

NSW Generations Fund Annual Report 2019-20



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1. Treasurer's Message

I am pleased to present the NSW Generations Fund (NGF) Annual Report for the 2019-20 financial year. It is the second annual report since the NSW Government established the NGF in late 2018. The report has been prepared in accordance with section 7 of the *NSW Generations Funds Act 2018*.

Over the past year we responded to unprecedented tests of the people of this State – drought, then bushfires and now the COVID-19 pandemic. During these challenging times, the NGF continued to deliver positive outcomes for communities and promote the cause of maintaining debt at sustainable levels in the medium term.

The NGF's balance was \$11.3 billion as at 30 June 2020, having grown from an initial balance of \$10.0 billion. Despite the impacts of the coronavirus pandemic on financial markets globally in 2020, NGF's returns have averaged 5.7 per cent annualised since inception, outperforming the long-term investment return objective of CPI plus 4.5 per cent p.a. over rolling 10-year periods. The Fund is on track to be fully invested in target assets by 2022 and remains well-positioned to meet its long-term return objective.

My Community Project (MCP) was the first community initiative funded by the NGF. The Government is investing \$24.6 million in 248 projects across NSW to help improve community wellbeing. It was pleasing to see the positive community reception to this novel program, with survey results showing strong levels of support for the overall purpose and MCP processes. I want to thank the community for its hard work in identifying and delivering local projects through this program.

We are committed to prioritising the economy and communities over budget numbers, while delivering responsible fiscal management. In September 2020, the Government announced that it would not proceed with round two of MCP. Whilst MCP is a program supporting community projects, the Government's focus during COVID-19 recovery is on initiatives that will improve community wellbeing in other ways, such as driving widespread job creation, productivity and economic growth over the next few years.

The NGF continues to support the State's credit rating. Both major credit rating agencies, Moody's and S&P Global, confirmed their recognition of the NGF as an offset to the State's debt metrics. It means that NGF has and will continue to play an important role in lowering the financial burden for NSW. By doing so, it continues to support a resilient balance sheet and sustainable fiscal outcomes for the State.

I would like to thank the Board for its oversight and tremendous efforts in bringing the NGF from set-up into this operational phase.

The Board has fulfilled its mission of establishing the NGF and delivering MCP to communities. In November 2020, the Government decided to dissolve the Board.

I would also like to acknowledge the hard work of those across NSW Government who have delivered, and continue to deliver, on the promise of the NGF.

Dominic Perrottet
NSW Treasurer

2. Message from the Chair

On behalf of the NSW Generations Fund Advisory Board (the Board), I am pleased to introduce the second NSW Generations Fund Annual Report.

During 2019-20, the COVID-19 pandemic impacted heavily on financial markets. The Board, aided by NSW Treasury (Treasury) and NSW Treasury Corporation (TCorp), vigilantly monitored the effects of market volatility on fund performance.

Along with most funds, the NGF was affected by COVID-19's negative impacts on financial markets during the third quarter of 2019-20. Markets recovered somewhat during the fourth quarter, leaving the NGF slightly down for the year. In subsequent months, markets have moved higher again. At the time of writing, the NGF has, since inception in late 2018, earned returns above its objective and with considerably less volatility than markets generally. The Board views this as a creditable performance in the circumstances.

The NSW Government established the NGF with a long-term vision in mind. The Board has been guided by this vision in its annual review of the Fund's investment strategy. This review continued to support the diversified nature of the Fund, to ensure it remains well-placed to deliver on its objective in the years ahead.

Despite the challenging market conditions of 2019-20, the Fund is still positioned to meet its long-term objective of CPI plus 4.5 per cent over rolling 10-year periods. The Board also worked closely with Treasury and TCorp to progress the investment of the Fund in targeted assets consistent with the investment strategy, with expected completion around 2022.

My Community Project program (MCP) is the first community wellbeing initiative funded by the NGF. The Government announced 248 successful projects in September 2019. The Board oversaw the design, roll-out and ongoing investment of \$24.6 million in successful community projects.

As part of its oversight, the Board advised the Treasurer on findings of several MCP evaluation activities. These findings indicate community support for the unique features of the MCP and on-balance, reflect positive experiences of those participating in the MCP.

The Board also identified opportunities for future program design. These opportunities include implementing a more straightforward voting process and greater consideration for areas with smaller populations.

The Board is committed to robust governance of the Fund. In November 2019, the Board, with the Treasurer's support, amended its Charter for better alignment with best practice and machinery of government changes in 2019.

On behalf of the Board, I would like to express our sincere gratitude to each member of the various teams across NSW Government. These teams, including NSW Treasury, TCorp, Department of Premier and Cabinet, Department of Regional NSW, and Service NSW, all contributed significantly to help the NSW Government and support the NGF Board in achieving the NGF's purpose. More importantly, these commitments and efforts have contributed to the success of MCP and the NGF's community wellbeing objectives.

I have been pleased to work with other members on the Board and teams across NSW Government to help deliver the Government's expected outcomes for the NGF over the past two years. We wish the NSW Government teams well as they grow and manage the NGF.

Glenn Stevens AC

Chair

NSW Generations Fund Advisory Board

3. The NGF Advisory Board



Glenn Stevens, Chair

Glenn Stevens is the former Governor of the Reserve Bank of Australia (RBA) and worked at the highest levels of the RBA for 20 years. He played a significant role in central banking internationally and was instrumental in developing Australia's successful inflation targeting framework. Mr Stevens was the Chair of the Australian Council of Financial Regulators from 2006 to 2016, a member of the Financial Stability Board and was on several G20 committees.

Mr Stevens is a non-Executive Director of Macquarie Group and Macquarie Bank. He is a member of the Investment Committee of NWQ Capital Management, a Director of the Anika Foundation and Deputy Chair of the Temora Aviation Museum.



Nicholas Johnson, Appointed Member

Nicholas Johnson has extensive strategic and advisory experience in financial services management, both in Australia and overseas. He served as the Chief Executive Officer for Australia and the Managing Director, Senior Relationship Management, at Barclays Capital until his retirement in 2012. He had previously held senior positions with the Commonwealth Bank, Morgan Stanley, and Credit Suisse.

Mr Johnson is the Chair of State Super. His previous appointments include Chair of Pillar Administration, Chair of the Sydney Institute and Advisory Board Member of the North-West Rail Link Project.



Lisa McIntyre, Appointed Member

Lisa McIntyre is an experienced company director with a broad portfolio spanning healthcare, insurance, technology and e-learning sectors across Australia and overseas. She held senior roles at L.E.K. Consulting for over 20 years and is currently a Fellow at the University of Sydney.

Ms McIntyre also holds appointments as a non-Executive Director of icare, HCF Group and Nanosonics. She is the Chair of the HCF Research Foundation, a former Member of the Corporate Governance Committee at the Australian Institute of Company Directors and a Volunteer Ethics Teacher for primary school students.



Tim Reardon, Official NSW Government Member

Tim Reardon is the Secretary of the NSW Department of Premier and Cabinet, leading delivery of the NSW Government's priorities, including strategic infrastructure planning and project delivery. He was previously the Secretary of Transport and has more than 20 years in senior roles across public and private sectors around Australia.

Mr Reardon is also a member of the Board of Infrastructure NSW.



Michael Pratt, Official NSW Government Member

Michael Pratt AM is the Secretary of NSW Treasury, responsible for the strategic management of the entirety of the State's finances, budget, assets, liabilities and financial risk management framework. Prior to his role at NSW Treasury, he was the NSW Customer Service Commissioner and has held senior executive positions with Standard Chartered Bank, Finsia, Westpac, National Australia Bank, Bank of New Zealand and Bank of Melbourne.

Mr Pratt's previous appointments include non-Executive Director roles at TAL Dai-ichi Life Australia and Credit Union Australia, where he chaired their respective risk committees. He was also the Deputy Chair of icare, MasterCard International Inc New York, MasterCard Asia Pacific, BT Financial Services, Chair of Bennelong Funds Management, Chair of Shenzhen Credit Corporation and Executive Director of Standard Chartered Bank Hong Kong and China.



4. NGF at a Glance

Outcomes

1. Support the State's credit rating by helping keep debt levels manageable over the medium term and promoting intergenerational equity over the longer term
2. Assist the NSW Government to provide for today's communities and plan for the future by responsibly delivering infrastructure and services to NSW residents without overly burdening future generations with unsustainable debt

Board highlights

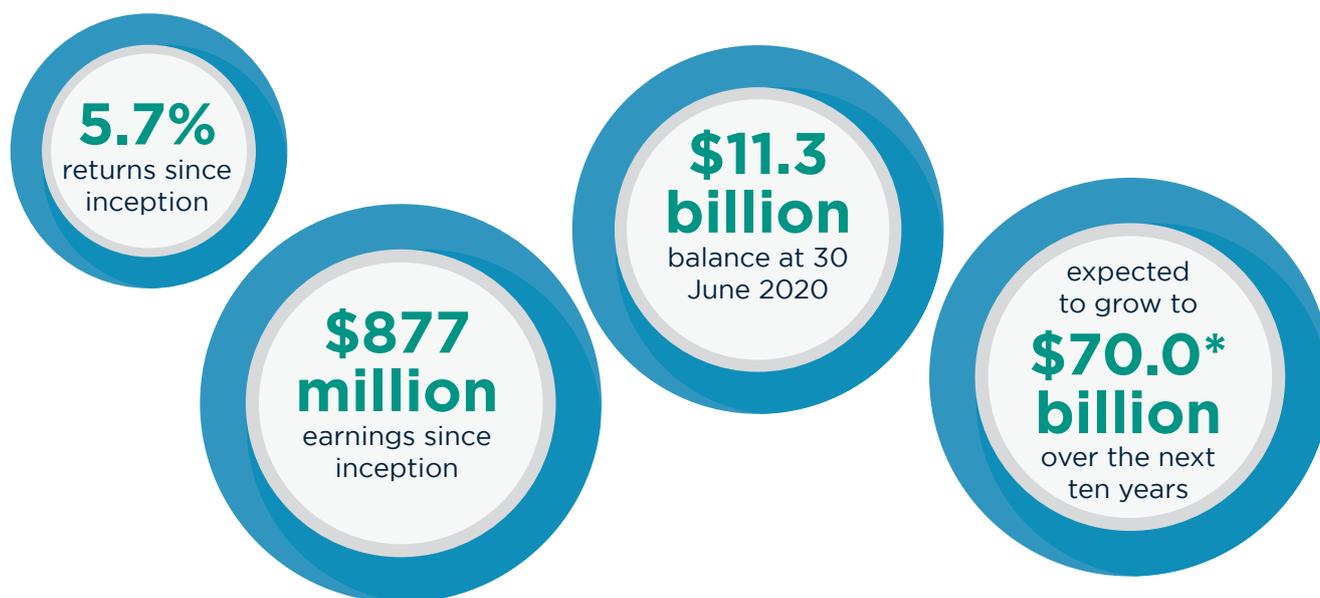
The Board has overseen the successful implementation of both the Debt Retirement Fund and Community Services and Facilities Fund in the first two years of NGF operation

Community investment highlights

The first community wellbeing program – My Community Project – was designed, delivered and rolled out across the State with 248 projects funded and \$24.6 million being distributed to the community

Financial highlights

Refer to the figure below



As part of measures taken in the 2020-2021 Budget, the NSW Government announced its intention to grow the NGF to over \$70 billion by the end of the decade.

