

# Public Finance and Audit Amendment (Budgeting and Financial Reporting) Act 2002 No 62

[2002-62]



New South Wales

## Status Information

### Currency of version

Repealed version for 10 July 2002 to 21 July 2003 (accessed 7 December 2025 at 18:10)

Legislation on this site is usually updated within 3 working days after a change to the legislation.

### Provisions in force

The provisions displayed in this version of the legislation have all commenced.

### Notes—

- **Repeal**

The Act was repealed by the [Statute Law \(Miscellaneous Provisions\) Act 2003 No 40](#), Sch 3 with effect from 22.7.2003.

### Authorisation

This version of the legislation is compiled and maintained in a database of legislation by the Parliamentary Counsel's Office and published on the NSW legislation website, and is certified as the form of that legislation that is correct under section 45C of the [Interpretation Act 1987](#).

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# Public Finance and Audit Amendment (Budgeting and Financial Reporting) Act 2002 No 62



New South Wales

An Act to amend the *Public Finance and Audit Act 1983* with respect to the presentation of the budget and financial reporting; to amend the *General Government Debt Elimination Act 1995*; and for other purposes.

## 1 Name of Act

This Act is the *Public Finance and Audit Amendment (Budgeting and Financial Reporting) Act 2002*.

## 2 Commencement

This Act commences on a day or days to be appointed by proclamation.

## 3 Amendment of *Public Finance and Audit Act 1983 No 152*

The *Public Finance and Audit Act 1983* is amended as set out in Schedule 1.

## 4 Amendment of *General Government Debt Elimination Act 1995 No 83*

The *General Government Debt Elimination Act 1995* is amended as set out in Schedule 2.

## Schedule 1 Amendment of *Public Finance and Audit Act 1983*

(Section 3)

### [1] Section 4 Definitions

Insert in section 4 (1) in alphabetical order:

**Budget Papers** means the Budget Papers of the Government tabled in Parliament in connection with annual Appropriation Bills.

**GFS** means Government Finance Statistics as reported by the Australian Bureau of Statistics.

**[2] Section 4 (1), definition of “financial year”**

Omit “the Public Accounts and”.

**[3] Section 4 (1), definition of “the Public Accounts”**

Omit the definition.

**[4] Section 4 (1), definition of “the Total State Sector Accounts”**

Omit “section 6 (1B)”. Insert instead “section 6 (1)”.

**[5] Section 6**

Omit the section. Insert instead:

**6 Preparation of the Total State Sector Accounts**

- (1) As soon as practicable after the end of each financial year, the Treasurer is to prepare consolidated financial statements for the Total State Sector as at 30 June in that year.
- (2) The statements referred to in subsection (1) are to be prepared in accordance with Australian Accounting Standards.
- (3) The Treasurer may combine, include or amalgamate with, or present together with, in such form or manner as the Treasurer may determine, or attach to, the Total State Sector Accounts such other statements as the Treasurer may determine. These statements may include accounts prepared on a GFS basis and a report on the budget result for the financial year.
- (4) On or before 15 September, the Treasurer is to transmit the Total State Sector Accounts prepared in relation to the preceding financial year to the Auditor-General.

**[6] Section 7 Certain receipts and payments outside Australia to be included in the Total State Sector Accounts**

Omit the section.

**[7] Section 8**

Omit the section. Insert instead:

**8 Monthly statements and half-yearly reviews**

- (1) The Treasurer is to publicly release a statement for each month (**a *monthly statement***), by the end of the following month, setting out the budget time

projections and year-to-date balances for the major GFS aggregates disclosed in the Budget.

