



New South Wales

# Fiscal Responsibility Amendment (Wellbeing Budget) Bill 2023

## Explanatory note

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

## Overview of Bill

This Bill amends the *Fiscal Responsibility Act 2012* to make further provision about the principles of sound financial management in the conduct of fiscal policy and reporting requirements in relation to those principles.

## 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 Fiscal Responsibility Act 2012 No 58**

**Schedule 1[2]** inserts new objects into the *Fiscal Responsibility Act 2012 (the Act)* to provide that, in addition to maintaining the AAA credit rating of the State of New South Wales, the objects of the Act are to—

- (a) establish principles for sound financial management in the conduct of fiscal policy, and
- (b) establish reporting requirements on the extent to which the Government's fiscal policy is consistent with those principles.

**Schedule 1[1] and [3]** make minor amendments consequent on Schedule 1[2].

**Schedule 1[4]** provides that, in addition to the existing purposes, the purposes of the objects of the Act are to—

- (a) enable the State to meet the needs of current and future generations without reliance on the private sector by maintaining essential public assets and services under public ownership and control, and
- (b) increase the long-term economic, social, environmental and cultural wellbeing of the State.

**Schedule 1[5]** amends 1 of the principles of sound financial management in the Act, section 7 to provide that intergenerational equity is to be achieved by ensuring the current generation not only funds the cost of the generation's services but also the cost of repairing the social, environmental and cultural damage caused by the current generation and previous generations.

**Schedule 1[6]** requires the Treasurer to include a report in the budget papers on the measures taken, and the effectiveness of those measures, to ensure the long-term economic, social, environmental and cultural wellbeing of the State, and sets out the matters that must be considered.