



5 November 2025

Mr Alistair Parker
Chief Executive Officer
VicGrid
Via Email: vicgrid@deeca.vic.gov.au alistair.parker@deeca.vic.gov.au

Dear Mr Parker

WESTERN REZ COUNCILS' SUBMISSION ON THE VICTORIAN ACCESS REGIME

Thank you for the opportunity to make this submission to VicGrid on the proposed new Victorian Access Regime. This submission responds to the three consultation papers released by VicGrid on 23 September 2025:

1. Access and Connections Consultation Paper
2. Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects
3. Draft Grid Impact Assessment Guidelines.

This submission is made on behalf of four councils in the Western Renewable Energy Zone (REZ):

1. Northern Grampians Shire Council (NGSC)
2. Buloke Shire Council (BSC)
3. Yarriambiack Shire Council (YSC)
4. Horsham Rural City Council (HRCC)

The four councils appreciate the time that you and VicGrid staff have taken during the consultation period to engage with us about our concerns with the way the energy transition is impacting our communities.

The Victorian Government's management of the energy transition's impact on our communities is a central issue for each of our councils. The State Government's response to the issues we raise in this submission is a test of its ability to govern for all Victorians. Our region is also experiencing the impacts of the State's policy to support mining, which is compounding the impacts of the energy transition. Due to the lack of integrated planning for these changes, there is ongoing uncertainty, anxiety, division and a loss in community cohesion in our region.

The overarching goal of the State Government is to "keep the lights on" in Victoria during the energy transition. We understand that this is VicGrid's primary mission, along with reducing emissions in the electricity sector and the economy as a whole. Our concern is that, in pursuing this mission, the State will accept impacts on our communities that are unacceptable to us.

The track record of renewable energy project developers and government agencies in understanding and addressing project impacts does not give us confidence in how the transition is being managed. We want to work with you to identify and reduce the negative impacts on our region and to realise the opportunities to support our communities through the transition.

The impact on our region is not just the use of the State's powers to compulsorily access and acquire interests in land, the unattractive energy infrastructure and how it will restrict other land uses, and the drastic changes to our landscape, economy and communities. Without **strategic investment** in the infrastructure, housing and services required by energy and mining projects and their workforces, many individuals, families and businesses in our region will be disadvantaged by the influx of projects.

In parts of our region there are high levels of housing stress, low unemployment, and challenges attracting workers to the region for existing job vacancies in industry and community services. The condition of our roads is declining, and public services are being stretched. Large energy and mining projects moving into our area, with its small population, will add to these stresses if not addressed now.

Attachment 1 to this letter sets out our submission in response to the three consultation papers. It describes the region and its existing population, industries and economy. It shows the large number of projects already under development in the Western REZ. It contrasts the Western REZ with other REZ's and highlights our region's needs. It responds to the questions asked in the consultation papers but reframes the challenge for us all as achieving strategic investment to avoid negative impacts (and ideally achieve legacy benefits) for our region.

A key input to our submission is the draft *Resource Ready - North-Western Victoria Energy & Mining Impact & Readiness Study* (Readiness Study). We appreciate the financial support provided by VicGrid to undertake this study. The Readiness Study is a very good example of how Local and State Government can work together. The study describes the range of impacts the energy and mining industries will have on the broader region and what is needed to respond to these impacts.

The impacts of the energy and mining transitions can only be addressed through strategic investment. We do not support the project-by-project approach outlined in the *Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects* consultation paper. Our experience of the Environment Effects Statement (EES) process for large projects demonstrates that this approach is inadequate. Instead, we propose a stronger role for local government, working with the State, to identify and implement solutions for our region. Once the Readiness Study is completed, we look forward to providing it to you and using it to inform a strategy that can be shared between the State, councils and industry.

The outcome we are seeking from this submission is a shared understanding of the impacts on our communities and continued, genuine engagement with you to address the impacts. Critically, we also want to understand where the funds for the needed strategic investment will come from. As VicGrid is now a statutory authority, we want to understand the scope for VicGrid, VNI West, other projects and the State to provide the investment necessary to manage the energy transition in our region.

We look forward to continuing to engage with VicGrid and thank you again for the opportunity to make this submission.


Yours faithfully



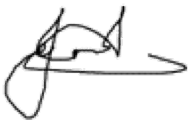
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WESTERN REZ COUNCILS' SUBMISSION ON THE VICTORIAN ACCESS REGIME

Attachment 1

Our high-level responses to the questions asked in the *Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects* consultation paper are:

- Do you think the proposed guidelines will help create social value and economic benefits for communities, Traditional Owners and landholders?

The proposed guidelines fall well short of adequately addressing the negative impacts of multiple energy projects on our region, let alone creating social value and economic benefits. At present, the only clear economic beneficiaries of energy projects are host landowners, project developers, their employees and suppliers. It is not clear that the regime proposed in the guidelines will improve this. The guidelines do not recognise the need for strategic investment in our communities to avoid the disbenefits of the influx of new projects in our region.

- Of the proposed requirements on project developers, what are the most important requirements for you?

It is difficult for individual project developers to identify and invest in the needs in our region without a coordinated investment framework. We want VicGrid to lead the development of a framework with us to identify and create the investment targets for energy projects. This must be done prior to any approvals pathway to create the clarity and certainty for all those involved, be it developers, local government or the community. The most important requirement is for adequate investment to be a mandatory condition for energy projects that are seeking an access authority from VicGrid for connection to the transmission grid.

- How prescriptive should the guidelines be in formalising agreements and the timing of those agreements with communities?

The guidelines should require councils that will host energy projects to have input to and approve the investment required to be awarded an access authority. Anything less will not give us confidence that our communities' interests will be adequately addressed.

- Should the guidelines provide guidance on the valuation of or budgeting for social value and economic benefit initiatives? If so, what amount or range should be considered for solar, wind and large-scale battery projects (expressed in dollars per megawatt)?

Providing guidance on specified value or dollar per megawatt amount for strategic investment would ignore the vastly different conditions and needs in each of the REZ's across the State. REZ's that are near larger population centres and the State's primary highway network and ports will have different needs to the Western REZ which does not contain a large pool of available workers, housing, and social services and is poorly served by the State's transport network.

We expect VicGrid and project developers to recognise the economic and demographic reality of the places where they want to build. Setting a value for strategic investment would put a cap on all REZs across Victoria and we are concerned that the value set would not reflect the needs of our communities.

- Do you have comments on how VicGrid should assess projects against the outcomes and expectations detailed in these draft guidelines?

Projects must be assessed for their contribution to the strategic investment needs of the REZ communities where they are located. This should be done in close collaboration with councils.

In pursuing this agenda, the Western REZ councils genuinely want to partner with VicGrid and the State. The consultation paper, though, treats Local Government much like any other stakeholder rather than the local level of government. We have the knowledge and insights about our communities to identify and address their needs.

We object to the use of the case study on page 12 of the *Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects*, about the Wimmera Southern Mallee Regional Energy Collaboration. This was an energy industry collaboration and did not involve local government. Instead, we support State and Local Government collaboration on regional readiness studies, such as *Resource Ready - North-Western Victoria Energy & Mining Impact & Readiness Study*. This Study (which is close to being finalised) provides an excellent example of State and local government collaboration to provide the necessary evidence base for a strategic investment framework.

Our high-level responses to the questions relevant to local government in the *Access and Connections Consultation Paper* are:

- How should the proposed transitional arrangements, including the eligibility criteria, be defined to address the level of certainty for projects in development?

Projects without a grid connection agreement on 23 September 2025, the date VicGrid released the *Access and Connections Consultation Paper*, should be required to have an access authority from VicGrid before they can proceed. This includes projects that have been, or are going through, the EES process, as the EES process has proven inadequate in addressing the local social and economic effects of projects.

- What preparatory information on the REZ and the REZ access allocation process would be necessary prior to the release of a RFP?

Prior to the release of a RFP for grid access in a REZ, VicGrid should lead the preparation of a REZ-wide strategic investment framework that identifies the investment needs to be funded by VicGrid, project developers and the State to address the impacts of the projects to be built.

