

GLOSSARY

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| 2019 Pre-election Budget Update | The Pre-election Budget Update was released by the Treasury Secretary on 5 March 2019. As required under the <i>Parliamentary Budget Officer Act 2010</i> , the Pre-election Budget Update provided an update to the State's economic and fiscal outlook following the release of the 2018-19 Half-yearly Review. |
| ABS Government Finance Statistics GFS Manual (ABS GFS) | The ABS publication Australian System of Government Finance Statistics: Concepts, Sources and Methods as updated from time to time. |
| Appropriation | The authority given to by Parliament for the expenditure of monies from the consolidated fund for the annual services of Government and the Legislature. This authority is given to Ministers by the annual Appropriation Act. |
| Capital Allocation 2019-20 | The amount of project expenditure approved in the 2019-20 Budget. |
| Capital expenditure | This is expenditure relating to the acquisition or enhancement of property, plant and equipment (including land and buildings, plant and equipment and infrastructure systems) and intangibles (including computer software and easements). Capital expenditure also includes assets acquired using finance leases. |
| Capital grants | Amounts paid or received for capital purposes for which no economic benefits of equal value are receivable or payable in return. |
| Cluster | NSW Government entities have been consolidated into clusters reflecting broad policy areas of Government. These clusters are not legal entities. They are administrative arrangements that bring together a group of different legal and administrative entities. |
| Cluster grants | This represents the appropriation passed on by the principal agencies to the other government agencies within the cluster to fund their services. |
| Commitments* (Restart NSW) | Inflows that are committed to be spent on an individual project. A Restart NSW commitment can only be recognised once the Treasurer has accepted a specific funding recommendation from Infrastructure NSW for an individual project, as required by the <i>Restart NSW Fund Act 2011</i> (Restart Act). |
| Consolidated Fund | The fund is established under s39 of the <i>Constitution Act 1902</i> to collect public monies collected on behalf of the State. |
| Crown Entity | Includes the Crown Finance Entity and the Consolidated Fund. |
| Crown Finance Entity | The Crown Finance Entity acts as the residual entity for NSW whole-of-government transactions that are not the responsibility of any other state public sector agency. Major assets reported by the Crown Finance Entity include investments for the NSW Infrastructure Future Fund and Social Affordable Housing Fund. |
| Current grants | Amounts paid or received for current purposes for which no economic benefits of equal value are receivable or payable in return. |
| Estimated total cost (ETC) | Represents the current cost estimate of planning, procuring and delivering the infrastructure/project/asset. The ETC may change as more detailed planning is undertaken and further information on market conditions becomes available. Due to commercial sensitivities, the ETC for some major works is not included. |
| <i>Fiscal Responsibility Act 2012</i> (FRA) Act | The Act sets out both medium-term and long-term fiscal targets and principles providing a framework for budgeting in New South Wales. |
| Forward estimates | Refers to the period from 2020-21 to 2022-23. |
| General government sector (GGS) | This is an ABS classification of agencies that provide public services (such as health, education and police), or perform a regulatory function. General government agencies are funded in the main by taxation (directly or indirectly). |

