

Victorian Access Regime

October 2025



The voice for
local government

No one understands the challenges and opportunities facing Victoria in the 21st century better than local councils. From rapidly evolving technology to social changes, shifting economies to environmental pressures, our local communities and the governments that represent them—are at the forefront of multiple transformations happening simultaneously.

As the peak body for the Victorian local government sector, the Municipal Association of Victoria (MAV) offers councils a one-stop shop of services and support to help them serve their communities.



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of the land on which we live. We recognise their continuing connection to land, waters and culture and pay our respects to their Elders past, present and emerging.

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Table of contents

1	<i>Executive Summary</i>	3
2	<i>Introduction</i>	5
3	<i>Engagement expectations</i>	5
4	<i>Creating social value and economic benefit expectations</i>	6
5	<i>Enforcing and monitoring compliance</i>	7
6	<i>Recommendations</i>	8

1 Executive Summary

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide feedback on the Victorian Access Regime, including the draft Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects.

The MAV is the peak body for Victoria's 79 councils with the purpose to mobilise action that supports Victorian councils to create cities, regions, and towns that are thriving, resilient and inclusive communities.

The MAV vision is to be a nation-leading thought leader, partner and resource hub for the Victorian local government sector in strategic foresight, policy and research, leadership and governance, service design and advocacy impact.

The MAV is pleased to provide this submission in response to the Victorian Access Regime, particularly focused on the Draft Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects (the Guidelines).

The Guidelines represent a significant uplift in the minimum expectations placed on developers regarding community engagement and the delivery of social and economic benefit initiatives. The introduction of improved evidence and documentation requirements, alongside compliance and enforcement mechanisms, will go some way towards addressing council and community concerns.

We are hopeful that these Guidelines will result in better community consultation, greater transparency, more strategically aligned community benefits and good developer behaviour.

This submission makes a number of recommendations for how the Guidelines can be further strengthened to reflect the role of local government and community expectations:

Mandating local government engagement expectations

1. Mandate the expectation that developers should engage with local government as best-practice in the evidence and documentation requirements of the Community Engagement and Social Value Guidelines. This can be strengthened by referencing the expectation for local government engagement in the social impact assessments, community engagement strategies, social value and economic benefits programs and local industry engagement plans.

Strengthening social value and economic benefits

2. Provide additional guidance to developers on the types of governance models available to support the delivery of social and economic benefit initiatives, including specific reference to the role that local government can play.
3. Provide funding guidance for developers to shape social and economic benefit initiatives drawn from the latest available evidence.

Funding independent readiness and impact studies

4. To ensure councils are well equipped to participate in the transition, the MAV recommends the State Government provides funding for all councils in Renewable Energy Zones to participate in independent readiness and impact studies to support the delivery of strategic social value and economic benefits.

Building community trust in developer behaviour

5. Establish online public reporting tools to monitor and report developer compliance against the Community Engagement and Social Value Guidelines.

Harmonisation between State and Federal Government responses

6. Harmonise and align State and Federal Government requirements around community engagement and the delivery of community benefit arrangements to support greater standardisation.

2 Introduction

The Victorian Access Regime sets out the Victorian Government's proposed approach to managing how renewable energy projects gain access to the state's transmission network.

Three separate documents have been released for consultation as part of this new approach:

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

This submission will focus on the Draft Community Engagement and Social Value Guidelines for Renewable Energy and Transmission Projects (the Guidelines) which are most relevant to role of local government in the transition to renewables.

The Guidelines spell out the Victorian Government's minimum expectations for how energy generation and transmission projects should engage with community and create economic and social value. Councils have long been calling for improved mechanisms to encourage good developer behaviour when it comes to engaging with the community and delivering community benefit arrangements.

The MAV is encouraged by the progress outlined in these Guidelines which represent a significant uplift in the minimum expectations placed on developers from early 2026.

3 Engagement expectations

The Guidelines set out 48 minimum expectations for how project developers should engage with the community, landholders and neighbours.

Regarding local government engagement, the Guidelines state:

"The Victorian Government considers it best practice for developers of renewable energy generation and transmission projects to engage with local government on project planning and initiatives that deliver social and economic benefits".

The MAV welcomes the emphasis on and acknowledgement of the importance of local government engagement. We know that new renewable energy projects and transmission may impact local roads, water supply, wastewater systems, housing and workforce markets. By encouraging early and ongoing engagement with councils, renewable energy developers will be better equipped to consider the unique local footprint of a community and region.

To ensure this is put into practice, the MAV recommends the expectations around local government engagement are mandated. They should be clearly reflected in the evidence submitted by developers, including the community engagement strategy, social value and economic benefits program and local industry engagement plan.

As part of Victoria's transition to renewable energy, Victorian councils have been calling for the incorporation of tailored engagement strategies, impact assessments

and funding mechanisms that reflect the unique vulnerabilities and contributions of host councils and provide legacy benefits.

The principles underpinning the new engagement expectations clearly align with calls from the local government sector for more robust and transparent engagement practices. For example, developers will now be required to engage early, provide transparent information, tailor engagement and provide diverse engagement opportunities. Implementation of these new criteria will go towards addressing council and community concerns around uneven and confusing consultation processes.

In addition to community engagement strategies, project developers will be required to submit separate strategies for Traditional Owner engagement. The MAV recognises First Nations peoples' knowledge, leadership and connection to Country is critical to achieving climate justice.

4 Creating social value and economic benefit expectations

The Guidelines also set out expectations for how developers design and deliver initiatives that create social value and economic benefits for communities – such as community benefit arrangements.