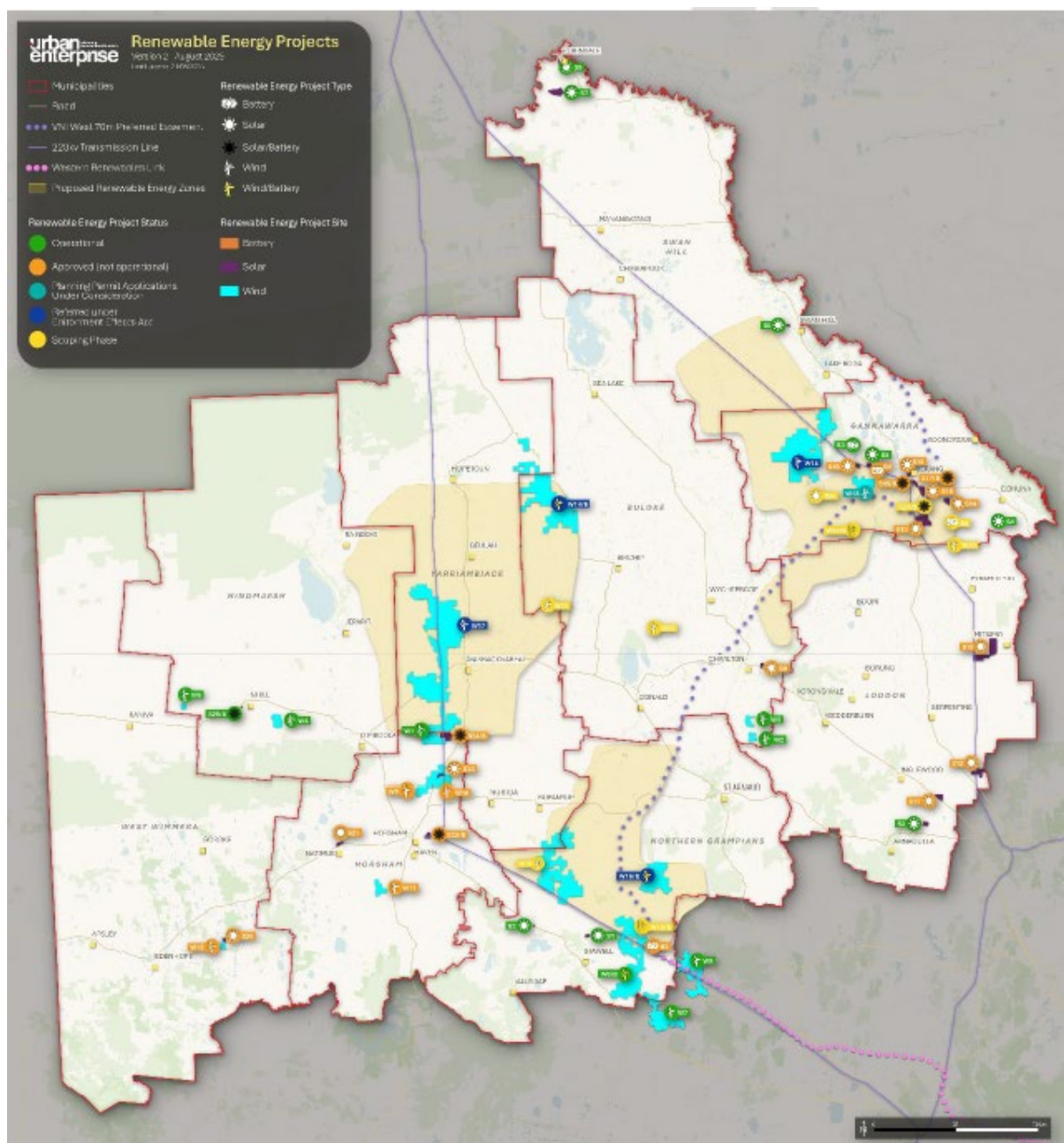
The rest of this submission describes our region, the very large number of energy and mining projects under development, and their likely impact on our region. It provides recommendations on how we would like to address the region's needs with the State.

The Western REZ Region

The Western Renewable Energy Zone (REZ) covers a broad area of western Victoria, spanning multiple councils including the Northern Grampians Shire Council (NGSC), Buloke Shire Council (BSC), Yarriambiack Shire Council (YSC), and Horsham Rural City Council (HRCC).

Figure 1 below is an extract from the *Resource Ready - North-Western Victoria Energy & Mining Impact & Readiness Study* (currently in draft, to be completed). This map shows the detailed extent of energy projects within the study area of the nine councils that participated in the readiness study.

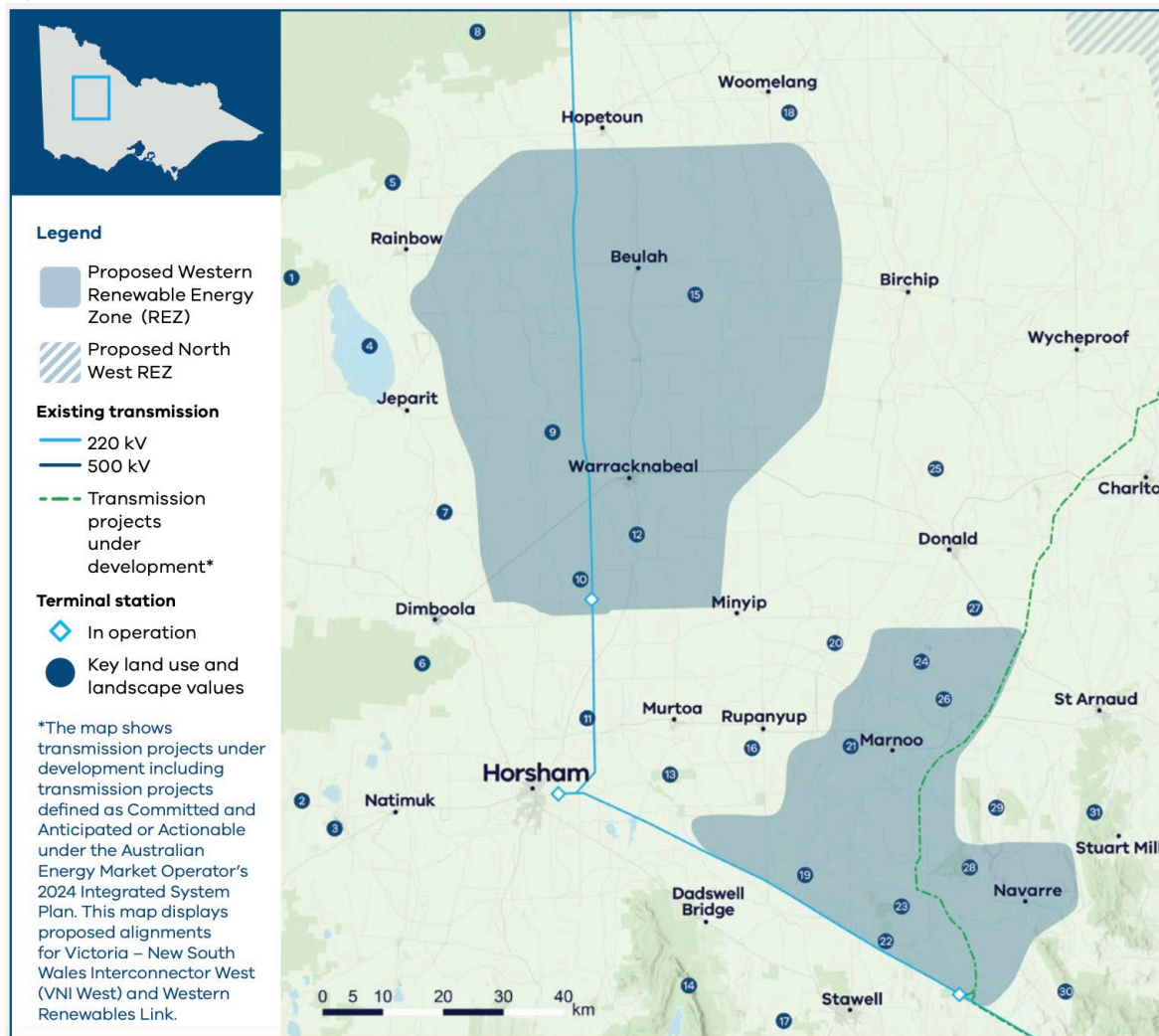
Figure 1 Energy Projects within the Region



Source: Urban Enterprise, based on Victorian Government data and consultation with project proponents and study area councils.

