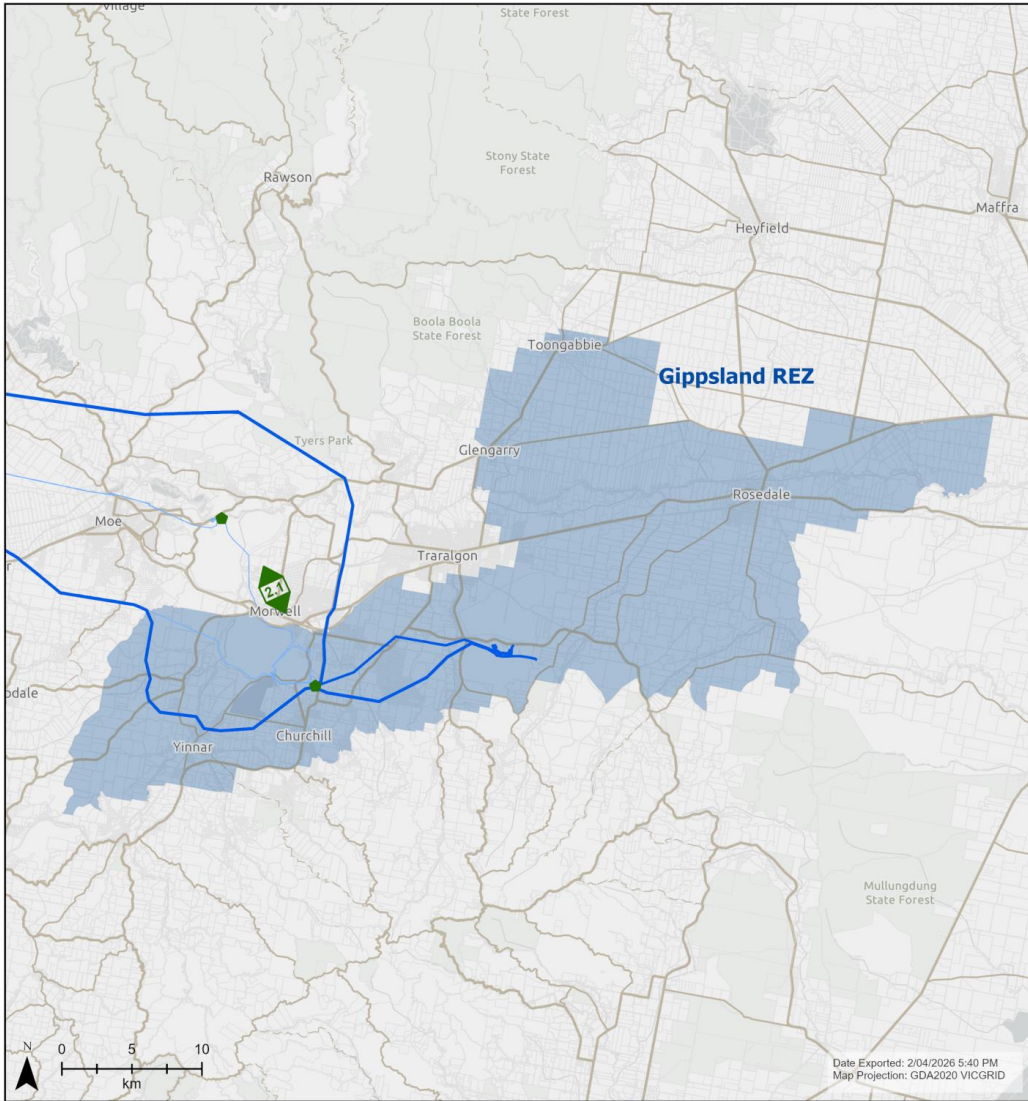
HON. LILY D'AMBROSIO MP  
Minister for Energy and Resources

**SCHEDULE 1**

Figure 1 delineates the geographical boundaries of the Gippsland 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: Gippsland REZ



# Gippsland REZ

## Victorian Transmission Plan program\*\* number

### 2: Eastern Victoria reinforcement program

2.1 Install a second Hazelwood to Yallourn double circuit line

\*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.

- Gippsland REZ
- New Infrastructure**
  - New transmission connection point
- Upgrades to existing infrastructure**
  - Upgrade to existing transmission network
- Existing transmission network**
  - System Capacity
  - 220 KV
  - 500 KV
- Roads**
  - Property Parcel
  - Highway
  - Major Road
  - Minor Road
  - Local Road



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



REASONS FOR MAKING THE GIPPSLAND  
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 Gippsland REZ Order in accordance with section 63(4) of the NEVA.

