

MAV Sector Submission Draft 2026 Victorian Transmission Plan Guidelines



July 2026



Climate volatility, social fragmentation, digital disruption and rising costs are reshaping the way we live, work, and connect. Local government is where these global challenges turn into local responses – strengthening trust and resilience through the places, services and experiences people rely on every day.

The Municipal Association of Victoria (MAV) is the legislated peak body for local government in Victoria, advocating for all 79 councils across the state.

MAV works closely with councils, state and federal governments and global experts across industry and academia to deliver services and solutions grounded in local knowledge and community needs across metropolitan, rural and regional Victoria.

MAV offers sector-specific, not-for-profit procurement and insurance services, a local government innovation lab and statewide annual learning, convening programs designed to support Victorian local government to meet the challenges of a fast-changing future.



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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1 Executive Summary

The Municipal Association of Victoria (MAV) appreciates the opportunity to provide a submission in response to the Draft 2026 Victorian Transmission Plan Guidelines.

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.

In representing all 79 Victorian councils, the MAV recognises the critical role of the local government sector in supporting the state's renewable energy transition over the next 25 years and beyond. Local government is critical to enabling a just and equitable transition to a net zero economy.

Councils are key strategic partners in supporting the development and delivery of the renewable energy transition, with responsibilities spanning land-use planning, environmental assessment, community engagement, and managing cumulative local impacts.

This submission calls for additional recognition and supports to ensure the local government sector is well-positioned to guide their communities through the transition and secure once-in-a generation legacy outcomes. This includes stronger local input into transmission planning, addressing evidence gaps through readiness studies, considering emerging energy demands like data centres, providing further consultation on community benefit arrangements, and implementing strong local-state engagement mechanisms.

Recommendations

Theme	Recommendation
Funding and capacity-building support for councils	The MAV calls on the Victorian Government to provide dedicated funding and capacity-building support for councils experiencing resource pressures from renewable energy and transmission projects.
Access to specialised expertise	The MAV calls on the Victorian Government to provide dedicated funding for access to specialist expertise including planning, environmental assessment, heritage, legal, governance and community engagement resources through shared services, expert panels or advisory mechanisms.
Resourcing to support meaningful engagement	The MAV calls on the Victorian Government to appropriately resource councils to meaningfully engage in the renewable energy transition and

	critical minerals policy frameworks where project impacts are borne locally.
Robust processes for assessing projects outside REZ	The MAV calls on the Victorian Government to apply robust and consistent frameworks to assess renewable energy generation, storage and transmission occurring outside of Renewable Energy Zones.
Delivery of readiness and impact studies	The MAV calls on the Victorian Government to provide funding for all remaining councils in Renewable Energy Zones to participate in independent readiness and impact studies. This should be undertaken through a coordinated approach to support informed decision making around the impacts of the transition to renewables.
State-wide strategy to guide data centres	MAV calls on the Victorian Government to develop a state-wide strategy to guide the location and development of data centres within designated circular economy precincts
Further consultation on Renewable Energy Zone Community Benefits Plan	The MAV recommends the options being considered as part of the Renewable Energy Zone Community Benefits Plan undergo a further round of consultation with the local government sector before they are finalised.
Formalise regular, ongoing engagement with councils	The MAV calls on VicGrid to formalise a regular and ongoing local government engagement mechanism with councils navigating the renewable energy transition to support shared goals of coordination, consistency and clarity.

2 Introduction

The MAV welcomes the opportunity to provide comment on the Draft 2026 Victorian Transmission Plan Guidelines (the Guidelines). These Guidelines will be used to inform how VicGrid will produce the 2027 Victorian Transmission Plan. The 2027 Victorian Transmission Plan will identify how much renewable energy is needed over the next 25 years, the most suitable areas to generate that energy and the transmission upgrades and projects needed to support this generation. Councils are critical partners in supporting the development and delivery of the 2027 Victorian Transmission Plan (2027 VTP).

The MAV acknowledges and supports VicGrid's commitment to partnering with First Peoples in the development of the 2027 Victorian Transmission Plan.

3 Local government engagement in the development of the 2027 VTP

Local government is a key strategic partner in Victoria's renewable energy transition. Councils play a critical role supporting the transition through planning assessments, reviewing and responding to complex Environmental Effects Statements, environmental and heritage considerations, governance and probity processes, and significant community engagement and consultation.

Councils also hold local knowledge that is essential to supporting a coordinated transition, including information on the cumulative impacts on communities hosting multiple developments.

While councils do not control state energy policy or major project settings, they play a critical frontline role in statutory processes, local impact management and maintaining social licence within communities.

The Guidelines outline the five-step process VicGrid will take to develop the 2027 VTP. These steps include updating Victoria's future energy needs, revising the scale of generation and storage needs, identifying what additional upgrades the transmission network needs, assessing and comparing updated development pathways and confirming any additional potential renewable energy zones.

