

Update on Government Sector Finance Act 2018

Financial Leadership Committee

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The GSF Act...

An Act to establish a framework for government sector financial and resource management in NSW



- The Act consolidates and replaces financial provisions in four Acts.
- Contains 10 Parts including scope and key concepts, budget, appropriations, expenditure and gifting, financial services, banking and arrangements, reporting and performance information.



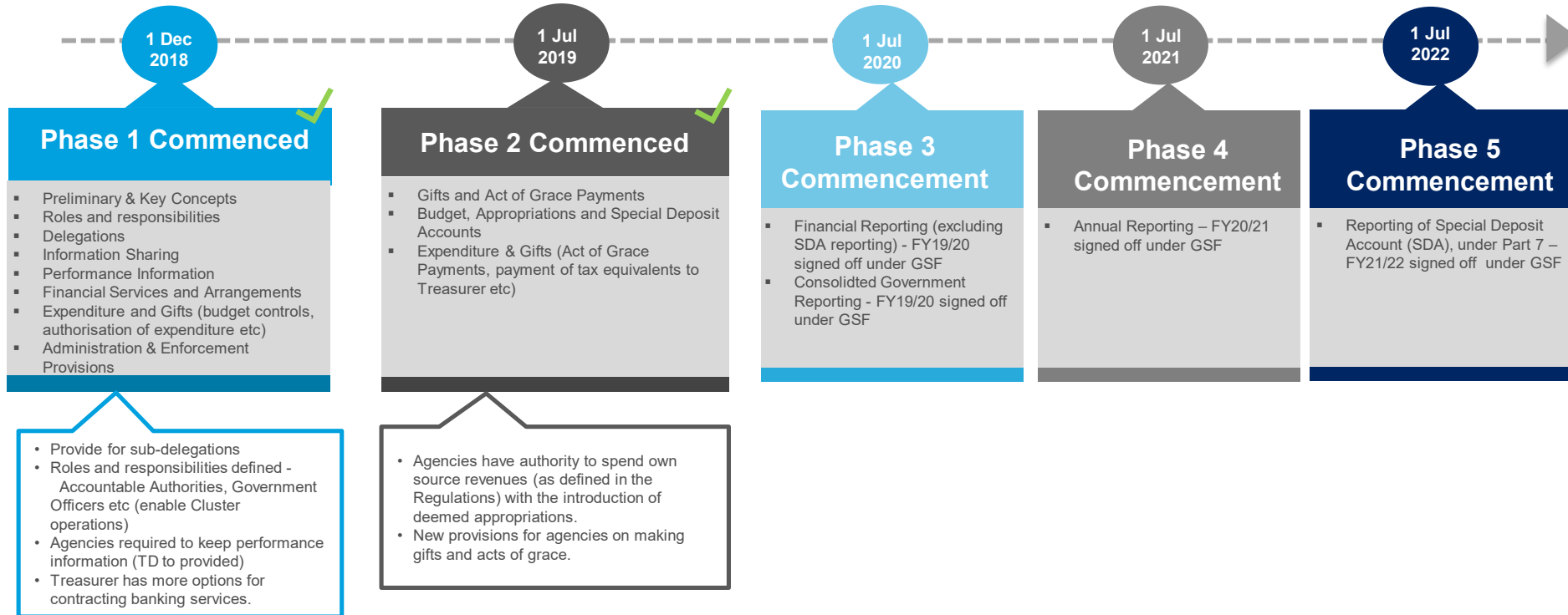
- The Act covers:
- GSF Agencies
 - Ministers
 - Accountable Authorities
 - Government Officers
 - Includes Secretaries and persons handling government resources (including contractors and consultants)



- The Act was assented in October 2018
- Staged commencement of Act provisions over five key phases
- Supplemented by Regulations & Treasurer's Directions

Staged Commencement...

The provisions of the Act are being commenced over five* key stages



* Provisions proposed to commence after 1 December 2018 are subject to Treasurer's and Executive Council's approval

Where are we now...