In this statement of reasons, **Gippsland 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 Gippsland 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 Gippsland REZ is located in the Latrobe Valley in eastern Victoria, reaching from Morwell to Sale and includes parts of the Wellington, Latrobe and South Gippsland local government areas.

The REZ sits within the Registered Aboriginal Party boundary of the Gunaikurnai Land and Waters 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.

The Gippsland REZ is located in an area with substantial existing transmission capacity. Consistent with the 2025 VTP, I expect that declaring the Gippsland 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 Gippsland REZ Order includes an appended map that shows the boundaries of the Gippsland REZ within Victoria. In defining the boundaries of the Gippsland 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 Gippsland 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 Gippsland 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 Gippsland 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 Gippsland 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 on the size of the draft proposed Gippsland REZ. Some community members and landholders called for a reduction in size to minimise impacts on agriculture, particularly dairy farms, and protect biodiversity and the natural environment. Submissions included concerns about impacts on threatened species and areas of high biodiversity values, as well as significant coastal and landscape areas such as Wilsons Promontory, areas along the Bass Coast, the Strzelecki Ranges and coastal reserves and wetlands.

Submissions from industry stakeholders called for more flexible REZ shapes and capacities, advising that the current configurations were too geographically narrow and conservative. There was also feedback from the forestry industry on potential co-location opportunities for wind farms with plantation land. Other submissions raised constraints associated with airspace and defence operations in the region, including the need to avoid the airspace used by the Royal Australian Air Force (RAAF) base in East Sale.

There was no change to the Gippsland REZ boundary between the draft and final 2025 VTP. The proposed REZ boundary was drawn to avoid agricultural areas, particularly dairy farms in the southwest and the Macalister Irrigation District, population centres in South Gippsland and areas identified as containing high biodiversity values. Significant landscapes along the Bass Coast, Wilsons Promontory and Strzelecki Ranges were protected. Options to expand the REZ to the south were considered in response to industry feedback, though this did not progress due to constraints associated with proximity to the RAAF base and biodiversity and cultural heritage considerations.

## 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 Gippsland 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 sections 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 23 submissions relating to the draft Gippsland REZ were received in this consultation phase.

These 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 agriculture, land use, and hosting capacity;
- b. impacts on biodiversity and the natural environment; and
- c. impacts on the region.

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.

*Impacts on agriculture, land use and hosting capacity*

Submissions from community members emphasised the importance of protecting agricultural land and opposed the placement of energy infrastructure, particularly transmission lines and energy storage systems, on agricultural land. Concerns were raised that activities related to energy infrastructure such as access requirements, safety setbacks, construction traffic, and changes to land management arrangements, may affect existing agricultural activities.

Submissions advocated for directing renewable energy infrastructure toward already disturbed or previously industrial land, including former mining or industrial sites, where agricultural productivity is lower and supporting infrastructure is already in place. Similarly, submissions also highlighted the value of assessing land use impacts at a district or regional scale, including cumulative effects on agriculture, rather than on a project-by-project basis.

There were also concerns about land use pressures associated with relying on the Gippsland REZ to contribute to meeting hosting capacity targets and a suggestion that hosting capacity be transferred to the Western and North West REZs, enabled via Syncline Energy's electricity transmission proposal (Syncline proposal).

*Response to impacts on agriculture, land use and hosting capacity*

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 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. While the compatibility of some farming practices with renewable energy infrastructure is a relevant consideration, it is not a standalone or determinative factor and is one of many considerations. 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 use 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.

I note the Gippsland REZ has strong strategic connections to existing transmission infrastructure, and prospects for the co-location of renewable energy projects with ongoing agricultural land use. The REZ provides potential for coordinated connections into the 500 kV transmission network around Loy Yang, and was designed to make use of existing capacity already located in the region. 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.

While previously disturbed or industrial land can be suitable for renewable energy and storage infrastructure in some circumstances, the scale, availability and technical characteristics of such sites mean they cannot alone accommodate the scale, diversity and geographic spread of generation and storage required to meet Victoria's long-term energy needs. Accordingly, site suitability was considered at a regional and statewide level, rather than by prioritising particular land parcels in isolation.

In this context, I acknowledge concerns raised about relying on the Gippsland REZ to help meet Victoria's hosting capacity target, and suggestions that this capacity instead be transferred to the Western and North West REZs, enabled via the Syncline proposal.

