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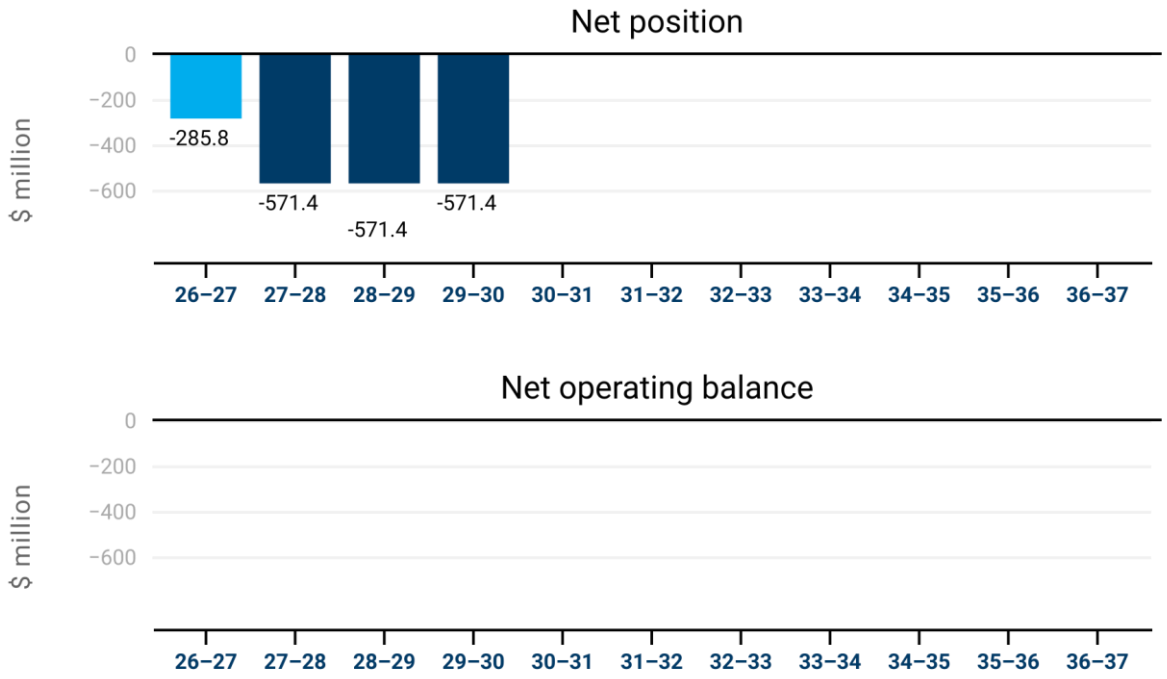
Election policy costing

Invest in publicly-owned renewables and establish a public energy retailer

Political party	Australian Greens Victoria
Requestor	Ms Ellen Sandell MP
Request date	12 November 2026
Response date	16 November 2026
Policy commencement	1 January 2027
Policy conclusion	Ongoing
Policy summary	This policy would provide $2 billion in capital funding to the State Electricity Commission (SEC) to: ▪ invest in a big build of publicly owned renewable energy ▪ install solar panels on schools, public housing and Victorian Government buildings ▪ establish a public energy retailer within the SEC to sell electricity to Victorian households. The funding would be profiled as an equal split of the capped amount from 1 January 2027 to 30 June 2030.
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 $2,000.0 million across 2026–27 to 2029–30. This is entirely due to an increase in assets from providing additional funding to the SEC.

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

Context

State Electricity Commission (SEC)

The SEC is a Victorian Government-owned renewable energy company that was re-established in 2023. It is enshrined in Victoria's Constitution through the Constitution Amendment (SEC) Act 2024.

The SEC's main activities include:

- Household electrification – supporting households to go 'all-electric'
- Renewable energy generation storage – to deliver 4.5 gigawatts of renewable energy and storage

- Retailing renewable electricity – is the retailer for government sites and intends to retail to Victorian businesses in the future
- Attract and build the renewable energy workforce.

The 2023–24 Budget provided $1 billion in capital funding and $44.5 million in output funding to the SEC. On 26 May 2026, the Victorian Government announced $303 million funding to invest in more renewable energy assets.

SEC Energy Pty Ltd (SEC Energy) was established to operate the SEC's energy markets business. It holds the electricity retail licence to supply Victorian Government sites, and commercial and industrial businesses. In 2024–25, SEC Energy received $49.9 million in capital contributions to support its entry into the energy market. The company started its retailing operations in 1 July 2025, with revenue expected from its first full year of operation.

SEC household electrification pilots

The SEC launched an electric home planner pilot program in August 2024, which ran for 18 months. The program consisted of:

- a survey of a participating household's energy consumption
- a tailored plan to help cut energy bills through electrification (including recommendations on suitable electric appliances, indicative costs, return on investment, government rebates and emission reductions)

The SEC also conducted a heat pump pilot program in Ballan, Maroondah, Yarra Ranges and the Latrobe Valley. Participating households could access local installation businesses verified by the SEC to install an energy efficient heat pump hot water system. The SEC plans to release a one-stop shop platform across Victoria following the end of the pilots.

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 specified funding amount would encompass any additional administrative costs incurred by the SEC.

Method

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

Data sources

- Australian Greens Victoria. 2026. Climate. [ONLINE] Available at: https://greens.org.au/vic/platform/climate [Accessed 12 November 2026]
- Essential Services Commission. 2024. Energy retail licence application form. [ONLINE] Available at: https://www.esc.vic.gov.au/sites/default/files/documents/SEC%20Energy%20-%20Energy%20retail%20licence%20application%20form%20%28PUBLIC%29.pdf [Accessed 12 November 2026]
- SEC Victoria. 2026. Annual Report 2025. [ONLINE] Available at: https://www.secvictoria.com.au/__data/assets/pdf_file/0018/15093/SEC-Victoria-Annual-Report-2025.pdf [Accessed 12 November 2026]
- SEC Victoria. 2026. SEC Renewable Energy Park – Horsham. [ONLINE] Available at: https://www.secvictoria.com.au/investments/sec-renewable-energy-park [Accessed 12 November 2026]
- Victorian Budget 2023/24, Budget Paper no. 3: Service Delivery
- Victorian Parliament. 2024. Constitution Amendment (SEC) Act 2024.

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	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	-	-	-	-	-	-	-	-	-
Assets	285.8	571.4	571.4	571.4	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Net position	-285.8	-571.4	-571.4	-571.4	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	-	-	-	-	-	-	-	-
Net operating balance	-	-	-	-	-	-	-	-	-	-	-
Assets	285.8	857.2	1,428.6	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0
Leases	-	-	-	-	-	-	-	-	-	-	-
Net position	-285.8	-857.2	-1,428.6	-2,000.0	-2,000.0	-2,000.0	-2,000.0	-2,000.0	-2,000.0	-2,000.0	-2,000.0

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.