

Victorian Energy Upgrades (VEU) Insulation Activity

Information session
13 August 2026

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Victorian
Energy
Upgrades



Agenda

- Introduction - VEU and ceiling insulation
- VEU Insulation Activity Design
- Installation, Safety & Compliance
- Activity requirements
- How to participate
- Next steps
- Q&A

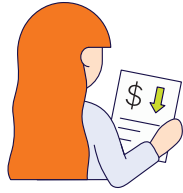


Victorian Energy Upgrades program



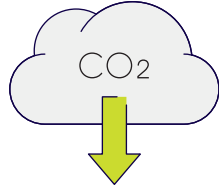
**2.6
million**

households
and businesses
have received
upgrades



**\$400
million**

on energy bill
savings



**93 million
tonnes**

of greenhouse gas
emissions abated

The new insulation activity will help reduce emissions, support local manufacturing, and improve the energy efficiency of homes.



Victorian Energy Upgrades program – Household & business offers

More than 30 types of upgrades available to support Victorians in meeting new standards, including:



Heating and cooling

Discounts up to \$1,200 (and energy bill savings of approx. \$400 per year) when replacing an existing gas heater with an efficient RCAC.

Discounts up to \$5,500 (and energy bill savings of approx. \$1,100 per year) when replacing a ducted gas heater with efficient RCAC.



Hot water systems

Discounts up to \$630 (and energy bill savings of approx. \$200 per year) when household replaces an existing hot water heater system with a heat pump water heater.



C&I solar

System capacity of between 30 kW to 200 kW capacity.

Indicative discounts:

- 50 kw system: \$4,550
- 100 kw system: \$9,100
- 200 kw system: \$34,300

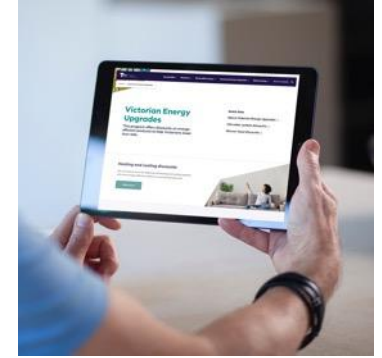


Project-based Activities (PBAs)

Project-based activities help businesses access incentives for large and custom Victorian Energy Upgrades projects.



VEU ceiling insulation discounts – stage 2



Who can participate in the VEU program?

- Homeowners
- Landlords
- Renters (in agreement with landlords)
- Businesses



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Who does what in the Victorian Energy Upgrades program?

DEECA (Solar Victoria) is responsible for the overall policy direction, legislation, and strategic growth of the VEU program.

Key responsibilities include:

- **Policy, Strategy & Updates:** Developing/amending policy, legislation, and regulatory amendments for the VEU program.
- **Program Improvement:** Analysing data to improve program performance and conducting strategic reviews.
- **Stakeholder Engagement:** Supporting industry engagement and improving program accessibility for households and businesses.
- **Market Promotion:** Strengthening VEU brand awareness and marketing the program to consumers.

The **Essential Services Commission (ESC)** acts as the regulator for the VEU program, ensuring compliance and administering the certificate market.

Key responsibilities include:

- **Accreditation:** Accrediting providers allowed to create certificates (VEECs).
- **Product Approvals:** Approving energy-efficient products and setting performance standards.
- **Certificate Management:** Validating, registering, transferring, and surrendering certificates.
- **Compliance & Enforcement:** Monitoring compliance with the Victorian Energy Efficiency Target Act, investigating complaints, conducting audits of accredited persons, and enforcing penalties for non-compliance.
- **Setting training and competency requirements for installers:** The AP must list the SP name with the ESC and ensure that the SP meets the training/competency requirements to list them.

The VEU program: How and why it works



Depending on the upgrades undertaken:

- The average household currently saves between \$120 and \$1,100 per year on their energy costs when participating in the VEU program.
- The average business currently saves between \$500 and \$74,000 per year (depending on the size of the business).

