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Information Sharing and Performance

At a glance

- The GSF Bill contains provisions giving the Treasurer power to make directions regarding the keeping of performance information, and Ministers the power to request information from GSF Agencies within their portfolios.
- These provisions are aimed to support the Government with resource allocation decisions and the outcome budgeting policy.
- Outcome budgeting establishes a direct connection between funding decisions and outcomes for the people of NSW.
- Generally, all GSF Agencies are required to comply with information requests and requirements to keep performance information, although the legislation does build in some exemptions and protections.

The Government Sector Finance Bill 2018 (GSF Bill) strengthens the focus on performance and outcomes in financial management, which does not exist under the current legislative framework. The GSF Bill supports the Government's outcome budgeting policy. The Bill contains provisions that:

- require agencies to keep records of performance information,
- enable the Treasurer to issue directions about the type of performance information to be kept, and
- enable Ministers to access information from certain agencies to use for resource allocation decisions.

What is outcome budgeting?

Outcome budgeting establishes a direct connection between funding decisions and outcomes for the people of NSW. The purpose of outcome budgeting is to drive better value for taxpayer dollars and improve the quality of public spending.

Outcome budgeting will improve information used by Government to support funding decisions. Decision-makers will have access to information on the performance of existing expenditure (outcome indicators and program performance measures) in delivering specific state outcomes. In addition, new expenditure proposals will have to clearly demonstrate their contribution to these state outcomes. With this information, Government will be positioned to make decisions that drive better value for taxpayer dollars, and will be able to more clearly demonstrate how their resource allocation decisions are driving specific outcomes for the people of NSW.

Performance and outcome informed decision making will also influence cluster resource management and service delivery. Clusters will increasingly focus on the performance of new and current expenditures, in particular how they contribute to state outcomes. This will be tracked using a suite of performance metrics, thereby promoting greater accountability and transparency of expenditure in delivering state outcomes.

What do the performance and information sharing provisions say?

The GSF Bill contains provisions relating to **information sharing** and **performance information**.

The performance information provisions in the GSF Bill support outcome budgeting by:

- strengthening the focus on performance and outcomes in financial management by requiring GSF Agencies to keep records and other information explaining the performance of the agency.
- enabling the Treasurer to issue directions about records and other information that GSF agencies must keep in relation to their performance.

The information sharing provisions support outcome budgeting by enabling the Treasurer and Ministers to access 'relevant agency information' of a GSF Agency where the request is for the purposes of making resource allocation decisions.

The purpose of these provisions is to enhance the quality of performance and other information that is available at all levels of Government, to inform funding and resource allocation decisions. This reflects the significance of performance in good financial management practice, fostering a performance oriented culture.

What type of performance information should be kept?

The GSF Bill states that 'performance' of a GSF agency includes:

- the way the agency performs in administering or providing any programs for which the agency is responsible, and
- indicators about the way an agency performs its work (including in relation to any programs the agency administers or provides).

Much of this information is already kept and monitored by agencies.

Importantly, the legislation requires that the Treasurer consult with the responsible Minister for a GSF Agency about any proposed direction affecting the records and other information to be kept concerning the performance of the agency.

What kind of information can the Treasurer and Ministers access?

The GSF Bill allows the Treasurer and Ministers to request 'relevant agency information' for the purposes of resource allocation decisions. These requests will be made to the Accountable Authority for a GSF Agency. This will cover (but is not limited to) information about cash flows, banking information, information used to prepare the Budget and performance information. The accompanying regulations may further specify what is "relevant information" that may be the subject of an information request.

A Minister can only request information from a GSF Agency:

- For which they are responsible
- That receives some or all of its funding from the Minister
- That has the authority to spend money from the Consolidated Fund appropriated to the Minister or any other GSF Agency for which the Minister is the responsible Minister

A Minister's power to request access to information may be delegated (see section 9.9(2)). A Minister may delegate this function to another Minister or a Secretary of a Department.

It is not expected that this will lead to a greater number of requests for information, but will provide a framework for sharing information within the sector.

Do these provisions apply to my Agency?

Generally, all GSF Agencies will be required to comply with the performance information and information sharing provisions. This includes complying with the requirement to keep performance information, complying with any Treasurer's directions relating to the type of performance information that needs to be kept, as well as complying with any request for information that is made by the Treasurer or that agency's responsible Minister.

The following exceptions apply to the performance information provisions:

- Selected GSF Agencies can be specifically excluded by or under the regulations from having to keep performance information.

Agencies should also refer to the Treasurer's directions (once issued under the GSF Bill) regarding performance information requirements. The Treasurer's directions may impose information retention requirements for certain classes of GSF Agencies, Accountable Authorities or government officers.

The following exceptions apply to the information sharing provisions:

- ‘Separate GSF Agencies’ are not required to comply with a relevant Treasurer’s requirement or Minister’s information requirement if the Accountable Authority considers that the requirement is not consistent with the exercise of the statutory functions of the agency. A Separate GSF Agency must provide a reason for non-compliance with the request (section 2.5).
- A GSF Agency is not required to comply with an information request if any other legislation prohibits the disclosure of the requested information, in which case, the Accountable Authority for the GSF Agency must provide the Treasurer or other Minister who made the request with a written notice of the reason for not complying with the request (section 9.5).

When will this come into effect?

The provisions in the Bill relating to performance and information sharing are scheduled to come into effect on 1 December 2018.

Need more information?

For more detail, please refer to the following sections in the GSF Bill:

- Part 8 Performance information of GSF Agencies
- Division 9.1 Information sharing

Email the legislation team at Legislation@treasury.nsw.gov.au