



Western Australia

Government Financial Responsibility Act 2000

As at 25 Jan 2006

Version 01-a0-02

Extract from www.slp.wa.gov.au, see that website for further information

Western Australia

Government Financial Responsibility Act 2000

CONTENTS

Part 1 — Preliminary

1.	Short title	2
2.	Commencement	2
3.	Purposes of this Act	2
4.	Interpretation	2
5.	Obtaining information from public sector bodies	4
6.	The financial management principles	4
7.	The financial elements	5
8.	Matters to be addressed in statements and reports	5
9.	Releasing financial statements and reports	5

Part 2 — Government financial planning and reporting

10.	Government financial planning	7
11.	Government Financial Strategy Statements	7
12.	Government Financial Projections Statements	8
13.	Government Mid-year Financial Projections Statements	10
14A.	Annual Report on State Finances	13
14B.	Auditor General's opinion	14
15.	Pre-election Financial Projections Statements	14
16.	Quarterly financial statements	16
17.	Budget papers to include outcomes etc.	17

	Part 3 — Miscellaneous	
18.	Regulations	18
	Notes	
	Compilation table	19



Reprinted under the
Reprints Act 1984 as
at 25 January 2006

Western Australia

Government Financial Responsibility Act 2000

An Act to establish a framework for government financial planning and reporting, to facilitate public scrutiny of government financial policy and performance, and for related purposes.

Part 1 — Preliminary

1. Short title

This Act may be cited as the *Government Financial Responsibility Act 2000*¹.

2. Commencement

This Act commences on the day on which it receives the Royal Assent¹.

3. Purposes of this Act

- (1) The main purposes of this Act are —
 - (a) to establish a framework for government financial planning with a view to improving government financial outcomes; and
 - (b) to facilitate public scrutiny of government financial policy and performance.
- (2) Nothing in this Act creates rights or duties that are enforceable in judicial or other proceedings.

4. Interpretation

In this Act, unless the contrary intention appears —

“**Annual Report on State Finances**” means a report under section 14A;

“**Australian Accounting Standards**” means the accounting standards and other requirements issued by the Australian Accounting Standards Board;

“**budget planning cut-off date**”, in relation to a budget year, means the date on which the Treasurer notifies the Under Treasurer under section 12(4) that the budget process for that year has been completed;

“budget year” means the financial year to which a budget relates;

“external reporting standards” means —

- (a) the concepts and classifications set out in GFS Australia; and
- (b) the Australian Accounting Standards;

“financial element” has the meaning given in section 7;

“financial management principles” means the financial management principles set out in section 6;

“GFS Australia” means the publication of the Australian Bureau of Statistics known as Government Finance Statistics Australia: Concepts, Sources and Methods, as updated from time to time;

“Government Financial Projections Statement” means a statement under section 12;

“Government Financial Strategy Statement” means a statement under section 11;

“Government Mid-year Financial Projections Statement” means a statement under section 13;

“Pre-election Financial Projections Statement” means a statement under section 15;

“pre-election period” means the period between the issue of the writs for a general election for the Legislative Assembly or the Legislative Council and the date of the general election;

“public sector body” means —

- (a) a department established under section 35 of the *Public Sector Management Act 1994*; or
- (b) a body, whether corporate or unincorporate, or the holder of an office, post or position, being a body, office, post or position that is established or continued for a public purpose under a written law;

“Quarterly Financial Results Report” means a report under section 16;

“release”, in relation to a statement or report made or to be made under this Act, has the meaning given in section 9;

“Under Treasurer” means the chief executive officer within the meaning of the *Interpretation Act 1984*.

[Section 4 amended by No. 5 of 2005 s. 28.]

5. Obtaining information from public sector bodies

- (1) The Under Treasurer may, in writing, request a public sector body to provide any information needed to prepare a statement, report or policy costing for the purposes of this Act.
- (2) The Under Treasurer may issue written guidelines to help public sector bodies to provide the information needed to prepare statements, reports and policy costings for the purposes of this Act.
- (3) A public sector body is to comply with a request under subsection (1) within the time, and in the form, specified in the request.

