

Government Sector Finance Act 2018 (GSF Act) Fact Sheet

Delegations under the GSF Act

Thursday, 20 March 2025

Disclaimer: This is guidance material only and does not replace reading the legislation.

At a glance

- Delegation arrangements have a genuine impact on the operation and efficiency of the government sector. Delegations determine who has the authority to make key decisions.
- The Treasurer, Ministers and accountable authorities are able to delegate a broad range of responsibilities and powers under the *Government Sector Finance Act 2018* (GSF Act), Division 9.2 of the GSF Act.
- Generally, delegable functions (section 9.7) under the GSF Act may be subdelegated further. This includes but is not limited to functions regarding:
 - the expenditure of money,
 - making of payments out of Consolidated Fund (ConFund), and
 - making payments out of an account within the Special Deposits Account (SDA) or statutory special purpose fund.
- Agencies must have valid delegations in place to authorise expenditure. The exact delegations will depend on the source of the authority to spend, and the context of the expenditure.

Who can delegate what?

A number of responsibilities can be delegated and then subdelegated under the GSF Act. Depending on the function involved, the delegation or subdelegation can be made not only to senior officers, but also to government officers. This flexibility comes with a corresponding obligation on the part of each accountable authority to ensure that their agency complies with the GSF Act (as well as associated policies and procedures – see section 3.6 of the GSF Act).

Functions that are delegable under the GSF Act (section 9.7 of the GSF Act):

- functions conferred on a person or entity for the expenditure of money
- functions conferred under a financial arrangement to which the person or entity is a party
- function conferred on a person or entity to make payments out of an SDA account or a statutory special purpose fund
- any function under the GSF Act (including consulting and being consulted)
- functions relating to separate GSF agencies.

The diagrams at **Figure A** and **Figure B** provide a visual representation of who Ministers and accountable authorities can delegate to, and to whom their delegates can subdelegate. Delegations by GSF agencies that are persons are dealt with by section 9.10 of the GSF Act.

Accountable authority's responsibilities

All GSF agencies have an accountable authority with clear powers and responsibilities, which they can delegate.

The accountable authority for an agency is responsible for ensuring that expenditure of that agency is done in a way that is authorised (section 5.5(1) of the GSF Act). Ensuring that all expenditure of the agency is done in a way that is authorised requires:

- identifying the source, or sources, of the authority to spend (such as from an annual Appropriation Act or from the instrument establishing an account within the SDA)
- ensuring valid and up to date delegation instruments are in place, including updating delegation instruments, if necessary, as soon as possible after a machinery of government change
- developing, maintaining and making available financial management policies and procedures appropriate to the agency
- establishing and maintaining effective systems of financial management, internal control, assurance and compliance.

See the Expenditure fact sheet for more information.

Government officer's responsibilities

Government officers must ensure that expenditure of money they undertake for the State or the agency they work for is done in a way that is authorised. Ensuring that expenditure is done in a way that is authorised requires government officers to understand and apply applicable delegations, sub-delegations, policies, processes, controls and systems.

Additional considerations for establishing delegation frameworks

There are some important considerations when establishing delegation and subdelegation instruments, policies, procedures and systems, including:

- The person who makes a delegation may impose terms and conditions on that delegate.
- Certain delegates may subdelegate their functions, but the scope of this subdelegation may be limited by the initial delegator.
- Expenditure of ConFund can only be done under the authority of an appropriation, in accordance with a valid delegation or sub-delegation from the lead Minister.
- For deemed appropriations, a delegation or subdelegation from their lead Minister is required to spend money from ConFund under the authority of that deemed appropriation.
- To make payments out of an account within the SDA or from a statutory special purpose fund, those payments must be made in accordance with appropriate delegations and sub-delegations consistent with the instrument establishing that account, for example the establishing legislation.

- Contractors/consultants cannot authorise or expend money under the GSF Act unless prescribed by the regulation. Contractors are excluded from the definition of “government officer” in the GSF Act. However, contractors and consultants will be able to receive delegation either by:
 - a) being prescribed as a government officer, or
 - b) being prescribed as an entity who can receive a delegation from a Minister or accountable authority, or any of their delegates.
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Need more information?

Refer to NSW Treasury website *Government Sector Finance Act 2018* page to find more Fact Sheets.

Email the Financial Management Legislation team at Legislation@treasury.nsw.gov.au

For legal advice, refer to your agency’s legal team in the first instance.