- (2) The Treasurer may delay the release of a monthly statement if, at or near the time at which the statement would otherwise be released, other key reporting documents are (or are to be) released, such as the Budget, the half-yearly review (referred to in subsection (3)) and the Total State Sector Accounts.
- (3) The Treasurer is to publicly release a statement (***the half-yearly review***) by 31 December in each year containing:
  - (a) revised GFS projections for the current financial year and an explanation of any significant variation in those revised GFS projections from the original budget time projections, and
  - (b) revised forward estimates, for major GFS aggregates, over 3 years, and
  - (c) the latest economic projections for the current financial year and an explanation of any significant variation from the budget time projections contained in the Budget Papers.
- (4) The half-yearly review is to be based on actual results as at the end of the previous October.
- (5) The Treasurer may determine to change the presentation in a monthly statement or the half-yearly review from that adopted in the preceding Budget.
- (6) The Treasurer is to present a copy of a determination made under subsection (5) to the Legislative Assembly on a day within 14 days after making the determination, if the Legislative Assembly is sitting on that day.
- (7) If at the time when the Treasurer seeks to present a copy of a determination to the Legislative Assembly the Legislative Assembly is not sitting, the Treasurer is to present a copy of the determination to the Clerk of the Legislative Assembly to be dealt with in accordance with section 63C.
- (8) The Treasurer may include such other matters in a monthly statement or the half-yearly review as the Treasurer determines.

**[8] Sections 9 (2) (g), 23A (4), 24 (5) and 57 (1) (a) and (c)**

Omit “Public Accounts” wherever occurring.

Insert instead “Total State Sector Accounts”.

**[9] Sections 27A, 27AA and 27AB**

Omit section 27A. Insert instead:

## **27A Budget presentation**

- (1) The Budget is to be presented on a basis that covers the general government sector.
- (2) The Budget is to be presented in a format that accords with GFS principles of the Australian Bureau of Statistics and Australian Accounting Standards.
- (3) The Treasurer may determine that the principles or standards referred to in subsection (2) should be departed from if the Treasurer is of the opinion that the departure is necessary in a particular case to present an accurate view of the financial position of the Budget.
- (4) The Treasurer is to prepare a report on any such departure containing details of, and reasons for, the departure and the report is to be tabled in each House of Parliament with the Budget Papers.
- (5) Before preparing a report required under subsection (4) on any such departure, the Treasurer may consult with the Treasurer's Accounting Advisory Panel, consisting of senior members of the accounting profession and the Auditor-General, concerning the departure.

## **27AA Budget content**

- (1) The budget GFS aggregates relating to the general government sector are to be for a 6-year period comprising the Budget year, the 2 prior years and the 3 forward years.
- (2) The Budget Papers are to include the following:
  - (a) a Budget policy statement that includes information on the following matters:
    - (i) an assessment of progress achieved against the fiscal targets and fiscal principles of the [General Government Debt Elimination Act 1995](#),
    - (ii) a projection of the ability to achieve those fiscal targets in the future and to progress the achievement of those fiscal principles,
    - (iii) 4-year projections (being for the Budget year and 3 forward years) of all major economic and financial variables,
  - (b) revised estimates for the year prior to the budget year, and an explanation of any significant variations in major GFS aggregates from the Budget estimates for that year, for the general government sector,
  - (c) outcomes, outputs and total expenses for each program for the Budget year and the prior year,

- (d) financial statements prepared in accordance with the Uniform Presentation Framework,
  - (e) primary financial statements in accordance with Australian Accounting Standards,
  - (f) primary financial statements in accordance with GFS principles.
- (3) The Budget Papers may include any other matters.
- (4) In this section, **Uniform Presentation Framework** means the framework for financial reporting:
- (a) that is based on reporting conventions for the time being of the Australian Bureau of Statistics for its GFS reporting, and
  - (b) that is agreed by the Australian Loan Council from time to time.

**27AB Time at which Budget is to be presented to Parliament**

- (1) The Budget Papers for a budget year are to be tabled in the Legislative Assembly before the end of the prior financial year, except as provided by this section.
- (2) If:
- (a) the Legislative Assembly is not sitting in the last 2 months of the financial year prior to the budget year, or
  - (b) there is a State election in the financial year prior to the budget year,
- the Budget Papers may be tabled in the Legislative Assembly as soon as possible within the budget year.

**[10] Section 27B The Auditor-General**

Omit “the Public Accounts,” from section 27B (3) (a).

