



Climate change and energy – Unlock solar potential – Social housing	
Party:	Australian Greens
Summary of proposal: The proposal would unlock solar potential by investing in affordable, accessible and clean energy for social housing.	
Additional information (based on further advice provided): The proposal would increase the funding for electrification of public housing in the 2023-24 Budget measure <i>Household Energy Upgrades Fund</i> and subsequent 2024-25 MYEFO measure <i>Expansion of the Social Housing Energy Performance Initiative</i> by adding \$800 million over 2 years. ¹ The proposal would be non-ongoing, distribute funding evenly over 2 years and start from 1 July 2025.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by \$800 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered expenses.

The proposal would not be expected to have an impact beyond the 2025-26 Budget forward estimates period, other than for public debt interest (PDI) impacts. A breakdown of the financial implications (including separate PDI tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

Table 1: Climate change and energy – Unlock solar potential – Social housing – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-400.0	-400.0	-	-	-800.0
Underlying cash balance	-400.0	-400.0	-	-	-800.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

¹ The 2023-24 Budget measure *Household Energy Upgrades Fund - establishment* provided \$300 million over 4 years from 2023–24 held in the Contingency Reserve to support upgrades to social housing, in collaboration with states and territories, that save energy. The subsequent 2024-25 MYEFO measure *Expansion of the Social Housing Energy Performance Initiative* provided additional funding of \$499.3 million over 4 years from 2025-26. See [BP2 - 2023-24 Budget](#) and [2024-25 MYEFO](#).

Key assumptions and methodology

The proposal is capped at a fixed amount, evenly distributed over 2 years from the commencement date. Administered expenses are as specified in the proposal, reflecting that the initiative would be delivered in collaboration with states and territories and funding would be passed through consistent with current arrangements for payments to the states and territories. We assume that no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Climate change and energy – Unlock solar potential – Social housing – Financial implications

Table A1: Climate change and energy –Unlock solar potential – Social housing – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Total – administered	-400.0	-400.0	-	-	-	-	-	-	-	-	-	-800.0	-800.0
Total (excluding PDI)	-400.0	-400.0	-	-	-	-	-	-	-	-	-	-800.0	-800.0

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

Table A2: Climate change and energy – Unlock solar potential – Social housing – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-8.9	-27.0	-37.0	-38.6	-40.4	-42.2	-44.1	-46.0	-48.1	-50.3	-52.9	-111.5	-435.5
Underlying cash balance	-6.7	-22.4	-34.5	-38.2	-39.9	-41.7	-43.6	-45.5	-47.6	-49.8	-52.3	-101.8	-422.2

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.³
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)