I have carefully considered this proposal. Following detailed expert assessment, VicGrid advised that the Syncline proposal would not be included in the 2025 VTP. This reflected an assessment that the proposal presents significant risks, higher costs and delivery challenges when compared with the transmission investments already underway in Victoria. I took this into account when considering these submissions.

I acknowledge the concerns raised about the interaction between the Gippsland REZ boundary and the Gippsland Logistics and Manufacturing Precinct (GLaMP). As outlined during consultation, the boundaries of draft REZs were not final and were intended to be refined prior to determining the final REZ areas.

In finalising REZ boundaries, VicGrid applied a consistent statewide approach, aligning zone boundaries with existing administrative or planning boundaries, including roads, local government boundaries and designated planning areas. Through this process, and taking into account the feedback, the final alignment of the Gippsland REZ boundary no longer overlaps with the GLaMP.

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

Submissions raised general concerns about the Gippsland region's natural environment, including coastal systems, forests, wetlands, waterways and landscapes that support native flora and fauna and the potential impacts of renewable energy development associated with a REZ. Submissions also noted that Gippsland contains a wide range of interconnected ecosystems that contribute to biodiversity, recreation, tourism and community identity, and that these values are closely linked to land use patterns across the region.

Submissions highlighted species-specific considerations, including Strzelecki koalas, birds of prey, bats and wetland-dependent species, and suggested that high-level mapping does not always reflect local ecological conditions or recent observations. However, submissions did not provide material new, location-specific biodiversity data.

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

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 the concerns raised in submissions and the importance communities place on protecting Gippsland's natural environment, biodiversity, and interconnected ecosystems, including the need to carefully consider potential impacts on native flora and fauna, valued landscapes and places of ecological, cultural, recreational and economic significance.

Biodiversity values, environmental constraints and natural hazard vulnerabilities were integral considerations during the development of the proposed REZ, including through the application of avoidance principles in the strategic land use assessment. Where possible, the assessment prioritised areas with comparatively fewer land use and environmental constraints. I note that these considerations informed the identification and refinement of the proposed REZ, and submissions during this consultation did not raise material new evidence warranting boundary changes.

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 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 Gippsland 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 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 the REZ will provide for the community, I have decided to retain the Gippsland REZ boundary, as proposed in the draft REZ Order in response to submissions under this theme.

#### *Impacts on the region*

Submissions highlighted the cumulative nature of development, noting that while individual projects may be assessed separately, their combined effects can influence landscape character, access, traffic patterns and land use over time. This was considered particularly in relation to construction activity, transmission corridors and overlapping project footprints, and the importance of managing these effects at a regional rather than project-by-project level.

Submissions referenced interactions between energy infrastructure and existing economic activity in Gippsland, including agriculture, tourism, recreation and small businesses. Some submissions noted that changes to landscape character or access arrangements may influence how people live, work and invest in the region, and that long-term planning certainty is important for communities and businesses.

The submission from Baw Baw Shire Council noted the overlap of the draft REZ boundary with a small area of the LGA, including areas of versatile and high-productivity agricultural land.

Submissions discussed the long-established community shooting club, highlighting that proposed overhead transmission infrastructure within or near the site may affect its ability to safely conduct activities and maintain ongoing operations.

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

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 the concerns about the cumulative impacts of energy and transmission development in Gippsland, including potential impacts on landscapes, businesses, construction activities, and land use over time, and the need for a coordinated regional approach.

The VTPO requires me to have regard to efficient investment in electricity services for the long-term interests of Victorian electricity consumers, including but not limited to 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 2025 VTP, the Gippsland REZ offers significant advantages in terms of efficient investment in electricity services through network connections to the existing 500kV transmission network around Loy Yang. These considerations informed my assessment of the REZ's role in supporting Victoria's energy transition.

I have 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 acknowledge the concerns raised about the overlap of the draft REZ boundary with the Baw Baw Shire LGA. As outlined during consultation, the boundaries of draft REZs were not final and were intended to be refined prior to determining the final REZ areas.

In finalising REZ boundaries, VicGrid applied a consistent statewide approach, aligning zone boundaries with existing administrative or planning boundaries, including roads, local government boundaries and designated planning areas. Through this process and taking into account the feedback, the final alignment of the Gippsland REZ boundary no longer overlaps with the Baw Baw Shire LGA.

With regard to the feedback about the shooting club, the matters raised relate primarily to the siting, alignment and design of future transmission infrastructure, which are not determined by this REZ Order. While the REZ Order gives an indication of transmission project areas of interest, final transmission infrastructure will be assessed through separate statutory planning, environmental assessment and approvals processes, including further consultation.

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 Gippsland 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 Gippsland 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 Gippsland 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