

ECR-2025-2043

Nature Positive Plan and Environmental Protection Australia – reversal								
Party:	he Coalition							
Summary of proposal:								
The proposal would reverse the funding for the Nature Positive Plan, including the establishment of Environmental Protection Australia and Environmental Information Australia.								
This relates to the measure <i>Nature Positive Plan – better for the environment, better for business</i> ¹ in the 2023-24 Budget, and the measure <i>Nature Positive Plan – additional funding</i> ² in the 2024-25 Budget.								
The proposal would start on 1 July 2025.								

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$64.7 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in 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) notes that there is considerable uncertainty regarding the viability for all savings to be achieved in 2025-26, as the unwinding and reduction of existing staffing and contractors may result in additional costs and time, such as for involuntary and/or voluntary redundancies, reneging on contracts and breaking leases, which have not been factored into this costing.

Table 1: Nature Positive Plan and Environmental Protection Australia – reversal – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	33.5	22.2	4.5	4.5	64.7
Underlying cash balance	33.5	22.2	4.5	4.5	64.7

(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.

¹ The 2023-24 Budget measure *Nature Positive Plan – better for the environment, better for business* provided \$214.1 million over 4 years (and \$4.5 million per year ongoing) to deliver the Nature Positive Plan. <u>Budget paper 2, page 77</u>.

² The 2024-25 Budget measure *Nature Positive Plan – additional funding* provided a further \$40.9 million over 2 years from 2024-25 to continue implementing the Plan. <u>Budget paper 2, page 58</u>.

Key assumptions and Methodology

The PBO has made the following assumptions in costing this proposal.

- All funding for the 2 budget measures that was categorised as not contractually committed (as outlined by the Department of Climate Change, Energy, the Environment and Water (DCCEEW)) would be reversed.
 - It is thus assumed that all such funding could be stopped from 1 July 2025, including for already onboarded staff.

Financial implications were rounded consistent with the PBO's rounding rules.³

Data sources

The Department of Climate Change, Energy, the Environment and Water provided data on budget measure funding (contracted and uncontracted), for Budget 2023-24 as of 15 October 2024, and for Budget 2024-25 as of 21 March 2025.

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

Commonwealth of Australia (2024) <u>Budget Paper 2: Nature Positive Plan – additional funding</u>. Commonwealth of Australia, 16 May 2025.

Commonwealth of Australia (2023) <u>Budget Paper 2: Budget measure Nature Positive Plan – better for</u> <u>the environment, better for business</u>. Commonwealth of Australia, 16 May 2025.

³ <u>https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules</u>

Attachment A – Nature Positive Plan and Environmental Protection Australia – reversal – Financial implications

	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													
Departmental													
Budget 2023-24 Funding for the Nature Positive Plan, DCCEEW	22.0	22.2	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	53.2	84.7
Budget 2024-25 Additional funding, DCCEEW	11.0	-	-	-	-	-	-	-	-	-	-	11.0	11.0
Budget 2024-25 Additional funding, CER	0.5	-	-	-	-	-	-	-	-	-	-	0.5	0.5
Total – expenses	33.5	22.2	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	64.7	96.2
Total (excluding PDI)	33.5	22.2	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	64.7	96.2

Table A1: Nature Positive Plan and Environmental Protection Australia – reversal – Fiscal and underlying cash balances (\$m)^(a)

(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 negative 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 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 an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Nature Positive Plan and Environmental Protection Australia – reversal – 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	0.7	2.0	2.7	3.0	3.3	3.7	4.1	4.5	4.9	5.3	5.8	8.4	40.0
Underlying cash balance	0.6	1.7	2.5	2.9	3.3	3.6	4.0	4.4	4.8	5.2	5.6	7.7	38.6

(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.⁴

(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 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 an increase in payments or net capital investment in cash terms.

⁴ Online budget glossary – Parliamentary Budget Office (pbo.gov.au)