VEECs = Victorian Energy Efficiency Certificates

Victorian Energy Efficiency Certificates (VEECs)

- The VEU program works by providing discounts on energy-efficient upgrades by creating Victorian Energy Efficiency Certifications (VEECs).
- Large energy retailers are required to acquire and surrender VEECs to meet annual target set in Victorian legislation.
- Installations of eligible energy-efficient products, such as ceiling insulation, can create VEECs based on the greenhouse gas emissions saved by the upgrade.
- 1 VEEC = 1 tonne of greenhouse gas emissions saved.
- The level of incentive or discount received by households and businesses varies depending on the market activity and certificate price.



Accredited Providers and Scheme Participants

Accredited providers (AP):

Businesses approved by the ESC to create VEECs in the VEU program. They are responsible for creating VEECs for upgrades undertaken, collecting evidence to support creation, and ensuring upgrades undertaken complies with the program rules, including VEU Code of Conduct.

Scheme Participants (SP):

These are individuals/businesses (such as tradies, installers, lighting designers, or assessors) who physically perform the upgrade activities and capture evidence on behalf of an accredited provider. SPs must comply with VEU program rules including VEU Code of Conduct.

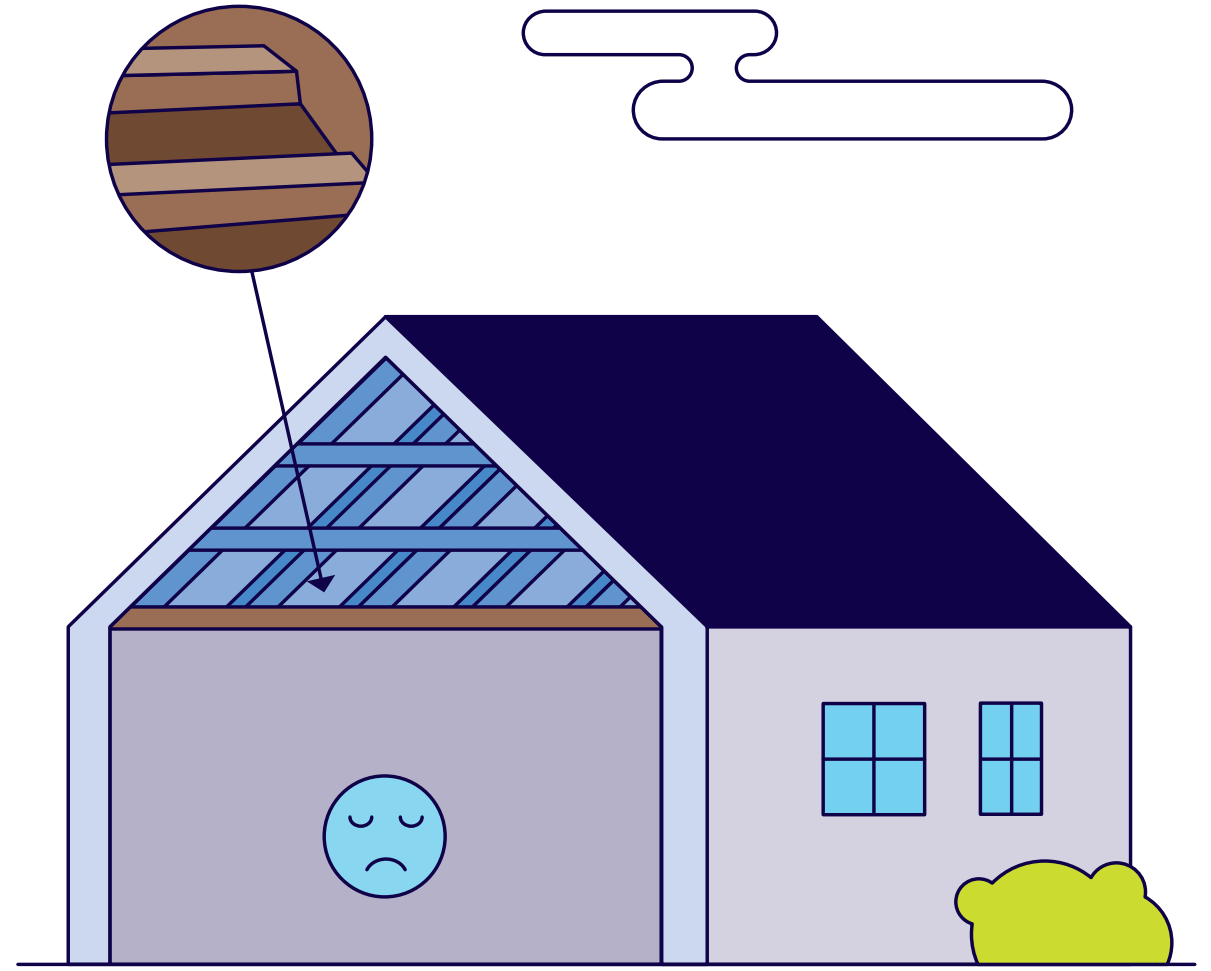


Currently in Victoria...

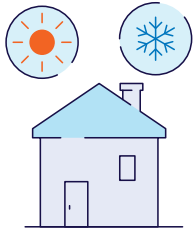
Almost 60 per cent of existing Victorian homes have no ceiling insulation or are under-insulated, making them colder in winter and hotter in summer.

New minimum energy efficiency standards for rental homes including ceiling insulation, will be phased in from 1 March 2027 .