Figure A: Ability to delegate and subdelegation Minister's functions

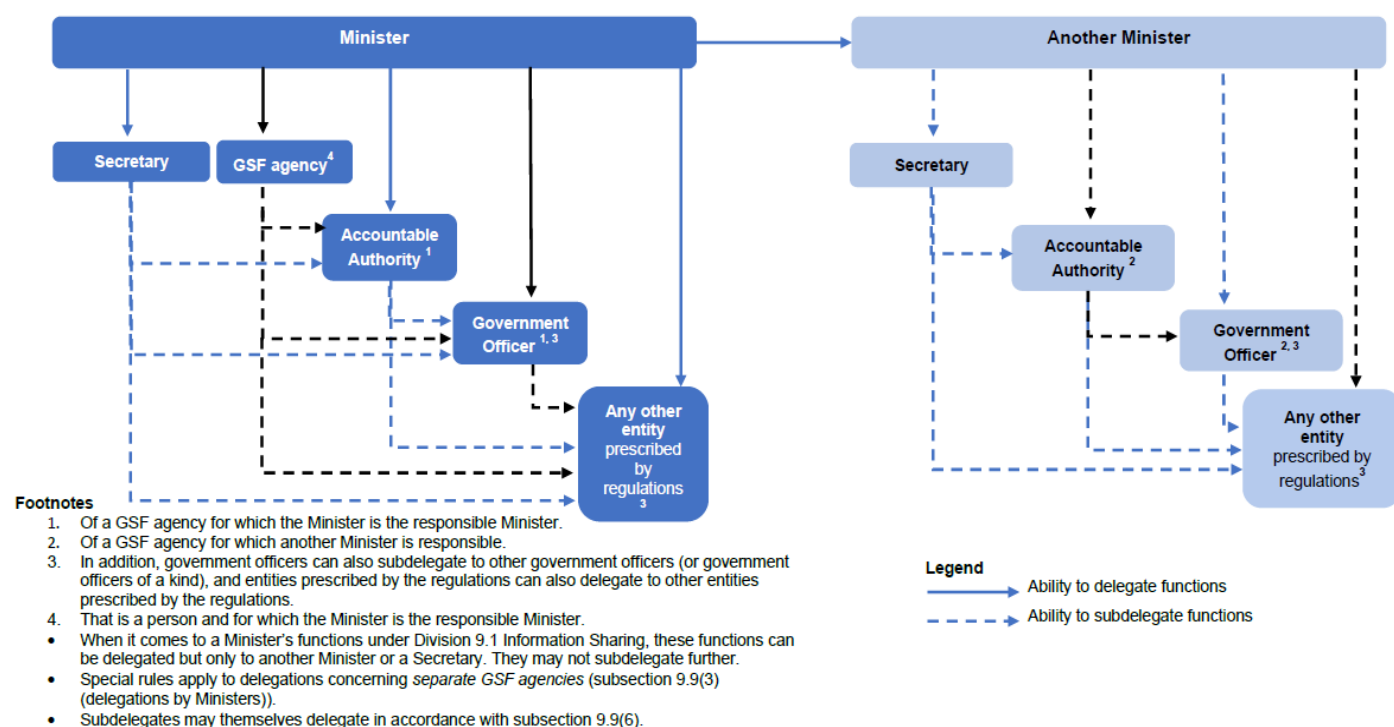
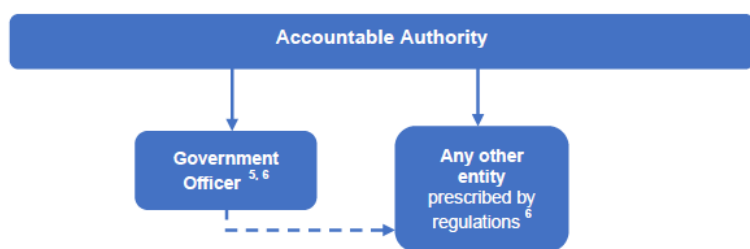


Figure B: Ability to delegate and subdelegation accountable authority's functions



Footnotes

5. Of the agency. Also, for a university or its controlled entities, this is to be read as 'an employee or officer'.
6. In addition, government officers can also subdelegate to other government officers (or government officers of a kind), and entities prescribed by the regulations can also delegate to other entities prescribed by the regulations.

Legend

- Ability to delegate functions
- - - Ability to subdelegate functions