

REWIRING AUSTRALIA · RAPID ASSESSMENT

How Australia’s home battery boom is fighting inflation

More than 600,000 households have installed a home battery since July 2025. We compared every single postcode to explore which postcodes have installed the most batteries.

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Executive summary

More than 600,000 households have installed a home battery since July 2025. We compared every single postcode to explore which postcodes have installed the most batteries.

We found that:

1. Batteries are being installed by all income levels, mostly in outer suburban growth areas such as Werribee (Melbourne), Marsden Park (Sydney) and Rochedale (Brisbane).
2. These home batteries are helping reduce electricity prices and fight inflation. This anti-inflationary power could be enhanced further by incentivising homes to join virtual power plants.
3. Rather than attacking this effective anti-inflationary program, we should cut corporate tax credits and redirect those funds to help households.

600,000+

households have installed a home battery since July 2025

81%

of batteries are in postcodes with a median income of $60,000 to $120,000

6.5x

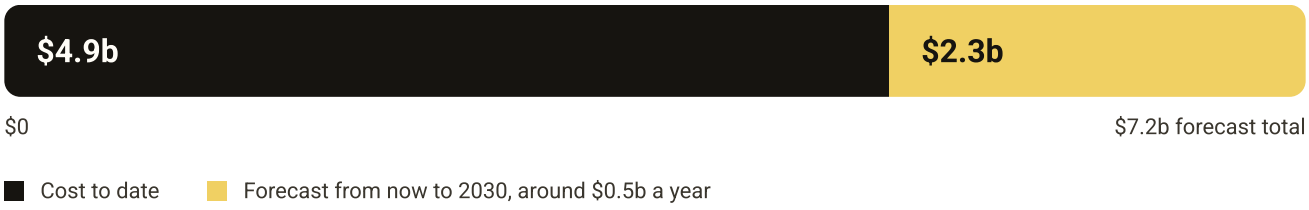
more batteries in postcodes with more owner-occupied detached houses

1. The Cheaper Home Batteries program

The Cheaper Home Batteries program launched in July 2025 and offers households and small businesses a subsidy for installing a battery alongside rooftop solar. The Treasury drastically underestimated how popular the program would be: more than 600,000 batteries have been installed so far. The initial generous subsidy has been reduced and will continue to step down every six months until 2030 when it ends. Since the significant drop in May 2026, the monthly cost of the program has fallen by around three quarters.

The program has cost $4.9 billion and is currently forecast to cost around $7.2 billion in total: that is another $2.3 billion from now to 2030, around $0.5 billion a year.

Figure 1: Cost of the Cheaper Home Batteries program



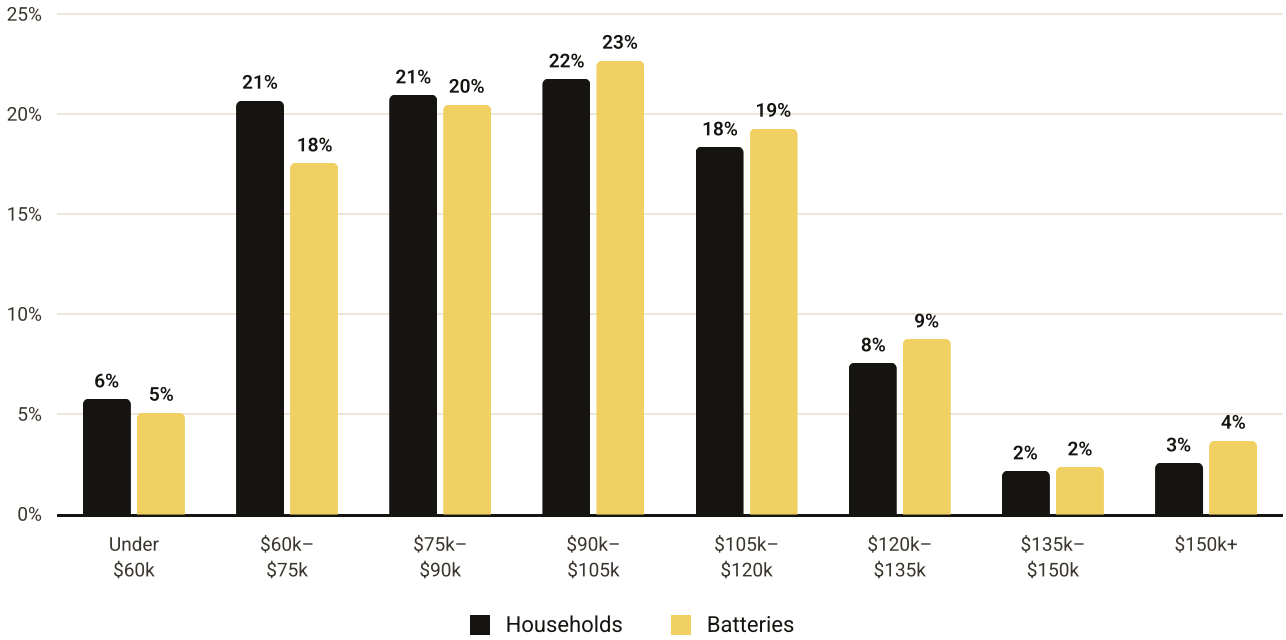
2. Who has benefited from the home battery boom?