The VEU insulation activity discount is expected to reduce the average ceiling insulation (150m²) install cost by approximately 30–50% which is up to \$1,500.



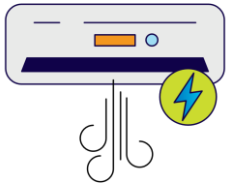
Victorians benefit from insulating



Improves thermal comfort – warmer in winter and cooler in summer



Supports manufacturing and local jobs creation



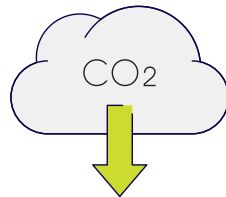
Reduces energy consumption. Makes existing homes more energy-efficient



Set high standards for safety and quality of insulation installation.



Saving on average more than an estimated **\$400** a year on energy bills.



Lowers greenhouse gas emissions by up to 0.9 tonnes annually (per home)



VEU insulation activity requirements

Will Dalton – Policy and Training Manager
Solar Victoria

- Activity settings
- Product requirements
- Installation and on-site requirements



Overview



VEU ceiling insulation incentives

The program is set to expand allowing all eligible Victorian households to access discounts on retrofit ceiling insulation installations.

Currently, the activity is open to social and community housing only in Stage 1.



Training and workforce development

In partnership with the Energy Efficiency Council (**EEC**) and Registered Training Organisations, we have been working to educate, train, certify and expand the certified insulation installer workforce.



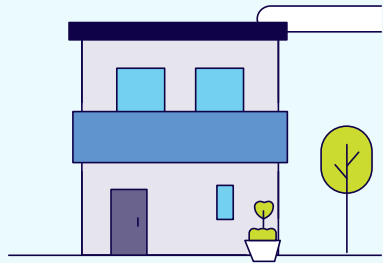
Safety and quality

Working closely with safety regulators, the program has been developed to ensure high standards for safe and quality ceiling insulation installations; supported by a site inspection regime.

The inspection regime is in place now, and is set to scale with the increased demand in Stage 2.