As noted in the MAV's response to the [draft Victorian Transmission Plan](#), councils advocate for and seek community benefit arrangements that support intergenerational outcomes for communities and encourage regional collaboration. Host councils have a significant opportunity to obtain once-in-a-generation investments for their communities through participation in the energy transition.

Victorian councils recently called for the mandating of legacy infrastructure provision for local communities as part of community benefit arrangements including:

- Upgrading Single Line Earth Return distribution lines
- Energy bill offset programs for residents and businesses
- Telecommunications upgrades
- Energy efficiency improvements for community facilities
- Planning and development of key worker housing
- Power supply upgrades for businesses
- Local training and employment programs.

Developers will now be required to demonstrate how their initiatives deliver strategic or long-term value for the community and collaborate with community to achieve collective impact. We anticipate the introduction of these expectations will support councils and communities to participate in strategic and regional community benefit sharing arrangements.

When designing social and economic benefit initiatives, we note that developers will be required to provide information on governance models, delivery and administration. The MAV recommends further guidance is provided to developers on the types of governance models available to support the delivery of these initiatives. This additional guidance should also acknowledge the role councils can play within different governance models and provide real-world examples. It will be important to clearly distinguish between governance models reflected in the Guideline as

separate from governance models outlined under the proposed Renewable Energy Zone Community Energy Funds.

The consultation draft poses a question around whether the Guidelines should provide guidance on the value of social value and economic initiatives. We understand there is no requirement for developers to spend a specific dollar amount under the proposed changes.

The MAV believes it is helpful to provide funding guidance for developers to look to when shaping social value and economic benefit initiatives. Providing this guidance ensures communities can better estimate the value and types of initiatives developers may put on the table. Any funding guidance should be drawn from the latest available evidence and advice around best-practice community benefit sharing arrangements and take into consideration VicGrid's broader aim of encouraging strategic and long-term value creation.

In addition to social and economic benefits, developers will also need to submit a local industry engagement plan which includes identifying social procurement and First Peoples' procurement opportunities. It also covers activities aimed at building a local renewable energy workforce. These expectations are a welcome change; councils are seeking strategies that help to direct economic benefits from renewable energy development into communities. Key to this will be maximising local employment, rather than FIFO and DIDO workers.

We know that councils will be in a stronger position to advise developers on social and economic benefits when they have an understanding of the opportunities renewables will bring to the region. Readiness and impact studies are an invaluable tool that allow councils to gain this knowledge.

To take a recent example, South Gippsland and Wellington Shire Councils collaborated on a Renewable Energy Impact and Readiness Study. The recommendations from the study – including preparing infrastructure and laying the groundwork for the renewable energy industry – were fundamental to securing funding from the Commonwealth Government's Regional Precincts and Partnerships Program.

To ensure councils are well equipped to participate in the transition, the MAV recommends the State Government provides funding for all councils in Renewable Energy Zones to participate in independent readiness and impact studies.

Finally, we understand the social value and economic benefit initiatives established under these Guidelines will be in addition to payments under the Renewable Energy Zone Community Benefits Plan which is still awaiting release. Councils are seeking implementation of a standard approach to the Renewable Energy Zone Community Benefits Plan. To avoid duplication and confusion between the two documents, it is important that the differences are clearly communicated to councils, communities, landholders and neighbours.

5 Enforcing and monitoring compliance

The minimum expectations around community engagement and community benefit initiatives represent a significant uplift for developers. Successful implementation of these new expectations will hinge on the application of appropriate mechanisms to enforce and monitor developer compliance.

The MAV understands enforcement and compliance will be undertaken through the Victorian Access Regime. VicGrid will have the power to revoke access authority if a developer is not compliant and is investigating an accompanying penalties regime.

Given the significant amount of evidence and documentation developers will now need to include in their applications, it is important VicGrid closely considers who will be assessing this information. Assessors will need to have an understanding of the local priorities within communities to make sound judgements. Processes should be put in place to independently verify information with communities and councils directly. There are also outstanding questions around how often developer compliance will be monitored that require clarification.

The MAV recommends VicGrid consider the use of online public reporting tools to monitor compliance and build trust in developer behaviour. Many councils use online performance dashboards to demonstrate their performance against strategic objectives. The use of public reporting tools will foster transparency, counter mis and disinformation and build the social licence for the energy transition. Public information on developer compliance should also be written in a way that is accessible to communities engaging with the transition.

Finally, the MAV understands the Commonwealth Government's Developer Rating Scheme is still under development. In the draft Guidelines, VicGrid states they may require developers to provide information relating to ratings under the Scheme, in addition to the 48 minimum expectations. We recommend VicGrid harmonise and align the final Guidelines with the Developer Rating Scheme wherever possible to support greater standardisation and therefore reduced confusion among councils and their communities.

6 Recommendations

Mandating local government engagement expectations

1. Mandate the expectation that developers should engage with local government as best-practice in the evidence and documentation requirements of the Community Engagement and Social Value Guidelines. This can be strengthened by referencing the expectation for local government engagement in the social impact assessments, community engagement strategies, social value and economic benefits programs and local industry engagement plans.

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2. Provide additional guidance to developers on the types of governance models available to support the delivery of social and economic benefit initiatives, including specific reference to the role that local government can play.
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Building community trust in developer behaviour

5. Establish online public reporting tools to monitor and report developer compliance against the Community Engagement and Social Value Guidelines.

Harmonisation between State and Federal Government responses

6. Harmonise and align State and Federal Government requirements around community engagement and the delivery of community benefit arrangements to support greater standardisation.

MAV would be pleased to provide clarification on any information in this submission. For further information, please contact inquiries@mav.asn.au.

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