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Victorian Civil and Administrative Tribunal
Chief Executive, VicGrid
The Hon. Minister for Energy and Resources
The Hon. Minister for Planning
The Hon. Minister for Agriculture

Australian Dairy Farmers Limited
Level 3, HWT Building
40 City Road
SOUTHBANK VIC 3006

Tel: +61 3 8621 4200
Fax: +61 3 8621 4280

www.australiandairyfarmers.com.au
ABN 76 060 549 653

Protecting Victoria's Dairy Regions from Wind Farm Siting Conflicts — With Immediate Reform to Safeguard On-Farm Worker Housing

Victoria's dairy regions are nationally significant food-producing landscapes and major regional employers. Yet current wind farm siting and approvals—especially blanket buffers and third-party objection rights—are already preventing compliant **on-farm worker housing**, the single most critical piece of enabling infrastructure for modern dairying.

The final 2025 Victorian Transmission Plan (VTP) expands proposed Renewable Energy Zones (REZs) to cover ~1.8 million hectares (7.9% of the state) and explicitly maps high-productivity dairy areas as having lower compatibility with renewables. That acknowledgment is welcome. But unless Ministers now match the map with enforceable protections and fix the worker-housing loophole, hundreds of farm businesses and regional processors face compounding operational risk and labour shortfalls.

Victorian Government must:

1. **Declare dairy “no-go” areas inside REZs** — give full planning effect to the VTP's identification of concentrated dairy zones as lower-compatibility by **excluding new wind farms** in these mapped areas.
2. **Restore worker-housing rights** — reinstate the **permit-exempt pathway** for compliant on-farm dwellings even where a wind energy facility (WEF) is proposed or approved within 1 kilometre (km) and **remove WEF third-party objection rights** against compliant farm housing.
3. **Adopt an Agriculture Compatibility Test** in the Access & Connections framework and Grid Impact Assessment (GIA) that screens out wind projects which materially constrain essential farm operations (housing, livestock movements, irrigated layouts, heavy-vehicle access).
4. **Apply routing safeguards** for all transmission programs and new lines to avoid productive dairy land, irrigation districts and farm clusters, using existing corridors first.
5. **Require legacy/pipeline alignment** — any wind farm currently in the planning pipeline that conflicts with VTP-mapped dairy areas should be refused or relocated.

Why urgent action is needed

Victoria is the powerhouse of Australian dairy. The dairy industry is the state's third-largest rural industry, generating about **\$3.8 billion in farmgate value** and supporting nearly **18,000 Victorian jobs** (around 7,800 on farms and another 10,000 in processing). Victoria produces approximately **64% of the nation's milk** output, and a large share of this milk is exported to feed other markets. Clearly, decisions that affect Victorian dairy have national implications for food supply and economic prosperity.

Dairy farming is labour-intensive and often geographically isolated, so farmers frequently build secondary dwellings on their properties to house employees or extended family members working on the farm. Recognising this need, the Victorian planning framework generally permits farm accommodation to be built without a planning permit (under the Farming Zone) if certain conditions are met. However, if a wind energy facility is proposed or operating within 1 km of the farm, this accommodation exemption no longer.

Current rules remove the permit exemption for worker housing within 1 km of a proposed or approved wind farm—even when a wind project's footprint or approval is uncertain—handing proponents the ability to block or delay farm dwellings that otherwise meet all standards. That is happening now (see case evidence below).

In other words, the moment a wind farm enters the vicinity, a dairy farmer loses their “as-of-right” ability to put up vital worker housing – they must instead lodge a permit application, which the wind developer can formally object to.

This technical provision (introduced in 2021 via an amendment to the Victoria Planning Provisions) has drastic practical consequences. It gives wind farm proponents effective veto power over neighbouring farm developments within a 1 km radius, even if the wind project itself is still in planning stages. The intent was presumably to prevent conflicts between new sensitive uses (dwellings) and wind turbines, but in practice it **stifles the growth of farm businesses** by blocking infrastructure that the farm needs to expand milk production and accommodate workers. This directly undermines dairy farm viability: without sufficient on-farm housing, many farmers cannot attract or retain the workforce required to milk cows and manage operations, especially in remote areas with limited rental housing.

Case evidence — how current rules are already harming dairy

- **Garvoc (Moyne/Corangamite):** the ongoing case in Garvoc. In early 2023, local dairy farmers Joseph and Anna Conheady were in the process of installing a new farm worker dwelling on their property – a project that met all the normal exemption criteria of the Farming Zone (thus not needing a permit at the time). However, when the **Swansons Lane Wind Farm** application was lodged with the state in May 2023 (without prior local consultation), it **instantly nullified the Conheadys' building exemption** because most of their 680-acre farm lies within 1 km of the proposed turbine sites. The family suddenly had to scramble to submit a planning permit application for their already-commissioned accommodation, as their “rights” had been retroactively altered by the wind farm

proposal.

