



New South Wales

Government Sector Finance Amendment (Integrity Agencies) Bill 2024

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

This Bill amends the *Government Sector Finance Act 2018* to—

- (a) require the Treasurer to write to the head of an integrity agency confirming the amount to be appropriated in the annual Appropriation Act for the services of the integrity agency, and
- (b) require the Treasurer to consider certain factors when considering an application for funding to an integrity agency from a sum appropriated to the Treasurer for contingencies in relation to integrity agencies.

Outline of provisions

Clause 1 sets out the name, also called the short title, of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Schedule 1 **Amendment of Government Sector Finance Act 2018 No 55**

Schedule 1[3] inserts proposed Division 4.2A, which provides for appropriations for integrity agencies.

Proposed section 4.14A provides that an integrity agency means the following—

- (a) the Audit office,
- (b) the Independent Commission Against Corruption,

- (c) the Law Enforcement Conduct Commission,
- (d) the New South Wales Electoral Commission,
- (e) the Ombudsman's Office.

The proposed section also sets out the *relevant parliamentary oversight committee* for each integrity agency.

Proposed section 4.14B provides that the Treasurer must give written notice to the head of an integrity agency of the amount proposed to be appropriated for the services of the agency in the next annual Appropriation Act within 7 days after the Act is introduced into the Legislative Assembly. Notice must also be given to the relevant parliamentary oversight committee who must, within 3 months after receiving the notice, examine and report on the appropriation to the Treasurer and Parliament. The Treasurer must respond to the relevant parliamentary oversight committee within 3 months after receiving the report.

Proposed section 4.14C provides that the Treasurer must consider certain factors when deciding an application for funding to an integrity agency from a sum appropriated to the Treasurer for contingencies in relation to integrity agencies.

Schedule 1[2] provides that the Law Enforcement Conduct Commission is a separate Government Sector Finance agency. **Schedule 1[1]** makes a consequential amendment.

Schedule 2 Consequential amendments to other Acts

Schedule 2.1 makes a consequential amendment to the *Appropriation Act 2024*.

Schedule 2.2–2.6 set out the additional functions of the relevant parliamentary oversight committee by making consequential amendments to the following Acts—

- (a) the *Electoral Act 2017*,
- (b) the *Government Sector Audit Act 1983*,
- (c) the *Independent Commission Against Corruption Act 1988*,
- (d) the *Law Enforcement Conduct Commission Act 2016*,
- (e) the *Ombudsman Act 1974*.



New South Wales

Government Sector Finance Amendment (Integrity Agencies) Bill 2024

Contents

		Page
	1 Name of Act	2
	2 Commencement	2
Schedule 1	Amendment of Government Sector Finance Act 2018 No 55	3
Schedule 2	Consequential amendments of other Acts	5

This PUBLIC BILL, originated in the LEGISLATIVE COUNCIL and, having this day passed, is now ready for presentation to the LEGISLATIVE ASSEMBLY for its concurrence.

Legislative Council

Clerk of the Parliaments



New South Wales

Government Sector Finance Amendment (Integrity Agencies) Bill 2024

No. _____, 2024

A Bill for

An Act to amend the *Government Sector Finance Act 2018* to make provision about the funding of integrity agencies; to make consequential amendments to other Acts; and for other purposes.

The LEGISLATIVE ASSEMBLY has this day agreed to this Bill with/without amendment.

Legislative Assembly

Clerk of the Legislative Assembly

Tabling copy

The Legislature of New South Wales enacts—

1

1 Name of Act

2

This Act is the *Government Sector Finance Amendment (Integrity Agencies) Act 2024*.

3

4

2 Commencement

5

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

6

Schedule 1	Amendment of Government Sector Finance Act 2018 No 55	1
		2
[1] Section 2.4 GSF agencies		3
	Omit section 2.4(1)(e).	4
[2] Section 2.5 Separate GSF agency		5
	Insert after section 2.5(1)(c)—	6
	(c1) the Law Enforcement Conduct Commission,	7
[3] Part 4, Division 4.2A		8
	Insert after Division 4.2—	9
	Division 4.2A Appropriations for integrity agencies	10
4.14A Definitions		11
	In this division—	12
	<i>integrity agency</i> means the following—	13
	(a) the Audit Office,	14
	(b) the Independent Commission Against Corruption,	15
	(c) the Law Enforcement Conduct Commission,	16
	(d) the New South Wales Electoral Commission,	17
	(e) the Ombudsman’s Office.	18
	<i>relevant parliamentary oversight committee</i> means the following—	19
	(a) for the Audit Office—the Public Accounts Committee,	20
	(b) for the Independent Commission Against Corruption—the Committee on the Independent Commission Against Corruption,	21
	(c) for the Law Enforcement Conduct Commission or the Ombudsman’s Office—the Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission,	22
	(d) for the New South Wales Electoral Commission—the Joint Standing Committee on Electoral Matters.	23
		24
		25
		26
		27
4.14B Notification of proposed budget allocation		28
	(1) The Treasurer must give written notice to the head of an integrity agency of the amount proposed to be appropriated for the services of the agency in the next annual Appropriation Act.	29
		30
		31
	(2) If the amount is different from the amount sought for the integrity agency in a budget proposal, the notice must include reasons for the variation.	32
		33
	(3) The Treasurer must also give a copy of the notice to the relevant parliamentary oversight committee.	34
		35
	(4) The Treasurer must give the notice under subsection (1) and the copy of the notice under subsection (3) within 7 days after the Bill for the Act is introduced into the Legislative Assembly.	36
		37
		38
	(5) The relevant parliamentary oversight committee must, within 3 months after receiving the notice under subsection (4), examine and report on the appropriation to—	39
		40
		41

