



Triple micro-grid funding to \$150 million	
Party:	Independent Member for Indi
<p>Summary of proposal:</p> <p>The proposal would increase funding for the development and deployment of microgrids in regional and rural Australia. The proposal would provide a total of \$150 million under the Regional Australia Microgrid Pilot Stream (Stream A) under the Regional Microgrids Program.</p> <p>The proposal would commence on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>Departmental funding to administer the program would be in addition to the specified capped amount. The funding would be distributed evenly over 3 years and not indexed.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$154 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would not be expected to have an impact beyond the 2025-26 Budget forward estimates period, other than for public debt interest (PDI) impacts. A breakdown of the financial implications (including separate 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: Triple micro-grid funding to \$150 million – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-51.3	-51.3	-51.3	-	-153.9
Underlying cash balance	-51.3	-51.3	-51.3	-	-153.9

(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.

Key assumptions and methodology

The proposal is capped at a fixed amount, evenly distributed over 3 years from the commencement date. Departmental expenses were estimated based on the cost of administering similar programs and are in addition to the capped funding amount. Administered expenses are as specified in the proposal. We assume that no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

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

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

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

Attachment A – Triple micro-grid funding to \$150 million – Financial implications

Table A1: Triple micro-grid funding to \$150 million – 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													
Total – administered	-50.0	-50.0	-50.0	-	-	-	-	-	-	-	-	-150.0	-150.0
Total – departmental	-1.3	-1.3	-1.3	-	-	-	-	-	-	-	-	-3.9	-3.9
Total (excluding PDI)	-51.3	-51.3	-51.3	-	-	-	-	-	-	-	-	-153.9	-153.9

- (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: Triple micro-grid funding to \$150 million – 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	-1.1	-3.5	-5.9	-7.3	-7.6	-7.9	-8.3	-8.7	-9.1	-9.5	-9.9	-17.8	-78.8
Underlying cash balance	-0.9	-2.9	-5.3	-6.9	-7.5	-7.8	-8.2	-8.6	-9.0	-9.4	-9.8	-16.0	-76.3

- (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.²
- (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.

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