

Energy Bill Relief Fund Extension – Victoria

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule

Parties	Commonwealth Victoria (VIC)
Duration	This Schedule is expected to expire on 31 December 2026, or when the final payment adjustments are made (if applicable), whichever occurs later.
Purpose	<p>This Schedule will support the delivery of energy bill assistance (bill relief) to households and eligible small businesses in Victoria from the Commonwealth's Energy Bill Relief Fund (the Fund) relating to the period 1 July 2024 to 31 December 2025.</p> <p>Bill relief will be provided to Victorian households and to eligible small business customers of electricity retailers, as defined by Victoria's energy law.</p> <p>Further details of the eligibility criteria for bill relief are detailed at Appendix A.</p>
Governance	<p>Victoria is responsible for the delivery of the program as agreed in this Schedule. Victoria will utilise existing processes and implement appropriate processes where necessary to ensure the integrity of payments from the Fund.</p> <p>For household customers, this will require participating electricity retailers to check eligibility for retail customers and the Victorian Department of Energy, Environment and Climate Action (DEECA) to confirm eligibility for households in embedded networks as outlined in Appendix A.</p> <p>For small businesses, eligibility will be administered using Victoria's definition of small businesses under its energy law and as outlined in Appendix A.</p> <p>Victoria will ensure that there are appropriate risk and governance frameworks for the extension, similar to those that are used in administering the existing fund.</p> <p>The Commonwealth will work with Victoria to identify shared risk and manage and appropriately mitigate shared risks.</p>
Reporting arrangements	Victoria will provide the Commonwealth with statements of assurance in relation to bill relief that satisfies the requirements outlined in Appendix B of this Schedule.

	<p>Victoria will provide additional information, where possible, if requested by the Commonwealth for the purposes of approving the statements of assurance and for the Commonwealths assurance activities, where relevant.</p>
Estimated financial contributions	<p>Through the Fund, the Commonwealth will contribute an estimate of \$3.5 billion in 2024-25, and an additional \$1.8 billion in 2025-26, for a total of \$5.3 billion in aggregate to all states for bill relief.</p> <p>Given this is a demand-driven program, the final resulting allocations to all states will depend on the actual number of households, embedded networks, and small business customers in each jurisdiction over the period of the program. The Commonwealth's estimated contributions for bill relief in Victoria are set out in Table 2.</p> <p>In 2024-25, the Commonwealth will prepay Victoria \$438.5 million for Quarter 1 and Quarter 2, based on half the estimated total for the 2024-25 financial year. Once this has been expended to reimburse retailers, the Commonwealth will reimburse Victoria for the remaining payments in arrears, based on statements of assurance confirming reports are an accurate representation of bill relief provided by retailers.</p> <p>In 2025-26, the Commonwealth will prepay Victoria \$441.4 million, the estimated total for the 2025-26 financial year. Once this has been expended to reimburse retailers, the Commonwealth will reimburse Victoria for any additional payments above the estimate in arrears, based on statements of assurance confirming reports are an accurate representation of bill relief provided by retailers.</p>
Additional terms	<p>Any changes to the key parameters outlined in Appendix A will need to be agreed by the Victorian and Commonwealth Treasurers.</p> <p>Any changes to data reporting requirements outlined in Appendix B will need to be agreed by relevant Victorian and Commonwealth officials.</p> <p>Payments made outside the agreed scheme parameters will not be funded by the Commonwealth.</p> <p>Where Victoria recoups payments made to ineligible entities, Victoria will repay the Commonwealth's financial contributions.</p> <p>Repayments may be managed by either the Commonwealth amending a future payment to Victoria under this Schedule by the relevant amount, or by the Commonwealth invoicing Victoria for the relevant amount.</p> <p>Where actual expenditure on bill relief is less than the prepayment of \$441.4 million provided by the Commonwealth to Victoria, the Commonwealth may issue an invoice to Victoria for the repayment of unspent funds, following a reconciliation process to adjust for variances, once payments from retailers have ceased. Victoria shall repay the funds</p>

