

**Disclaimer:** This is guidance material only and does not replace reading the legislation. For further information refer to the legislation. Please check [Treasury's website](#) for updates and other information.

## Mapping *Public Authorities (Financial Arrangements) Act 1987* to the New GSF Bill 2018

The introduction of the Government Sector Finance Bill 2018 (GSF Bill) proposes a modern and up to date financial management framework for the Government Sector of NSW. The current framework is supported by four Acts;

- *Public Finance and Audit Act 1983 (PFAA)*
- *Public Authorities (Financial Arrangements) Act 1987 (PAFA)*
- *Annual Report (Departments) Act 1985 (ARD)*
- *Annual Reports (Statutory Bodies) Act 1984 (ARSB)*

The ARD, ARSB and the PAFA are being repealed and replaced entirely by the new GSF Bill. Parts of the PFAA, (those covering appropriations, expenditure, reporting, financial service and others), will be repealed and captured by the new Bill. The parts of the PFAA that deal with the Auditor-General, Audit Office and Public Accounts Committee will remain in the PFAA, which will be renamed the *Government Sector Audit Act 1983*.

**This document is designed to be a quick reference guide to assist agencies with the transition from the current legislation, it does not replace reading the legislation. It identifies provisions in the current framework that, in general terms, deal with the same subject matter as the new provisions in the GSF Bill. In many cases, the effect of the GSF provision is different to the current framework. The GSF Bill also introduces new concepts and terminology that are, in many cases, not directly comparable to the current framework.**

<i>Public Authorities (Financial Arrangements) Act 1987</i>
GSF Bill 2018



Public Authorities (Financial Arrangements) Act 1987			Government Sector Finance (GSF) Bill 2018	
<b>Part 1 Preliminary</b>	Sec 2A	<b>The principal purpose of the Act;</b> Provide a comprehensive system of arrangements for the control of authorities of the State in entering into and maintaining arrangements of the kinds covered by this Act	Sec 1.3	The objects of this Act are as follows: <ul style="list-style-type: none"> <li>a) to promote and support sound financial management, budgeting, performance, financial risk management, transparency and accountability in the government sector and by GSF agencies and government officers,</li> <li>b) to facilitate the effective devolution of roles and responsibilities in connection with financial management to support efficient and effective government,</li> <li>c) to require the efficient, effective and economical use and management of government resources and related money in accordance with the principles of sound financial management,</li> <li>d) to promote appropriate stewardship of government resources and related money,</li> <li>e) to facilitate cooperation and collaboration within and between GSF agencies for the purpose of achieving common objectives and whole of Government objectives,</li> <li>f) to facilitate the keeping and sharing of performance information in the government sector for the purposes of decisions about resource allocation.</li> </ul>
	Sec 3	<b>General Definitions</b>	Division 1.4 Sec 1.4 Sec 2.4 Sec 2.5 sec 2.2 Sec 2.1	<b>Definitions:</b> The new GSF Bill introduces some new concepts that do not have direct analogues with the current legislation. These references indicate where the key definitions provisions are in the GSF Bill.
	Sec 4	<b>Meaning of obtaining financial accommodation</b>	Sec 6.8	<b>Borrowings</b>
	Sec 5	<b>Meaning of effecting Financial Adjustment</b>	Sec 6.10	<b>Derivative arrangements</b>
	Sec 5A	<b>Meaning of joint financing arrangement</b>	Sec 6.11	<b>Joint financing arrangements</b>
	Sec 5B	<b>Meaning of portfolio Minister</b>	Sec 2.6	<b>Responsible Minister for GSF agencies</b>



Public Authorities (Financial Arrangements) Act 1987			Government Sector Finance (GSF) Bill 2018			
Part 2 Financial accommodation	Division 2 Powers of authorities	Sec 7	Governor's approval for financial accommodation	No equivalent; the Governor's approval is not required		
		Sec 8	Power to obtain financial accommodation	Sec 6.22 Sec 6.23	Financial arrangements for GSF agencies Financial arrangements approvals	
		Sec 8A	Special provisions relating to ownership of buildings, structures or other fixtures	No equivalent		
		Sec 9	Treasury advances	Sec 6.21(2)(b)	Treasurer may enter financial arrangements for State and GSF agencies. Treasurer may loan money to GSF Agencies	
		Sec 10	Provision of financial accommodation from Treasury Corporation	Sec 6.24	Borrowings to be obtained from New South Wales Treasury Corporation	
		Sec 11	General powers in relation to obtaining financial accommodation	Sec 6.22(5)	Powers to enter financial arrangements	
		Sec 12	Provisions relating to authorities which obtain financial accommodation	Sec 6.22	Financial arrangements for GSF agencies	
	Division 3 Protection of Lenders	Sec 13	Treasurer's approval as evidence	Sec 6.23(10)	Financial arrangements approvals	
		Sec 14	Application of financial accommodation	Sec 6.22 (7)	Protection for parties that are not GSF Agencies	
	Division 4 Inter-agency financial accommodation	Sec 14A	Inter-agency loans within same ministerial portfolio	No equivalent.		
		Sec 14B	Application of Act to inter-agency loans within same portfolio			



