



New South Wales

Charter of Budget Honesty (Election Promises Costing) Amendment Bill 2010

Explanatory note

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

Overview of Bill

The objects of this Bill are:

- (a) to require the Auditor-General to review Treasury costings of election promises, and
- (b) to require an independent financial consultant, nominated by the Auditor-General, to be engaged by the Secretary of the Treasury for the purposes of assisting the Secretary in preparing Treasury costings and budget impact statements.

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 on the date of assent to the proposed Act.

Schedule 1 Amendment of Charter of Budget Honesty (Election Promises Costing) Act 2006 No 89

Review of Treasury costings by Auditor-General

Schedule 1 [9] requires the Auditor-General to review Treasury costings and budget impact statements and to prepare reports of the reviews for public release. **Schedule 1 [4]** provides that the Secretary of the Treasury is to provide the report of the review of a Treasury costing to the Premier or the Leader of the Opposition (as the case requires). **Schedule 1 [5]** provides that when a Treasury costing is publicly released by the Secretary of the Treasury, it is to be accompanied by the Auditor-General's report of the review of the costing. **Schedule 1 [7]** provides that the report of the review of the budget impact statements is to be included in the budget impact statements that are publicly released by the Secretary of the Treasury on the fifth last day before a State election.

Under the amendments, the Secretary of the Treasury is to provide costing requests and proposed Treasury costings to the Auditor-General and is to ensure that the Auditor-General has access to other necessary information for the purpose of conducting a review. If the Auditor-General needs more information about a policy for the purpose of a review, the Secretary of the Treasury is to ask the Premier or the Leader of the Opposition (as the case requires) to provide that information.

Schedule 1 [2] inserts a note to the definition of *Treasury costing* to the effect that Treasury costings and budget impact statements are required to be reviewed by the Auditor-General. **Schedule 1 [8]** inserts a note stating that the Auditor-General must provide a report of the review of the Treasury costings and budget impact statements for inclusion in the budget impact statements.

Independent financial consultant

Schedule 1 [10] provides that the Secretary of the Treasury is to engage a person or body with financial expertise (referred to as an *independent financial consultant*) to assist the Secretary in the preparation of Treasury costings and budget impact statements. The independent financial consultant is to be nominated by the Auditor-General. The consultant must not be a public authority, a public official or an official of a political party.

Confidentiality of information and documents relating to Treasury costings

Schedule 1 [11]–[17] provide that the information and documents that cannot be disclosed will be extended to include information and documents relating to a review by the Auditor-General. The prohibition on the Secretary of the Treasury or members of Treasury staff disclosing such information or documents will be extended so that the Auditor-General and the independent financial consultant and their staff are also prohibited from disclosing the information and documents.

Other amendments

Schedule 1 [18] enables the Secretary of the Treasury to revise a Treasury costing or budget impact statement to correct any errors identified by a review by the Auditor-General.

Schedule 1 [3], [6] and [8] replace notes that referred to relevant dates in relation to the 2007 State election with the relevant dates for the upcoming 2011 State election.

Schedule 1 [1] inserts relevant definitions.

First print



New South Wales

Charter of Budget Honesty (Election Promises Costing) Amendment Bill 2010

Contents

	Page
1 Name of Act	2
2 Commencement	2
Schedule 1 Amendment of Charter of Budget Honesty (Election Promises Costing) Act 2006 No 89	3



New South Wales

Charter of Budget Honesty (Election Promises Costing) Amendment Bill 2010

No. , 2010

A Bill for

An Act to amend the *Charter of Budget Honesty (Election Promises Costing) Act 2006* to require Treasury costings to be reviewed by the Auditor-General and to provide for the engagement of an independent financial consultant.

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>Charter of Budget Honesty (Election Promises Costing) Amendment Act 2010</i> .	3 4
2 Commencement	5
This Act commences on the date of assent to this Act.	6

Schedule 1	Amendment of Charter of Budget Honesty (Election Promises Costing) Act 2006 No 89	1 2 3
[1] Section 3 Definitions		4
	Insert in alphabetical order in section 3 (1):	5
	<i>Auditor-General review</i> means a review conducted by the Auditor-General under Part 3A.	6 7
	<i>budget impact statement</i> means a budget impact statement for all Treasury costed Government policies, or all Treasury costed Opposition policies, prepared by the Secretary of the Treasury under section 12.	8 9 10 11
	<i>independent financial consultant</i> —see section 13A.	12
[2] Section 3 (1)		13
	Insert after the definition of <i>Treasury costing</i> :	14
	Note. Proposed Treasury costings and budget impact statements are required to be reviewed by the Auditor-General under Part 3A.	15 16
[3] Section 6 Period during which costings may be requested		17
	Omit the note to the section. Insert instead:	18
	Note. For the purposes of the general election due to be held on 26 March 2011, the pre-election period will commence on 25 January 2011.	19 20 21
[4] Section 9 Treasury costing of individual policies		22
	Insert at the end of section 9 (1) (b):	23
	, and	24
	(c) provide the Auditor-General’s report of the review of the costing to the Premier or to the Leader of the Opposition (as the case requires).	25 26 27
[5] Section 11 Public release of Treasury costings by Secretary of the Treasury		28 29
	Insert “, and the Auditor-General’s report of the review of the costing,” after “Treasury costing for the policy” in section 11 (1).	30 31
[6] Section 12 Budget impact statements for all costed policies		32
	Omit the note to section 12 (3). Insert instead:	33
	Note. For the purposes of the general election due to be held on 26 March 2011, the draft statements are to be provided on 11 March 2011.	34 35 36

