

# ABOUT THIS BUDGET PAPER

## Purpose and scope

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Budget Paper No. 4 Agency Financial Statements outlines the financial statements for general government sector agencies.

The scope of this Budget Paper only includes agencies that are material within the sector. Individual agencies are separate legal entities that must prepare financial and annual reports.

This Budget Paper details:

- cluster and agency arrangements following recent machinery of government changes
- recurrent and capital expenditure by cluster and agency.

## Changes to cluster and agency arrangements

In April 2020, the Government announced further significant machinery of government changes, to deliver great opportunities and quality of life for all citizens across New South Wales, no matter where they live or what their circumstances may be.

This included the creation of the new ninth cluster Regional NSW as a Department of the Public Service in response to manage the devastating impacts of series of disasters like the drought and bushfires on regional communities. Additionally, Resilience NSW was also established to be responsible for driving all aspects of disaster recovery and building community resilience to future disasters.

There are now nine clusters delivering the work of the Government:

- Customer Service
- Education
- Health
- Planning, Industry and Environment
- Premier and Cabinet
- Regional NSW
- Stronger Communities
- Transport
- Treasury

## Administrative arrangements

Since the 2019-20 Budget, several Administrative Arrangements Orders have been made to provide for new Ministerial and agency arrangements and responsibilities.

Key changes include:

- [Administrative Arrangements \(Administrative Changes - Miscellaneous\) Order 2019](#)
- [Administrative Arrangements \(Administrative Changes - Transfer of EPA Staff\) Order 2019](#), effective 1 September 2019
- [Administrative Arrangements \(Administrative Changes - Ministers and Public Services Agencies\) Order 2020](#) - commenced 2 April 2020 & ended at 4 pm on 3 July 2020
- [Administrative Arrangements \(Administrative Changes - Ministers and Public Service Agencies\) Order \(No.2\) 2020](#) - commenced 4 pm on 3 July 2020
- [Administrative Arrangements \(Administrative Changes - Regional NSW and Independent Planning Commission\) Order 2020](#) - effective 2 April 2020 for the establishment of Regional NSW and 1 July 2020 for the establishment of Office of Independent Planning Commission
- [Administrative Arrangements \(Administrative Changes Resilience NSW\) Order 2020](#) - commenced 1 May 2020
- [Administrative Arrangements \(Administrative Changes - Miscellaneous\) Order 2020](#) - effective on 1 July 2020 for most parts with exception of Clause 7 relating to Amendment of Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2019, commencing on 1 July 2019
- [Administrative Arrangements \(Administrative Changes - Transfer of Staff to Western City and Aerotropolis Authority Staff Agency\) Order 2020](#), effective 16 October 2020.

The 2020-21 Budget Paper reflects the above listed administrative arrangements.

An overview of the administrative changes to the New South Wales Government clusters since the 2019-20 Budget is outlined in the following table:

Cluster	Administrative arrangements changes
<b>Customer Service cluster</b>	<p><b>Transfers into the Customer Service Cluster</b></p> <p>The persons employed in the Resources Policy and Reform Implementation Branch of the Department of Planning, Industry and Environment, who are principally involved in the administration of Part 6 of the Environmental Planning and Assessment Act 1979, are transferred to the Department of Customer Service, effective 1 July 2019.</p>
<b>Planning, Industry and Environment cluster</b>	<p>The Office of the Independent Planning Commission NSW was established as a separate agency under Administrative Arrangements (Administrative Changes-Regional NSW and Independent Planning Commission) Order 2020 &amp; the Government Sector Employment Act 2013, on 1 July 2020.</p> <p><b>Transfers into the Planning, Industry and Environment cluster</b></p> <p>Personnel services from Office of Sport (related to venue management functions) in the Stronger Communities Cluster, effective 1 July 2019.</p> <p><b>Transfers from the Planning, Industry and Environment cluster</b></p> <p>The following agencies of the Planning, Industry and Environment cluster were transferred to the newly established Regional NSW cluster:</p> <ul style="list-style-type: none"> <li>• New South Wales Rural Assistance Authority</li> <li>• Local Land Services</li> <li>• NSW Food Authority</li> <li>• Regional Growth NSW Development Corporation.</li> </ul>