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| government / Government | <p>'government' refers to the institution of government and is used as a pronoun in these budget papers (e.g. government department).</p> <p>The 'Government' refers to the present Government constituted by the Executive.</p> |
| Government finance statistics (GFS) | A system of financial reporting developed by the International Monetary Fund and used by the Australian Bureau of Statistics to classify the financial transactions of governments and measure their impact on the rest of the economy. |
| <i>Government Sector Finance Act 2018</i> | <p>The <i>Government Sector Finance Act 2018</i> creates the financial management framework for the government sector in New South Wales that promotes and supports sound financial management, budgeting, performance, financial risk management, transparency and accountability in the government sector. This Act will eventually replace four other Acts.</p> <ul style="list-style-type: none"> • The GSF Act replaced the Public Authorities (Financial Arrangements) Act 1987 from 1 December 2018. • The GSF Act is proposed to replace the Annual Reports (Departments) Act 1985 and Annual Reports (Statutory Bodies) Act 1984 from 1 July 2020. <p>The <i>Public Finance and Audit Act 1983</i> is proposed to be renamed the <i>Government Sector Audit Act 1983</i> from 1 July 2020 once all provisions other than those dealing with the Auditor-General, audit matters and the Public Accounts Committee have been omitted and replaced by the GSF Act..</p> |
| Gross state product (GSP) | The total market value of final goods and services produced within a state. |
| Half-Yearly Review | Required under legislation, the Half-Yearly Review provides an update to the economic and financial assumptions released in the Budget. |
| Inflows* (Restart NSW) | Funds deposited into Restart NSW, including proceeds from asset recycling transactions, Commonwealth Government Asset Recycling Initiative payments, proceeds from Waratah Bonds, windfall tax revenue, and investment earnings, which are then invested into Rebuilding NSW and other Restart NSW projects. |
| Machinery of Government (MoG) | MoG changes vary in scope and can involve: the abolition or creation of new government entities; the merger or absorption of entities; and small or large transfers of policy, program or service delivery responsibilities to other entities. |
| Major works | Refers to projects with an estimated total cost of \$250,000 or above, subdivided into new projects (approved to begin in 2019-20) and works in progress (commenced before 2019-20 but not yet completed). |
| Minor works | Refers to projects with an estimated total cost below \$250,000, such as minor plant and equipment or annual provisions for replacements. |
| National Agreement (please also see National Specific Purpose Payments) | National Agreements define the objectives, outcomes, outputs and performance indicators, and clarify the roles and responsibilities that guide the Commonwealth and the States in the delivery of services across a particular sector. The sectors include; Health, Education, Skills and Workforce, Disability and Indigenous. |
| National Partnership Payment (NPP) | A Commonwealth Government grant to States and Territories to support the delivery of specified outputs or projects, to facilitate reforms or to reward the delivery of nationally significant reforms. Each NPP is supported by a National Partnership Agreement which defines mutually agreed objectives, outputs and performance benchmarks. |
| National Specific Purpose Payments (SPP) | A Commonwealth Government grant made to the States and Territories under the associated National Agreement. These grants must be spent in the key service delivery sector (Health, Education, Skills and Workforce, Disability and Indigenous) for which it is provided. States are free to allocate the funds within that sector to achieve the mutually agreed objectives specified in the associated National Agreement. |
| Net acquisition of non-financial assets | This is purchases (or acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Purchases and sales (or net acquisitions) of non-financial assets generally include accrued expenses and payables for capital items. Other movement in non-financial assets include non-cash capital grant revenue/expenses such as developer contribution assets. |

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| Net debt | Net debt equals the sum of financial liabilities (deposits held, advances received, loans and other borrowings) less the sum of financial assets (cash and deposits, advances paid and investments, loans and placements). |
| Net lending/(borrowing) | This is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position. |
| Nominal dollars/prices | This shows the dollars of the relevant period. No adjustment is made each time period for inflation. |
| Non-financial public sector (NFPS) | This is a sub-sector formed by the consolidation of the general government sector and public non-financial corporations (PNFC) sector. |
| Program group | A group of aligned activities aimed at delivering an agreed outcome. These activities may be performed by more than one agency. |
| <i>Public Finance and Audit Act 1983</i> | An Act to make provision with respect to the administration and audit of public finances and for other purposes. |
| Public Private Partnerships (PPP) | The creation of an infrastructure asset through private sector financing and private ownership for a concession period (usually long term). The Government may contribute to the project by providing land or capital works, through risk sharing, revenue diversion or purchase of the agreed services. |
| Public financial corporations (PFC) | An ABS classification of agencies that have one, or more, of the following functions: <ul style="list-style-type: none"> • that of a central bank • the acceptance of demand, time or savings deposits or • the authority to incur liabilities and acquire financial assets in the market on their own account. |
| Public non-financial corporations (PNFC) | Government controlled agencies where user charges represent a significant proportion of revenue and the agencies operate within a broadly commercial orientation. |
| Reservations* (Restart NSW) | Inflows that are reserved with a view to a future commitment. A Restart NSW reservation can only become a commitment once the Treasurer has accepted a specific Infrastructure NSW recommendation for each individual project. |
| Restart NSW | A fund established by the NSW Government in 2011. Funds deposited into Restart NSW come from asset recycling transactions, Commonwealth Government asset recycling initiative payments, proceeds from Waratah Bonds, windfall tax revenue and investment earnings. |
| Rebuilding NSW | The NSW Government's 10-year plan to invest \$20 billion in new infrastructure funded by electricity network transactions, Commonwealth Government asset recycling initiative payments, and investment earnings. Proceeds are first deposited into Restart NSW before being invested into Rebuilding NSW projects. |
| Services | These are the 'end products' or direct services that are delivered to clients or recipients, the broader community or another government agency. They are expected to contribute to Government priorities. |
| State Owned Corporation (SOC) | Government entities (mostly PNFCs) which have been established with a governance structure mirroring as far as possible that of a publicly listed company. NSW state owned corporations are scheduled under the <i>State Owned Corporations Act 1989</i> (Schedule 5). |
| State Outcomes | The outcomes which the government is seeking to achieve for the people of New South Wales. |
| Total state sector | This represents all agencies and corporations owned and controlled by the NSW Government. It comprises the general government, public non-financial corporations and public financial corporations. |

* terms used when referring to the Restart NSW and Rebuilding NSW programs

To gain a better understanding of the terminology and key aggregates used in these budget papers, a glossary of terms can be found in Note 37 of the Report on State Finances 2017-18.