



| Restore logged forests and protect biodiversity | |
|--|-------------------|
| Party: | Australian Greens |
| <p>Summary of proposal:</p> <p>The proposal would encourage state and territory governments to improve carbon accounting, end native forest logging, invest in ecosystem restoration, and provide funding for worker transitions.</p> <p>The proposal would start from 1 July 2026 and contain multiple components, as set out below:</p> <ul style="list-style-type: none">• component 1: provide \$5 million over 4 years to make emissions accounting transparent by improving carbon accounting and reporting. Funding would be evenly distributed over 4 years.• component 2: provide \$10 billion over 20 years in payments to state and territory governments. These payments would be used to develop, implement, and support integrated ecological and economic development plans that enable forest management, ecological restoration, fire prevention and response, and economic transitions for affected workers, including by creating new employment opportunities in ecosystem restoration. <p>Funding would be evenly distributed over 20 years and have minimum annual payments of:</p> <ul style="list-style-type: none">– \$140.4 million for New South Wales– \$43.9 million for Victoria– \$58.4 million for Western Australia– \$198.8 million for Tasmania– \$58.8 million for Queensland. • component 3: repeal the Regional Forest Agreements and ending the logging industry's exemption from national environmental laws. | |

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$1.5 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: Restore logged forests and protect biodiversity – Financial implications (\$m)^{(a)(b)}

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total to 2028-29 |
|-------------------------|---------|---------|---------|---------|------------------|
| Fiscal balance | - | -501.3 | -501.3 | -501.2 | -1,503.8 |
| Underlying cash balance | - | -501.3 | -501.3 | -501.2 | -1,503.8 |

(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.

- Indicates nil.

Sensitivities and uncertainties

The stated financial implications are sensitive to the following factors:

- The number of states and territories that commit to ending native forest logging in line with the stipulated policies/legislation, and the timing and rate at which they agree for native forest logging to conclude.
- The total economic implications for the native forest logging businesses and industry.
- Compliance, potential delays, and legislative amendments/changes that could impact whether states and territories end native forest logging, in turn impacting their eligibility.
- The timing and resources required for the relevant amendments to legislation or agreements to be repealed or implemented, and the impact on various sectors.

Key assumptions

The PBO has made the following assumptions in costing component 2 of this proposal.

- The states and territories would adopt this policy within the 2026-27 financial year and receive the payments from the first year of the proposal. We assume no funds allocated to a given year are left unspent.
 - Western Australia and Victoria have already ended native forest logging, as publicly stated by their governments.¹
- There would be a small unquantifiable reduction in company tax revenue as the companies involved in native forest logging transition to alternative business operations, or close down and new alternative businesses take their place. This would be expected to result in a temporary decline in profitability which would impact tax collections.
- The provision of funding from the Commonwealth to the states is straight forward and does not require negotiations or detailed agreements, as such no departmental funding has been allocated to administer this policy.

Methodology

Components 1 and 2 are capped at fixed amounts of administered expenses as specified in the proposal, and evenly distributed over 4 years and 20 years from the commencement date respectively. Departmental expenses associated with providing the specified funding are expected to be small and are assumed to be absorbed within existing resources of the relevant department.

¹ The [Victorian](#) and [Western Australian](#) governments may have varying definitions, stipulations and exemptions regarding what constitutes ending native forest logging compared to the proposed policy.

For component 3, there would be no financial impact as Australian Government departments are resourced to draft legislation in the course of their usual activities. Furthermore, the proposed legislative changes would not be expected to result in any direct financial implications for the Australian Government.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

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

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

Attachment A – Restore logged forests and protect biodiversity – Financial implications

Table A1: Restore logged forests and protect biodiversity – 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 | | | | | | | | | | | | | |
| Administered | | | | | | | | | | | | | |
| <i>Component 1: Funding for carbon accounting</i> | - | -1.3 | -1.3 | -1.2 | -1.2 | - | - | - | - | - | - | -3.8 | -5.0 |
| <i>Component 2: Payments to the states and territories</i> | - | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -1,500.0 | -5,000.0 |
| <i>Component 3: Costs to repeal Regional Forest Agreements and end legislative exemptions</i> | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total – administered | - | -501.3 | -501.3 | -501.2 | -501.2 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -1,503.8 | -5,005.0 |
| Total (excluding PDI) | - | -501.3 | -501.3 | -501.2 | -501.2 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -500.0 | -1,503.8 | -5,005.0 |

(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: Restore logged forests and protect biodiversity – 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 | - | -11.0 | -34.0 | -57.0 | -82.0 | -108.0 | -136.0 | -164.0 | -194.0 | -226.0 | -259.0 | -102.0 | -1,271.0 |
| Underlying cash balance | - | -8.0 | -28.0 | -52.0 | -76.0 | -102.0 | -129.0 | -157.0 | -187.0 | -218.0 | -251.0 | -88.0 | -1,208.0 |

(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.³

(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.

- Indicates nil.

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