Solar Victoria Market Update 2025: PV and Hot Water

Webinar 26 November 2025 4:00 pm

solar.vic.gov.au

Solar Victoria

VICTORIA State Government

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

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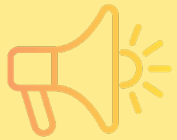
Housekeeping

				
Q&A time at the end of the presentations.	This session will be recorded and shared for reference	Microphones and Cameras will be disabled until the Q&A session. At that time, you will be able to come off mute and ask your question.	The chat function is available to ask questions at any time. During Q&A, please raise your 'hand' and we will come to you ask a question.	The presentation materials will be distributed to you via email after the session.

Solar Victoria – What we do

Solar Victoria delivers the Victorian Government's $1.3 billion Solar Homes Program. Since launching in 2018, we've supported the installation of over 350,000 solar panel, battery and hot water systems in Victorian households. Our programs help Victorians can cut their power bills and transition toward an electric home powered by solar.

In 2024 the Victorian Energy Upgrades program joined Solar Victoria. VEU is Australia's largest energy efficiency scheme. VEU provides rebates for energy-saving upgrades in homes and businesses, including the new Commercial and Industrial Solar offering.

Together, these programs are central to Victoria's transition to cleaner, more affordable energy.

Solar Victoria

Victorian Energy Upgrades

Solar Victoria – Our purpose

Boosting access to affordable and renewable energy

Accelerating Victoria's energy transition

Supporting industry growth and innovation

Raising industry safety and quality

Investing in research, insights and knowledge sharing

Solar Homes Program

Visit:
solar.vic.gov.au

Solar Victoria's $1.3 billion Solar Homes Program is supporting Victorians to access affordable, clean and reliable energy.

Solar panel rebates

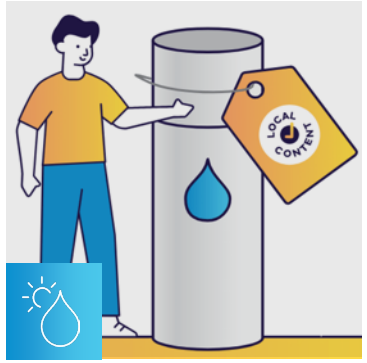
$1,400 to install solar PV for eligible homeowners, rental providers and those building homes.

Interest-free loans are also available.

Hot water rebate*

$1,000 rebate to install solar hot water or an energy-efficient heat pump hot water system.

*homeowners only



Hot water rebate – Local content*

$1,400 rebate to install an eligible locally made hot water system.

Supporting local jobs.

*homeowners only

Solar for apartments*

$2,800 per apartment to install solar PV, up to $140,000 for buildings of up to 50 apartments.

*homeowners and rentals

Residential Electrification Grants

Supporting innovative projects though six approved providers to boost electrification and 7-star efficiency standards

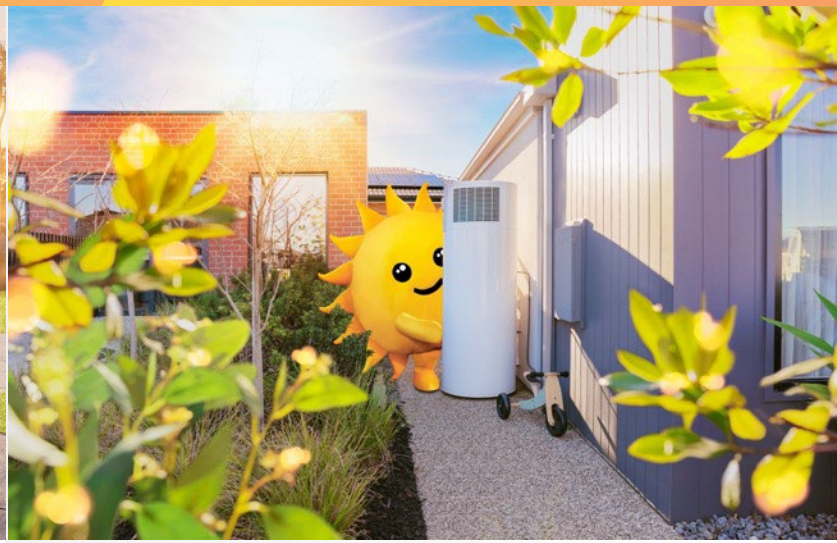
Solar for community housing

Solar panel rebates of up to $1,400 are available for community housing organisations.

Solar Homes Program – Rebates and loans

Victoria's $1.3 billion Solar Homes Program is supporting Victorians to access affordable, clean, reliable energy.

For further information, including eligibility criteria, visit **solar.vic.gov.au**



Solar panels (PV) rebate

$1,400 to install a rooftop solar system for eligible homeowners, including those building homes, and rental providers. A $1,400 interest-free loan, repayable over four years, is also available.

Solar and heat pump hot water rebate

Hot water rebates of up to $1,000 are available for eligible heat pump and solar hot water products.

If you select a locally made product, you could be eligible for a rebate of up to $1,400.

Market Update Including Customer Insights

Wendy Xu

Manager Data, Reporting and Insights
Office of the CEO
Solar Victoria

What we've achieved together

Over 456,000 systems installed across all Solar Victoria programs

Completed installations (all programs):

319,960
solar panel (PV) rebate for owner occupier

21,426
Solar batteries

6,995
solar panel (PV) rebate for rental providers

75,131
hot water systems

Total capacity (all programs):

2,434 MW
PV capacity installed

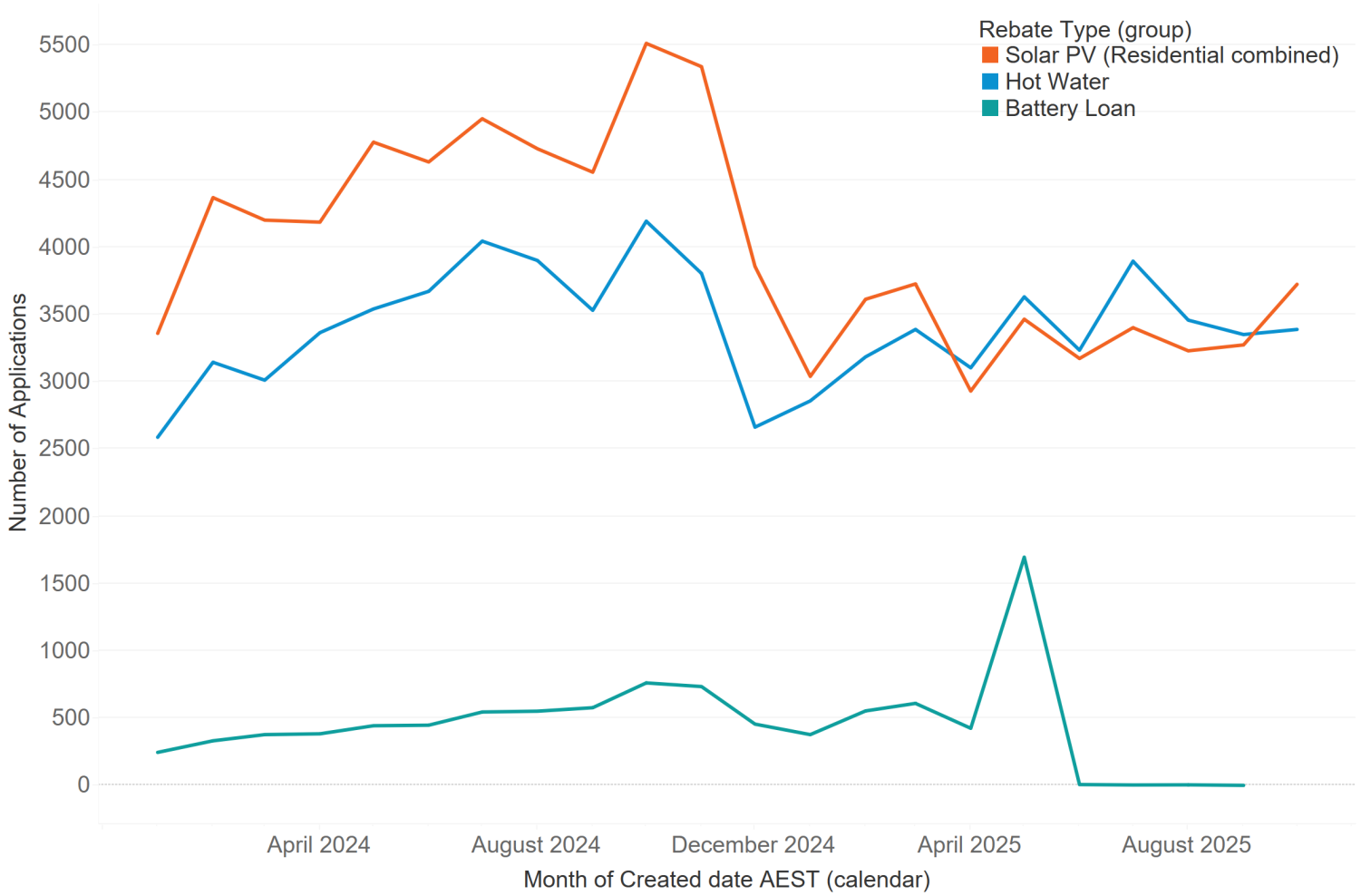
261 MWh
Solar battery & VPP capacity installed

6.29 million
PV panels installed

129 laps of the M1 highway in an electric vehicle

Figures as at 20 November 2025

Program Demand Trends 2025



PV demand is 30% less in 2025 when compared to 2024 levels likely due to a combination of factors.

