

The Hon Lily D'Ambrosio MP Minister for Energy and Resources



Public Accounts and Estimates Committee
2025-26 Budget Estimates Hearing
6 June 2025



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.

Our energy transition is underway – and necessary



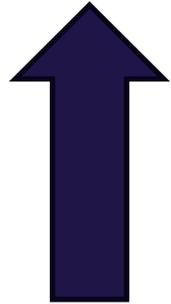
Victoria's integrated energy policies, and renewable energy investments, underpin the lowest wholesale prices in Australia.



- Energy is an essential input to Victoria's economic growth – and the community more broadly.
- Renewable energy generation and storage projects are the **cheapest form of new build electricity** – so a transition to renewables will keep the lights on and support affordable prices.
- Victoria's integrated energy policies underpinned the **lowest wholesale prices in the National Electricity Market**, and average default offer electricity prices (for households and small business) that are lower than most mainland states.
- Achieving 95% renewable electricity supply in Victoria by 2035 is estimated to add about **\$9.5 billion to annual Gross State Product** and will support tens of thousands of jobs.
- Energy users switching to electrification, and efficient appliances, **brings further cost of living relief**, supported by government information and incentives.
- We need to unlock more supply of essential construction materials and realise Victoria's critical minerals opportunities to build new renewable energy supply chains.

Government has made significant progress to date

Delivered billions of dollars in private investment in electricity sector transition driven by legislation, reform, guidance and targeted support



Increased renewable electricity capacity:

Since 2019-20, Victoria's renewable electricity capacity has increased by around 84%:

- 2.3 GW of wind capacity
- 2.5 GW of Solar PV
- 600 MW of large-scale solar

Support for households



- Reforms including 7-star energy efficiency, all electric new homes and minimum rental standards to make Victorian homes cheaper to run and more comfortable to live in.
- Supported over 400,000 households to install solar panels, hot water and battery systems through our \$1.3 billion Solar Homes Program.
- Continued delivering the Victorian Energy Upgrades program which, since 2009, has provided discounts to nearly 2.4 millions households and 180,000 businesses, saving them more than \$2.7 billion in energy costs.



Delivered legislated renewable energy targets:

- 40% in 2025 – on track to be achieved
- 65% by 2030
- 95% by 2035

and Offshore wind energy generation targets of at least:

- 2 GW by 2032
- 4 GW by 2035
- 9 GW by 2040

The 2025-26 Budget allows Government to do more

\$152.0 million to strengthen the department's core energy functions and help ensure safe, reliable and affordable energy is maintained throughout the energy transition.

\$50.6 million for a one-off \$100 Power Saving Bonus for eligible Victorian concession card households.

Funding is also provided to expand the services of the Energy Assistance Program in response to increasing demand.

\$20.0 million is provided to enable faster planning approvals for renewable energy projects in Victoria by incorporating them in the State Planning Policy Framework.

\$13.2 million to progress planning and undertake activities to deliver the first 2 gigawatts of offshore wind energy capacity in Victoria.

The 2025-26 Budget allows Government to do more (cont.)

\$2.5 million is provided to support the State's interest in the new Marinus Link interconnector between the Victorian and Tasmanian electricity networks.

\$2.3 million to develop a renewable gas scheme to assist securing renewable gas volumes for industrial and gas-powered electricity generation users that cannot electrify over time, and to support Victoria's emission reduction targets.

\$29.7 million is provided to extend the Solar Victoria Hot water rebate program to enable more eligible households to install energy efficient electric heat pumps and solar hot water systems in their homes.

\$12.0 million is provided to develop a safety and quality assurance framework as part of the reintroduction of insulation as an offering in the Victorian Energy Upgrades Program to improve energy efficiency.

Support Victoria's energy transition by:

- Delivering the 100 neighbourhood batteries program
- Delivering on new renewable energy generation and storage projects
- Fostering the growth of Victoria's offshore wind industry
- Upskilling the workforce through worker training centres
- Providing energy affordability services to increase consumer awareness and engagement in the Victorian energy market
- Continuing to facilitate the transition of homes to renewable energy through programs such as the Solar Homes Program
- Continuing to support Victorian households and business to reduce their energy consumption through energy efficiency upgrades via the Victorian Energy Upgrades program.
- Continue to ensure security of gas supply to Victoria promoting an orderly transition.
- Publish the first Victorian Transmission Plan and declare Renewable Energy Zones



Resources are a crucial foundation for Victoria's Economic future and living standards

The 2025-26 Budget invests in this important sector:

\$40.5 million to support a sustainable mining and quarrying sector through strong regulations and timely decision making.

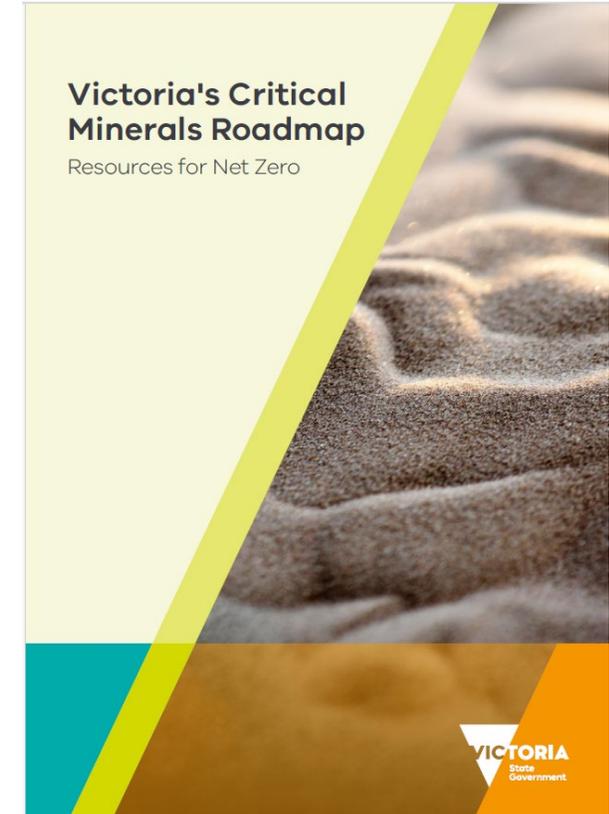
\$7.5 million is provided to extend the Resources Victoria Approval Coordinator until 2027, for actions to support new critical minerals projects, and to provide dedicated support to facilitate engagement with community and Traditional Owners.

\$1.7 million to continue to manage abandoned and legacy mines and quarries on Crown land to address public safety and environmental risks.

Resources are a crucial foundation for Victoria's Economic future and living standards

In 2025-26 Government will:

- Implement Victoria's Critical Minerals Roadmap to tap into Victoria's critical minerals endowment, worth approximately \$200 billion, as well as improving the state's competitive advantage, creating up to 7,000 jobs and supporting manufacturing.
- Ensure that gas developments are carried out responsibly through safety, environmental and social requirements
- Deliver major legislative reform to shift the regulatory system from prescriptive work plans to a duty-based system
- Implement the Latrobe Valley Regional Rehabilitation Strategy to guide the rehabilitation of coal mines in the Latrobe Valley to valuable next land uses
- Deliver on government's commitments to examining benefit sharing options for local communities and Traditional Owners



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