The Western REZ combines what were previously the Grampians Wimmera and Wimmera Southern Mallee REZ's in the draft 2025 Victorian Transmission Plan. Figure 2 shows the Western REZ as per the final 2025 Victorian Transmission Plan, divided into two sections: the eastern section between Stawell and Donald, and the western section north of Horsham between Dooen and Hopetoun.

Figure 2 Victorian Transmission Plan Western REZ



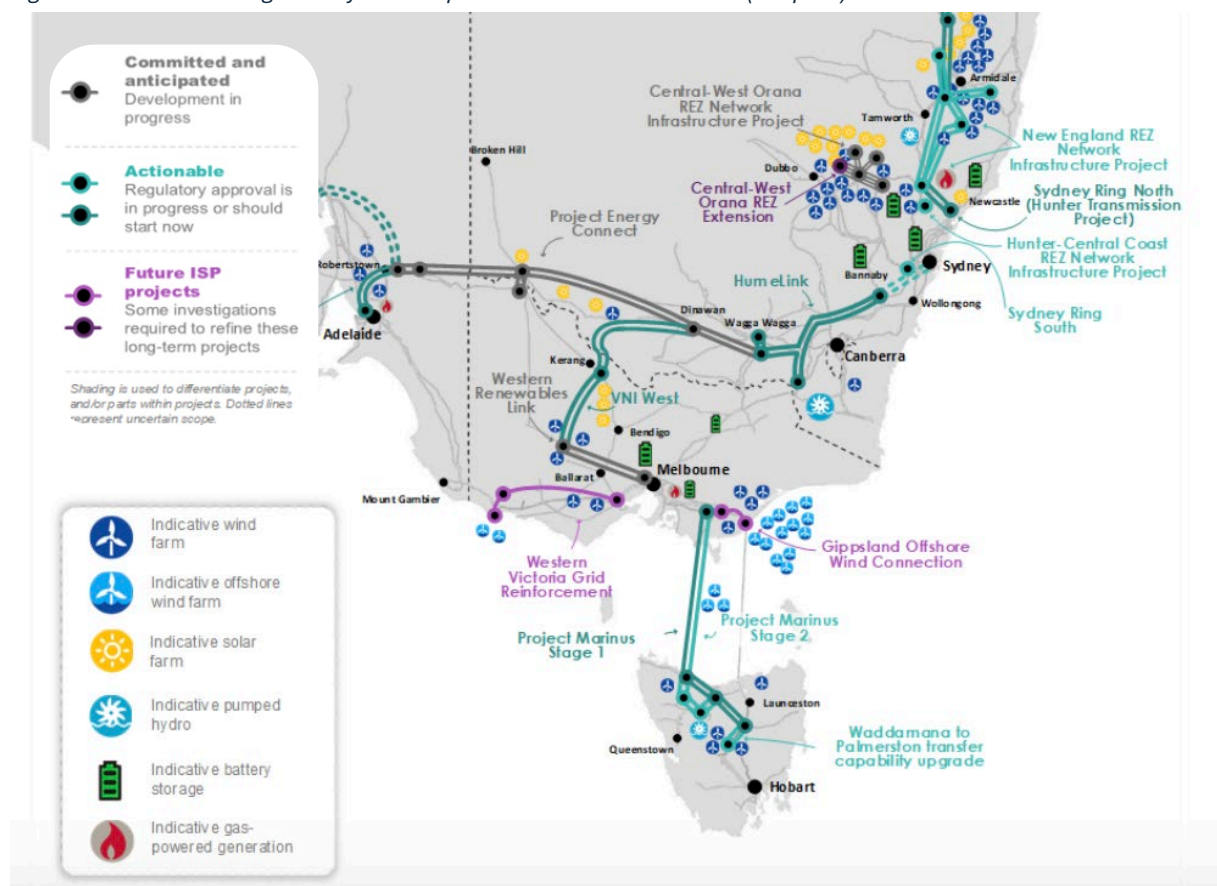
The area contains important cultural and natural landscapes, including the Grampians (Gariwerd) National Park and Mount Arapiles (Dyurrite), extensive highly productive agricultural lands and active and potential mine sites. There are many competing land uses in the region, and we are concerned with balancing the energy and mining transition along with existing land uses and community values.

A significant driver for the economy in our region is agriculture, and it is critically important to economic output, employment, value-add and exports. Key economic activities in the region include broadacre cropping (grain, cereal and pulse), livestock farming, horticulture, construction, health and community services, tourism and other activities. Strategic directions for the local and regional economies currently prioritise agriculture, construction and a diversified economy.

In response to VicGrid’s Access Regime consultation papers, we reiterate that our region will be significantly impacted by the energy transition across many areas of our community. Along with the impact of new mines, the energy transition represents a step change in the type and scale of economic activity in our region, and will lead to the industrialisation of our agricultural landscape.

Our region is expected to accommodate substantial infrastructure including transmission lines, renewable energy and mining projects. Figure 3 below depicts the transmission lines across Victoria with the most significant project for our region being the Victoria New South Wales Interconnector (VNI) West. The construction of major transmission infrastructure will create a range of economic, environmental, social and other impacts. The process to date of assessing these impacts has not adequately considered local impacts on local communities and economies.

Figure 3 2024 AEMO Integrated System Map of New Transmission Lines (adapted)



There is a very large number of energy projects operating and under development within our council areas. Table 1 below lists the projects in the region.

Table 1 Energy Projects within the Region

No.	Project Name	Proponent	Council	Energy Type	Capacity (MW)	Status
1	Warracknabeal Energy Park	WestWind Energy	Yarriambiack	Wind	1,575	EES Inquiry Underway
2	Campbells Bridge Wind Farm	RWE Renewables Australia	Northern Grampians/ Yarriambiack	Wind	1000	Scoping Phase

3	Cupyo Wind Farm and Battery Project	Cubico Sustainable Investments	Buloke/ Yarriambiack	Wind/ Battery	1000	Referred under Environment Effects Act
4	Wilkur Energy Park	WestWind Energy	Buloke/ Yarriambiack	Wind	698	Scoping Phase
5	Navarre Green Power Hub	Noeon	Northern Grampians	Wind/ Battery	600 Wind + Battery	Referred under Environment Effects Act
6	Watta Wella Renewable Energy Project	RES Australia	Northern Grampians	400MW Battery + 360MW Wind	400	Scoping Phase
7	Murra Warra Wind Farm	RES Australia (Squadron Energy)	Horsham / Yarriambiack	Wind	435	Operational
8	Joel Joel BESS	ACEnergy	Northern Grampians	Battery	350	Approved (Not operational)
9	Wimmera Plains Wind Farm	BayWa r.e.	Horsham	Wind	353.5	Approved (Not operational)
10	Ararat Wind Farm	RES Australia	Ararat/ Northern Grampians	Wind	240	Operational
11	Murra Warra Solar and Storage Project	RES Australia	Horsham	Solar/ Battery	235	Approved (Not operational)
12	SEC Renewable Energy Park - Horsham	State Electricity Commission (SEC)	Horsham	Solar/ Battery	119 Solar + 100 Battery	Approved, under construction
13	Bulgana Green Power Hub	Neoen	Northern Grampians	Wind/ Battery	204 + 20 Battery	Operational
14	Horsham Energy Hub	Energy Transition Solutions	Horsham	Firming Station	80	Scoping Phase
15	Rifle Butts Wind Farm	NewEn	Horsham	Wind	40	Approved (Not operational)
16	Coonooer Bridge Wind Farm	Windlab, Owned by Atmos Renewables	Buloke	Wind	20	Operational
17	Jung Solar Farm	BayWa r.e.	Horsham	Solar	13	Approved (Not operational)
18	Jung Wind Farm	BayWa r.e.	Horsham	Wind	8	Approved (Not operational)
19	Yawong Wind farm	Epic Energy	Buloke/ Loddon	Wind	7.2	Operational
20	Stawell Solar Farm	ACEnergy/Sungrow Power Australia	Northern Grampians	Solar	5	Operational
21	Ledcourt Solar Farm	Greentech/Sungrow Power Australia	Northern Grampians	Solar	5	Operational
22	Charlton Solar Farm	Tetris Energy	Buloke	Solar	4.95	Approved (Not operational)
23	Natimuk Solar Farm	Natimuk	Horsham	Solar	1.2	Approved (Not operational)
24	Corack East Wind	ACEN Australia	Buloke	Wind	Unknown	Scoping Phase

