

**National Electricity (Victoria) Act 2005**  
MINISTERIAL ORDER UNDER SECTION 63  
North West 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 North West 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 North West Renewable Energy Zone**

The North West 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 a proposed transmission line upgrade (project 3.3 in the 2025 Victorian Transmission Plan), which involves rebuilding the existing 220 kV single circuit transmission line from the new Kerang Terminal Station, being developed as part of the Victoria to New South Wales Interconnector West (VNI West) project, to the Bendigo Terminal Station into a new high-capacity double circuit 220 kV transmission line, approximately 125 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 North West REZ is 1.7 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 North West 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

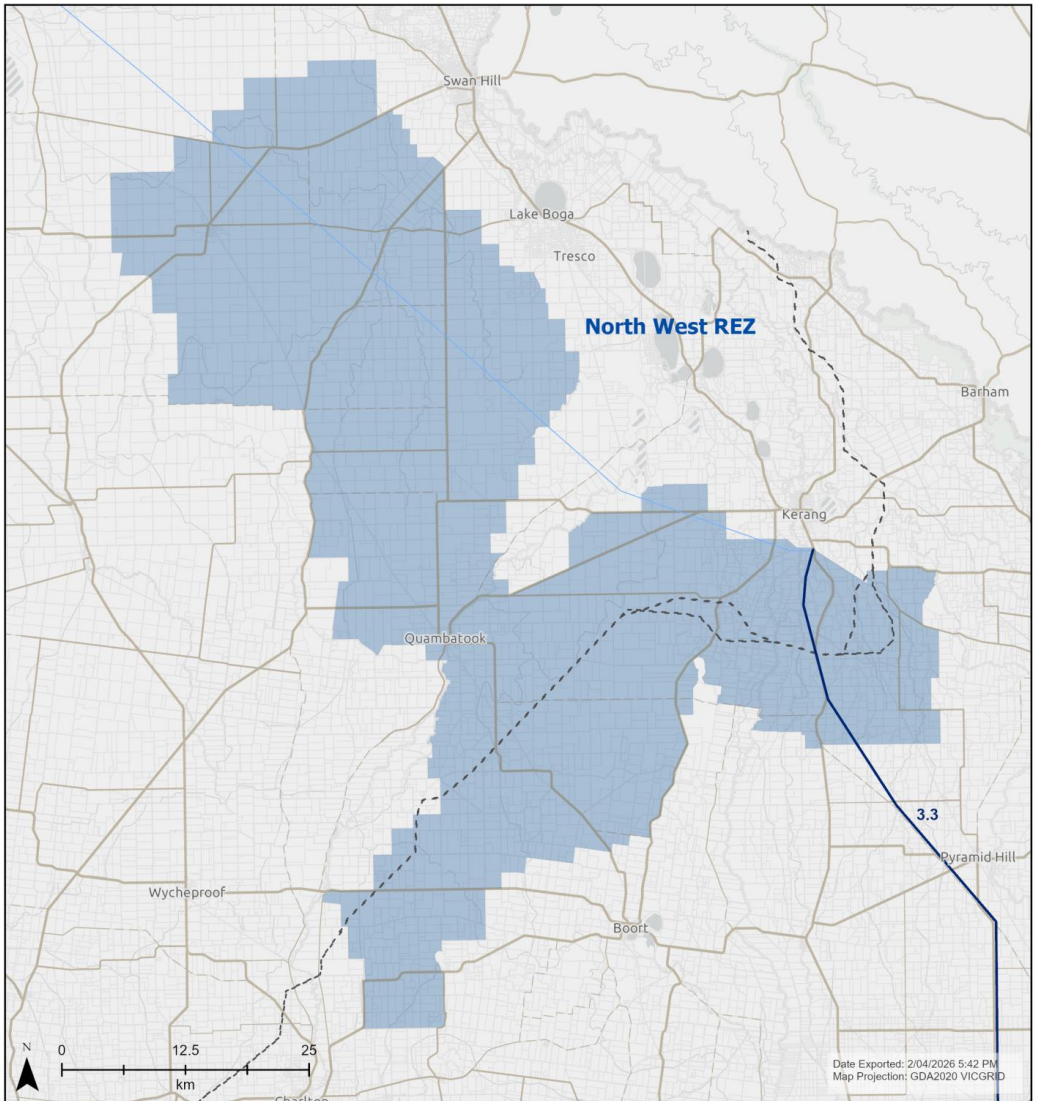
HON. LILY D'AMBROSIO MP  
Minister for Energy and Resources