Local government will have important local knowledge to share in the development of the 2027 VTP. The MAV expects VicGrid to engage early with the relevant councils to ensure their perspectives are considered. For example, councils will have valuable insights into:

- Transmission planning options to support generation under each of the candidate development pathways, including consideration of non-network solutions such as battery storage
- Preferred transmission project areas being considered for the first 10 years of the VTP
- Potential additional locations for new Renewable Energy Zones
- The refreshed strategic land use assessment, including environmental, biodiversity, cultural, social, land use and engineering perspectives
- Opportunities to create social value and economic benefits

Case study: Mumblin Wind Farm

Corangamite Shire raised concerns with the Minister for Planning regarding the use and development of land for the Mumblin Wind Farm. The proposal for this wind farm was in close proximity to the Codben Aerodrome which is used to support agriculture, training, emergency service and firefighting operations. One of the key concerns identified by officers was that the proponent's assessment did not fully capture the breadth and variability of operations at the aerodrome, including emergency response and firefighting activities. Council made a submission to highlight potential inconsistencies between the proponent's aviation assessment and the applicable statutory and policy framework. This case study demonstrates the importance of local knowledge in informing the location of renewable energy storage, generation and transmission.

The MAV acknowledges councils will need additional supports to participate in the transition to renewables, including the development of the 2027 VTP. Existing funding and support mechanisms do not consistently reflect the intensity, duration or cumulative nature of renewable energy projects in regional municipalities.

Councils located in and around Renewable Energy Zones will need additional support and technical expertise to meet resourcing and capability demands as part of their planning and community engagement responsibilities. The influx of project proposals will place pressure on existing council budgets with officers needing to dedicate time to reviewing project proposals, assessing land use impacts and participating in consultation processes.

For example, the nine councils involved in the Resource Ready North-Western Victoria Energy & Mining Impact & Readiness Study have estimated they will need a total of \$13.5 million over 5 years to meet statutory, strategic and economic planning demands from renewable energy projects.

Resourcing will also be required to support councils to meet expectations in the recently released [Community engagement and social value guidelines](#). These guidelines outline a new expectation for developers of renewable energy generation, storage and transmission projects to engage with local government in the early stages of a project, throughout planning and on designing social and economic benefits. Existing council budgets do not account for these activities.

With the right resourcing and role clarity, councils are well positioned to work in partnership with VicGrid to support proactive planning, navigate community engagement and guide coordinated strategic investment in their regions. Local government is critical to enabling a just and equitable transition to a net zero economy.

- *Recommendation 1: The MAV calls on the Victorian Government to provide dedicated funding and capacity-building support for councils experiencing resource pressures from renewable energy and transmission projects.*

- *Recommendation 2: The MAV calls on the Victorian Government to provide dedicated funding for access to specialist expertise including planning, environmental assessment, heritage, legal, governance and community engagement resources through shared services, expert panels or advisory mechanisms.*
- *Recommendation 3: The MAV calls on the Victorian Government to appropriately resource councils to meaningfully engage in the renewable energy transition and critical minerals policy frameworks where project impacts are borne locally.*

As of May 2026, the Victorian Government has declared five renewable energy zones which have been identified as the best places to host wind and solar projects and batteries. The MAV acknowledges renewable energy generation, storage and transmission is already occurring inside and outside of declared Renewable Energy Zones. Councils have raised concerns that projects under construction or under consideration falling outside Renewable Energy Zones will not need to meet the same expectations around access to the grid, community engagement and community benefits. This approach risks a two-tier system creating confusion and undermining the new policy frameworks being introduced by VicGrid.

- *Recommendation 4: The MAV calls on the Victorian Government to apply robust and consistent frameworks to assess renewable energy generation, storage and transmission occurring outside of Renewable Energy Zones.*

Impact and readiness studies are a key source of information on the expected impacts of the transition to renewables. There have already been three renewable energy readiness and impact studies undertaken in Victoria:

- South Gippsland Shire Renewable Energy Impact and Readiness Study
- Wellington Renewable Energy Impact and Readiness Study
- North Western Victoria Energy and Mining Impact and Readiness Strategy

These studies help identify workforce demands and shortages, housing pressures and infrastructure gaps; outline economic impacts and opportunities from the transition; and local government and community impacts. They provide vital information to councils to help inform current and future resourcing needs to support the transition.

Impact and readiness studies also provide a strong evidence base for regional collaboration and strategic coordinated investment and ensure councils are better equipped to participate in the transition.

Additional impact and readiness studies need to be undertaken to ensure councils have the information to participate in the development of the 2027 VTP and beyond.