	<p>to the Commonwealth as soon as practicable following receipt of the invoice.</p> <p>Rebates will not be refundable for active accounts. Where rebates from the Fund remain as unused credit upon the closure of an account, the remaining credit should be refunded to the customer in line with existing Victorian energy rules. Accounts consistently in credit should be managed in line with retailer credit policies where appropriate.</p> <p>Any retailer requests for funding to support program administration and rollout are matters for the Commonwealth to resolve. Victoria will not be required to co-fund administration costs requested from retailers.</p> <p>Victoria will require retailers to support any invoices with reporting on the number of customers receiving rebates and will provide breakdowns of the type of customers split between residential, embedded network and small business customers, who have received rebates.</p> <p>Victoria will require retailers to assist residential customers who wish to check their eligibility for the rebate payment.</p> <p>Victoria will require retailers to check that eligible customers have an active residential or small business electricity account on the defined census dates (see Appendix A).</p> <p>Victoria will establish a methodology to check eligibility of embedded network customers.</p>
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Table 2: Victoria – Performance requirements, reporting and payment summary	
	<ol style="list-style-type: none"> 1. The Commonwealth will reimburse Victoria for bill relief provided to households and eligible small businesses as part of the extension as detailed in this schedule, at a rate of up to: <ol style="list-style-type: none"> a. \$300 per household and \$325 per eligible small business in 2024-25; and b. \$150 per household and eligible small business within the first two quarters of 2025-26. 2. Costs are estimated at \$935.0 million to the Commonwealth for bill relief provided for 2024-25, and \$441.4 million in the 2025-26 financial year. 3. Any costs for bill relief that exceed the above estimated total cost (e.g. due to take up being higher than forecast) will be borne by the Commonwealth subject to appropriate data and fraud controls. 4. Eligibility criteria are detailed in Appendix A. 5. Eligibility for bill relief to household retail customers will be checked by retailers with rebates applied to the Account Holder's electricity bill. 6. Eligibility for bill relief to households in embedded networks will be checked by Victoria's Department of Energy, Environment and Climate Action with rebates paid directly to the Account Holder via Electronic Funds Transfer or Cheque. 7. Eligibility for bill relief to small businesses will be administered by retailers, consistent with Victorian legislation and using Victoria's definition of small businesses under Victorian energy law, with rebates applied to the Account Holder's electricity bill. 8. Eligibility for bill relief to small businesses in embedded networks will be checked by Victoria's

Department of Energy, Environment and Climate Action and paid directly to the Account Holder via Electronic Funds Transfer or Cheque.

9. Retailers will establish or use existing mechanisms to mitigate fraud as appropriate. Claims will be reviewed for irregularities and additional information may be requested from retailers if there is any variability in claims.
10. For the 2024-25 round, the Commonwealth will make a prepayment of \$438.5 million in the first monthly payment round for payments expected in Quarter 1 and Quarter 2 in 2024-25. Statements of assurance should be provided for every month following the initial prepayment.
11. For 2025-26 round, the Commonwealth will make a prepayment of \$441.4 million in the first monthly payment round following signature of this agreement, for payments expected in 2025-26. Statements of assurance should be provided for every month following the initial prepayment.
12. Subsequent payments for each round, where required, will be made in arrears following the provision of a statements of assurance showing that the prepaid funds have all been spent to reimburse retailers and the provision of a statement of assurance relating to the subsequent payment requests.
13. Payment to Victoria will be made as soon as practicable following the provision of a statement of assurance in relation to bill relief that satisfies the requirements outlined in this schedule.
 - a. The reporting requirements for the statement of assurance are detailed in Appendix B.
 - b. A statement of assurance should be provided to the Commonwealth within two months, or as soon as practicable, after the end of each month.
14. A line item will be included on energy bills regarding the Fund, with details to be determined in discussion with the Commonwealth, Victoria and retailers that acknowledges the contributions made by the Commonwealth.
15. The Commonwealth and Victoria will take necessary steps to ensure that electricity retailers include a statement on the front page of all bills where the rebate has been applied, consistent with the Australian Energy Regulator's Better Bills Guidelines. *"The Australian Government and your State Government are supporting customers to reduce bills. Check the understand your bill section to see if you have received a rebate or concession. More information at energy.gov.au."*
16. For the 2025-26 round, Victoria is required to email consumers on an embedded network, where details are known, as soon as practicable, and accept rebate applications on the Victorian Energy Compare website until 31 August 2025. Beyond this date, Victoria will continue to support those on embedded networks and accept applications until 1 October 2025 with the Victorian Department of Environment, Energy and Climate Action to establish a further application process.

