

21 August 2024



VicGrid
Department of Energy, Environment and Climate Action

VicGrid Draft Victorian Transmission Plan Guidelines – South Gippsland Shire Council Submission

Thank you for the opportunity to participate and provide feedback in response to VicGrid's Draft Victorian Transmission Plan (VTP) Guidelines. South Gippsland Shire Council is pleased to provide a submission towards the development of the guidelines that will shape the way forward for renewable energy infrastructure within the State.

South Gippsland Shire Council Position

South Gippsland Shire Council supports renewable energy development in principle, recognising the changing energy landscape. The region has natural advantages for wind energy facilities. However, Council's support is measured, considering the need to limit negative impacts on nationally significant agricultural and tourism land uses, especially if these impacts affect the economy, local character, natural landscape, culture, and environment.

As the Victorian Transmission Plan evolves, there needs to be a greater understanding of the direct community benefits and potential offsets for the community and impacted landholders. The Council urges the State Government to recognise the national significance of South Gippsland's agricultural production and the high density of rural dwellings outside townships, which have been important for supporting existing land use and current housing needs.

The South Gippsland Renewable Energy Zone Study Area under investigation is likely to raise significant community concerns. Council seeks to ensure that any proposed 'on land' transmission uses existing infrastructure and transmission routes to minimise impacts on existing land use and on amenity.

Council supports genuine and collaborative engagement from all levels of government and industry to build social license and address the lack of information on the direct and indirect impacts of proposed projects in or near South Gippsland. Our strong view

9 Smith Street (Private Bag 4) Leongatha 3953 – DX 94026 Leongatha
Telephone: (03) 5662 9200 Facsimile: (03) 5662 3754
Email: council@southgippsland.vic.gov.au Website: www.southgippsland.vic.gov.au



is that our community needs to be informed and involved in a coherent way to reduce the risk of rural and regional communities being 'taken by surprise' when development is proposed and declared. Having said that, Council is committed to working collaboratively with the government through genuine, timely engagement and partnership.

South Gippsland Context

South Gippsland is part of Victoria's Gippsland Region. The Shire has a population of approximately 31,000 people which is projected to rise to 36,000 by 2036. Its major towns are Leongatha, Korumburra, Mirboo North and Foster.

While hosting a relatively small population, South Gippsland has an economy of national significance regarding food production and has the most agricultural businesses of any Local Government Area in Victoria.

To describe South Gippsland's visual appeal, is to describe the rolling green hills and spectacular coastline. South Gippsland is well known for Wilsons Promontory National Park, which along with other key attractions like the Great Southern Rail Trail, brings 1.2 million visitors to the area each year.

Renewable Energy

As Gippsland enjoys natural advantages such as wind and solar, there are a diverse range of project types proposed and operating in Gippsland, including:

- Offshore wind farms (up to 12)
- Onshore wind farms (3)
- Solar farms (10)
- Battery storage (5)
- Hydrogen (3)

South Gippsland has two operational wind farms located at Bald Hills and Toora, an approved wind farm at Delburn and proposed future development near our municipal boundary at Gelliondale.

The State Government acknowledges the need for Offshore Wind projects to generate the majority of Victoria's future energy needs and has energy targets of at least 2 Gigawatts (GW) by 2032, 4GW by 2035 and 9GW by 2040. Council is proactively working with government and industry to be workforce, land and infrastructure ready to meet the new industry investment forecast in the region.



Council Direction

Government policy supports continued investment in the renewables sector to support the transition from old to new energy. Numerous Council objectives aim to also achieve this. The Council Plan 2022–26 has a strategic objective to ‘plan for and support our community to maximise the benefits of the emerging renewable energy industry’.

Renewable energy is recognised as a strategic objective within Council’s Economic Development Strategy: *1.2 – Understand the opportunities and implications from development of the new energy sector.*

In September 2022, Council endorsed a submission to the Federal Government’s Offshore Renewable Energy Infrastructure Area Proposal. This submission provided in-principle support for offshore renewable energy, while outlining Council’s concerns. These concerns primarily stemmed from our community’s feedback and a lack of information on the first and indirect impacts, including the proposed zone’s visual impacts of areas adjacent to our southwestern coastline and bays.