[Section 5 amended by No. 5 of 2005 s. 29.]

6. The financial management principles

The financial management principles are as follows —

- (a) funding for current services is to be provided by the current generation;
- (b) spending and taxing policies are to be formulated and applied so as to give rise to a reasonable degree of stability and predictability;
- (c) financial risks are to be managed prudently;
- (d) spending and taxing policies are to be formulated and applied with consideration to the effect of these policies on employment and the economic prosperity of the State.

7. The financial elements

- (1) For the purposes of this Act, a financial element is —
 - (a) the assets of the State;
 - (b) the liabilities of the State;
 - (c) the net assets of the State;
 - (d) the operating expenses of the State;
 - (e) the operating revenue of the State;
 - (f) the operating balance of the State; or
 - (g) any other significant element of the Government's financial management or performance.
- (2) For the purposes of this Act, the amount or value of a financial element is to be calculated in accordance with the principles of the external reporting standards.

8. Matters to be addressed in statements and reports

- (1) Financial projections or financial reports released under this Act are to include projections or reports of the matters usually addressed in a general purpose financial report within the meaning of Australian Accounting Standard 31 (Financial Reporting by Governments).
- (2) A projection or report of an operating surplus or total equity is either to be consolidated in accordance with Australian Accounting Standard 31, or to be calculated in such a way that the projected or reported result is the same as if it had been consolidated in accordance with the Standard.

9. Releasing financial statements and reports

- (1) Where this Act provides for the release of a statement or report, the statement or report is to be —
 - (a) tabled in each House of Parliament; and
 - (b) made publicly available.

s. 9

- (2) If a House of the Parliament is not sitting when a statement or report is to be released, the statement or report is to be made publicly available at that time, and is to be tabled in the House as soon as practicable.
- (3) If the Treasurer is not able to release —
- (a) an Annual Report on State Finances, and the opinion of the Auditor General referred to in section 14B(1), within the period referred to in section 14A(1); or
 - (b) a Quarterly Financial Results Report within the period referred to in section 16(2),

the Treasurer is to, before the expiration of that period, inform both Houses of Parliament of the inability to release the report, and the reasons for that inability and the anticipated date the report will be tabled.

[Section 9 amended by No. 5 of 2005 s. 30.]

Part 2 — Government financial planning and reporting

10. Government financial planning

- (1) The Government's financial planning is to be consistent with the financial management principles.
- (2) The Government's financial planning may deviate temporarily from the financial management principles in special circumstances.
- (3) If there is any deviation from the financial management principles, the Under Treasurer is to prepare, for inclusion in the next Government Financial Strategy Statement to be released —
 - (a) a statement of the reasons for the deviation; and
 - (b) a summary of the Government's proposed programme for reverting to compliance with the principles.

11. Government Financial Strategy Statements

- (1) The Treasurer is to release a Government Financial Strategy Statement at least once in each calendar year.
- (2) A Government Financial Strategy Statement is to —
 - (a) set out the Government's medium-term targets in relation to the financial element or elements relevant to each target;
 - (b) explain how the targets are to be achieved;
 - (c) indicate how the targets are related to the financial management principles;
 - (d) contain a statement and summary under section 10(3), if required; and
 - (e) indicate the time frames proposed for achieving the targets.
- (3) If the Government makes a significant change in its financial strategy, the Treasurer is to release a new Government Financial

s. 12

Strategy Statement, dealing with the matters listed in subsection (2), and giving the reasons for the change.

- (4) The new Government Financial Strategy Statement is to be released as soon as possible after the change in financial strategy, but in any case no later than when the next Government Financial Projections Statement is released.
- (5) If the financial strategy to be dealt with in a Government Financial Strategy Statement has not changed significantly from the financial strategy dealt with in the previous Government Financial Strategy Statement, then, instead of releasing a full Government Financial Strategy Statement in accordance with subsection (2), the Treasurer may release a Government Financial Strategy Statement to the effect that the information in the previous Government Financial Strategy Statement is still current.