PV application and approval volumes have stabilised which may be the first indication of recovery as the rush on batteries normalises.

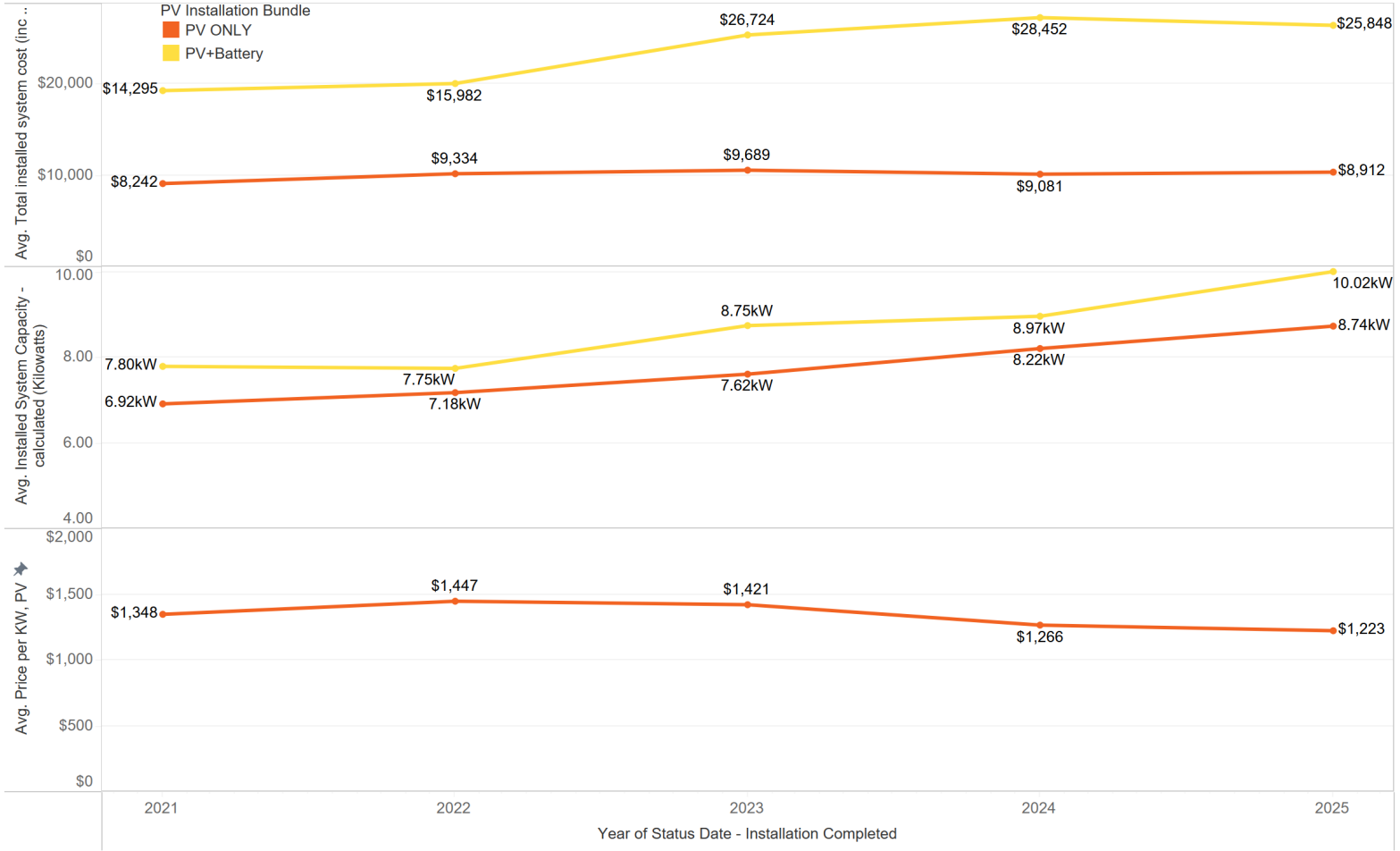
The uptake of Hot Water has continued to be strong throughout 2025, with demand stabilising after increasing demand in 2024.

Over 40% of Hot water customers also accessing PV rebates, maximising their investment in PV.

Battery Loan program officially closed in May 2025, with a surge in the final-month.

Solar Installations Pricing Trends 2025

Capacity growth, Cost Efficiency, and Battery Adoption



Data refreshed at: 20/11/2025 7:17:48 am

Total installed system costs include installation costs and GST, before rebates, loans and STCs. PV panel capacity is calculated from # of panels and panel model capacity. Average PV system cost per KW is [Total Installed System Cost]/[PV Panel Capacity]

System Capacity Increased 6-12% on 2024:

- PV only: 8.74kw (6%↑), PV+Battery: 10.02kw (12% ↑)
- Medium installation remains at 6.6kw while market share shifts from most popular 6.6kw (47%→36%) to high-capacity 10kw+ segment (25%→31%)

Customer Upfront Cost Rose With Larger System Sizes:

- For PV only installs, average customer upfront cost to date is $5,531, increased from $5,107 in 2024
- For PV+Battery installs, average customer upfront cost to date is $12,727, based on 3000+ installations since May 2025

Average Price per KW Continued Decline:

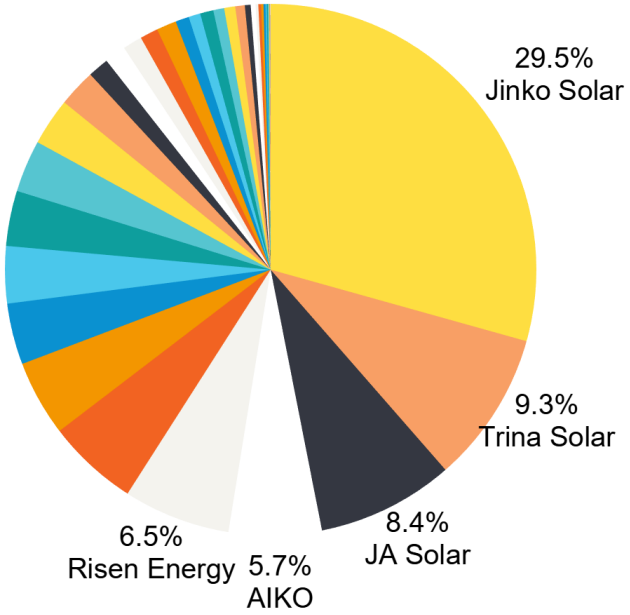
- Average price per KW decreased from $1,266 in 2024 to $1,223 in 2025 to date, continuing downward trend from $1,421 in 2023

Combo PV+Battery Installations Surged from 5% to 48%:

- Concurrent PV and battery installations increased dramatically from <5% (pre-June 2025) to 48% in Nov 2025

