

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

SIGNIFICANT INITIATIVES

This section provides analysis of the spending committed towards reducing transport and food costs, creating energy affordability, and supports for people experiencing financial hardship. Acknowledging that housing, healthcare, and education make up large parts of the cost of living, please see those sections for further analysis.

Transport costs

- **Free and half price public transport for Victorians**
\$239.3m in 2026-27 (\$432.5m/2 yrs) to make all public transport travel in Victoria free for the months of March and May 2026, and half price to 1 January 2027.
- **Improving bus and ferry services**
\$23.2m in 2026-27 (\$105m/4 yrs) to deliver new and improved bus services and to maintain ferry services across Victoria. This includes new services, and increased frequency on existing services, in outer urban and rural and regional areas.
- **Light passenger vehicle registration rebate**
\$2.1m in 2026-27 (\$758.6m/2 yrs) for a 20 per cent rebate for the cost of up to two light vehicle registrations per person paid for 2025-26.
- **More trains, more often**
\$23.4m in 2026-27 (\$92.3m/4 yrs) for train services across metropolitan Melbourne and regional Victoria including increased service frequency.
- **Critical priorities for Melbourne's tram network**
\$34.3m in 2026-27 (\$75.9m/4 yrs, with an additional \$70.3m beyond 2029-30) to deliver infrastructure works to improve tram network performance, prepare for the deployment of accessible new trams, and support the State to comply with accessibility standards.

Energy affordability

- **Energy Assistance Program**
\$1.1m in 2026-27 to extend the Energy Assistance Program, a one-on-one service delivered by the community sector that supports consumers to maximise their energy bill savings.

- **Solar Homes program – hot water rebates**

\$28.1m in 2026-27 is provided to extend the Solar Victoria hot water rebate program to install energy efficient electric heat pumps and solar hot water systems in homes.

Food costs

- **Strengthening food security across Victoria**

\$8.5m in 2026-27 (\$11.2m/2 yrs) increasing support for the Community Food Security program, Foodbank Victoria and regional foodshares to support local food relief initiatives. Funding is also provided to meet food security system and infrastructure gaps to improve access to food relief across the state.

Services that help Victorians who are experiencing financial hardship

- **Expanding place-based legal, financial and personal advice services for vulnerable Victorians**

\$600k in 2026-27 (\$2.4m/2 yrs) for the geographical expansion of place-based community information and support services to support Victorians experiencing personal and financial hardship.

- **Expansion of financial counselling services**

\$2.7m in 2026-27 for additional front-line financial counsellors to address geographical expansion of service delivery in line with population growth

WHAT'S GOOD

- VCOSS welcomes the announcement of free public transport until the end of May, and half price public transport for the rest of 2026. This initiative will reduce demand for fuel at a time of global energy crisis and reduces a key cost of living pressure for many Victorians. Reducing the price of public transport also facilitates better mobility, improved social connection and inclusion, and reduced emissions.
- Funding for more train and bus services is also a crucial piece of the puzzle for expanding access to public transport, and VCOSS is particularly pleased to see funding for more bus and train services in outer-urban, rural and regional areas. See the climate section for further commentary on additional bus services.
- This budget delivers much needed resourcing to upgrade tram stops and phase out old high-floor trams. Disability advocates have been calling for full accessibility on Melbourne trams for decades. However, a lot of work remains to be done to ensure the tram network is fully accessible in line with the Government's legal obligations under the *Australian Disability Standards for Accessible Public Transport 2002*.
- VCOSS was pleased to see a renewal in funding for the Energy Assistance Program, which provides advocacy services on behalf of energy consumers experiencing

hardship. However, we strongly recommend that services like this, which have become a crucial part of the energy landscape in Victoria, are provided certainty and stability with longer-term funding, rather than single-year continuations.

