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The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Australian Infrastructure Bank (AIB) Bill No.2, 2019

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**A Bill for an Act to establish the Australian Infrastructure Bank, and
for related purposes.**

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The Parliament of Australia enacts:

Part 1—Preliminary

1 Short title

This Act may be cited as the Australian Infrastructure Bank Bill No.2, 2019

2 Commencement

This Act commences on the day which it receives the Royal Assent.

3 Objects

The objects of this Act are to:

- (a) establish an Infrastructure Bank to approve, allocate, release funds for key infrastructure projects nationally
- (b)

4 Definitions

The following definitions apply in this Act:

bank means the Australian Infrastructure Bank established by subsection

board means the board of directors of the Bank.

chairperson means the Chairperson of the Board.

chief Executive Officer means the chief executive officer of the Bank.

director means a member of the Board.

infrastructure projects means projects described in section

joint venture means an association of persons when the relationship among those associated persons does not constitute a corporation, partnership or trust.

person includes a trust, a partnership, a joint venture and an association of natural persons or corporations.

subsidiary means a subsidiary within the meaning of subsection

wholly-owned subsidiary has the same meaning as in subsection

Part 2—Establishment and Organisation of the Bank

Division 1—Establishment and functions

5 Establishment

(1) The Infrastructure Bank is established by this section.

6 Head office

(1) The head office of the Bank is to be at a place in Australia that is designated by the Treasurer,

7 Functions of Bank

- (1) In order to carry out its purpose, the Bank may do only the following:
- (a) structure proposals and negotiate agreements, with the proponents of infrastructure projects and with investors in infrastructure projects, with regard to the Australian Government's support of those projects;
 - (b) invest in infrastructure projects, including by means of innovative financial tools, and seek to attract investment from private sector investors and institutional investors in infrastructure projects;
 - (c) receive unsolicited proposals for infrastructure projects that come from private sector investors or from institutional investors;
 - (d) support infrastructure projects by, among other things, fostering evidence-based decision making;
 - (e) act as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making a significant investment;
 - (f) collect and disseminate data, in collaboration with the federal, state and local governments, in order to monitor and assess the state of infrastructure in Australia and to better inform investment decisions in regards to infrastructure projects.

Division 2—Board and Chief Executive Officer

8 Membership of Board

- (1) The Bank has a board of directors composed of the Chairperson and not fewer than eight, but not more than 11, other directors.

9 Appointment of directors

- (1) Each director, other than the Chairperson, is to be appointed by the Minister responsible to hold office during pleasure for a term of not more than four years

10 Appointment of Chairperson

- (1) The Chairperson is to be appointed by the Minister to hold office for a term not more than six years

11 Termination of appointment

- (1) The Minister may terminate the appointment of, or remove or suspend, any director. However, before terminating the appointment of or removing or suspending the Chairperson, the Minister must consult with the Board. The Board may also, with the approval of the Minister, may terminate the appointment of or remove or suspend any director.

12 Appointment of Chief Executive Officer

- (1) A Chief Executive Officer is to be appointed by the Board to hold office for a term to be fixed by the Board. The appointment and term of office are subject to the approval of the Minister.

13 Termination of appointment

- (1) The Minister may, after consulting with the Board, terminate the appointment of or remove or suspend the Chief Executive Officer. The Board may also, with the approval of the Minister, terminate the appointment of or remove or suspend the Chief Executive Officer.