PV panel manufacturers

Share of Solar Homes installations in 2025



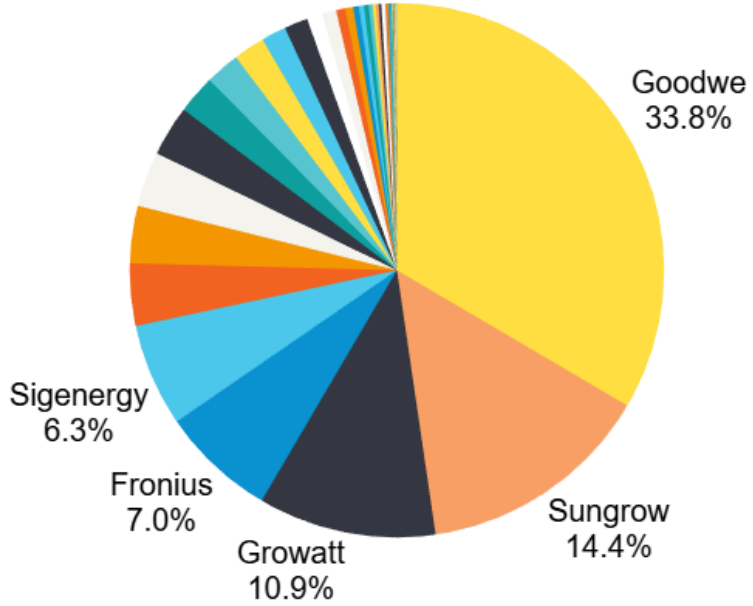
80% of installed panels in 2025 to date are from top 10 manufacturers

Jinko Solar still the most popular one with has the most share of 30% in 2025

Emerging brand AIKO

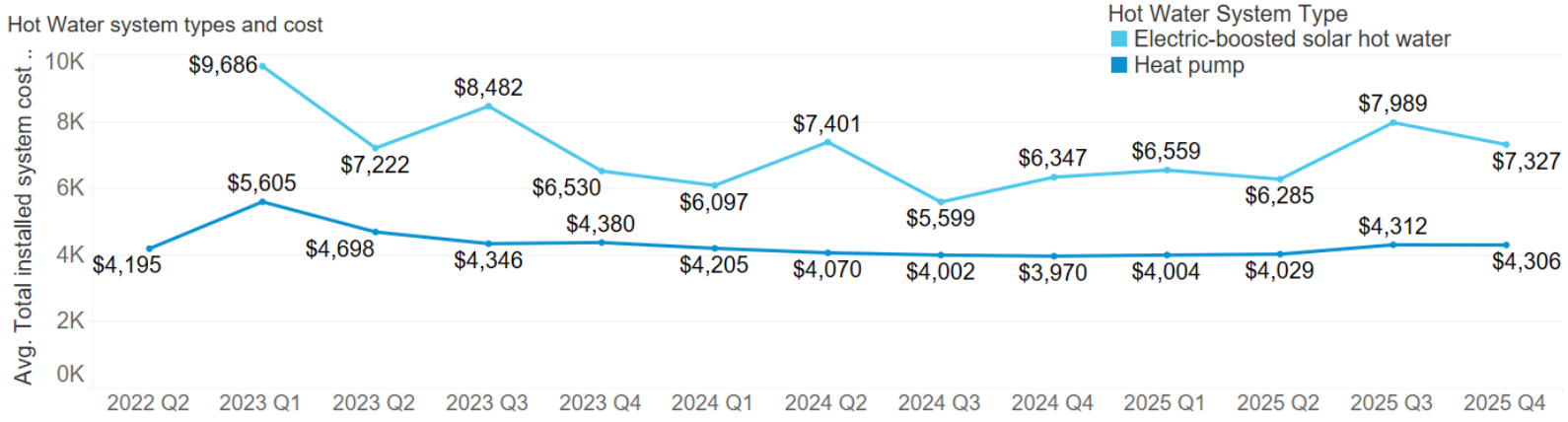
Inverter manufacturers

Share of Solar Homes installations in 2025

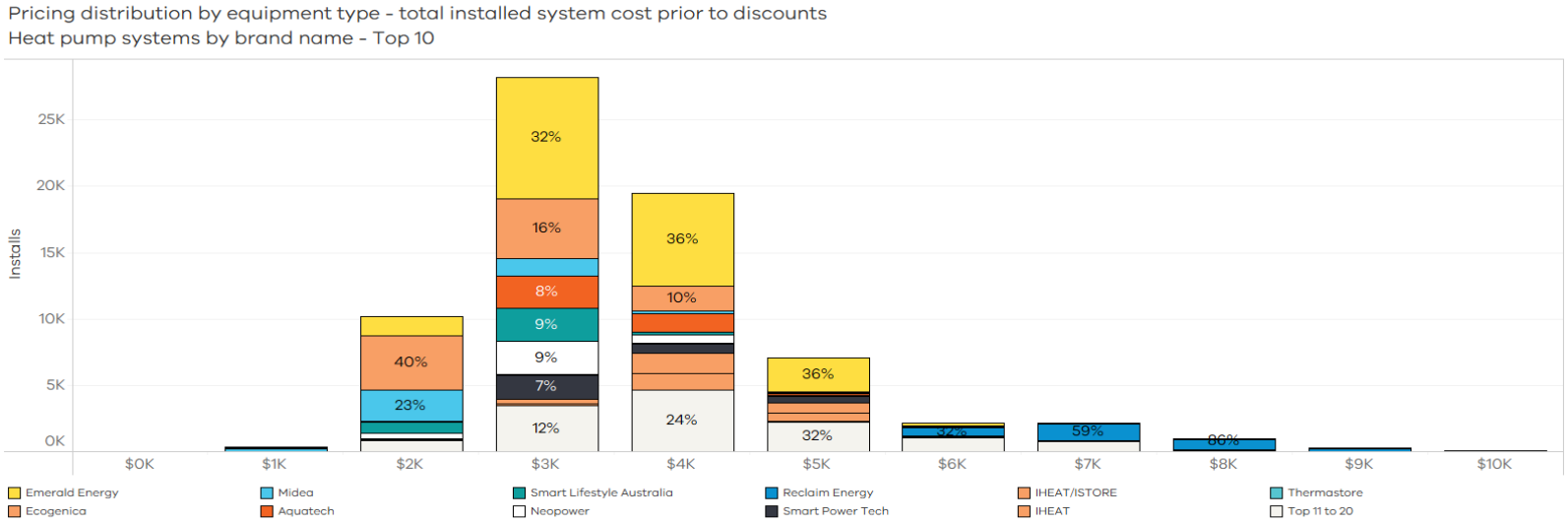


- 88% of installed inverters in 2025 were from top 10 inverter brands
- Goodwe has increased its program share to 34% in 2025 to date. Declining market share for Growatt and Fronius
- Sigenergy is the brand with fastest growth, became eligible end of 2024, and now top 5 in 2025 to date

Hot Water Installation Pricing Trends and Policy Impact 2025



From 1 July 2025, a higher $1,400 rebate is available to hot water applications with an eligible locally made product



Heat pump pricing remained stable throughout 2025 around $4000, rising to $4300 in Q4, where the uptick coincided with locally made products market share increase.

67% of Hot water installations in 2025 are within the $3000-$5000 pricing segments.

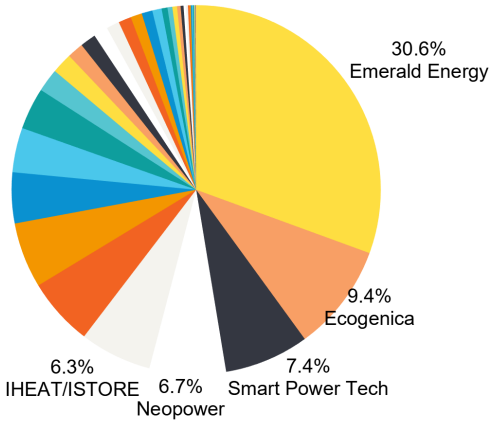
Locally made products accounted for 9% of all Hot Water applications, and 37% of active retailers participated in this scheme.

99.5% households chose heat pumps. Hence, Electric-boosted systems showed volatility.

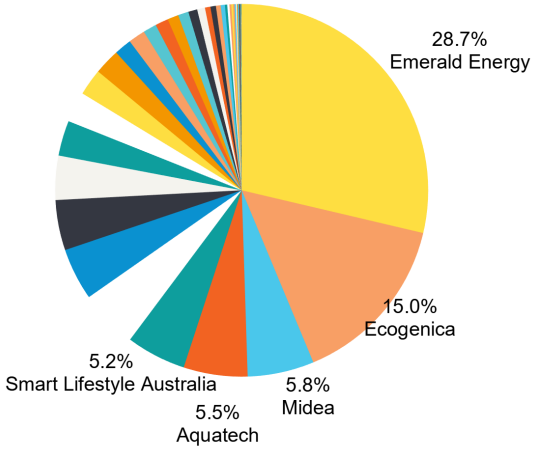
Hot Water Manufacturers

Brand segmentation by Price Tier

2025



All time



Top 3 Locally-made Product Brands

Installations by brand

Reclaim Energy	589	54.5%
Rheem	161	14.9%
Solahart	150	14.0%

Data captured as of 24 Nov 2025

84% of installed hot water systems in 2025 were from top 10 brands.