- They worked with council planners and even agreed to relocate the dwelling to a different spot on their farm to mitigate any potential issues with the wind farm. The Moyne Shire Council ultimately approved the farm accommodation in mid-2024, validating that it was appropriate. However, the wind farm proponent has **challenged this approval at the Victorian Civil and Administrative Tribunal (VCAT)**, dragging the farm family into a protracted legal battle.
- As of this submission, the permit for the dairy worker house remains in limbo due to the developer's objection. This represents an *unresolved land use conflict* directly caused by the wind farm's proximity – a needed farm dwelling is delayed (or potentially denied) solely because of an energy project's buffer zone.
- This Garvoc example starkly demonstrates how wind development can **block normal farm investment and hamper farm succession** (the Conheadys had built the accommodation to attract a manager and eventually transition the farm to the next generation).
- Worryingly, this is not an isolated incident. The same wind developer had earlier objected to another dairy farmer's planned worker accommodation near their proposed **Mumblin Wind Farm** in the South Ecklin district – another prime dairy area. In that case, the farmer ultimately abandoned the fight and sold the land, rather than endure the uncertainty and expense of litigation. Such outcomes send a chilling message to all dairy farmers in REZ-designated areas: **your farm growth is effectively on hold for decades**, subject to the whims of energy companies' plans.
- It should be noted that the Victorian government has, in other contexts, acknowledged the critical need for more on-farm housing in agriculture. Labor shortages in dairy have led to a 19% decline in local dairy farm numbers and a 37% reduction in dairy jobs between 2017 and 2022. The government responded with initiatives like streamlined visa programs for agricultural workers and the very permit exemptions for farm accommodation mentioned above. Allowing wind energy projects to override these farm-supportive measures is **counterproductive and short-sighted**.
- Wind farms are best sited in **sparsely populated areas**; when placed in populated dairy regions, they exacerbate workforce and housing challenges that are already pressing. The expansion of wind infrastructure into dairy zones introduces uncertainty and deterrence for farmers who might otherwise invest in their businesses, knowing that any improvement (like a new house, barn, or irrigation pivot) could be stymied by an outside entity. This instability is antithetical to the climate resilience and food security goals that both the agriculture and energy sectors share.

ADF recommends:

1) Declare dairy “no-go” areas inside REZs

- Use the REZ declaration instrument to prohibit new WEFs in mapped concentrated dairy zones (e.g., south of Princes Hwy around Terang–Camperdown–Mortlake–Warrnambool and other VTP-mapped clusters)
- Treat these areas analogous to other sensitive overlays (e.g., coastal WEF prohibition east of Warrnambool), acknowledging the state-significant food function and the co-location impracticalities of large-scale wind with intensive dairying.

2) Restore worker-housing rights near WEFs

- Reinstatement the permit-exempt pathway for compliant on-farm key-worker dwellings regardless of WEF proximity or status (proposed/approved)
- If complete reinstatement is not adopted, then at minimum:
 - Exclude WEF proponents from third-party objection rights against compliant farm dwellings
 - Create a “Right-to-Build Farm Housing” test that planning authorities must apply ahead of WEF considerations
 - Provide transition arrangements so farms currently caught at VCAT or in amended applications can proceed.

3) Embed an Agriculture Compatibility Test in access & connections

- As part of VicGrid’s Access & Connections and GIA processes, require a pass/fail test on:
 - Worker-housing enablement (cannot be obstructed or delayed by the project)
 - Farm-layout integrity (laneways, irrigation, effluent, heavy-vehicle access, biosecurity)
 - Neighbour impacts (payments and mitigation extending beyond hosts)
- Where a project fails, require alternative siting or project redesign outside constrained dairy clusters.

4) Transmission routing safeguards across all affected regions

- Apply “avoid first” routing for new lines and rebuilds across Southwest, Western, Central North and Gippsland dairy districts; prioritise existing corridors and degraded land, avoiding irrigated and high-productivity dairy country wherever feasible
- Build in early farm-by-farm engagement with dairy operators and processors to prevent operational blockages (herd movements, milk haulage, fodder logistics).

5) Align legacy and pipeline projects with the VTP

- Direct that pipeline WEF applications inconsistent with VTP-mapped lower-compatibility dairy areas be refused or relocated. Do not allow approvals to get ahead of the VTP’s land-use evidence

- Where proponents insist on proximity, require undergrounding of collector lines and larger setbacks from farm residences and laneways.

6) Governance and accountability

- Appoint agriculture (ADF/industry) representation to VicGrid's Access & Connections and GIA working streams
- Publish a monitoring and evaluation plan on agricultural outcomes for the 2027 VTP update (farm viability, labour/housing enablement, logistics impacts, dispute trends)
- Issue a Statement of Expectations for developers that mandates neighbour engagement and consistent benefit-sharing beyond project hosts.

Conclusion

Victoria can both decarbonise and feed the state—but only if wind farm siting recognises that concentrated dairy zones are fundamentally incompatible with large-scale turbines and that on-farm worker housing must never be hostage to third-party objections from energy proponents. It makes little sense to jeopardise an agricultural industry that generates billions in economic value, to site renewable infrastructure that could be in less-sensitive areas. The VTP now provides the map and the mandate. Ministers should act quickly to lock in dairy no-go areas, restore housing rights, and embed agriculture protections across every stage of access, connection and approvals.

Yours sincerely,



Ben Bennett
President - Australian Dairy Farmers
Chair – Australian Dairy Industry Council