



### Budget analysis of interactions between the Australian Greens' election commitments

Party: Australian Greens

#### Summary of analysis:

This analysis provides estimates of the material interactions between the Australian Greens' 2025 election commitments. It should be read in conjunction with the costings for each of the commitments identified as having material interactions.

## Overview

The Parliamentary Budget Office (PBO) has examined the revenue and expense policy proposals of the Australian Greens included in the 2025 Election Commitments Report (ECR) to identify proposals that, if implemented, would interact with each other in terms of their impact on the budget. An interaction arises when 2 or more proposals would have different budgetary implications when implemented together compared to the sum of the budgetary implications of implementing the proposals in isolation.

Consistent with standard costing practice, each election commitment in the 2025 ECR has been costed against the 'baseline' of the 2025 Pre-election Economic and Fiscal Outlook (PEFO), as though each exists as a standalone policy rather than as part of a broader policy platform. Estimating the budget impact of a party's election platform as a whole requires not only costing each commitment but considering how commitments will interact with each other.

The analysis presented here identifies material interactions *between* commitments rather than interactions within commitments. Interactions between multiple components within a single commitment have already been accounted for in the policy costing. See, for example, the election commitment costing *End subsidies for the coal mining oil and gas hydrocarbon industries (ECR-2025-3001)*, which includes several components.

The PBO determined that 13 of the Australian Greens' commitments have material interactions with other commitments in their platform. These are:

- *Guaranteed liveable income and raise the rate (ECR-2025-3193)*
- *Fair taper rates - consistent taper rate and income-free area across all payments (ECR-2025-3719)*
- *Changes to JobSeeker and Youth Allowance eligibility (ECR-2025-3457)*
- *Abolish mutual obligations (ECR-2025-3528)*
- *Earlier Access to the Age Pension - Lower the pension age to 65 years (ECR-2025-3314)*
- *Stop the superannuation rorts for the billionaires and ultrawealthy (ECR-2025-3128)*
- *Tax billionaires and future billionaires and make them pay their fair share (ECR-2025-3463)*
- *A fair and progressive income tax system (ECR-2025-3602)*

- *40% excess profits tax on corporations with over \$100 million in turnover (ECR-2025-3194)*
- *Big corporations tax (Banks) (ECR-2025-3046)*
- *Big corporations tax (Coal and mining) (ECR-2025-3518)*
- *Digital services tax (ECR-2025-3704)*
- *Powering Past Coal and Gas - Make the Polluters pay for the damage they are doing (ECR-2025-3365).*

## Financial implications

Interactions between the identified proposals would be expected to decrease the fiscal and underlying cash balances by around \$24.4 billion over the 2025-26 Budget forward estimates (see Table 1). The decrease in the budget balances reflect interactions in 3 broad categories:

- decreases in expected tax revenue from the *40% excess profits tax on corporations with over \$100 million in turnover (ECR-2025-3194)* and *Big corporations tax (Coal and mining) (ECR-2025-3518)* due to interactions with other company tax proposals with overlapping tax bases
- net decreases in personal income tax and superannuation tax revenue driven by the tax on net wealth proposed in *Tax billionaires and future billionaires and make them pay their fair share (ECR-2025-3463)*
- increases in income support payment expense, partially offset by an associated increase in personal income tax and the removal of behavioural responses to seek higher payments, driven by a uniform increased payment rate.

The interactions would have an impact beyond the 2025-26 Budget forward estimates period.

A breakdown of the financial implications over the period to 2035-36 (including separate public debt interest (PDI) tables) is provided at Attachment A.

**Table 1: Budget analysis of interactions between the Australian Greens' election commitments – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-5,790.0	-5,620.0	-6,210.0	-6,810.0	<b>-24,430.0</b>
Underlying cash balance	-5,790.0	-5,620.0	-6,210.0	-6,810.0	<b>-24,430.0</b>

(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.

## Interacting policies

In order to understand the various interactions described here, please also refer to the separate minutes for each of the individual costings.

*Social Services - Guaranteed liveable income & raise the rate (ECR-2025-3193)* would harmonise income support payments into a single increased rate. When implemented in conjunction with the other 4 social welfare commitments (*ECR-2025-3719*, *ECR-2025-3457*, *ECR-2025-3528* and *ECR-2025-3314*), it would increase net payment expenses, reflective of higher payment rates. This impact would be dampened somewhat as recipients would no longer seek to move to a higher payment.

*Tax billionaires and future billionaires and make them pay their fair share (ECR-2025-3463)* is expected to drive significant reductions in the revenue that would otherwise be generated by:

- *Stop the superannuation rorts for the billionaires and ultrawealthy (ECR-2025-3128)* and
- *A fair and progressive income tax system (ECR-2025-3602)*.

These interactions are driven by high wealth individuals offshoring significant amounts of wealth to avoid paying this tax. The reduced wealth in Australia would then lead to reduced asset income in both the personal income tax system and on superannuation taxes. While there is significant uncertainty about the precise size of this interaction, we would expect this impact to be large – particularly towards the end of the medium term as most investors will have reduced their Australian wealth holdings below \$100 million.

*A fair and progressive income tax system (ECR-2025-3602)* is expected to drive an increase in revenue in *Stop the superannuation rorts for the billionaires and ultrawealthy (ECR-2025-3128)*, primarily through the addition of a top marginal tax rate of 60% for taxable income over \$1 million, which would significantly increase the tax liability of many of the individuals with superannuation balances over the proposed policy cap.

