



Powering the Regions Fund and direct financial support measures	
Party:	Australian Labor Party
Summary of proposal: <p>This proposal would reallocate funding under the Emissions Reduction Fund to the new Powering the Regions Fund. This fund would provide direct financial support for measures that improve energy efficiency within existing industries and develop new industries in Regional Australia. The mandate, function and operation of the Powering the Regions Fund would be determined at a later stage.</p> <p>The proposal would have effect from 1 July 2022 and has not been specified to be terminating.</p>	

Costing overview

The proposal would be expected to have an unquantifiable impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period. This includes a nil increase in administered expenses as funding would be reallocated from the Emissions Reduction Fund to the Powering the Regions Fund and an unquantifiable impact on company tax revenue.

The proposal would have an unquantifiable impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The estimates provided are unquantifiable as the mandate, function and operation of the Powering the Regions Fund is unspecified.

- This proposal would result in an increase in interest receipts if the proposed financial support would be in the form of loans or equity funding. As this has not been specified, this impact has not been included in this costing.
- The timing and level of reallocated funding is uncertain and would depend on the demand for financial support and the extent to which firms would seek to improve their energy efficiency or develop new industries in Regional Australia.
- Reducing funding under the Emissions Reduction Fund could impact the price and market for Australian carbon credit units (ACCUs); this magnitude of this impact is uncertain as the level of reallocated funding is uncertain. As ACCUs are tax-deductible, a change in price could result in an increase in the level company tax paid.

Table 1: Financial implications (\$m)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

* Unquantifiable – not included in totals.

Attachment A – Powering the Regions Fund and direct financial support measures – financial implications

Table A1: Powering the Regions Fund and direct financial support measures – Fiscal and underlying cash balances (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Company tax</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
<i>Reallocation of funds from the Emissions Reduction Fund to the new Powering the Regions Fund</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable – not included in totals.

- Indicates nil.

Table A2: Powering the Regions Fund and direct financial support measures – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Underlying cash balance</i>	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable – not included in totals.

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)