

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

The Western 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 3.1 in the 2025 Victorian Transmission Plan), which involves rebuilding the existing 220 kV single-circuit transmission line from Murra Warra Wind Farm to Ballarat Terminal Station, into a new high-capacity double-circuit 220 kV transmission line, approximately 225 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 Western REZ is 2.4 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 Western 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

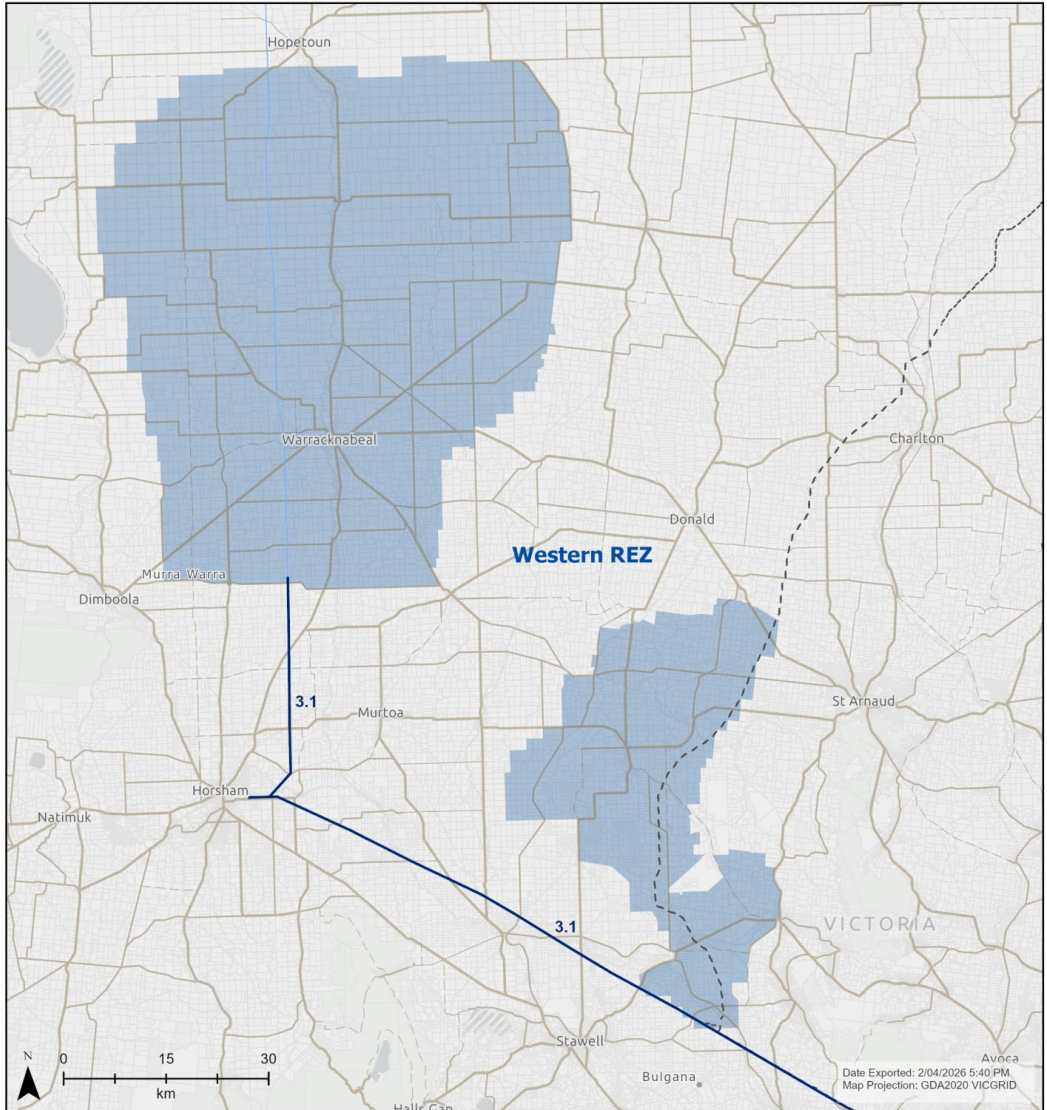
HON. LILY D'AMBROSIO MP  
Minister for Energy and Resources

**SCHEDULE 1**

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



## Western REZ

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

#### 3: North West strengthening program

3.1 Replace the existing transmission lines between Murra Warra to Horsham to Ballarat with a high-capacity double circuit line

- Western REZ
- Property Parcel
- Upgrades to existing infrastructure**
- Upgrade to existing transmission network
- Transmission projects under development\*
- Roads
- Highway
- Major Road
- Minor Road
- Local Road



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

\*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.



