

Providing cost-of-living relief to those who need it most

Significant initiatives

- **Free public transport for kids**
\$40.9m in 2025-26 (\$308.2m/4 yrs) to provide free public transport for under 18s.
- **Free weekend public transport for seniors**
\$0.4m in 2025-26 (\$2.2m/4 yrs) for free weekend public transport for seniors.
- **Providing more no-interest loans to vulnerable Victorians**
\$1.3m in 2025-26 (\$5.2/4 yrs) to renew the Good Money program which provides no-interest loans for essentials and affordable financial services.
- **Power Saving Bonus for vulnerable consumers**
\$50.6m in 2025-26 for one-off \$100 payments for households with eligible Victorian concession cards that use the Victorian Energy Compare website, and a \$600,000 investment in a small expansion of the Energy Assistance Program to meet high demand.
- **Victorian Energy Upgrades Program – Insulation upgrades**
\$4.6m in 2025-26 (\$10.2m/3 yrs) to develop a safety and quality assurance framework as part of the reintroduction of insulation as an eligible activity under the VEU program.
- **Solar Homes Program – Hot water rebates**
\$29.7m in 2025-26 to extend the Solar Victoria hot water rebate program, which provides eligible households with rebates to install energy efficient electric heat pumps and solar hot water systems. This extension will provide for upgrades in 27,000 households.
- **Strengthening food security across Victoria**
\$12.7m in 2025-26 (\$17.9m/3 yrs) for food relief in regional Victoria, and an expanded Community Food Relief grants program for place-based community organisations, neighbourhood houses and large-scale food relief providers.

What's good

- A great public transport system is at the heart of an inclusive community. Making public transport free for our kids seven days a week and on weekends for seniors will reduce a key cost-of-living pressure for many Victorian households. It will make it easier to get to school, visit friends and family, and be part of the community. VCOSS, WEstjustice and allies have long advocated for free public transport for children and young people, informed by evidence from the landmark [Travel Assistance Program established by WEstjustice](#) in Wyndham. This is a terrific example of the impact that sustained sector advocacy can achieve. Further analysis on public transport can be found in *Children, Young People and Families, Inclusive Communities, Justice, and Climate and Resilience*.
- The renewal of the Power Saving Bonus will provide relief for Victorians who are struggling the most with high energy costs. VCOSS strongly supports the decision to target this round of the payment to concession card holders. The one-off \$100 payment from the state will augment support from the Commonwealth Government, which has committed to a rebate of \$150 on energy bills this year. Energy consumers will need to use the Victorian Energy Compare website to access the Power Saving Bonus. VCOSS supports the rationale, but notes that some people will face digital barriers. In previous rounds of the PSB, the Victorian Government provided funding for community service organisations to support consumers to engage with the information and access the payment. We encourage the Government to re-invest in these partnerships to ensure that all eligible Victorians can benefit.
- Home energy upgrades reduce the cost of energy bills, but some come with high upfront costs. As such, low-income households who stand to benefit the most from upgrades are also the households least likely to afford them. Government subsidies and rebates are the best way to address cost barriers and ensure lower-income households can access crucial energy upgrades. That's why VCOSS is pleased to see the renewal of Solar Homes rebates for energy efficient hot water heat pumps and solar hot water systems in this Budget. While the Budget does not re-fund the Victorian Government's lapsed no-interest loans scheme for home batteries, we are aware that the Commonwealth Government has committed to a rebate scheme for home batteries.
- The Victorian Government recently announced that, from 2026, ceiling insulation will be added to the Victorian Energy Upgrades program as an eligible activity. Ceiling insulation is one of the most cost-effective ways to improve thermal comfort and reduce energy usage in the home, thereby improving health, reducing bills, and lowering residential greenhouse gas emissions. This Budget provides for the development of essential safety and quality assurance as part of this roll-out.

- The last [Victorian Population Health Survey \(undertaken in 2022\)](#) found that 8.1 per cent of Victorian adults had experienced ‘severe food insecurity’, meaning they had run out of food at times and been unable to afford to buy more. The problem has only continued to grow during the cost-of-living crisis, so increased support for Victoria’s six Regional Foodshares in this Budget is welcome. These hubs source and supply food to local organisations that provide food relief for people in need. Importantly, the Budget also includes funding for the Regional Food Security Alliance, which coordinates services and manages the complex logistics of supplying food relief across rural and regional Victoria.

What’s missing

- While a further targeted round of the Power Saving Bonus is welcome, given [Essential Services Commission data](#) showing that the number of energy consumers in debt to their retailer has increased, as has the size of the average energy debt, VCOSS would like to have seen an increase in the Utility Relief Grant to \$1,000 for each utility type or \$2,000 for households with a single source of energy.
- Looking ahead, VCOSS is keen to see further progress on tackling the structural drivers of high energy costs and other forms of energy hardship. We are aware that the Victorian Government, the state regulator (the Essential Services Commission) and the Commonwealth Government have policies and regulatory processes in the pipeline aiming to tackle high energy costs, most of which are operating on timelines separate to this year’s Budget. In our pre-Budget submission, some of the opportunities we highlighted were to:
 - Make energy affordable for low-income households by establishing a social tariff (a special low rate for those most in need).
 - Establish regulatory safeguards such as a ban on disconnections, caps on energy debts, and mechanisms to remove high priced energy offers.
 - Advance the Victorian Government’s policy direction on the electrification of homes by proceeding with the introduction of minimum energy efficiency standards in rental homes, as well as using the revived State Electricity Commission to create programs to electrify households at scale, support community-led energy solutions such as local power hubs, and – long-term – enter the energy retail market as a public option.
- We note that the expansion of the Community Food Relief Program without an increase to core funding for food relief providers shifts the role of these vital community organisations – from community development to emergency relief provision – while leaving them out of pocket for this work. The design of these grants incentivises growth of food relief provision, which will likely further increase demand for food relief as it reaches new cohorts. We note that recommendation 21 of the [Final Report of the Victorian Parliamentary Inquiry into Food Security](#) called for recurrent funding for the food relief sector.

- While investment in food relief is welcome, the Budget does not address systemic drivers of food insecurity. VCOSS reiterates the call for a whole-of-government Food Security Strategy and long-term funding to support its implementation. Food relief should be a last resort.
- The 2025 Budget does not include additional funding for the financial counselling sector. While most existing services continue to be funded on an ongoing basis (except for the statewide small business financial counselling provided through Small Business Victoria), the financial counselling sector is experiencing very high demand, and clients are presenting with increasingly complex challenges. This means service wait times are long and growing. Too often, people can only get help when they are already in crisis. In our pre-Budget submission, VCOSS called for increased funding for the financial counselling sector to ensure more Victorians can access timely assistance. We look forward to the outcome of the review of Consumer Affairs Victoria-funded financial counselling services, which has acknowledged the pressures on the sector in its consultation processes.