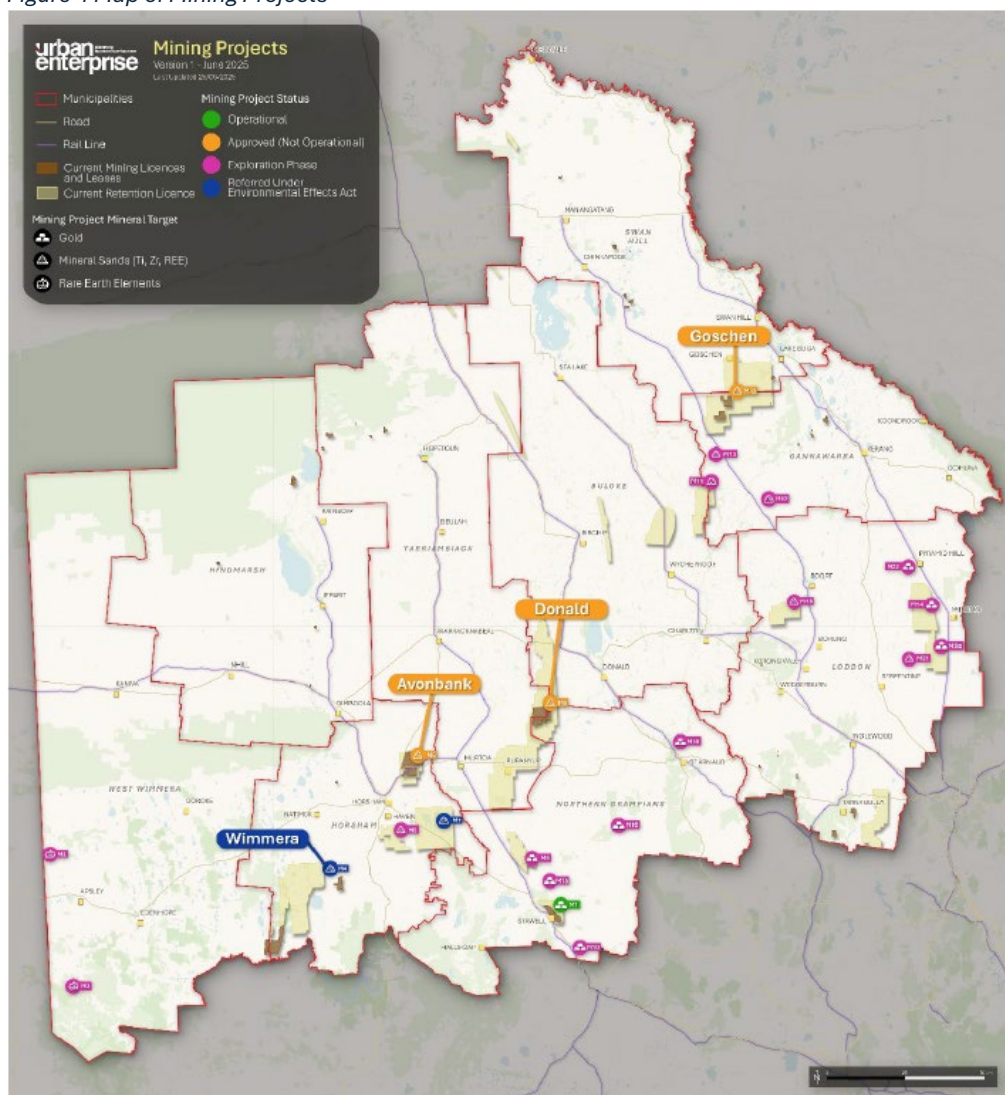
25	Curyo Wind Farm and Battery Project	Cubico Sustainable Investments	Buloke/Yarriambiack	Battery/Wind	Unknown	Referred under Environment Effects Act
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Key:

	Under Development
	Operational
	Under construction

Our region is also undergoing a mining industry transition. Australia is home to the largest mineral sands deposits in the world, and our region has globally significant quantities of titanium, zirconium, and associated rare-earth elements in mineral sand deposits. The [Victorian Critical Minerals Roadmap](#) (published in December 2024) identifies much of the region as an area of interest for mineral sands mining. Mineral sands and other minerals are present across a broad band extending from the Horsham area through Yarriambiack, Buloke and Gannawarra to Swan Hill. Figure 4 depicts a map from the *Resource Ready - North-Western Victoria Energy & Mining Impact & Readiness Study* (currently in draft, to be completed). with the extent of the mining projects identified in the Readiness Study.

Figure 4 Map of Mining Projects



Source: Urban Enterprise, based on mining licence data published by DEECA.

Twelve mining projects are planned within our council areas, including six mineral sands projects and six gold projects. The projects expected to generate short term impacts are near Horsham (Avonbank and Donald, which is also near St Arnaud and Warracknabeal). There are three mineral sand mines under development, with the Donald Mineral Sands Project workplan approved, and construction commencing on the project. Mineral sands projects are expected to have relatively long mine lives of 25-40 years. Compared to renewable energy projects, mines are relatively labour intensive during their operational phases.

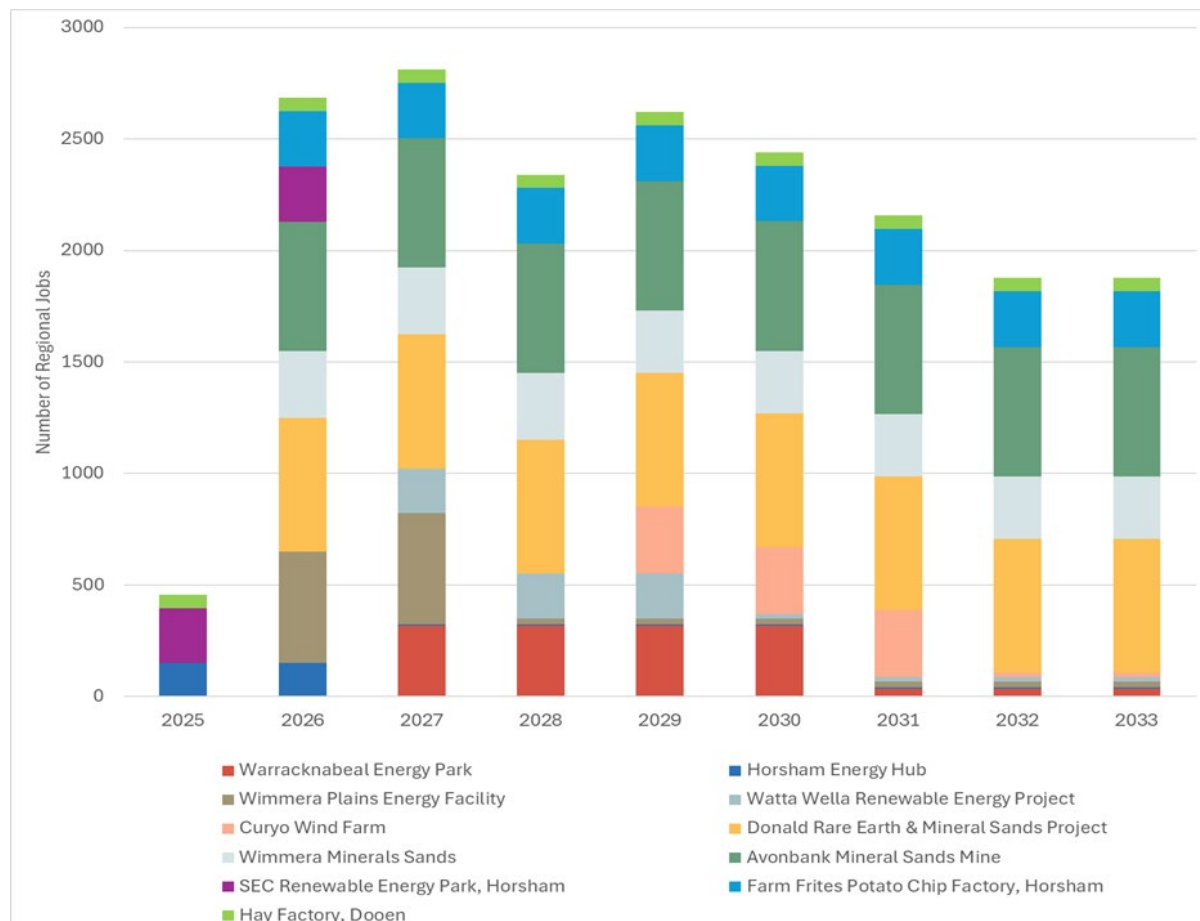
Table 2 lists the mining projects for the region. The influx of energy and mining projects in the region will create a huge demand for employees, and all the services and infrastructure they need to support them.