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

In this statement of reasons, **Western 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 Western 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

Following the draft 2025 VTP consultation, the proposed Western REZ was created by consolidating two separate draft proposed REZs (Grampians Wimmera and Wimmera Southern Mallee) to allow access to be managed across both areas combined. The eastern section (former Grampians Wimmera REZ) is located between Stawell and Donald, with its southern boundary following an existing 220 kilovolt (kV) transmission line and its eastern boundary following the Victoria to New South Wales Interconnector West (VNI West) proposed transmission line corridor.

It is mainly located within the Northern Grampians Shire and also intersects with Yarriambiack and Pyrenees local government areas. The western section (former Wimmera Southern Mallee REZ) is located north of Horsham, between Doon and Hopetoun. It is located within the Yarriambiack, Hindmarsh, Buloke and Horsham Rural City local government areas.

The Western REZ is located within the Registered Aboriginal Party boundaries of the Barengi Gadjin Land Council and Dja Dja Wurrung Clans 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 information 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 Western 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 Western REZ Order includes an appended map that shows the boundaries of the Western REZ within Victoria. In defining the boundaries of the Western 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 Western 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 Western 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 Western 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 Western 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 including concerns about infrastructure development and some community members' unwillingness to host renewable energy infrastructure, especially in the eastern section of the REZ. Many community members called for a reduction in the size of the proposed REZ with a focus on the impact of energy infrastructure on agriculture as well as key landscapes for cultural, biodiversity and community values.

Community members also raised their negative experiences with previous and planned generation and transmission development, concerns about potential impacts on Horsham Airport's expansion plans, and the cumulative impacts of competing land use, including from the VNI West transmission line project. On the other hand, there was interest in understanding how renewable energy and transmission development could bring economic and social benefits to the region, especially in the western section of the REZ.

Renewable energy generation and storage proponents called for an increase in the size of the REZ to allow greater flexibility. There were some calls from both community and industry to increase the size of the western section of the REZ, highlighting the desire to locate renewable energy development further north to move away from areas and landscapes with significant environmental, cultural and community values further south, such as the Grampians (Gariwerd Cultural Landscape) and Mount Arapiles (Dyurrite Cultural Landscape) and important parks, reserves and conservation areas.

As a result of feedback, the western section of the proposed Western REZ was expanded and shifted further northeast, away from the Horsham Airport, to enable more projects to harness the strong wind resource in the area and proximity to transmission, and allow more flexibility within the proposed REZ to host renewable energy generation projects. This area also comprises a portion of dryland broadacre cropping and grazing farmland, which may be more compatible with renewable energy infrastructure than other forms of farming.

In the final 2025 VTP, there was no change to the footprint of the eastern section. Consultation on REZ boundaries and related transmission planning occurred through the development of the 2025 VTP, and then through the statutory consultation process for this REZ Order. In that context, VicGrid indicated through the 2025 VTP process that issues raised about the eastern section would be considered further through consultation on the draft REZ Order. Consistent with my obligations under section 64 of the NEVA, including to publish a draft REZ Order and invite submissions (section 64(1)) and to have regard to the VTPO and the current VTP when making a REZ Order (section 64(2)(a)), I have considered issues raised in relation to the eastern section through the consultation on the draft REZ Order, including by balancing the long-term interests of Victorian electricity consumers (in relation to price, reliability and security of supply), Victoria's emissions reduction targets and the delivery of transmission services consistent with a least-regrets development pathway.

### **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 Western 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 93 submissions relating to the draft Western 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. opposition to the REZ and impacts on the community;
- b. impacts on agriculture and other land use;
- c. impacts on biodiversity and the natural environment; and
- d. boundary adjustments for individual projects and REZ hosting capacity.

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

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

#### *Opposition to the REZ and impacts on the community*

Across submissions relating to the draft Western REZ, communities expressed opposition to the REZ, in particular the eastern section, and stated that there is no social licence for large scale renewable energy development within the area. Submissions included a community-generated map intended to demonstrate widespread opposition from landholders in the eastern section of the draft REZ to host generation projects. Concerns were expressed that this community-led feedback had not been given appropriate weight, with some noting that dismissing the map undermined trust in the engagement process.

Submissions also raised concerns about the cumulative impacts of development and potential for widespread visual and landscape changes through turbines, transmission infrastructure, and large-scale batteries, with flow-on effects for tourism, rural amenity and regional identity.