2.a All income levels have installed batteries

Higher income households have installed slightly more batteries than lower income households, but 81% of batteries have been installed in postcodes with a median income between $60,000 and $120,000 a year. Broadly, the distribution of batteries across income bands appears to be fairly even: the blue and yellow bars in the chart below are extremely similar.

Figure 2: Share of households vs share of batteries

By median annual household income of the postcode, share of national total



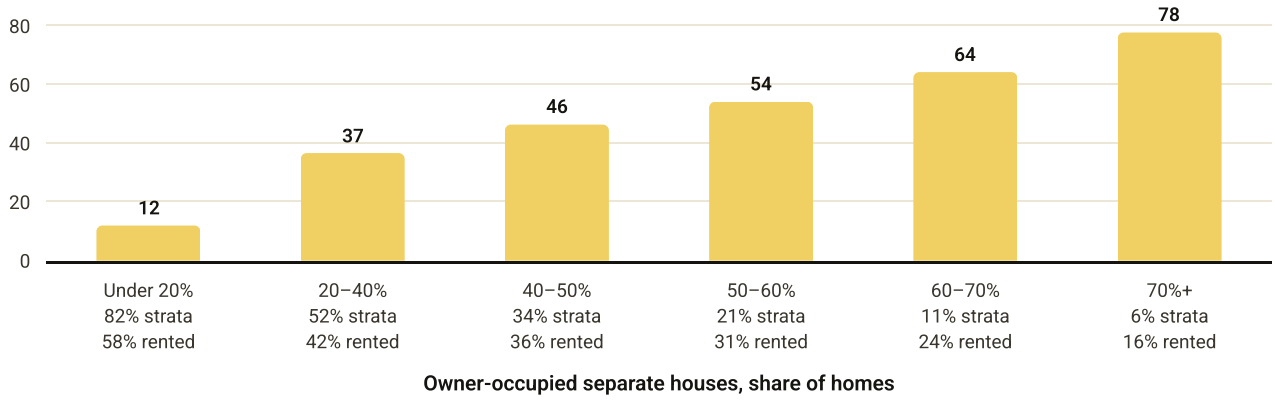
Source: CER small-scale battery data (Jul 2025 to Sep 2026), ABS Census 2021. Postcodes with 100+ households, n = 2,322. Median household income interpolated from Census bands.

2.b Owner occupiers in separate houses have installed batteries

On the other hand, those postcodes with more owner-occupied detached houses have many more (6.5x) batteries than those with more strata and renters.

