

APPENDIX B: NATION BUILDING AND JOBS PLAN

The Nation Building and Jobs Plan will deliver \$42 billion to support economic growth and jobs in Australia. As a result of the Plan, GDP growth will be around ½ per cent higher in 2008-09 and around ¾ to 1 per cent higher in 2009-10. The Plan will also support and sustain up to 90,000 jobs over the next two years.

The centrepiece of the Plan is \$28.8 billion in direct Government investment in schools, housing, energy efficiency, community infrastructure and roads and support to small businesses.

While some smaller capital projects can be commenced in 2008-09, given the lead time involved most larger projects will not commence until 2009-10.

In the interim, the Government will support economic growth by delivering \$12.7 billion in payments to low- and middle-income Australians. These payments will deliver an immediate stimulus to the economy to support growth and jobs now, and soften the immediate impact of the global recession on Australians.

Revenue Measures

TREASURY

Nation Building and Jobs Plan — Small Business and General Business Tax Break

Revenue (\$m)	2008-09	2009-10	2010-11	2011-12
Australian Taxation Office	-	-840.0	-1,350.0	-515.0

The Government will provide an additional \$2.7 billion temporary tax break to small and other businesses to boost business investment.

Small businesses will be able to claim a 30 per cent deduction for eligible assets costing \$1,000 or more that they acquire from 13 December 2008 to 30 June 2009 and install by 30 June 2010.

This means that assets they start to hold under a contract entered into between 13 December 2008 and the end of June 2009, or start to construct between these times, and installed ready for use by the end of June 2010 will qualify.

For eligible assets costing \$1,000 or more they acquire from 1 July 2009 to 31 December 2009 they can claim a 10 per cent deduction if they are installed by 31 December 2010.

Thus assets they start to hold under a contract entered into between 1 July 2009 and the end of December 2009, or start to construct between these times, and installed ready for use before the end of December 2010 will qualify.

Assets that are eligible for the investment allowance will be new tangible depreciating assets and new expenditure on existing assets used in carrying on a business for which a deduction is available under the core provisions of Division 40 (Capital Allowances) in the *Income Tax Assessment Act 1997*.

Other businesses can receive the same deductions for eligible assets greater than \$10,000.

This trebles the investment allowance announced in December 2008.

Expense Measures

DEFENCE

Nation Building and Jobs Plan — Defence Housing — funding for additional dwellings

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Defence Housing Australia	-	201.5	50.1	-

The Government will provide \$251.6 million to Defence Housing Australia (DHA) to construct 802 dwellings for Australian Defence Force personnel in metropolitan and regional centres, with building commencing in April 2009 and continuing through to March 2011. The 802 dwellings are additional to DHA's existing plans for dwelling construction over this period. The construction of these additional dwellings will provide a stimulus to the economy and help DHA support Defence's operational requirements.

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

Nation Building and Jobs Plan — Building the Education Revolution

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Education, Employment and Workplace Relations	987.2	8,513.6	5,219.0	-

The Government will provide \$14.7 billion over three years from 2008-09 to improve capital infrastructure for the benefit of schools and their local communities in Australia.

Funding of \$12.4 billion over three years from 2008-09 will be available for major infrastructure projects at all primary schools, including combined schools and special schools, that will not only provide lasting benefits to schools, but also to the community as a whole. It will enable the construction of facilities in the following priority order: 21st century libraries, new multipurpose halls (or in the case of very small schools, sheltered outdoor learning areas), and the construction of classrooms, replacement of demountables or refurbishment of existing facilities.

Eligible schools will be able to apply for funding up to a maximum amount determined on the basis of their primary school student population. Funding will be: \$3.0 million for schools with more than 400 students; \$2.5 million for schools with 301 to 400 students; \$2.0 million for schools with 151 to 300 students; \$850,000 for schools with 51 to 150 students; and \$250,000 for schools with up to 50 students.

Funding of \$1.0 billion in 2009-10 will also be available on a rapid, competitive basis for the construction of science and language laboratories in secondary schools with construction to be completed before 30 June 2010.

A condition of funding for major infrastructure projects built under the program will be to provide free community access, including to assist in the provision of outside schools hours care, at minimal charge where recurrent costs may be incurred from after hours use.

Funding of \$1.3 billion over two years will be available for minor infrastructure and maintenance projects for all schools, including secondary schools. It will enable the construction of small scale infrastructure (including infrastructure supporting students with disabilities or special needs), refurbishment of existing infrastructure, or one-off maintenance projects.