Cluster	Administrative arrangements changes
<p><b>Planning, Industry and Environment cluster (cont.)</b></p>	<p>The persons employed in the Resources Policy and Reform Implementation Branch of the Department of Planning, Industry and Environment who are principally involved in the administration of Part 6 of the Environmental Planning and Assessment Act 1979 were transferred to the Department of Customer Service, under Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2019, effective 1 July 2019.</p> <p>The following parts of the Environment Protection Authority Staff Agency are transferred to the Department of Planning, Industry and Environment—</p> <ul style="list-style-type: none"> <li>(a) the Container Deposit Scheme Branch,</li> <li>(b) the Strategy and Programs Branch.</li> </ul> <p>There was a further transfer for parts of the container deposit scheme, circular economy program branches and its associated budget, assets and liabilities from Department of Planning, Industry and Environment to Environment Protection Authority (EPA), effective on 1 August 2020, via Treasurer’s approval and Ministerial agreement for relevant clusters. The staff have been moved in accordance with the Government Sector Employment 2013 (GSE) and the Public Service Commission’s guidelines.</p> <p>Transfer of Aboriginal Cultural Heritage Regulation Branch from the Department of Planning, Industry and Environment to Department of Premier and Cabinet, per the Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2020.</p> <p>The persons employed in the Department of Planning, Industry and Environment who are principally involved in providing support to the Independent Planning Commission are transferred to the Office of the Independent Planning Commission from 1 July 2020.</p> <p>The persons employed in the Regions, Industry, Agriculture and Resources Group in the Department of Planning, Industry and Environment are transferred to Regional NSW.</p>
<p><b>Premier and Cabinet cluster</b></p>	<p>Resilience NSW was established as a result of the Administrative Arrangements (Administrative Changes Resilience NSW) Order 2020 on 1 May 2020.</p> <p><b>Transfers into the Premier and Cabinet cluster</b></p> <p>Resilience NSW was established from function transfers from the Department of Communities and Justice to the Premier and Cabinet cluster.</p> <p>Transfer of Western Sydney City Deal Delivery Office from the Department of Premier &amp; Cabinet to Greater Sydney Commission Staff Agency under Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2019.</p> <p>Transfer of Aboriginal Cultural Heritage Regulation Branch from the Department of Planning, Industry and Environment to Department of Premier and Cabinet, per the Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2020.</p> <p>The persons employed in the Office of Emergency Management in the Department of Communities and Justice are transferred to Resilience NSW, effective 1 May 2020.</p> <p><b>Transfers out of the Premier and Cabinet cluster</b></p> <p>The Countering Violent Extremism Division of the Justice and Community Safety Branch in the Department of Premier and Cabinet is transferred to the Department of Communities and Justice in the Stronger Communities Cluster, under Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2019.</p> <p>The persons employed in the Western Sydney City Deal Delivery Office of the Greater Sydney Commission Staff Agency are transferred to the Western City and Aerotropolis Authority Staff Agency under Administrative Arrangements (Administrative Changes —Transfer of Staff to Western City and Aerotropolis Authority Staff Agency) Order 2020.</p>

Cluster	Administrative arrangements changes
<p><b>Regional NSW cluster</b></p>	<p>Under the Administrative Arrangements (Administrative Changes- Regional NSW and Independent Planning Commission) Order 2020- Regional NSW was established on 2 April 2020.</p> <p><b>Transfers into the Regional NSW cluster</b></p> <p>The following agencies were transferred from the Planning, Industry and Environment cluster to the newly established Regional NSW cluster:</p> <ul style="list-style-type: none"> <li>• New South Wales Rural Assistance Authority</li> <li>• Local Land Services</li> <li>• NSW Food Authority</li> <li>• Regional Growth NSW Development Corporation</li> </ul> <p>The persons employed in the Regions, Industry, Agriculture and Resources Group in the Department of Planning, Industry and Environment are transferred to Regional NSW.</p>
<p><b>Stronger Communities cluster</b></p>	<p>The Reportable Conduct Scheme was transferred to the Office of the Children’s Guardian from the NSW Ombudsman under the new Children’s Guardian Act 2019, on 1 March 2020.</p> <p><b>Transfers into the Stronger Communities cluster</b></p> <p>The Countering Violent Extremism Division of the Justice and Community Safety Branch in the Department of Premier and Cabinet is transferred to the Department of Communities and Justice, under Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2019.</p> <p><b>Transfers out of the Stronger Communities Cluster</b></p> <p>Personnel services from Office of Sport (related to venues management functions) transfer into the Planning, Industry and Environment Cluster.</p> <p>The Office of Emergency Management was transferred from the Department of Communities and Justice to the newly established Resilience NSW in the Premier and Cabinet Cluster, from 1 May 2020.</p>
<p><b>Transport cluster</b></p>	<p>Rail Corporation NSW was converted into Transport Asset Holding Entity of New South Wales (TAHE) and established as a Statutory State-Owned Corporation from 1 July 2020 by proclamation under Schedule 2 of the Transport Administration Amendment (Transport Entities) Act 2017.</p>
<p><b>Treasury cluster</b></p>	<p><b>Transfers into the Treasury Cluster</b></p> <p>Following transfers were made to Western City and Aerotropolis Authority (effective 16 October 2020), under Administrative Arrangements (Administrative Changes—Transfer of Staff to Western City and Aerotropolis Authority Staff Agency) Order 2020.</p> <ul style="list-style-type: none"> <li>• The persons employed in the Western Sydney City Deal Delivery Office of the Greater Sydney Commission Staff Agency are transferred to the Western City and Aerotropolis Authority Staff Agency.</li> <li>• The persons employed in the Western Sydney Investment Attraction Office of the Treasury are transferred to the Western City and Aerotropolis Authority Staff Agency.</li> </ul> <p>From 11 December 2020, the Western City and Aerotropolis Authority will be renamed to the Western Parkland City Authority per the Statute Law (Miscellaneous Provisions) Act 2020 No.30.</p>

