

2008-2009

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NATION-BUILDING FUNDS

AMENDMENT BILL 2009

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Finance and Deregulation,
the Honourable Lindsay Tanner MP)

Outline

The Nation-building Funds Amendment Bill 2009 is required to give effect to the infrastructure spending announced in the Government's 2009-10 Budget. The Government will redirect the \$2.5 billion that was set aside for the EIF to its Clean Energy Initiative announced in the 2009-10 Budget.

The Clean Energy Initiative is designed to encourage further research and innovation in clean energy generation and low emissions technologies. The Government will use the Clean Energy Initiative to help accelerate the development and deployment of carbon capture and storage, solar energy and other forms of renewable energy.

The Bill repeals the initial crediting of \$2.5 billion from the 2007-08 budget surplus to the EIF.

Financial Impact Statement

This amendment will not change the budget bottom line, as the Funds are within the GGS.

Glossary

The following abbreviations and acronyms are used in this explanatory memorandum.

Abbreviation/acronym	Definition
Act	Nation-building Funds Amendment Bill 2009 as passed by the Parliament
Bill	Nation-building Funds Amendment Bill 2009
EIF	Education Investment Fund
Funds	The Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund
Nation-building Funds Act	<i>Nation-building Funds Act 2008</i>

Notes on Clauses

Clause 1—Short Title

Clause 1 provides for the Act to be cited as the *Nation-building Funds Amendment Act 2009*.

Note: The clauses in the Bill will become sections of the Act on Royal Assent.

Clause 2 – Commencement

Clause 2 provides for commencement of the Act on Royal Assent.

Clause 3 – Schedule(s)

Clause 3 provides for the amendments to or repeal of other Acts as set out in Schedules to this Act.

Schedule 1-Amendments

Nation-building Funds Act 2008

The purpose of **Schedule 1** is to repeal the provisions of the Nation-building Funds Act that relate to the credit of \$2.5 billion from the 2007-08 budget surplus to the EIF. The amendments are required to give effect to the infrastructure spending announced in the Government's 2009-10 Budget in relation to the Clean Energy Initiative.

Item 1 amends the simplified outline for the EIF in section 129 of the Nation-building Funds Act to reflect these amendments.

Item 2 repeals section 133 of the Nation-building Funds Act, which relates to the initial credit of \$2.5 billion to the EIF Special Account that was to occur by 30 June 2009.