Schools will be able to apply for funding up to a maximum amount determined on the basis of their student population. Funding will be capped at: \$200,000 for schools with more than 400 students; \$150,000 for schools with 301 to 400 students; \$125,000 for

schools with 151 to 300 students; \$75,000 for schools with 51-150 students; and \$50,000 for schools with up to 50 students.

To ensure that the benefits of this substantial investment in community infrastructure are enjoyed by students, parents and communities as quickly as possible, the Government will close the last of the application rounds in September 2009. This will ensure that construction can commence for this final round by December 2009.

The funding provided also includes assistance over three years for State and Territory governments and the non-government Block Grant Authorities to administer the program. This assistance is equivalent to 1.5 per cent of the funding available to each sector.

Nation Building and Jobs Plan — Trade Training Centres in Schools — accelerated activity

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Education, Employment and Workplace Relations	-	110.0	-110.0	-

The Government will bring forward \$110 million of funding from 2010-11 to 2009-10 for the Trade Training Centres in Schools Program.

The Trade Training Centres in Schools Program is part of the Government’s Building the Education Revolution package. The Program will provide \$2.5 billion over 10 years in a National Partnership with the States and Territories for facilities to enhance vocational education opportunities for students in Years 9 to 12. Trade Training Centres will help increase the number of students achieving Year 12 or an equivalent qualification. Schools can seek between \$500,000 and \$1.5 million in total over the life of the program, to build or upgrade trade workshops, computer laboratories and other facilities.

Funding for the life of the program was provided by the Commonwealth Government in the 2008-09 Budget.

Nation Building and Jobs Plan — Training and Learning Bonus and Education Entry Payment Supplement

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Education, Employment and Workplace Relations	353.8	98.3	-	-
Department of Families, Housing, Community Services and Indigenous Affairs	56.9	-	-	-
Department of Veterans' Affairs	2.2	-	-	-
Total	412.9	98.3	-	-

The Government will provide \$511.2 million over two years to assist eligible recipients with the costs of education and training through the Training and Learning Bonus. This measure will provide a stimulus to the economy by assisting disadvantaged families with the costs of education and training.

The Training and Learning Bonus will provide a lump sum payment of \$950 to assist with costs in the 2009 academic year to those who, on 3 February 2009, are recipients of:

- Youth Allowance (student and apprentices);
- Austudy;
- ABSTUDY;
- payments under the Veterans' Children Education Scheme;
- payments under the Military Rehabilitation and Compensation Act Education and Training Scheme; or
- families entitled to Family Tax Benefit Part A (FTB-A) for each eligible dependent student aged 21 to 24 years on the date of announcement. Dependent 19 or 20 year old children who attract FTB-A and are full-time secondary or tertiary students in approved courses will be eligible for a \$950 payment upon application to Centrelink.

This one-off bonus will also be available to recipients of Sickness Allowance and Special Benefit (under Age Pensions age).

In addition, greater incentives for other eligible social security recipients to take up further education and training will be provided through a temporary supplement to the Education Entry Payment. This temporary supplement will be \$950 in addition to the existing payment of \$208 for the period 1 January 2009 to 30 June 2010. The Education Entry Payment, and the supplement, will be extended for this period to

Youth Allowance (other) recipients and eligibility will be relaxed to a one month qualifying period.

The Training and Learning Bonus and the Education Entry Payment supplement will be non-taxable and will not be treated as income for social security purposes (although the existing education entry payment of \$208 remains taxable and is treated as income for social security purposes). The lump sum payment and the supplement will be paid from 24 March 2009.

The Education Entry Payment and temporary supplement are available to recipients of a range of benefit payments including Newstart Allowance and Parenting Payment Partnered recipients for approved education and training courses.

Payment of the lump sum Training and Learning Bonus does not preclude payment of the supplement to the Education Entry Payment. If a student attracts the Government's Back to School Bonus they are not eligible for the \$950 lump sum Training and Learning Bonus but are not precluded from the supplement.

ENVIRONMENT, WATER, HERITAGE AND THE ARTS

Nation Building and Jobs Plan — Energy Efficient Homes

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of the Environment, Water, Heritage and the Arts	39.0	1,539.5	1,544.0	736.0

The Government will provide \$3.9 billion over four years to improve the energy efficiency of Australian homes through the installation of insulation and increased rebates for solar and heat pump hot water systems.

This measure will provide \$2.7 billion over two and a half years from 2009-10 for the purchase and installation of ceiling insulation in an estimated 2.2 million established homes that are owner-occupied and not currently insulated. The program will meet the costs of installing ceiling insulation up to a cap of \$1,600 per home. As an interim arrangement until 30 June 2009, eligible owner-occupiers who install ceiling insulation in their homes will be able to seek a reimbursement (up to \$1,600) after the program commences on 1 July 2009.

