

NSW Budget 2024-25

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Treasurer

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Investment fund reforms to generate \$1.6 billion and keep gross debt lower

A restructure of the State's money management policies will enable the Minns Labor Government to generate an additional \$1.6 billion return without having to take on additional borrowings.

The OneFund investment initiative will help spare our children and grandchildren from avoidable debt, by reining in the Liberal Government's policy of racking up borrowings on the State's credit card.

OneFund combines several State investment funds to deliver higher risk-adjusted returns through the pooling of investment portfolios, and greater operating efficiencies.

The participating investment funds are the Debt Retirement Fund (DRF), NSW Infrastructure Future Fund, Social and Affordable Housing Fund, Snowy Hydro Legacy Fund, Treasury Managed Fund and Long Service Corporation funds which, together with certain other Self-Insurance Corporation funds, represent around \$46.7 billion in assets.

While the participating funds will invest through the same master fund structure, they will continue to meet their specific policy purpose and remain aligned with their enabling legislation.

OneFund's implementation coincides with the Government's new DRF management framework.

This framework is based on any future contributions being guided by certain principles, including:

- Consider contributing when the Budget result is in underlying surplus (i.e. excluding net DRF returns)
- Contributions do not exceed the value of the underlying surplus.

The new framework ends the previous government's plans to borrow vast sums of money to enlarge the DRF.

This ends the Liberal Party fiction that plunging the State further into debt will eventually get the State out of debt.

Together the OneFund and DRF contributions initiatives reform the Government's investment funds to cut administration costs, support increased earnings and keep the State's debt lower. The Government is committed to taking a more prudent approach to funds management, while repairing the Budget to pay for our essential services.

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