

Part 4 of the GSF Act

Appropriations and Special Deposits Account

Not much has changed

Ref	GSF Act			PFAA	ARSB	ARD	PAFA
Budget	Division 4.1	Sec 4.1	Budget Papers	Sec 27A			
		Sec 4.2	Core content of Budget Papers	Sec 27A			
		Sec 4.3	Additional content of Budget Papers	Sec 27A			
		Sec 4.4	When the Budget is to be presented to Parliament	Sec 27A			
		Sec 4.5	Provisions of Budget information by GSF agencies	Sec 27A			
		Sec 4.6	Money to be paid out of Consolidated Fund or Special Deposit Account only if authorised	Sec 21			
Appropriations	Division 4.2	Sec 4.7	Deemed appropriations of certain money received by GSF agencies A Minister is taken to have received an appropriation of a GSF agency's own source revenue and/or receipts prescribed by regulations.	New provision			
		Sec 4.8	Unused appropriations for annual reporting period Appropriations that have not been applied by the end of the reporting period lapse except as otherwise specified by sec 4.8.	Sec 23			
		Sec 4.9	Appropriations affected by transfer of functions between GSF agencies Where responsibility for a service, function or program is transferred from one GSF agency to another, an appropriation may, in accordance with a determination by the Treasurer, be applied for, or towards, the transferred service, function or program.	Sec 24			
		Sec 4.10	Payments authorised on lapse of appropriations With certain limitations, the Treasurer may authorise payment out of the Consolidated Fund, if the relevant Annual Appropriation Act is not enacted before an annual reporting period commences.	Sec 25			
		Sec 4.11	Variations of annual appropriations for Commonwealth grants If the Commonwealth varies certain grants in an annual reporting period, the Treasurer may issue a certificate that has the effect of increasing or decreasing an appropriation for the purpose making relevant payments.	Sec 26			

Not much has changed (Cont)

Ref	GSF Act		PFAA	ARSB	ARD	PAFA	
Special Deposit Account	Division 4.3	Sec 4.12	Details of payments made from State contingencies appropriation to Treasurer				New provision
		Sec 4.13	Sec 22				
		Sec 4.14	Sec 14				
		Sec 4.15	Sec 4, 5				
		Sec 4.16	New provision				
Sec 4.17	Sec 13A						

Appropriations Division 4.2

- Currently annual parliamentary appropriations limit cash disbursements by Treasury to agencies.
- **From 1 July 2019**, the annual parliamentary appropriation and available deemed appropriations will limit an agency's authority to spend from the Consolidated Fund.
- **Other legal authorities** (eg spending from an account in the Special Deposits Account) remain unchanged.
- The GSF Act **carries forward similar mechanisms** for unused, transfer, additional and lapsing of appropriations as existed under the PF&A Act.
- Treasury (in consultation with agencies) will **review and reissue existing policies** and guidelines on appropriation matters.

Deemed Appropriations

Division 4.2 Section 4.7

- This is a **new legal authority** appropriating the Consolidated Fund (and thus authorising expenditure) of prescribed “own source” money.
- It provides for an **automatic appropriation** to be given to the **responsible Minister(s)** for a GSF agency for amounts of certain kinds of money an agency receives or recovers. **(NB This is a cash concept)**
- Deemed appropriations **will not replace** the authority to spend derived from enabling legislation that specifies money is the property of the agency or that establishes an SDA account.

Deemed Appropriations (Cont)

- Treasury (in consultation with agencies) is **developing regulations** for types of money to be deemed. These are intended to closely align to existing concepts of 'own source' money.
- **'Cluster Grants'** will not be prescribed as deemed appropriation money.
- **If you conclude the regulations do not cover an item** currently considered 'own source' you should contact your Treasury relationship manager in the Policy & Budget Group.
- Treasury aims to **commence** these regulations from 1 July 2019.

Deemed Appropriations – to do list

- **Review** any existing legal authority to retain and spend money.
- **Remember** - Just because an agency has the legal status of a Statutory Body, it does not automatically follow it has the legal right to retain and spend government money if that money forms part of the Consolidated Fund.
- **Identify kinds of money** currently considered ‘own source’ which do not have a legal authority to be retained and spent. Ensure these kinds of money are within the scope of deeming regulations.
- **Continue to assess** any new kinds of money to determine the legal authority to retain and spend those moneys.

Accounts in the Special Deposits Account (other than working accounts)

- What is the Special Deposits Account? (It's not new)
- Think of it as a **ledger account** for each account in the SDA (a record of value with a legal authority to spend or invest).
- An account in the SDA does not have to be supported by a separate bank account. (Appropriate accounting records are the essential requirement.)
- ***What is new*** - the Treasurer can require the ***preparation of financial reports*** about the management of accounts in the Special Deposits Account

SDA to do list

- **Review** all existing legislation to identify accounts established in the Special Deposits Account.
- **Ensure** the enabling legislation for the SDA account provides the necessary **legal authority** for the money currently being paid into and out of the SDA account.
- **Appoint a responsible manager** for each SDA account. (s 4.16(2))
- **Ensure appropriate records** are maintained for the SDA account (s. 4.16(1))
- **Monitor new legislation** to identify any new accounts established in the Special Deposits Account.

Working Accounts in the SDA

(Section 4.17)

- These were **S13A** working accounts under the PF&A Act.
- **They are not the ‘operating’ bank accounts of agencies.** They are accounts in Special Deposits Account.
- *To **reform** the way in which working accounts in the Special Deposits Account are established and used.*

Working Accounts – to do list

- **Identify existing working accounts** established under s. 13A of the *Public Finance and Audit Act 1983*.
- **Ensure** none of the money currently being paid into the working account is not money provided to the agency from an appropriation under an annual Appropriation Act. (s. 4.17(2)(a) of the GSF Act specifically prohibits this type of money going into a working account.)
- **Appoint a responsible manager** for each working account.
- **Ensure appropriate records** are maintained for each working account.

Working accounts – future actions

- NSW Treasury will develop **regulations** for the establishment and dissolutions of working accounts.
- There will be **transition provisions** for existing working accounts.
- If you require a **new working account** or an existing one varied please contact your Treasury relationship manager in the Policy & Budget Group.
- NSW Treasury will work with GSF agencies to systematically **transition existing working accounts** from the old to the new legislative framework.

Statutory Special Purpose Funds

- While this was **not a defined term in the PF&A Act**, these funds have always existed
- **It is now defined at s. 1.4** as ‘a fund established by or under an Act (except an SDA account) that limits the use of money in that fund to specified purposes’.
- Some of these funds will be held by entities that do not represent the Crown eg the Harness Racing Benevolent Fund.

Statutory Special Purpose Funds – to do list

- **Review all existing legislation** to Identify statutory special purpose funds.
- **Ensure** the enabling legislation for the fund provides the necessary **legal authority** for the money currently being paid into and out of the fund.
- **Ensure appropriate records** are maintained for the fund.
- **Monitor new legislation** to identify any new statutory special purpose funds

Questions?