



Climate change and energy – Unlock solar potential – Schools and public buildings	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would provide:</p> <ul style="list-style-type: none">• component 1: \$6 billion over 7 years to install solar panels and battery systems in publicly-owned buildings across Australia – including schools, police, ambulance and fire stations, libraries, TAFEs, public universities, local council buildings, health clinics, hospitals and childcare centres• component 2: \$750 million over 10 years for a grant program administered by the Australian Renewable Energy Agency (ARENA) to allow public buildings such as libraries, hospitals and council buildings to apply for grants to improve their energy productivity and install renewables. <p>Any departmental costs would come from within the above capped funding.</p> <p>The proposal would be non-ongoing and start on 1 July 2026.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$2.8 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (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 – Schools and public buildings – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-932.4	-932.1	-932.1	-2,796.6
Underlying cash balance	-	-932.4	-932.1	-932.1	-2,796.6

(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.

Key assumptions and methodology

All necessary legislative and policy amendments as well as negotiations with the states and territories would be implemented and resolved prior to the proposed start date.

The proposal is capped at a fixed amount, distributed for each component as specified from the commencement date. Departmental expenses were estimated based on the cost of administering similar programs and are included within the capped funding amount. Administered expenses are as specified in the proposal, less expected departmental expenses. We assume no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

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

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Climate change and energy – Unlock solar potential – Schools and public buildings – Financial implications

Table A1: Climate change and energy – Unlock solar potential – Schools and public buildings – 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													
Administered													
<i>Component 1 – solar panels and batteries</i>	-	-814.0	-836.0	-836.0	-836.0	-836.0	-836.0	-836.0	-	-	-	-2,486.0	-5,830.0
<i>Component 2 – grants</i>	-	-71.2	-73.1	-73.1	-73.1	-73.1	-73.1	-73.1	-73.1	-73.1	-73.1	-217.4	-729.1
Total – administered	-	-885.2	-909.1	-909.1	-909.1	-909.1	-909.1	-909.1	-73.1	-73.1	-73.1	-2,703.4	-6,559.1
Departmental													
<i>Component 1 – solar panels and batteries</i>	-	-43.4	-21.1	-21.1	-21.1	-21.1	-21.1	-21.1	-	-	-	-85.6	-170.0
<i>Component 2 – grants</i>	-	-3.8	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-7.6	-20.9
Total – departmental	-	-47.2	-23.0	-23.0	-23.0	-23.0	-23.0	-23.0	-1.9	-1.9	-1.9	-93.2	-190.9
Total (excluding PDI)	-	-932.4	-932.1	-932.1	-932.1	-932.1	-932.1	-932.1	-75.0	-75.0	-75.0	-2,796.6	-6,750.0

(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 – Schools and public buildings – 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
<i>Fiscal balance</i>	-	-21.0	-63.0	-107.0	-153.0	-201.0	-252.0	-306.0	-342.0	-361.0	-381.0	-191.0	-2,187.0
<i>Underlying cash balance</i>	-	-16.0	-52.0	-96.0	-142.0	-189.0	-240.0	-292.0	-333.0	-356.0	-376.0	-164.0	-2,092.0

- (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 glossary².
- (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.
- Indicates nil.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)