Figure 3: Owner-occupied houses have far more batteries than strata and rentals

Batteries per 1,000 households, by share of the postcode's homes that are owner-occupied separate houses

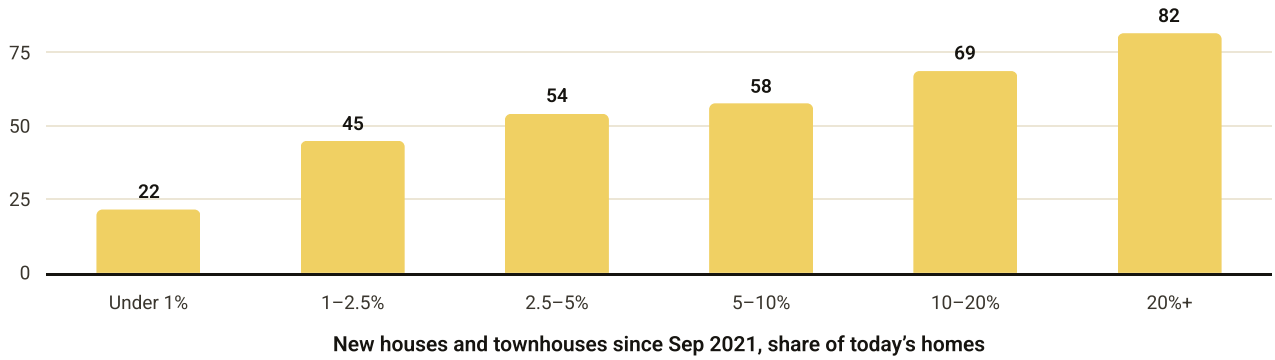


Source: CER (Jul 2025 to Sep 2026), ABS Census 2021. Strata = apartments, townhouses and semi-detached. Rented = share of occupied homes. Postcodes with 100+ households, n = 2,322.

We also found that postcodes with significant new development had four times as many batteries as those with very little development.

Figure 4: New-development postcodes have nearly four times as many batteries

Batteries per 1,000 households, by share of the postcode's homes built since Sep 2021



Source: CER (Jul 2025 to Sep 2026), ABS Census 2016 and 2021, ABS building approvals (Sep 2021 to Aug 2026). Post-2021 homes estimated from house and townhouse approvals. Postcodes with 100+ households, n = 2,322.

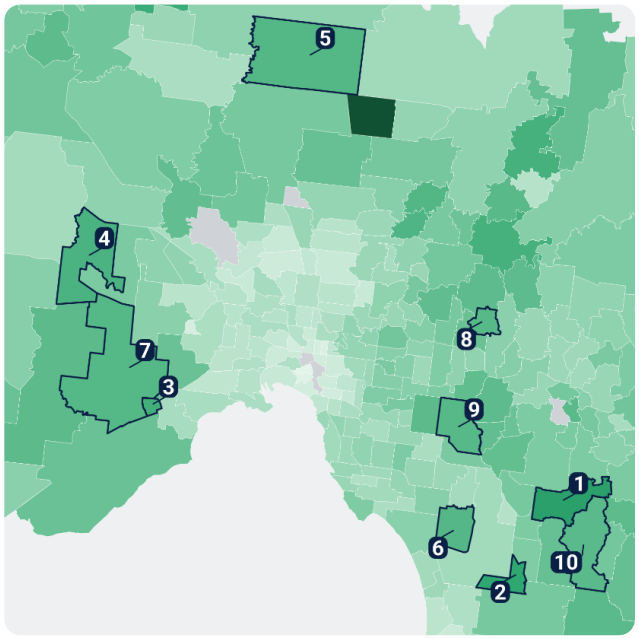
2.c Home batteries are an outer-suburban phenomenon

When we look geographically, we see that it is the outer suburbs of large cities where home batteries have been adopted fastest. The highest rates of battery adoption in Melbourne are in fringe suburbs like Narre Warren, Lyndhurst and Glen Waverley. Sydney's outer west has seen the fastest battery uptake in places like the Ponds, Marsden Park and Kellyville.

