

New South Wales Treasury Corporation

Type of Engagement: Green, Social and Sustainability Bond Pre-Issuance Review

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Engagement Team:

Sumaiya Waheed, sumaiya.waheed@morningstar.com

Vipula Pandita, vipula.pandita@morningstar.com

Introduction

In September 2024, New South Wales Treasury Corporation (“TCorp” or the “Issuer”), in conjunction with NSW Treasury and the NSW Department of Climate Change, Energy, the Environment and Water, developed the NSW Sustainability Bond Framework (Framework)¹ under which it intends to issue Green, Social and/or Sustainability Bonds (“GSS Bonds”) aimed at financing or refinancing projects or assets that deliver positive environmental and social outcomes for the state of New South Wales. Sustainalytics provided a Second-Party Opinion on the Framework in September 2024.²

In August 2025, TCorp engaged Sustainalytics to review certain projects that it intends to refinance through GSS Bonds (the “Nominated Projects”) to provide an assessment as to whether such projects comply with the use of proceeds, project selection and management of proceeds sections of the Framework.

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects as to whether:

1. They meet the use of proceeds eligibility criteria in the Framework
2. The commitments to select projects, manage proceeds and report on allocation and impact meet the ones described in the Framework.

Appendix 2 provides a summary of the Nominated Projects.

Issuing Entity’s Responsibility

TCorp is responsible for providing accurate information and documentation relating to the Nominated Projects, including a description of the projects. This information was provided to Sustainalytics to support its review. TCorp is also responsible for confirming to Sustainalytics that the processes for project selection and management of proceeds will remain aligned with the commitments in the Framework.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the nominated projects to be financed under the GSS Bonds. The work undertaken as part of this engagement included verification of the Nominated Projects and confirmation from representatives of TCorp, NSW Treasury and the NSW Department of Climate Change, Energy, the Environment and Water that the use of proceeds, processes for project selection and management of proceeds for the GSS Bonds will remain aligned with the commitments described in the Framework.

Sustainalytics has relied on the information and facts presented by TCorp, NSW Treasury and the NSW Department of Climate Change, Energy, the Environment and Water with respect to the Nominated Projects. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by such parties.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment.

¹ TCorp, NSW Sustainability Bond Framework”, (2024), at: https://tcorp.nsw.gov.au/wp-content/uploads/2024/09/NSW_Sustainability_Bond_Framework_2024.pdf.

² Sustainalytics, “Second Party Opinion, NSW Sustainability Bond Framework”, (2024), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/new-south-wales-treasury-corporation_spo_final-spo_.pdf?sfvrsn=e5ef9b23_1.

Conclusion

Based on the limited assurance procedures conducted,³ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the GSS Bonds are not aligned with the Framework.

³ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of projects and assets, including description, estimated and realized costs, and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix 1: Use of Proceeds Eligibility Criteria of the NSW Sustainability Bond Framework

Use of Proceeds Category	Examples of Eligible Projects
Clean Transportation	<ul style="list-style-type: none"> • Zero direct emissions public transport, such as electrified rail, rolling stock, light rail and buses • Zero direct emissions passenger or light commercial vehicles, such as electric vehicles • Dedicated infrastructure for eligible rolling stock, railway lines and networks • Dedicated charging infrastructure • Public walking and cycling infrastructure
Affordable Basic Infrastructure	<p>Increasing access for households to the following public services:</p> <ul style="list-style-type: none"> • Clean drinking water • Sewers • Sanitation • Mass transport • Energy • Natural/green recreational spaces
Access to Essential Services	<ul style="list-style-type: none"> • Affordable public healthcare services (including vaccinations, medications, hiring and training of medical personnel) • Access to public transport for people with disability or limited mobility • Infrastructure related to public sector education and vocational training, including schools and universities • Access to emergency services
Affordable Housing	<ul style="list-style-type: none"> • Public-private partnerships to build new social housing • Upgrades or maintenance of existing social housing

Appendix 2: Summary of the Nominated Projects

Use of Proceeds Category	Project	Project Description
Clean Transportation	Zero Emission Buses – Greater Sydney Stage 1	The Program aims to transition the state’s diesel and natural gas public transport buses to battery-electric buses that run on zero emissions technology and generates zero direct tailpipe emissions. It also involves the development of new depots and upgrades to the electricity grid network to expand the electricity supply for the electric buses and depots.
Affordable Basic Infrastructure	National Park Visitor Infrastructure	The Program aims to provide access to green recreational parks for the general population, with particular focus on women, children, older persons, and persons with disabilities. It includes enhancing access to NSW national parks by upgrading and expanding park infrastructure, thereby improving the accessibility of a wide range of visitor experiences across NSW. Entry to the parks is free of charge for visitors, and vehicle entry is set at a concessional rate for veterans and pensioners. ⁴
Access to Essential Services	Safe Accessible Transport Program (SAT)	This Program is designed to support people with disabilities and those with limited mobility. It focuses on making transportation and related infrastructure more accessible by incorporating features such as lifts, ramps, tactile surfaces, handrails, guidance systems for the visually impaired, as well as improved lighting and signage.
	Hospital Infrastructure	All projects under this Program form part of Australia’s universal healthcare system. Through the development of modern healthcare infrastructure, the Program provides free healthcare services to Australian citizens and residents in NSW. ⁵ The projects include the establishment of new healthcare facilities with advanced capabilities, as well as the upgrade or redevelopment of existing infrastructure. These encompass inpatient beds, emergency departments, inpatient and outpatient units, operating theatres, medical imaging facilities, cancer centres, mental health services, maternity and paediatric facilities, intensive care units, renal units, aged care and rehabilitation centres, and ambulatory and community health services. Car parking facilities developed as part of the hospital infrastructure will be made available to the hospital visitors. ^{6,7}