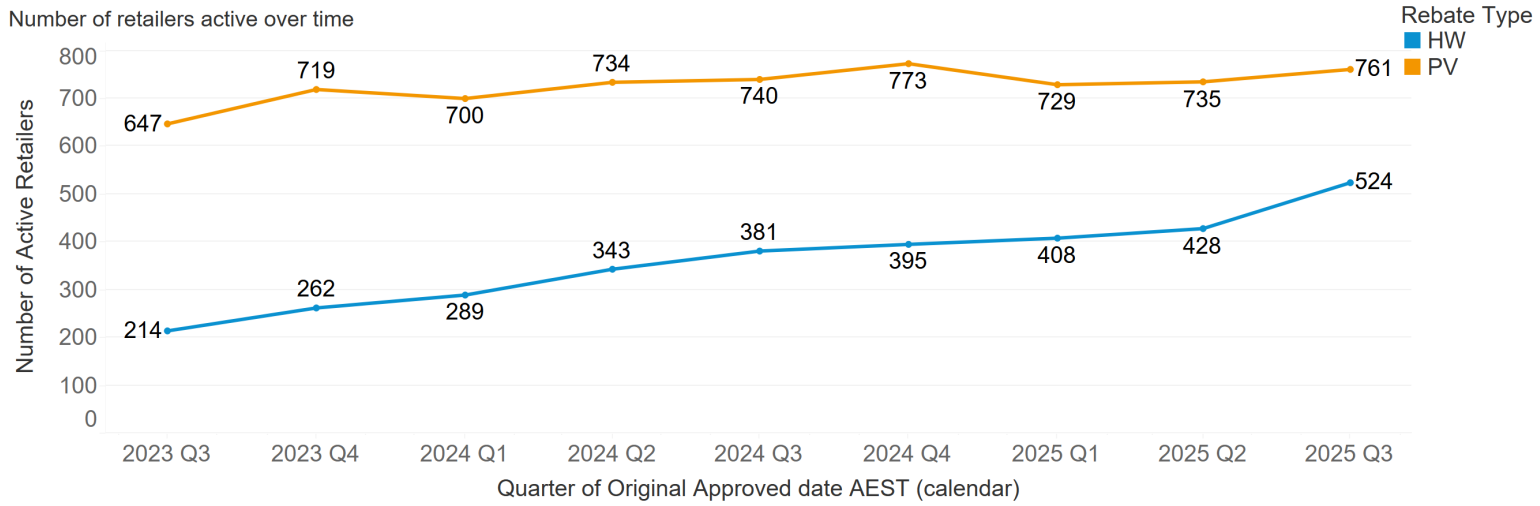
Emerald dominates mainstream segments with 31% overall market share in 2025, above its historical average of 29%.

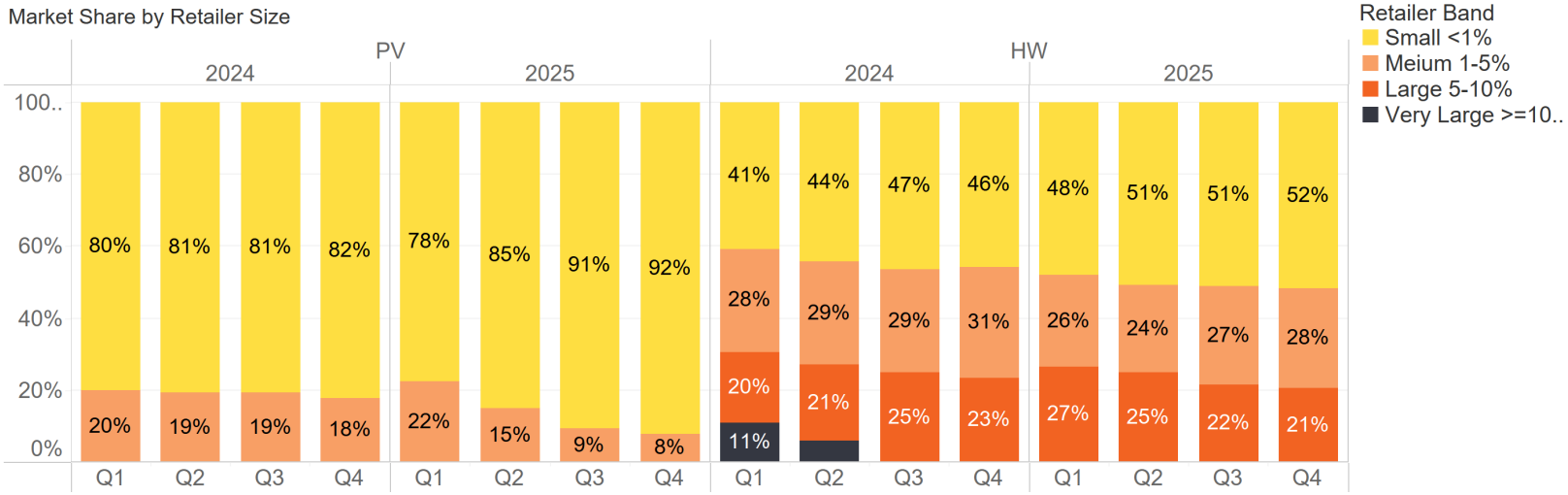
Ecogenica leads budget tier, but declined to 10% market share in 2025, down from 15% historical average

Top 2 manufacturers stable at approx. 40% combined share, with mid-tier manufactures (3-10) competitive.

Reclaim Energy holds a clear leading position with 50%+ market share within locally-made products.

More retailers are active in the market.





In the past few months, we've seen record numbers for active retailer.

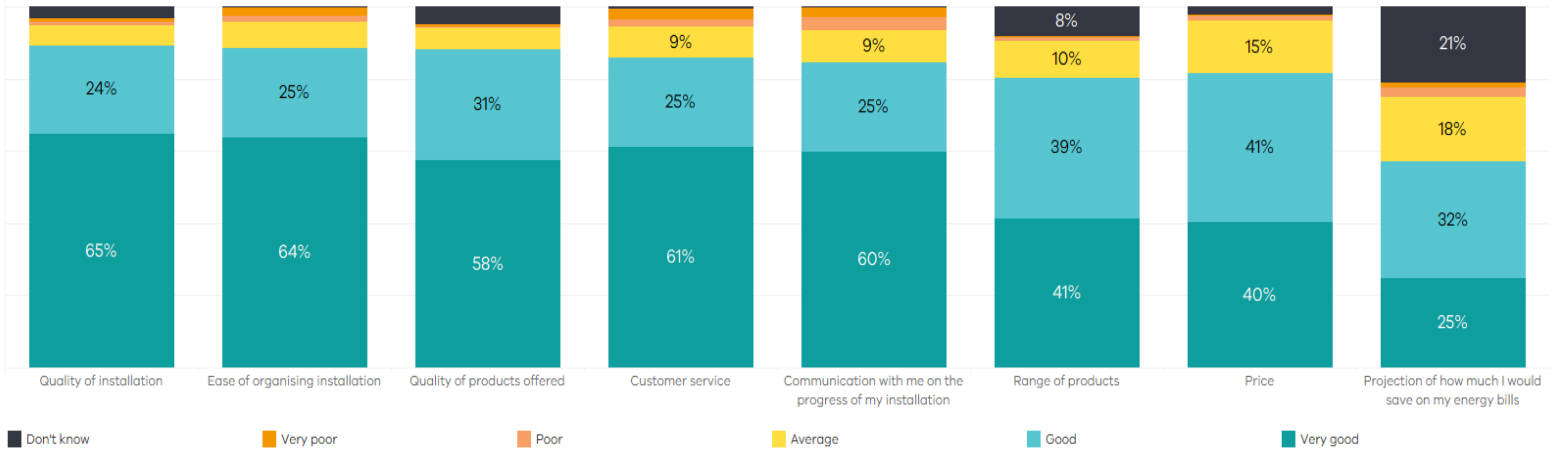
Overall, a slight increase in number of active PV retailers, and a significant increase in active hot water retailers in 2025.

