

Government Sector Finance Act 2018 (GSF Act) Fact Sheet

Key provisions of the GSF Act

Tuesday, 6 May 2025

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

At a glance

- The GSF Act introduced a greater focus on performance, transparency, accountability, and efficiency with respect to financial management in the government sector.
- The principles in the GSF Act are supplemented by regulations and Treasurer's directions.

Key provisions of the *Government Sector Finance Act 2018* (GSF Act)

Roles and Responsibilities

- **Treasurer:** The Treasurer is authorised to give Treasurer's directions on a range of matters related to the GSF Act including financial arrangements and agency performance related information, as well as to tailor directions to classes of agencies (Division 3.1 of the GSF Act).
- **Performance:** The Treasurer is authorised to access agencies' performance-related information and give directions on the kind of performance information that is required to be kept by agencies (see Part 8 and Part 9 of the GSF Act). The Treasurer is required to consult with agencies prior to giving directions on performance information.
- **Accountable authorities:** Each GSF agency has an accountable authority for the purposes of the GSF Act. They have duties regarding financial management (see section 3.6 of the GSF Act for more information).

Budget, appropriations and Special Deposits Account

- **Budget:** The Treasurer is responsible for the preparation and presentation of the Budget Papers (Division 4.1 of the GSF Act). The Budget Papers are to include, among other things, information about the performance and activities of GSF entities (section 4.3(1)(f) of the GSF Act). The accountable authority of a GSF agency is required to prepare and provide information for use in the preparation of the State Budget (section 4.5 of the GSF Act).
- **Deemed appropriations:** A deemed appropriation is a legal authority to spend certain monies (e.g. 'own-source' revenue) from the Consolidated Fund, by appropriating to the Lead Minister when they are received by an agency (section 4.7 of the GSF Act).
- **Special Deposits Account:** The Special Deposits Account (SDA) is money that is required by legislation to be kept separate from the Consolidated Fund (ConFund). 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. (Division 4.3 of the GSF Act)

Expenditure, gifts and act of grace payments

- **Expenditure:** Ministers, accountable authorities and governments officers must spend money in a way that is authorised (section 5.5 of the GSF Act). Ministers and accountable authorities also have the power to make financial delegations which set terms and conditions on spending (Division 9.2 of the GSF Act).
- **Act of grace payments:** The GSF Act provides Ministers with a statutory power to make act of grace payments (section 5.7 of the GSF Act). This provision allows for the delegation of that power. Act of grace payments may be subject to terms and conditions imposed by the Minister.

Administration

- **Information sharing:** The Treasurer may make a written request to the accountable authority for a GSF agency seeking information that is relevant to resource allocation to facilitate better-informed budget and State financial management decisions (section 9.2 of the GSF Act).
- **Delegations:** The Treasurer, Ministers and accountable authorities (e.g. the Secretary) have wide scope to delegate or subdelegate most of their functions under the GSF Act. There is a statutory power for Ministers to make financial delegations which set terms and conditions on spending. These arrangements provide flexibility for fit-for-purpose, risk-based delegation. (Division 9.2 of the GSF Act).

Enforcement

- **Sanctions:** Serious breaches of the GSF Act (e.g. debt for unauthorised gifts of government property and debt for loss of resources due to misconduct by persons handling government resources) will be dealt with through civil recovery arrangements instead of being treated as criminal offences. The operation of the *Crimes Act 1900* is unaffected. The GSF Act does not limit any action that can be taken in respect of the conduct of employees or other persons under the *Government Sector Employment Act 2013*. (Division 9.4 of the GSF Act).

Auditor-General and Public Accounts Committee

- Legislative arrangements for the Auditor General and for the Public Accounts Committee are outlined in the *Government Sector Audit Act 1983*.

Regulations and Treasurer's directions

- The GSF Act authorises the making of regulations and Treasurer's directions. These directions must be prepared in consultation with those they are intended to apply to and must be published (see NSW legislation website).

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.