

#### Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

This Bill is cognate with the Electricity Industry Restructuring Bill 2008.

#### Overview of Bill

The object of this Bill is to establish a Community Infrastructure (Intergenerational) Fund into which the net proceeds of the restructuring of the State's electricity industry (under the proposed Electricity Industry Restructuring Act 2008) are to be paid. The Fund is to be used for the purpose of funding capital works and other public purposes approved by the Treasurer.

The Bill sets as the minimum balance for the Fund the amount that would need to be invested at the long-run rate of return for a balanced fund in order to generate an income equivalent to the dividend and tax equivalent income expected from State electricity assets transferred to the private sector under the proposed Electricity Industry Restructuring Act 2008. The minimum balance is indexed for inflation.

#### Outline of provisions

##### Part 1 Preliminary

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Clause 3 defines certain words and expressions used in the proposed Act.

##### Part 2 NSW Community Infrastructure (Intergenerational) Fund

Clause 4 establishes the NSW Community Infrastructure (Intergenerational) Fund in the Special Deposits Account.

Clause 5 provides for payments into the Fund, including payment of the money required to be paid into the Fund under the proposed Electricity Industry Restructuring Act 2008 as the net proceeds of the restructuring of the State's electricity industry under that Act.

Clause 6 provides for the Fund to be applied for the purpose of the funding of capital works and other public purposes approved by the Treasurer. Payments can also be made for administrative expenses and deductions authorised for the purposes of the electricity industry restructuring.

Clause 7 limits payments from the Fund for the funding of capital works and other public purposes by imposing the minimum balance requirement described in the Overview.

Clause 8 requires the Treasurer to report on payments from the Fund during each financial year.

Clause 9 provides for money in the Fund to be invested in the manner authorised by the Public Authorities (Financial Arrangements) Act 1987.

##### Part 3 Miscellaneous

Clause 10 provides for the delegation of the Treasurer's functions under the proposed Act.

Clause 11 is a general regulation-making power.

Clause 12 requires the proposed Act to be reviewed 5 years after it is enacted.