Payment arrangements

Household rebate

1. Eligible households will receive a total bill credit through their retailers of up to \$300 in 2024-25 and up to \$150 in 2025-26.
2. Credits of \$75 will be applied to the bills of those eligible households in each quarter of the 2024-25 financial year, and in each of the first two quarters of the 2025-26 financial year, or as soon as practicable thereafter.
3. In the case of households on embedded networks, a grant payment of a total of \$300 will be made to eligible customers as a one-off payment for 2024-25. An additional grant payment of \$150 will be made to eligible customers as a one-off payment for 2025-26.

Small Business Rebate

4. Eligible small businesses will receive a total bill credit of up to \$325 for 2024-25 and up to \$150 within in the first two quarters of 2025-26, contributed by the Commonwealth.

5. Credits will be applied to the bills of eligible small businesses as a single payment in the respective financial year. Payment timing will be agreed in a manner that minimises the administrative impost to retailers and Victoria, as appropriate with existing billing cycles.
6. In the case of small businesses on embedded networks, a grant payment of \$325 will be made directly to eligible customers as a one-off payment for 2024-25. An additional grant payment of \$150 will be made to eligible customers as a one-off payment for 2025-26.

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the
Commonwealth of Australia by



The Honourable Dr Jim Chalmers MP
Treasurer

13 June 2025

Signed for and on behalf of the
State of Victoria by



Jaclyn Symes MP
Treasurer

13/8/2025

Appendix A: Key scheme parameters

1. This appendix to the *Energy Bill Relief Fund Extension – Victoria* Schedule (the Schedule) supports the delivery of an extension to the Fund in 2024-25 and the first two quarters of the 2025-26 financial year. The extension was announced in the Commonwealth's 2024-25 and 2025-26 Budgets. This package will support households and small businesses and help shield them from ongoing cost of living pressures.
2. The Commonwealth will reimburse Victoria for bill relief provided to households and eligible small businesses at a rate of up to:
 - a. \$300 per household and \$325 per eligible small business in 2024-25; and
 - b. \$150 per household and eligible small business within the first two quarters of the 2025-26 financial year.
3. Payments to Victoria will be made in accordance with the requirements outlined in this Schedule.
4. In agreeing to this appendix, Victoria agrees to implement this package in accordance with the eligibility criteria detailed below.
5. The Commonwealth's funding contributions are outlined in Table 2 of the Schedule.
6. The delivery of bill relief through the Fund is not intended to and will not affect any state or territory's GST allocation.

Eligibility

Census Dates

7. The census dates for relevant quarters in the 2024-25 financial year are:
 - a. Quarter 1: 31 July 2024
 - b. Quarter 2: 1 October 2024
 - c. Quarter 3: 13 January 2025
 - d. Quarter 4: 1 April 2025.
8. The census dates for the relevant quarters in 2025-26 are:
 - a. Quarter 1: 1 July 2025
 - b. Quarter 2: 1 October 2025

