



New South Wales

Government Grants Administration Bill 2021

Explanatory note

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

Overview of Bill

The objects of this Bill are as follows—

- (a) to provide for the administration of government grant schemes,
- (b) to enable the Auditor-General to conduct audits and report on whether government agencies and Ministers comply with the requirements of this Act,
- (c) to enable the Auditor-General to conduct “follow the dollar” audits and report on an entity that receives government money under a government grant scheme,
- (d) to establish a register of government grant schemes (the *NSW grants register*) that is freely available on the internet for inspection by the public,
- (e) to require a review of this Act to be conducted within 12 months, including a review of the allocation of government money under government grant schemes to regional and metropolitan areas.

Outline of provisions

Part 1 Preliminary

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.

Clause 3 defines certain words and expressions used in the proposed Act.

Clause 4 makes it clear the proposed Act prevails to the extent of an inconsistency with another Act or law.

Part 2 Administration of government grant schemes

Clause 5 defines *government grant* and *government grant scheme* for the purposes of the proposed Act.

Clause 6 defines *government grant scheme guidelines* for the purposes of the proposed Act and enables the Minister administering the proposed Act to issue new guidelines from time to time following consultation with the Auditor-General and the ICAC parliamentary committee.

Clause 7 requires a government agency to ensure a government grant scheme administered by the agency is administered in accordance with the government grant scheme guidelines.

Clause 8 requires a government agency to publish details about each government grant scheme administered by the agency on the agency's website and on the NSW grants register.

Clause 9 requires a government agency to provide certain information to the Minister responsible for approving or awarding a government grant.

Clause 10 requires a Minister, before approving or awarding a government grant, to ensure the Minister has certain information and complies with the NSW Ministerial Code of Conduct. The proposed section also requires a Minister to inform the Minister administering the proposed Act, or in certain circumstances, the Auditor-General, if the Minister does not follow recommendations made by the government agency administering the government grant scheme.

Clause 11 enables the Auditor-General to audit and report on the compliance of government agencies and Ministers with the requirements of this Act, and other matters.

Part 3 Performance audits of non-government entities

Clause 12 defines certain words for the purposes of the proposed Part.

Clause 13 enables the Auditor-General to conduct a "follow the dollar" audit on the performance of an entity that receives government money under a government grant scheme.

Clause 14 requires the Auditor-General to report on such an audit.

Clause 15 requires the report to be tabled.

Clause 16 makes it clear the proposed Act does not limit the powers of the Auditor-General.

Part 4 Miscellaneous

Clause 17 requires the Secretary to establish the NSW grants register, containing the government grant scheme guidelines, the details of each scheme and other matters. The register is to be in the form determined by the Secretary and freely available on the internet for inspection by the public.

Clause 18 enables the Governor to make regulations for the purposes of the proposed Act.

Clause 19 requires the Minister administering the proposed Act to review the proposed Act in 12 months and, in particular, review whether government money is appropriately and fairly allocated to regional and metropolitan areas.

Schedule 1 Savings, transitional and other provisions

Schedule 1 contains savings, transitional and other provisions consequent on the enactment of the proposed Act.