Provisions and Regulation as part of phase 2 commenced on 1 July

Key provisions of GSF Act now effective

includes

- *Part 4 Budget, Appropriations and Special Deposits Account* – including introduction of deemed appropriation
- *Division 5.2 Gifts and act of grace payments* – including gifts of government property and introduction of statutory power for Minister to make an act of grace payment
- *Section 5.4 & 5.3* - deals with the payment to the Treasurer of tax-equivalents and financial distributions
- *Section 9.15* – creates debt to the Crown for certain kinds of contraventions of section 5.6 involving gifts of government property
- Various provisions of the *GSF Repeal and Amendment Act* to mirror commencement of GSF Act

GSF Amendment Regulation 2019 now effective

includes

- Prescribes the certain kinds of government money received or recovered by GSF Agencies to be deemed appropriation money (for purposes of section 4.7 of the Act)
- Provides for circumstances in which a GSF Agency may establish and operate a working account and kinds of money that can be deposited in the account
- Provides for the Treasurer to issue a TD in relation to additional matters concerning securities.

Relevant provisions for SOCs

From provisions commencing on 01 July 2019

GSF Act reference	Topic	What to look out for
Part 5 Sec 5.3	Payment of tax-equivalent	<ul style="list-style-type: none">• A new Treasury Policy Paper (TPP) to replace the current NSW Tax Equivalent Regime policy• Application of Tax Equivalent Regime to those SOCs not currently covered by the National Tax Equivalent Regime (NTER)• SOCS will continue to be covered by the NTER
Part 5 Sec 5.4	Payment of financial distribution	<ul style="list-style-type: none">• Reference to 'Financial Distribution Payments' (rather than "dividend payments") for better alignment with broad nature of these payments• A new TPP will be issued regarding Financial Distributions• Replaced provisions from PFAA and continuing provisions from SOC Act• No changes for SOCs
Part 6	State financial service agreement	<ul style="list-style-type: none">• All SOCs are required to use financial services provided under the State financial service agreement, when the Treasurer's Direction (TD) on Financial Services comes into effect. This includes opening and operating bank accounts of the agency and providing monthly cash forecasts for banking accounts of the agency.• Treasury is proposing an exemption for SOCs to allow transition from the current banking arrangements to the new financial arrangements under the State financial services agreement.

For more info, please visit the GSF Website document - [Application of the Government Sector Finance Act 2018 to State Owned Corporations](#)

Where can you go for more information...

GSF Website contains a number of resources to assist in GSF implementation

- Website contains factsheets, videos, FAQs and other supporting material. SOC related information can be found [here](#).
- New resources have been made available to support commencement of phase 2 provisions & Regulation
- Interactive 'Guide to understanding the GSF Act' is now available
- Contact legislation@treasury.nsw.gov.au or your relationship lead

Government Sector Finance Act 2018

Government sector finance reform

The *Government Sector Finance Act 2018* (GSF Act) implementation is under way. This page provides information about the GSF Act and associated reform to assist agencies with their role in the successful implementation. Agencies should note that the fact sheets and other support material are a guide only and do not replace a familiarity with the legislation.

If you can't find the information that you require or if you have any questions, please contact legislation@treasury.nsw.gov.au

Implementation material

- [An Introduction to NSW Government Funding](#)
- [Your Guide to understanding the GSF Act](#)
- [GSF Act: Agency Action List - Mar 2019](#)
- [GSF Act: Commencement timetable](#)

Introduction to NSW Government Funding

Financial professionals working in the NSW Public sector require an understanding of how their agency receives funding and how the spending of that funding is authorised.

They also need to understand the Consolidated Fund (ConFund), the Special Deposits Account (SDA) and Statutory Special Purpose Funds (SSPF).

- Introduction
- The Consolidated Fund
- The Special Deposits Account
- Statutory Special Purpose Funds
- How is NSW Government Spending authorised?
- Summary

A Guide to Understanding the GSF Act.

- This is your guide to the *Government Sector Finance Act 2018*
- It is designed to give you a broad, high level, understanding of the Act and the associated reforms.
- The 30 sections of this guide correspond to the 30 parts of the GSF Act.
- The guide is available in both print and digital formats.
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How to use this guide.

Navigate through the guide part by part. This approach will save you approximately 25 minutes and it is recommended that you do this at least once.

- Look for this icon on the end of each section for further reading.
- Look for instructions and tips in **blue** to get the most from this guide.
- Look for action items that might be relevant to your agency.

What is next...

- Developing and finalising supporting instruments (Treasurer's Directions and TPPs)
- Updating the GSF Agency List and other material that will be made available on the website
- Engagement on future direction and strategic work plan
- Consideration of communication & engagement approach