

Treasurer's Direction

TD24-22 Financial and Annual Reporting by former reporting GSF agencies

Monday, 1 July 2024

TD24-22 Financial and Annual Reporting by former reporting GSF agencies

Summary:

This Direction:

- Exempts certain former reporting GSF agencies from the requirement to prepare final annual GSF financial statements under section 7.7 of the GSF Act and final annual reporting information under section 7.14 of the GSF Act.
- Authorises the Secretary of The Treasury, or their nominee, to grant an exemption from or a modification to the requirements to prepare final annual GSF financial statements or final annual reporting information in certain cases.

Commencement:

This Direction takes effect on Monday, 1 July 2024 and applies to annual reporting periods commencing on or after 1 July 2023.

Application:

This Direction applies to:

- former reporting GSF agencies and the accountable authorities for those former reporting GSF agencies; and
- transferee agencies affected by Machinery of Government changes and the accountable authorities for transferee agencies.

Purpose:

The purpose of this Direction is to exempt certain former reporting GSF agencies from the requirement to prepare final annual GSF financial statements and final annual reporting information for final annual reporting periods commencing on or after 1 July 2023.

Interpretation:

In this Direction:

Accountable authority for a former reporting GSF agency has the same meaning as in section 7.2 of the GSF Act.

Excluded GSF agency is a GSF agency excluded from the definition of ‘reporting GSF agency’ by the GSF Regulation.

Final annual GSF financial statements means the financial statements for former reporting GSF agencies required by section 7.7(1) of the GSF Act.

Former reporting GSF agency has the same meaning as in section 7.2 of the GSF Act

Final annual reporting information means the final annual reporting information for former reporting GSF agencies required by section 7.14(1) of the GSF Act.

GSF Act means the Government Sector Finance Act 2018.

GSF Regulation means the Government Sector Finance Regulation 2024.

Machinery of Government (MoG) restructure means the establishment, abolition, dissolution or other restructuring of NSW Government entities by Administrative Arrangements Order.

Reporting GSF agency has the same meaning as in section 7.3 of the GSF Act.

Transferee agency means an entity that assumes any of the functions, assets, liabilities or staff of a transferor agency as a result of a MoG restructure.

Transferor agency means an entity whose functions, assets, liabilities or staff are transferred to a transferee agency as a result of a MoG restructure.

Transitional reporting GSF agency has the same meaning as in clause 21 of the GSF Regulation.

Direction:

1. Former reporting GSF agencies that are “excluded GSF agencies”

1.1. This clause applies to a former reporting GSF Agency that:

1.1.1. was a reporting GSF agency for all or part of the immediately preceding annual reporting period for the agency; and

1.1.2. ceased to be a reporting GSF agency because it meets all of the criteria set in one of following:

1.1.2.1. Clause 15 of the GSF Regulation (small agencies); or

1.1.2.2. Clause 16 of the GSF Regulation (Crown Land Managers); or

1.1.2.3. Clause 17 of the GSF Regulation (Common Trusts); or

1.1.2.4. Clause 18 of the GSF Regulation (Special Purpose Staff Agencies); or

1.1.2.5. Clause 19 of the GSF Regulation (Retained State Interests).

1.2. Final annual GSF financial statements are not required to be prepared under section 7.7 of the GSF Act, and final annual reporting information is not required to be prepared under section 7.14 of the GSF Act, for a former reporting GSF agency to which this clause applies.

2. Former reporting GSF agencies that are abolished or dissolved by MoG restructure

2.1. Final annual GSF financial statements are not required to be prepared under section 7.7 of the GSF Act, and final annual reporting information is not required to be prepared under section 7.14 of the GSF Act, for a former reporting GSF Agency that ceased to be a reporting GSF agency because it was abolished or dissolved by MoG restructure (the transferor agency).

2.2. If a transferee agency of the transferor agency is a reporting GSF agency, the accountable authority for the transferee agency must ensure that the annual GSF financial statements for the transferee agency prepared under section 7.6(1) of the GSF Act comply with the financial reporting requirements in section 8.1.1 of Treasury Policy Paper 21-08 *Contributions made by owners to wholly owned Public Sector Entities* (TPP 21-08).

2.3. If a transferee agency of the transferor agency is:

2.3.1. for such time as Part 5, Division 4 of the GSF Regulation remains in force – a transitional reporting GSF agency, or

2.3.2. otherwise – a reporting GSF agency.