Public Authorities (Financial Arrangements) Act 1987			Government Sector Finance (GSF) Bill 2018	
Part 2A Financial Adjustments	Sec 16	Financial adjustments	Sec 6.22 Sec 6.23	Financial arrangements for GSF agencies Financial arrangements approvals
	Sec 17	General powers in relation to effecting financial adjustments	Sec 6.22 Sec 6.23	Financial arrangements for GSF agencies Financial arrangements approvals
	sec 18	Treasurer's Approval as evidence	Sec 6.23(10)	Financial arrangement approvals
Part 2B Joint Financing arrangements	Sec 20	Power to enter joint financing arrangements	Sec 6.22(5) Sec 6.23	Powers to enter Financial arrangements Financial arrangements approvals
	Sec 21	Treasurer's approval	Sec 6.23(10)	A financial arrangement approval for a financial arrangement for a GSF agency is conclusive evidence that anything done by the agency in accordance with the approval is authorised by the Act
Part 2C Guarantees	Sec 22A	Statutory guarantee	Sec 6.26	Mandatory statutory guarantee of certain borrowings repayments
	Sec 22AA	Statutory guarantee of performance	Sec 6.27	Discretionary guarantees
	Sec 22B	Discretionary guarantees		
	Sec 22C	Statutory charge	Sec 6.28	Statutory charge on income or revenue for payments under certain financial arrangements
	Sec 22D	Guarantee fee	Sec 6.29	Guarantee fees for certain guaranteed payments
	Sec 22E	Other Payments by Government	Sec 6.31	Payments by Government for certain financial arrangements if GSF Agency prevented
	Sec 22F	Treasurer may enter into and execute guarantee etc on behalf of Government	Sec 6.27(3)	Treasurer may act on behalf of the State for the purpose of giving a guarantee...
	Sec 22G	Priorities	Sec 6.30	Priorities of obligations under certain financial arrangements and guarantees
	Sec 22H	Recovery of money paid under guarantee or agreement	Sec 6.32	Recovery of money paid under guarantee



Public Authorities (Financial Arrangements) Act 1987			Government Sector Finance (GSF) Bill 2018	
	Sec 22I	Appropriation	Sec 6.33	Appropriations for liabilities under division
Part 2D Joint ventures	Sec 22J	Definition	Sec 6.12	Joint venture arrangements and joint ventures
	Sec 22K	Meaning of joint venture	Sec 6.12 Sec 6.23	Joint venture arrangements and joint ventures Financial arrangements approvals
	Sec 22L	Restriction on joint ventures	Sec 6.12(4)	Joint venture arrangement does not include...
	Sec 24	Investments powers of authorities	Division 6.4 Sec 6.23	Financial arrangements Financial arrangements approvals
Part 3 Investment	Sec 25	Funds Managers	Sec 6.35 Sec 6.36	Fund Managers for GSF agencies Functions of the fund manager
	Sec 26	Power of certain authorities to act as funds manager		
	Sec 28	Part not to apply in certain cases	No equivalent in the act. The regulations may specify that some arrangements are not "financial arrangements" (s.6.7(2))	
	Sec 28A	General powers in relation to investments	sec 6.22	Financial arrangements for GSF agencies
Part 4 NSW Capital Works Financing corporations		No equivalent; NSW Capital Works Financing Corporation was abolished in the mid-1990s		
Part 4A Controlled entities	Sec 37A	Controlled entities	Sec 2.2	Controlled entities
			Sec 6.22(5)(e)	Powers to enter financial arrangements Using a controlled entity of the GSF agency to do things a GSF agency can do under the act



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Part 5 Miscellaneous	Sec 38	Exemption from duty	sec 10.2	Exemption from duty under Duties Act 1997
	Sec 39	Trustee investment etc	Sec 6.3	Authorisation to invest in government issued investment
	Sec 40	Delegation of Treasurer's Functions	Sec 9.8	Delegations by the Treasurer
	Sec 43	Regulations	Sec 10.4	Regulations
	Sec 44	Validation of certain financial adjustments	No equivalent; will be covered by the regulations	
	Sec 45	Exercise of functions by authorities that are not corporations	Sec 6.2	Exercise of functions for GSF Agencies that are not persons
	Sec 46	Transitional provisions applying to entities that become authorities		
	Sec 47	Transitional provisions applying to entities that cease to be authorities		
Schedule 2 Provisions relating to securities etc		Provisions relating to securities etc	Sec 6.10	Derivative arrangements
Schedule 4 Investment powers of authorities	Part 1A Preliminary	cl 1	Definitions of <i>eligible entity</i> and <i>eligible rating</i>	Sec 6.23 Financial arrangements approvals Sec 6.22 Financial arrangements for GSF agencies
	Part 1	cl 2	Types of investments authorised by PAFA currently known as Part 1, Part 2, Part 3 and Part 4 investment powers	
	Part 2	cl 3		
	Part 3	cl 3		
	Part 4	cl 4		
Schedule 6 Savings and Transitional provisions	Part 1	Sec1	Savings, transitional regulations consequent on the enactment of certain Acts.	Schedule 1 Schedule 1 Savings, transitional and other provisions will be located in the regulations