An additional \$612.5 million over two and a half years will be provided to immediately increase the existing rebate to owners of private sector rental homes towards the cost of installing insulation under the Low Emission Plan for Renters program. The rebate will be increased from the current maximum rebate of \$500 per property to up to \$1,000 per property. The existing cap on the number of rebates will also be removed.

A further \$507.0 million over three and a half years will also be provided to immediately increase the existing solar hot water rebate from \$1,000 to \$1,600 for solar and heat pump hot water systems that replace electric storage hot water systems in established homes. The hot water system must be installed in the applicant's principal place of residence. The existing means test for the rebate will be removed.

Eligible households will be able to choose either the insulation rebate or the rebate for solar and heat pump hot water systems. Households who have already received the existing \$1,000 rebate for solar hot water systems may be eligible for the insulation component of the program.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

Nation Building and Jobs Plan — Back to School Bonus — One-off Lump Sum Payment of \$950 per FTB-A Eligible Child

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Families, Housing, Community Services and Indigenous Affairs	2,618.5	-	-	-

The Government will provide funding of \$2.6 billion to provide a one-off bonus of \$950 per school aged child (4 to 18 years) to families entitled to Family Tax Benefit Part A (FTB-A) at 3 February 2009. Payments will be made for around 2.8 million eligible children.

The funding will provide a stimulus for the economy while also assisting families and students with education costs for the 2009 academic year.

The payment is non-taxable and will not be treated as income for social security purposes.

A small number of eligible beneficiaries of the payment, who receive FTB-A as a lump sum, will receive the payment from Centrelink in 2009-10 or 2010-11, after their 2008-09 tax returns have been processed by the Australian Taxation Office. On an underlying cash basis the measure provides funding with an estimated impact of \$2.3 billion in 2008-09 and \$0.3 billion in 2009-10.

Families who elect to receive FTB-A as a lump sum may decide to alter their payment arrangements at any time by notifying Centrelink. They will be paid their one-off bonus once these arrangements have been made.

For those eligible beneficiaries receiving FTB-A as a fortnightly payment, the \$950 bonus per eligible child will be paid from the fortnight beginning 11 March 2009.

If a student attracts the Government's Back to School Bonus they are not eligible for the lump sum Training and Learning Bonus (but are not precluded from the Education Entry Payment Supplement).

The Back to School Bonus is in addition to assistance for education expenses that is available through the Education Tax Refund (ETR). Families entitled to FTB-A in respect of children undertaking primary or secondary school studies for the relevant financial year are also eligible for the ETR.

Treasury - Updated Economic and Fiscal Outlook - Appendix B: Nation Building and Jobs Plan

See also the related expense measure titled *Nation Building and Jobs Plan – Training and Learning Bonus and Education Entry Payment* in the Education, Employment and Workplace Relations portfolio.

Nation Building and Jobs Plan — Farmer’s Hardship Bonus

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Agriculture, Fisheries and Forestry	20.4	-	-	-

The Government will provide \$20.4 million in 2008-09 for a one-off bonus payment to farmers and small business receiving Exceptional Circumstances related income support. A lump sum payment of \$950 will be made to people who, on 3 February 2009, are in receipt of:

- Exceptional Circumstances Relief Payments for Farmers;
- Interim Income Support for Farmers;
- Exceptional Circumstances Relief Payments for Small Business;
- Interim Income Support for Small Business;
- Transitional Income Support; or
- Farm Help Income Support.

The payments will be made by Centrelink in the fortnight commencing 24 March 2009, to approximately 21,500 recipients providing additional support to groups of Australians who are in hardship. These bonus payments will be non-taxable and will not be counted as income for social security purposes.

Nation Building and Jobs Plan — Single Income Family Bonus — One-off Lump Sum Payment of \$950 per FTB-B Family

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Families, Housing, Community Services and Indigenous Affairs	1,420.0	97.0	-	-

The Government will provide \$1.4 billion in 2008-09 for one-off bonus payments of \$950 to approximately 1.5 million families who receive Family Tax Benefit Part B (FTB-B). This measure is intended to deliver stimulus for the economy by providing additional assistance to families with children that have one main income earner. Each eligible family will receive one \$950 payment, irrespective of the number of children.

The payments, which will be made by Centrelink in the fortnight commencing 11 March 2009, will be non-taxable and will not be counted as income for social security purposes. The small number of families who claim FTB-B as a lump sum will receive their one-off payments from Centrelink in 2009-10 or 2010-11, after their 2008-09 tax returns have been processed by the Australian Taxation Office.