General insulation activity settings

Household type

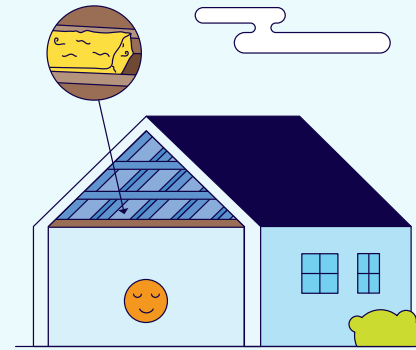


- Residential dwellings
- Ceiling insulation only
- Only above ceiling of top storey apartments (in multi-storey apartment building)

Does **not** include:

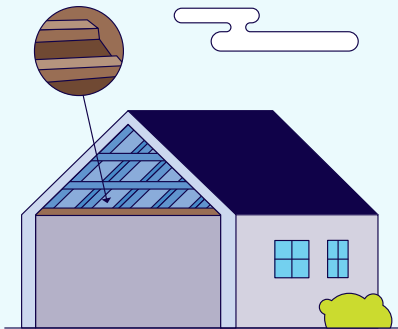
- Garages, car ports, sheds or new build homes
- Wall and underfloor areas

Activity



- Approved products installed to minimum R-value of R5
- Limit of one upgrade per residential premises
- No min/max sq. metres to be installed

Upgrade type



- Uninsulated ceiling areas
- Under-insulated ceilings: existing insulation present that is less than R2.0, i.e. <90mm (standard ceiling joist height) of uncompressed insulation

Customers



- Customer signs assignment forms and consent to participate in inspections
- Minimum customer co-payment of \$200 (inc. GST)

Victorian Energy Efficiency Certificate (VEEC) calculation

Factors for calculating insulation VEECs:

- **GHG savings**
(Mild / cold / hot climate factor)
- **Area** – M²
- **Lifetime** – 25 years
- **Regional factor**
(Metropolitan / Regional factor)

See activity specifications for more information

GHG Eq. Reduction = GHG Savings x Area x Lifetime x Regional Factor

Worked example for creating VEECs:

Activity 48A – Upgrade in Regional Victoria

- GHG Savings is 0.00546 for an upgrade in a hot climate region
- Area of insulation installed in m² is 150
- Lifetime is 25
- Regional factor is 1.04 for upgrades in regional Victoria.

Activity	Upgrade example scenario	Greenhouse gas equivalent reduction equation	VEECs generated
48A	Installing insulation in a hot climate region in regional Victoria	$0.00546 \times 150 \times 25 \times 1.04$	21

Eligible products

CodeMark registered products:

- Compliant with AS/NZS 4859.1 (thermal insulation)
- Compliant with AS/NZS 1530.3 (fire hazard properties)
- Minimum 5-year warranty against defects

Eligible products:

- Batts, rigid board, and blanket insulation

Ineligible/excluded products:

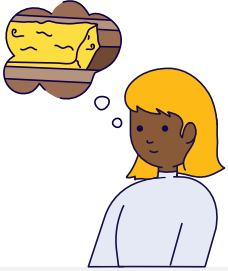
- Foil or foil-faced bulk insulation products
- Combustible products
- Blow in insulation
- Expanding / foaming products

There are a number of approved ceiling insulation products for CSR Bradfords and Fletchers Pink Batts.



High level activity installation process

1



Quoting,
acceptance,
& booking

Consent to
sharing of info
with ESC, ESV,
WorkSafe

2



Pre-install
electrical
assessment
(PIESA) by
electrician

Any
rectification
completed

COES
generated
(if required)

3



AP sends
notification to
ESC

Must occur
between 5 and
1 day prior to
install

4



Pre-install
installer safety
assessment
(PIISA)

5



Installation

Electrician
present (if
required per
PIESA)

Evidence
Collection

6



Invoicing

Customer
makes
payment

\$200 min co-
payment

7



VEEC
Assignment
form + warranty
supplied to
customer

All activity
records
supplied to AP

8



VEEC creation
submission to
the ESC

VEEC
assessment

VEEC
registration
(if eligible)

Sale of VEECs
by AP

See the ESC's ceiling insulation activity guide for a comprehensive list of the requirements and detailed steps involved in the installation process

