

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010

Finance and Deregulation Portfolio

Outcome 1, Program 1.3

Topic: Nation-building Funds – Commitments, interest earnings and management fees.

Question reference number: F43

Type of Question: Hansard F&PA 99, 26 May 2010

Date set by the committee for the return of answer: 9 July 2010

Number of Pages: 2

Senator Ryan asked:

1. Can you also provide me with expected interest and earnings over the next four years for those funds (ie BAF, EIF and HHF)?
By each year.
2. If you can provide me with all the projects to come out of each of the Funds, and those over the next four years, including timing and cost, that would be much appreciated.
3. I note that in the Building Australia Fund special account, which is listed on page 30 of the Finance PBS, there is basically a 50 per cent decline in forward year 3. Is there a particular expense item that I have not seen that explains that?

Answer:

1. The following table provides the expected interest earnings for the three Funds under the Nation-building Funds.

Interest Earnings for the Nation-building Funds*				
	2010-11 (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)
Building Australia Fund	313.0	228.4	158.1	88.1
Education Investment Fund	188.2	156.6	137.1	127.3
Health and Hospitals Fund	157.9	128.3	105.4	96.9

**Interest earnings are net of fees.*

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2. A list of all the projects under each of the three Nation-building Funds, including timing and costing have been provided in our response to question F42.
3. The reduction in expenses from the Building Australia Fund between 2012-13 (forward year 2) and 2013-14 (forward year 3) – is related to a peak in 2012-13 in the payments for Victorian Regional and Metro Rail, Hunter Valley Expressway and Kempsey Bypass and the final payments for Ipswich Motorway and South Australian Rail.