- (a) either—
 - (i) the Legislative Assembly, if the report is prepared by the Public Accounts Committee, or
 - (ii) both Houses of Parliament, if the report is prepared by another parliamentary oversight committee, and
 - (b) the Treasurer.
- (6) The Treasurer must respond in writing to the relevant parliamentary oversight committee within 3 months after receiving the report.
- 4.14C Application for contingency funding**
- (1) The Treasurer must consider the following before deciding an application for funding to an integrity agency from a sum appropriated to the Treasurer for contingencies in relation to integrity agencies (the *contingency fund*)—
 - (a) the independence of the integrity agency from the direction or control of the executive government,
 - (b) whether the expenditure or reduction in revenue to which the contingency relates is urgent and unforeseen,
 - (c) whether refusing the application would cause the integrity agency to be unable to fulfil a statutory function,
 - (d) the availability of the funding from the contingency fund.
 - (2) The Treasurer must decide the application as soon as reasonably practicable after receiving the application.
 - (3) The Treasurer must give written notice of the decision on the application to—
 - (a) the head of an integrity agency, and
 - (b) the relevant parliamentary oversight committee.

Schedule 2	Consequential amendments of other Acts	1
2.1	Appropriation Act 2024 No 36	2
	Section 37 Contingencies in relation to integrity agencies	3
	Omit the section.	4
2.2	Electoral Act 2017 No 66	5
	Section 267A	6
	Insert after section 267—	7
	267A Additional function of Joint Standing Committee on Electoral Matters	8
	The functions of the Joint Standing Committee on Electoral Matters include examining and reporting to both Houses of Parliament about the annual appropriation for the services of the Electoral Commission.	9 10 11
	Note— See the <i>Government Sector Finance Act 2018</i> , section 4.14B(5) which provides for the Joint Standing Committee to examine and report within 3 months after receiving notice under that section of the amount proposed to be appropriated.	12 13 14
2.3	Government Sector Audit Act 1983 No 152	15
	Section 57 Functions of Committee	16
	Insert after section 57(1)(c1)—	17
	(c2) to examine and report to the Legislative Assembly about the annual appropriation for the services of the Auditor-General,	18 19
	Note— See the <i>Government Sector Finance Act 2018</i> , section 4.14B(5) which provides for the Committee to examine and report within 3 months after receiving notice under that section of the amount proposed to be appropriated.	20 21 22
2.4	Independent Commission Against Corruption Act 1988 No 35	23
[1]	Section 64 Functions	24
	Insert after section 64(1)(a)—	25
	(a1) to examine and report to both Houses of Parliament about the annual appropriation for the services of the Commission,	26 27
	Note— See the <i>Government Sector Finance Act 2018</i> , section 4.14B(5) which provides for the Joint Committee to examine and report within 3 months after receiving notice under that section of the amount proposed to be appropriated.	28 29 30
[2]	Section 64(1)(b)	31
	Insert “other” after “any”.	32
2.5	Law Enforcement Conduct Commission Act 2016 No 61	33
[1]	Section 131 Functions	34
	Insert after section 131(1)(a)—	35
	(a1) to examine and report to both Houses of Parliament about the annual appropriation for the services of the Commission,	36 37
	Note— See the <i>Government Sector Finance Act 2018</i> , section 4.14B(5) which provides for the Joint Committee to examine and report within 3 months after receiving notice under that section of the amount proposed to be appropriated.	38 39 40

[2] Section 131(1)(b)	1
Insert “other” after “any”.	2
2.6 Ombudsman Act 1974 No 68	3
[1] Section 31B Functions	4
Insert after section 31B(1)(a)—	5
(a1) to examine and report to both Houses of Parliament about the annual appropriation for the services of the Ombudsman,	6 7
Note— See the <i>Government Sector Finance Act 2018</i> , section 4.14B(5) which provides for the Joint Committee to examine and report within 3 months after receiving notice under that section of the amount proposed to be appropriated.	8 9 10
[2] Section 31B(1)(b)	11
Insert “other” after “any”.	12