Household eligibility criteria

9. Eligibility and payments for households will be based on the census dates for the relevant quarter:
 - a. Residential retail customers holding an active electricity account in Victoria at the census date of each quarter in 2024-25 and the first two quarters of the 2025-26 financial year will be eligible to receive that quarter's rebate on the account.
 - b. Households in an embedded network in Victoria will need to apply once in 2024-25 to receive the full \$300 rebate in a one-off payment, and once in 2025-26 to receive the full \$150 rebate in a separate one-off payment.
 - c. Embedded network customers must apply for bill relief before 31 May 2025 to be eligible for the once-off \$300 rebate in 2024-25 and before 1 October 2025 for the once-off \$150 rebate in 2025-26.
10. Households may be determined to be eligible as otherwise agreed between the parties, including any changes after the Schedule commences.
11. Rebates will be provided to households on an account basis where possible.
12. As off-grid households do not hold an account with an energy retailer or embedded network provider, in most jurisdictions, these households will not be eligible for energy bill relief payments.
13. Accounts for embedded network customers refers to a household being under the same account name.
14. New household electricity accounts created after 1 April 2025 will not be able to access bill relief for the 2024-25 round, and accounts created after 1 October 2025 will not be able to

access bill relief for the 2025-26 round.

Small business eligibility criteria

15. Eligibility and payments for small businesses will use the 'small customer' definition below.
16. Small business retail customers holding an active electricity account will be eligible to receive a single \$325 rebate on the account in 2024-25, and a further single rebate of \$150 on the account in 2025-26.
 - a. Small businesses in embedded networks will need to apply once in 2024-25 to receive the full \$325 rebate in a one-off payment, and once in 2025-26 to receive the full \$150 rebate in a separate one-off payment.
 - b. Embedded network customers must apply for bill relief before 31 May 2025 to be eligible for the once-off \$325 rebate in 2024-25 and before 1 October 2025 to be eligible for a once-off \$150 rebate in 2025-26.
17. Bill relief will be targeted to small business customers of electricity retailers by using the definition of electricity 'small customer' as applied in each state under the National Energy Retail Law. In Victoria, this definition is an annual electricity consumption of 40 MWh.
18. Subject to feasibility determined during retailer engagement, Victoria and retailers will take reasonable steps to prevent providing relief to non-eligible entities such as government agencies and branches of larger businesses.
19. New small business electricity accounts created after 1 April 2025 will not be able to access bill relief for the 2024-25 round, and accounts created after 1 October 2025 will not be able to access bill relief for the 2025-26 round.

Appendix B: Data reporting requirements

Statement of assurance

1. Victoria will report to the Commonwealth on the number of households and small businesses who receive bill relief via statements of assurance that confirm retailers have checked the eligibility of each recipient against the criteria outlined in Appendix A.
2. Victoria will provide a statement of assurance to the Commonwealth monthly with timing to be agreed between the two parties, or as soon as practicable, during the term of the agreement where retailers have been reimbursed for bill relief.
3. The statement of assurance will include summary statistics on the take-up of bill relief for each quarter, with the format to be agreed between the parties ahead of the reporting period, including:
 - a. the quarter in which the rebate was paid to the household or small business;
 - b. total value of bill relief provided split between households and small businesses;
 - c. total number of entities that had received bill relief split between households and small businesses;
 - d. total number and value of payments made to eligible customers in embedded networks split between households and small businesses; and
 - e. details of any bill relief provided to households or small businesses subsequently found to have been ineligible for support and funding recovered, including de-identified invoices upon request.
4. The Victorian statement of assurance for the last quarter must also include summary statistics on the total bill relief provided over the period 1 July 2024 to 30 June 2025 and separately, the extension period 1 July 2025 to 31 December 2025, including information outlined in clause 3 of Appendix B, to inform an end of program reconciliation and if required, any payment adjustments.
5. Where Victoria identifies any instances of fraud or misconduct relating to payments made under the Fund, Victorian officials will notify the Commonwealth in writing, including details of

action taken to remedy this where appropriate.

6. Where any audits or other assurance activities are undertaken to ensure the integrity of payments made under the fund, Victoria will write to the Commonwealth to summarise the findings and advise the Commonwealth of the outcomes of these processes.
7. The parties must in good faith negotiate to resolve any disagreement or dispute arising between them in relation to the statements of assurance. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
8. In addition to the uptake reporting requirements, the Commonwealth may request information around reporting arrangements between Victoria and the retailers, such as the signed agreements with the retailers, any existing mechanisms for assessing retailer compliance before payment.
9. The Commonwealth may request the state provide information around existing internal processes for detection of monthly variances and discrepancies.