

ABOUT THIS BUDGET PAPER

Purpose and scope

Budget Paper No. 2 *Agency Financial Statements* outlines general government sector performance and agency financial statements.

The scope of this budget paper 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:

- performance information
- principal department and agency arrangements following recent machinery of government changes
- recurrent and capital expenditure by principal department and agency.

Performance

To support greater transparency and accountability this chapter presents performance and expense information on key service delivery areas across the general government sector. It meets the requirement of the *Government Sector Finance Act 2018* for budget papers to include information on the performance and activities of government agencies.

This budget paper includes a performance summary chapter, as a transitional format, with a view to reporting against a broader range of wellbeing and performance measures in the future. It complements the economic and financial information provided elsewhere in these budget papers, with attention to outcomes relevant to New South Wales residents, including consideration of specific groups such as Aboriginal and Torres Strait Islander people.

Financial information is presented by purpose such as health and education using the Classification of the Functions of Government expense framework adopted by the Australian Bureau of Statistics. This supports comparisons as this data is more resilient to changes in agency structure and responsibilities over time.

This chapter:

- presents information on NSW Government expenses across its key service delivery areas, including trends over time and comparisons with other jurisdictions
- reports key indicators of wellbeing and measures of service performance against the key government service delivery areas of health, education, transport, public order and safety, and family and community services
- provides a spotlight on areas of wellbeing for the NSW community – housing and homelessness, and energy.

Changes to principal department and agency arrangements

Since the end of March 2023, the new Government announced machinery of government changes, including the creation of a new principal department, The Cabinet Office.

From 1 July 2023, there are 11 principal departments delivering the Government's priorities:

- Department of Communities and Justice
- Department of Customer Service
- Department of Education
- Department of Enterprise, Investment and Trade
- Department of Planning and Environment
- Department of Regional NSW
- Ministry of Health
- Premier's Department (renamed from the Department of Premier and Cabinet)
- Transport for NSW
- The Cabinet Office
- The Treasury.

Administrative arrangements

Since the 2022-23 Budget, multiple administrative arrangements orders have been made to provide for new Ministerial and agency arrangements and responsibilities.

The 2023-24 Budget Papers reflect the latest administrative arrangements and the NSW governance arrangements chart, including where entire agencies (legal entities) have moved between principal departments.

Key changes since the 2022-23 Budget are set out in the following administrative orders:

- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 7\) 2022](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 8\) 2022](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 9\) 2022](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 10\) 2022](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order 2023](#)
- [Administrative Arrangements \(Interim Ministerial Changes\) Order 2023](#)
- [Administrative Arrangements \(58th Parliament\) Order 2023](#)
- [Administrative Arrangements \(Minns Ministry – Administration of Acts\) Order 2023](#)
- [Administrative Arrangements \(Public Service agencies and Ministers\) Order 2023](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 2\) 2023](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 3\) 2023](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 4\) 2023](#)
- [Administrative Arrangements \(Administrative Changes – Miscellaneous\) Order \(No 5\) 2023](#)

An overview of the administrative changes across the NSW Government since the 2022-23 Budget is provided in the table below:

Principal Department	Administrative arrangements changes
Cabinet Office	<p>Transfer of entities to The Cabinet Office</p> <p>The following entities were transferred from the Premier’s Department to The Cabinet Office under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 4) 2023</i> and per the NSW Governance Arrangements Chart, effective from 1 July 2023:</p> <ul style="list-style-type: none"> • Parliamentary Counsel’s Office, Audit Office of New South Wales, Independent Commission Against Corruption, New South Wales Electoral Commission, Law Enforcement Conduct Commission, Ombudsman’s Office and the Independent Pricing and Regulatory Tribunal. <p>Transfer of functions to The Cabinet Office</p> <p>The following transfers were made to The Cabinet Office under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 4) 2023</i>, effective 1 July 2023:</p> <p>Parts of the Premier’s Department were transferred to the Cabinet Office:</p> <ul style="list-style-type: none"> • Office of General Counsel • Policy Group, other than the following parts: <ul style="list-style-type: none"> – WestInvest – Emergency Management branch – Women NSW – Flood Inquiry Project Management Office. • the Shaping Futures branch of the Community Engagement Group.
Department of Communities and Justice	<p>Transfer of functions from the Department of Communities and Justice</p> <p>The following transfers were made to the Department of Communities and Justice under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.10) 2022</i>, effective 16 December 2022:</p> <p>Abolition of Resilience NSW:</p> <ul style="list-style-type: none"> • the persons employed in State Emergency Operations Centre Support Branch were transferred to the NSW Police Force, • the persons employed in the Strategic Emergency Management Policy and Coordination Branch were transferred to the Department of Premier and Cabinet (renamed to Premier’s Department effective from 1 July 2023), • the persons employed in the Welfare Services Branch were transferred to the Department of Communities and Justice, • the remaining persons were transferred to the NSW Reconstruction Authority Staff Agency. <p>Transfer of entities to the Department of Communities and Justice</p> <p>The following entities were transferred from the Department of Enterprise, Investment and Trade under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i> and <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 3) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> • Office of Sport, Venues and Institute of Sport was transferred from Department of Enterprise, Investment and Trade to the Department of Communities and Justice.
Department of Customer Service	<p>Transfer of entities from the Department of Customer Service</p> <p>The following entity was transferred from the Department of Customer Service to the Premier’s Department (formerly Department of Premier and Cabinet) under <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 3) 2023</i>, effective 3 May 2023:</p> <ul style="list-style-type: none"> • Independent Pricing and Regulatory Tribunal (IPART). <p>Note: IPART was subsequently moved to The Cabinet Office from the Premier’s Department on establishment of the new Principal Department under <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 4) 2023</i>, effective from 1 July 2023.</p>

