About this Budget Paper

Purpose and Scope

Budget Paper No. 3 *Budget Estimates* illustrates the financial and service delivery performance of general government sector agencies. The objectives of this paper are to:

- support and explain appropriations from the Consolidated Fund
- meet the requirement under s. 27AA (2)(c) of the *Public Finance and Audit Act 1983* to provide 'information about the results and services and total expenses of each service group'
- support transparency and accountability by reporting against planned performance from the previous Budget, and explaining how resources have been allocated in the current Budget.

The scope of this Budget Paper extends to the general government sector and only includes agencies that are material within the sector. Budget Paper No. 2, *Budget Statement,* includes an overview of agency classifications by sector and a glossary. The Budget Statement is used to inform of the State's fiscal position and the Government's fiscal strategy.

Budget Paper No. 3 for 2014-15 covers agency service and financial performance. A Budget-related paper, the *NSW 2021 Performance Report*, reports on the progress of clusters in implementing the measures and meeting the goals and targets outlined in NSW 2021 and other result indicators.

Specific agency performance information will continue to be available from other sources such as agency websites, annual reports and the Productivity Commission's *Report on Government Services*.

Cluster and Appropriation Arrangements

Clusters are groups of aligned entities, however a cluster is not a legal or reporting entity. Individual agencies are separate legal entities that must prepare financial and annual reports.

The cluster arrangement aims to improve government services and outcomes for the community by:

- pursuing common objectives across agencies
- better integrating services
- helping to allocate resources to high-priority areas.

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, along with a number of 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 2014-15 Budget

Crown Finance Entity	Ministry of Health
Department of Education and Communities	New South Wales Electoral Commission
Department of Family and Community Services	The Treasury
Department of Planning and Environment	Ombudsman's Office
Department of Police and Justice	Office of the Children's Guardian
Department of Premier and Cabinet	Office of the Director of Public Prosecutions
Department of Trade and Investment, Regional Infrastructure and Services	Police Integrity Commission
Independent Commission Against Corruption	Public Service Commission
Independent Pricing and Regulatory Tribunal	The Legislature
Judicial Commission of New South Wales	Transport for NSW

Cluster and Agency Disclosures

This Budget Paper is structured into chapters by cluster. Each chapter begins with an overview of total expenses and capital expenditure for each service group by agency within the cluster. This is followed by commentary on the cluster's introduction, services, and budget highlights for 2014-15. There is separate commentary for independent agencies.

Financial statements are presented on an accrual basis and are in line with *Australian Accounting Standards* and *The Financial Reporting Code* issued by Treasury. The presentation of the operating statement focuses on total expenses and total revenues, with appropriations being treated the same as revenues. This paper also presents a balance sheet and cashflow statement.

Structure of Budget Paper No. 3

The presentation of information within each chapter is outlined below.

Commentary for clusters and independent agencies

Section	Description
Introduction	This describes the role, main activities and responsibilities of the cluster or independent office, and the NSW 2021 goals it is working towards.
Services	These are the key services the cluster provides.
2014-15 Budget Highlights	These are the significant new and ongoing initiatives of the cluster or independent office for 2014-15. For further detail on capital projects, see Budget Paper No. 4 *Infrastructure Statement*.

Service group statements

Section	Description
Service Description	This details the services and activities that are linked together under the service group. They are described by the client group they serve, common cost drivers or other service measures.
Service Measures	These are indicators of how efficiently the agency delivers its services, and of the quality, volume, access and timeliness of its service delivery.
Employees	The number of staff engaged on services provided by the service group. These figures represent an estimate of annual average staffing, including temporary and short-term casual staffing, expressed on a full-time equivalent (FTE) basis.
Expenses	These are the aggregate expenses for a service group, with significant items of particular public interest listed.
Capital Expenditure	This is the agency's planned expenditure on property, plant and equipment purchases for the service group.

Financial Statements

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

Changes to Reporting Entities

The majority of changes to reporting entities outlined below were as a result of the introduction of the *Government Sector Employment Act 2013* that came into force on 24 February 2014. The Act was aimed at developing a modern high-performing "government sector".

On that date:

- the *Government Sector Employment Act 2013* (GSE Act) commenced
- the *Public Sector Employment and Management Act 2002* (the former Act) was repealed
- the *Administrative Arrangements Order 2014* (the Order) commenced

The Act was subsequently amended on 23 April 2014 by the *Administrative Arrangements (Administrative Changes—Ministers and Public Service Agencies) Order 2014* following establishment of the new Ministerial arrangements with subsequent changes to entity and cluster arrangements detailed within that Act and as part of the *Allocation of the Administration of Acts*.

As part of these revised arrangements the Finance and Services cluster was merged with the Treasury cluster to form a single Treasury and Finance cluster. Additionally, the Planning and Infrastructure sub-cluster of the Premier and Cabinet cluster was separated to form the new Planning and Environment cluster.

All changes to reporting entities and clusters outlined below as a result of the *Government Sector Employment Act 2013* are annotated with a reference to the GSE Act, which covers all associated and subsequent legislative changes outlined above.

