

# STATEMENT OF THE SECRETARY

The 2017-18 Budget Papers are prepared in accordance with the requirements of the *Public Finance and Audit Act 1983* (PFA Act) and the *Fiscal Responsibility Act 2012* (FRA).

The 2017-18 Budget is also the first NSW budget to be prepared using a new State-wide financial management system called 'Prime'. Further enhancements will be made over future years. The adoption of this system is part of the State's Financial Management Transformation program, a major reform to the way the State manages its finances. These reforms will deliver better outcomes for the people of NSW – more transparency and accountability for expenditure, and better value for money over the long term.

The new system improves the collection, aggregation and consolidation of agency financial data for the production of sector level financial information. The Treasury Chart of Account has been refined so it now has fewer accounts and much greater consistency. The improved processes this year means there are minor differences in how figures are calculated. In this year's Budget Papers, the new system has been used to prepare financial information for 2016-17 onwards.

## Best available information

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The Estimated Financial Statements have been prepared to reflect in all material respects best estimates of existing operations, the impact of new Government policy decisions, and year-end projections provided by agencies based on end-April data. They have also been prepared to take into account other economic and financial data available to Treasury up to 15 June 2017, including Commonwealth Government funding decisions announced in the 2017-18 Commonwealth Budget.

Any estimates or assumptions made in measuring revenues, expenses, other economic flows, assets or liabilities are based on the latest information available at the time. Assumptions are detailed in Appendix A2 of this budget paper, under the headings *Material Economic and Other Assumptions* and *Summary of Other Key Assumptions*.

## Professional judgement

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The prospective nature of the Estimated Financial Statements means it is necessary to apply professional judgement in their preparation. That judgement includes an informed assessment of the most likely economic and financial outcomes including spending and revenue profiles. Differences between underlying assumptions and eventual outcomes can reflect the reality of an uncertain operating environment and the impact of many variables over which the Government has little or no control.

In my opinion, the Estimated Financial Statements have been properly prepared in accordance with the Statement of Significant Accounting Policies and Forecast Assumptions and the methodologies used to determine those assumptions are reasonable.



Rob Whitfield  
Secretary, NSW Treasury  
16 June 2017