5. NGF Purpose

The NGF's enabling legislation, the NSW Generations Funds Act 2018 (the Act), was enacted in June 2018. The legislation sets out how the Fund operates, its basic governance arrangements and its purpose. The Act creates two ring-fenced Funds:

- The **Debt Retirement Fund (Debt Retirement Fund)**¹, whose purpose is to reduce the debt of the State in accordance with the principles of sound financial management set out in section seven of the *Fiscal Responsibility Act (2012)*, and
- The **Community Services and Facilities Fund (Community Fund)**, whose purpose is to provide funding for cost-effective facilities and services throughout New South Wales to improve the wellbeing of communities and the lives of the people across the State.

Together, the Debt Retirement Fund and the Community Fund constitute a dual-purpose sovereign fund that helps keep debt sustainable in the long-term, while delivering for communities today. This fund design promotes intergenerational equity, ensuring the NGF benefits the people of NSW today and over time. As announced in the 2018-19 NSW Budget, the policy intent was for the NGF to share the benefit of its returns between present and future generations.

In addition to establishing the two Funds, the Act also regulates payments into, and out of, each Fund. Importantly, the Act allows for payments into the Debt Retirement Fund of any income (including distributions, dividends and interest) or sale proceeds of any relevant NSW equity interest. The latter currently only includes the State's remaining 49 per cent share of WestConnex following the successful transaction announced in August 2018.

6. Delivering Outcomes

6.1 Delivering outcomes during a year of challenges

Debt Retirement Fund

The NSW Government established the NGF to help retire debt and support the State's credit rating over the long-term and to provide for local communities today. To achieve the Government's policy objectives for the NGF, TCorp has invested the Debt Retirement Fund in a long-term and diversified portfolio, which includes exposure to equity and unlisted assets.

The first half of 2019-20 saw strong returns from both growth and defensive assets, as fears of a recession faded with the help of central banks' monetary policy easing stances and as a trade deal was finally agreed between the US and China.

However, 2019-20 was dominated by the sharp sell-off in equity markets, with US and Australian markets both falling over 30 per cent during the first wave of restrictions in February and March². For the US this was the seventh largest US equity market fall since 1900. Notably, it was the most rapid decline, taking just 33 days to fall from the market high to its low point. By comparison, the peak to trough decline in the Global Financial Crisis took 525 days.

Beyond equity markets, the lockdowns and remote working arrangements also adversely affected investments, including property and infrastructure. In particular, travel restrictions put downward pressure on transportation-linked assets. Further, the Australian dollar and commodity markets fell sharply as global growth expectations weakened and as oil-producing countries significantly cut prices.

¹ The NGF comprises both the Debt Retirement Fund and the Community Services and Facilities Fund. From this section of the report onwards, references to the 'NSW Generations Funds' or 'NGF' will mean the Debt Retirement and Community Services and Facilities Funds together. References to the 'Debt Retirement Fund' will mean the Debt Retirement Fund only and references to the 'Community Fund' will mean the Community Fund only.

² Source: Bloomberg. US share market in US Dollar terms.

Markets improved during the final quarter of 2019-20, supported by unprecedented fiscal and monetary stimulus from governments and central banks, the easing of economic restrictions as COVID-19 cases reduced. Equity markets improved, led by technology-related and healthcare stocks, allowing major global share markets to post positive returns for the full financial year.

Despite the market impacts brought on by the COVID-19 outbreak, the Debt Retirement Fund made significant gains in the last quarter of 2019-20 as financial markets more broadly also recovered. For the year, the Debt Retirement Fund ended only marginally lower, down just 0.12 per cent. This relatively benign outcome reflects the Debt Retirement Fund's well-diversified investment strategy, in terms of asset class allocation, geographic allocation and currency exposure.

Although the Fund is exposed to short-term risks, it is invested for the long-term – and remains well-positioned to achieve its long-term return objective. Since inception, the Debt Retirement Fund has achieved an average annualised return of 5.70 per cent.

The outlook for financial markets remains highly uncertain. Questions over the extent and the duration of government support, the availability of employment opportunities following the pandemic, progress with vaccine development and global geopolitical tensions may have significant impacts on business and investor confidence going forward.

Treasury's Asset and Liability Committee (ALCO) and the Board continue to closely monitor the Fund's risk exposures during this period of increased uncertainty, with the help of Treasury and TCorp.

BOX 1 - NGF is helping NSW meet the greatest fiscal challenge of a generation

In the lead up to COVID-19, NSW's balance sheet was well-positioned to meet the extraordinary fiscal challenges of this year. This inbuilt resilience helped to keep the State's debt manageable following the increase in government borrowing in the second half of 2019-20.

Both major ratings agencies, Moody's and S&P Global, reaffirmed their recognition of the Debt Retirement Fund being an offset to State debt metrics. This debt retirement attribute makes the Debt Retirement Fund a key strategic tool for the Government, allowing the Fund to support the State's credit rating in a way that other investment funds cannot.

In light of this, the Government expects to grow the Debt Retirement Fund to foster even greater resilience for the State's balance sheet. This is a key part of the Government's fiscal repair efforts, which aligns with the Debt Retirement Fund's legislative mandate of debt reduction. A higher Debt Retirement Fund balance will keep debt levels manageable, thereby supporting the State's credit rating and helping to keep borrowing costs lower. The Government transferred nearly \$300 million of windfall tax revenue into the Debt Retirement Fund in 2019-20. Distributions received from Roads Retained Interest Pty Ltd have also been transferred into the Debt Retirement Fund.

During the year, the Government announced a scoping study into options for the residual stake in WestConnex. In the event of a sale of the remaining 49 per cent stake, the Government would reinvest the proceeds into the Debt Retirement Fund to benefit future generations.

Community Services and Facilities Fund (Community Fund)

The Community Fund delivers for today's communities. MCP is the first initiative funded by this Fund. This initiative gives the people of NSW the opportunity to propose and vote for projects to be funded in their local communities. This popular-voting model empowers residents to address what the community identifies as their local needs. A more detailed description is in section eight.

The MCP initiative helps to support the NSW Government's Outcomes Budgeting priorities by contributing to achieving outcomes including stronger and cohesive regional communities and economies.

Through the COVID-19 lockdowns and other disruptions, including bushfires and drought, the MCP maintained its delivery of funding projects and benefits promoting the community's wellbeing.

247 of 248 Funding Deeds have been executed and a total of \$19.7 million has been paid out of the Community Fund. At the time of writing,³ 24 projects had been completed and project progress reports indicated that the majority of MCP projects were on track for delivery in 2020. Out of 248 projects, 48 projects (19 per cent) required a time extension in response to COVID-19 health restrictions or a lack of contractor availability.

³ As of 2 November 2020



7. Investment

7.1 Investment approach

Investment Objectives

The Debt Retirement Fund is a long-horizon fund, designed to grow over time and ease the debt burden on future generations. The investment strategy underpinning the Fund recognises this expectation and has been formulated accordingly.

The Government continues to strategically manage emerging fiscal risks and ensures the Debt Retirement Fund's policy objectives remain appropriate. This includes reviewing both the Debt Retirement Fund's Risk Appetite Statement (RAS) and relevant strategic parameters annually to assess their suitability regarding the Fund's policy objectives, Government's risk-return profile and long-term market expectations.

The Board and Treasury, aided by TCorp, actively monitor the impact of financial markets on the Fund. In an effort to deliver better risk-adjusted returns for the Fund, TCorp recommended the transitioning to a Total Portfolio Approach (i.e. a risk-based investment approach) for the Debt Retirement Fund. Treasury has reviewed and approved this approach and is set to oversee its implementation across 2020-21.

TCorp, Treasury and the Board worked together to determine the appropriate portfolio settings, given both the Fund's long investment horizon and its objectives. The Debt Retirement Fund's investment strategy is specifically aligned with its objectives and unique characteristics, with defining attributes of:

- a very long, inter-generational, investment time horizon

- no planned short or medium term cashflow requirements at this stage
- significant funds under management, which are projected to grow materially over the coming years
- a direct link to helping the Government maintain debt at sustainable levels over the long-term.

These attributes were all taken into consideration by Treasury in advising the Government on the Debt Retirement Fund's investment return objective and risk parameters, and by the Board, with TCorp's support, in advising the Government on the investment strategy. Treasury's ALCO endorsed maintaining the Debt Retirement Fund's investment return objective of 4.5 per cent p.a. above inflation to be achieved within the risk parameters articulated in the RAS. The Board re-affirmed the Fund's investment strategy.

Asset Allocation

The long-term investment horizon means the Debt Retirement Fund can be more return-seeking than other State investment funds while adopting a well-considered level of risk. This means that the Debt Retirement Fund can invest more in growth-oriented assets. In particular, the Debt Retirement Fund maintained a 40 per cent allocation to listed equities across Australian and international markets in 2019-20.

In addition, the Fund's attributes facilitate diversification through investment into a broad range of asset classes. Over time, these diversifiers (e.g. unhedged foreign currency exposures and unlisted infrastructure and property assets) help to smooth the path of expected returns by reducing volatility associated with financial markets.

TABLE 1 – ASSET CLASS ALLOCATIONS

Asset Class	30/06/2019			30/06/2020		
	Strategic allocation (%)	Actual allocation (%)	Value (\$'000)	Strategic allocation (%)	Actual allocation (%)	Value (\$'000)
Equities	40.0	40.0	4,353,589	40.0	40.1	4,516,237
Credit	14.0	13.9	1,512,872	14.0	14.2	1,599,265
Fixed Income	0.0	0.0	0.0	0.0	0.0	0.0
Cash	20.0	20.6	2,242,099	11.5	12.2	1,374,017
Other Liquid Assets	26.0	25.5	2,775,413	22.5	22.5	2,534,048
Direct Assets	0.0	0.0	0.0	12.0	11.0	1,238,868
Total	100.0	100.0	10,883,973	100.0	100.0	11,262,435

Note: Some results might not add up due to rounding.

TCorp is set to begin the transition to using a Total Portfolio Approach from 2020-21 to optimise the portfolio construction and risk allocation within the NGF portfolio. This will help enable better management of risk exposures within the NGF portfolio, with a view to generating returns aligned to the agreed risk profile.

7.2 Investment performance

By the end of a highly turbulent 12 months in financial markets, the Debt Retirement Fund's returns were marginally negative for the year. Driven mainly by sharp declines in major stock indices around the world, the Debt Retirement Fund's portfolio value fell over eight per cent during the March 2020 quarter. By 30 June 2020, however, the Fund managed to recover more than half of its March 2020 quarter losses, resulting in a net return of -0.12 per cent for 2019-20.

TABLE 2: FUND PERFORMANCE 2019-20

	2019-20 financial year (%)	Since inception (%)
Net Return (after fees)	-0.12	5.70
Investment Return Objective (CPI + 4.5%)	4.14	4.84
Net Relative to Investment Return Objective ¹	-4.26	0.86

¹ Inception date: 15 November 2018. Debt Retirement Fund's Investment Return Objective is CPI + 4.5 per cent over a rolling 10-year period. This Investment Return Objective incorporates actual CPI outcomes up to the June quarter 2020. Note that on page 31 of this Annual Report, the audited financial statements report Debt Retirement Fund investment performance against a Strategic Asset Allocation benchmark rather than investment return objective as above.

