

Passed by both Houses



New South Wales

Charter of Budget Honesty (Election Promises Costing) Bill 2006

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I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.

*Clerk of the Legislative Assembly.
Legislative Assembly,
Sydney, , 2006*



New South Wales

Charter of Budget Honesty (Election Promises Costing) Bill 2006

Act No , 2006

An Act to enable the Government and the Opposition to obtain and release an independent assessment by the Treasury of the cost of election promises before a State general election.

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

Chairman of Committees of the Legislative Assembly.

Clause 1 Charter of Budget Honesty (Election Promises Costing) Bill 2006

Part 1 Preliminary

The Legislature of New South Wales enacts:

Part 1 Preliminary

1 Name of Act

This Act is the *Charter of Budget Honesty (Election Promises Costing) Act 2006*.

2 Commencement

This Act commences on the date of assent to this Act.

3 Definitions

(1) In this Act:

costing request means a request made under Part 2 to the Secretary of the Treasury for the preparation of a costing of a publicly announced or proposed policy.

State election means the day for taking the poll at a general election of members of the Legislative Assembly.

the pre-election half-yearly budget review means the last half-yearly review publicly released by the Treasurer before a State election under section 8 (3) of the *Public Finance and Audit Act 1983*.

the pre-election period—see section 6.

Treasury costing means a costing, under Part 3 by the Secretary of the Treasury, of a publicly announced or proposed policy.

(2) A reference in this Act to the Premier or Leader of the Opposition includes a reference to his or her nominee for the purposes of this Act, being a person nominated by the Premier or Leader of the Opposition (as the case requires) by notice in writing to the Secretary of the Treasury.

4 Notes

Notes included in this Act do not form part of this Act.

Part 2 Requests for Treasury costing of election promises

5 Request for costing by Premier or Leader of the Opposition

- (1) The Premier may, in accordance with this Act, request the Secretary of the Treasury to prepare costings of publicly announced or proposed policies.
- (2) The Leader of the Opposition may, in accordance with this Act, request the Secretary of the Treasury to prepare costings of publicly announced or proposed policies.
- (3) A costing request may relate to proposed changes in expenditure or revenue.

6 Period during which costings may be requested

A costing request may be made at any time during the period of 60 days before a State election (*the pre-election period*).

Note. For the purposes of the general election due to be held on 24 March 2007, the pre-election period will commence on 23 January 2007.

7 Requirements relating to the making of costing requests

A costing request must:

- (a) be in writing, and
- (b) outline fully each policy to be costed, giving all relevant details for the purpose of costing the policy, and
- (c) state the purpose or intention of the policy.

8 Withdrawal of costing request

- (1) The Premier or Leader of the Opposition may, by notice in writing given to the Secretary of the Treasury, withdraw any costing request that he or she has made.
- (2) A costing request may be withdrawn at any time before the Treasury costing is provided to the Premier or Leader of the Opposition.

Note. Section 12 (4) also provides that after a Treasury costing of a policy is provided, the Premier or Leader of the Opposition may withdraw the policy from the list of Treasury costed policies included in the budget impact statement prepared and released by the Secretary under that section.

Part 3 Treasury costing of election promises

9 Treasury costing of individual policies

- (1) As soon as possible after receiving a costing request, the Secretary of the Treasury is to:
 - (a) prepare a costing of the policy or policies concerned, and
 - (b) provide the costing to the Premier (if the request was made by the Premier) or to the Leader of the Opposition (if the request was made by the Leader of the Opposition).
- (2) The Secretary of the Treasury is to inform the Premier or the Leader of the Opposition (as the case requires) of any costing that the Secretary is unable to provide and of the reason that the costing cannot be provided.
- (3) If the Secretary of the Treasury needs more information for the purpose of costing a policy, the Secretary may ask the Premier or Leader of the Opposition (as the case requires) to provide that information in writing.
- (4) The Premier and the Leader of the Opposition are required to notify the Secretary of the Treasury of the public announcement of policies that have been costed by the Secretary.