Council acknowledges the Victorian Planning Provision – Wind project exclusion area along the southern coast of the Shire.

Council’s Coastal Strategy identifies there are significant pressures on our coastline already, with Port Welshpool identified as a site that would benefit from a detailed coastal hazard risk assessment. The Strategy states the need to ‘proactively work with, and advocate to, the State and Federal Government for the preparation and implementation of nature-based solutions to manage the impacts of environmental coastal hazard risks’.

Appropriate development needs to be carefully considered along the remainder of the Shire’s coastline, including the Coastal Spaces Landscape Assessment Study Areas (2006) which are included in the Significant Landscape Overlay (SLO) and take in the highly valued Corner Inlet Amphitheatre. Council’s SLO areas should remain free of any new generation or transmission infrastructure that would detrimentally affect the high visual qualities of these landscapes.

Draft Victorian Transmission Plan Guidelines

Collaboration and Community Engagement

Council believe that both state and local levels of government will need to work together on the planning, design and delivery of the Victorian Transmission Plan



Guidelines. We strongly advocate for VicGrid to bring community, First Nations and industry along the journey.

There has been constructive feedback on the level of engagement and the approach taken by VicGrid thus far. Unfortunately, the release of the Draft Guidelines and associated Study Area Map has created unnecessary angst and concern among the community, which is being reflected back to Council.

While the Draft Guidelines state the importance of community contribution, the current breadth of engagement does not reflect this. Council supports the opportunities for engagement at each stage of the Draft Guidelines' development process but believes the timeframes that are set are too restrictive to achieve this in a genuine and meaningful way.

The community need to be informed and brought on the journey to reduce the risk that rural and regional communities will be 'taken by surprise' when REZs are proposed and declared.

Following Council's initial feedback on the location and number of drop-in sessions, we are pleased that VicGrid has responded with an additional session in Foster.

This reflects the need to continue investing in locally driven and targeted approaches to encourage widespread community awareness and lay the groundwork for continued participation in the transition. The Victorian Government can work closer with councils and community groups in the priority study areas to achieve this.

Local councils have a good understanding of community interests, concerns, and priorities regarding local development. They are well-positioned to address cumulative impact risks and contribute to long-term outcomes. All Victorian councils will be collaborating with their communities to develop new Council Plans in 2025, presenting an opportunity to engage communities on their vision for their future as part of a REZ.

Resourcing and support for councils to undertake early engagement to feed into the final VTP and draft Council Plans would be timely and strategic.

A perceived lack of leadership on regional and rural power issues by governments and energy agencies at all levels has contributed to community opposition to large-scale transmission and generation projects in some areas.



A more holistic focus on distribution grid reliability and access to affordable renewable energy for households and businesses in proposed REZ areas is needed alongside the VTP.

Communities hosting large-scale transmission and generation projects are more likely to support this development when they themselves have access to affordable and reliable renewable energy and can see how projects are contributing to broader community benefits and regional renewal.

If a community feels excluded from the benefits of more affordable and reliable renewable energy, social license issues are likely to endure despite being asked to host major energy infrastructure projects. A lack of coordination and collaboration can erode social license and goodwill with the community extremely quickly and must be avoided to ensure the transition to renewable energy is smooth and welcomed.

Council would like to see VicGrid's current engagement to be better supported and more inclusive with affected communities and landowners, ensuring successful developments in our municipality.

Council is committed to working collaboratively with government, through genuine timely engagement and partnership, allowing the community to be accurately represented and part of the development process of matters that may impact where they live and work.

First Nations Engagement

Council notes VicGrid's commitment *"To enable First Peoples to be resourced with the capacity and capability to participate in REZ discussions and make decisions."*

We support establishing relationships with Registered Aboriginal Parties and the Victorian Aboriginal Heritage Council. South Gippsland has two recognised parties with Bunurong Land Council and Gunaikurnai Land and Waters Aboriginal Corporation. There is also a large area of unallocated land in South Gippsland that will require further engagement.