Although COVID-19 impacted the portfolio's performance over 2019-20, the Debt Retirement Fund is well positioned to meet its expected objective over the long-term horizon. Since its inception in late 2018, the Debt Retirement Fund has returned 5.7 per cent per annum. In less than two years, the investment portfolio has generated \$877 million in absolute returns.

8. Community Services and Facilities Fund – Delivering for Community Wellbeing Today

8.1 My Community Project (MCP)

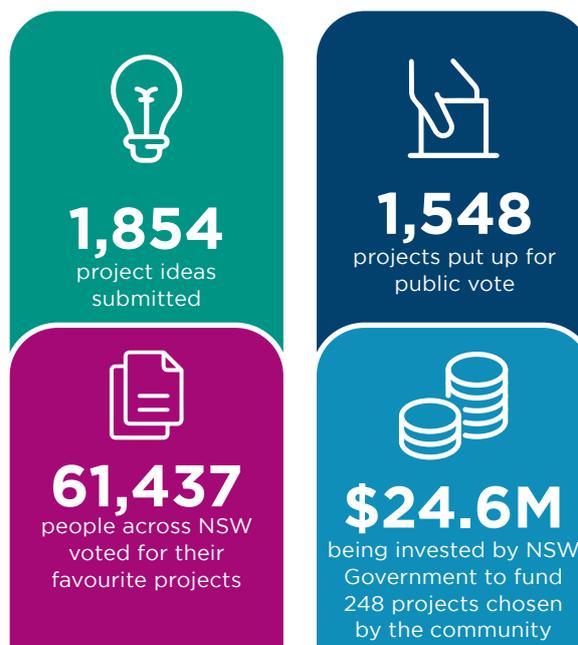
The purpose of the Community Services and Facilities Fund (Community Fund) is to fund cost-effective facilities and services throughout New South Wales to improve the wellbeing of communities and the lives of people across the State.

The policy and legislative intent of the Community Fund is to ensure that today’s generation will share in the benefit of the NGF.

MCP was the first community program funded by the Community Fund. It offered a platform where NSW citizens could propose and vote for projects that would benefit their communities. Under the initiative, citizens in each of the State’s 93 electorates were able to vote for their preferred projects in their electorate.

MCP opened for applications in April 2019. Over 1800 proposals were received and were assessed by an assessment team and reviewed by a grants panel to ensure that it met strict eligibility and viability guidelines. The guidelines include:

- alignment with at least one of six program categories to make communities more liveable, cultural, accessible, safe, revitalised or healthy
- be open, accessible and available to the wider community
- have landowner consent where required
- be a legal activity.



The Government announced successful projects in September 2019, with 248 projects receiving grants ranging from \$20,000 to \$200,000.

247 of 248 Funding Deeds were executed and a total of \$19.7 million⁴ has been paid out of the Community Fund. Twenty-four projects were completed.

Approximately 48 (or 19 per cent) of the MCP projects experienced delays due to COVID-19 restrictions. However, the MCP Program Team supported impacted recipients through extensions or scope changes where appropriate.

User evaluation gauged sentiment towards the program, levels of satisfaction and overall experience

82% Agree, in principle, that MCP is a worthwhile initiative for government to run



80% Agree MCP contributes to wellbeing of individuals and local communities



53% Rate their overall satisfaction with MCP as 7 or higher out of 10



Note: 4,288 people participated in the MCP Evaluation Survey (including people who participated either as applicants or voters)

⁴ As of 2 November 2020

8.2 Supporting community wellbeing into the future

Following a successful and well-received first round of community funding under the Community Fund, the Government shifted priorities in response to the COVID-19 pandemic to supporting economic recovery and fiscal repair.

While MCP is a program that supports worthy community projects, the Government's primary focus right now is on initiatives to drive widespread job creation, productivity and economic growth. This has led to the discontinuation of round two of the MCP despite positive community reception.

The NGF reduces the State's debt and provides for community's wellbeing under the Act. This legislative intent enables the Government to choose the best way of supporting communities in the present and future times.





9. Governance of the NGF

9.1 Investment governance

The NGF is controlled and managed by the NSW Treasurer who, as the responsible minister, in exercising his or her functions under the Act, may obtain and have regard to any advice, recommendations or other information provided to him or her by any person or body they consider relevant.

The Act also provides the Treasurer the ability to delegate the exercise of any function under the Act (except the power of delegation itself). Delegations regarding certain administrative activities have been appointed to NSW Treasury, by instruments of delegation approved by the Treasurer, when the NGF was first established.

In addition, the Treasurer obtains advice from the NGF Board. This five-person Board, with its balanced mix of senior government and business leaders, oversees the NGF. The Board is chaired by former Governor of the Reserve Bank of Australia, Glenn Stevens. The Board has overseen the successful implementation and initial operation of both the Debt Retirement Fund and Community Fund in the first two years of NGF's operation.

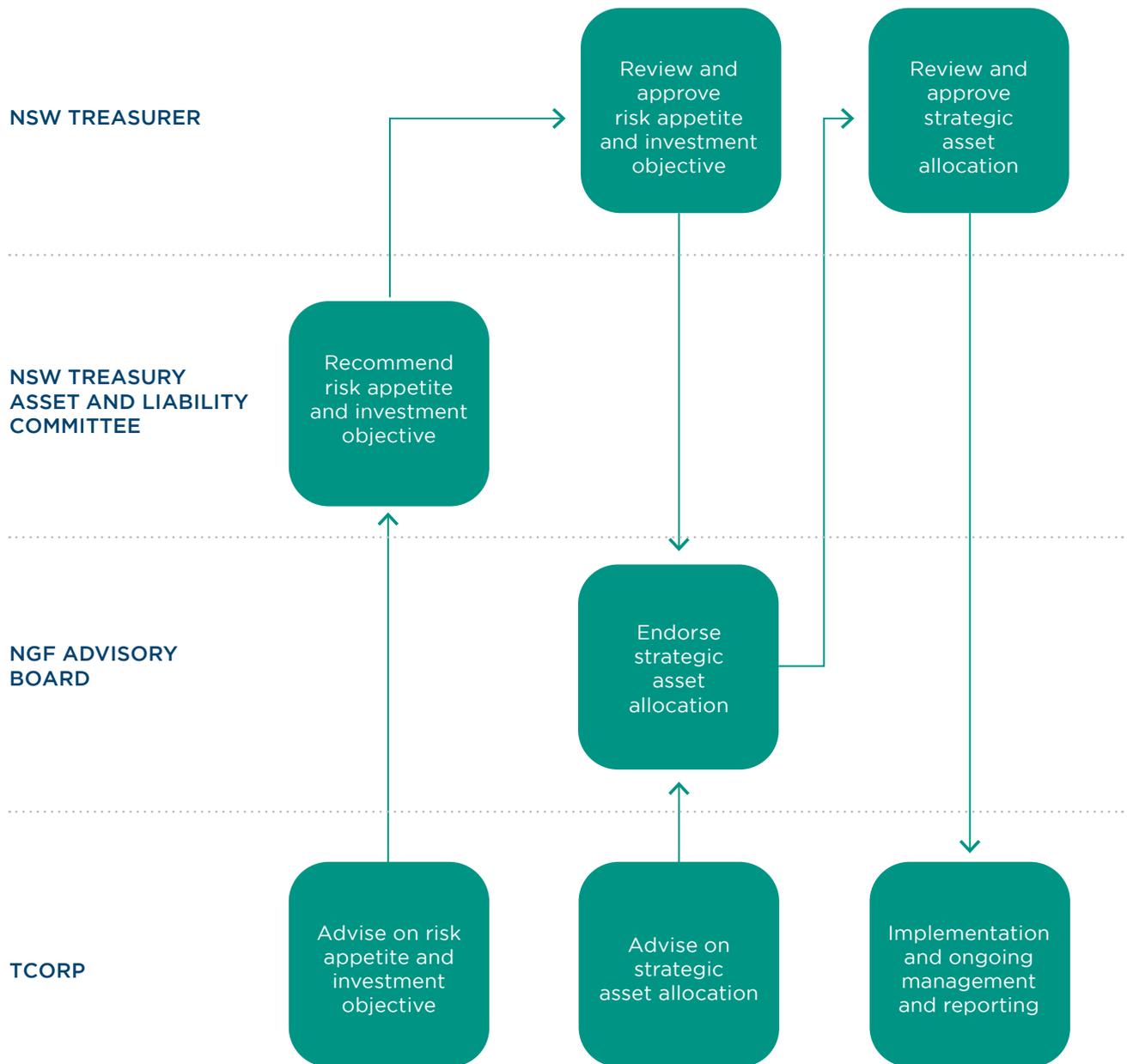
In discharging its responsibilities, the Board is supported by the following entities:

- **NSW Treasury** – provides the Board's secretariat services and is also responsible for advising the Treasurer on the NGF-related fiscal matters, such as credit rating, fiscal strategy and budget-related impacts. The ALCO also considers and monitors the NGF from a whole-of-state balance sheet and risk management perspective.
- **Department of Regional NSW⁵** – provides the team which administers the MCP, including developing the guidelines, arranging for the assessment of applications, administering the funding to successful applicants and project monitoring.
- **Service NSW** – developed and hosted the IT infrastructure, which made the MCP online vote possible and provided customer support throughout the program via their contact centre and service centres located across NSW.
- **TCorp** – manages the invested funds on a day-to-day basis and provides investment advisory services to the Board and Treasury, including advising on the Fund's risk and return objectives, as well as the investment strategy.

⁵ The team was previously part of the NSW Department of Planning, Industry and Environment but was transitioned to the newly-created Department of Regional NSW in April 2020.

GOVERNANCE STRUCTURE - INVESTED FUNDS

The figure below highlights the key elements related to investment governance



The ALCO recommends the Debt Retirement Fund’s risk appetite and investment return objective to the Treasurer (or, by delegation, the Treasury Secretary) for approval, based on advice and consultation from TCorp. This aspect of the Fund’s governance ties in with ALCO’s remit of overseeing and managing risks to the whole-of-state balance sheet. From this perspective, ALCO is well-placed to advise on New South Wales’ broader policy and fiscal objectives that the Fund helps support, also considering the State’s overall risk appetite.

Once the Treasurer (or delegate) approves the Fund’s risk appetite and investment objective, the Board works with TCorp to develop an investment strategy consistent with these parameters. The Treasurer (or delegate) then approves the strategy based on the Board’s endorsement, with TCorp implementing accordingly.

In 2019-20, the Debt Retirement Fund’s investment objective, risk appetite and investment strategy were reviewed to ensure the Fund remains well-placed to meet its long-run objective. This involves positioning the Fund to take advantage of emerging opportunities and ensuring risks around the Debt Retirement Fund’s performance are well-managed.

As there were no changes to the Debt Retirement Fund’s long-term policy objectives, both the previously approved investment return/risk objectives, and investment strategy were re-affirmed by Treasury’s ALCO and the Board, respectively.

The Government established strong governance around the MCP initiative to ensure it delivers against the requirements under the Act. The Framework also requires that processes such as the application, voting process and voting outcomes are transparent and robust.

Subject matter experts from across government agencies were supported by specialist consultants. The consultants assessed project applications against the Program Guidelines to ensure that they would meet the eligibility and viability criteria.