12. Government Financial Projections Statements

- (1) The Treasurer is to release a Government Financial Projections Statement when the appropriation Bills and budget papers for a budget or supplementary budget are tabled in the Legislative Assembly.
- (2) A Government Financial Projections Statement is to include the following —
 - (a) financial projections for the Government for the budget year and the 3 following financial years;
 - (b) an account of the economic and other assumptions on which the financial projections are based;
 - (c) an explanation of the implications of the financial projections for meeting the financial targets set out in the most recently released Government Financial Strategy Statement;
 - (d) an analysis of the degree to which the financial projections are likely to be affected by changes in the

- circumstances on which the economic and other assumptions are based;
- (e) a statement of any risks, quantified as far as practicable, that could materially affect the financial projections, including particulars of any contingent liabilities and any government negotiations that have not been finalized;
 - (f) a certificate by the Under Treasurer under subsection (8).
- (3) When preparing a Government Financial Projections Statement, the Under Treasurer is to take account of the following —
- (a) the implications of all relevant decisions that were taken by the Government before the budget planning cut-off date and that were known to the Under Treasurer on or before that date;
 - (b) any other information that could have a material effect on the financial projections and that was available to the Under Treasurer on or before the budget planning cut-off date.
- (4) When the Treasurer is satisfied that the budget planning process has been completed for a budget year, the Treasurer is to notify the Under Treasurer to that effect.
- (5) On or before the budget planning cut-off date, the Treasurer must give the Under Treasurer all available information about government decisions taken before that date —
- (a) that has or could have material financial or economic implications relevant to preparing the Government Financial Projections Statement; and
 - (b) that the Under Treasurer could not reasonably be expected to have already.
- (6) The Government Financial Projections Statement does not have to include commercially confidential information.

s. 13

- (7) If information that is otherwise required to be included in a Government Financial Projections Statement is excluded because of subsection (6), the statement must contain a general description of the excluded information.
- (8) The Under Treasurer is to certify to the effect that —
 - (a) the financial projections, and the economic forecasts and assumptions, in the Government Financial Projections Statement were prepared by the Under Treasurer;
 - (b) the statement takes account of all relevant information available to the Under Treasurer on the budget planning cut-off date;
 - (c) the statement sets out the implications of all relevant decisions that were known to the Under Treasurer on that date; and
 - (d) the economic assumptions on which the financial projections in the statement are based were finalized on the date set out in the certificate.

13. Government Mid-year Financial Projections Statements

- (1) The Treasurer is to release a Government Mid-year Financial Projections Statement not later than 31 December in each budget year.
- (2) A Government Mid-year Financial Projections Statement is to include the following —
 - (a) financial projections for the Government for the budget year and the 3 following financial years;
 - (b) an account of the economic and other assumptions on which the financial projections are based;
 - (c) an explanation of the implications of the financial projections for meeting the financial targets set out in the last Government Financial Strategy Statement;
 - (d) an analysis of the degree to which the financial projections are likely to be affected by changes in the

- circumstances on which the economic and other assumptions are based;
- (e) a statement of any risks, quantified as far as practicable, that could materially affect the financial projections, including particulars of any contingent liabilities and any government negotiations that have not been finalized;
 - (f) a certificate by the Under Treasurer under subsection (6).
- (3) When preparing a Government Mid-year Financial Projections Statement, the Under Treasurer is to take account of the following —
- (a) the implications of all relevant decisions that were taken by the Government before the cut-off date referred to in the certificate under subsection (6) and that are known to the Under Treasurer (excluding any interim decisions taken in the course of planning the budget to be brought down in the next budget year);
 - (b) any other relevant information available to the Under Treasurer before the cut-off date noted in the certificate under subsection (6).
- (4) The Government Mid-year Financial Projections Statement does not have to include commercially confidential information.
- (5) If information that is otherwise required to be included in a Government Mid-year Financial Projections Statement is excluded because of subsection (4), the statement must contain a general description of the excluded information.
- (6) The Under Treasurer is to certify to the effect that —
- (a) the financial projections, and the economic forecasts and assumptions, in the Government Mid-year Financial Projections Statement were prepared by the Under Treasurer;