## Cluster and agency appropriation arrangements

Coordinating Ministers for each cluster receive an appropriation for their principal department. Resources are then allocated to agencies within the cluster through grant funding with the support of Portfolio Ministers and the Secretary of each principal department.

The Legislature and several smaller agencies classified as special or independent offices are funded through separate appropriations to maintain their independence from government. The Crown Finance Entity also receives a separate appropriation for central functions of government.

### Entities that receive an appropriation for the 2020-21 Budget

Crown Finance Entity	Ministry of Health
Department of Customer Service	New South Wales Electoral Commission
Department of Education	Ombudsman's Office
Department of Planning, Industry and Environment	Office of the Children's Guardian
Department of Premier and Cabinet	Office of the Director of Public Prosecutions
Department of Communities and Justice	Public Service Commission
Independent Commission Against Corruption	Regional NSW
Independent Pricing and Regulatory Tribunal	The Legislature
Judicial Commission of New South Wales	The Treasury
Law Enforcement Conduct Commission	Transport for NSW

## Reporting of Budget data

The financial statements in this Budget Paper are prepared on an accrual basis of accounting, in accordance with Australian Accounting Standards.

A new accounting standard AASB 1059 *Service Concession Arrangements* (AASB 1059) was first applied for the budget year beginning 1 July 2020. At the same time, the NSW Government repealed its Accounting Policy TPP 06-08 *Accounting for Privately Financed Projects*. The impact of these changes is reflected in the following agency financial statements.

## Agency Expense Summary

This section lists recurrent expenses and capital expenditure for each agency in the cluster.

## Financial Statements

Financial statements are presented for the nine clusters.

Section	Description
<b>Operating Statement</b>	This lists the major categories of expenses and revenues for each agency.
<b>Balance Sheet</b>	This details the agency's assets, liabilities and net worth.
<b>Cash Flow Statement</b>	This details the cash impacts of agency activities, including the cash appropriations sourced from whole-of-government activities.

## Notes

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- The Budget year refers to 2020-21, while the forward estimates period refers to 2021-22, 2022-23 and 2023-24.
- Expenditure figures cited throughout refer to expenditure in the 2020-21 Budget year unless otherwise indicated.
- Expenditure figures cited as '2019-20 Est. Actual' refer to 2019-20 draft unaudited actuals estimated as at 30 June 2020.
- Figures in tables, charts and text have been rounded. Discrepancies between totals and the sum of components reflect rounding:
  - values of \$1 billion and above are rounded to the nearest \$100 million unless specified
  - values below \$1 billion are rounded to the nearest \$100,000
  - estimates under \$100,000 are rounded to the nearest thousand
  - estimates midway between rounding points are rounded up
  - percentages are based on the underlying unrounded values.
- For the budget balance, parentheses indicate a deficit while no sign indicates a surplus.
- One billion equals one thousand million.
- The following notations are used:
  - n.a. means data is not available
  - N/A means not applicable
  - no. means number
  - 0 means not zero, but rounded to zero
  - ... means zero
  - \$m means millions of dollars
  - \$b means billions of dollars.
- Unless otherwise indicated, the data source for financial tables and charts is NSW Treasury.
- Unless otherwise indicated, the data source for the Introduction and Budget Highlights sections is the relevant agency or their cluster's principal department.