An Evaluation Panel, comprising representatives from the then Department of Planning, Industry and Environment, NSW Treasury and the Local Government Association of NSW, reviewed and assessed the applications. Projects deemed eligible for public voting were then recommended to the Board for endorsement and subsequently approved by Ministers.

Following the closure of the public vote, a similar process was undertaken to recommend projects in order to receive funding.

O'Connor Marsden (OCM) was engaged to provide probity advice throughout all stages of MCP. OCM reviewed the principles and process for eligibility and viability assessment and did not raise any unresolved probity risks.

9.3 NGF Advisory Board

The NGF Advisory Board is governed by the NGF Advisory Board's Charter, which sets out the Board's key roles and responsibilities, specifically:

- recommending to the Treasurer the investment strategy for the Debt Retirement Fund and other associated functions
- making recommendations to the Treasurer relating to the design, process, procedures and implementation for programs or initiatives to be funded from the Community Fund and other associated functions
- any other functions that are conferred or imposed on it by the Treasurer or any other Act of the NSW Parliament.

The Board will cease its operation effective from 31 December 2020.

9.3.1 Meetings and attendance

The Board meets on a quarterly basis, with additional meetings convened to consider arising issues. During this financial year, the Board held one out-of-session meeting to address arising MCP approvals.

The number of meetings held and participants in attendance during the financial year is summarised in the table below:

TABLE 3: NGF ADVISORY BOARD MEETINGS AND ATTENDANCE FOR 2019-20

	Regular Board Meetings	Out-of-session meetings	Total
Number of meetings	4	1	5
G Stevens	4/4	1/1	5/5
N Johnson	4/4	1/1	5/5
L McIntyre	4/4	0/1	4/5
M Pratt	2/4	1/1	3/5
T Reardon	3/4	1/1	4/5

Note: Under section 4 of the Board Charter, Mr Pratt appointed a Treasury nominee to represent him at meetings which he was unable to attend: 27 August 2019 (Deputy Secretary, Policy and Budget Group, Treasury) and 26 November 2019 (Executive Director, Financial Risk Management Division, Treasury).



9.3.2 Remuneration

The Chair and independent members of the Board are remunerated in line with the criteria set out in the NSW Public Service Commission's Classification and Remuneration Framework for NSW Government Boards and Committees (the Framework). Remuneration received by the Chair and independent members reflects the level of responsibility, expertise and time commitment required to manage the NGF.

Consistent with the Framework, the Chair receives a salary of \$80,000 per annum plus superannuation and independent members receive an annual salary of \$45,000 plus superannuation. The NSW Treasury Secretary and Secretary of Department of Premier and Cabinet are not remunerated for their roles as they are ex-officio.

9.3.3 Key activities and decisions made over the course of the year

In the second year of the NGF's operation, the activities of the Board were focused on overseeing the MCP initiative and reviewing the Debt Retirement Fund's investment strategy.

These included:

- overseeing the design, delivery and roll out of MCP
- endorsing the list of projects to be funded under the MCP
- amending the Board Charter to appropriately reflect the machinery of government changes and improved governance procedures
- reviewing the Debt Retirement Fund's investment strategy and performance, including recommending the strategic asset allocation
- increased monitoring of financial markets on investment performance following the onset of COVID-19.



Treasury

10. Financial Statements



INDEPENDENT AUDITOR'S REPORT

NSW Generations (Debt Retirement) Fund

To Members of the New South Wales Parliament

Opinions

Opinion on the audit of the financial report

I have audited the accompanying special purpose financial report (the financial report) of the NSW Generations (Debt Retirement) Fund (the Fund), which comprises the Statement by the Treasurer, the Statement of the Fund's Activities for the year ended 30 June 2020, the Statement of the Fund's Position as at 30 June 2020 and notes to the financial report. The financial report has been prepared by the Treasurer using the basis of accounting described in Note 2 to the financial report for the purpose of fulfilling the Treasurer's annual reporting obligations under section 7 of the *NSW Generations Funds Act 2018* (the Act).

In my opinion, in all material respects, the financial report presents fairly, the Fund's position as at 30 June 2020 and its activities for the year ended 30 June 2020, in accordance with the basis of accounting described in Note 2 to the financial report.

Opinion on whether payments complied with the Act

I have undertaken an audit to provide reasonable assurance on whether payments from the Fund have, in all material respects, been made in accordance with the Act for the year ended 30 June 2020.

In my opinion, in all material respects, payments from the Fund have been made in accordance with the Act for the year ended 30 June 2020.

My opinions should be read in conjunction with the rest of this report.

Basis for Opinions

I conducted my audit in accordance with Australian Auditing Standards and Standards on Assurance Engagements, including ASAE 3100 'Compliance Engagements' (ASAE 3100). My responsibilities under the standards are described in the 'Auditor's Responsibilities' section of my report.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

I am independent of the Fund in accordance with the requirements of the:

- Australian Auditing Standards and Standards on Assurance Engagements
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

In conducting my audit, I have applied ASQC 1 'Quality Control for firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements and Related Service Engagements'.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Treasurer's annual reporting responsibilities under the Act. As a result, the financial report may not be suitable for another purpose.

Other Information

The Fund's annual report for the year ended 30 June 2020 includes other information in addition to the financial report and my Independent Auditor's Report thereon. The Treasurer is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the NSW Generations (Community Services and Facilities) Fund Financial Report.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by section 7(3) of the Act, I have separately expressed an opinion on the NSW Generations (Community Services and Facilities) Fund Financial Report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Treasurer's Responsibilities for the Financial Report

The Treasurer is responsible for the preparation and fair presentation of the financial report in accordance with the basis of accounting described in Note 2 to the financial report. The Treasurer's responsibility also includes such internal control as the Treasurer determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. The Treasurer has determined that the accounting policies described in Note 2 are appropriate for fulfilling the Treasurer's annual reporting responsibilities under the Act.

The Treasurer's Responsibilities under the *NSW Generations Funds Act 2018*

The Treasurer is responsible for ensuring payments made from the Fund have been made in accordance with the Act. The Treasurer's responsibility also includes such internal control as the Treasurer determines is necessary to comply with the requirements of the Act.

Auditor's Responsibilities

Audit of the financial report

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Fund carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

Audit of whether payments complied with the Act

My responsibility is to express an opinion on whether payments from the Fund, in all material respects, have been made in accordance with the Act. ASAE 3100 requires that I plan and perform procedures to obtain reasonable assurance whether payments from the Fund have, in all material respects, complied with specific requirements of the Act.

This audit involved performing procedures to obtain audit evidence on whether payments from the Fund complied with the Act. The procedures selected depend on my judgement, including the identification and assessment of the risks of material non-compliance with specific requirements of the Act.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, together with the Fund's internal control structure it is possible that fraud, error or non-compliance with the Act may occur and not be detected.

An audit for the year ended 30 June 2020 does not provide assurance on whether compliance with the Act will continue in the future.

Use of Report

My report was prepared for the purpose of fulfilling the Treasurer's annual reporting obligations under the Act. I disclaim any assumption of responsibility for any reliance on the report for any other purpose other than for which it was prepared.



Margaret Crawford
Auditor-General for New South Wales

5 November 2020
SYDNEY



Treasury

NSW Generations (Debt Retirement) Fund

Financial Report
for the year ended 30 June 2020

NSW Generations (Debt Retirement) Fund

**Financial Report
for the year ended 30 June 2020**

STATEMENT BY THE TREASURER

Pursuant to Section 7 of the *NSW Generations Funds Act 2018*, I declare that in my opinion:

- (a) The accompanying financial report provides details of the transactions of the NSW Generations (Debt Retirement) Fund for the year ended 30 June 2020; and
- (b) The financial report has been prepared as a special purpose financial report and related notes in accordance with the basis of accounting described in Note 2.

Further, I am not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



**The Hon. Dominic Perrottet MP
Treasurer**

 October 2020

NSW Generations (Debt Retirement) Fund
Statement of the Fund's Activities and Position
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Receipts			
Government contribution	3	-	8,900,000
Distributions	3	117,790	1,080,972
Interest earned	3	727	7,102
GST received	3	-	1
Windfall tax revenue	3	296,000	-
Total receipts		414,517	9,988,075
Payments			
Administrative expenses	4	11	-
Total payments		11	-
Net receipts		414,506	9,988,075
Statement of the Fund's Position as at 30 June			
Opening balance of the Fund		10,890,728	-
Net receipts		414,506	9,988,075
(Loss)/income from investments	5	(25,357)	902,653
Closing balance of the Fund		11,279,877	10,890,728
Balance of Fund held in			
Cash and cash equivalents		17,442	6,755
Investment in NSW Generations (Debt Retirement) Fund Investment Trust	5	11,262,435	10,883,973
		11,279,877	10,890,728

The accompanying notes form part of the financial report.

NSW Generations (Debt Retirement) Fund

Notes to the Financial Report for the year ended 30 June 2020

1. INFORMATION ON THE NSW GENERATIONS (DEBT RETIREMENT) FUND

Reporting entity

NSW Generations (Debt Retirement) Fund (the Fund) is required to prepare an annual report under Section 7 of the *NSW Generations Funds Act 2018* (the Act). Section 8 of the Act states that the purpose of the Fund is to provide funding for reducing the debt of the State in accordance with the principles of sound financial management set out in section 7 of the *Fiscal Responsibility Act 2012*.

Section 4 of the Act establishes the Fund as a Special Deposit Account (SDA). Section 4.15 of the *Government Sector Finance Act 2018* defines an SDA to consist of:

- a) all accounts of money that the Treasurer is, under statutory authority, required to hold otherwise than for or on account of the Consolidated Fund, and
- b) all accounts of money that are directed or authorised to be paid to the SDA by or under legislation.

The Treasurer is responsible for the Act and the Fund.

The financial report for the Fund is a Special Purpose Financial Report with the "financial year" being from 1 July to 30 June. The Fund is an SDA of the Crown Entity.

The financial report was authorised for issue by the Treasurer on the date the accompanying Statement by the Treasurer was signed.

Key Activities

The Fund was established to provide funding for reducing the debt of the State in accordance with the principles of sound financial management set out in section 7 of the *Fiscal Responsibility Act 2012*.

Funding Sources for the NSW Generations (Debt Retirement) Fund

Section 9(1) of the Act prescribes the amounts payable into the Fund. These are:

- a) all money appropriated by Parliament, or advanced by the Treasurer, for payment into the Fund,
- b) all money appropriated by Parliament to the Treasurer for the general purposes of the Government (and not for the purposes of individual Government Sector Finance agencies) and directed by the Treasurer to be paid into the Fund,
- c) any money that is directed by the Treasurer under section 9(2) to be paid into the Fund,
- d) all money that is income (including distributions, dividends and interest) paid to the holder of any relevant NSW equity interest,
- e) the proceeds of the sale of any relevant NSW equity interest,
- f) the proceeds of the investment of money in the Fund,
- g) all other money directed or authorised to be paid into the Fund by or under any Act or law.

Section 9(2) of the Act provides that the Treasurer may direct that an amount of money be paid into the Debt Retirement Fund if the Treasurer is satisfied that it is windfall tax revenue in excess of Budget forecasts.

Section 9(3) of the Act provides that the Treasurer is taken to have been given an appropriation out of the Consolidated Fund under the authority of this section, on the day a direction is given under section 9(2), for the amount specified in the direction for the purpose of its payment into the Debt Retirement Fund.