- *Recommendation 5: The MAV calls on the Victorian Government to provide funding for all remaining councils in Renewable Energy Zones to participate in independent readiness and impact studies. This should be undertaken through a coordinated approach to support informed decision making around the impacts of the transition to renewables.*

4 Future scenarios VicGrid will consider when developing the 2027 VTP

The 2027 VTP will be informed by scenarios that explore how future conditions may affect the generation, storage and transmission infrastructure needed in Victoria. The MAV notes each of the scenarios in the Guidelines considers data centre demands in forecasting for future energy needs.

The MAV understands that applications for new data centres continues to increase and it is widely known that individual data centres are very large energy (and water) consumers. As the number of new data centres come online across urban and regional Victoria, the Australian Energy Market Operator (AEMO) estimates that they could use up to 19% of Melbourne's electricity grid by 2050, up from roughly 2% in 2025. Victoria's data centre energy demands are already jumping 94% year-on-year to 187 megawatts. With the government targeting around 25% of national data centre capacity with proposed infrastructure, data centres will potentially be requiring up to 9 gigawatts of electricity per annum. As very large energy consumers, data centres have impacts on state and federal targets for renewable energy and greenhouse gas emissions reduction.

Victorian councils recognise the essential role data centres play in a modern digital economy. They also see firsthand the pressures the rapid, uncoordinated expansion is placing on communities, infrastructure, and the environment. Once finalised, the MAV is happy to provide a copy of its submission on these matters to *Senate Environment and Communications References Committee inquiry into AI and data centres*. The submission outlines that data centres must be assessed through integrated metropolitan and regional planning frameworks that consider cumulative impacts, long-term sustainability thresholds, infrastructure interdependencies, and local carrying capacity, rather than through isolated site-by-site assessments.

Councils are calling for a state-wide strategy to guide the location and development of data centres within designated circular economy precincts. This strategy could cover:

1. Strategic land use planning to co-locate data centres with recycling, energy recovery, and advanced manufacturing facilities.
 2. Infrastructure investment to support energy efficiency, renewable energy integration, and heat recovery systems in data centre design.
 3. Policy and regulatory frameworks that incentivise circular practices in data centre operations, including e-waste management and resource reuse.
 4. Collaboration with local government to identify suitable precincts and align with regional circular economy plans.
 5. Funding and innovation support for councils and industry to pilot circular data centre models and share best practices.
- *Recommendation 6: the MAV calls on the Victorian Government to develop a state-wide strategy to guide the location and development of data centres within designated circular economy precincts*

5 The role of community benefits in supporting a smooth transition

The 2027 VTP will set out how much renewable energy is needed in Victoria over the next 25 years. To build council and community confidence in the process, VicGrid needs to be clear around the community benefit arrangements in place for projects inside and outside Renewable Energy Zones.

At the time of writing this submission, VicGrid has not yet finalised the Draft Renewable Energy Zone Community Benefits Plan. This plan is expected to clarify the new benefit arrangements for regional and rural communities and Traditional Owners impacted by new transmission.

Councils are seeking a consistent statewide framework for renewable energy and mining developments that mandates community consultation, defined community benefit contributions and appropriate decommissioning and rehabilitation processes.

Councils are still seeking clarity on the minimum contribution thresholds, governance arrangements, indexing and compliance mechanisms that will support effective community benefit arrangements. There are outstanding questions around the role of local government, and transparency remains a key concern for the sector.

At a minimum, councils should have the opportunity to be involved in the design and governance of community benefit arrangements that support legacy outcomes for communities. Importantly, the final governance structures for community benefit arrangements should build trust, increase transparency and result in tangible legacy benefits.

Finally, councils are calling for the Renewable Energy Zone Community Benefits Plan to address community needs, mitigate impacts and deliver tangible, lasting outcomes where disruption occurs. This could mean inclusion of impacted sectors, such as commercial fishing communities, the agricultural sector and other industries, as eligible stakeholders in the Renewable Energy Zone Community Benefits Plan. Councils expect VicGrid to undertake this engagement directly with industry.

The MAV is ready to work with VicGrid to co-design the final arrangements in the Renewable Energy Zone Community Benefits Plan.

- *Recommendation 7: the MAV recommends the options being considered as part of the Renewable Energy Zone Community Benefits Plan undergo a further round of consultation with the local government sector before they are finalised.*

6 Local-state government collaboration in the transition

Strong collaboration between local and state government will be essential to embedding a coordinated transition. The MAV is appreciative of VicGrid's work in partnering to deliver the first Local Government Renewable Energy Transition Forum in June 2026. The Forum highlighted the value of working together to address the systemic gaps impacting communities as they navigate the transition. It also provided VicGrid with insights into the unique needs of the local government sector.

Following the success of the forum, the MAV sees an important opportunity for formalising regional and state coordination mechanisms between local and state government. This would help to boost transparency and accountability, drive regional opportunities, support local government engagement and build better outcomes for communities.

- *Recommendation 8: the MAV calls on VicGrid to formalise a regular and ongoing local government engagement mechanism with councils navigating the renewable energy transition to support shared goals of coordination, consistency and clarity.*

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

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