

ABOUT THIS BUDGET PAPER

Purpose and scope

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

There continues to be the following 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

In April 2021, the Government announced machinery of government changes, with the creation of Investment NSW within the Premier and Cabinet cluster which is detailed in the next section.

Administrative arrangements

Since the 2021-22 Budget, the below 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 2021](#)

[Administrative Arrangements \(Administrative Changes—Ministers and Public Service Agencies\) Order 2021](#).

The 2021-22 Budget Paper reflects the above listed administrative arrangements, except where agencies have moved clusters.

An overview of the administrative changes to the New South Wales Government clusters since the 2021-22 Budget is outlined in the following table:

Cluster	Administrative arrangements changes
Education cluster	<p>Transfers from the Education Cluster</p> <p>The following transfers were made from the Department of Education (effective 29 March 2021) under the Administrative Arrangements (Administrative Changes – Miscellaneous) Order 2021.</p> <p>The persons employed in the Department of Education who are principally involved in the administration of the Waratah Research Network are transferred to Investment NSW.</p>
Premier and Cabinet cluster	<p>Investment NSW was established through the Administrative Arrangements (Administrative Changes – Miscellaneous) Order 2020 effective 29 March 2021. Western Parkland City Authority and Destination NSW was transferred to the Premier and Cabinet cluster from the Treasury cluster commencing from 29 March 2021.</p> <p>Transfers into the Premier and Cabinet cluster</p> <p>Investment NSW was established from function transfers to the Premier and Cabinet cluster.</p> <p>The following transfers were made to Investment NSW:</p> <ul style="list-style-type: none"> • persons employed in the Commercial Delivery and Economics branches of the Department of Premier and Cabinet are transferred to Investment NSW • the Office of the Chief Scientist and Engineer in the Department of Planning, Industry and Environment is transferred to Investment NSW • persons employed in the Department of Education who are principally involved in the administration of the Waratah Research Network are transferred to Investment NSW • persons employed in the Precincts team of the Precincts and Innovation Ecosystem branch of the Jobs, Investment and Tourism group in the Treasury transferred to the Greater Sydney Commission Staff Agency. <p>The following persons employed in the Treasury are transferred to Investment NSW:</p> <ul style="list-style-type: none"> • the Executive Director of the Precincts and Innovation Ecosystem branch of the Jobs, Investment and Tourism group • persons employed in the Precincts and Innovation Ecosystem branch of the Jobs, Investment and Tourism group, other than the persons employed in the Precincts team • persons employed in the Trade group • persons who are principally involved in the administration of legislation allocated to the Minister for Jobs, Investment, Tourism and Western Sydney, including the provision of support for the portfolio responsibilities of that Minister

Cluster	Administrative arrangements changes
	<ul style="list-style-type: none"> persons who are principally involved in the administration of legislation allocated to the Deputy Premier, Minister for Regional New South Wales, Industry and Trade, including the provision of support for the portfolio responsibilities of that Minister. <p>Abolition of Destination NSW Staff agency</p> <p>The persons employed in the Destination NSW Staff Agency are transferred to Investment NSW. The Destination NSW Staff Agency is abolished.</p>
Planning, Industry and Environment cluster	<p>Transfers from the Planning, Industry and Environment Cluster</p> <p>The following transfers were made from the Department of Planning, Industry and Environment (effective 29 March 2021) under the Administrative Arrangements (Administrative Changes – Miscellaneous) Order 2021.</p> <p>The Office of the Chief Scientist and Engineer in the Department of Planning, Industry and Environment is transferred to Investment NSW.</p>
Treasury cluster	<p>Transfers from the Treasury Cluster</p> <p>The following transfers were made from the Treasury (effective 29 March 2021) under the Administrative Arrangements (Administrative Changes – Miscellaneous) Order 2021.</p> <p>The following persons employed in the Treasury are transferred to Investment NSW:</p> <ul style="list-style-type: none"> the Executive Director of the Precincts and Innovation Ecosystem branch of the Jobs, Investment and Tourism group persons employed in the Precincts and Innovation Ecosystem branch of the Jobs, Investment and Tourism group, other than the persons employed in the Precincts team persons employed in the Trade group persons who are principally involved in the administration of legislation allocated to the Minister for Jobs, Investment, Tourism and Western Sydney, including the provision of support for the portfolio responsibilities of that Minister persons who are principally involved in the administration of legislation allocated to the Deputy Premier, Minister for Regional New South Wales, Industry and Trade, including the provision of support for the portfolio responsibilities of that Minister. <p>The persons employed in the Precincts team of the Precincts and Innovation Ecosystem branch of the Jobs, Investment and Tourism group in the Treasury transferred to the Greater Sydney Commission Staff Agency.</p> <p>The persons employed in the Destination NSW Staff Agency are transferred to Investment NSW.</p> <p>Western Parkland City Authority Staff Agency is transferred to the Premier and Cabinet Cluster.</p>

This administrative restructure has several accounting and financial changes:

- cluster and principal department 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 as at 29 March 2021
- staff, programs, projects and applicable funding associated with function and cluster transfers need to occur as at 29 March 2021.

The following statutory bodies, non-public financial corporations and public financial corporations have transferred to the Premier and Cabinet cluster and where applicable, cluster grant funding and personnel services arrangements will also have to be transferred to the Department of Premier and Cabinet.

Entity	Cluster From	Cluster To
Western Parkland City Authority	Treasury	Premier and Cabinet
Destination NSW	Treasury	Premier and Cabinet

The 2021-22 Budget papers have been prepared based on the new administrative arrangements. 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 cluster for BP4 presentation purposes
- where the entity is grant funded, the original principal department will provide grants for 1 July 2020 to 28 March 2021 and the new principal department will provide grants from 29 March 2021 to 30 June 2021 and for 2020-21.
- partial program or partial program group movement – this has been captured in both the former and the new cluster as follows:
 - for 1 July 2020 – 28 March 2021, expenses will be reported in the former entity, with no data for 2021-22 reflected in the previous entity
 - for 29 March 2021 – 30 June 2021 (that is, three months of the year), expenses will be reported in the new entity, with the full budget reported for 2021-22 in the new entity.

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.

Entities that receive an appropriation for the 2021-22 Budget

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

(a) 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.

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 and the activities or services administered by the Treasurer on behalf of the State.

Financial Statements

Financial statements are presented for the nine clusters.

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 2021-22, while the forward estimates period refers to 2022-23, 2023--24 and 2024-25.
- Expenditure figures cited throughout refer to expenditure in the 2021-22 Budget year unless otherwise indicated.
- Expenditure figures cited as '2020-21 revised' refer to 2020-21 Budget updated projections as at 30 April 2021.
- 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.