**SCHEDULE 1**

Figure 1 delineates the geographical boundaries of the North West 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: North West REZ



### North West REZ

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

**3: North West strengthening program**

3.3 Rebuild the single circuit line from Kerang \ New Kerang to Bendigo into a high-capacity 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.

- North West REZ
- Upgrades to existing infrastructure**
- Upgrade to existing transmission network
- Transmission projects under development\*
- Existing transmission network**
- System Capacity**
- 220 KV
- Property Parcel
- Roads**
- 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 NORTH WEST  
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 North West REZ Order in accordance with section 63(4) of the NEVA.

In this statement of reasons, **North West 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 North West 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 North West REZ is located along Victoria's north west border, reaching from south of Kerang to Swan Hill in the north. The REZ includes parts of the Swan Hill, Gannawarra, Loddon and Buloke local government areas.

The REZ sits within the Registered Aboriginal Party boundaries of Wamba Wamba Aboriginal Corporation, Dja Dja Wurrung Clans Aboriginal Corporation and across areas of Country to the east that do not have a formally recognised Traditional Owner group. In making the REZ Order, I have had regard to any other information I consider relevant under section 64(2)(b) of the NEVA, including information provided by Traditional Owners and First Peoples about Aboriginal cultural heritage, cultural values and related matters.

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 North West 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 North West REZ Order includes an appended map that shows the boundaries of the North West REZ within Victoria. In defining the boundaries of the North West 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 North West 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 North West 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 North West 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 North West 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 and position of the draft proposed North West REZ. Some community members called for a reduction in size to protect agricultural land, local wetlands and areas of environmental sensitivity, including habitat for birds for prey and other bird species, and sensitive areas surrounding Lake Meran and Leaghur State Park. At the same time, there was some support for extending the REZ north of Kerang, including submissions from developers, landholders and councils calling to increase the capacity of the REZ to accommodate pipeline projects. Some residents located outside the draft proposed REZ also advocated for inclusion on the basis of potential regional economic benefits.

Some community members raised concerns about the potential impacts of widespread, uncoordinated development and called for greater transparency and consultation in planning processes. Feedback highlighted concerns about cumulative impacts of development, including in combination with the Victoria to New South Wales Interconnector West (VNI West) project, and there was strong opposition to renewable energy generation in parts of the broader region.

Following the draft VTP consultation, VicGrid undertook further assessment to consider whether adjustments to the proposed North West REZ boundaries were warranted to accommodate constraints and identify potential areas for expansion for future investment. Having regard to land use constraints surrounding the REZ and the need for further investigations to understand the suitability of those areas, changes were limited to a small expansion south-west along the VNI West corridor, providing greater options for future generation projects to connect into VNI West.

While there is strong developer interest and resource potential outside of the draft North West REZ, these factors were considered alongside community feedback and land use and biodiversity concerns. As such, VicGrid made the decision to limit the overall footprint of the North West REZ. Some areas of concern were not removed during the previous two rounds of consultation, given the small size of the proposed REZ and the need to ensure sufficient space for proposed projects in the REZ.

#### **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 North West 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 64 submissions relating to the draft North West 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 biodiversity and the natural environment;
- c. impacts on agriculture and land use; 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 from members of the community highlighted that development decisions that are made as part of the current process of declaring a REZ now may influence land use, infrastructure, economic activity and community wellbeing over time.

