

# 2026-27 Budget Estimates Hearing Energy and Resources Portfolio

18 May 2026



Energy,  
Environment  
and Climate Action

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

# Delivering affordable energy and economic growth for Victoria

- The 2026–27 Budget is focused on cost-of-living relief, energy security and supply resilience
- Victoria is already delivering strong results in renewable energy transition, affordability and system security
- Our work will continue to focus on enabling long-term jobs, investment and regional growth



# We are focused on supporting Victoria's economic growth and lowering the cost of living for all Victorians



## Affordable and sustainable energy

Affordable and sustainable energy is an essential input to economic activity, underpinning business confidence and supporting consumers to manage cost of living – and the Victorian Government is working to maintain the **lowest gas and electricity wholesale prices in the nation.**



## Supporting Victorians to save on energy bills

The Victorian government is committed to providing incentives to support households and businesses to upgrade to energy efficient appliances to help **reduce energy costs.**



## Securing materials for housing and infrastructure

Victoria's resources sector is worth almost **\$9 billion to Victoria's economy, with \$150 million paid in royalties** each year. We have helped grow this. For example, end-to-end decision times for extractives have improved by **more than 30 per cent**, compared to the previous financial year.



## Driving renewable energy investment and jobs

Renewables, backed by transmission and storage, are the cheapest form of new-build generation. Achieving our legislated renewable electricity target of 95% by 2035 will add an expected \$9.5 billion to annual Gross State Product and increase the number of energy jobs in Victoria by over 50%. We have already achieved Victoria's 2025 target of **40% renewable electricity generation.**



## Building a skilled workforce for Victoria's energy future

Government programs continue to invest in and support the Victorian workforce, with more than **7,000 jobs** (direct and indirect) supported through the Solar Homes Program and **1,200 electricians and 1,300 plumbers** upskilled to date.

# The 2026-27 Budget invests in vital programs to support the energy and resources sectors

This Budget invests \$88.7 million to drive the renewable energy transition and to help Victorians lower their power bills

## \$52 million

for the renewable energy transition, including

- \$10 million towards the new \$40 million 'National Training Centre' for New Energy Skills
- \$10 million for the third round of Energy Innovation Fund
- \$7 million to help Victoria's most vulnerable community housing renters switch from gas to electric appliances

## \$22 million

to support community and businesses

- \$17.7 million for prolonged power outage payments
- \$3.2 million to encourage data centre investment while protecting energy consumers.
- \$1.1 million to continue the Energy Assistance Program

## \$14.7 million

to deliver national energy market reforms

- \$14.7 million to deliver critical national energy market reforms through the Australian Energy Market Commission and the Energy and Climate Change Ministerial Council.



# The 2026-27 Budget invests in vital programs to support the energy and resources sectors

This Budget invests an additional \$66.9 million to support Victoria's economic growth and lower the cost of living for all Victorians

## **\$34.1 million**

**to support VicGrid operations and delivery of Marinus Link**

- \$26.7 million to support the operations of VicGrid, which has assumed transmission planning responsibilities from AEMO.
- \$7.4 million to support Marinus Link oversight

## **\$30.7 million**

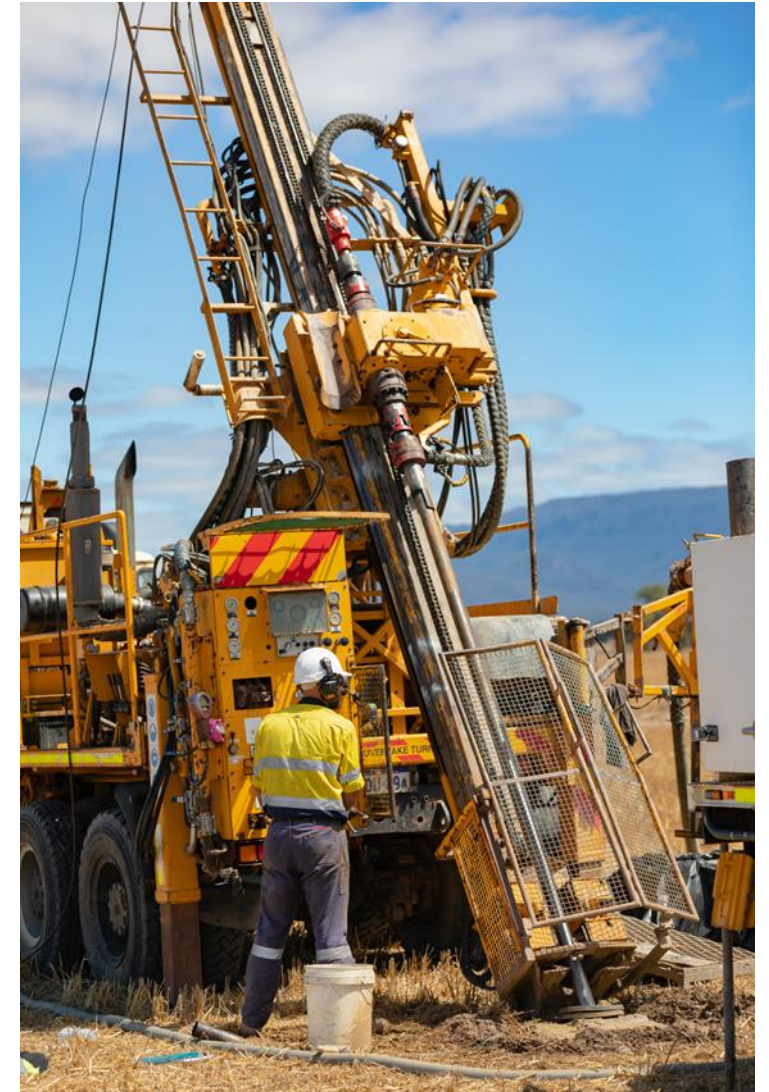
**for hot water rebates and implementation of Victorian Energy Upgrade reforms**