Principal Department	Administrative arrangements changes
<p>Department of Enterprise, Investment and Trade</p>	<p>Transfer of entities from the Department of Enterprise, Investment and Trade</p> <p>The following entities were transferred from the Department of Enterprise, Investment and Trade under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i> and <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 3) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> Office of Sport, Venues and Institute of Sport was transferred from Department of Enterprise, Investment and Trade to the Department of Communities and Justice Western Parkland City Authority was transferred from Department of Enterprise, Investment and Trade to the Department of Planning and Environment. <p>Transfer of entities to the Department of Enterprise, Investment and Trade</p> <p>The following changes were made to the State Archives and Records Authority of New South Wales under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.10) 2022</i>, effective 16 December 2022:</p> <ul style="list-style-type: none"> State Archives and Records Authority of New South Wales Staff Agency was renamed to the Museums of History NSW and State Records Authority NSW Staff Agency. <p>The following transfers were made to the Department of Enterprise, Investment and Trade under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order 2023</i>, effective 23 February 2023:</p> <ul style="list-style-type: none"> The persons employed in the Office of the Independent Liquor and Gaming Authority in the Department of Enterprise, Investment and Trade are transferred to the Independent Liquor and Gaming Authority Staff Agency. The persons employed in the Office of the NSW Independent Casino Commission in the Department of Enterprise, Investment and Trade are transferred to the NSW Independent Casino Commission Staff Agency.
<p>Department of Planning and Environment</p>	<p>Transfer of entities from the Department of Planning and Environment</p> <p>The following entities were transferred from the Department of Planning and Environment under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> Natural Resource Commission was transferred to the Department of Premier and Cabinet (renamed to Premier’s Department effective from 1 July 2023). <p>Transfer of entities to the Department of Planning and Environment</p> <p>The following entities were transferred to the Department of Planning and Environment under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> Western Parkland City Authority was transferred from Department of Enterprise, Investment and Trade to the Department of Planning and Environment. <p>The following entity was transferred to the Department of Planning and Environment under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> Greater Cities Commission were transferred from Transport for NSW to the Department of Planning and Environment. <p>The following entities were transferred to the Department of Planning and Environment under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 5) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> Centennial Park and Moore Park Trust, Greater Sydney Parklands Trust, Luna Park Reserve Trust, Royal Botanic Gardens and Domain Trust, Western Sydney Parklands Trust, Parramatta Park Trust and Place Management NSW were transferred from Transport for NSW to the Department of Planning and Environment. <p>Transfer of functions to the Department of Planning and Environment</p> <p>The following transfers were made to the NSW Reconstruction Authority under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.10) 2022</i>, effective 16 December 2022:</p> <ul style="list-style-type: none"> the remaining persons employed in Resilience NSW was transferred to the NSW Reconstruction Authority in the Department of Planning and Environment.