Members of the community also raised concerns about community wellbeing and social dynamics that were impacted by the pace and scale of change, consultation processes and perceived distribution of impacts and benefits of the energy transition across the region. Some submissions included concerns about changes to land access and compulsory acquisition of easements for transmission projects. Submissions also highlighted the importance of clear communication, procedural transparency and coordination among agencies, councils and proponents to support community understanding and confidence over time. Other submissions from community members discussed the cumulative nature of development in the region, referencing the proximity of multiple existing and proposed renewable energy projects, battery storage facilities and major transmission infrastructure such as VNI West. It was suggested that while individual projects are considered separately, their combined presence may influence landscape character, access arrangements, road conditions and land management practices at a regional scale.

*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 have had regard to the impacts raised in submissions concerning land use, infrastructure, economic activity, community wellbeing, social cohesion and the cumulative nature of development in the region, as described above. I note that 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 have balanced the concerns raised in submissions with the VTPO and in particular the generation and transmission challenges facing Victoria with the planned retirement of thermal coal generators.

I have had regard to the 2025 VTP, which identifies that the North West REZ includes part of the corridor for the proposed VNI West transmission line and part of the existing 220 kV Kerang to Wemen transmission line. I have taken this into account in considering the opportunities for a more coordinated approach to generator connections to the grid.

The 2025 VTP identifies that the combination of existing and proposed transmission infrastructure in the region provides opportunities for a more coordinated approach to project connections to the grid. I have taken this into account in considering how coordinated development may assist in managing impacts on landscapes and communities while supporting the energy transition. Consistent with the 2025 VTP, I also note that the region has identified solar and wind resources and farming practices that may be compatible with renewable energy infrastructure. These matters informed my consideration of how the REZ could support Victoria's energy transition in a way that is consistent with the VTPO.

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 North West REZ is located in an area with existing and planned transmission infrastructure that may support a more coordinated approach to development. I also note that the 2025 VTP identified 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 feedback provided in relation to social cohesion, community wellbeing and the cumulative effects of future development. I note, however, that the detailed impacts of any future project as part of cumulative development will necessarily depend on their location, scale and design. Therefore, these impacts are more appropriately assessed at the project level. Accordingly, these matters will need to be considered through future 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.

I note that being within a REZ does not compel landholders to host renewable energy generation projects. Participation in hosting generation infrastructure such as wind or solar projects is voluntary and subject to landholder agreements with proponents. Even if an area is not within a REZ, landholders may host other generation projects seeking access and connection through the grid impact assessment process.

While the move to renewable energy can provide economic growth opportunities for communities, local businesses and industries, it may also present challenges and impacts. The Victorian Government's expectations for renewable energy and transmission project developers are set out in the Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects, including expectations related to public liability insurance, decommissioning and financial safeguards for landholders.

VicGrid and transmission companies will always work to reach agreements with landholders through discussion and negotiation. If an agreement cannot be reached, transmission companies can seek approval from the Victorian Government to compulsorily acquire easements. If an easement needs to be acquired, then landholders will be fully compensated under the terms of the **Land Acquisition and Compensation Act 1986** (Vic.). Compensation is based on the market value of the easement, disturbance costs and impacts during construction, along with reimbursement for professional expenses related to acquisition negotiations.

Matters relating to compulsory acquisition, easements and compensation arise under separate statutory regimes and do not of themselves determine whether an area should be declared a REZ. These matters were considered in their proper statutory context and were not treated as determinative of the decision to make the North West REZ Order.

On balance, having regard to the benefits the North West 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 have decided to retain the North West REZ boundary as proposed in the draft REZ Order in response to submissions under this theme.

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 biodiversity and the natural environment*

Feedback relating to biodiversity and the natural environment referenced the presence of a range of ecological features within and adjacent to the draft North West REZ, including rivers, floodplains, lakes, wetlands, reserves and remnant vegetation. Submissions noted that parts of the region align with areas recognised under State, Commonwealth and international environmental protection frameworks, including Ramsar-listed wetlands, catchment priority areas and river systems that support ecological connectivity across an otherwise highly modified agricultural landscape.