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Nation Building and Jobs Plan — boom gates for rail crossings

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Infrastructure, Transport, Regional Development and Local Government	50.0	100.0	-	-

The Government will provide \$150.0 million over two years to improve road and rail safety by funding the construction of boom gates at rail crossings.

There are around 9,400 rail crossings across Australia, with the vast majority having no form of active protection. Projects will be prioritised using the Australian Level Crossing Assessment Model (ALCAM), a safety risk assessment tool used across Australia.

Nation Building and Jobs Plan — Regional and Local Community Infrastructure Program — Strategic Projects — additional funding

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Infrastructure, Transport, Regional Development and Local Government	250.0	250.0	-	-

The Government will provide an additional \$500 million over two years to support large strategic projects being undertaken by local governments including the construction of community infrastructure such as town halls, community centres and sport and recreation facilities.

This measure will allow a greater number of projects to be funded from the current applications for the Local Community Infrastructure Program. This measure is in addition to the \$300 million in 2008-09 for the Regional and Local Community Infrastructure Program announced at the Inaugural meeting Australian Council of Local Governments on the 18 November 2008.

Nation Building and Jobs Plan — Repairing regional links on the national highway network

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Infrastructure, Transport, Regional Development and Local Government	150.0	-	-	-

The Government will provide funding of \$150.0 million in 2008-09 to repair regional links on the national highway network. In addition to preventing the deterioration of national highways this initiative will create jobs in regional Australia, including areas where jobs are being lost due to a contraction of activity in the mining sector.

Nation Building and Jobs Plan — Road safety — Black Spot Program — additional funding

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of Infrastructure, Transport, Regional Development and Local Government	30.0	60.0	-	-

The Government will provide further additional funding of \$90 million over two years for the road safety Black Spot Program. The program reduces the social and economic costs of road accidents through the identification and cost effective treatment of dangerous locations on Australian roads.

This measure is in addition to the \$60 million increase in funding in 2008-09 for this program announced as part of the Government's Nation Building Package on 12 December 2008.

TREASURY

Nation Building and Jobs Plan — Investment in Social Housing — reducing homelessness and meeting priority needs

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Department of the Treasury	260.0	4,072.0	1,744.0	312.0

The Government will provide up to \$6.0 billion over four years to invest in 20,000 additional public and community housing dwellings to meet priority social housing needs, including reducing homelessness. The Government will also provide \$200.0 million in 2008-09 and \$200.0 million in 2009-10 for repairs to existing public housing stock. The additional housing provided by this measure will accelerate progress towards the Government's target of halving homelessness by 2020, announced in the White Paper on Homelessness, and builds on the social housing and homelessness initiatives agreed by the Council of Australian Governments on 29 November 2008.

Funding for this housing will be allocated in two stages. In the first stage, States and Territories will be provided with additional funding to bring forward the construction of public housing units currently in the development pipeline. It is expected this construction will be able to commence almost immediately after agreements have been signed with the States and Territories.

In the second stage, funding will be allocated to States and Territories following a Commonwealth approved public tender processes for the construction of housing designed and located to meet priority social housing needs, including reducing homelessness. This initiative will also require states to deliver reforms to public and community housing to improve efficiency, reduce concentration of stock and promote economic participation.

Nation Building and Jobs Plan — Tax Bonus for working Australians

Expense (\$m)	2008-09	2009-10	2010-11	2011-12
Australian Taxation Office	8,150.0	1.0	-	-

The Government will provide \$8.2 billion to eligible taxpayers as a Tax Bonus.

The Bonus of up to \$950 will be available from April 2009 to eligible Australian resident taxpayers who paid tax for the 2007-08 financial year after taking into account available tax offsets and imputation credits. It is expected that around 8.7 million taxpayers will receive the Bonus.

The Bonus is subject to an income threshold. A \$950 bonus will be paid to eligible taxpayers with a taxable income in 2007-08 of up to \$80,000. A \$650 Bonus will be paid to eligible taxpayers with a taxable income in 2007-08 exceeding \$80,000 to \$90,000, and a \$300 Bonus will be paid to eligible taxpayers with a taxable income in 2007-08 exceeding \$90,000 to and including \$100,000.

In the majority of cases the Tax Bonus for working Australians will be paid before 30 June 2009, at an estimated cost of \$6.9 billion in 2008-09 on an underlying cash basis. Remaining amounts will be paid in 2009-10, at an estimated cost of \$1.2 billion on an underlying cash basis.

Taxpayers should lodge their 2007-08 tax return by 30 June 2009 to be eligible for the bonus. The Government will provide the Australian Taxation Office with additional funding of \$50 million over the forward estimates period to implement this measure.