Pre-installation requirements



Electrical safety assessment

Electrical safety assessment is required before installation

- VEU mandated Electrical Safety Assessment form to be completed by a Licensed Electrician
- Occurs prior to installation work occurring (including removing any existing insulation materials)
- Any identified rectification work to be completed prior to insulation upgrade - Certificate of Electrical Safety (where required)



Installer safety assessment

Installers to complete a safety assessment once electrically safe (day of install)

- VEU mandated Insulation-specific installer safety checklist to be completed by an EEC certified Installer
- To be completed:
 - within 30 days of the electrical safety assessment
 - prior to any insulation work commencing onsite
- Supported by additional guidance material



AP notification to ESC

The AP will need to send a notification prior to installation commencing (and after completion of electrical safety assessment):

- Notification requirement to be sent to the ESC
- To be sent a minimum 24 hours prior to installation and maximum of 5 days prior.

AP requires consent from owner of premises to send this notification

Safety and compliance

The program has developed and implemented an insulation safety and quality assurance regime to ensure high-quality products, including locally made insulation products and well-trained EEC certified installers, can make Victorian homes more comfortable and energy efficient.

Industry will be supported to comply with requirements including through guidance materials.

Site inspections will be conducted to ensure installations meet the highest safety and quality standards in Australia.

1.1 – Working safely at heights during rooftop insulation installations

VEU Insulation Program – Technical Guidance Series

This is part of a series developed with WorkSafe to help installers in our program to work safely while installing insulation.

Use this sheet and others in this series to plan safe series of work while installing insulation.

Series 1 – Working Safely at Heights

1.1	Working safely at heights during rooftop insulation installations (this sheet)
1.2	Edge protection – working at height
1.3	Manual handling of heavy and bulky items
1.4	Working safely with ladders
1.5	Safe work practices using elevated work platforms
1.6	Falls through skylights, fragile roofs, voids and penetrations.

Risk management process

When installing insulation, it's vital to have a plan in place when working at heights. This is especially important to ensure worker safety when accessing the roof cavity from the roof structure and assessing all risks.

Follow this four-step risk management process to ensure hazards are identified, risks are assessed and controlled, and that employers fulfil their duty to monitor, review and revise controls when required.

Figure 1: The four-step risk management process



The Essential Services Commission (ESC)

Mindy Lim – Accreditations Manager

- Industry participation pathways
- AP requirements and accreditation conditions
- Installer (SP) requirements
- Applying to be an AP
- Records APs will need to collect



How businesses can participate in the VEU

1. Become an Accredited Person (AP) – Create and sell certificates

Complete installations, create and trade certificates for eligible VEU upgrades

Each installation must be undertaken under a contract between the AP and the energy consumer

2. Work as a Scheme Participant (SP)

Work with an Accredited Provider to complete installations.

If you choose to work as a SP, you will need to have a contract with an AP to undertake installations on its behalf (e.g. as its agent)

Becoming an Accredited Person

1



Step 1 –
Read ESC AP
Application
Guide

2



Step 2 –
Create VEU
account

3



Step 3 –
Complete online
application form
and pay fee

4



Step 4 –
Application is
assessed –further
info may be
required

5

Step 5 –
AP reviews and
accepts
accreditation
conditions

6

Step 6 –
If AP accredited,
eligible to create
VEECs

You can only claim VEECS for installations undertaken from date of accreditation

Competent and capable requirements

The Commission must be satisfied that the applicant is a

Fit and Proper Person

Competent and Capable
to undertake the insulation
activity

What evidence is needed to support an approval?

The Commission looks at whether the applicant and its senior officers are honest, act with integrity, and have a good history of following the rules, including any past compliance or enforcement issues.

