

Annual reporting under the *Government Sector Finance Act 2018*

Fact sheet

Wednesday, 23 August 2023

Development of the Annual Reporting Framework

- On 1 July 2023, the annual reporting provisions (Division 7.3) in the *Government Sector Finance Act 2018* (GSF Act) commenced.
- Reporting GSF agencies (including universities) must prepare their annual reports under the GSF Act, starting from annual reports for the FY 2022-23 (or calendar year 2023 where applicable, e.g. for universities).
- To formalise the GSF Act annual reporting framework, the legislative and policy instruments have been developed including a Treasurers Direction ([TD23-11](#)) and a Treasury Policy and Guidelines paper ([TPG23-10](#)).
 - [TD23-11](#) sets the principles, requirements, and procedures to be followed by agencies when preparing their annual reports
 - [TPG23-10](#) outlines all the annual reporting requirements from the GSF Act, its associated regulations, Treasurer's Directions, other legislation, and policies.

Annual Reporting Requirements

Who must prepare annual reports for the FY 2022-23 (or calendar year 2023 where applicable e.g., universities)?

- Agencies listed in [Schedule 2](#) of the *Government Finance Regulation 2018* (GSF Regulation) must prepare annual reports. These are the same agencies that were required to prepare annual reports in previous years.

When must I prepare my annual report?

- An agency must prepare their annual report within four months after the end of the annual reporting period and provide this to the responsible Minister to enable it to be tabled in Parliament as soon as practicable (but no later than five months after the end of the annual reporting period).

What must I include in my annual report?

- In general, the information previously required in annual reports is still required.
- However, that information must now be presented using six high-level headings - 'Overview', 'Strategy', 'Operations and Performance', 'Management and Accountability', 'Sustainability' and 'Financial Performance'.

- Please refer to [TPG23-10](#) which outlines the annual reporting content requirements from the GSF Act, its associated regulations, Treasurer’s Directions, other legislation, and policies. The TPG lists the annual reporting information requirements that are mandatory, recommended and optional.
- A draft of TPG23-10 was shared with agencies in May 2023. Treasury requested feedback on the draft and incorporated feedback received, and finalised it in August 2023.

Summary of changes to Annual Reporting Requirements compared to the May 2023 draft TPG23-10

<p>Climate-related disclosures</p>	<ul style="list-style-type: none"> • Under the <i>Government Sector Finance Amendment (Annual Reporting Requirements) Regulation 2023</i>, agencies are required to include information on climate-related risks and opportunities from FY 2023-24 (or calendar year 2024 where applicable e.g., for universities). • Mandatory requirements for climate-related disclosures will be deferred. Treasury will seek amendments to the GSF Regulation shortly, to reflect the deferral of this mandatory requirement to FY 2024-25 (or calendar year 2025 where applicable). • On this basis, agencies are to defer climate-related disclosures in annual reports, unless required by specific legislative provisions, or until such time as Treasury issues sector-wide guidance. • If an agency chooses to voluntarily publish disclosures for FY 2022-23, the disclosures should be accompanied by a disclaimer that recognises that the disclosure is an early adoption based on best endeavours, delivered ahead of sector-wide guidance being available, and therefore that there may be limitations to the robustness and consistency of reporting. A form of words for this disclosure will be provided in the forthcoming TPG23-10. • No external assurance should be sought on any voluntary climate related disclosures for FY 2022-23. • Agencies should consider reflecting the effects of material climate matters in the financial statements that are required to be disclosed under accounting standards (see Treasury Guidance here). • Agencies should continue to develop the capabilities, systems and processes in preparing for the commencement of this disclosure requirement
<p>Exemptions</p>	<ul style="list-style-type: none"> • All exemptions previously granted under the Annual Reporting Acts ceased after 1 July 2023. This includes ‘in competition’ and ‘not in competition’ exemptions granted to certain State-Owned Corporations and other commercial agencies.

Background

- Previously agencies were required to prepare annual reports under the *Annual Reports (Departments) Act 1985* and *Annual Reports (Statutory Bodies) Act 1984* (Annual Reporting Acts). The Annual Reporting Acts were repealed on 1 July 2023 when the annual reporting provisions under the GSF Act commenced.
- Treasury shared the GSF Act Annual Reporting Framework (the Framework) as a guidance document with agencies in February this year.
- To formalise the requirements set out in the Framework, Treasury developed the required regulation, Treasurer's Direction and Treasury Policy and Guidelines paper.

If you have queries about any of the above information, please contact accpol@treasury.nsw.gov.au