Submissions from members of the community also referenced native wildlife within the region that may be impacted by the construction and operation of renewable energy projects, including birds of prey and other bird species, including migratory waterbirds that move between inland lakes and wetlands, bats and other fauna associated with open farmland, wetlands and riparian environments.

Submissions noted that many wildlife records cited were drawn from local observations and publicly available databases, including the Atlas of Living Australia and eBird, and suggested that mobile or seasonal species may not always be fully reflected in high-level habitat or constraint mapping used at the strategic planning level.

Leaghur State Park and Lake Meran were highlighted as environmentally significant areas within the regional landscape, forming part of a broader network of lakes, wetlands and reserves associated with the Kerang Lakes system. Submissions described these places as supporting native vegetation, waterbirds and other wildlife, and as contributing to ecological connectivity across surrounding agricultural land. Lake Meran was frequently referenced in submissions in connection with seasonal inundation patterns and its relationship to Ramsar-listed wetlands, while Leaghur State Park was noted as an area of remnant vegetation adjoining farmland. Submissions also referenced known

wildlife movement pathways through these areas and suggested that environmental and cultural values associated with Lake Meran and Leaghur State Park should be recognised at a strategic and landscape scale when considering REZ boundaries and the location of renewable energy projects.

*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 have had regard to the biodiversity and environmental concerns raised in submissions, including concerns about areas of high cultural and ecological value. I note that 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.

On balance, taking into consideration the benefits the North West REZ will provide for the community and having weighed those matters against the VTPO and the 2025 VTP, I have adjusted the boundaries of the REZ to exclude Leaghur State Park and Lake Meran. This adjustment to the boundary recognises the high cultural and biodiversity values of these sensitive areas. I have also taken into account that excluding these areas will not adversely impact renewable investment, given they are protected under existing legislation and would not be suitable locations for generation infrastructure.

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.

*Impacts on agriculture and land use*

Feedback focused on the interaction between renewable energy infrastructure and existing farming operations. Other feedback referred to the cumulative effects of multiple projects occurring in close proximity, noting that overlapping footprints, access tracks, and infrastructure corridors may influence farm layout, operational efficiency, aerial spraying practices, irrigation infrastructure, biosecurity management, and long-term land planning. Submissions indicated that these interactions are often more readily understood when considered at a district or regional scale rather than on an individual project basis.

Irrigation was discussed in relation to land-use decisions, with references to flood-irrigated systems, channels, pipelines, and water allocation practices. Some submissions noted the extent and intensity of irrigation vary across the region and has changed over time, and that high-level spatial mapping may not always reflect current on-the-ground practices. It was suggested that design refinement and local consultation can assist in managing interactions between infrastructure and irrigation assets.

*Response to impacts on agriculture and land use*

I have considered these submissions and had regard to the VTPO and the 2025 VTP in doing so. I have had regard to the impacts raised in submissions concerning agricultural land use, farming operations, irrigation practices and cumulative land use interactions, as described above. 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, to food security and the 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 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 taking into account 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 North West REZ offers strong connection opportunities to existing and future transmission infrastructure, lower constraints and compatibility of farming practices with renewable energy infrastructure. These matters informed my consideration of the REZ as a strategic location for coordinated development. This makes it very likely that renewable energy projects will be interested in co-locating with agricultural land. As such, the area covered by the North West REZ offers an important 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. Potential site-specific impacts on agricultural operations and other land uses are therefore more appropriately addressed through future 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.

Similarly, where community members repeated submissions on other potential land use conflicts, I have considered those matters in the context of the strategic identification of the proposed REZ. These submissions did not raise significantly new issues or provide new evidence in support of those issues. I also note the REZ Order does not specify types of infrastructure or determine the detailed siting, height or design of future projects.

Accordingly, on balance, having considered the impacts raised in submissions relating to agriculture and land use, and having weighed those matters against the VTPO, the 2025 VTP and the benefits the REZ will provide for the community, I have decided to retain the 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 North West 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 North West REZ. VicGrid will consult further on the draft REZ scheme declaration when this is published for community and industry feedback. I reiterate that 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 North West 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 draft 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 North West 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 North West 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 North West 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