Principal Department	Administrative arrangements changes
	<p>The following transfers were made to NSW Reconstruction Authority under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.4) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> the Hawkesbury-Nepean Valley Flood Risk Management Directorate in the Infrastructure NSW Staff Agency was transferred to the NSW Reconstruction Authority Staff Agency. <p>The following transfers were made to NSW Reconstruction Authority under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.4) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> the Northern Rivers Reconstruction Corp Division was transferred to the NSW Reconstruction Authority Staff Agency in the Department of Planning and Environment. <p>The following transfers were made to the Department of Planning and Environment under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 5) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> all parts of the following Public Service agencies Greater Cities Commission Staff Agency. Western Parkland City Authority Staff Agency.
<p>Department of Regional NSW</p>	<p>Transfer of functions from the Department of Regional NSW</p> <p>The following transfers were made to the Department of Regional NSW under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.4) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> the Northern Rivers Reconstruction Corp Division of the Department of Regional NSW was transferred to the NSW Reconstruction Authority Staff Agency in the Department of Planning and Environment.
<p>Premier's Department</p>	<p>Transfer of entities from the Premier's Department</p> <p>The following entities were transferred from the Premier's Department to The Cabinet Office under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 4) 2023</i> and per the NSW Governance Arrangements Chart, effective from 1 July 2023:</p> <ul style="list-style-type: none"> Parliamentary Counsel's Office, Audit Office of New South Wales, New South Wales Electoral Commission, Law Enforcement Conduct Commission and the Ombudsman's Office. <p>Transfer of functions from the Premier's Department</p> <p>The following transfers were made from the Premier's Department under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 4) 2023</i>, effective 1 July 2023:</p> <p>Parts of the Premier's Department were transferred to The Cabinet Office:</p> <ul style="list-style-type: none"> Office of General Counsel Policy Group, other than the following parts: <ul style="list-style-type: none"> WestInvest Emergency Management branch Women NSW Flood Inquiry Project Management Office the Shaping Futures branch of the Community Engagement Group. <p>Transfer of entities to the Premier's Department</p> <p>The following entities were transferred from the Department of Planning and Environment under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> Natural Resource Commission was transferred to the Department of Premier and Cabinet (renamed to Premier's Department effective from 1 July 2023). <p>Transfer of functions to the Premier's Department</p> <p>The following transfers were made to the Premier's Department under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.10) 2022</i>, effective 16 December 2022:</p> <ul style="list-style-type: none"> the persons employed in the Strategic Emergency Management Policy and Coordination Branch of the Department of Communities and Justice were transferred to the Department of Premier and Cabinet (renamed to Premier's Department effective from 1 July 2023).

Principal Department	Administrative arrangements changes
<p>Transport for NSW</p>	<p>Transfer of entities from Transport for NSW</p> <p>The following entities were transferred from Transport for NSW under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> • Greater Cities Commission was transferred from Transport for NSW to the Department of Planning and Environment • Infrastructure NSW was transferred from Transport for NSW to The Treasury. <p>Transfer of entities from Transport for NSW</p> <p>The following entities were transferred to the <i>Department of Planning and Environment under the Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 5) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> • Centennial Park and Moore Park Trust, Greater Sydney Parklands Trust, Luna Park Reserve Trust, Royal Botanic Gardens and Domain Trust, Western Sydney Parklands Trust, Parramatta Park Trust and Place Management NSW were transferred from Transport for NSW to the Department of Planning and Environment. <p>Transfer of functions from Transport for NSW</p> <p>The following transfers were made to Transport for NSW under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No.4) 2023</i>, effective 1 July 2023:</p> <ul style="list-style-type: none"> • the Hawkesbury-Nepean Valley Flood Risk Management Directorate in the Infrastructure NSW Staff Agency was transferred to the NSW Reconstruction Authority Staff Agency.
<p>The Treasury</p>	<p>Transfer of entities to The Treasury</p> <p>The following entity was transferred to The Treasury under the <i>Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 2) 2023</i>, effective 5 April 2023:</p> <ul style="list-style-type: none"> • Infrastructure NSW was transferred from Transport for NSW to The Treasury.

The 2023-24 Budget Papers have been prepared based on the new administrative arrangements announced since the 2022-23 Budget. The machinery of government changes have been reflected with the following treatments:

- whole entity movement – in this case the entity will continue to report its full year expenses and will appear in the receiving principal department for Budget Paper No. 2 presentation purposes
- where the entity receives funding distributions (previously referred to as cluster grants), the original principal department will have provided funding distributions from 1 July 2022 to the date of transfer and the new principal department will provide funding distributions from the date of transfer to 30 June 2023 and for 2023-24 onwards
- a function transfer is represented by a partial program or partial program group movement. This has been captured in both the former and the new principal department as follows:
 - from 1 July 2022 to the date of transfer, expenses will be reported in the former entity, with no data for 2023-24 reflected in the previous entity
 - from date of transfer to 30 June 2023, expenses will be reported in the new entity, with the full budget reported for 2023-24 in the new entity.

This administrative restructure has several accounting and financial consequences:

- principal department and agency control relationships were amended with consequential consolidated financial reporting implications
- assets and liabilities associated with function transfers were transferred from the old agency to the new agency and transfers recognised from the effective date per the administrative orders

- staff, programs, projects and applicable funding associated with function and agency transfers need to occur as per the effective date of the administrative orders.