Table 2 Mining Projects within the Region

Project	Proponent	Council	Mineral Target	Status
Stawell Gold Mine	Arete Capital Partners	Northern Grampians	Gold	Operational
Donald Mineral Sands Project	Astron	Northern Grampians/ Yarriambiack	Mineral Sands	Approved, under construction
Goschen Central Project	ACDC Metals	Buloke/ Gannawarra	Mineral Sands	Approved (Not operational)
Avonbank Project	WIM Resource	Horsham	Mineral Sands	Under Development (Not operational)
Wimmera Project (WIM100 & WIM 50)	Iluka Resources	Horsham	Mineral Sands	Referred Under Environmental Effects Act
Bungalally Project	WIM Resource	Horsham	Mineral Sands	Exploration Phase
WIM 150 Project	Orient Zirconic Resources/ Erinbar Ltd.	Horsham	Mineral Sands	Referred Under Environmental Effects Act
Wildwood	North Stawell Minerals	Northern Grampians	Gold	Exploration Phase
Irvine Gold Project	Aureka	Northern Grampians	Gold	Exploration Phase
Darlington	North Stawell Minerals	Northern Grampians	Gold	Exploration Phase
Kingston Gold Project	AIS Resources	Northern Grampians	Gold	Exploration Phase
St Arnaud Gold Project	Aureka	Northern Grampians	Gold	Exploration Phase

Figure 5 below shows the potential scale of regional jobs required for some of the energy, mining and manufacturing projects under development in the region.

Figure 5 Number of Jobs Required in the Region from Energy Projects

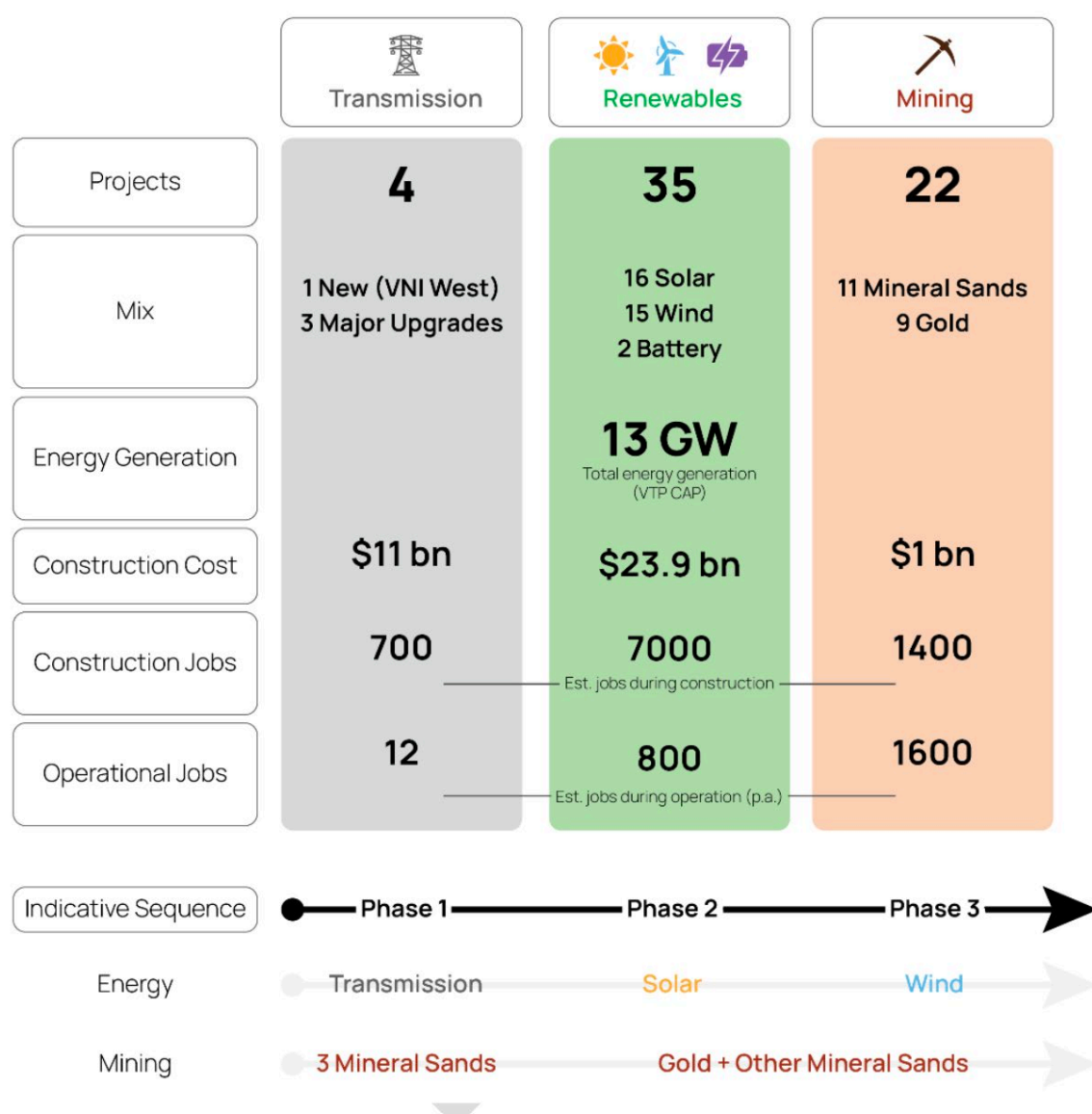


Notes: This graph is indicative only. It shows the project jobs and cumulative jobs required for the construction and operation of a sample of projects. It does not include job numbers for two other large wind farm projects under development in the region: Campbells Bridge and Wilkur.

The councils in this submission acknowledge that it is unlikely that all projects will proceed, and those that proceed may proceed at different times, but the graph provides a good indication of the level of construction and operational employment in the region from these new projects.

Figure 6, sourced from the from the *Resource Ready - North-Western Victoria Energy & Mining Impact & Readiness Study* (currently in draft, to be completed), demonstrates the cumulative demand for the transmission, renewables and mining projects occurring in our region.

Figure 6 Summary of the Energy and Mining Transition Workforce Impacts



Source: Urban Enterprise.

Compared with other Victorian REZs that are closer to larger population centres and stronger transport links (for example the Central and South-West REZs), the Western REZ covers a low-density, dispersed population and is an area with limited transport and housing capacity. This combination means that as a region we have less available workforce accommodation, fewer local workers and services, and a constrained road and rail network. As per Table 3, two of the Western REZ councils have fewer than one person per square kilometre.

Table 3 Council Population Statistics (Source ABS 2021)

Council (Population)	Town (Population)	Approx Population Density (people/ km ²)

Northern Grampians Shire Council (11,948)	Stawell (8,504)	St Arnaud (2,318)	Great Western (425)	Halls Gap (495)	2.1
Buloke Shire Council (6,178)	Donald (1,472)	Charlton (1,905)	Birchip (694)	Wycheproof (610)	0.77
Yarriambiack Shire Council (6,556)	Warracknabeal (2,359)	Murtoa (897)	Hopetown (694)	Rupanyup (545)	0.92
Horsham Regional City Council (20,429)	Horsham Surrounds (3,471)	Natimuk (548)	Pimpinio (191)	Dooen (250)	4.79

VicGrid’s consultation papers propose a project-by-project approach to addressing the impacts of energy projects. This is completely inadequate. This approach would fail to properly address the impacts of the energy transition on our region. By encouraging developers to propose “Social Value” initiatives, the framework treats the mitigation of direct negative consequences as optional rather than a mandatory strategic investment. To ensure the energy transition does not create lasting financial and social disadvantage for our region, the requirement must be recast from achieving aspirational “Social Value” to securing **strategic investment** for necessary infrastructure and services. A strategic investment framework must be established up-front to create the necessary clarity and certainty for all stakeholders.

The four councils making this submission want a stronger role for councils in guiding the necessary strategic investment. The consultation papers currently treat councils like any other stakeholder, ignoring their status as **local government**. We also want the strategic investment required to support any project seeking access to the transmission network to require council approval before they can be accepted by VicGrid.

