



New South Wales

NSW Generations Funds Bill 2018

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.
This Bill is cognate with the *Appropriation Bill 2018*.

Overview of Bill

The object of this Bill is to provide for the establishment of the NSW Generations (Debt Retirement) Fund and the NSW Generations (Community Services and Facilities) Fund for the purposes of providing funding for State debt retirement and certain community purposes.

Outline of provisions

Part 1 Preliminary

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

Clause 2 provides for the commencement of the proposed Act.

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

Part 2 NSW Generations Funds

Division 1 Establishment and operation of NSW Generations Funds

Clause 4 provides for the following 2 Funds (called collectively the *NSW Generations Funds*) to be established in the Special Deposits Account:

- (a) NSW Generations (Debt Retirement) Fund (the *Debt Retirement Fund*),

(b) NSW Generations (Community Services and Facilities) Fund (the *Community Services and Facilities Fund*).

Clause 5 provides that the Minister is to control and manage each of the NSW Generations Funds.

Clause 6 authorises the Minister to obtain advice in relation to the exercise of the Minister's functions under the proposed Act.

Clause 7 requires the Minister to produce an annual report on the payments made from each of the NSW Generations Funds and to make the report publicly available.

Division 2 Debt Retirement Fund

Clause 8 provides that the purpose of the Debt Retirement 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*.

Clause 9 provides for payments of money into the Debt Retirement Fund. These include:

- (a) money that is directed by the Treasurer to be paid into the Fund because the Treasurer is satisfied that it is windfall tax revenue in excess of Budget forecasts, and
- (b) money that is income (including distributions, dividends and interest) paid to the holder of certain interests specified in Schedule 1 (called *relevant NSW equity interests*), and
- (c) the proceeds of the sale of relevant NSW equity interests.

Clause 10 enables payments to be made out of the Debt Retirement Fund for:

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

Clause 11 authorises the Minister to invest money in the Debt Retirement Fund.

Division 3 Community Services and Facilities Fund

Clause 12 provides that the purpose of the Community Services and Facilities 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, and gives examples of such facilities and services.

Clause 13 provides for payments of money into the Community Services and Facilities Fund.

Clause 14 provides for payments out of the Community Services and Facilities Fund, including payments for projects, programs or initiatives that promote the purpose of the Fund.

Clause 15 authorises the Minister to invest money in the Community Services and Facilities Fund.

Part 3 Miscellaneous

Clause 16 enables the regulations to amend Schedule 1 to insert additional relevant NSW equity interests for the purposes of the Debt Retirement Fund.

Clause 17 enables the Minister to delegate functions under the proposed Act.

Clause 18 provides that the proposed Act binds the Crown.

Clause 19 enables the Governor to make regulations for the purposes of the proposed Act.

Clause 20 makes amendments to the proposed Act consequent on the commencement of Division 6.4 (Financial arrangements) of the *Government Sector Finance Act 2018*.

Schedule 1 Relevant NSW equity interests

Schedule 1 provides for the shares held by the Treasurer in Roads Retained Interest Pty Ltd (ACN 624 812 773) to be a relevant NSW equity interest for the purposes of the proposed Act.

Schedule 2 Savings, transitional and other provisions

Schedule 2 enables the Governor to make regulations of a savings or transitional nature consequent on the enactment of the proposed Act or any Act that amends it.