



Net Zero Economy Agency and related measures – unwind	
Party:	The Coalition
Summary of proposal: The proposal would reverse funding for the Net Zero Economy Authority (NZEA). The proposal would start on 1 July 2025.	
Additional specifications (based on further advice provided): In addition, funding for the 2024-25 Budget measure <i>Agriculture and land sectors – low emissions future</i> ¹ would cease from 2025-26 onwards.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$428 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered and 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.

Table 1: Net Zero Economy Agency and related measures – unwind – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	127.9	114.8	95.9	89.4	428.0
Underlying cash balance	127.9	114.8	95.9	89.4	428.0

(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

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Where a funding profile was not available, we have assumed that funding is available equally in all applicable years.
- The funding associated with becoming a partner to the Zero Net Emissions from Agriculture Cooperative Research Centre will be returned to the budget from 2025-26 under the proposal.

¹ The 2024-25 Budget measure *Agriculture and Land Sectors – low emissions future* provided \$63.8 million over 10 years from 2024-25 (and \$0.9 million per year ongoing) to support initial emissions reduction efforts in the agriculture and land sectors as part of Australia's transition to next zero by 2050. [Budget paper 2, page 42](#).

Methodology

The measure descriptions and relevant financial records for the 2023-24 Budget and 2024-25 Budget were matched and the expenditure profile created. Committed expenditure was subtracted from these totals, this was then reversed.

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

Data sources

The Department of Agriculture provided information on committed expenditure on 1 May 2025.

The Department of Employment and Workplace Relations provided information on committed expenditure on 29 April 2025.

The Department of Finance through the standing information request process provided measure details as at 7 June 2024, 15 January 2024 and 1 November 2023.

The Department of the Prime Minister and Cabinet provided information on committed expenditure on 30 April 2025.

Commonwealth of Australia (2023) *2023-24 Budget*, Commonwealth of Australia.

Commonwealth of Australia (2023) *2023-24 Mid-Year Economic and Fiscal Outlook*, Commonwealth of Australia.

Commonwealth of Australia (2024) *2024-25 Budget*, Commonwealth of Australia.

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 – Net Zero Economy Agency and related measures – unwind – Financial implications

Table A1: Net Zero Economy Agency and related measures – unwind – 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>Department of Agriculture, Fisheries and Forestry</i>	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-	-	1.2	2.7
Departmental													
<i>Department of Agriculture, Fisheries and Forestry</i>	10.9	10.3	8.9	1.0	1.0	1.0	1.0	1.0	1.0	-	-	31.1	36.1
<i>Employment and Workplace Relations</i>	19.8	23.7	21.0	34.3	34.3	34.3	34.3	34.3	34.3	34.3	39.6	98.8	344.2
<i>Fair Work Commission</i>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	2.0	5.5
<i>Prime Minister & Cabinet</i>	96.4	80.0	65.2	53.3	53.3	53.3	53.3	53.3	53.3	53.3	53.3	294.9	668.0
Total – departmental	127.6	114.5	95.6	89.1	89.1	89.1	89.1	89.1	89.1	88.1	93.4	426.8	1,053.8
Total – expenses	127.9	114.8	95.9	89.4	89.4	89.4	89.4	89.4	89.4	88.1	93.4	428.0	1,056.5
Total (excluding PDI)	127.9	114.8	95.9	89.4	89.4	89.4	89.4	89.4	89.4	88.1	93.4	428.0	1,056.5

(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: Net Zero Economy Agency and related measures – unwind – 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
<i>Fiscal balance</i>	2.8	8.3	13.4	18.1	22.8	27.8	33.1	38.6	44.4	50.4	57.0	42.6	316.7
<i>Underlying cash balance</i>	2.1	7.0	12.1	16.9	21.6	26.6	31.8	37.2	43.0	48.9	55.4	38.1	302.6

- (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 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.

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