This remainder of this submission addresses the following key themes:

1. **Local government:** Councils in the region operate with small rate bases and limited revenue and resources, despite having significant asset management responsibilities, particularly to maintain extensive local road networks.
2. **Community cohesion:** The uncertainty, complexity, and lack of genuine consultation has led to mistrust and anxiety within our communities.
3. **Workforce and skills:** The region faces a limited and ageing workforce, with shortages of workers across construction, trades, and essential services.
4. **Infrastructure:** Existing transport and service infrastructure is under pressure, including local and State roads. Trunk infrastructure to support housing growth, telecommunications, and rail also require significant investment.
5. **Housing:** There is a lack of both available and affordable housing, constraining the region’s capacity to accommodate the existing workforce. It would be even further constrained by the workforce required for the energy and mining transition.
6. **Community services:** Access to essential services such as health care, childcare, and education is limited, affecting liveability and workforce attraction.

1. Local Government

As local governments within the Western REZ, our capacity to undertake existing responsibilities is already limited, and we are not equipped to support the extensive transition required by the energy and mining industries by ourselves. Our councils have low revenues, small rate bases, and significant asset maintenance responsibilities, particularly for our extensive road networks. This financial burden is an ongoing issue faced by many of the councils in the area.

Many of our communities have recently been affected by natural disasters, such as floods and bushfires, which divert resources and limit our ability to fund other essential programs. Absorbing the extraordinary and cumulative financial impacts of the energy transition and new mines, from road damage to increased demands for services, is beyond our capacity. Without dedicated and strategic financial assistance from the State Government and project developers, our councils will be forced to shoulder this cost which will undermine our long-term financial sustainability and the well-being of our communities.

A Parliamentary Inquiry into the sustainability and operational challenges of local government noted that the councils making this submission (except for Horsham) were categorised among the "least sustainable councils" in Victoria. The Inquiry highlighted how the combined effects of legislative and policy changes (especially rate capping) substantially increased the financial challenges faced by councils between 2013 and 2018. Similarly, a report by the Victorian Auditor General in 2025 found that "key financial indicators for most councils are trending down" and identified increasing risks that some councils, particularly the small shires, may not meet their future obligations to their communities if current trends persist.

The provision of local government services is continually constrained by these factors: limited rate bases, rates capping legislation, and the increasing costs of maintaining substantial existing assets.

The level of participation and involvement by our councils in the complex energy planning and approvals processes is already significant. Technical expertise and time are required to have a seat at the table and to participate in the Environmental Effects Statement processes, Ministerial and council permit processes and other policy consultation processes. We do not have readily available resources for these processes and this demand impacts service provision elsewhere. It is essential that VicGrid and/or the State Government fund affected councils to support full and proper participation in the development of the policy and regulatory frameworks for REZs and project approval processes.

Readiness Studies

A key input to our submission is the draft *Resource Ready - North-Western Victoria Energy & Mining Impact & Readiness Study* (Readiness Study). We appreciate the financial support provided by VicGrid to undertake this study. The Readiness Study is a very good example of how local and State Government can work together. The study describes the range of impacts of the energy and mining industries on the broader region and what is needed to respond to these impacts, and identifies a range of initiatives to address the impacts.

Currently there are three renewables readiness studies, for Wellington, South Gippsland and in North-Western Victoria (covering nine councils).

Community Benefit Funds

The *Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects* consultation paper discusses how project developers may develop community benefit funds for communities. The key point of our submission is that strategic investment in the Western REZ is a fundamental need that cannot be addressed with community benefit funds alone. Nonetheless, where project developers create a community benefit fund, councils should be involved in their design and governance.

Recommendations

The four councils making this submission recommend that:

- Where councils have developed a renewables readiness study or strategy, priority should be given to the objectives identified in that study.
- VicGrid, other State agencies and the four councils in this submission work together to develop the strategic investment framework required to address the effects of energy and mining projects in our region.
- Where project developers create a community benefit fund, the relevant council(s) should have a say in the fund's objectives and a role in the fund's governance.
- VicGrid and our four councils together develop a financial support plan that funds the councils to provide adequate levels of service to their communities throughout the energy transition.
- VicGrid and the State Government provide funding for resources that allow councils to participate fairly in the development of the regulatory and approval frameworks for renewable energy zones, energy projects and the ongoing community support that will be necessary.
- The State develop an effective oversight function that includes councils to hold VicGrid to account for delivering on its commitments.

2. Community Cohesion

The uncertainty, complexity and lack of genuine consultation (including with local government) have led to mistrust and anxiety within our communities. The highly complex and technical nature of policy and planning processes favours those looking to implement the REZs and develop projects. Members of our community are confronted with many consultations on complex project and planning issues. To find the time to read consultation material, understand its effects, consult with others, and provide feedback is very time consuming. The consultation periods provided by VicGrid and project proponents place real pressure on citizens who wish to provide informed responses.

As an example of this, the Environment Effects Statement for the Western Renewables Link comprised 9,700 pages of documents. It was exhibited with six weeks to make a response. Identifying and responding to salient issues for individuals or councils in this mass of material proved very challenging and was more so due to the limited time available.

Other matters compound this distrust, including:

- The very long lead times for projects and the uncertainty about if and when they may be implemented.
- Project developers promising community benefits that are years away and may never materialise.
- The lack of consistent and transparent payments for neighbours of projects.

- Contractual secrecy obligations that prevent transparency about landowner contracts.
- Landowner agreements that can drag on for years as projects take longer than expected to develop.
- The lack of response to basic questions about the impact of VNI West. For example, host and neighbouring landowners having been asking for over a year without a response about who will bear the liability for damage that may arise from the building and operation of the transmission line.

These factors compound other mental health and wellbeing stressors for communities including floods, droughts, bushfire, and cost of living pressures. Affected residents in our communities can feel that the process is designed to support a faceless industry rather than caring for the communities most impacted.

Community cohesion amongst the people most affected by the proposed Western REZ cannot be an afterthought. The development of energy projects necessarily leads to division between those who can participate voluntarily in projects and benefit financially from them, and those who cannot participate voluntarily and who do not benefit financially.

The State Government has committed to supporting our communities with funding for mental health support. This funding has not been provided, exacerbating the distrust and disillusionment in our communities. In some cases, residents are preparing their “plan B” for where they will move to once projects materialise.

Recommendations

The four councils making this submission recommend that:

- Community capacity building programs to support communities experiencing the most change should be funded by the State.
- VicGrid and project proponents allow more time for communities and councils to respond to consultations.
- VicGrid, through Transmission Company Victoria, provide responses to long unanswered questions from landowners, such as the insurance implications of VNI West. An indemnity for loss and damage due to the transmission line would be welcomed.
- The State finance additional mental health support in our region.

3. Workforce and Skills

The Western REZ region is experiencing significant workforce capacity challenges, including labour shortages and skills gaps. These issues are driven by long-term low unemployment, high labour participation rates and an ageing workforce. These conditions already place pressure on existing industries. Meeting the labour requirements for new energy and mining projects from the local workforce will be extremely challenging.

Supporting the delivery and ongoing operation of new projects in the region will divert workers from other sectors of the economy or require labour from outside the region. Both options have implications for housing, accommodation and community services, which are already constrained. There is high risk that the growth potential across all industries in the region will not be realised if workforce shortages are not addressed and if demand for new workers (above and beyond current vacancies and anticipated retirements) cannot be met.

As the four councils making this submission, we are concerned that the wave of large energy and mining projects, and their cumulative effects on the region, are under-appreciated by the Victorian State Government. In 2023, the Victorian Government's [Wimmera Southern Mallee Regional Skills Demand Profile](#) did not identify energy as a separate industry for its job demand outlook, and it underestimated the demand for construction and mining jobs in the region.

The Wimmera Mallee Employment Region Local Jobs Plan (2024) summarises the employment challenges and priorities for the region, along with strategies to address these challenges. There is a lack of employees entering or remaining in vital roles such as early childhood education and care, aged care, personal care and disability services. Some principal carers are unable to return to work due to the shortages of childcare placements. The availability of new, higher paying jobs in other sector will inevitably draw workers away from existing sectors.

The Regional Skills Demand Profile published by the Victorian Skills Authority (VSA) shows that between 2022 and 2025, there will be an estimated shortage of 730-2,840 workers, mainly across health care and community services, the visitor economy, food manufacturing, construction and mining. This estimate was made prior to the identification of the region as a focus for energy and mining projects.

