

# **Government Sector Finance Act 2018 (GSF Act) Fact Sheet**

## **Special Deposits Account (SDA): Statutory SDA accounts and Working accounts**

Thursday, 10 April 2025

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

### At a glance

- The Special Deposits Account (SDA) is money that is required by legislation to be kept separate from the Consolidated Fund (ConFund) – GSF Act.
- 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.

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### Special Deposits Account

The Special Deposits Account (SDA) consists of:

- all accounts of money that the Treasurer is, under statutory authority, required to hold otherwise for or on behalf of the ConFund, and
- all accounts of money that are directed or authorised to be paid to the SDA by or under legislation ([section 4.15](#) of the GSF Act).

All SDAs must have a responsible manager, this person is usually identified in the SDA authorising instrument or nominated by the Minister. The responsible manager for the SDA account must maintain accounting records that are sufficient to prepare financial reports concerning the account ([section 7.8](#) of the GSF Act and [TD23-24 SDA Account financial reports](#)).

An account within the SDA is similar to a ledger account and does not necessarily have to be supported by a separate bank account.

Money will never simultaneously form part of the ConFund and the SDA.

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### Types of accounts within the Special Deposits Account

There are two types of accounts that may be held within the SDA:

- 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.

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### Statutory SDA account

A statutory SDA account is established by, or under, a specific legislation (other than the GSF Act) that requires certain money to be paid into it.

Before setting up an SDA account, the Minister and agency must carefully consider whether an SDA account is the right approach, or even necessary, to achieve their policy objectives.

### **Establishing a statutory SDA account**

Supporting legislation is required to establish an SDA account. When a Minister is seeking to establish an SDA account, the lead agency (finance and legal teams), on the Minister's behalf, will need to consider the following when drafting the relevant legislation in consultation with the Parliamentary Counsel's Office and Treasury:

- **What is the purpose of the SDA account?** For example, money in a trust fund that is under the control of the Minister and can be expended by the Minister only for the purposes authorised by the legislation establishing the SDA. Consider examples of other legislation/SDA accounts already established and in operation.
- **Who administers the SDA account?** The enabling legislation of the SDA account should specify the responsible manager (section 4.16 of the GSF Act). The responsible manager for an SDA account must keep records and other information.
- **Types of transactions within the SDA account:** All transactions in the SDA account must be done in accordance with the establishing legislation. Consider also the types of money that will be paid into the account and purposes for which that money will be used for from the account (e.g. to pay expenses of running the agency).
- **What reporting requirements will the legislation specify for the SDA account, if any, in addition to what is required by the GSF Act?** How will those requirements interact with the GSF Act requirements and TD23-24 SDA Account financial reports?
- **What audit requirements will the legislation specify, if any, in addition to those required by the GSF Act?** How will those requirements interact with the GSF Act requirements?
- **Consider other requirements for SDA accounts under the GSF Act, and how they will impact setting up and implementation of the SDA account:**
  - Requirement for all expenditure to be appropriately authorised, including financial and delegation requirements (section 4.6(2), section 5.5 and Division 9.2 of the GSF Act; the legislation may also include delegation provisions specific to the SDA account or Authority).
  - Record keeping requirements (section 4.16 of the GSF Act).
  - Financial reporting and audit requirements (section 7.8 of the GSF Act and Treasurer's Direction 23-24 SDA Account financial reports).
  - Agency level financial and annual reporting, which will include any SDA account controlled or administered by an agency.

Should there be any provisions in the legislation about closure of the SDA account? See also 'Dissolving an SDA account' below).

### **Other considerations for agencies when establishing a statutory SDA account**

Treasury's Relationship Lead (RL) and agency lead should consider how the SDA account would affect the Treasurer's ability to manage the State's finances in terms of revenue, expenditure and cash, for example:

- **How will it impact the State Budget and balance sheet?**
- **What are the purposes of setting up the SDA account?** Do the purposes justify that the funds being in a separate SDA account and therefore not able to be reprioritised for other purposes?

- **How will the SDA account interact with relevant budget controls?** Budget controls apply to agencies and therefore to agencies' expenditure from an SDA account.
- **How will the funds in the SDA account be able to be withdrawn from the SDA account?**

### **Dissolving a statutory SDA account**

SDA accounts exist for the purpose(s) specified in the legislation which established the account. If that purpose has been fulfilled, or the SDA account is otherwise no longer needed, then the SDA account should be dissolved.

To dissolve an SDA account you require an amendment to the legislation which establishes it. Any monies remaining in the SDA account would be paid into the ConFund, unless the amending legislation states otherwise. If agencies wish to dissolve an SDA account, please contact your agency's legal advisors and finance team in the first instance, and your Treasury Relationship Lead.

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## **Working accounts in the SDA**

### **What is a working account?**

Working accounts are a specific type of account held within the SDA. A working account is an account, approved by the Treasurer on request from a GSF agency's accountable authority, that allows money to be held outside the ConFund.

How and when a working account can be used is determined by the 'authorising instrument' issued by the Treasurer to the accountable authority of a GSF Agency. Working accounts are ledger accounts and are not necessarily supported by a separate bank account.

### **Creating a new working account**

An accountable authority of a GSF agency seeking to establish and operate a working account must apply to the Treasurer using the [application template](#). The application template is submitted in the first instance to the agency's Treasury Relationship Lead (RL). The RL will review the application and submit this to the Treasurer. If a working account application is approved, the responsible manager must notify their Audit Office audit team of its establishment.

### **Operating and closing a working account**

The responsible manager must ensure that their working account is only used in accordance with the Treasurer's authorising instrument. Further, the responsible manager must keep records and other information concerning the operation of the account to demonstrate that it is compliant with the Treasurer's authorising instrument ([section 4.16\(1\)](#) of the GSF Act).

The responsible manager must reassess the need for a working account at least every five years. When an accountable authority determines a working account is no longer required, the working account must be dissolved by the responsible manager.

Refer to [TPG24-20 Working accounts in the Special Deposits Account](#)

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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](mailto:Legislation@treasury.nsw.gov.au)