⁴ NSW, “NSW National Parks and Wildlife Service”, at: <https://www.nationalparks.nsw.gov.au/passes-and-fees/discount-and-concession-passes#pensioner-and-veterans-concession-pass>.

⁵ NSW, “NSW Health”, at: <https://www.health.nsw.gov.au/public/pages/for-patients.aspx>.

⁶ NSW has communicated to Sustainalytics that car parking charges are subject to regional considerations. Parking is available free of charge for patients, staff, and visitors at all hospitals and health facilities across regional NSW.

NSW, “NSW Health”, at: https://www.health.nsw.gov.au/news/Pages/20230726_00.aspx.

⁷ In metropolitan hospitals limited space requires paid parking to prevent misuse and ensure access for those in need. Further, in metropolitan areas, concessional parking is provided to those who need it most, including patients undergoing long-term treatment, concession card holders, and individuals facing financial hardship. An exhaustive list of beneficiaries of concessional parking can be referred under the following link:

NSW, “NSW Health”, at: <https://www.health.nsw.gov.au/Hospitals/parking/Pages/concessional-parking.aspx>.

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Affordable Housing	Social Housing Boost Program	The program intends to provide secure and subsidised rental housing for low-income households with significant housing needs that cannot be met in the private rental market. ^{8,9} Target population includes low-income individuals or households, ¹⁰ homeless people, ¹¹ women and children escaping domestic violence, ¹² aboriginal people, ¹³ older Australians, those living with a disability and young people without family support. The rent of social housing units is subsidised and calculated at 25-30% of a household's income. ¹⁴
	Land and Housing Corporation (LAHC) Supplementary Capital Maintenance Program ¹⁵	The program aims to improve the overall condition of LAHC's housing portfolio and reduce capital maintenance liabilities. It also aims to increase the number of LAHC properties available for NSW social housing tenants by upgrading untenable dwellings. The target population includes low-income individuals or households, homeless people, women and children escaping domestic violence, aboriginal people, older Australians, those living with a disability and young people without family support. The upgrades and renovations have no direct impact on social housing rent, which is subsidised and calculated at 25-30% of household income. ¹⁶

⁸ NSW, "Eligibility for Social Housing Income", at: <https://www.nsw.gov.au/departments-and-agencies/homes-nsw/social-housing-resources/social-housing-eligibility-and-allocations-policy-supplement/eligibility-for-social-housing-income#toc-income-eligibility-limits>.

⁹ NSW, "Relocating Public Housing Tenants", at: <https://www.nsw.gov.au/housing-and-construction/social-affordable/public-housing-tenants/move-swap-or-transfer/relocating-tenants>.

¹⁰ According to the NSW Government, people earning more than 50% but less than 80% of the NSW or Sydney median income are described as being on a low income. NSW Government, Department of Communities and Justice, "About affordable rental housing – Who are very low to moderate income earners?", at: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>.

¹¹ The Together Home Program aims to support homeless people into a stable accommodation. NSW Government, Department of Communities and Justice, "Together Home", at: <https://www.facs.nsw.gov.au/housing/help/ways/are-you-homeless/together-home>.

¹² Building Homes for NSW project includes the target to provide homes to women and children who are survivors of domestic violence. NSW Government, Building Homes for NSW, at: <https://www.nsw.gov.au/departments-and-agencies/homes-nsw/building-homes-for-nsw>.

¹³ Aboriginal social housing projects aim to meet the housing needs of Aboriginal populations on very low or low income across New South Wales, with specific identity and income eligibility requirements. NSW Government, Aboriginal Housing Office, at: <https://www.aho.nsw.gov.au/download?file=544331>.

¹⁴ NSW Government, Department of Communities and Justice, "About affordable rental housing – How are affordable housing rents set?", at: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/how-are-affordable-housing-rents-set>.

¹⁵ NSW, "Social Housing", at: <https://www.planning.nsw.gov.au/policy-and-legislation/housing/social-housing#-capital-maintenance->

¹⁶ NSW, "Charging Rent Policy", at: <https://www.nsw.gov.au/departments-and-agencies/homes-nsw/social-housing-resources/charging-rent-policy>.

Appendix 3: Sustainalytics' Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects to determine if they meet the use of proceeds eligibility criteria in the Framework.	All projects reviewed (Appendix 2) complied with the use of proceeds eligibility criteria.	None
Project Selection and Management of Proceeds Criteria	Verification of the Nominated Projects to determine if the processes for project selection and management of proceeds are consistent with the Framework.	TCorp has confirmed to Sustainalytics that the processes for project selection and management of proceeds for the GSS Bonds are consistent with the commitments described in the Framework.	None

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