The Commission looks at whether the applicant has the right skills, experience, and systems to meet program requirements for the specific Activity



AP Accreditation for insulation

Requirements:

AP must demonstrate 'competent and capable' requirements:

- 2-year minimum company trading history;
- Demonstrated experience in the building/construction or insulation industry;
- Evidence of direct employment of EEC certified installer or contract with insulation business that has EEC certified staff;
- Demonstrated quality assurance regime (including site, desktop and phone reviews) to ensure insulation installations are compliant with relevant OH&S for insulation upgrades and AS 3999 Bulk thermal insulation
- Provide completed SWMS or how you would complete SWMS for insulation work
- Must show that installations undertaken pursuant to contract between energy consumer and applicant. If a contractor is involved, the contractor is an agent for the AP.

Conditions:

APs accredited for ceiling insulation are subject to additional accreditation conditions specific to this activity:

Conditions include:

- key legislated safety and quality requirements
- those supporting compliance monitoring, including inspections before certificates are created
- APs must comply with the conditions even if no VEECs are created for the installation.
- If an AP fails to comply with the conditions, the ESC may take compliance or enforcement action.
- You can find the conditions on the ESC website [here](#).

Note: The ESC is responsible for assessing and approving APs and for reviewing and verifying of SP registrations.

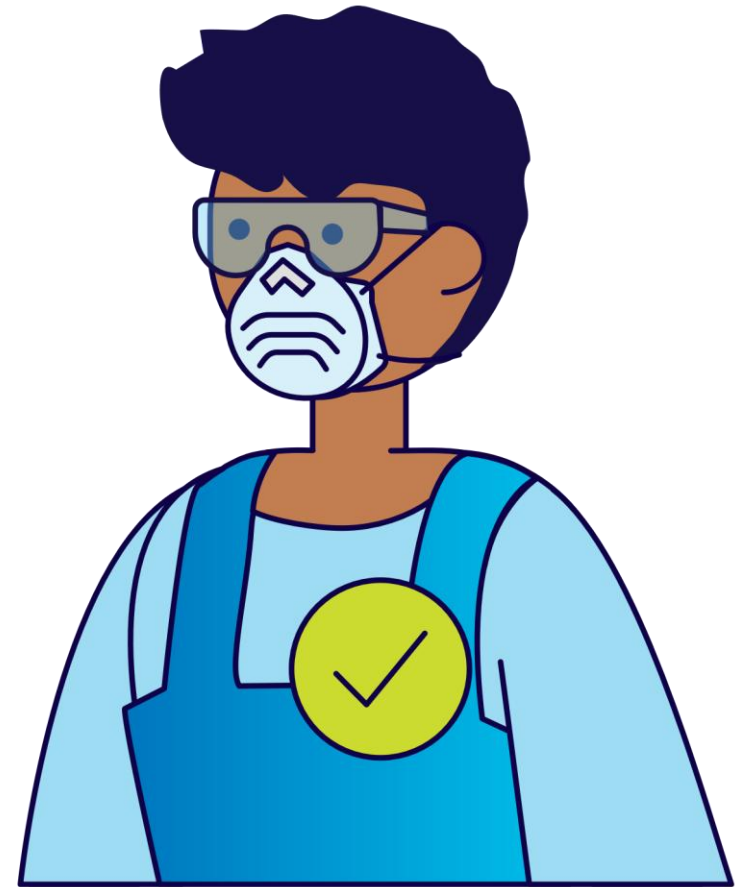
Installer requirements



Each installer must hold full Certified Insulation Installer (CII) certification by the Energy Efficiency Council (EEC)

To become CII certified, an installer must:

- have completed 5 training units relating to installation of retrofit insulation and managing health and safety risks and legislative requirements
- be approved by an assessment panel (including through assessment of completed work)
- hold a construction induction (white) card
- hold a certificate of currency for public liability insurance (with coverage for \$5 million+)
- Installers must be registered with the ESC as a scheme participant (SP) before an AP creates VEECs for an installation undertaken by that installer.
- AP must submit registration with evidence of the installer's CII certification to the ESC for approval.