s. 14A

- (b) the statement takes account of all relevant information available to the Under Treasurer on the cut-off date noted in the certificate;
 - (c) the statement sets out the implications of all relevant decisions that were known to the Under Treasurer on the cut-off date; and
 - (d) the economic assumptions on which the financial projections in the statement are based were finalized on the date set out in the certificate.
- (7) If any information to be included in a Government Mid-year Financial Projections Statement under subsection (2) is the same as information included in the last Government Financial Projections Statement to be released then, instead of setting out the information in full, the Government Mid-year Financial Projections Statement may include a summary of the information, with a note to the effect that the information is unchanged from the previous statement.
- (8) If —
- (a) the last financial projections statement released before a Government Mid-year Financial Projections Statement is released was a Pre-election Financial Projections Statement; and
 - (b) the information to be included in the Government Mid-year Financial Projections Statement is the same as information included in the Pre-election Financial Projections Statement,

then, instead of setting out the information in full, the Government Mid-year Financial Projections Statement may consist of a statement to the effect that the information given in the Pre-election Financial Projections Statement is still current.

[14. Repealed by No. 5 of 2005 s. 31.]

14A. Annual Report on State Finances

- (1) The Treasurer is to release within the prescribed period —
 - (a) an Annual Report on State Finances for each budget year; and
 - (b) an opinion of the Auditor General prepared and signed under section 14B(1) in relation to the Annual Report on State Finances.

- (2) In subsection (1) —

“prescribed period” means —

 - (a) 90 days after the end of the financial year; or
 - (b) the period after the end of the financial year prescribed by the regulations,

whichever is the shorter period.

- (3) An Annual Report on State Finances must —
 - (a) be prepared in accordance with external reporting standards;
 - (b) include the financial result for the budget year;
 - (ba) include an explanation of the factors and considerations that contributed to any material differences between the financial result and the financial projections;
 - (bb) include an explanation of the factors and considerations that contributed to any material differences between the financial result and the Government’s medium-term targets applying at the beginning of the budget year; and
 - (c) include any other matter described in the regulations.

- (4) An Annual Report on State Finances is to be certified in the manner prescribed by the regulations.

[Section 14A inserted by No. 5 of 2005 s. 32(1); amended by No. 5 of 2005 s. 32(2).]

s. 14B

14B. Auditor General's opinion

- (1) The Treasurer is to submit the Annual Report on State Finances to the Auditor General.
- (2) The Auditor General is to —
 - (a) prepare and sign an opinion on the audit of the Annual Report on State Finances and is to state whether in the opinion of the Auditor General the report —
 - (i) has been prepared in accordance with external reporting standards; and
 - (ii) has been properly drawn up so as to present fairly the operating results and cashflows of the Government for the budget year and the financial position at the end of the budget year;
 - and
 - (b) transmit the opinion to the Treasurer.
- (3) Part III Division 2 of the *Financial Administration and Audit Act 1985* applies to and in respect of an audit carried out for the purposes of this section as if the audit were performed under that Act.

[Section 14B inserted by No. 5 of 2005 s. 33.]

15. Pre-election Financial Projections Statements

- (1) The Treasurer is to release a Pre-election Financial Projections Statement within 10 days after the Legislative Assembly is dissolved or expires.
- (2) A Pre-election Financial Projections Statement is to include the following —
 - (a) financial projections for the Government for the budget year and the 3 following financial years;
 - (b) an account of the economic and other assumptions on which the financial projections are based;