NSW Generations (Debt Retirement) Fund

Notes to the Financial Report for the year ended 30 June 2020

1. INFORMATION ON THE NSW GENERATIONS (DEBT RETIREMENT) FUND (continued)

Payments out of the Fund

Section 10 of the Act prescribes payments from the Fund. These are:

- a) the payment of all or any part of a debt of the State that the Treasurer is satisfied is a payment that promotes the purpose of the Fund,
- b) administrative expenses relating to the control and management of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Fund's financial report is a special purpose financial report which has been prepared on a cash basis except for the Fund's investments in other financial assets which are measured at fair value. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Fund. Receipts are realised and recorded when the cash is received. Payments are recorded when cash is actually paid. The investments in other financial assets are remeasured to fair value at the reporting date.

The presentation focus in the financial report is balances of the Fund at the reporting date and changes during the year.

The Fund's financial report is presented in Australian dollars and all amounts are rounded to the nearest one thousand dollars (\$'000).

Statement of compliance

The financial report and notes have been prepared in accordance with the policies detailed in this accounting policy note.

Value of the Fund

The total balance of the Fund consists of cash and funds invested in the NSW Generations (Debt Retirement) Fund.

Cash is controlled by the Fund when the Fund can use the cash for the achievement of its own objectives or otherwise benefit from the cash and exclude or regulate the access of others to that benefit. Cash collected by, or appropriated or granted to the Fund, which the Fund can use to fund its operating objectives, acquire capital assets or repay its debt is controlled by the Fund.

The cash held by the Fund is classified as a restricted asset as it can only be applied as allowed by the Act as detailed in Note 1.

NSW Generations (Debt Retirement) Fund

Notes to the Financial Report for the year ended 30 June 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Funds invested in the NSW Generations (Debt Retirement) Fund Investment Trust (Investment Trust) are investments held in the NSW Generations (Debt Retirement) Fund, a unit trust investment facility administered by the NSW Treasury Corporation (TCorp). The Investment Trust's strategy is designed to provide funding for reducing the debt of the State of New South Wales.

3. RECEIPTS

The Fund is authorised to receive amounts in accordance with Section 9 of the Act.

	2020 \$'000	2019 \$'000
Section 9(1)(b) receipts		
Government contribution	-	8,900,000
Section 9(1)(d) receipts		
Distributions from State's investment in WestConnex	117,790	1,080,972
Section 9(1)(f) receipts		
Interest earned	727	7,102
Section 9(1)(g) receipts		
GST received	-	1
Section 9(2) receipts		
Windfall tax revenue	296,000	-
Total receipts	414,517	9,988,075

4. PAYMENTS

Section 10(b) payments		
Administrative expenses - auditor's remuneration	11	-
Total payments	11	-

NSW Generations (Debt Retirement) Fund

Notes to the Financial Report for the year ended 30 June 2020

5. INVESTMENT IN NSW GENERATIONS (DEBT RETIREMENT) FUND INVESTMENT TRUST

	2020 \$'000	2019 \$'000
Opening balance	10,883,973	-
Add: Investments - cash transferred in from the operating bank account	403,820	9,981,320
Add/(Less): Net income/(loss) from investments:		
Distribution reinvested	556,714	268,910
Unrealised (loss)/gain on other financial assets	(582,071)	633,743
Closing balance	11,262,435	10,883,973

The Fund is authorised to invest in accordance with Section 11 of the Act. Implemented during 2018-19, the Investment Trust is the investment vehicle for the Fund in assisting the NSW Government to meet its objective of reducing the debt of the State. The Investment Trust is managed by TCorp.

Asset allocation and investment instructions of the Investment Trust are governed by the Investment Services Agreement (ISA) signed by the Treasurer and TCorp on 1 November 2018.

Asset Allocation

The actual asset allocation of the Investment Trust as at the reporting date:

Asset class	Strategic Asset Allocation (%)	Actual Asset Allocation (%)	Value (\$'000)
Australian Shares	14.0	14.0	1,576,741
International Shares	20.0	20.1	2,263,750
Emerging Market Shares	6.0	6.0	675,746
Alternatives	22.5	22.5	2,534,048
Unlisted Property & Infrastructure	7.0	6.0	675,746
Opportunistic	5.0	5.0	563,122
Emerging Market Debt	6.0	6.1	687,008
Bank Loan	5.0	5.2	585,647
High Yield	3.0	2.9	326,610
Cash	11.5	12.2	1,374,017
Total	100	100	11,262,435

NSW Generations (Debt Retirement) Fund

Notes to the Financial Report for the year ended 30 June 2020

5. INVESTMENT IN NSW GENERATIONS (DEBT RETIREMENT) FUND INVESTMENT TRUST (continued)

Performance returns

The investment return objective of the Investment Trust is to achieve CPI plus 4.5% p.a over rolling 10-year periods. The fund performance against the benchmark is as below:

	YTD (%)	Since inception (%)
Net return (<i>after fees</i>)	(0.12)	5.70
Strategic Asset Allocation (SAA) benchmark	1.83	6.91
Net relative to SAA benchmark	(1.95)	(1.21)

6. FINANCIAL INSTRUMENTS

The Fund's main risks arising from financial instruments are interest rate and other price risks.

The Investment Trust is a unit trust investment facility and is subject to other price risks only. The unit price of the facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue. Unit prices are calculated daily. Investments in the Investment Trust limits the Fund's exposure to risk as it allows diversification across a pool of funds with different investment horizons and a mix of asset classes.

The Fund's other financial instrument is cash held in the Treasury Banking System which is subject to interest rate risk. As at 30 June 2020, a rise or fall of 1 per cent in interest rate over the course of the year would result in an increase or decrease in interest earned of approximately \$174,416 (2019: \$67,555).

Risk management

TCorp actively manages financial instrument risks, and the ISA is reviewed regularly and updated to include changes in market conditions and/or management's direction. The documents clearly set out investment management objectives, restrictions, and establish performance benchmarks. The ISA is authorised and approved at the Senior Executive Level within NSW Treasury and/or the Treasurer.

Proposed changes to the ISA must go through a consultative process between TCorp and the Financial Risk Management (FRM) team at NSW Treasury. Regular meetings take place between TCorp, FRM and the Chief Financial Officer to monitor the performance and management of the investment.

7. EVENTS AFTER THE REPORTING DATE

There are no events after reporting date requiring disclosure.

End of audited financial report



INDEPENDENT AUDITOR'S REPORT

NSW Generations (Community Services and Facilities) Fund

To Members of the New South Wales Parliament

Opinions

Opinion on the audit of the financial report

I have audited the accompanying special purpose financial report (the financial report) of the NSW Generations (Community Services and Facilities) Fund (the Fund), which comprises the Statement by the Treasurer, the Statement of the Fund's Activities for the year ended 30 June 2020, the Statement of the Fund's Position as at 30 June 2020 and notes to the financial report. The financial report has been prepared by the Treasurer, using the basis of accounting described in Note 2 to the financial report for the purpose of fulfilling the Treasurer's annual reporting obligations under section 7 of the *NSW Generations Funds Act 2018* (the Act).

In my opinion, in all material respects, the financial report presents fairly, the Fund's position as at 30 June 2020 and its activities for the year ended 30 June 2020, in accordance with the basis of accounting described in Note 2 to the financial report.

Opinion on whether payments complied with the Act

I have undertaken an audit to provide reasonable assurance on whether payments from the Fund have, in all material respects, been made in accordance with the Act for the year ended 30 June 2020.

In my opinion, in all material respects, payments from the Fund have been made in accordance with the Act for the year ended 30 June 2020.

My opinions should be read in conjunction with the rest of this report.

Basis for Opinions

I conducted my audit in accordance with Australian Auditing Standards and Standards on Assurance Engagements, including ASAE 3100 'Compliance Engagements' (ASAE 3100). My responsibilities under the standards are described in the 'Auditor's Responsibilities' section of my report.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

I am independent of the Fund in accordance with the requirements of the:

- Australian Auditing Standards and Standards on Assurance Engagements
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

In conducting my audit, I have applied ASQC 1 'Quality Control for firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements and Related Service Engagements'.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Treasurer's annual reporting responsibilities under the Act. As a result, the financial report may not be suitable for another purpose.

Other Information

The Fund's annual report for the year ended 30 June 2020 includes other information in addition to the financial report and my Independent Auditor's Report thereon. The Treasurer is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the NSW Generations (Debt Retirement) Fund Financial Report.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by section 7(3) of the Act, I have separately expressed an opinion on the NSW Generations (Debt Retirement) Fund Financial Report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Treasurer's Responsibilities for the Financial Report

The Treasurer is responsible for the preparation and fair presentation of the financial report in accordance with the basis of accounting described in Note 2 to the financial report. The Treasurer's responsibility also includes such internal control as the Treasurer determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. The Treasurer has determined that the accounting policies described in Note 2 are appropriate for fulfilling the Treasurer's annual reporting responsibilities under the Act.

The Treasurer's Responsibilities under the *NSW Generations Funds Act 2018*

The Treasurer is responsible for ensuring payments made from the Fund have been made in accordance with the Act. The Treasurer's responsibility also includes such internal control as the Treasurer determines is necessary to comply with the requirements of the Act.

Auditor's Responsibilities

Audit of the financial report

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Fund carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

Audit of whether payments complied with the Act

My responsibility is to express an opinion on whether payments from the Fund, in all material respects, have been made in accordance with the Act. ASAE 3100 requires that I plan and perform procedures to obtain reasonable assurance whether payments from the Fund have, in all material respects, complied with specific requirements of the Act.

This audit involved performing procedures to obtain audit evidence on whether payments from the Fund complied with the Act. The procedures selected depend on my judgement, including the identification and assessment of the risks of material non-compliance with specific requirements of the Act.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, together with the Fund's internal control structure it is possible that fraud, error or non-compliance with the Act may occur and not be detected.

An audit for the year ended 30 June 2020 does not provide assurance on whether compliance with the Act will continue in the future.

Use of Report

My report was prepared for the purpose of fulfilling the Treasurer's annual reporting obligations under the Act. I disclaim any assumption of responsibility for any reliance on the report for any other purpose other than for which it was prepared.



Margaret Crawford
Auditor-General for New South Wales

5 November 2020
SYDNEY



Treasury

NSW Generations (Community Services and Facilities) Fund

Financial Report
for the year ended 30 June 2020

NSW Generations (Community Services and Facilities) Fund

**Financial Report
for the year ended 30 June 2020**

STATEMENT BY THE TREASURER

Pursuant to Section 7 of the *NSW Generations Funds Act 2018*, I declare that in my opinion:

- (a) The accompanying financial report provides details of the transactions of the NSW Generations (Community Services and Facilities) Fund for the year ended 30 June 2020; and
- (b) The financial report has been prepared as a special purpose financial report and related notes in accordance with the basis of accounting described in Note 2.

Further, I am not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



**The Hon. Dominic Perrottet MP
Treasurer**

37 October 2020

NSW Generations (Community Services and Facilities) Fund

Statement of the Fund's Activities and Position for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Receipts			
Government contribution	3	27,500	27,500
Interest earned	3	396	420
Other	3	-	200
GST received	3	-	3
Total receipts		27,896	28,123
Payments			
Project payments	4	17,625	-
Administrative expenses	4	463	378
Total payments		18,088	378
Net receipts		9,808	27,745
 The Fund's Position as at 30 June			
Opening balance of the Fund - cash		27,745	-
Net receipts		9,808	27,745
Closing balance of the Fund		37,553	27,745

The accompanying notes form part of the financial report.