**[11] Section 49 Examination by Auditor-General of the Total State Sector Accounts**

Omit “the Public Accounts and” from subsections (1) and (2) wherever occurring.

**[12] Section 49 (2)**

Omit “15 November”. Insert instead “22 October”.

**[13] Section 49 (2)**

Omit “the Public Accounts,”.

**[14] Section 49 (3)**

Omit “the Public Accounts or”.

**[15] Section 51**

Omit the section. Insert instead:

**51 Total State Sector Accounts and opinion to be presented to Legislative Assembly**

- (1) The Treasurer, not later than 31 October in the year following that to which the Total State Sector Accounts relate, is to present the audited Total State Sector Accounts and the opinion of the Auditor-General to the Legislative Assembly.
- (2) If, at the time at which the Treasurer seeks to present the audited Total State Sector Accounts and the opinion of the Auditor-General to the Legislative Assembly the Legislative Assembly is not sitting, the Treasurer is to present the audited Total State Sector Accounts and the opinion to the Clerk of the Legislative Assembly to be dealt with in accordance with section 63C.

**[16] Section 52 Auditor-General’s reports**

Omit “the Public Accounts and” from subsection (1).

**[17] Section 52 (3)**

Omit “the Public Accounts,”.

**[18] Section 52A Auditor-General’s report to be presented to Parliament**

Omit “30 November” from subsection (1). Insert instead “31 October”.

**[19] Schedule 4 Savings, transitional and other provisions**

Insert at the end of clause 1 (1):

*Public Finance and Audit Amendment (Budgeting and Financial Reporting) Act 2002*

**[20] Schedule 4, Part 3**

Insert after Part 2:

**Part 3 Provisions consequent on enactment of [Public Finance and Audit Amendment \(Budgeting and Financial](#)**



## Reporting) Act 2002

### 6 Budget presentation for 2002-03

Sections 27A and 27AA, as inserted by the *Public Finance and Audit Amendment (Budgeting and Financial Reporting) Act 2002*, do not apply to the budget for the financial year commencing on 1 July 2002.

## Schedule 2 Amendment of **General Government Debt Elimination Act 1995**

(Section 4)

### [1] Long title

Omit “, principles and reporting; to make provisions about the coverage, presentation and contents of the budget”.

Insert instead “and principles”.

### [2] Section 3

Omit the section. Insert instead:

### 3 Purpose, objects and application of Act

- (1) The purpose of this Act is to provide the framework for the conduct of New South Wales fiscal policy, with a view to maintaining financial results that are fiscally sustainable in the medium and long term.

#### **Note—**

Fiscal sustainability requires that the Government be able to manage financial risks and financial shocks in future periods without having to introduce significant and economically or socially destabilising expenditure or revenue adjustments in those future periods. What is considered consistent with fiscal sustainability will vary depending on the strength and outlook for the economy, the structure of expenditure and revenue of the budget, the outlook for the State’s credit rating, demographic and social trends that will affect the budget, and the nature of financial risks faced by the Government at any given time.

- (2) The following principles are to be employed in meeting the purpose of this Act:
- (a) to set out fiscal targets and fiscal principles for the State,
  - (b) to make it a goal for the Government to pursue its policy objectives in accordance with those fiscal targets and fiscal principles,
  - (c) to provide for reports on departures from those fiscal principles to be prepared by the Treasurer.
- (3) This Act applies to and in respect of the State budget.

**[3] Section 4 Definitions and other general provisions**

Omit the definitions of **capital outlay**, **current outlay** and **outlay**, and the notes to those definitions, from section 4 (1).

**[4] Section 8**

Omit the section. Insert instead:

**8 Long term fiscal targets**

The long term fiscal targets are:

- (a) to eliminate net debt for the general government sector by 30 June 2020, and
- (b) to eliminate total state sector unfunded superannuation liabilities by 30 June 2030.