The revenue from *40% excess profits tax on corporations with over \$100 million in turnover (ECR-2025-3194)* is expected to be reduced due to significant interactions with:

- *Big corporations tax - Banks (ECR-2025-3046)*
- *Digital services tax (ECR-2025-3704)*
- *Powering Past Coal and Gas - Make the Polluters pay for the damage they are doing (ECR-2025-3365)*

All 4 of these proposals have overlapping tax bases, and the 3 proposals identified as interacting with the excess profits tax are tax deductible for the purposes of company tax. As such, where these taxes reduce – often significantly – the net after-tax profits of excess profits tax-liable companies, this leads to reduced excess profits tax receipts as excess profits tax liabilities are based off these reduced after-tax company profits.

*Powering Past Coal and Gas - Make the Polluters pay for the damage they are doing (ECR-2025-3365)* also interacts with *Big corporation tax - coal and mining (BCT-CM) (ECR-2025-3518)*, because approximately 20% of carbon dioxide emissions are from the mining sector. Paying a \$100/tonne levy on CO<sub>2</sub> emissions would lower the profits of mining companies, reducing super profits tax revenue.

*BCT-CM* and *Climate change and energy - Phase out thermal coal exports by 2030 and levy coal exports (ECR-2025-3451)* would ordinarily be expected to interact with one another. However, under the *BCT-CM*, thermal coal producers currently do not attract the *BCT-CM* tax as thermal coal producers carry enough capital base deductions as to not be liable for the tax across the medium term. Similarly, the phasing out of thermal coal would be expected to impact the profits of thermal coal producers, and this impact is accounted for in the standalone *Climate change and energy - Phase out thermal coal exports by 2030 and levy coal exports (ECR-2025-3451)* election commitment costing. If significant economic changes were to occur, such as a significantly higher or lower thermal coal price, different interaction outcomes would be expected.

## Key assumptions

The PBO has assumed that the behavioural responses of those individuals and companies affected by each proposal would not materially change if the proposals were to be implemented as a package.

See the separate minutes for each of the individual costings for further discussion of assumptions.

## Methodology

Interactions between the policy proposals were estimated with the same models as the proposal costings. The financial implications of each interaction were estimated as the difference between the sum of the budget impacts of the interacting proposals in isolation less the budget impact if the proposals were to be implemented in conjunction.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Data sources are consistent with the costings for each of the identified proposals.

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Budget analysis of interactions between the Australian Greens’ election commitments – Financial implications

**Table A1: Budget analysis of interactions between the Australian Greens’ election commitments – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	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
<b>Revenue</b>													
<b>Tax revenue</b>													
<i>Reduction in personal income tax due to interactions</i>	100.0	-30.0	-300.0	-690.0	-1,080.0	-1,460.0	-1,850.0	-2,260.0	-2,670.0	-3,090.0	-3,540.0	-920.0	-16,870.0
<i>Reduction in Big Corporations Tax (Coal &amp; Mining) due to pollution levy interaction</i>	-2,410.0	-2,490.0	-2,500.0	-2,440.0	-2,350.0	-2,340.0	-2,380.0	-2,390.0	-2,420.0	-2,420.0	-2,410.0	-9,840.0	-26,550.0
<i>Reduction in Excessive Profits Tax revenue due to interactions</i>	-2,640.0	-2,680.0	-2,800.0	-2,870.0	-2,920.0	-2,940.0	-3,000.0	-3,040.0	-3,100.0	-3,140.0	-3,180.0	-10,990.0	-32,310.0
<b>Total – revenue</b>	<b>-4,950.0</b>	<b>-5,200.0</b>	<b>-5,600.0</b>	<b>-6,000.0</b>	<b>-6,350.0</b>	<b>-6,740.0</b>	<b>-7,230.0</b>	<b>-7,690.0</b>	<b>-8,190.0</b>	<b>-8,650.0</b>	<b>-9,130.0</b>	<b>-21,750.0</b>	<b>-75,730.0</b>
<b>Expenses</b>													
<b>Administered</b>													
<i>Change to social security payments due to interactions</i>	-840.0	-420.0	-610.0	-810.0	-910.0	-980.0	-1,060.0	-1,190.0	-1,330.0	-1,430.0	-1,560.0	-2,680.0	-11,140.0
<b>Total – expenses</b>	<b>-840.0</b>	<b>-420.0</b>	<b>-610.0</b>	<b>-810.0</b>	<b>-910.0</b>	<b>-980.0</b>	<b>-1,060.0</b>	<b>-1,190.0</b>	<b>-1,330.0</b>	<b>-1,430.0</b>	<b>-1,560.0</b>	<b>-2,680.0</b>	<b>-11,140.0</b>
<b>Total (excluding PDI)</b>	<b>-5,790.0</b>	<b>-5,620.0</b>	<b>-6,210.0</b>	<b>-6,810.0</b>	<b>-7,260.0</b>	<b>-7,720.0</b>	<b>-8,290.0</b>	<b>-8,880.0</b>	<b>-9,520.0</b>	<b>-10,080.0</b>	<b>-10,690.0</b>	<b>-24,430.0</b>	<b>-86,870.0</b>

(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.

**Table A2: Budget analysis of interactions between the Australian Greens' election commitments – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	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
<b><i>Fiscal balance</i></b>	-130.0	-390.0	-670.0	-980.0	-1,340.0	-1,730.0	-2,170.0	-2,650.0	-3,190.0	-3,780.0	-4,430.0	<b>-2,170.0</b>	<b>-21,460.0</b>
<b><i>Underlying cash balance</i></b>	-100.0	-320.0	-600.0	-900.0	-1,250.0	-1,630.0	-2,060.0	-2,530.0	-3,060.0	-3,630.0	-4,270.0	<b>-1,920.0</b>	<b>-20,350.0</b>

- (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<sup>2</sup>.
- (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.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)