NSW Generations (Community Services and Facilities) Fund

Notes to the Financial Report for the year ended 30 June 2020

1. INFORMATION ON THE NSW GENERATIONS (COMMUNITY SERVICES AND FACILITIES) FUND

Reporting entity

The NSW Generations (Community Services and Facilities) Fund (the Fund) is required to prepare an annual report under Section 7 of the *NSW Generations Funds Act 2018* (the Act). Section 12(1) of the Act states that the purpose of the Fund is to provide funding for cost-effective facilities and services throughout New South Wales that improve the wellbeing of communities and the lives of the people of New South Wales, including facilities and service for the purposes of:

- (a) protecting public health and preventing disease, illness, injury, disability or premature death, and
- (b) promoting conditions in which persons can be healthy and safe, and
- (c) promoting involvement with community or culture, and
- (d) increasing participation in programs, services or activities that aim to improve the overall wellbeing of the community, and
- (e) any other purposes prescribed by the regulations.

Section 12(2) of the Act provides that the Treasurer is not to recommend the making of a regulation for the purposes of subsection 12(1)(e) of the Act unless the Treasurer certifies that the Treasurer is satisfied that the purpose to be prescribed is a purpose that relates to the improvement of the wellbeing of communities and the lives of the people of New South Wales.

Section 4 of the Act establishes the Fund as a Special Deposit Account (SDA). Section 4.15 of the *Government Sector Finance Act 2018* defines an SDA to consist of:

- a) all accounts of money that the Treasurer is, under statutory authority, required to hold otherwise than for or on account of the Consolidated Fund, and
- b) all accounts of money that are directed or authorised to be paid to the SDA by or under legislation.

The Treasurer is responsible for the funding and investment operations of the Fund.

The financial report for the Fund is a Special Purpose Financial Report with the "financial year" being from 1 July to 30 June. The Fund is an SDA of the Crown Entity.

The financial report was authorised for issue by the Treasurer on the date the accompanying Statement by the Treasurer was signed.

Key Activities

The Fund was established for the provision of funding for cost-effective facilities and services throughout New South Wales that improve the wellbeing of communities and lives of people of New South Wales.

NSW Generations (Community Services and Facilities) Fund

Notes to the Financial Report for the year ended 30 June 2020

1. INFORMATION ON THE NSW GENERATIONS (COMMUNITY SERVICES AND FACILITIES) FUND (continued)

Funding Sources for the Fund

Section 13 of the Act prescribes the amounts payable into the Fund. These are:

- a) all money appropriated by Parliament, or advanced by the Treasurer, for payment into the Fund,
- b) all money appropriated by Parliament to the Treasurer for the general purposes of the Government (and not for the purposes of individual Government Sector Finance agencies) and directed by the Treasurer to be paid into the Fund,
- c) the repayment of the principal, or payment of interest, on money loaned from the Fund (including fees associated with the loan),
- d) the repayment of any other money provided from the Fund by way of any other financial assistance,
- e) all other money directed or authorised to be paid into the Fund by or under any Act or law.

Payments out of the Fund

Section 14(1) of the Act prescribes payments from the Fund. These are:

- a) all or any part of the cost of any project, program or initiative that the Treasurer is satisfied promotes the purpose of the Fund,
- b) administrative expenses relating to the control and management of the Fund,
- c) any money directed or authorised to be paid from the Fund by or under this Act or any other Act or law.

Section 14(2) provides that payments from the Fund for the cost of a project, program or initiative may be provided by way of a grant, subsidy, loan or other financial assistance and may be subject to such conditions as the Treasurer thinks fit to impose.

Section 14(3) prescribes, without limiting Section 14(2), those conditions may relate to the following:

- a) meeting specified performance targets or outcomes,
- b) repayments of the whole or any part of such financial assistance (including repayment if specified performance targets or outcomes are not met as required under a condition of the provision of the financial assistance),
- c) the payment of interest on financial assistance provided by way of a loan,
- d) the periods or intervals at which repayments are to be made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Fund's financial report is a special purpose financial report which has been prepared on a cash basis. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Fund. Receipts are realised and recorded when cash is received. Payments are recorded when cash is actually paid.

The presentation focus in the financial report is balances of the Fund at the reporting date and changes during the year.

NSW Generations (Community Services and Facilities) Fund

Notes to the Financial Report for the year ended 30 June 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

The Fund's financial report is presented in Australian dollars and all amounts are rounded to the nearest one thousand dollars (\$000).

Statement of compliance

The financial report and notes have been prepared in accordance with the policies detailed in this accounting policy note.

Value of the Fund

The total balance of the Fund consists of cash only.

Cash is controlled by the Fund when the Fund can use the cash for the achievement of its own objectives or otherwise benefit from the cash and exclude or regulate the access of others to that benefit. Cash collected by, or appropriated or granted to the Fund, which the Fund can use to fund its operating objectives, acquire capital assets or repay its debt is controlled by the Fund.

The cash held by the Fund is classified as a restricted asset as it can only be applied as allowed by the Act as detailed in Note 1.

3. RECEIPTS

The Fund is authorised to receive amounts in accordance with Section 13 of the Act.

	2020 \$'000	2019 \$'000
Section 13(b) receipts		
Government contribution	27,500	27,500
Section 13(c) receipts		
Interest earned	396	420
Section 13(e) receipts		
Other	-	200
GST received	-	3
Total Receipts	<u>27,896</u>	<u>28,123</u>

NSW Generations (Community Services and Facilities) Fund

Notes to the Financial Report for the year ended 30 June 2020

4. PAYMENTS

Payments from the Fund are in accordance with Section 14 of the Act.

	2020 \$'000	2019 \$'000
Section 14(1)(a) payments		
Project payment	17,625	-
Section 14(1)(b) payments		
Directors fees	185	161
Auditor's remuneration	11	-
Operating expenses	267	217
Total administrative expenses	<u>463</u>	<u>378</u>
Total payments	<u>18,088</u>	<u>378</u>

5. FINANCIAL INSTRUMENTS

Risk management

The Fund's only financial instrument is the cash held in the Treasury Banking System which is subject to interest rate risk. As at 30 June 2020, a rise or fall of 1 percent in interest rate over the course of the year would result in an increase or decrease in interest earned of approximately \$375,528 (2019: \$277,446).

6. EVENTS AFTER THE REPORTING DATE

There are no events after reporting date requiring disclosure.

End of audited financial report



Treasury

11. Appendices

11.1 List of successful MCP projects and status of delivery and funding allocation by electorate

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Albury	Upgrading Holbrook Netball Courts	\$180,000.00	Completed
Albury	Shade Sails for Eastern View Estate (Albury) Parks	\$55,088.00	Expected completion by Dec 2020
Albury	Refrigerated delivery van to provide emergency food relief	\$35,000.00	Expected completion by Dec 2020
Auburn	Playground and Tea Garden for Children	\$125,620.00	Expected completion by Dec 2020
Auburn	The Piazza revitalisation & safe children's playground for a more liveable community	\$103,093.00	Expected completion by Dec 2020
Ballina	Teen mental health first aid courses in all schools	\$116,985.00	Expected completion by Dec 2020
Ballina	Suffolk Park Pump Track	\$156,300.00	Expected completion in 2021
Ballina	Women Matter Too - wellbeing services for women	\$33,530.00	Expected completion by Dec 2020
Balmain	Leichhardt Community Grounds - playground and relaxation space	\$200,000.00	Expected completion by Dec 2020
Balmain	A new, inclusive playground for Annandale Public School	\$82,483.00	Expected completion by Dec 2020
Bankstown	Get Kids Cooking - program to teach kids to prepare healthy meals	\$26,000.00	Expected completion by Dec 2020
Bankstown	Street Outreach Youth Bus - creating opportunities for the disadvantaged youth	\$81,490.00	Expected completion by Dec 2020
Bankstown	Teen Brains on Wheels: program to develop tools for emotional resilience	\$72,056.00	Expected completion in 2021
Bankstown	Courtroom Slam Poetry on crime and justice	\$73,250.00	Expected completion by Dec 2020
Barwon	Revitalising horse sports in the Binnaway community	\$120,000.00	Expected completion by Dec 2020
Barwon	Local diversity and heritage silo art	\$95,220.00	Expected completion by Dec 2020
Bathurst	Cafe on Corporation - training for employment opportunities	\$20,000.00	Completed

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Bathurst	Welcome Gather Connect – Rejuvenating School Playground	\$111,550.00	Expected completion by Dec 2020
Bathurst	Interactive & educational garden for students and community	\$198,172.00	Expected completion by Dec 2020
Baulkham Hills	Self-care and nourishment for parents of special needs kids	\$198,560.00	Expected completion in 2021
Baulkham Hills	Kookaburra Track – path and lighting upgrade to existing walking track	\$29,346.00	Expected completion by Dec 2020
Bega	Restoration of the aged and dilapidated Tuross Head Country Club Carpark	\$53,000.00	Expected completion by Dec 2020
Bega	Outdoor gym hub	\$120,000.00	Expected completion by Dec 2020
Blacktown	Replace unsafe playground equipment	\$55,000.00	Completed
Blacktown	Nurragingy Miniature Railway	\$200,000.00	Expected completion in 2021
Blue Mountains	Accessible toilet and shower in the heart of Springwood	\$54,969.00	Expected completion by Dec 2020
Blue Mountains	Invigorate Blaxland High School Performance Arts Centre	\$200,000.00	Expected completion by Dec 2020
Cabramatta	Our Kitchen, Our Stories! – program to educate migrants and refugees about active and healthy lifestyles	\$27,819.00	Expected completion in 2021
Cabramatta	Bakery and cold store room for commercial kitchen at Russian Church Hall	\$200,000.00	Expected completion by Dec 2020
Cabramatta	A feast for the senses (Bonnyrigg sensory garden)	\$50,000.00	Expected completion by Dec 2020
Camden	Spring Farm Public School Play Space	\$129,063.00	Expected completion by Dec 2020
Camden	Macarthur Solar Community	\$80,636.00	Expected completion by Dec 2020
Campbelltown	Transforming train carriages to cafes and serving healthy meals	\$200,000.00	Expected completion in 2021
Campbelltown	Grand Stand Seating for Waminda Oval	\$55,636.00	Expected completion by Dec 2020
Canterbury	Lighting for Ewen Park Sports Fields	\$200,000.00	Expected completion by Dec 2020
Canterbury	Canterbury Community Kitchen – food for the disadvantaged	\$27,500.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Castle Hill	Football for All-Community Childcare Centre Football Program	\$200,000.00	Expected completion in 2021
Castle Hill	Everyone Can Play at North Kellyville Public School - new playground equipment	\$65,000.00	Completed
Castle Hill	Sun Safe Spectator Seating for Bernie Mullane Sports Complex	\$32,494.00	Completed
Cessnock	Above And Beyond Community Play Space for Physical and Mental Wellbeing	\$199,980.00	Expected completion by Dec 2020
Cessnock	Sun shield protection for community	\$49,449.00	Expected completion by Dec 2020
Charlestown	Grass re-surfacing at Nesbitt Park	\$122,712.00	Expected completion by Dec 2020
Charlestown	Kahibah Public School Outdoor Shared Space	\$100,100.00	Expected completion by Dec 2020
Charlestown	Clean Start - shower and laundry facilities for the homeless	\$31,676.00	Expected completion by Dec 2020
Clarence	Maclean Olympic Pool Solar Blankets	\$70,070.00	Expected completion by Dec 2020
Clarence	Medical transport for residents of the Richmond Valley Shire	\$113,557.00	Expected completion in 2021
Clarence	Construction of accessible walkway at Windara Garden Wonderland	\$79,000.00	Expected completion in 2021
Clarence	Defibrillators for Grafton City Centre	\$22,390.00	Expected completion by Dec 2020
Coffs Harbour	Construction of Woolgoolga Lakeside Reserve Walking Trail and Revegetation	\$75,820.00	Expected completion in 2021
Coffs Harbour	Musicians in Hospitals - Music and Medicine	\$39,240.00	Expected completion in 2021
Coffs Harbour	Accessible sensory garden for community	\$165,000.00	Expected completion in 2021
Coogee	Clovelly Beach Playground Upgrade	\$175,000.00	Expected completion by Dec 2020
Coogee	Wylies Coastal Community Gardens	\$72,741.00	Expected completion by Dec 2020
Cootamundra	June Regional Adventure Park	\$200,000.00	Expected completion by Dec 2020
Cronulla	Resurfacing of Burraneer Bay Public School Oval	\$200,000.00	Expected completion in 2021