Several submissions questioned whether the perceived economic benefits of renewable energy development and community benefit programs are overstated and would outweigh potential losses to agriculture, small businesses and local economies, particularly where existing renewable energy infrastructure is already present.

Submissions also included concerns about uncertainty associated with compulsory acquisition and easements for transmission, insurance and liability risks, ongoing maintenance impacts, and long-term decommissioning obligations.

Submissions indicated that they did not support industrialisation of the region and requested exclusion from the REZ to protect agricultural heritage, property rights and community cohesion.

*Response to opposition to the REZ and impacts on the community*

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 expressed in submissions relating to the draft Western REZ, including opposition to large-scale renewable energy development, lack of social licence, concerns about cumulative visual and landscape impacts, potential economic and agricultural effects, uncertainty associated with land access and compulsory acquisition, and the desire to protect property rights and the region's agricultural character.

I acknowledge the community-generated map and the concerns raised about how much weight has been given to community views in this and previous rounds of consultation. 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.

In this regard, I note the 2025 VTP identified the Western REZ offers significant advantages to the community in terms of efficient investment in electricity services. The eastern section includes an existing 220 kV transmission line as well as the VNI West corridor and provides opportunity for connections to the 500 kV network at Bulgana terminal station. The western section follows a 200 kV transmission line from Horsham to Ouyen.

The 2025 VTP identified the north-western part of the region as well placed to support renewable energy development, with comparatively lower constraints, strong compatibility with existing farming practices, clear generation and investor interest, and well-placed transmission network capacity.

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.

The strong connection opportunities to existing and future transmission infrastructure in the Western REZ are critical to Victoria's energy transition and must be planned in a way that serves the long-term interests of all Victorians.

The ability to attract development to the region also presents the opportunity to provide additional jobs, improve services, boost local economies, facilitate payments to landholders and generate benefits for Traditional Owners and local communities.

I have considered the concerns raised in relation to the cumulative impacts of development and the potential for widespread visual and landscape change. 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 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.

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 GIA.

I have also considered submissions questioning whether the economic benefits of renewable energy development and associated community benefit programs would outweigh potential impacts on agriculture, small businesses and local economies. I have considered submissions raising concerns about compulsory acquisition and easements for transmission, insurance and liability risks, ongoing maintenance impacts, and long-term decommissioning obligations.

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, and include 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 Western REZ Order.

On balance and having regard to the benefits the REZ can provide to local communities, together with the need to secure reliable and affordable electricity services for all Victorian electricity consumers over the long term by leveraging nearby existing transmission infrastructure, I am satisfied that the REZ boundary as proposed in the REZ Order represents a balanced and appropriate outcome.

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

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

Feedback raised concerns about the compatibility of large-scale renewable energy infrastructure with broadacre farming systems, food and fibre production, and the long-term viability of agricultural businesses.

Submissions described the area as an important producer of agricultural commodities that support local economies, regional employment and export markets, often on land held and managed by families across generations.

Additional questions were raised about the interaction between renewable energy infrastructure and modern farming technologies. Submissions highlighted concerns about land values, business confidence and succession planning.

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

I have considered these submissions and had regard to the VTPO and the 2025 VTP. I have had regard to the impacts raised in submissions concerning agricultural land use and farming operations, 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 recognise and respect the vital contribution that farming makes to Victoria's economy, to regional and rural communities, and to the food security and way of life of farming families. The compatibility of some farming practices with renewable energy infrastructure is a relevant consideration, however, it is not a standalone or determinative factor. Agricultural compatibility was weighed as part of the broader balancing exercise required by the VTPO, together with other matters identified in section 64(2) of the NEVA. In considering these matters, I balanced the concerns raised about agricultural land 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.

As observed above, the Western REZ offers strong connection opportunities to existing and future transmission infrastructure, lower constraints and greater prevalence of farming practices which are more compatible with renewable energy infrastructure.

I acknowledge the concerns raised about the interaction between renewable energy infrastructure and modern farming technologies (including precision farming technology). The 2025 VTP records that engagement with agricultural groups and peak bodies suggested broadacre dryland cropping operations have more potential to be compatible with co-locating renewable energy infrastructure. However, it also acknowledges that further work through project planning stages will be required to understand issues related to these modern farming technologies.

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.

On balance, taking into consideration the benefits the REZ may provide for the community and having regard to the VTPO and the 2025 VTP, I have decided to retain the REZ boundary as proposed in the draft REZ Order in response to submissions under this theme.

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

Feedback focused on the compatibility of the draft Western REZ with biodiversity protection, particularly in areas containing remnant native vegetation, wetlands, wildlife corridors and culturally significant landscapes.