The accountable authority of each transferee agency must ensure that the annual reporting information for the transferee agency prepared under section 7.12(1) of the GSF Act complies with the annual reporting requirements set out in section 8.1.1 of Treasury Policy Paper 21-08 *Contributions made by owners to wholly owned Public Sector Entities* (TPP 21-08).

3. Exemptions or modifications for former reporting GSF agencies not covered by clauses 1 or 2

3.1. This clause 3 applies to former reporting GSF agencies that are not covered by clauses 1 or 2 of this Direction.

3.2. The Secretary of The Treasury, or a person nominated by the Secretary, is authorised to grant an exemption from, or to modify, any of the following requirements for a former reporting GSF agency:

3.2.1. the GSF Act section 7.7 requirement to prepare final financial statements,

3.2.2. the GSF Act section 7.14 requirement to prepare final annual reporting information.

3.3. The Secretary or their nominee is authorised to grant an exemption or modification under this clause on their own initiative or in response to a written request from an accountable authority for a former reporting GSF agency.

3.4. The accountable authority for a former reporting GSF agency may request an exemption, extension or modification under this clause in writing addressed to the Secretary of The Treasury. Before making such a request, the accountable authority must consult with the Audit Office concerning that request.

3.5. A request for an exemption from, or modification to, the requirement to prepare final annual GSF financial statements under section 7.7 of the GSF Act must be made within one (1) month after the end of the annual reporting period for the former reporting GSF agency.

- 3.6. A request for an exemption from, or modification to, the requirement to prepare final annual reporting information under section 7.14 of the GSF Act must be made within three (3) months after the end of the annual reporting period for the former reporting GSF agency.
- 3.7. A request for an exemption or modification under this clause must identify:
- 3.7.1. the name of the former reporting GSF agency,
 - 3.7.2. the date that it ceased to be a reporting GSF agency,
 - 3.7.3. why and how it ceased to be a reporting GSF agency,
 - 3.7.4. the dollar value of its income and expenses during the annual reporting period for the agency before it ceased to be a reporting GSF agency,
 - 3.7.5. the dollar value of its assets, liabilities, commitments and contingent liabilities at the date that it ceased to be a reporting GSF agency,
 - 3.7.6. reasons why the exemption or modification is necessary or justifiable, and
 - 3.7.7. the outcome of consultation with the Audit Office.
- 3.8. When the Secretary or their nominee considers an exemption or modification under GSF Act section 7.7 or section 7.14, they must have regard to the prescribed reporting exemption criteria applicable to that section.
4. Requests for exemptions from, extensions to or modifications of requirements of this TD
- 4.1. The Secretary of The Treasury, or a person nominated by the Secretary, may, on their own initiative, or in response to a written request from an accountable authority for a former reporting GSF agency, grant an exemption from, or an extension in relation to, or a modification of one or more of the requirements of this Direction.
- 4.2. The accountable authority for a former reporting GSF agency may request an exemption from, or extension in relation to or modification of one or more of the requirements of this Direction in writing addressed to the Secretary of The Treasury. Before making such a request, the accountable authority must consult with the Audit Office concerning that request.
- 4.3. A request for an exemption, extension or modification under this clause must identify:
- 4.3.1. the name of the former reporting GSF agency,
 - 4.3.2. the date that it ceased to be a reporting GSF agency,
 - 4.3.3. why and how it ceased to be a reporting GSF agency,
 - 4.3.4. the dollar value of its income and expenses during the annual reporting period for the agency before it ceased to be a reporting GSF agency,
 - 4.3.5. the dollar value of its assets, liabilities, commitments and contingent liabilities at the date that it ceased to be a reporting GSF agency,
 - 4.3.6. reasons why the exemption or modification is necessary or justifiable, and
 - 4.3.7. the outcome of consultation with the Audit Office.

This is a Direction made under sections 3.1, 7.7(2), 7.7(4), 7.14(2) and 7.14(3) of the Government Sector Finance Act 2018 (NSW).

End date or review date for this Direction:

This Direction is to be reviewed on or before Tuesday, 1 July 2025.

Consultation

The Treasury consulted the Auditor-General, or their authorised delegates, about this Direction on 13 May 2024.

Daniel Mookhey MLC

Treasurer

Monday, 1 July 2024