The following statutory bodies, non-public financial corporations (PNFC) and public financial corporations (PFC) have transferred between principal departments, and where applicable, funding distributions and personnel services arrangements will also have to be transferred to a new principal department.

Entity	Former Principal Department	New Principal Department
Natural Resources Commission	Department of Planning and Environment	Premier's Department
Independent Pricing and Regulatory Tribunal	Department of Customer Service	The Cabinet Office
Parliamentary Counsel's Office	Premier's Department	The Cabinet Office
Audit Office of New South Wales	Premier's Department	The Cabinet Office
Independent Commission Against Corruption	Premier's Department	The Cabinet Office
Law Enforcement Conduct Commission	Premier's Department	The Cabinet Office
New South Wales Electoral Commission	Premier's Department	The Cabinet Office
Ombudsman's Office	Premier's Department	The Cabinet Office
Greater Cities Commission	Transport for NSW	Department of Planning and Environment
Greater Sydney Parklands Trust	Transport for NSW	Department of Planning and Environment
Infrastructure NSW	Transport for NSW	The Treasury
Royal Botanic Gardens and Domain Trust	Transport for NSW	Department of Planning and Environment
Centennial Park and Moore Park Trust	Transport for NSW	Department of Planning and Environment
Luna Park Reserve Trust	Transport for NSW	Department of Planning and Environment
Western Sydney Parklands Trust	Transport for NSW	Department of Planning and Environment
Parramatta Park Trust (Immaterial entity)	Transport for NSW	Department of Planning and Environment
Place Management NSW (PNFC)	Transport for NSW	Department of Planning and Environment
Northern Rivers Reconstruction Corporation	Department of Regional NSW	Department of Planning and Environment
Western Parkland City Authority	Department of Enterprise, Investment and Trade	Department of Planning and Environment
Office of Sport	Department of Enterprise, Investment and Trade	Department of Communities and Justice
Institute of Sport (Immaterial entity)	Department of Enterprise, Investment and Trade	Department of Communities and Justice
Venues NSW (PNFC)	Department of Enterprise, Investment and Trade	Department of Communities and Justice

Future Administrative arrangements

On 18 August 2023, the Premier announced that further administrative arrangement orders will be released following the 2023-24 Budget. From 1 January 2024, the Department of Planning and Environment will be split into two entities, the Department of Climate Change, Energy, the Environment and Water and the Department of Planning, Housing and Infrastructure.

Principal department and agency appropriation arrangements

Lead ministers will receive an appropriation for their respective principal departments. Resources are then allocated through funding distributions to agencies (previously referred to as cluster grants) 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.

Entities that receive an appropriation for the 2023-24 Budget^(a)

Appropriations – Departments

Department of Communities and Justice
Department of Customer Service
Department of Education
Department of Enterprise, Investment and Trade
Department of Planning and Environment
Department of Regional NSW
Ministry of Health
Premier's Department
The Cabinet Office
Transport for NSW
The Treasury^(b)

Appropriations – Special Offices

Independent Pricing and Regulatory Tribunal
Judicial Commission of New South Wales
Office of the Children's Guardian
Office of the Director of Public Prosecutions
Independent Commission Against Corruption
Law Enforcement Conduct Commission
New South Wales Electoral Commission
Ombudsman's Office
Public Service Commission
Appropriation for Legislature
The Legislature

(a) Appropriations as set out in the *Appropriation Bill 2023* and *Appropriation (Parliament) Bill 2023*, including (i) Departments of Public Service, (ii) various special offices and (iii) the Legislature.

(b) Includes appropriation to the Treasurer for the purposes of the activities or services administered on behalf of the State that is administered by The Treasury.

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.

The majority of agencies that have property leases with Property NSW have changed their occupancy agreement contracts as at 30 June 2022 so this is no longer recognised as a lease under AASB 16 *Leases*. Rather under the new contracts agencies record an annual service fee expense. Property NSW will be the lessee to the private sector and recognise the lease and the appropriate lease accounting under AASB 16 at the agency level.

Agency Expense Summary

This section lists recurrent expenses and capital expenditure for each agency lead by principal departments and the activities or services administered by the Treasurer on behalf of the State.

Financial Statements

Financial statements are presented for the 11 principal departments.

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

Notes

The Budget year refers to 2023-24, while the forward estimates period refers to 2024-25, 2025-26 and 2026-27.

Expenditure figures cited throughout refer to expenditure in the 2023-24 Budget year unless otherwise indicated.

Expenditure figures cited as '2022-23 Est. Actual' refer to 2022-23 draft unaudited actuals estimated as at 30 June 2023.

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.