Hot water market diluted by more retailers being active in the market. No more giants (>10% share).

For PV, the top retailers each used to count about 1-2% of the market share. However, we've seen these big players doing less of PV since the federal battery scheme being announced. It is likely these retailers have diverted their resources to battery or pv+battery combo installs. Hence the smaller retailers have more chances for the pv-only jobs.

Voice of Customer surveys show high levels of customer satisfaction with retailers

How would you rate your retailer for the following?



How satisfied were you with the following aspects of the installation process?

Customers are surveyed one month post-installation.

80% of customers since the program started are satisfied or very satisfied with their retailer. This jumps to 84% in 2025.

Retailers score high on customer service, quality of installation and quality of products offered.

Installers score high for punctuality and leaving the property in good condition.

Key areas for improvement include:

- Projection of energy bill savings – noting that this is the most important driver of customer uptake.
- Explanation of the installation process to ensure customers have no surprises.

Source: Solar Victoria Post installation VOC surveys completed 2025, n = 1,201.

Audit and Compliance Update

Ben Wright Director, Risk Assurance and Standards
Solar Victoria

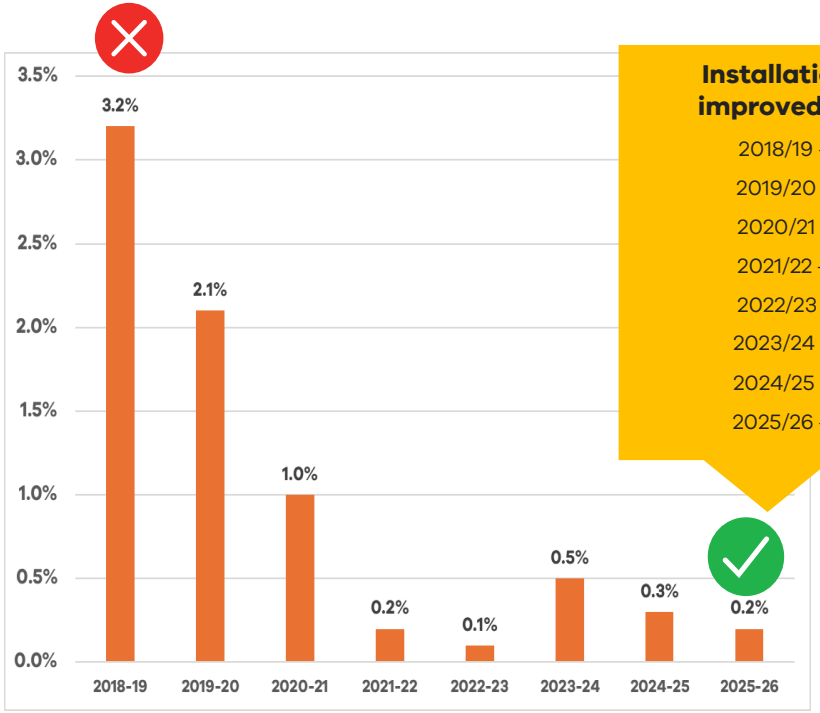
Audit Program

19,080

Solar Homes Program audits completed to January

(PV, batteries, hot water) *

(Comprehensive, risk-based auditing — **5%** FY18–25; **2.5%** FY25–26)



Installation safety has improved significantly:

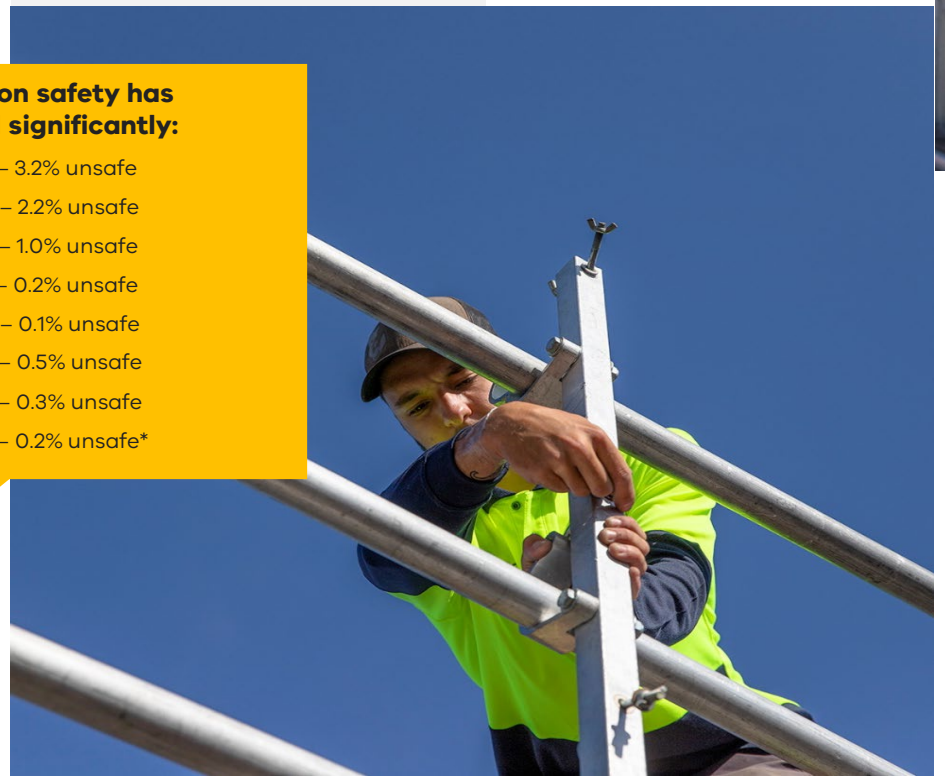
2018/19 – 3.2% unsafe
2019/20 – 2.2% unsafe
2020/21 – 1.0% unsafe
2021/22 – 0.2% unsafe
2022/23 – 0.1% unsafe
2023/24 – 0.5% unsafe
2024/25 – 0.3% unsafe
2025/26 – 0.2% unsafe*

2,481

WorkSafe site inspections

1,349

Energy Safe Victoria site inspections



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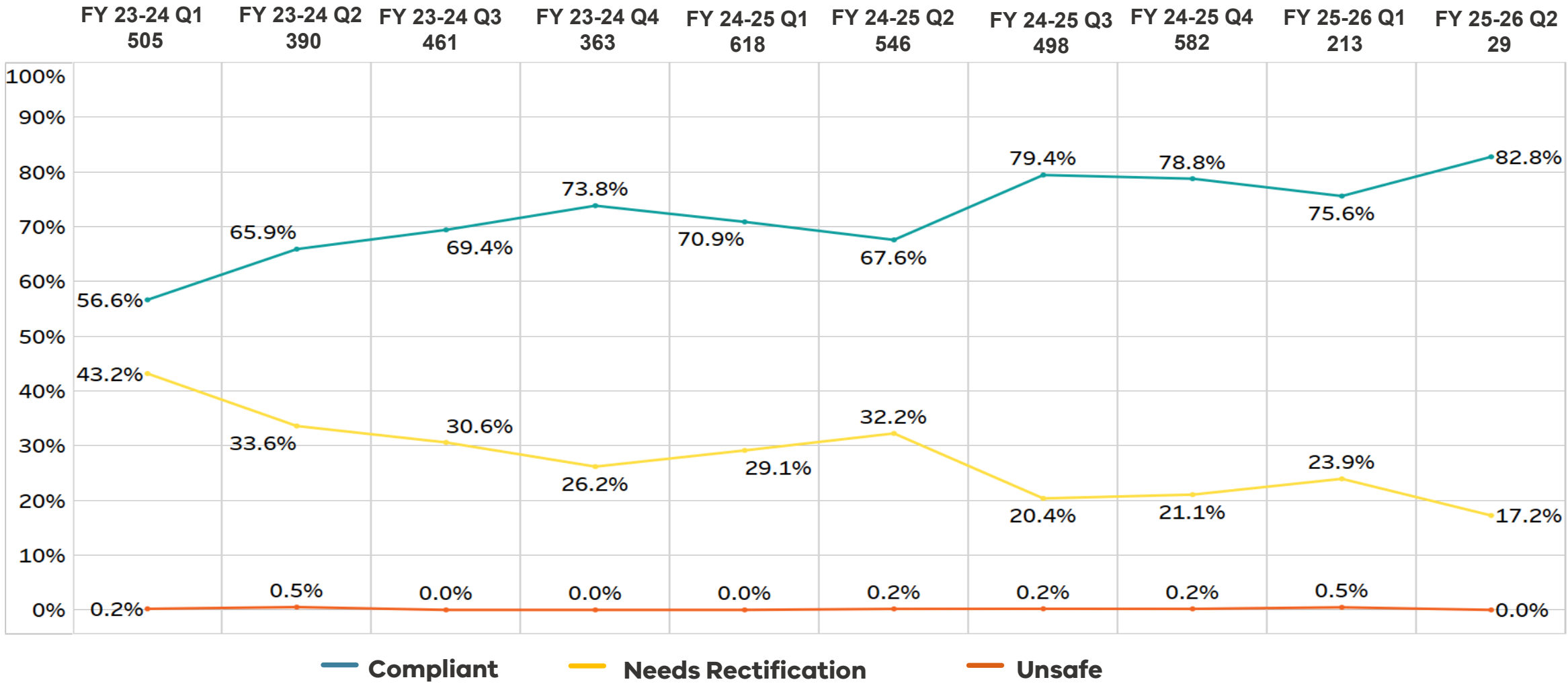
Solar retailers and installers suspended or cancelled from the program (since July 2019).

