Australia Solar Power - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 94 pages | Mordor Intelligence

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Report description:

Australia Solar Power Market Analysis

The Australia Solar Power Market was valued at 43.5 gigawatt in 2025 and estimated to grow from 49.71 gigawatt in 2026 to reach 96.86 gigawatt by 2031, at a CAGR of 14.28% during the forecast period (2026-2031).

This trajectory confirms that policy certainty, falling photovoltaic (PV) prices, and corporate-led procurement are combining to propel solar energy toward a dominant role in the national energy mix. Grid-scale storage pairing, transmission-linked renewable-energy zones, and widespread household grid parity are accelerating capacity additions while shifting value creation from pure energy sales to integrated services. International component suppliers continue to capture hardware revenues, but Australian developers, EPC contractors, and financiers are winning projects by optimizing battery integration and navigating compliance rules. Transmission upgrades lag solar cost declines, concentrating construction in well-connected zones and favoring developers that secure early grid access. Corporate power-purchase agreements (PPAs) have converted sustainability pledges into 10 to 15-year contracts that underpin utility-scale financing at prices below AUD 40/MWh.

Australia Solar Power Market Trends and Insights

Federal & State-Level Renewable Energy Targets Drive Utility Procurement

Australia's 82% renewable-electricity goal for 2030 anchors investor expectations and underpins coordinated state-level auctions.

New South Wales alone has earmarked AUD 32 billion for renewable-energy zones that bundle generation, storage, and transmission. Competitive tenders now award 15-year contracts below AUD 40/MWh, de-risking merchant exposure and compressing payback cycles. Transmission build-outs specified in the Integrated System Plan align grid expansions with solar clusters, lowering curtailment risk. States are increasingly linking solar-zone rollouts to local manufacturing and job-creation mandates, thereby embedding energy policy within broader economic development agendas. The resulting policy synergy minimizes the boom-bust investment swings that previously hampered the Australian Solar Power market.

Declining PV Module Prices Sustain Cost Leadership

Average module prices fell another 12% in 2024, sending utility-scale EPC costs to AUD 800-1,000/kW and extending solar's cost lead over new gas peakers. Residential systems dropped to AUD 1,200-1,500/kW, shortening payback periods to 3-4 years across all mainland states. The rapid diffusion of high-efficiency monocrystalline modules (with an 85% share) reduces balance-of-system spending, while pilot perovskite-silicon tandem lines aim to achieve efficiencies of 30% or more by 2027. Cheaper modules unlock smaller-scale projects on brownfield land and commercial rooftops, broadening the Australian Solar Power market beyond large trackers on open land. Continuous price declines also cushion the scheduled step-down of federal incentives, sustaining uptake after 2030.

Grid Transmission Constraints Limit Regional Development

The legacy grid was built around coastal coal plants, leaving sun-rich inland regions undersupplied with high-capacity lines. AEMO estimates AUD 12.9 billion is needed for new transmission, but permitting and community consultation stretch build times to 5-7 years. Projects in northern Queensland and western NSW often cap installations below optimal sizes or face curtailment. The mismatch funnels investment into already-connected zones, inflating land prices and creating development clusters where competition for grid access outstrips site availability. Delays dampen the overall growth of the Australian Solar Power market by restricting geographically diversified expansion.

Other drivers and restraints analyzed in the detailed report include:

Corporate-PPA Demand Transforms Commercial Solar EconomicsRooftop Grid Parity Accelerates Residential AdoptionPhase-Down of Federal STC Incentives Creates Investment Uncertainty

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Solar PV accounted for the entire Australian Solar Power market share in 2025, and the segment is expected to grow at a 14.32% CAGR to 2031 as module costs continue to fall. Concentrated solar power pipelines have been rendered obsolete because PV-plus-battery plants can replicate dispatchable output at a lower capital intensity. Monocrystalline silicon modules captured 85% of the 2024 installations, and pilot perovskite-silicon tandems could lift nameplate efficiencies to around 30% by 2027. This trajectory enables developers to reduce land footprints and unlock marginal sites near substations, thereby enhancing overall project bankability within the Australian Solar Power market.

Pilot floating-solar projects totaling 50 MW illustrate a niche that addresses evaporation control for water utilities while bypassing land-use debates. Utility IPPs view floating arrays as diversification plays that complement ground-mount portfolios. Meanwhile, CSP technology providers have shifted resources to the Middle East, confirming the local market's commitment to PV cost leadership.

The Australia Solar Power Market Report is Segmented by Technology (Solar Photovoltaic and Concentrated Solar Power), Grid Type (On-Grid and Off-Grid), and End-User (Utility-Scale, Commercial and Industrial, Residential). The Market Sizes and Forecasts are Provided in Terms of Installed Capacity (GW).

List of Companies Covered in this Report:

Neoen SA AGL Energy Ltd SunPower (Maxeon Solar Technologies) First Solar Inc. Canadian Solar Inc. Origin Energy Ltd Infigen Energy Ltd (Iberdrola Australia) Tindo Solar Pty Ltd Trina Solar Co. Ltd JinkoSolar Holding Co. Ltd LONGi Solar Risen Energy Co. Ltd SMA Solar Technology AG Lightsource bp Fotowatio Renewable Ventures (FRV) Enel Green Power Australia Tilt Renewables Goldwind Australia Tesla Energy GEM Energy

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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7 Market Opportunities & Future Outlook

7.1 White-space & Unmet-Need Assessment

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