Parliamentary Budget Office

ECR-2025-3353

Powering past coal and gas – $4.5 billion over a decade to the Disaster Ready Fund	
Party:	Australian Greens
Summary of proposal: The proposal would provide an additional $4.5 billion over 10 years to the Disaster Ready Fund (DRF), to which coal, gas and oil companies will also be required to contribute, for investment in public infrastructure to boost disaster mitigation and resilience measures. The proposal would be non-ongoing, not be indexed and start from 1 July 2025.	
Additional information (based on further advice provided): Funding under the proposal would be allocated as follows $600 million per year until 2029-30 and $300 million per year from 2030-31 onwards.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $2.4 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered 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: Powering past coal and gas – $4.5 billion over a decade to the Disaster Ready Fund – Financial implications ($m)[(a)(b)]

	2025-26	2026-27	2027-28	2028-29	**Total to 2028-29**
Fiscal balance	-600.0	-600.0	-600.0	-600.0	**-2,400.0**
Underlying cash balance	-600.0	-600.0	-600.0	-600.0	**-2,400.0**

(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 and methodology

The proposal is capped at a fixed amount, distributed over 10 years from the commencement date as specified. Administered expenses are as specified in the proposal. Current departmental resources for the National Emergency Management Agency (NEMA) – the government organisation responsible for the DRF – are assumed to be sufficient for the proposed additional funding to be administered.

The introduction of relevant legislation to create the requirement for coal, gas and oil companies to contribute to the DRF would have no financial implications, as Australian Government departments are resourced to draft legislation in the course of their usual activities.

We assume that the proposed contributions of coal, gas and oil companies to the DRF would be in addition to the proposed $4.5 billion and would not impact the amount or distribution of the specified funding profile.

We assume that 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.

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

Attachment A – Powering past coal and gas – $4.5 billion over a decade to the Disaster Ready Fund – Financial implications

Table A1: Powering past coal and gas – $4.5 billion over a decade to the Disaster Ready Fund – Fiscal and underlying cash balances ($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													
Total – administered	***-600.0***	***-600.0***	***-600.0***	***-600.0***	***-600.0***	***-300.0***	***-300.0***	***-300.0***	***-300.0***	***-300.0***	-	***-2,400.0***	***-4,500.0***
Total (excluding PDI)	**-600.0**	**-600.0**	**-600.0**	**-600.0**	**-600.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	-	**-2,400.0**	**-4,500.0**

(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: Powering past coal and gas – $4.5 billion over a decade to the Disaster Ready Fund – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($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	*-13.0*	*-40.0*	*-69.0*	*-98.0*	*-129.0*	*-155.0*	*-176.0*	*-197.0*	*-220.0*	*-243.0*	*-262.0*	***-220.0***	***-1,602.0***
Underlying cash balance	*-10.0*	*-34.0*	*-62.0*	*-91.0*	*-122.0*	*-149.0*	*-171.0*	*-192.0*	*-214.0*	*-237.0*	*-257.0*	***-197.0***	***-1,539.0***

(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 glossary.[2]

(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.

---

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