There is also a relative lack of higher education and training options in the region, limiting the potential to upskill or reskill the existing population. This contributes to outmigration, particularly among youth.

By way of contrast, the Golden Plains Wind Farm, a 1300 MW project between Ballarat and Geelong, is currently being built. The combined population of just the host local government area (LGA) (Golden Plains) and two adjacent LGAs (Ballarat and Greater Geelong) is around 409,000 people (ABS 2021 Census), with a workforce of around 204,000 (ABS 2021 Census). The Golden Plains construction workforce of around [700 workers](#) (Golden Plains wind farm website) represents around 0.35% of the workforce of these three LGAs.

In our region, the combined population of HRCC and the YSC is around 27,000 (ABS 2021 Census) and their workforce is around 12,900 (ABS Census). The proposed Warracknabeal Energy Park construction workforce of 318 represents around 2.5% of the workforce of these two LGAs. Using the higher figure of 948 for direct construction jobs plus jobs in the region, the WEP workforce represents over 7% of the workforce of these two LGAs.

The region already has a tight labour market, with unemployment in the regions less than the average across Victoria:

- Yarriambiack unemployment 3.5% (2025 NEMA)
- Horsham unemployment 2.7% (2025 NEMA)
- Buloke unemployment 2.8% (2025 NEMA)
- Northern Grampians unemployment 3.2% (2025 NEMA)

We are concerned that the emphasis of the consultation papers on developers prioritising the employment of local workers does not adequately address the risks to existing local businesses and services. With multiple projects occurring concurrently across the region, there is a high likelihood of labour competition and shortages. This will reduce the availability of employees for agriculture, essential services, and other local businesses, causing significant disruption to our regional economies and driving up the costs of employment.

While the consultation papers propose that developers manage workforce issues, they do not adequately consider the massive impact of the energy transition occurring across the region and cumulative impact of multiple projects and industries competing for workers and local businesses struggling to attract and retain staff.

Recommendations

The four councils making this submission recommend that:

- VicGrid and councils lead the creation of an employment strategy to the satisfaction of the councils which addresses workforce shortages, training and skills development, local procurement and which aligns with the Wimmera Southern Mallee Regional Skills Demand profile.
- VicGrid and the State make a binding social and financial commitment to implementing the employment strategy mitigation measures to ensure they are implemented and effective.

4. Infrastructure

The existing infrastructure networks in our region are extensive but under pressure, especially local roads, telecommunications, water and in some parts of the region, electricity. In addition, existing rail infrastructure requires investment to take pressure off roads in terms of maintenance and safety.

Transport infrastructure

The demand for freight movement in Victoria is growing strongly including in our region. The [Victorian Freight Plan 2025-30](#) demonstrates this, as does the [Western Victoria Grain Industry Supply Chain Study](#). Freight movement and transport in the region relies on the effective functioning of the whole road network, including the State road network (some of which is also part of the National Key Freight Network) and the local government-controlled road network.

The condition of the State road network in our region is very poor, particularly for second-tier highways. The demand for road transport is outpacing the investment to maintain the network in an adequate condition for the safe and efficient transport of passengers and goods.

We are frustrated by what appears to be indifference to the condition of the State road network in our region, while billions of dollars are poured into Metropolitan Melbourne roads and transport projects. For example, there have been extensive delays to the much needed duplication of the Western Highway from Ballarat to Stawell, with works having now ceased just east of Ararat for six years. In the meantime, multiple expensive projects in Melbourne have been started and completed before this crucial project for our region has had any progress.

Some local roads in our region are also in poor condition. Our councils have difficulty maintaining roads within a rate-capped budget environment. The road and bridge networks are not fit for purpose for increased vehicle volumes, heavy vehicle usage and the increased use of longer and heavier trucks. There has been no State funding available for local road projects since 2018 to facilitate upgrades to roads, bridges or freight routes. The lack of maintenance has led to compounding deterioration of the region's road network.

Daily truck movements are set to significantly increase. In the case of Horsham, many of these truck movements will be through the main streets of town. A Horsham town bypass is required.

Some councils have observed that project developers take a limited approach to road upgrade responsibilities through the Environment Effects Statement process, disputing the need for improvements prior to construction and contributing to road repairs after projects only when formally required to do so.

As the [Victorian Freight Plan 2025-30](#) and the [Western Victoria Grain Industry Supply Chain Study](#) note, there is a need for coordinated rail freight investment to get freight off the roads. The condition of the Henty Highway, Western Highway and Wimmera Highway is poor in many places and the projected traffic from these projects will exacerbate this condition without major investment in rail. Without pre-emptive strategic investment and mandatory project developer contributions for road or rail upgrades, this will inevitably compromise the needs of the region and the objectives of the Victorian Freight Plan.

Other infrastructure

Water infrastructure and water availability is a key challenge in our region. Water prices have increased strongly due to intensifying competition for water in the region, and mining projects will also need substantial water supply. The increased use of water from the Wimmera Mallee Pipeline for projects like mining will increase the likelihood of restrictions in the Grampians Wimmera Mallee Water system.

Telecommunications infrastructure and digital connectivity is weak across many parts of the region. Mobile networks across the region are already strained, which affects both temporary and permanent populations. Mobile devices used by construction workers on major sites place the networks under further strain, which can take away service from small communities and townships which share networks with project site areas.

In some parts of the region, electricity supply is vulnerable. Several towns and businesses regularly experience blackouts and brownouts. Major investment is required in Charlton, for example, to build a new sub-station given the existing infrastructure is at capacity.

The Victorian Access Regime consultation papers mention investment in local infrastructure as a potential initiative for creating “Social Value”, but this is presented as a benefit rather than a mandatory mitigation for inadequate existing infrastructure.

The commitment to fully restore or upgrade local infrastructure, especially roads and bridges, to a condition suitable for the future needs of the region should be a non-negotiable requirement, separate from a “Social Value” perspective. There are many examples where local councils have had to spend years negotiating repairs for damage that occurs when roads are used for construction of projects.

The Victorian Access Regime should require a mandatory infrastructure investment agreement with the council before construction begins covering road upgrades and restoration and contributions to maintaining or improving other impacted services.

Recommendations

The four councils making this submission recommend that:

- The State fund existing, overdue road network upgrades as identified in regional transport strategies, including the:
 - Wimmera Southern Mallee Regional Transport Strategy,
 - Central Murray Regional Transport Strategy,

- Priorities of the Sunraysia Highway Improvement Committee, and
- Priorities of the Calder Highway Improvement Committee.
- VicGrid coordinate with the councils and the Department of Transport and Planning to develop a strategic investment plan for transport infrastructure in the region.
- The State facilitate and fund the necessary enhancements to the rail network to maximise the potential for the use of rail.
- VicGrid coordinate with councils to create a strategic investment plan for other infrastructure upgrades in the region.
- Each new project should identify, in collaboration with the councils and VicGrid, the infrastructure demands that it will make, and develop, fund and implement the necessary projects as a condition of their access authority to the grid.

5. Housing

Australia's housing crisis is being strongly felt in our region. We are experiencing a significant and pre-existing housing crisis that the proposed energy transition projects and their construction workforces will exacerbate. Our councils submit that the current VicGrid guidelines regarding housing and workforce accommodation are inadequate as they treat the issue of housing as a social benefit rather than a mandatory requirement for managing a direct, negative social impact.

Housing availability in our region is poor with housing shortages existing across the four council areas to varying extents. Housing and accommodation markets in the region are characterised by a lack of diversity of housing types and sizes, extremely low rental vacancy rates, rapid rent price growth, and a low quantity of commercial accommodation. This has been exacerbated by housing tax policies of the State Government and changes to rental accommodation regulations (resulting in rental providers selling rental properties) which directly conflict with the need to increase housing supply and diversity.

This presents challenges to existing communities as well as a limitation on development feasibility, accommodating temporary workers and accommodating an ageing population in the future. The lack of housing availability is already a major constraint to economic activity and service provision across the region. Our councils have been working on housing initiatives that will be negated by the impacts of the energy and mining transition.