Charter of Budget Honesty (Election Promises Costing) Amendment Bill
2010

Schedule 1 Amendment of Charter of Budget Honesty (Election Promises Costing) Act
2006 No 89

[7] Section 12 (5) (b)	1
Insert “, and the Auditor-General’s report of the review of the statements,” after “budget impact statements”.	2 3
[8] Section 12 (5)	4
Omit the note to the subsection. Insert instead:	5
Note 1. For the purposes of the general election due to be held on 26 March 2011, the final statements are to be released on 21 March 2011.	6 7 8
Note 2. Under section 12A, the Auditor-General must review Treasury costings and budget impact statements and provide a report of the review to the Secretary of the Treasury for inclusion in the budget impact statements.	9 10 11 12
[9] Part 3A	13
Insert after Part 3:	14
Part 3A Auditor-General review of Treasury costings	15 16
12A Review of Treasury costings and budget impact statements by Auditor-General	17 18
(1) The Auditor-General is to review Treasury costings and budget impact statements.	19 20
(2) The Auditor-General is to prepare reports of the reviews of Treasury costings and budget impact statements.	21 22
(3) The Auditor-General is to provide to the Secretary of the Treasury:	23 24
(a) a copy of any report of a review of a Treasury costing, and	25
(b) a copy of the report of the review of the budget impact statements,	26 27
for the purposes of the public release of the costing or statements by the Secretary.	28 29
(4) If the Auditor-General’s report on the review of the budget impact statements is not available by the time the budget impact statements are required under this Act to be publicly released, the Auditor-General is to publicly release the report as soon as practicable before the State election.	30 31 32 33 34

12B	Information to be made available to Auditor-General	1
(1)	The Secretary of the Treasury is to provide the Auditor-General with all costing requests and proposed Treasury costings.	2 3
(2)	The Secretary of the Treasury is to ensure that the Auditor-General has access to such other information as may be necessary to enable the Auditor-General to conduct a review required under this Part.	4 5 6 7
(3)	If the Auditor-General needs more information about a policy for the purpose of a review, the Secretary of the Treasury is to ask the Premier or the Leader of the Opposition (as the case requires) to provide that information in writing to the Secretary.	8 9 10 11
[10]	Section 13A	12
	Insert after section 13:	13
13A	Treasury to engage independent financial consultant	14
(1)	The Secretary of the Treasury is to engage a person or body to assist the Secretary in the preparation of Treasury costings and budget impact statements (the <i>independent financial consultant</i>).	15 16 17 18
(2)	The independent financial consultant is to be a person or body with financial expertise nominated by the Auditor-General.	19 20
(3)	The independent financial consultant must not be a public authority, a public official or an official of a political party.	21 22
[11]	Section 14 Confidentiality of information or documents relating to Treasury costing of election promises	23 24
	Omit “the Secretary of the Treasury” from section 14 (1) (a).	25
	Insert instead “a relevant official”.	26
[12]	Section 14 (1) (a)	27
	Insert “or an Auditor-General review” after “Treasury costing”.	28
[13]	Section 14 (1) (b)	29
	Omit the paragraph. Insert instead:	30
(b)	information or documents prepared by a relevant official for the purposes of any such costing or an Auditor-General review.	31 32 33

Charter of Budget Honesty (Election Promises Costing) Amendment Bill
2010

Schedule 1 Amendment of Charter of Budget Honesty (Election Promises Costing) Act
2006 No 89

[14] Section 14 (2)	1
Omit “The Secretary of the Treasury or other member of staff of the Treasury”.	2
Insert instead “A relevant official”.	3
[15] Section 14 (2) (c)	4
Omit “a member of staff of the Treasury”.	5
Insert instead “another relevant official”.	6
[16] Section 14 (3) (c)	7
Insert “or an Auditor-General review” after “Treasury costing”.	8
[17] Section 14 (4)	9
Insert after section 14 (3):	10
(4) In this section, a <i>relevant official</i> means:	11
(a) the Secretary of the Treasury, and	12
(b) the Auditor-General, and	13
(c) an independent financial consultant, and	14
(d) a member of the staff of the Treasury, the Auditor-General or the consultant.	15 16
[18] Section 16 Revision of costings and statements to correct any errors	17
Insert “(including any error identified in an Auditor-General review)” after “error”.	18 19