59 have been reinstated after meeting remediation requirements.

*From the inception of the program

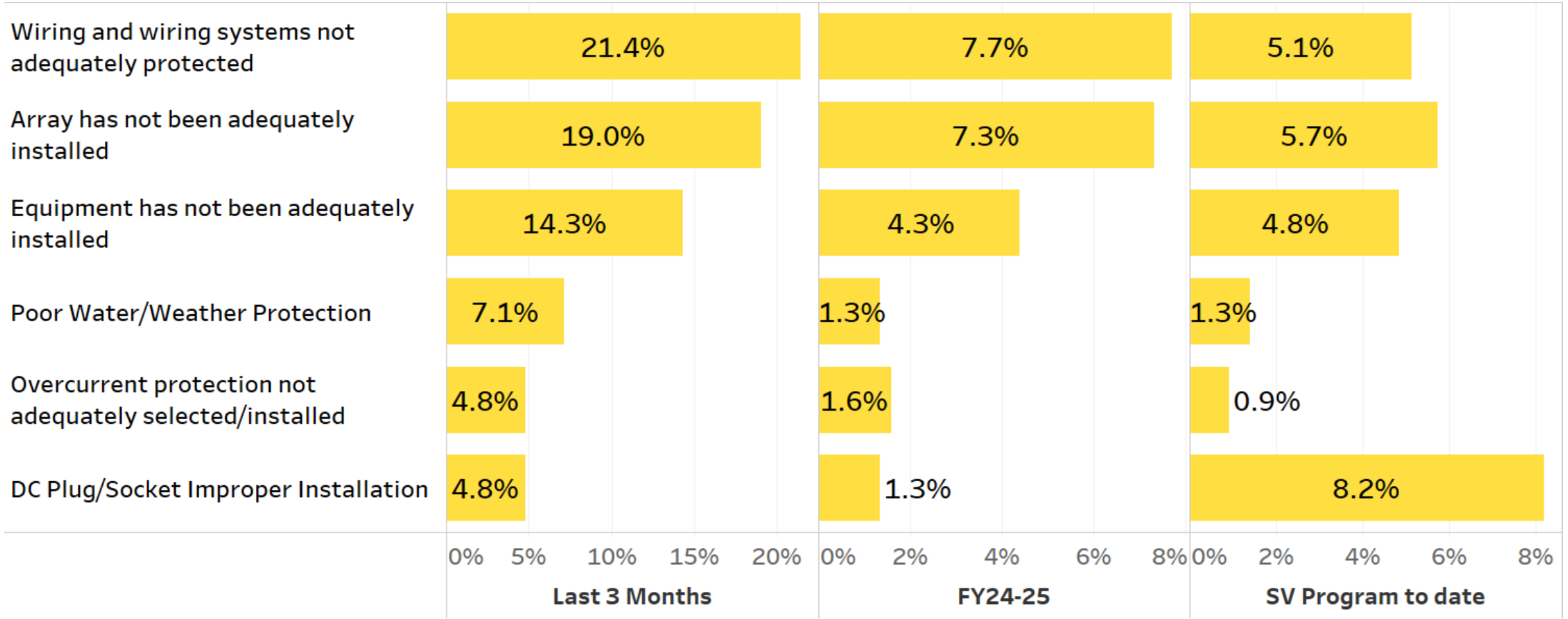
Solar PV Safety, Quality and Audit



Note: Audit performance is final audit outcome category, whereas Solar Homes PV top Safety and Quality issues may reflect several checklist items

Solar PV Safety, Quality and Audit

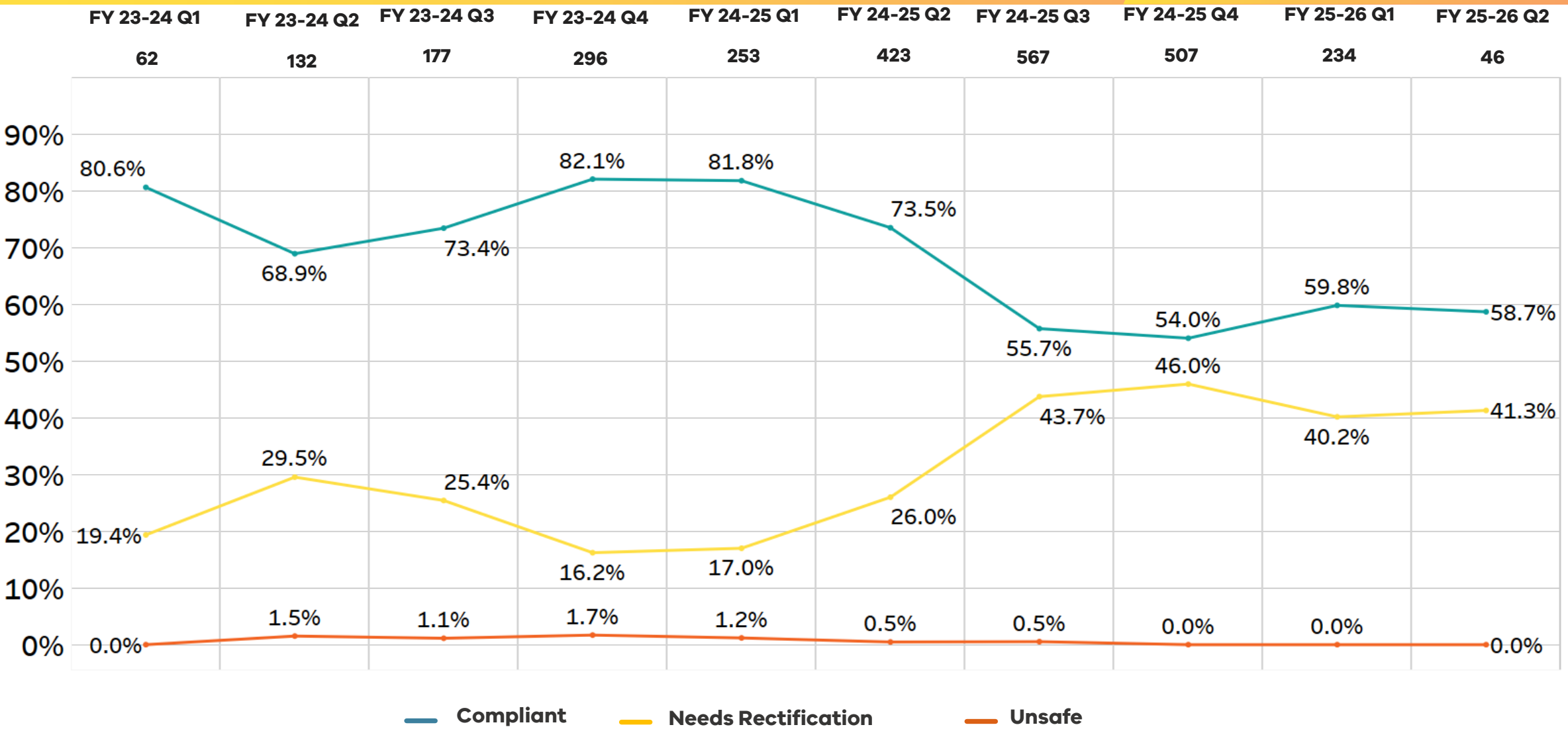
Solar Homes PV Top Safety & Quality Issues