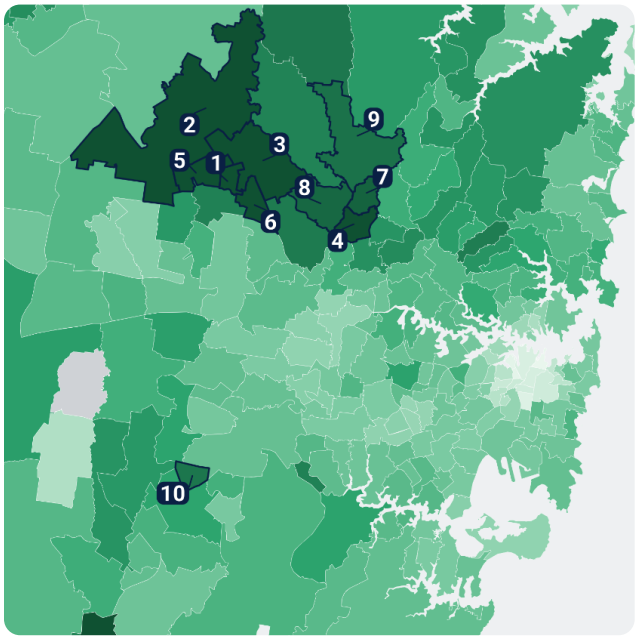
Figure 5: Home batteries across Melbourne and Sydney

Batteries per 100 houses by postcode, to September 2026

Melbourne 4.5 per 100 overall



Sydney 7.7 per 100 overall



TOP 10 POSTCODES

1	Narre Warren North (3804)	10.4%
2	Lyndhurst (3975)	10.1%
3	Williams Landing (3027)	9%
4	Thornhill Park (3335)	8.5%
5	Beveridge (3753)	8%
6	Keysborough (3173)	7.9%
7	Tarneit (3029)	7.8%
8	Park Orchards (3114)	7.8%
9	Glen Waverley (3150)	7.7%
10	Berwick (3806)	7.5%

TOP 10 POSTCODES

1	The Ponds (2769)	20.8%
2	Marsden Park (2765)	17.9%
3	Kellyville (2155)	17.2%
4	West Pennant Hills (2125)	15.8%
5	Schofields (2762)	15.4%
6	Glenwood (2768)	15.2%
7	Cherrybrook (2126)	13.9%
8	Castle Hill (2154)	13.6%
9	Dural (2158)	13%
10	Edmondson Park (2174)	12.8%

Batteries per 100 houses 0% 15%+

Source: CER small-scale installations (Jul 2025 to Sep 2026), ABS Census 2021, ABS building approvals, ABS ASGS 2021. Houses = separate, semi-detached and townhouses. Top postcodes have 1,000+ houses and are named after their largest suburb. Grey = under 50 houses.

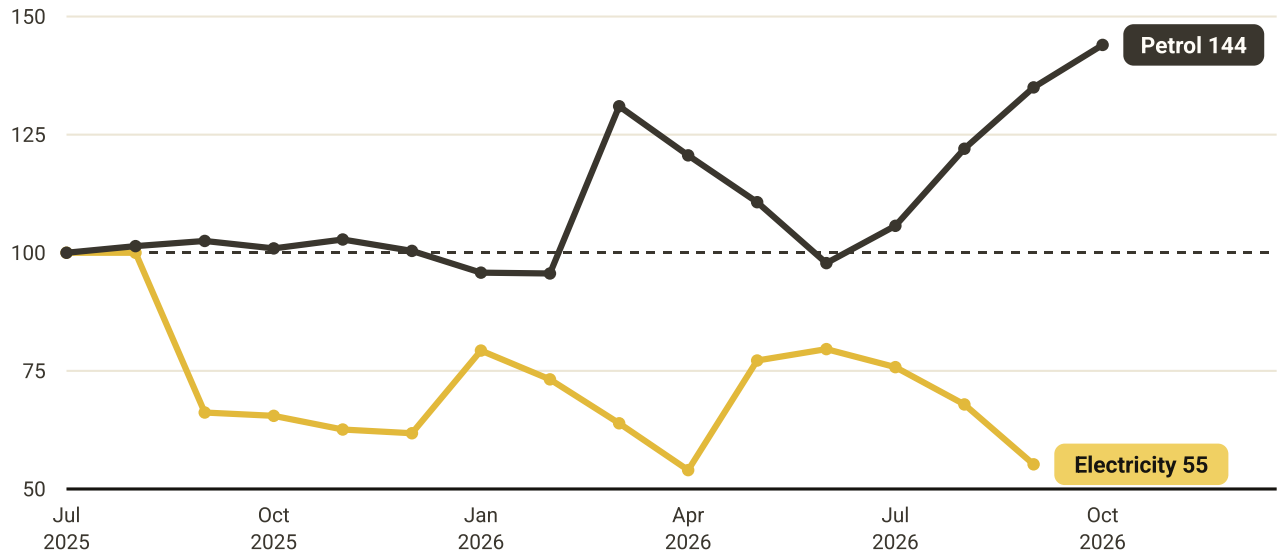
3. The economic effect – lowering prices and cutting inflation

