

**Disclaimer: This is guidance material only and does not replace reading the legislation. For further information refer to the legislation. Please check the website for updates and other information.**

## Expenditure

### At a glance

Division 5.1 of the Government Sector Finance Act 2018 (GSF Act) contains provisions that:

- Specify circumstances in which expenditure for the NSW Government or a GSF agency, by government officers is authorised.
- Make the Accountable Authority for a GSF agency responsible for ensuring that the agency's expenditure is authorised.
- Confirm that Ministers may impose certain kinds of terms and conditions, on delegations regarding the expenditure of money out of the Consolidated Fund, under the authority of an appropriation.
- Enable the Treasurer to issue Budget control authorities to regulate the expenditure of money by GSF agencies that are part of the General Government Sector
- Enable the Treasurer to direct a GSF agency to pay tax equivalents and financial distributions

### What is Expenditure?

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Under the GSF Act, expenditure of money includes (see section 1.4 of the GSF Act):

- the commitment of money, for expenditure,
- the incurring of expenditure, and
- the making of payments.

Expenditure of government money is a **delegable function** (see section 9.7 of the GSF Act).

### Who is responsible for ensuring a GSF agency's expenditure of money is authorised?

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Under section 5.5, the Accountable Authority for a GSF agency is responsible for ensuring that expenditure of money for the agency is in a way that is "authorised".

### How is expenditure of money by a GSF agency authorised?

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Expenditure of money is **authorised** if it is done:

- in accordance with a **delegation** or **sub delegation** from a person with power regarding the expenditure of the money; (see section 9.7 of the GSF Act).
- under the authority of the GSF Act; or
- under the authority of any other law.

### What is an appropriation expenditure function?

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**Appropriation expenditure functions** refer to the expenditure of money out of the **Consolidated Fund**.

Appropriation expenditure functions are delegable functions (see section 9.7 of the GSF Act). This means a Minister can delegate or subdelegate the authority to expend money from the Consolidated Fund in accordance with section 9.9 of the GSF Act.

A Minister who delegates or subdelegates this function may impose terms and conditions on the expenditure (see section 5.2 of the GSF Act). This could include limits on the amount that the delegate may spend, or the purposes for which the delegate is permitted to expend money. The delegate or subdelegate is authorised to expend money but *only* in accordance with any terms and conditions set by the Minister.

The Treasurer may issue **Budget control authorities** to regulate expenditure of money by GSF agencies that are part of the General Government Sector (see section 5.1 of the GSF Act).

### **Do these provisions apply to my agency?**

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These provisions affect the operations all GSF agencies.

However, Budget control authorities may only be made in respect of agencies forming part of the General Government Sector.

### **Have the provisions relating to Expenditure commenced?**

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Yes. Division 5.1 which contains provisions relating to expenditure have commenced.

### **Need more information?**

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For more detail, please refer to the following sections in the GSF Act:

- [Part 5](#) Expenditure
- Division [5.1](#)

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