- \$28.1 million for solar hot water rebates
- \$0.9 million to implement priority Victorian Energy Upgrade Strategic Review reforms
- \$1.7 million to continue upskilling the industry through the electrification skills training program

## **\$2.1 million**

**investment in the Victorian Critical Minerals Roadmap**

- The Critical Minerals Roadmap will help develop the state's critical minerals industry and support regional communities with long-term, highly-skilled jobs.



# Delivering affordable, reliable energy and enabling infrastructure and economic growth



**Planning Victoria's transmission infrastructure and developing Renewable Energy Zones**



Delivering affordable energy, improved reliability and reduced investment risk while managing Victoria's renewable energy transition



Empowering Victorians to adopt clean, efficient and affordable energy solutions, improving liveability and accelerating Victoria's renewable energy future



Facilitating informed and responsible resources exploration, development, extraction and rehabilitation

Through the establishment of VicGrid we are:

- Coordinating the planning and development of Victoria's Renewable Energy Zones.
- Planning and developing transmission infrastructure, and facilitating timely delivery of projects.
- Engaging early and meaningfully with landholders and local communities and partnering with Traditional Owners.
- Delivering a new approach to sharing the benefits of the energy transition with landholders, regional communities and Traditional Owners.

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Facilitating informed and responsible resources exploration, development, extraction and rehabilitation

- Managing the transition away from fossil fuels and meeting the Victorian Renewable Energy Targets of 65 per cent by 2030 and 95 per cent by 2035.
- Empowering households and businesses to lower energy bills including by installing the promised 100 neighbourhood batteries.
- Conducting in-depth analysis and industry consultation in the lead up to the release of an offshore wind Request for Proposal later this year
- Advancing gas transition and supply security by releasing the Gas Substitution Roadmap update.
- Enabling the renewables big build including working with the Commonwealth Government to underwrite 5 GW under the Capacity Investment Scheme.
- Growing Victoria's energy sector workforce by over 60% to 67,000 jobs in 2040.

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Facilitating informed and responsible resources exploration, development, extraction and rehabilitation

- Targeting affordability for those most in need, reforms to the Energy Retail Code of Practice in 2026 will:
  - ensure customers on contracts older than 4 years are paying a reasonable price for their energy (removing the 'loyalty tax') (from 1 July)
  - Require retailers to automatically switch residential customers who are experiencing payment difficulty to their best offer (from 1 October)
- The Victorian Default Offer (VDO) is a simple regulated electricity offer. The 2026-27 draft VDO is 11.7 per cent lower than the pre-VDO default prices in 2019. The draft VDO is also \$365 lower on average than the Commonwealth's draft Default Market Offer (DMO)
- The Midday Power Saver will provide three hours of electricity free-of-charge for consumers in the middle of the day from 1 October 2026, sharing the benefits of cheap solar power with more Victorians while smoothing network demand and soaking up excess solar.

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- To date the \$1.3 billion Solar Homes Program has delivered:
  - Over 500,000 applications and 475,000 installations;
  - More than \$790.9 million in rebates and \$382.6 million in zero-interest loans;
  - 2.5 GW of installed solar power capacity;
  - More than 19,700 audits of installations.
- Operating since 2009, the Victorian Energy Upgrades has supported:
  - Over 2.4 million households and 180,000 businesses in efficient appliance and equipment upgrades;
  - Almost \$600 million in discounts provided in 2025-26
  - \$284 million in savings off energy bills each year.
- 3.2 million tonnes and 94.4 million tonnes of CO2 emissions avoided through the Solar Homes and Victorian Energy Upgrades programs respectively
- The Electrification Skills program is helping upskill the Victorian renewable energy workforce.

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Facilitating informed and responsible resources exploration, development, extraction and rehabilitation

- Delivering the Critical Minerals Roadmap to develop up to \$200 billion worth of in-ground critical mineral resources. This includes granting VHM Limited's Goschen Rare Earths and Mineral Sands project a mining license, and approving Southern Cross Gold's Sunday Creek antimony and gold project exploration tunnel.
- Approving 90 million tonnes of new quarry resources in the nine months to March 2026 (taking our stockpile to 1.4 billion tonnes or 17 years supply), supporting the Big Build and new housing developments.
- Whilst electrifying, we have also successfully advocated for a national domestic gas reserve to meet short term shortfalls.
- Building confidence in the performance of the earth resources sector in Victoria and its regulation.

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