Large grid batteries and home batteries are both acting to reduce wholesale power prices in the National Electricity Market. Batteries are pushing both gas and coal off the system and putting downward pressure on the price of electricity. This is having a positive impact by reducing inflation.

Petrol has driven inflation in transport and other parts of the economy this year. However, the rapid rollout of batteries, helped by the Cheaper Home Batteries Program, has reduced the use of expensive gas and coal and meant that the wholesale price of electricity has fallen in 2026, reducing inflation.

Figure 6: Electricity and petrol prices since July 2025

Average wholesale price, indexed to July 2025 = 100



Source: AEMO (NEM dispatch prices), AIP terminal gate prices. Electricity: NEM monthly average, weighted by regional generation. Petrol: national average unleaded terminal gate price, monthly. Nominal; complete months only.

4. Policy recommendations

4.a Unlocking greater public value through Virtual Power Plant participation

Virtual power plants (VPPs) are a way for home batteries to deliver power back to the grid when it is most needed, in return for payment. Leveraging the flexibility of home batteries to discharge into our homes or the grid on demand is an important way to reduce power prices by avoiding the need to use expensive gas.

Our research earlier this year found that a minority (less than a third) of home battery owners are signing up to these plans[1]. In part this is because VPP operators need to do more to earn the trust of home battery owners, but incentivising households to participate would also increase the public value of these batteries. VPPs respond to price spikes and are a way to further help reduce the price of electricity.

Figure 7: Most battery owners haven't joined a VPP

Share of battery owners surveyed



Source: Rewiring Australia (2026). How to unlock the flexibility in home batteries. n = 407.

Including a requirement to join a VPP to access some of the Cheaper Home Batteries subsidy could be a way to deliver even greater public value and further reduce inflation over the coming years. This would share even more of the benefits of home batteries with the network as a whole: those without batteries would also benefit from lower prices.

1 Rewiring Australia (2026). How to unlock the flexibility in home batteries.

4.b Redirect fossil fuel subsidies to help households electrify

While families are paying high petrol prices and dreading a potential sixth interest rate hike this year, large mining and fossil fuel corporations enjoy a 100% refund on the diesel duty, and they use a lot of diesel. Fuel Tax Credits are Australia's largest fossil fuel subsidy, costing us almost $11 billion in the last financial year. Almost half of this goes directly to the mining industry and effectively incentivises increasing use of fossil fuels, heightening Australia's exposure to foreign oil price shocks[2].

The roughly $500 million for home batteries could be covered ten times over by the fuel duty refunds handed to mining corporations each year. Last year, BHP alone received more than $600 million in fuel tax refunds, enough to incentivise more than 350,000 household batteries at the current rate.

The aviation industry also enjoys significant tax relief on fuel, paying a fraction of the duty that ordinary working families do. In 2025-26, the aviation industry was subsidised to the tune of nearly $2 billion[3].

$11b

in Fuel Tax Credits in the last financial year

$600m+

in fuel tax refunds to BHP alone last year

~$2b

in fuel subsidies to the aviation industry in 2025-26

2 Australia Institute (2026). Fossil fuel subsidies in Australia 2026 reported that in 2023-24 $4.5bn was repaid to the mining sector out of $9.58bn in total tax credits (47%).

3 Australia Institute (2026). Fossil fuel subsidies in Australia 2026.