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Davidson	Warrimoo Oval Lighting Upgrade	\$33,000.00	Expected completion in 2021
Davidson	Revitalising the St Ives High School Hall	\$200,000.00	Expected completion by Dec 2020
Drummoyne	Renovation of toilets and storage area in community building	\$112,000.00	Expected completion by Dec 2020
Drummoyne	2 New State-of-the-Art Safe Playgrounds for Liberty Grove	\$40,646.00	Expected completion by Dec 2020
Drummoyne	Dementia Wellness workshops	\$53,231.00	Expected completion by Dec 2020
Drummoyne	Sun shade cover	\$43,296.00	Expected completion by Dec 2020
Dubbo	Ninja course and car park	\$200,000.00	Expected completion by Dec 2020
Dubbo	Sport court expansion for active kids and community	\$140,000.00	Expected completion by Dec 2020
East Hills	Install air-conditioning in the East Hills Boys High School hall	\$193,500.00	Completed
East Hills	Revival of Revesby South Public School grass area	\$135,000.00	Expected completion by Dec 2020
Epping	Multipurpose All-Weather Court Revitalisation Project	\$180,000.00	Expected completion in 2021
Fairfield	Life Essentials for Vietnamese Elderly Living in Australia	\$26,000.00	Expected completion by Dec 2020
Fairfield	Community Care in Fairfield	\$165,000.00	Expected completion in 2021
Fairfield	All abilities/inclusive access ramp to church community hall	\$25,000.00	Expected completion by Dec 2020
Fairfield	New interactive community space	\$50,000.00	Expected completion by Dec 2020
Gosford	Phoenix Rising Community Garden	\$79,261.00	Completed
Gosford	Umina Surf Life Saving Club - purchase of a red & yellow patrol tractor	\$22,500.00	Completed
Gosford	Mixed Pathway at Umina Beach Surf Club	\$200,000.00	Expected completion in 2021
Goulburn	Moss Vale High School Community/School Cafe	\$68,690.00	Expected completion by Dec 2020
Goulburn	Upgrade car park's walking/wheelchair access and lighting for visitors to Moss Vale Golf Club	\$162,730.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Granville	Class Rooms & Youth Room Fit-out	\$197,321.00	Expected completion by Dec 2020
Granville	Revitalise School Oval	\$120,000.00	Expected completion by Dec 2020
Hawkesbury	Richmond Swimming Centre Shade & Seating Installation	\$61,144.00	Expected completion by Dec 2020
Hawkesbury	Richmond School of Arts lighting and sound update	\$90,750.00	Expected completion by Dec 2020
Hawkesbury	Purchase of public access defibrillators and community education at Wiseman's Ferry	\$35,000.00	Expected completion by Dec 2020
Heathcote	Helensburgh Mountain Bike Park	\$60,500.00	Expected completion by Dec 2020
Heathcote	Renewal of Stanwell Park CWA Community Hall	\$198,000.00	Expected completion in 2021
Heffron	Little Heroes Swim Centre - programs for children with a disability	\$20,000.00	Expected completion by Dec 2020
Heffron	Natural Play Area for Betty Spears Childcare	\$87,000.00	Expected completion by Dec 2020
Heffron	Creative Centre for young people to make, create and connect	\$132,825.00	Expected completion in 2021
Heffron	Performing Arts for schools in disadvantaged communities	\$20,000.00	Expected completion in 2021
Heffron	A Healthy Headspace Hub for Local Students	\$35,000.00	Expected completion by Dec 2020
Holsworthy	Youth Mental Health First Aid Courses	\$80,000.00	Expected completion by Dec 2020
Holsworthy	Newbridge Heights Public School playground	\$129,000.00	Expected completion by Dec 2020
Holsworthy	A playground & outdoor learning area for Chipping Norton Public School	\$98,360.00	Expected completion by Dec 2020
Hornsby	Men's Shed Workshop for the Community, Hornsby to Berowra	\$108,230.00	Completed
Hornsby	Hornsby Heights Outdoor Active Playground	\$142,269.00	Expected completion by Dec 2020
Hornsby	The Hornsby Connect - Refrigerated Provisions Truck to provide free meals	\$72,558.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Keira	Grand Pacific Walk – Free Water Refill Project	\$111,663.00	Expected completion by Dec 2020
Keira	Weather Shelter at Gibson Park – protecting our community	\$152,265.00	Expected completion by Dec 2020
Kiama	New Multifunctional Community and Sports Centre	\$187,000.00	Expected completion by Dec 2020
Kiama	Meals on Wheels Bomaderry Commercial Kitchen upgrade	\$44,874.00	Expected completion by Dec 2020
Kiama	Mountain Bike Skills Park in Minnamurra Quarry	\$50,000.00	Expected completion by Dec 2020
Kogarah	Revitalise indoor/outdoor floor space at St James Carlton	\$24,964.00	Expected completion by Dec 2020
Kogarah	Create a multisport space to promote healthy minds & bodies	\$54,360.00	Expected completion by Dec 2020
Kogarah	Nature Play and Learning at Blakehurst Public School	\$47,000.00	Expected completion by Dec 2020
Kogarah	Creating a new cultural space for the community	\$140,729.00	Expected completion by Dec 2020
Ku-ring-gai	Canoon Road Sporting Complex – Lighting Installation	\$200,000.00	Expected completion by Dec 2020
Lake Macquarie	Coal Point Public School Naturespace and Community Hub	\$198,086.00	Expected completion by Dec 2020
Lake Macquarie	Toronto Community Free Food Bank	\$34,000.00	Expected completion by Dec 2020
Lake Macquarie	Caring for Carers: Carer Support Group Respite Program	\$20,000.00	Expected completion in 2021
Lakemba	Learning Together Community Centre	\$200,000.00	Expected completion in 2021
Lakemba	Indoor playground for muslim families	\$78,650.00	Expected completion by Dec 2020
Lane Cove	Artarmon Public School Playground – a place to play	\$75,000.00	Expected completion by Dec 2020
Lane Cove	Shade for Hunters Hill High School	\$50,000.00	Expected completion by Dec 2020
Lane Cove	Multipurpose clinic to provide free memory assessments and advice for older Australians	\$172,280.00	Expected completion in 2021
Lismore	Securing the safety of the Region's koalas in care	\$56,532.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Lismore	Flood proofing upgrades	\$188,959.00	Expected completion by Dec 2020
Lismore	Integrated PlayScape-to build fitness, brains and bodies	\$75,000.00	Expected completion in 2021
Liverpool	Outreach Sports Programs Tackling Mental Health & Obesity	\$130,000.00	Expected completion in 2021
Liverpool	Serving Our Community - purchasing community transport bus and securing safety fence	\$169,117.00	Expected completion by Dec 2020
Londonderry	Community Play and Learn Facility	\$165,000.00	Expected completion by Dec 2020
Londonderry	A Community Outdoor Area	\$44,570.00	Expected completion by Dec 2020
Londonderry	The Ropes Crossing Neighbourhood Watch Programme	\$25,000.00	Expected completion by Dec 2020
Londonderry	Connecting aged care patients with high school students	\$40,000.00	Expected completion by Dec 2020
Macquarie Fields	Macquarie Links - Child & Youth Play & Fitness Areas	\$178,750.00	Expected completion by Dec 2020
Macquarie Fields	Air conditioning installation in school hall	\$29,728.00	Expected completion by Dec 2020
Maitland	Metford Community Play Space	\$150,000.00	Expected completion by Dec 2020
Maitland	Social Outdoor Event Space	\$95,000.00	Expected completion by Dec 2020
Maitland	Precious Plastic Recycling Workshop	\$50,000.00	Expected completion in 2021
Manly	All Weather Community Sporting Hub	\$35,000.00	Completed
Manly	Manly Food Co-Op Equipment and Signage	\$22,954.00	Expected completion by Dec 2020
Manly	Seaforth Public School Community Nature Playground	\$50,000.00	Expected completion by Dec 2020
Manly	Celebrating Sydney's Underwater Forests	\$199,000.00	Expected completion in 2021
Maroubra	Active kids - playground upgrade	\$110,000.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Maroubra	Deadly Youth Mentoring & Case Management Program	\$124,740.00	Expected completion in 2021
Maroubra	Revitalising Sir Joseph Banks Park	\$60,000.00	Expected completion by Dec 2020
Miranda	Modernising & Upgrading the Sylvania Heights Community & Youth Club	\$200,000.00	Expected completion by Dec 2020
Miranda	Sun Safe Shelters a Bellingara Netball Complex	\$38,679.00	Completed
Monaro	Upgrade of Playground at Jerrabomberra Community Centre	\$40,000.00	Expected completion by Dec 2020
Monaro	Jerrabomberra Public School - Cover Our Sports Courts	\$171,203.00	Expected completion in 2021
Mount Druitt	Church Cafe and Kitchen Upgrade	\$40,000.00	Expected completion by Dec 2020
Mount Druitt	Toilets Renovation	\$40,000.00	Expected completion by Dec 2020
Mount Druitt	Boundary Fencing for Mittigar Reserve, Hassall Grove	\$52,142.00	Completed
Mount Druitt	Keeping Safe in Mt Druitt - protecting the youth	\$44,000.00	Expected completion in 2021
Mulgoa	A Safe Place to Play - install safe play equipment	\$80,000.00	Expected completion by Dec 2020
Mulgoa	St Clair and District Men's Shed Stage 2 Shed Build	\$65,000.00	Expected completion by Dec 2020
Mulgoa	Regentville Public School Infants Adventure Playground	\$113,746.00	Expected completion by Dec 2020
Murray	Install a Skate Park in Yenda, NSW	\$200,000.00	Expected completion by Dec 2020
Murray	CanAssist Catering Van to raise money for cancer patients in Griffith	\$46,000.00	Expected completion by Dec 2020
Myall Lakes	New toilets at Blackhead Pool	\$122,251.00	Expected completion in 2021
Myall Lakes	New Playground for Children of Pacific Palms Public School	\$79,500.00	Expected completion by Dec 2020
Myall Lakes	Chatham High School Street Food Project	\$42,500.00	Expected completion by Dec 2020
Newcastle	UnWaste: An Upcycle Newcastle community engagement project	\$31,791.00	Expected completion by Dec 2020
Newcastle	A multi-purpose all-weather greenspace for kids	\$143,000.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Newcastle	Project Eve – a safe and welcoming space for homeless women	\$63,250.00	Expected completion by Dec 2020
Newcastle	Upgrading the Commons Courtyard at Pachamama House	\$45,983.00	Expected completion by Dec 2020
Newtown	Giant Dwarf Theatre – improve disability and community access	\$95,693.00	Expected completion in 2021
Newtown	Women’s Work – Financial Equity for Sydney Women	\$200,000.00	Expected completion in 2021
Newtown	Mapping the Inner-West – Australia’s capital of craft brewing	\$35,000.00	Expected completion by Dec 2020
North Shore	Accessible Toilets in Mosman Junction	\$200,000.00	Expected completion by Dec 2020
Northern Tablelands	All weather spectator grandstand for the Guyra Sporting Complex	\$120,000.00	Expected completion by Dec 2020
Northern Tablelands	Theatre Renovations to Armidale Playhouse	\$191,080.00	Expected completion by Dec 2020
Oatley	Penshurst West Public School P&C Playground Upgrade	\$75,000.00	Expected completion by Dec 2020
Oatley	Peakhurst South Community Hall Revitalisation	\$49,500.00	Expected completion by Dec 2020
Oatley	Playground and meeting hub – connecting families	\$30,000.00	Expected completion by Dec 2020
Oatley	Air conditioning installation at Oatley RSL Youth Club	\$55,300.00	Expected completion by Dec 2020
Oatley	Free monthly workshops on repairing appliances	\$48,000.00	Expected completion in 2021
Orange	Gosling Creek Reserve Track Upgrade	\$110,000.00	Expected completion by Dec 2020
Orange	Boree Creek to Federal Falls shared walking trail	\$140,000.00	Expected completion by Dec 2020
Orange	Let’s Help Orange Homeless – supplying sleeping bags for the homeless	\$21,900.00	Expected completion by Dec 2020
Oxley	Netball/basketball Courts at Valla Beach	\$115,683.00	Expected completion by Dec 2020
Oxley	Connecting – Empowering Families and Youth – facility for community crisis food relief and youth activities	\$180,000.00	Expected completion by Dec 2020
Parramatta	Community space and programs for Senior Citizens, Families and Migrants	\$75,936.00	Expected completion by Dec 2020
Parramatta	Resurfacing 6 synthetic grass tennis courts	\$200,000.00	Completed

