

PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Powering Business
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	26 April 2022
Link to the publicly released policy:	https://www.liberal.org.au/latest-news/2022/04/26/empowering-businesses-cut-their-energy-bills
Date of request to cost the policy:	2 May 2022
Summary of policy (please attach copies of relevant policy documents):	The Coalition will establish a new \$60 million Powering Business program offering grants of up to \$25,000 to small businesses and up to \$50,000 matched funding for medium businesses to support energy efficient equipment upgrades to boost investment and jobs.
Intention of policy:	To empower small and medium businesses to invest in cost-saving, energy efficient upgrades enabling them to save thousands of dollars on their energy bills, putting more money back in their pockets to reinvest and create more jobs.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office:	No, this or a substantially similar costing request has not been submitted to the Parliamentary Budget Office.

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

<p>Description of policy (note: where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including:</p>	
<p>Is the policy part of a package?</p> <p><i>If yes, list and outline components and interactions with proposed or existing policies.</i></p>	<p>No.</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount?</p>	<p>Capped amount</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?</p> <p><i>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</i></p>	<p>Matched funding is required from medium sized businesses.</p>
<p>Are there associated savings, offsets or expenses?</p> <p><i>If yes, please provide details.</i></p>	<p>No.</p>
<p>Description of policy (note: where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including:</p> <p>(continued)</p>	
<p>Does the policy relate to a previous budget measure?</p> <p><i>If yes, which measure?</i></p>	<p>This program is similar to the 2019-20 Budget <i>Energy Efficient Communities Program - Small Business Grants</i></p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? Will funding/cost require indexation?</p> <p><i>If yes, list factors used.</i></p>	<p>No.</p>
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>\$20 million in 2022-23 \$40 million in 2023-24</p> <p>Cash basis.</p>

<p>Are the revenue and/or expense costs likely to be significantly different beyond the forward estimates period?</p> <p><i>If yes, why?</i></p>	<p>No.</p>
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>Grants of up to \$25,000 will be available to small businesses, with a turnover up to \$10 million and up to 20 employees, with no requirement for matched funding.</p> <p>Grants of up to \$50,000 will be available to medium businesses, with a turnover up to \$50 million and up to 200 employees, with a requirement for matched funding.</p> <p>Minimum grant will be \$10,000 to enable efficient administration of the grant process.</p> <p>Grants are expected to be allocated taking into account geographical distribution.</p>
<p>Has the policy been costed by a third party?</p> <p><i>If yes, can you provide a copy of this costing and its assumptions?</i></p>	<p>No.</p>
<p>What is the expected community impact of the policy?</p> <p>How many people or businesses will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>Providing small and medium businesses energy productivity improvements is expected to have a positive flow on effect for jobs.</p> <p>Thousands of small and medium businesses are expected to benefit.</p>
<p><i>Note: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</i></p>	
<p>Administration of policy</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?</p>	<p>Department of Industry, Science, Energy and Resources</p>

<p>Should departmental expenses associated with this policy be included in this costing?</p> <p><i>If no, will the Australian Government Entity be expected to absorb expenses associated with this policy?</i></p> <p><i>If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).</i></p>	<p>No, the Department of Industry, Science, Energy and Resources is expected to absorb expenses associated with this policy.</p>
<p>Intended date of implementation.</p>	<p>1 July 2022.</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No.</p>
<p>Will the policy be ongoing or terminating*?</p>	<p>Terminating.</p>
<p>If terminating: What is the intended date of termination? Are there any transitional arrangements associated with the conclusion of the policy?</p>	<p>30 June 2024.</p>
<p>List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).</p>	<p>Not applicable.</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>Not applicable.</p>

* Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.