Submissions raised concerns about potential impacts on threatened and protected species, including bird species and raptors, and the adequacy of information available at the strategic planning stage.

Some feedback also noted the intersection of biodiversity values with Aboriginal cultural landscapes, suggesting that disturbance could affect environmental and cultural values simultaneously, and called for a more precautionary approach to cumulative and landscape scale impacts.

Specific concerns were also raised in submissions in relation to particular reserves, waterways and other areas of environmental sensitivity, including (for example) the Joel Joel and Morri Morri Nature Conservation Reserves and the Wimmera River.

Although the Grampians (Gariwerd Cultural Landscape) and Mount Arapiles (Dyurrite Cultural Landscape) were not included in the draft Western REZ, concerns were raised regarding the proximity of the REZ to these significant landscapes. Concerns were also raised about ridgelines, the proximity of the REZ boundary to Kara Kara National Park and the cumulative impacts of development on high-value biodiversity areas.

#### *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 and other relevant information I have considered relevant under section 64(2)(b). I note that some submissions raise similar issues to matters raised during consultation on the 2025 VTP. In making this REZ Order, I have considered the issues raised in relation to the eastern section through consultation on the draft REZ Order, including by balancing the long-term interests of Victorian electricity consumers (in relation to price, reliability and security of supply), Victoria's emissions reduction targets and the delivery of transmission services consistent with a least-regrets development pathway.

I acknowledge the concerns raised in submissions regarding the compatibility of the draft Western REZ with biodiversity protection and existing land use, including the presence of high-value ecological systems, wetlands, wildlife corridors and culturally significant landscapes. I am mindful of the concerns expressed regarding the proximity of the Western REZ to nature conservation reserves and nationally significant cultural landscapes, including the potential for cumulative impacts.

I note that 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 relevant, the **Environment Effects Act 1978** (Vic.). Detailed environmental impacts will need to be assessed at the project stage.

I have considered submissions raising concerns about threatened and protected species, including bird species and raptors. Declaring the REZ boundary does not approve any particular project or location, and detailed biodiversity impacts, including on threatened species and habitat, will be assessed and managed through applicable environmental assessment and approval processes for any future projects.

As highlighted in the 2025 VTP, the Grampians (Gariwerd Cultural Landscape) and Mount Arapiles (Dyurrite Cultural Landscape) are recognised as landscapes with national and state significance and connections to several important parks, reserves and conservation areas. Additionally, the 2025 VTP noted that VicGrid expected further changes would be needed to the draft REZ to address concerns about proximity to the iconic Grampians National Park (Gariwerd Cultural Landscape).

I have considered the submissions under this theme relating to concerns with areas of cultural, biodiversity and tourism values within and in the vicinity of the Western REZ. In reaching this view, I have had regard to submissions and other information I considered relevant under section 64(2)(b) of the NEVA, including information provided by Traditional Owners and First Peoples, and I considered and weighed that information thematically together with the other submissions and information received through the consultation process. In balancing these considerations with the VTPO and the VTP's statewide cost-benefit assessment, I am satisfied that a boundary adjustment would better accommodate those values while remaining consistent with the strategic objectives of the 2025 VTP. I therefore have decided to:

- a. Adjust the boundary of the REZ inwards to address the proximity to the Grampians National Park (Gariwerd Cultural Landscape), exclude sensitive areas associated with the Wimmera River and areas of high biodiversity value.
- b. Adjust the boundary of the REZ inwards to address the proximity to Kara Kara National Park, exclude ridgelines and areas of high biodiversity value.
- c. Adjust the boundary of the REZ inwards to exclude Morrl Morrl Nature Conservation Reserve.
- d. Adjust the boundary of the REZ inwards to remove the minor overlap with the Joel Joel Nature Conservation Reserve.

#### *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 Western 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 Western REZ. VicGrid 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 this Western REZ will provide to the region, and helping to secure viable electricity services for the benefit of all Victorian electricity consumers well into the future, I have decided to retain the REZ boundary as proposed in the REZ Order in response to submissions under this theme.

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

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

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

#### **Conclusion**

Having considered the submissions received during consultation on the draft REZ Order, and having complied with the consultation requirements in section 64(1) of the NEVA (including publishing a draft REZ Order, inviting submissions for at least six weeks and considering the submissions received), and having regard to the matters set out in section 64(2)(a) of the NEVA, including the VTPO and the current 2025 VTP, I am satisfied that making the Western 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 Western 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 Western 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 Resource