



Stop subsidising weapons manufacturers	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would seek to strengthen the stability and safety of the public and region through the following components:</p> <ul style="list-style-type: none">• Component 1: Publish the findings and recommendations of the climate security risk assessment report by the Office of National Intelligence.• Component 2: Commission a publicly available, independent, recurring assessment every 1-2 years of the security risks posed by climate change.• Component 3: Commission a new Defence Strategic Review to prioritise protecting people and strengthening relationships with our neighbours.• Component 4: Reverse Australian Government funding for weapons exports. <p>The proposal would start on 1 July 2025 and would be ongoing.</p>	
<p>Additional information (based on further advice provided):</p> <p>Component 3 would be met within existing resources.</p> <p>Component 4 would reverse ongoing Australian Government funding under the 2018-19 Budget measure 'Defence Export Strategy'¹.</p>	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$31.4 million over the 2025-26 Budget forward estimates period (see Table 1). This reflects a decrease in departmental expenses resulting from the reversal of the Defence Export Strategy measure (Component 4), partially offset by the commissioning of the climate security risk assessment (Component 2). Components 1 and 3 are expected to have nil financial implications as they will be met within existing resources.

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.

¹ *Defence Export Strategy* measure: The Government will provide \$80 million over 4 years from 2018-19 (\$20 million ongoing) to support the Australian defence industry. [Budget Paper 2, 2018-19 – Budget Measures](#) page 82.

Table 1: Stop subsidising weapons manufacturers – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-7.2	13.0	12.9	12.7	31.4
Underlying cash balance	-7.2	13.0	12.9	12.7	31.4

(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.

Key assumptions

Component 1

Component 1 would be met within existing resources, where the Office of National Intelligence will publish its existing climate security risk assessment report.

Component 2

The risk assessment would be produced annually.

- The cost to produce the initial report would be consistent with the cost of the 2016 Defence White Paper, indexed to the Consumer Price Index (CPI).
- The cost to produce each subsequent annual report would be a quarter of the cost to commission the inaugural report, indexed to the CPI.

Component 3

- The departmental costs for the Department of Defence to commission a new Defence Strategic Review would be similar to the 2023 Defence Strategic Review, and be around \$1.4 million in 2025-26, fully offset from within existing resources in that year.

Methodology

Component 2

The cost of the climate security risk assessment was based on the 2016 Defence White Paper and adjusted for CPI.

Ongoing annual report costs were estimated per *Key assumptions*.

Component 3

The departmental costs were estimated as per *Key assumptions* and fully offset as specified.

Component 4

The \$20 million per annum funding under the Defence Export Strategy was reversed.

Financial implications were rounded consistent with the Parliamentary Budget Office's rounding rules.²

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

Data sources

Commonwealth of Australia (2018) *Budget 2018-19 Budget Paper 2 Budget Measures*, Commonwealth of Australia.

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

Department of Defence (2018), [*Portfolio Budget Statements 2018-19 Budget Related Paper No. 1.4A Defence Portfolio*](#), Defence, accessed 15 May 2025.

The Department of Defence provided information on the cost of undertaking the 2016 White Paper.

Attachment A – Stop subsidising weapons manufacturers – Financial implications

Table A1: Stop subsidising weapons manufacturers – 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													
Departmental													
<i>Publish the climate security risk assessment</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Commission a Climate Security White Paper</i>	-27.2	-7.0	-7.1	-7.3	-7.5	-7.7	-7.9	-8.1	-8.3	-8.5	-8.7	-48.6	-105.3
<i>Commission a new Defence Strategic Review</i>	-1.4	-	-	-	-	-	-	-	-	-	-	-1.4	-1.4
<i>Defence - reprioritisation</i>	1.4	-	-	-	-	-	-	-	-	-	-	1.4	1.4
<i>Reverse the Defence Export Strategy</i>	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	80.0	220.0
Total (excluding PDI)	-7.2	13.0	12.9	12.7	12.5	12.3	12.1	11.9	11.7	11.5	11.3	31.4	114.7

(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: Stop subsidising weapons manufacturers – 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	-0.2	..	0.5	1.1	1.7	2.4	3.0	3.7	4.4	5.1	5.9	1.4	27.6
Underlying cash balance	-0.1	-0.1	0.4	1.0	1.6	2.2	2.9	3.5	4.2	4.9	5.7	1.2	26.2

(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 glossary³.

(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.

.. Not zero but rounded to zero.

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