- (c) an explanation of the implications of the financial projections for meeting the financial targets set out in the last Government Financial Strategy Statement;
 - (d) an analysis of the degree to which the financial projections are likely to be affected by changes in the circumstances on which the economic and other assumptions are based;
 - (e) a statement of any risks, quantified as far as practicable, that could materially affect the financial projections, including particulars of any contingent liabilities and any government negotiations that have not been finalized;
 - (f) a certificate by the Under Treasurer under subsection (7).
- (3) When preparing a Pre-election Financial Projections Statement, the Under Treasurer is to take account of the following —
- (a) the implications of all relevant decisions that were taken by the Government before the Legislative Assembly was dissolved or expired and that are known to the Under Treasurer (excluding any interim decisions taken in the course of planning the next budget to be brought down);
 - (b) any other information available to the Under Treasurer at the end of 3 days after the Legislative Assembly was dissolved or expired.
- (4) Within 3 days after the dissolution or expiry of the Legislative Assembly, the Treasurer is to give the Under Treasurer all available information about government decisions taken before the date of dissolution or expiry —
- (a) that has or could have material financial or economic implications relevant to preparing the Pre-election Financial Projections Statement; and
 - (b) that the Under Treasurer could not reasonably be expected to have already.

s. 16

- (5) The Pre-election Financial Projections Statement does not have to include commercially confidential information.
- (6) If information that is otherwise required to be included in a Pre-election Financial Projections Statement is excluded because of subsection (5), the statement must contain a general description of the excluded information.
- (7) The Under Treasurer is to certify to the effect that —
 - (a) the financial projections, and the economic forecasts and assumptions, in the Pre-election Financial Projections Statement were prepared by the Under Treasurer;
 - (b) the statement takes account of all relevant information available to the Under Treasurer at the end of 3 days after the Legislative Assembly was dissolved or expired;
 - (c) the statement sets out the implications of all relevant decisions that were known to the Under Treasurer at that time; and
 - (d) the economic assumptions on which the financial projections in the statement are based were finalized on the date set out in the certificate.
- (8) If any information to be included in a Pre-election Financial Projections Statement under subsection (2) is the same as information included in the last Government Financial Projections Statement or the last Government Mid-year Financial Projections Statement (whichever was released later) then, instead of setting out the information in full, the Pre-election Financial Projections Statement may consist of a statement to the effect that the information in the previous statement is still current.

16. Quarterly financial statements

- (1) The Treasurer is to release a Quarterly Financial Results Report for each quarter ending on the last day of March, September or December setting out the budget result from the beginning of the current financial year to the end of the quarter.

(2) A Quarterly Financial Results Report is to be released within the prescribed period.

(3) In subsection (2) —

“prescribed period” means —

- (a) 60 days after the end of the quarter to which the Quarterly Financial Results Report relates; or
- (b) the period prescribed by the regulations after the end of the quarter to which the Quarterly Financial Results Report relates,

whichever is the shorter period.

[Section 16 amended by No. 5 of 2005 s. 34.]

17. Budget papers to include outcomes etc.

Budget papers are to include —

- (a) outcomes;
- (b) resource cost; and
- (c) the number of full time equivalent staff,

for each outcome for the budget year and each of the 2 preceding years.

Part 3 — Miscellaneous

[Heading inserted by No. 5 of 2005 s. 35.]

18. Regulations

The Governor may make regulations prescribing all matters that by this Act are required or permitted to be prescribed or that are necessary or convenient to be prescribed for giving effect to this Act.

[Section 18 inserted by No. 5 of 2005 s. 35.]

Notes

- ¹ This reprint is a compilation as at 25 January 2006 of the *Government Financial Responsibility Act 2000* and includes the amendment made by the other written law referred to in the following table. The table also contains information about any reprint.

Compilation table

Short title	Number and year	Assent	Commencement
<i>Government Financial Responsibility Act 2000</i>	26 of 2000	5 Jul 2000	5 Jul 2000 (see s. 2)
<i>Financial Administration Legislation Amendment Act 2005 Pt. 3</i>	5 of 2005	27 Jun 2005	1 Jan 2006 (see s. 2 and <i>Gazette</i> 23 Dec 2005 p. 6243)
Reprint 1: The <i>Government Financial Responsibility Act 2000</i> as at 25 Jan 2006 (includes amendments listed above)			