Entity	Change
Board of Studies, Teaching and Educational Standards	Renamed 'Board of Studies, Teaching and Educational Standards' was known as the 'Office of the Board of Studies' prior to 1 January 2014.
Catchment Management Authorities	The Catchment Management Authorities have been merged into the new 'Local Land Services' entity effective 1 January 2014 in accordance with the *Local Land Services Act 2013*.
Centennial Park and Moore Park Trust	The 'Centennial Park and Moore Park Trust' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Crown Solicitor's Office	New entity established with functions transferred from within the 'Department of Police and Justice' effective 24 February 2014 (GSE Act).
Department of Education and Communities	New 'State Sporting Venues Authority' (PTE) created for reporting purposes of the balance sheet transfer from the 'Department of Education and Communities'.
Department of Planning and Environment	The 'Department of Planning and Environment' was known previously as the 'Department of Planning and Infrastructure'. It has moved out of the Premier and Cabinet cluster to form a new Planning and Environment cluster (GSE Act).
Department of Police and Justice	The 'Department of Police and Justice' was known as the 'Department of Attorney General and Justice' (GSE Act).
Electricity Assets Ministerial Holding Corporation	The 'Electricity Assets Ministerial Corporation' was established on 5 June 2012 in accordance with the *Electricity Generator Assets (Authorised Transactions) Act 2012* and became active on 31 July 2013. It is in the Treasury and Finance cluster.
Environment Protection Authority	The 'Environment Protection Authority' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Environmental Trust	The 'Environmental Trust' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Historic Houses Trust of New South Wales	The 'Historic Houses Trust of New South Wales' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Hunter Development Corporation	The 'Hunter Development Corporation' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Local Land Services	New entity that amalgamates the Catchment Management Authorities effective 1 January 2014 in accordance with the *Local Land Services Act 2013*.
Luna Park Reserve Trust	The 'Luna Park Reserve Trust' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).

Entity	Change
Minister Administering the Environmental Planning and Assessment Act	The 'Minister Administering the Environmental Planning and Assessment Act' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
New South Wales Government Telecommunications Authority	The 'New South Wales Government Telecommunications Authority' was established as a stand-alone entity for reporting purposes, effective 1 July 2013 within the Treasury and Finance cluster under the authority of the *Government Telecommunications Act 1991.*
NSW Businesslink Pty Limited	The entity's operations have been merged into the 'Department of Family and Community Services' from 30 June 2014 (GSE Act).
Office of Environment and Heritage	New entity established with functions transferred from within the 'Department of Premier and Cabinet' effective 24 February 2014. Moved from the Premier and Cabinet cluster to new Planning and Environment cluster (GSE Act).
Office of Finance and Services	The 'Office of the Finance and Services' was known as The 'Department of Finance and Services'. Moved from the old Finance and Services cluster to the new Treasury and Finance cluster. To be grant funded from 'The Treasury' as the principal agency from 1 July 2014 (GSE Act).
Office of Local Government	New entity established with functions transferred from within the 'Department of Premier and Cabinet' effective 24 February 2014. Moved from the Premier and Cabinet cluster to the new Planning and Environment cluster (GSE Act).
Office of the Children's Guardian	New entity established in accordance with the *Public Sector Employment and Management (Children's Guardian and Other Matters) Order 2013* with functions transferred from within the 'Department of Education and Communities' effective 1 July 2013. This entity now falls in the Family and Community Services cluster.
Office of the NSW Rural Fire Service	The 'Office of the NSW Rural Fire Service' was known as the 'Department of Rural Fire Service' prior to 24 February 2014 (GSE Act).
Office of the NSW State Emergency Service	The 'Office of the NSW State Emergency Service' was known as the 'State Emergency Service' prior to 24 February 2014 (GSE Act).
Parliamentary Counsel's Office	New entity established with functions transferred from within the 'Department of Premier and Cabinet' effective 24 February 2014 (GSE Act).
Royal Botanic Gardens and Domain Trust	The 'Royal Botanic Gardens and Domain Trust' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Safety, Return to Work and Support Division	The 'Safety, Return to Work and Support Division' was abolished with the residual agency merged with the 'Office of Finance and Services' effective 24 February 2014 (GSE Act).
Service NSW	New entity established with functions transferring from within the 'Department of Premier and Cabinet' effective 1 July 2013.

Entity	Change
TAFE Commission	New entity established for reporting purposes under the authority of the *Technical and Further Education Commission Act 1990* from the 'Department of Education and Communities' effective 1 July 2014.
UrbanGrowth NSW Development Corporation	The 'UrbanGrowth NSW Development Corporation' moved to the new Planning and Environment cluster from the Premier and Cabinet cluster (GSE Act).
Western Sydney Parklands Trust	The 'Western Sydney Parklands Trust' moved to the new Planning and Environment cluster from Premier and Cabinet cluster (GSE Act).

Notes

- The Budget year refers to 2014-15, while the forward estimates period refers to 2015-16, 2016-17 and 2017-18.
- Figures in tables, charts and text have been rounded. Discrepancies between totals and the sum of components reflect rounding:
  - 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, a negative sign indicates 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
  - thous means thousand
  - $m means millions of dollars
  - $b means billions of dollars.
- Unless otherwise indicated, the data source for tables and charts is The Treasury.