- The extension of Solar Homes hot water rebates for one year is welcome. These rebates reduce the cost of upgrading appliances from fossil gas burning units to efficient electric alternatives. This reduces emissions and lowers running costs. However, VCOSS would like to see the program refunded long-term, rather than year on year, and additional grants and rebates provided to those on the lowest incomes to make up the remaining gap in affordability for upfront costs.
- The budget also included welcome funding for the training of tradespeople in the work needed to electrify homes and improve energy efficiency, see the climate section for details on these spending lines.
- Increased support for food relief is welcome, particularly given pressures on Victorian household budgets due to the fuel crisis. Community and volunteer organisations are managing increasing levels of demand for food relief, and many report out of pocket expenses related to food provision, including storage and staff costs. The grants provided as part of the Community Food Security Program will help to offset some of these costs in 2026-27.
- VCOSS acknowledges the continued support for regional foodshares. These six community-owned hubs across Victoria rescue, source and supply food to local organisations, schools and families experiencing food insecurity. In 2024-25 they provided food for over 6 million meals, as well as strengthening food literacy skills and social capital via volunteering and community engagement opportunities.
- The budget also included investment in the electrification of our food supply chains, which has the potential to increase resilience and reduce emissions. See the climate section for further commentary.

WHAT'S MISSING

- While a discount on vehicle registration will be welcome cost of living relief for many Victorians, the cost to the State is very high at nearly \$760 million. VCOSS believes the money could have been better spent on targeted measures that tackle the structural drivers of poverty and disadvantage. For example, the Victorian Government could have increased its spend on social housing, provided more public transport services in regional areas, or significantly boosted funding for community sector services. Any one of these options, and many more, would improve the wellbeing of Victorians

experiencing hardship in more significant ways and over a longer term than a one-off cost reduction on registration.

- In VCOSS' pre-budget submission, we called for the Victorian Government to fund the Essential Services Commission to develop a Rent Increase Fairness Formula, that can be legislated to deliver more certainty and fairness for renters, rental providers and property managers in the private market. See the Housing section for further commentary on housing costs.
- The Victorian Government and Essential Services Commission have made strong moves to tackle energy costs, including significant investment in the transition to renewables and new consumer protections to ensure consumers are more likely to get better prices. But VCOSS is keen to see further investment tackling the structural drivers of high energy costs and energy hardship. In our pre-Budget submission, some of the recommendations we highlighted were to:
 - Introduce an affordable social tariff for essential energy for those who cannot afford ongoing costs in the market.
 - Increase the Utility Relief Grant to \$1,000 to reflect current rates of energy debt.
 - Scale innovative place-based models (for example, 'Bring Your Bills' days) that have demonstrated success in identifying people in hidden energy hardship and connecting them to support.
 - Continue to invest in ambitious regulatory reform of the energy market by moving towards banning disconnections, reducing barriers to accessing cheaper plans, reforming embedded networks, and improving retailer hardship support.
 - Utilise the State Electricity Commission as a public and affordable energy retailer and continue to direct the SEC to be an impact investor in the renewable transition, especially in community-led place-based initiatives in rural and regional areas.
- While investment in food relief is welcome, the Budget does not address the structural drivers of food insecurity. In our pre-Budget submission, VCOSS called on the Government to fund recommendations of the Victorian Parliamentary Inquiry into Food Security. Initial investments should include:
 - The development of a Victorian Food Security Strategy to address the drivers of food security and drive long-term investment in building a resilient, sustainable food system (Recommendation 15).
 - A comprehensive audit of food relief services to identify service gaps. This data would be used to build and maintain a real-time Food Relief Services Map

for providers and the public, enabling better coordination across the system (Recommendation 20).

- A change to the funding model for the food relief sector – moving from short-term grants to recurrent funding (Recommendation 21).
- It is terrific to see financial counselling acknowledged as a crucial response to higher cost of living, and accordingly, funded for additional places to account for population growth. However, the uplift falls well short of what the sector is calling for, and only provides for a single year, making expansion difficult. Financial Counselling Victoria’s pre-budget submission makes the case for a quadrupling of funding over 10 years to meet the increasingly complex and diverse needs of the Victorian community. We note that the full Government response to the Consumer Affairs Victoria Review of the financial counselling program is still pending, and further announcements may be made.