- Ongoing non-compliance areas include substandard array installation, inadequate wiring protection, poor water/weather resistance, and incorrect DC plug installation

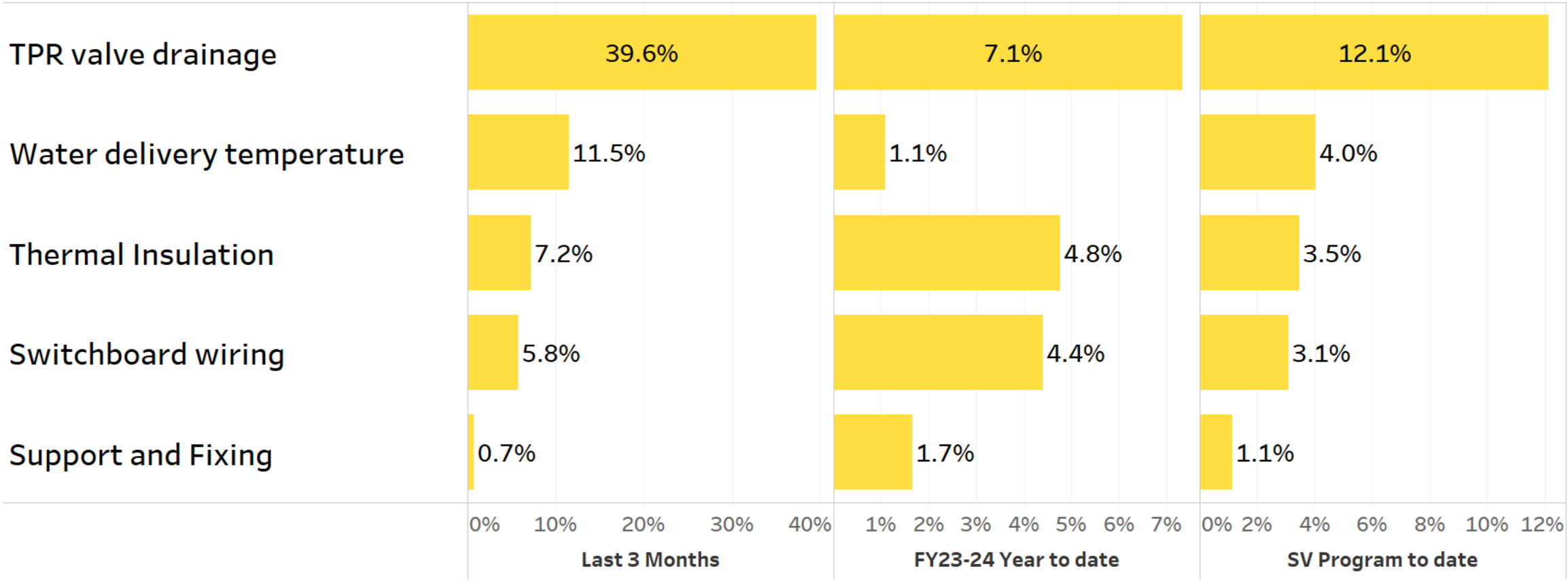
Note: Audit performance is final audit outcome category, whereas Solar Homes PV top Safety and Quality issues may reflect several checklist items.

Hot Water Safety, Quality and Audit



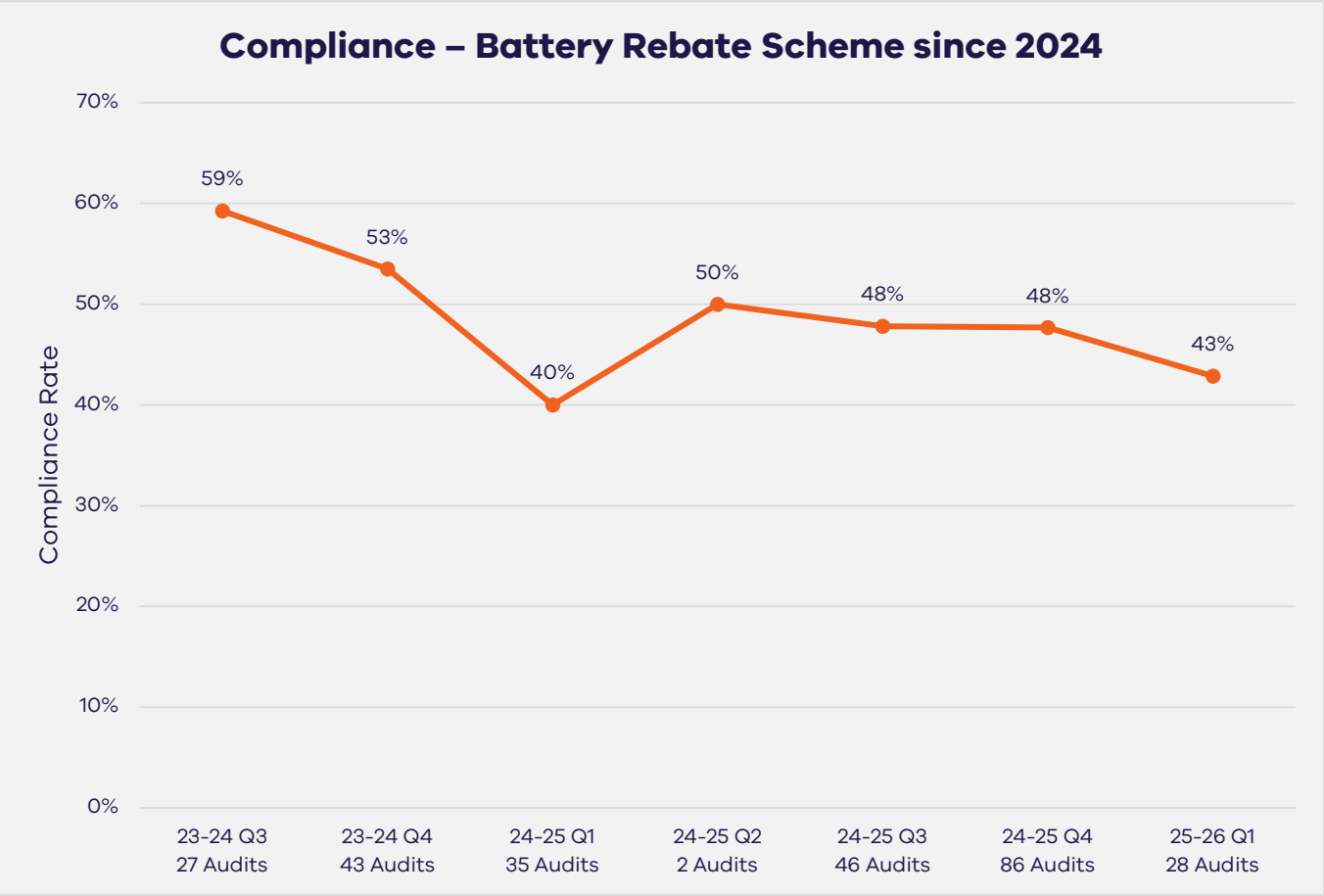
Hot Water Safety, Quality and Audit

Hot Water Top 5 Safety & Quality Issues



• Significant non-compliance was also observed in TPR valve discharge (mainly drainage points 1 -3), water delivery temperature (outside acceptable temperature requirements limits), thermal insulation (lacking adequate freeze protection), and switchboard wiring (primarily due to insufficient sealing to prevent fire spread)..

Battery Compliance – Summary



Changes noted since start of Federal Program:

- Reduction in compliance – down to 43%
- High incidence of smoke detectors not being installed.
- Increase in labelling failures.