Strategic Land Use Planning and Study Area

Renewable Energy Impact and Readiness

South Gippsland and Latrobe City Council, in conjunction with Regional Development Australia, commissioned a Renewable Energy Impact and Readiness Study (the Study), which was adopted by Council in July 2024.



The Study provides Council with the economic, social and land use evidence to ensure that key opportunities and impacts of renewable energy development are understood and prepared for.

The Study examines issues and opportunities, from the readiness of key towns to service and support renewable energy projects, to skills development and supply chain requirements.

The Study identified that there is an undersupply of industrial land in Leongatha and Korumburra, with existing industry specialisations needing to productively operate concurrent to the renewable energy sector, such as agriculture and tourism. The Study also states that 'it will be critical that specialised sectors such as agriculture can continue to operate productively and effectively alongside the emerging renewable energy sector.'

Most of our developed industrial land is utilised. Council would require further financial assistance to plan for and service the release of new land if additional demand is placed on our current supply.

While Council does not deliver renewable energy projects, we do need to be prepared for their development.

Agriculture, Food Production and Tourism

Agricultural production is the largest industry and employer in South Gippsland. Data from the REMPLAN economic modelling system shows that Agriculture and Forestry has a total annual output in South Gippsland of just over \$1 billion or nearly 22 per cent of the Shire's economic output.

South Gippsland has over 1,500 businesses in this sector, more than any other Local Government Area in Victoria. The sector employs over 2,000 people directly in the Shire, about 18 per cent of employment. This primary production also has substantial value-adding and flow-on impacts through food processing and other sectors like Transport and Wholesale trade.

A feature of much of South Gippsland is high quality soils and high average rainfall. This has meant that agricultural production is conducted more intensively than many other parts of the State.

Work undertaken by the Centre for Regional and Rural Futures at Deakin University on Agriculture Industry Transformation has highlighted the relative resilience of South Gippsland to climate change and increasing temperatures across the State. This may also mean that types of agricultural production, such



as fruit and vegetables, may become more viable in South Gippsland as it becomes more challenging in northern parts of Victoria.

South Gippsland is one of Australia's key centres for dairy production with 10 per cent of Victoria's dairy farms and three significant dairy production facilities. It is an area for premium beef production, which also includes the regional cattle saleyards and a major export abattoir.

Horticulture, including snow peas, celery and potatoes has become an important sector and boutique food and beverage production, across a wide range of products, is an expanding area which is also attracting new people to the area. This boutique food and beverage production is often strongly linked to tourism development and the attractive rural landscape.

South Gippsland is well known for Wilsons Promontory National Park, which along with other key attractions like the Great Southern Rail Trail, brings 1.2 million visitors to the area each year. Vessels operating from the ports at Barry Beach service the offshore oil and gas rigs and fishing fleets operate from Port Welshpool and Port Franklin.

Council acknowledges the importance of the Gippsland region to the national economy. From our productive agriculture and energy resources to our tourism and natural environment, we have many great opportunities and challenges that are reflected in our current and future infrastructure needs.

Council acknowledges and supports many of the key themes emerging from the Strategic Land Use Assessments. This involves prioritising the protection of our natural environment and minimising land use conflicts as fundamental principles in planning for energy transmission and generation in Victoria. Specifically, we support the protection of our highly productive food production land that is the backbone of South Gippsland's economy and community.

These are critical factors to consider when choosing areas for renewable energy development.

