CONFIDENTIAL



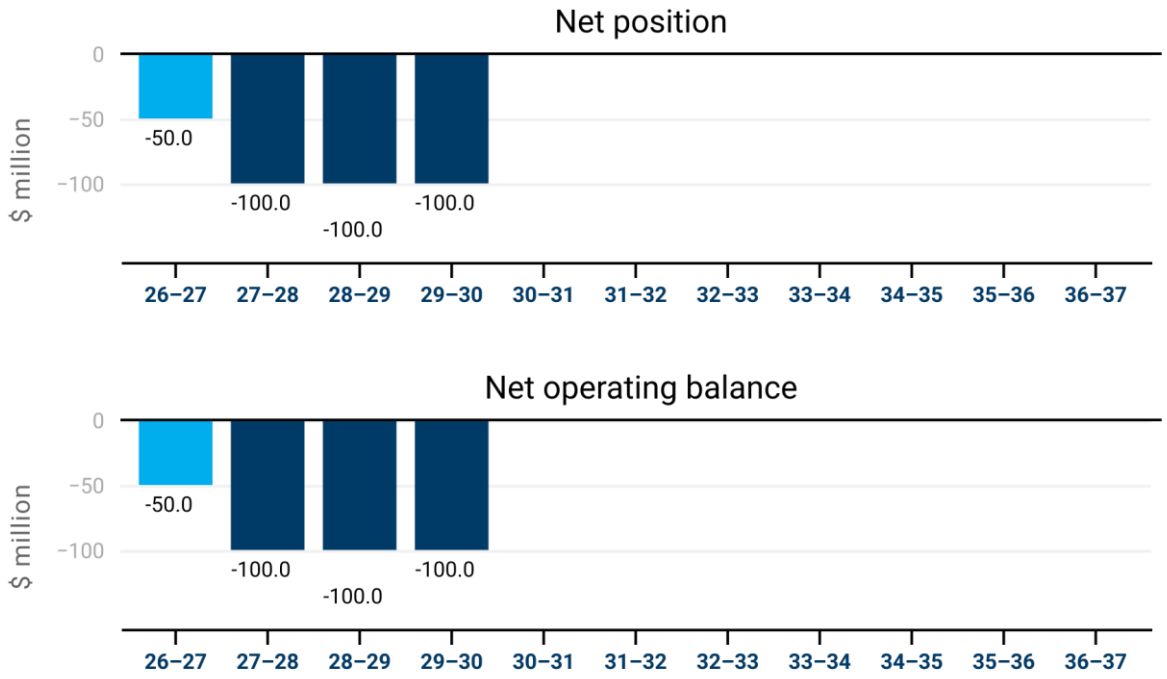
Election policy costing

Trial publicly-owned supermarkets

Political party	Australian Greens Victoria
Requestor	Ms Ellen Sandell MP
Request date	12 November 2026
Response date	21 November 2026
Policy commencement	1 January 2027
Policy conclusion	30 June 2030
Policy summary	This policy would invest an initial $350 million towards a trail of 10 publicly owned supermarkets – 5 across metropolitan Melbourne and 5 across regional Victoria. The capped investment would also include funding for the Essential Services Commission to cap retail prices and set minimum farm-gate prices for essential grocery items. The $350 million policy would be phased as follows: ▪ $50 million in 2026–27 ▪ $100 million in 2027–28 ▪ $100 million in 2028–29 ▪ $100 million in 2029–30.
Budget baseline	November 2026 Pre-Election Budget Update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by $350 million across 2026–27 to 2029–30. This is entirely due to an increase in operating expenses from:

- providing initial funding for the trial of 10 publicly owned supermarkets
- providing additional funding for the Essential Services Commission to cap prices for essential grocery items and set minimum farm-gate prices.

The financial implications of this policy are certain as they relate to specified capped funding. We have not assessed whether the capped funding amount would be sufficient to achieve the stated outcomes.

Our approach

Assumptions

When costing this policy, we made several assumptions. In addition to those published in our standard assumptions protocols (available at pbo.vic.gov.au/document/standardassumptions), we made the following assumptions:

1. The capped funding amount would encompass administrative costs.

Method

We based this policy costing on the capped amount of funding specified in the costing request.

Attachment A – Detailed budget impacts

Year-on-year impacts

($ million)	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	2035–36	2036–37
Revenue	0	0	0	0	0	0	0	0	0	0	0
Expense	50.0	100.0	100.0	100.0	0	0	0	0	0	0	0
Net operating balance	-50.0	-100.0	-100.0	-100.0	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0	0	0	0	0
Leases	0	0	0	0	0	0	0	0	0	0	0
Net position	-50.0	-100.0	-100.0	-100.0	0	0	0	0	0	0	0

Cumulative impacts

($ million)	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	2035–36	2036–37
Revenue	0	0	0	0	0	0	0	0	0	0	0
Expense	50.0	150.0	250.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
Net operating balance	-50.0	-150.0	-250.0	-350.0	-350.0	-350.0	-350.0	-350.0	-350.0	-350.0	-350.0
Assets	0	0	0	0	0	0	0	0	0	0	0
Leases	0	0	0	0	0	0	0	0	0	0	0
Net position	-50.0	-150.0	-250.0	-350.0	-350.0	-350.0	-350.0	-350.0	-350.0	-350.0	-350.0

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.