ESSENTIAL SERVICES COMMISSION

Essential Updates

Victorian Energy Upgrades program

October 2026

Welcome to *Essential Updates: Victorian Energy Upgrades*, our industry newsletter with the latest updates on the Victorian Energy Upgrades (VEU) program.

Ceiling insulation activity expands to all eligible Victorian homes

Stage two of the Victorian Energy Upgrades (VEU) ceiling insulation activity (activity 48) started on 1 October 2026, expanding the activity to all eligible Victorian homes. Stage one began on 14 April 2026 and applied to eligible public and community housing premises.

We have been working closely with Solar Victoria, Energy Safe Victoria and WorkSafe to safely roll out this activity. The activity includes additional safeguards to support safe, quality installations and protect consumers, such as specialised insulation inspections, notification before installation and other requirements.

More guidance materials and resources are now available to help businesses understand their obligations and comply with activity requirements, as well as information on how to get involved. Read more on our website.

Compliance and enforcement priorities 2026–27

The Essential Services Commission's *2026–27 Regulatory Priorities* was released in July 2026. For VEU, our key compliance and enforcement focus areas are:

- Conduct that targets or exploits consumer vulnerability, particularly in marketing and lead generation.
- Practices that undermine consumer protections, including telemarketing and doorknocking.

- Failures to comply with:
    - code of conduct provisions that undermine consumers' informed choices about the incentives and benefits of upgrades
    - installation standards, to ensure consumers receive safe, fit-for-purpose upgrades with genuine energy efficiency benefits.
- Fraudulent conduct, including creating certificates based on falsified upgrade activities, or where the pre-existing environment has been falsified or altered.
- Conduct that undermines a level playing field, such as breaches of co-payment or marketing rules.

These focus areas reflect our continuing focus on program integrity, and build on the enforcement work of 2025–26, where we took action against 18 accredited persons for alleged non-compliance.

Read more about our regulatory priorities and strategic plan, and key outcomes of our work in 2025–26 on our website.

Program updates, changes and consultations

2027 Greenhouse gas reduction rates

The Department of Energy, Environment and Climate Action (the department) has set the VEU greenhouse gas reduction rates for 2027.

Energy retailers calculate their annual VEU liabilities by multiplying their actual electricity and gas acquisitions covered by the program by the greenhouse gas reduction rate. Read more in the department's email.

VEU Register of Products updates for appliance products to align with the Greenhouse and Energy Minimum Standards (GEMS) Register

We made changes to the VEU Register of Products on 6 October 2026 for high efficiency refrigerator and freezer (activity 22), high efficiency television (activity 24) and energy efficient clothes dryer (activity 25) products to align with the Greenhouse and Energy Minimum Standards (GEMS) Register. Read more on our website.

Consultation on VEU project-based activities regulations

The department is seeking feedback until 1 November 2026 on a proposal to remake the regulations for VEU project-based activities, ahead of the current regulations sunsetting on 14 June 2027. Read more on Engage Victoria.

Updated training and competency requirements and guidance for window upgrade activities

We updated VEU training and competency requirements and guidance for window upgrades activities (activities 13 and 14) on 1 October 2026, following consultation. Read more on our website.

VEU ceiling insulation activity – updated requirements, accreditation conditions, VEU Registry changes and resources

We updated VEU program guides on 30 July 2026 to update and clarify record keeping requirements, installer requirements and accreditation conditions for the ceiling insulation activity (activity 48), as well

as updating the VEU Registry to support this activity. Read more on our website.

We made further updates to program and guidance documents on 1 October 2026 to support the expansion of the VEU ceiling insulation activity to all eligible Victorian homes from this date. We have also held industry information sessions to support applicants for accreditation. For more information, visit our website.

VEU project-based activities specification changes

We updated VEU guidance documents and forms to reflect changes to the measurement and verification specifications from 1 October 2026. These changes included the introduction of four new specified measurement methods for project-based activities. Read more on our website.

Changes to space heating and cooling activity incentives and consumer co-payment requirements

We made changes to the VEU Registry and updated the *Space Heating and Cooling Activity Guide*, to reflect changes to space heating and cooling activity (activity 6) from 30 September 2026. Read more on our website.

VEU legislative changes following the VEU Strategic Review

The department shared an update on recent legislative changes to implement key recommendations from the VEU Strategic Review. Read more on the department's website.

Proposed hydronic heating and water heating activities, and Measurement and Verification Specifications

The department recently sought feedback on its review of VEU domestic water heating upgrades. The department has also shared its response to consultation on the proposed VEU hydronic heating activity and released the *Measurement and Verification in Victorian Energy Upgrades Specifications* Version 9.0, which includes methods for industrial heat decarbonisation. Read more in the department's email.

Proposed changes to expand VEU program support for large businesses

The department has released its response to consultation on the proposed inclusion of industrial heat decarbonisation activities in the VEU program and sought feedback on further proposed changes to expand support for large businesses. Read more in the department's email.

Changes to the induction cooktops activity and clarification of eligible lighting control devices

We updated VEU program guides and the VEU Registry on 30 June 2026, to reflect changes to the induction cooktops activity (activity 46) and to clarify eligible lighting control device combinations (activities 27 and 35). Read more on our website.

View all commission program updates.

View all industry news from the Department of Energy, Environment and Climate Action.

Compliance and enforcement

Latest enforcement action

Since April 2026, we have taken further enforcement action in response to the alleged provision of false information about upgrades and breaches of consumer protections. Recent action includes:

- six accreditation cancellations
- one accreditation suspension
- refusing to register or ordering the surrender of Victorian energy efficiency certificates valued at over $6.5 million.

We also recently refused an accredited person's application to renew its VEU accreditation, due to concerns about past conduct. Accredited persons must pass fit and proper and competent and capable checks to be accredited under the VEU program, and are required to renew their accreditation each year.

Together, our strengthened enforcement, compliance monitoring and accreditation processes are helping to protect consumers and support the integrity of the VEU program.

Read more about our enforcement action on our website.

Inspection program extends to new ceiling insulation activity

Our Authorised Officers have been inspecting VEU ceiling insulation upgrades, checking that installations meet quality, safety and other program requirements. This includes inspections from every corner of Melbourne to Ballarat and Bendigo, with more to come across all VEU activities.

These inspections complement our broader VEU compliance work to protect consumers and program integrity and maintain a level playing field for businesses doing the right thing. This includes analytics and intelligence, consumer surveys and phone audits, desktop assessments, statutory audits and investigating tip-offs.

Report suspected non-compliance

Reports and tip-offs from industry and consumers play a critical role in monitoring industry compliance. If you're aware of someone who is breaking the rules, you can tell us by calling 03 9032 1310, emailing veu@esc.vic.gov.au, or using our online form.

More information

Read more about the VEU program, how to participate and industry obligations on our website.

Check out the monthly VEU Bulletins on our website for more information to support accredited persons' participation and compliance in the program.

Contact us

VEU support: (03) 9032 1310 or veu@esc.vic.gov.au.

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