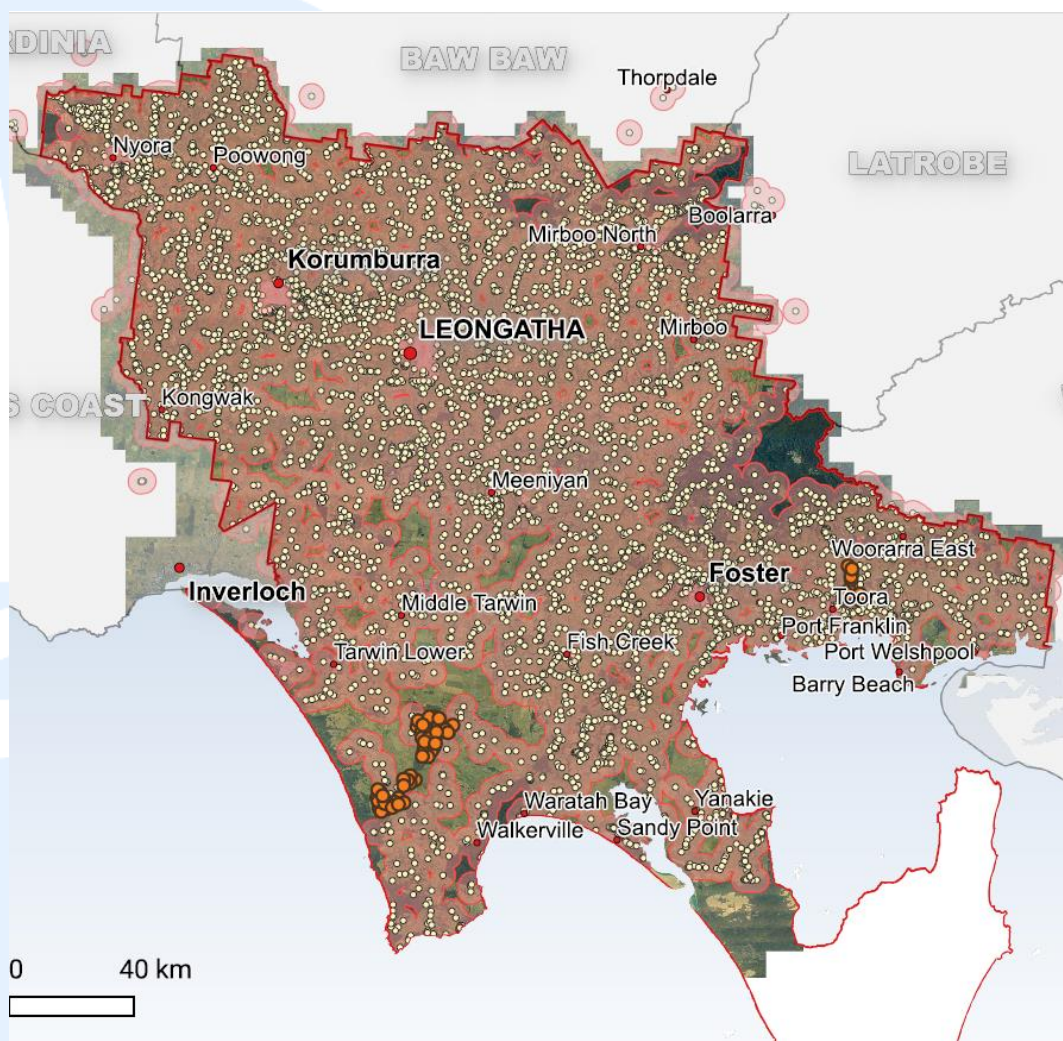
Rural Dwelling Proximity and Impacts

State planning policy requires new wind turbines to be located one kilometre or more from an existing dwelling. If an application for a new planning permit (or an amendment to an existing permit) proposes a turbine closer than one-kilometre, written consent to the turbine's location is required from the dwelling landowner.



If written consent is not provided, the planning permit application is prohibited. Council understands that the dwelling setback and landowner consent requirements cannot be varied by the Minister for Planning.

To illustrate this rule, a map of South Gippsland with the one-kilometre proximity buffer to rural dwellings is provided below. This shows the high density of rural dwellings in South Gippsland outside of townships and would indicate the limited locations for new wind farm developments to be considered without obtaining landowner consent.



The yellow dots represent existing dwellings. The pink shaded areas are within 1km from an existing dwelling. The orange dots on the map indicate the location of existing wind turbines in the Shire.



