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Deemed Appropriations and the Special Deposits Account

At a glance

- **The Consolidated Fund** consists of all public monies (including securities and all revenue, loans and other moneys whatsoever) collected, received or held by any person for or on behalf of the State, except for to the extent that any Act provides otherwise (*Constitution Act 1902* (NSW) section 39)
- Appropriations are **an authority to withdraw** money from the Consolidated Fund. Once appropriated, funds do not automatically leave the Consolidated Fund. Money will still form part of the Consolidated Fund until expended.
- The Special Deposits Account (SDA) is money that is required by legislation to be kept separate from the Consolidated Fund.
- There are two types of accounts in the SDA that may be relevant to a GSF agency. These are known as statutory SDA accounts and working accounts.

Authority to withdraw money from the Consolidated Fund

Consolidated Fund – Types of Appropriation



An **appropriation** is an authority to withdraw money from the Consolidated Fund. Historically, Ministers have received an appropriation under the authority of an annual Appropriation Act. Other, specific appropriations may be made under other enactments. One example is a **deemed appropriation** provided for by the [Government Sector Finance Act 2018](#) (GSF Act).

The authority conferred on a Minister under an appropriation can be delegated in accordance with Division 9.2 of the GSF Act.

Under section 4.8 of the GSF Act, if an appropriation under an annual Appropriation Act is not applied by the end of the annual reporting period, it will lapse.

Deemed appropriations

Under section 4.7 of the GSF Act, the responsible Minister for a GSF agency is taken to have been given an appropriation out of the Consolidated Fund, at the time the agency receives or recovers any deemed appropriation money. The value of that deemed appropriation is equivalent to the money the agency received or recovered. Where there is more than one responsible Minister for the GSF agency, the appropriation is to those Ministers jointly.

The kinds of money prescribed as deemed appropriation money are listed in [the Government Sector Finance Regulation 2018](#). In general, they are money that agencies have traditionally considered as “own source revenue”.

Key Point Refer to the Regulations for what constitutes deemed appropriation money.

Unlike annual appropriations, a **deemed appropriation does not lapse** at the end of an annual reporting period **unless the regulations specify otherwise**. (section 4.8 of the GSF Act.) Currently, the regulations do not prescribe any circumstances in which a deemed appropriation lapses. However, a deemed appropriation will lapse if an agency is abolished.

Treasury will be issuing Guidelines on deemed appropriations which will explain the legislative provision; provide examples of deemed appropriation money; explain how to identify it and how to report it.

Special Deposits Account

Under section 4.15 of the GSF Act, the Special Deposits Account consists of:

- all accounts of money that the Treasurer is, under statutory authority, required to hold otherwise than for or, on behalf of, the Consolidated Fund, and
- all accounts of money that are directed or authorised to be paid to the Special Deposits Account by or under legislation.

Key Point These accounts are ledger accounts, and do not necessarily have to be supported by a separate bank account.

For clarity, money will never simultaneously form part of the Consolidated Fund and the Special Deposits Account.

Types of accounts within the Special Deposits Account

Statutory SDA Account

Working Account

There are currently two types of accounts that may be held within the **Special Deposits Account**:

- a **statutory SDA account**, which is established by an Act (other than the GSF Act), and
- a **working account** constituted in accordance with section 4.17 of the GSF Act
(Note: working accounts were previously constituted under section 13A of the *Public Finance and Audit Act 1983 (PF&A Act)*).

Statutory SDA Account

The provision that establishes a statutory SDA account will typically specify:

- who administers the account (often the head of a GSF agency),
- types of money that are to be paid into the account,
- purposes for which money may be paid out of the account (for example, to pay expenses, paying staff etc), and

Many Acts also provide express authority for money in the account to be invested.

The authority to pay money out of a statutory SDA account is given by the statutory provisions that establish the account. A statutory SDA account may contain money received from a broad array of sources.

Working Accounts

Section 4.17 of the GSF Act sets the framework for establishing and operating a working account. The [Government Sector Finance Regulation 2018](#) (the *Regulation*) specifies that a GSF agency may only establish and operate a working account if the agency's accountable authority applies to the Treasurer and the Treasurer gives written authority for the account to be established and operated. The *Regulation* also lists the sources of money that are working account money and transitions, for a period of up to three years, existing working accounts established under s. 13A of the PF&A Act.

Treasury will be issuing Guidelines on working accounts which will explain what a working account is, when an agency might need one and how to apply for one.

Need more information?

Email Legislation@treasury.nsw.gov.au.