14 Ineligibility for appointment

- (1) An individual is not eligible to be appointed as the Chief Executive Officer, the Chairperson or a director if the individual;
 - (a) is less than 18 years of age;
 - (b) has the status of bankrupt;

- (c) is employed in the federal public administration
- (d) is a member of the Senate or House

Part 3—Financial Management and Control

15 Corporate plans

- (1) The Bank must annually submit a corporate plan to the designated Minister,

16 Operating budgets

- (1) The Bank must annually submit an operating budget for its next financial year to the designated Minister,

Part 4—Certain Bank Powers

17 Investments, etc.

- 1) In particular, the Bank may
 - a) make investments in any person, including by way of equity investment in, or by making a loan to or acquiring a derivative from, the person;
 - b) extend credit or provide liquidity to, or in relation to, any person;
 - c) acquire and deal with as its own any investment made by another person;
 - d) realize the security, security interest or right in the security made, acquired or held by it on the investment or agreement;
 - e) exchange, sell, assign, convey or otherwise dispose of, or lease, the investment, agreement, security, security interest or right in a security;
 - f) enter into arrangements or agreements with, and act as agent or mandatary for, any department or agency of the Australian Government, or any other body or person, for the provision of services or programs to, by, on behalf of or jointly with that body or person, and deliver financial assistance on their behalf under the arrangement or agreement;
 - g) accept any interest or rights in real property or personal property or any rights in immovables or movables as security for the due performance of any arrangement or agreement with the Bank;
 - h) determine and charge interest and any other form of compensation for services provided by the Bank in the exercise of its powers or the performance of its functions under this Act;
 - i) acquire and dispose of any interest or right in any entity by any means; and
 - j) acquire, hold, exchange, sell or otherwise dispose of, or lease, any interest or rights in real property or personal property or any right in immovables or movables and retain and use the proceeds of disposition.

18 Loan guarantees - limitation

(1) The Bank may provide loan guarantees only in accordance with this section.

19 Recommendation

(1) The Bank may recommend to the designated Minister that the Minister of Finance approve a loan guarantee with respect to an infrastructure project. If the designated Minister concurs with the recommendation, he or she is to recommend to the Minister of Finance that the Minister of Finance approve the loan guarantee.

20 Power to provide

(1) The Bank may provide a loan guarantee with respect to an infrastructure project only if the Minister of Finance approves the loan guarantee.

Part 5—Powers of Minister of Finance

21 Recommendation for loan or loan guarantee

(1) The Bank may recommend to the designated Minister that the Minister of Finance make a loan or provide a loan guarantee with respect to an infrastructure project. If the designated Minister concurs with the recommendation, he or she is to recommend to the Minister of Finance that the Minister of Finance make the loan or provide the loan guarantee.

22 Capital payments

(1) The Minister of Finance may pay to the Bank, out of the Consolidated Revenue Fund, amounts of not more than \$50 Million in the aggregate, or any greater aggregate amount that may be authorised from time to time under an appropriation Act.

23 Loans to the Bank

(1) At the request of the Bank, the Minister of Finance may lend money to the Bank, on the recommendation of the designated Minister, out of the Consolidated Revenue Fund, on any terms and conditions that the Minister of Finance may fix.

Part 6—Miscellaneous

24 Five-year review

- (1) Every five years beginning on the day on which this Act comes into force, the designated Minister must have a review of the provisions and operation of this Act undertaken.

25 Report to Parliament

- (1) Within one year after the review is undertaken, the designated Minister must cause a copy of the report on the review to be laid before each House of Parliament.

26 Review of report

- (1) The report must be reviewed by any committee of the Senate or of the House, or any joint committee, that may be designated or established for the purpose of reviewing the report.

Explanatory memorandum:

This bill seeks to establish a national Australian Infrastructure Bank that will approve, allocate, release funds for key infrastructure projects nationally.

Second reading speech:

Mr Speaker,

I rise to speak in support of this bill. This bill Mr, Speaker is the first of its kind in this Parliament. And I am honoured to be able to be a part of a party that is continuously improving the nation's infrastructure which will continue to improve the lives of Australians and Australian businesses. What this bill will allow is a central location for States, Territories and Federal Governments to procure funds for key projects. Furthermore, this will allow the ease of funds, and application processes much easier for Governments now and into the future. I am proud Mr, Speaker to introduce this bill in this house!