Council is supportive of some of the methods VicGrid has outlined to determine the most suitable locations for renewable energy investment and development; however, we are concerned with the strategic land use planning process not considering the established rural dwelling and highly productive agricultural land use prior to tiered levels being drafted.

There are areas within the study area that should be protected, or omitted for consideration, as they are not suitable for renewable energy projects due to rural dwelling proximity, high performing agricultural production and tourism values. This may also include other commercial uses, that require proximity consideration, for example Leongatha Airport and flight paths.

South Gippsland, along with the rest of Victoria is facing significant challenges in meeting current and future accommodation and housing supply and needs for our community and workforce.

By reducing access to existing rural dwellings, due to proximity of wind turbines will intensify the pressure on housing supply across the Shire.

This should influence the placement of potential projects.

Council's recent focus on renewable energy has been primarily towards preparing for the Offshore Wind industry being established in Gippsland. As stated earlier, this has included advocating on several matters that can also be considered relevant to onshore wind farm development. For example, land use planning, supportive infrastructure and avoiding conflicts or impacts to farming and tourism.

The rural dwelling data doesn't provide many areas for wind farms to be established in South Gippsland without landholder agreements or the purchase of prime agricultural land to facilitate renewable energy.

South Gippsland has the greatest number of agricultural businesses of any Victorian municipality. The high density of rural dwellings reflects the high prevalence of agricultural economic activity and value placed on agricultural land uses. This also means that approximately 50 per cent of South Gippsland residents live in rural areas outside the township centres of the Shire.

Given the importance of agricultural production in South Gippsland, concerns have been raised regarding the risks associated with productive and valuable agricultural land co-existing with wind farms during and after operation. It would be detrimental to the local economy if land is acquired to construct a wind farm,



yet the land maintenance and productivity is reduced post-construction of the energy production infrastructure.

Beyond the agricultural significance of land in our region, other noteworthy factors must also be considered during the planning process such as the Giant Gippsland Earthworm Habitat Overlay in the South Gippsland Planning Scheme. This is a unique consideration for this region.

Advocacy

One of Council's key Advocacy Priorities is supporting Renewable Energy Investment at Barry Beach Marine Terminal and Port Anthony. Specifically, Council is seeking Australian and Victorian Government policy support, and investment, to realise this once in a generation opportunity for South Gippsland.

This requires support to plan and prepare for the activation of industrial and residential land to ensure commercial investment attraction, industry development and workforce accommodation in South Gippsland.

Council has also partnered with Wellington Shire Council with a funding application to the Federal Government's Regional Precincts and Partnerships Program, seeking State Government support and collaboration with regards to land and infrastructure planning to facilitate State and Nationally significant new energy transition.

Community benefits have been a point of focus. Ensuring the community receives benefits, with the inclusion of significantly impacted neighbours in conjunction with directly affected landholders is a priority. It's important to ensure communities have clarification on what determines community impact and how funding will be distributed to these 'impacted areas' which host Victorian Renewable Energy Zones.

Council has also advocated for a Payment in Lieu of Rates (PiLoR) framework for offshore wind generation, alongside Wellington Shire Council. This ensures fair distribution of economic benefits and the sustainable development of Gippsland's coastal regions while hitting Victoria's renewable energy goals.

With renewable energy projects already underway, Council has repeatedly stated the necessity to ensure a measured outcome that balances the need to transition electricity generation to a renewable future, while minimising the impacts on those communities where new energy generation facilities and infrastructure are located.



There are many aspects to be considered when contemplating such large-scale projects. As a Council that is already struggling to maintain our extensive local road network, heavy vehicles and increased mass limits that will be associated with renewable energy project construction and maintenance, will have the potential to adversely impact the condition of our roads and further strain our limited resources.

Additional funding will need to be provided to local governments to help manage this impact, and more work will need to be done by the Victorian government to maintain arterial roads, which are the main corridors used by these larger vehicles.

Thank you again for the opportunity to provide comment. If you would like further information, please contact Christian Stefani, Council's Manager Regional Partnerships on (03) 5662 9200 or email christian.stefani@southgippsland.vic.gov.au

Yours sincerely

Cr Clare Williams
Mayor