**[5] Sections 13-17**

Omit the sections. Insert instead:

**13 Fiscal principle No 3—funding employer superannuation liabilities**

- (1) Fiscal principle No 3 is that employer superannuation liabilities are to be managed and funded so as to eliminate total state sector unfunded superannuation liabilities by 30 June 2030 and that the manner of management and funding of these liabilities is to be subject to periodic review.
- (2) Measures taken to implement this fiscal principle are to be identified and subject to progress reports in the budget papers.

**14 Fiscal principle No 4—asset maintenance**

- (1) Fiscal principle No 4 is that the use of best practice asset maintenance and management policies is to be adopted in the general government sector.
- (2) Measures taken to implement this fiscal principle are to be identified and subject to progress reports in the budget papers.

**15 Fiscal principle No 5—constrained growth in net cost of services and expenses**

- (1) Fiscal principle No 5 is that growth in net cost of services and expenses of the general government sector is to be managed in accordance with the objective of prudently managing State finances, allowing for (among other things) fluctuations in the external economy and the factors specified in section 7.

- (2) For the purposes of this section, the average annual growth in net cost of services and expenses of the general government sector on a Government Finance Statistics basis is to be calculated for:
  - (a) the 4-year period ending with, and inclusive of, the budget year, and
  - (b) the 4-year budget and forward estimates period commencing with the budget year.
- (3) For each of the 4-year periods referred to in subsection (2), the average annual growth in net cost of services and expenses is to be kept at or below the estimated or projected annual growth in gross state product (at current prices) for the same periods.
- (4) The projected growth in net cost of services and expenses for a budget year and each year of the forward estimates period is to be reported in the annual budget papers.
- (5) In this section, **gross state product** means the total market value of goods and services produced in New South Wales within a given period, as calculated and reported by the Australian Bureau of Statistics or as projected by the Treasury.

## **16 Fiscal principle No 6—prudent risk management**

- (1) Fiscal principle No 6 is that financial risk is to be managed prudently on the basis of sound risk management principles.
- (2) For the purposes of this section, the management of financial risk comprises the following:
  - (a) maintaining total state sector net financial liabilities at prudent levels,
  - (b) managing risks associated with contingent liabilities,
  - (c) managing risks associated with the total state sector's debt and financial assets, including commercial risks arising from the ownership of public non-financial corporations.
- (3) Measures taken to implement this fiscal principle are to be identified and subject to progress reports in the budget papers.

## **17 Fiscal principle No 7—tax restraint**

- (1) Fiscal principle No 7 is that any adjustments to legislated tax rates, thresholds and bases are to be made with the maximum possible restraint having regard to the effect of these adjustments on the overall level of tax revenue, and policies should be pursued that are consistent with a reasonable degree of predictability and stability of tax rates, thresholds and bases for future years.

- (2) In determining what may be reasonable for the purposes of this section, the Government is to take into account (among other things) the same factors as are specified in section 7.
- (3) The estimated impact of proposed tax policy changes in the year of implementation and, where different, in a full year, is to be reported in the budget papers.

**[6] Parts 4 and 5**

Omit the Parts.

**[7] Section 26 Transitional arrangements**

Omit the section.

**[8] Section 28**

Omit the section. Insert instead:

**28 Acts not affected by this Act**

This Act does not affect the provisions of any of the following Acts:

*Annual Reports (Departments) Act 1985*

*Annual Reports (Statutory Bodies) Act 1984*

*Public Authorities (Financial Arrangements) Act 1987*

*Public Finance and Audit Act 1983*

*State Owned Corporations Act 1989*

**Note—**

Within-year reporting requirements are contained in sections 6 and 8 of the *Public Finance and Audit Act 1983*.

**[9] Section 30**

Insert after section 29:

**30 Further review of Act**

- (1) As soon as possible after the period of 5 years from completion of the review under section 29, the Treasurer is to review this Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives.

- (2) A report of the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 5 years.
- (3) If a House of Parliament is not sitting when the Treasurer seeks to present the report in accordance with subsection (2), the Treasurer is to present the report to the Clerk of the House concerned to be dealt with in accordance with section 63C of the *Public Finance and Audit Act 1983*.