10 Public release of Treasury costings by Premier or Leader of the Opposition

- (1) The Premier or the Leader of the Opposition may publicly release a Treasury costing provided by the Secretary of the Treasury.
- (2) If the Secretary of the Treasury considers that a Treasury costing provided by the Secretary has been publicly misrepresented, the Secretary may issue a public statement to correct the misrepresentation.

11 Public release of Treasury costings by Secretary of the Treasury

- (1) The Secretary of the Treasury is required to publicly release a costing request and the Treasury costing for the policy when the Premier or Leader of the Opposition (as the case requires) notifies the Secretary that the policy has been publicly announced.
- (2) When the Secretary of the Treasury releases a budget impact statement under section 12, the Secretary is also required to publicly release costing requests and the Treasury costings for all policies listed in the budget impact statement.

12 Budget impact statements for all costed policies

- (1) The Secretary of the Treasury is to prepare, during the pre-election period, a budget impact statement for all Treasury costed Government policies and a budget impact statement for all Treasury costed Opposition policies.
- (2) A budget impact statement is to list the relevant Treasury costed policies and show:
 - (a) a summary of the assessed financial impact of each costed policy, and
 - (b) the total net financial impact of all the costed policies, on the current year's State budget and on the forward estimates for the period to which the pre-election half-yearly budget review relates. The budget impact statement is also to show the impact of all the costed policies on the State's net financial liabilities.
- (3) The Secretary of the Treasury is to provide, on the day that is the fifteenth last day before the State election, a draft budget impact statement to the Premier and to the Leader of the Opposition in relation to their respective policies.

Note. For the purposes of the general election due to be held on 24 March 2007, the draft statements are to be provided on 9 March 2007.
- (4) The Premier and the Leader of the Opposition may, within 48 hours after being provided with a draft budget impact statement, notify the Secretary of the Treasury in writing of their final list of Treasury costed policies for inclusion in the budget impact statement.
- (5) The Secretary of the Treasury is to:
 - (a) revise the draft budget impact statements in accordance with any such notification, and
 - (b) publicly release both of the final budget impact statements on the day that is the fifth last day before the State election.

Note. For the purposes of the general election due to be held on 24 March 2007, the final statements are to be released on 19 March 2007.

Part 4 Miscellaneous

13 Pre-election statement of uncommitted State funds

The Secretary of the Treasury is to publicly release, at the same time as the public release of the pre-election half-yearly budget review, a statement of the amount of uncommitted funds that are available (within the revised estimates of recurrent and capital expenditures) to meet any future expenditure commitments for the General Government Sector for the period to which the review relates.

14 Confidentiality of information or documents relating to Treasury costing of election promises

- (1) This section applies to any of the following information and documents:
 - (a) information or documents provided to the Secretary of the Treasury by the Premier or the Leader of the Opposition (or on their behalf) for the purposes of a Treasury costing under this Act,
 - (b) information or documents prepared by the Treasury for the purposes of any such costing.
- (2) The Secretary of the Treasury or other member of staff of the Treasury must not disclose any such information or document except:
 - (a) in the case of a costing request by the Premier—to the Premier or to a person authorised by the Premier, or
 - (b) in the case of a costing request by the Leader of the Opposition—to the Leader of the Opposition or to a person authorised by the Leader of the Opposition, or
 - (c) in any case—to a member of staff of the Treasury.Maximum penalty: 50 penalty units.
- (3) This section does not apply to any information or document:
 - (a) if the information or document relates to a Treasury costing or costing request that the Secretary of the Treasury is authorised or required to publicly release by this Act, or
 - (b) if the information or document has already been lawfully published, or
 - (c) if the person disclosing the information or document became aware of the information or obtained the document otherwise than in the course of a Treasury costing under this Act.

15 Treasury guidelines

The Secretary of the Treasury may issue guidelines for the purposes of the making of costing requests and the preparation of Treasury costings and budget impact statements.

16 Revision of costings and statements to correct any errors

The Secretary of the Treasury may revise a Treasury costing or budget impact statement at any time after it is made to correct any error, and provide or release the revised costing or statement.

17 Regulations

The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

18 Consequential repeal of section 61A of Public Finance and Audit Act 1983 No 152

The *Public Finance and Audit Act 1983* is amended by omitting section 61A.