The Commonwealth Government's 2024 [Budget papers](#) state that a 3% vacancy rate is considered a balanced rental market, with lower vacancy rates representing tight rental markets. There is a range of publicly available data on rental vacancy rates for the councils that show a very low rental vacancy rate (see Appendix 1):

- 0.16% to 1.4% for the Yarriambiack Shire Council
- 0.54% to 2.07% for Horsham Regional City Council
- 0.09% to 0.31% Buloke Shire Council
- 0.45% to 0.98% Northern Grampians Shire Council

Our councils experience challenges obtaining resources to undertake settlement planning and structure plans. We also have difficulty convincing our State government colleagues of the demand for housing in our region when historical population growth (and official government projections) has been low or in some cases negative. Data showing low growth does not recognise that housing growth is low because it is constrained by supply, not lack of demand.

Our councils require stronger support from the State Government to address housing needs and associated planning scheme amendments. The Plan for Victoria framework is metropolitan focused, prioritising housing delivery in Melbourne, peri-urban areas and major regional cities. In contrast, rural areas such as those within the Western REZ receive little recognition of their housing shortages. Current State housing targets for our region are set well below the needs identified in local housing strategies and assessments prepared by our councils.

There is a disconnect between the Department of Transport and Planning (DTP) and VicGrid's energy planning in relation to housing for the energy transition. While councils are progressing strategic planning work for housing, DTP processes are not facilitating this effort and, in many cases, are contributing to delays. For example, Northern Grampians Shire Council has been attempting to advance growth planning in Stawell and St Arnaud for more than five years without resolution. Without greater State support and alignment between departments, the region will not be able to meet the housing demand generated by the energy projects.

Other constraints to the delivery of new housing within zoned land include high trunk infrastructure extension costs (especially sewer and power) and a lack of builders in some areas, leading to high construction costs and slow delivery. In many parts of the region, greenfield development is not viable due to the costs of development and low achievable house sale prices.

Existing housing stock is not diverse enough to accommodate the range of housing needed by our communities, especially older residents, and our ageing housing stock is not appealing to those looking to move into the region. Our regional cities and larger towns provide most of the housing for the region due to access to services but lack the housing diversity to accommodate a changing demographic and worker housing.

The Victorian Government acknowledges that the energy transition will bring a large, temporary construction workforce into the region. We are concerned that the region's energy and mining projects, and their cumulative effects on the region, are under-appreciated by VicGrid and the State Government. The development of multiple large-scale projects concurrently will seriously strain the regional accommodation and housing supply. Impacts of the large construction workforce on the region include:

- Increased demand for all types of housing and accommodation.
- Increased rents for all types of housing and accommodation.
- Highest impacts on low-income households and homeless people.
- Disincentivising workers from moving to the region to take up project and non-project-related employment due to the unavailability and cost of housing.

VicGrid's proposal in the consultation papers about how to accommodate the energy transition's construction workforce is inadequate. The papers do not address the magnitude of the cumulative pressures of the number of big projects in the area which require strong mitigation measures and more detailed analysis to avoid significant housing shortages.

The State Government's Regional Worker Accommodation Fund sets the following objectives for key worker housing:

- a net increase in appropriate and affordable regional housing and accommodation for key workers and their families
- regional businesses and services are better able to meet their immediate and future staffing needs

- regional communities have improved access to services through attraction and retention of workers in sectors critical to their location
- a thriving, healthy and sustainable workforce, through safe, well-designed and environmentally sustainable projects that are integrated with their community that benefit the location.

Our councils propose that these objectives must represent the minimum standard against which to assess the impacts of the energy transition on housing in the region.

In particular, we want the energy transition to result in a net increase in key worker housing. There must be no negative impacts on the availability and affordability of diverse housing options, notably rental, short stay and lower cost housing options, across the region. These housing options are needed to meet the region's ongoing housing needs under the business-as-usual scenario, let alone the impact of new projects.

Short-term shocks to our housing market, such as rental spikes, that lead to a lack of housing choice, rental stress, increased levels of family violence or the inability to attract or retain workers to local businesses have lasting impacts to our communities and economic prosperity. This can include reputational damage if there is a perception or actual scenario where housing for local people becomes unaffordable. Local businesses will be unable to grow if they cannot attract and retain workers, and younger people may decide to leave the region permanently in pursuit of housing security elsewhere.

Housing is more than just finding a bed. Isolated worker camps (themselves at risk of social challenges) will provide little benefit for the communities that are expected to host them. Housing needs to be considered in an integrated way and contribute to the stock of permanent accommodation in the region. If a worker camp is proposed, where it is located and how it is integrated with existing settlements is crucial. Temporary worker accommodation must also be designed to maximise the potential for reuse in the region.

The consultation papers propose that VicGrid require developers to generate a "Social Value" plan with the participation of key stakeholders. Our councils are not confident that this will address housing impacts. Accordingly, we ask that VicGrid and project developers create a housing strategy in close collaboration with, and to the satisfaction of, the councils. This cannot be done as an afterthought. Careful planning, sufficient lead time and funding for enabling infrastructure is required now. This will help to help provide housing solutions that create long-term benefits for our region.

Recommendations

The four councils making this submission recommend that:

- VicGrid work with the councils and the Department of Transport and Planning to fund, develop and implement strategic land use planning and regional settlement strategies that support the growth anticipated by these projects and development of sustainable places and communities.
- Project proponents develop an accommodation strategy with and to the satisfaction of the relevant councils.
- As a general principle, housing built for the energy transition should be in or near existing settlements and should be left in place as affordable or key worker accommodation.

- If temporary construction worker accommodation is needed, the proponent must develop a plan with councils that maximises the local reuse and relocation of housing units and other temporary buildings.

6. Community Services

The region's social and community services, including healthcare, education, and essential support services, currently operate at capacity. The projected, multi-year influx of a non-resident construction workforce for the energy projects will place significant and cumulative pressure on these critical public services.

Our communities already face challenges in recruiting and retaining essential service workers; the increased demand from a temporary population will further compromise the quality and availability of services for permanent residents.

Increased demand for school and childcare places, combined with the social challenges that can arise from temporary accommodation, will place additional burdens on local education, childcare, health care and community support services. A demand-supply imbalance in services will cause flow-on disbenefits for our region that need to be considered as part of planning for the energy transition.

Our councils submit that the current VicGrid guidelines, which rely on developers proposing discretionary "Social Value" plans for mitigation, contain insufficient mechanisms to address these substantial impacts.

Recommendations

The four councils making this submission recommend that:

- VicGrid lead the development and funding of a social services strategy with the four councils to address the needed investment in health, education, childcare and other services that will be impacted by the energy transition and mining projects.
- When project developers prepare their social value plans, they invest in funding components of this strategy.

Appendix 1 – Council Statistics and Sources

Council Area	Yarriambiack Shire Council	Horsham Rural City	Buloke Shire Council	Northern Grampians Shire Council
Total Population	6,556 (2021 Census) 6,346 (30 June 2024, ABS)	20,429 (2021 Census , Horsham 2023/24 Annual Report) 20,376 (30 June 2024, ABS)	6,178 (2021 Census)	11,948 (2021 Census)
Total Workforce	2,745 (2021 Census) 2,938 (2025 Aus Gov NEMA)	10,177 (2021 Census) 10,589 (2025 Aus Gov NEMA)	2,748 (2021 Census) 2,893 (2025 Aus Gov NEMA)	5,372 (2021 Census) 5,712 (2025 Aus Gov NEMA)
Unemployment Rate	2.9% Unemployment (2021 Census) 3.5% Unemployment (2025 Aus Gov NEMA)	3.1% Unemployment (2021 Census) 2.7% Unemployment (2025 Aus Gov NEMA)	3.5% (2021 Census) 2.8% (2025 Aus Gov NEMA)	3.7% (2021 Census) 3.2% (2025 Aus Gov NEMA)
Residential Vacancy Rate	0.16% Rental Vacancy Rate (2025 Real Estate Investor)	0.54% Rental Vacancy Rate (2025 Real Estate Investor)	0.09% Rental Vacancy Rate (2025 Real Estate Investor)	0.45% Rental Vacancy Rate (2025 Real Estate Investor)
	0.41% Rental Vacancy Rate (2025 HTAG)	2.07% Rental Vacancy Rate (2025 HTAG)	0.31% Rental Vacancy Rate (2025 HTAG)	0.98% Rental Vacancy Rate (2025 HTAG)
	1.4% Rental Vacancy Rate for the Suburb of Warracknabeal (August 2025 SQM Research)	1.2% Rental Vacancy Rate for Horsham the Suburb (August 2025 SQM Research)		