

ABOUT THIS BUDGET PAPER

Purpose and scope

Budget Paper No. 1 *Budget Statement* provides information on the State finances in aggregate. The objectives of this paper are to:

- inform the public of the State's fiscal position and the Government's fiscal strategy
- meet requirements under s. 27AA of the *Public Finance and Audit Act 1983*, which prescribes the content of the budget papers, including providing four-year projections of all major economic and financial variables, and revised estimates for the preceding budget year and explanations of any significant variations
- meet requirements under s.8 of the *Fiscal Responsibility Act 2012*, including providing a statement of the Government's fiscal strategy, a report on performance against the fiscal object, targets and principles contained in the Act, and an assessment of the impact of any budget measures on the State's long-term fiscal gap
- enable interstate comparisons by reporting within the Australian Bureau of Statistics Government Finance Statistics framework.

The scope of the Budget is the general government sector. However, this budget paper also includes information on the Estimated Financial Statements for the public non-financial corporations and non-financial public sectors. The statements provide a comprehensive picture of the State's fiscal position and strategy.

In this Budget, the Government has identified a number of priority projects for which it has reserved Restart NSW funding. Funding has been reserved with a view to future Restart NSW commitments being made, at which time they will be included in the budget aggregates. Restart NSW commitments can only be made following completion of project development and assurance processes, including final business case approval.

Changes in reporting of Budget data

The Government is delivering a once-in-a-generation reform to transform financial management across the New South Wales public sector. The reform delivers greater transparency, efficiency and accountability of government expenditure.

The reform includes the delivery of the 2017-18 Budget using a new financial management system 'Prime', replacing 20 year old systems.

The new system has enhanced the preparation of this Budget by having a single source for all financial and non-financial information, including the geographical locations of capital projects for the first time.

The new system allows for a more refined approach for the collection, aggregation and consolidation of agency financial data for the production of sector level financial information. Previous years' data have been updated in the new financial management system for the 2015-16 year onwards to provide like-for-like comparison. For this reason there are immaterial differences between figures related to the 2016-17 Budget presented in these budget papers from those published in the 2016-17 budget papers.

The NSW Government is committed to improving budget reporting and readability. In this Budget, the Government has replaced the chapter formerly on the State's Budget Position and Outlook and appendix on Supplementary Revenue and Expense Analysis with separate chapters relating to the State's revenue (Chapter 5) and expenses (Chapter 6). This approach brings together information previously separated across a chapter and appendix into stand-alone revenue and expense chapters to enhance the presentation of this information.

Notes

- The budget year refers to 2017-18, while the forward estimates period refers to 2018-19, 2019-20 and 2020-21. Figures in tables, charts and text may 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 result, 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
 - '000 means thousand
 - \$m means millions of dollars
 - \$b means billions of dollars.
- Differences between harmonised government finance statistics (GFS) generally accepted accounting principles (GAAP) information, as shown in the budget papers, and pure GFS information, as reported by the Australian Bureau of Statistics, are known as convergence differences. Such differences are not departures from Accounting Standards but merely variations in measurement or treatments between GAAP and GFS frameworks. Details of these main convergence differences between GAAP and GFS are explained in Appendix A.
- Unless otherwise indicated, the data source for tables and charts is NSW Treasury.