Contracting requirements

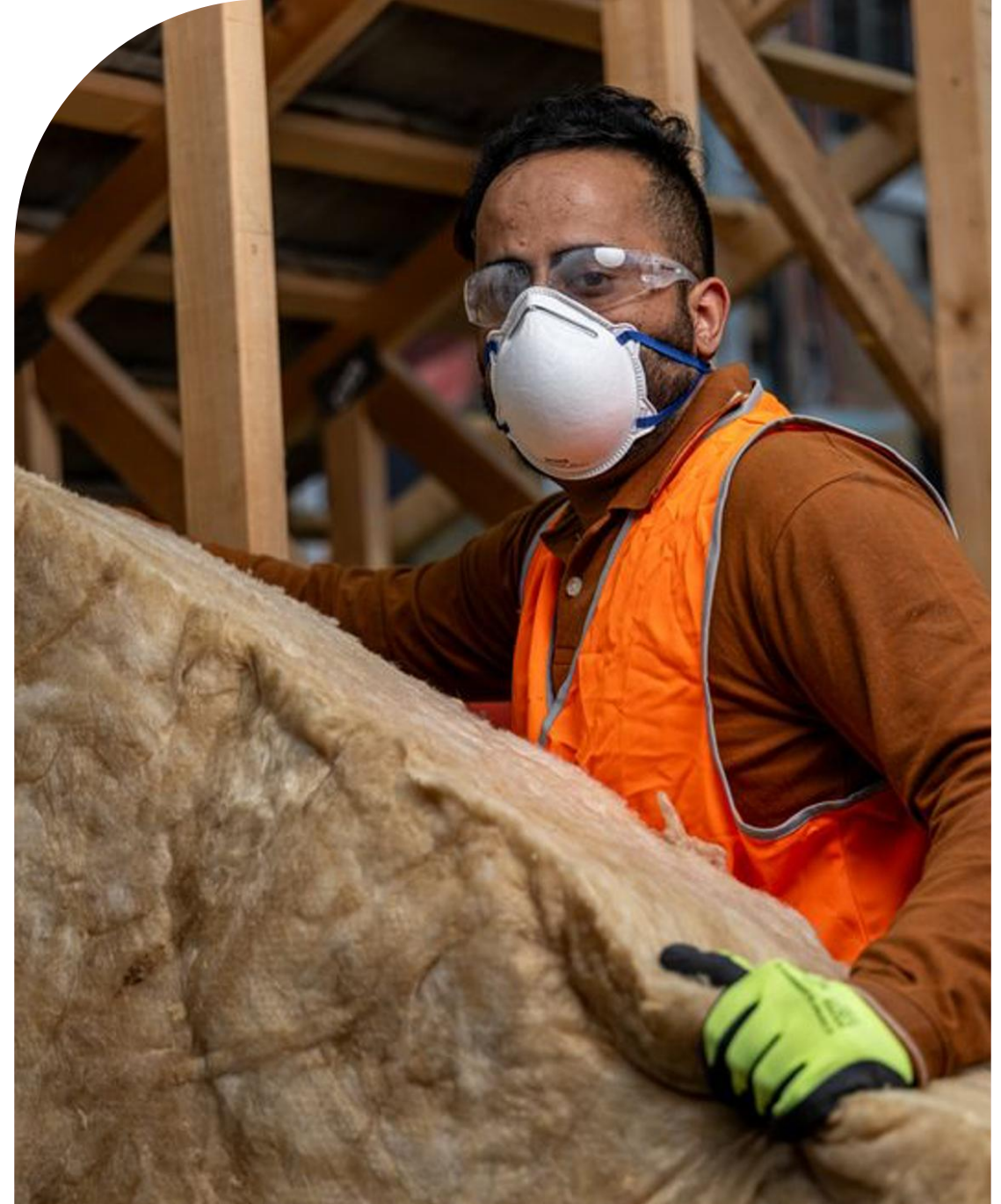
The activity **must be undertaken under a contract between the AP and the energy consumer.**

APs operating under 'aggregator' or similar models where the AP does not supply the service to the consumer may not be eligible for ceiling insulation accreditation.