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Parramatta	Improving Energy Efficiency for Community Groups	\$20,000.00	Expected completion by Dec 2020
Parramatta	Children's playground and community meeting place	\$45,000.00	Expected completion in 2021
Parramatta	CCTV cameras for our city centre green space in Parramatta	\$22,000.00	Expected completion by Dec 2020
Penrith	Shelter access and refurbishment, Whitton Park Glenbrook	\$55,000.00	Expected completion by Dec 2020
Penrith	Spectator Shade Shelter Lapstone Public School	\$24,667.00	Completed
Penrith	Community BBQ area	\$42,054.00	Expected completion by Dec 2020
Penrith	Glenbrook Road - connecting concrete footpath between Glenbrook Village and the railway bridge on Wilson Way in Blaxland	\$200,000.00	Expected completion in 2021
Pittwater	Mona Vale Golf Club - Course Flood Mitigation Project	\$34,200.00	Expected completion by Dec 2020
Pittwater	Community Pantry Kitchen Serving the vulnerable in community	\$50,000.00	Expected completion by Dec 2020
Pittwater	New rescue vessel for Marine Rescue Broken Bay	\$200,000.00	Expected completion by Dec 2020
Port Macquarie	Precious Plastic Port Macquarie - sustainable community recycling solution	\$81,800.00	Expected completion by Dec 2020
Port Macquarie	Epic Quest to Revive Lake Cathie	\$25,000.00	Expected completion in 2021
Port Macquarie	Sheltered outdoor learning space for Hastings School	\$140,000.00	Expected completion by Dec 2020
Port Stephens	Fit Out of Koala Hospital Building	\$200,000.00	Expected completion by Dec 2020
Prospect	Children's playground at local church	\$32,000.00	Expected completion by Dec 2020
Prospect	Westside Creative - affordable creative arts for local community	\$120,000.00	Expected completion by Dec 2020
Prospect	New Toilets at Smithfield Scouts Hall	\$45,000.00	Expected completion in 2021
Prospect	Revitalising St Gertrude's Parish Community Area	\$40,000.00	Expected completion by Dec 2020
Riverstone	Riverstone High School Outdoor Gym	\$79,251.00	Expected completion by Dec 2020
Riverstone	Sun Safe Shade Sails for The Ponds School	\$86,554.00	Completed

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Riverstone	FixMyStreet App to improve driving experience in Riverstone	\$27,500.00	Expected completion by Dec 2020
Riverstone	Giving Girls A Place to Grow – community female empowerment initiative	\$50,000.00	Expected completion in 2021
Rockdale	Revitalise St. David's Church Hall	\$175,000.00	Expected completion by Dec 2020
Rockdale	Install lights and synthetic grass in Arncliffe playground	\$72,023.00	Expected completion by Dec 2020
Ryde	St John's Playground – building an active and safe community	\$40,000.00	Expected completion by Dec 2020
Ryde	Upgrade Marsfield Community Kitchen	\$88,550.00	Expected completion by Dec 2020
Ryde	Upgrade Ermington Public School Playground	\$120,000.00	Expected completion in 2021
Ryde	Breakfast for Birds, Bees & Butterflies	\$35,325.00	Expected completion by Dec 2020
Seven Hills	Revamping existing carpark into multi-use / carpark area	\$95,000.00	Completed
Seven Hills	Kings Langley Community Hub	\$198,720.00	Expected completion by Dec 2020
Shellharbour	Yananga Inclusive Community Space - a shared space for all!	\$146,464.00	Expected completion by Dec 2020
Shellharbour	Southern Illawarra Men's Shed	\$60,721.00	Expected completion by Dec 2020
Shellharbour	Grand Stand Seating Lakeside Lions	\$32,000.00	Expected completion by Dec 2020
Shellharbour	Grandstand for Flinders Field	\$89,337.00	Completed
South Coast	Revitalisation of Sanctuary Point	\$188,000.00	Expected completion in 2021
South Coast	Jervis Bay Radio Equipment Upgrade	\$90,000.00	Expected completion by Dec 2020
Strathfield	Open Classroom for Healthy Mind, Body & Spirit	\$39,895.00	Expected completion by Dec 2020
Strathfield	Inclusive Community Playground	\$75,000.00	Expected completion in 2021
Strathfield	Parish Pantry Kitchen and Community Garden Upgrade	\$42,737.00	Expected completion by Dec 2020
Strathfield	Live Life Get Active Community Exercise Classes	\$42,463.00	Expected completion in 2021
Summer Hill	Pratten Park Community Music Hub – Stage and sound installation	\$26,956.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Summer Hill	MakerSpace Community Workshop on digital tech, wood & metal	\$110,000.00	Expected completion by Dec 2020
Summer Hill	Repurposing the Petersham multi-sport community courts	\$40,000.00	Expected completion by Dec 2020
Swansea	Inclusive Children's Playground	\$156,200.00	Expected completion by Dec 2020
Swansea	Upgrade of Camp Breakaway bathrooms	\$180,000.00	Expected completion by Dec 2020
Sydney	Indigenous Edible Garden	\$88,000.00	Expected completion by Dec 2020
Sydney	Woolloomooloo Out Loud – cultural, academic & sporting engagement for youth and families	\$76,481.00	Expected completion by Dec 2020
Sydney	Ruff Sleepers – dog washing for the homeless	\$101,000.00	Expected completion by Dec 2020
Tamworth	Replacement of Walcha Bowling Club Synthetic Bowling Green	\$200,000.00	Expected completion by Dec 2020
Tamworth	Community Tennis and Table Tennis space	\$100,060.00	Completed
Tamworth	Emergency Response Vehicle for the Tamworth Community	\$38,789.00	Completed
Terrigal	Building a men's shed in Copacabana	\$130,000.00	Expected completion in 2021
Terrigal	Access for All to the Arts at Avoca Theatre	\$171,600.00	Completed
The Entrance	Affordable & accessible mental health treatment for coasties	\$154,000.00	Expected completion in 2021
The Entrance	Tumbi Social Enterprise Café – training opportunities in the youth industry for young adults	\$150,000.00	Expected completion in 2021
Tweed	Terranora Nature Space Playground	\$150,000.00	Expected completion by Dec 2020
Tweed	New Kids Outdoor Gym and Park for Everyone, Tweed Heads	\$106,408.00	Expected completion by Dec 2020
Upper Hunter	Spray and Play – children's summer play equipment	\$121,220.00	Expected completion by Dec 2020
Upper Hunter	Inclusive Stimulating Playground Equipment	\$100,000.00	Completed
Upper Hunter	James Theatre Improvements	\$50,000.00	Expected completion by Dec 2020
Vaucluse	Friendship Café – connecting people with all abilities to provide employment opportunities	\$200,000.00	Expected completion by Dec 2020

Electorate	Project Title	Total Allocated	Status as at 10 November 2020
Wagga Wagga	Main Access Road upgrade for Wagga Wagga Country Club and Lake Albert foreshore	\$108,000.00	Expected completion by Dec 2020
Wagga Wagga	Carevan Wagga Incorporated - Provide meals to disadvantaged families and individuals	\$48,006.00	Expected completion by Dec 2020
Wagga Wagga	The Rock Central School Oval Upgrade	\$61,113.00	Expected completion in 2021
Wagga Wagga	North Wagga Hall Rejuvenation	\$75,545.00	Expected completion by Dec 2020
Wakehurst	Community Bound - wheelchair modified van	\$79,391.00	Completed
Wakehurst	Social & Outdoor Teaching Space	\$29,045.00	Completed
Wakehurst	Cromer Public School recreation and playground upgrade	\$161,700.00	Completed
Wallsend	Community Playground	\$70,000.00	Expected completion by Dec 2020
Wallsend	Theatre Makeover - culture and arts for all	\$190,299.00	Expected completion by Dec 2020
Willoughby	Food For Life - free food, yoga, meditation & counselling services for all	\$200,000.00	Expected completion by Dec 2020
Willoughby	Weekly Community Dinner	\$22,000.00	Expected completion by Dec 2020
Wollondilly	All-abilities playground in a botanic garden	\$200,000.00	Expected completion by Dec 2020
Wollongong	Fair Food Supermarket and Make Do Library of Things - zero waste	\$175,000.00	Expected completion by Dec 2020
Wollongong	Educational play area for children	\$90,891.00	Expected completion by Dec 2020
Wyong	Beauty For Ashes - supporting domestic violence victims	\$121,531.00	Expected completion in 2021
Wyong	A home for Marine Rescue Norah Head's new rescue vessel	\$140,835.00	Expected completion by Dec 2020

Notes

1. One project in the Hawkesbury electorate has been excluded from the table above as the funding deed was not executed at the time of publishing this report.
2. Projects highlighted in green have been completed. Note that the list of 'completed' projects is current as at 2 November 2020 as the next round of reporting will occur in December 2020.

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