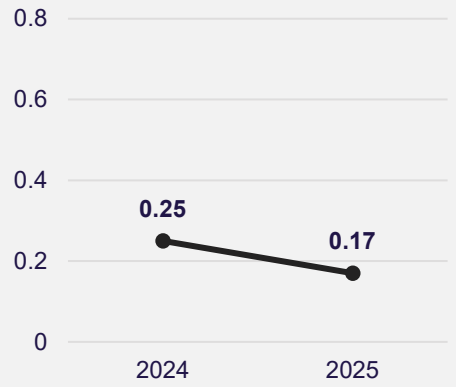
Common labelling issues

- **Main switch alternative** sign not installed –
  32% fails since July 2025
- **Multiple mode inverter** warning sign not installed –
  25% fails since July 2025
- **Multiple supplies** warning sign not installed –
  11% fails since July 2025

Compliance by Category

Fire Protection

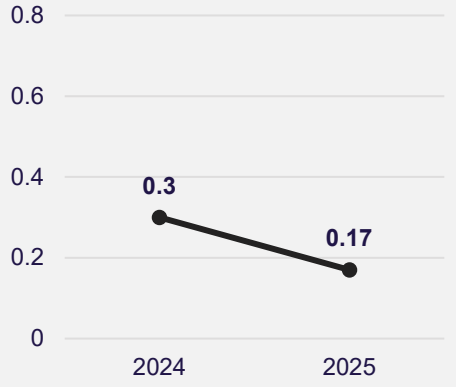
Covers issues relating to inadequate fire protection (e.g. not sealing openings in walls), not installing smoke detectors, and batteries installed near combustible materials.



Trend: Decreasing in 2025

Electrical

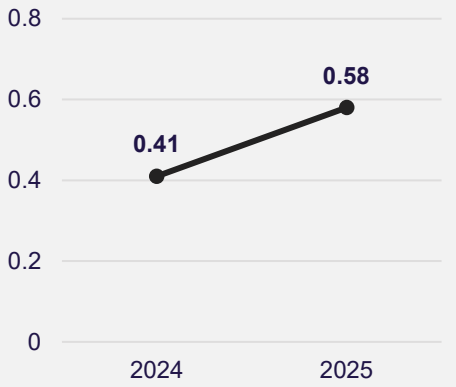
Covers various electrical failures, including non-compliant wiring, overcurrent protection, earthing and connection of the battery to the inverter and switchboard.



Trend: Decreasing in 2025

Labelling

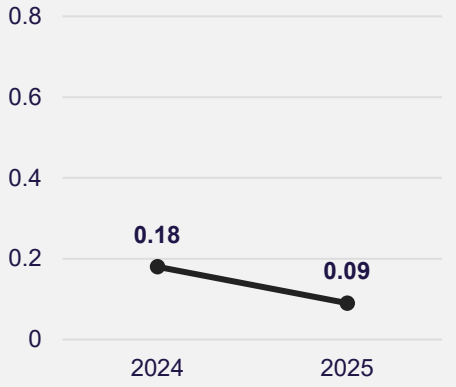
Covers labels that must be provided as per Australian Standards to ensure safety for homeowners, electrical workers and emergency services.



Trend: Increasing in 2025

Location

Covers the location of the battery, including inadequate physical protection from cars (using bollards or similar) and installation in exclusion zones.



Trend: Decreasing in 2025

Key issues within categories

Fire Protection

Smoke detector not installed

8.1% (-1.2%)

(Note: Since July 2025, non-compliance has decreased)

Inadequate fire protection

5% (-4.3%)

Covers issues such as not sealing penetrations in wall to prevent fire

Exclusion Zone Breach

3.1% (-3.4%)

Covers installations near combustible materials

Electrical

Inadequate earthing of system

4.4% (-0.3%)

Circuit protection of battery system

5% (-2.5%)

Battery isolation

2.5% (+0.6%)

Location

Exclusion Zone Breach

0.6% (-3.1%)

Covers installations in zones unsuited for a battery; i.e. near a window into a habitable room.

Physical Protection

8.1% (-3.1%)

Covers issues such as not providing a bollard to prevent car from ramming battery.

Notice to Market and Training Update

Gavin Vance
Senior Technology Advisor
Solar Victoria

Notice to Market – New Mandatory Requirements

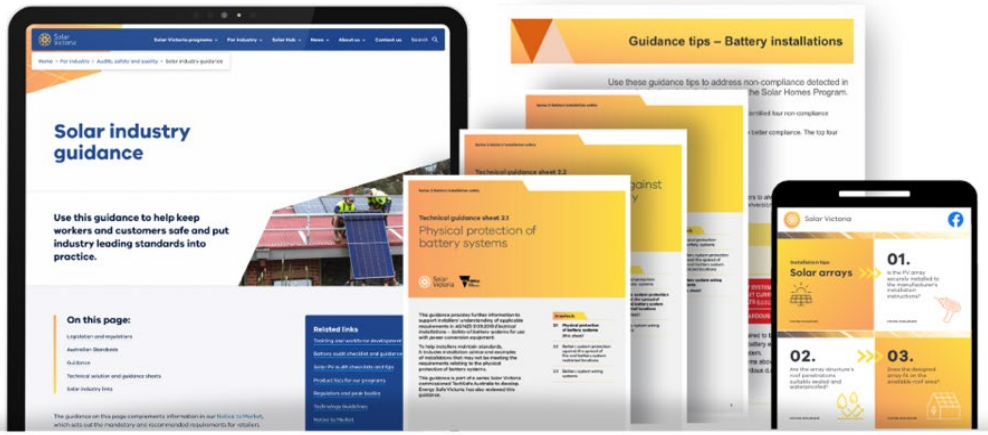
New Mandatory Requirements are now in effect:

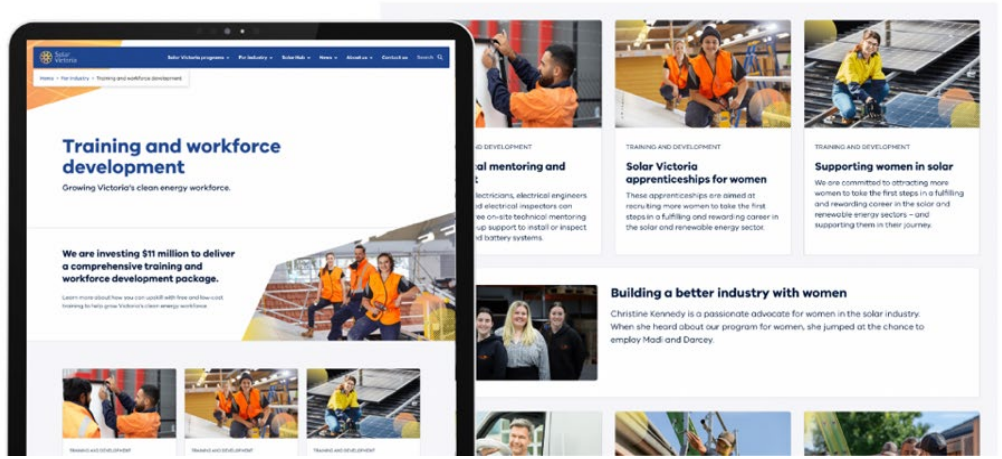
- ***NEW*** Expanded manufacturer product warranties to include 5 years labour across all product streams
- ***NEW*** Heat pump design and installation training for plumbers entering the Solar Homes Program
- ***UPDATE*** Retailers across all streams providing warranty coverage of 5 years minimum, with the warranty to include cost of freight or transport by supplier, and all ancillary/auxiliary devices required to make the core product or system work
- ***UPDATE*** Retailers providing the warranty documents to the customer
- ***UPDATE*** Holding a current Refrigerant Handling Licence issued by the Australian Refrigeration Council (ARC) applies to **decommissioning** a split hot water heat pump with synthetic refrigerant circulating through the pipework

For heat pump training options please visit this page

Industry training and guidance

Initiative (2025/26 program)	Delivery partner	Reach
Upskilling plumbers (heat pumps)	PICAC	1,000 plumbers and 4th year apprentices
'Tap in' Women in Plumbing	Holmesglen	60 women in non-trade roles
Accreditation of heat pump training for plumbers	Solar Victoria, Victorian Skills Authority	N/A
Free Access to Solar Vic training materials	TAFEs	Unlimited
Build Better Homes	Master Builders and HIA	1000 building practitioners
Technical Mentoring	TBC	50 sessions for electricians and LEIs
Regional Solar safety training	Holmesglen	50+ solar workers
Career Pathways for First Nations Young People	TBC	20 people





https://www.solar.vic.gov.au/training-workforce-development

Q&A session

Please share your questions
via the chat function

solar.vic.gov.au

Solar Victoria

VICTORIA State Government

Thank you

Visit: solar.vic.gov.au/industry

solar.vic.gov.au/solar-homes-program-reporting