This does not prevent APs from engaging third parties to support delivery, such as to enter contracts with consumers on the AP's behalf under a principal-agent relationship. However, the overall arrangements must result in a contract between the AP and the consumer for undertaking the activity.

The ESC may have regard to the delivery arrangements of an applicant for accreditation for this activity when determining whether they meet competency and capability requirements

For more information about becoming accredited for ceiling insulation activities, please see [Application Guide for Accredited Persons](#).



Example

Bill from Insulation Installers Victoria has recently become CII certified and is looking to participate in the VEU program.

He looks at his options – become an AP, or partner with an existing AP.

He decides to partner with an AP and finds an existing provider 'Thermal Shells' to work with. They establish an agreement for Bill to undertake insulation installations on behalf of Thermal Shells.

Thermal Shells enters a contract with the energy consumer to conduct the installation.

Bill is installing the insulation on Thermal Shells' behalf. He must ensure that he completes the installations in accordance with all program requirements and provides all activity records (VEEC assignment form, record evidence) to Thermal Shells.



Key application documentation and once Accredited

Some of the key documentation that will be required:

- Organisational chart
- Evidence of relevant training, qualifications and experience
- Evidence of insurance coverage
- Occupational Health and Safety policies and procedures
- Customer templates – Quotes, T&Cs etc.
- Dispute resolution and after sales procedures
- Assignment forms
- National police check

Please see the full **Application Guide** for accredited persons and supporting information for further information and specific requirements for the insulation activity.

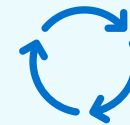
Once accredited:



Comply with conditions & assurance audits



Can apply to add additional activities anytime



- Complaints history report
- OH&S report
- Quality Assurance Assessment report

Support to comply:

- Activity guides
- Application guide for accredited persons
- Contact the VEU: 9032 1310 or veu@esc.vic.gov.au

Records APs must collect for this activity (1 of 2)

☒	Copy of written owner consent to share information
☒	VEEC assignment form
☒	Tax invoice
☒	Geo-tagged photos evidencing: • the identity of the applicable electrician present at the installation premises to conduct the pre-installation electrical safety assessment • the identity of the licensed electrician present at the installation premises on day of installation (where the pre-installation electrical safety assessment requires an electrician to be present at the installation) • the identity of each installer involved in installing insulation products present at site on day of the installation • the R-value of existing ceiling insulation products in the areas which are to be insulated (only where areas are under insulated) • the R-value of installed insulation products • power at the installation premises having been isolated prior to commencing installation work • the cable types at the switchboard • details of product(s) installed
☒	Copy of written consent or medical plan (only required where a resident of the premises is dependent on life support equipment)

Note: You will need to provide these records to the ESC upon request (often as part of VEEC assessment) and must hold these records for 6 years from date of the installation

Records APs must collect for this activity (2 of 2)

☒	Copy of completed and signed <i>VEU pre-installation electrical safety assessment form</i> by the applicable electrician
☒	Copy of completed and signed <i>VEU pre-installation installer safety assessment form</i> by the lead installer
☒	Certificate of electrical safety (where electrical rectification work is required)
☒	Video footage evidencing: • the pre-installation environment, including any pre-existing insulation • the post-installation environment, including insulation coverage and depth and evidence that all waste has been removed from the roof space
☒	Diagram or floor plan of insulated roof space(s) evidencing: • the total area (m²) of insulation products installed • details of products installed

Note: You will need to provide these records to the ESC upon request (often as part of VEEC assessment) and must hold these records for 6 years from date of the installation.

Please see the **Ceiling Insulation Activity Guide** for further information on activity and record-keeping requirements.

Thank you

We want to hear from you, contact us at:
energy.upgrades@deeca.vic.gov.au

Q&A

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