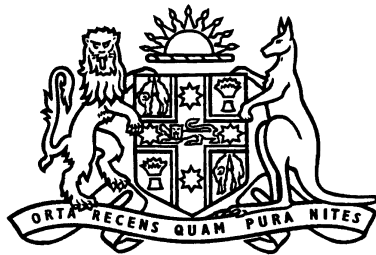


# **Budget Statement**

---

**2005-06**



**New South Wales**

**Budget Paper No. 2**



# TABLE OF CONTENTS

---

<b>BUDGET OVERVIEW</b> .....	i
<b>Chapter 1: FISCAL STRATEGY, POSITION AND OUTLOOK</b>	
1.1 Scope of the Budget Papers and Key Budget Aggregates .....	1 - 2
1.2 Fiscal Strategy Statement .....	1 - 5
1.3 General Government Sector Operating Statement .....	1 - 27
1.4 General Government Sector Statement of Financial Position .....	1 - 32
1.5 General Government Sector Statement of Cash Flows .....	1 - 34
1.6 General Government Sector Operating Statement - 2004-05 Result .....	1 - 37
<b>Chapter 2: GENERAL GOVERNMENT SERVICE DELIVERY</b>	
2.1 Introduction .....	2 - 1
2.2 Overview: Expenses and Capital Expenditure .....	2 - 2
2.3 Strategic Objectives and Major Service Improvements .....	2 - 4
<b>Chapter 3: GENERAL GOVERNMENT SECTOR REVENUES</b>	
3.1 Introduction .....	3 - 2
3.2 Taxation Policy Measures .....	3 - 3
3.3 Estimates of State Revenue .....	3 - 11
3.4 Estimates of Operating Revenues .....	3 - 20
<b>Chapter 4: ASSET AND LIABILITIES</b>	
4.1 Introduction .....	4 - 2
4.2 Physical Assets and Net Worth .....	4 - 2
4.3 Net Financial Liabilities .....	4 - 7
4.4 State Sector Net Debt .....	4 - 12
4.5 General Government Sector Net Debt .....	4 - 13
4.6 Unfunded Superannuation .....	4 - 16
4.7 Insurance .....	4 - 19
4.8 Other Net Financial Liabilities .....	4 - 24
4.9 Financial Asset Management .....	4 - 25
4.10 Financial Risk Management .....	4 - 27
<b>Chapter 5: PUBLIC TRADING ENTERPRISE SECTOR</b>	
5.1 Introduction .....	5 - 1
5.2 Performance of the Public Trading Enterprise Sector .....	5 - 10

## Table of Contents - *continued*

### Chapter 6: THE ECONOMY AND RISKS TO BUDGET OUTCOMES

6.1 Introduction .....	6 - 2
6.2 The Economic Situation and Outlook .....	6 - 2
6.3 Risks to Budget Outcomes .....	6 - 12

### Chapter 7: TAX EXPENDITURE AND CONCESSIONS STATEMENT

7.1 Introduction .....	7 - 1
7.2 Concepts and Methods .....	7 - 2
7.3 Tax Expenditures .....	7 - 4
7.4 Concessions .....	7 - 7

### Chapter 8: FINANCIAL ARRANGEMENTS WITH THE COMMONWEALTH

8.1 Introduction .....	8 - 1
8.2 Commonwealth-State Financial Arrangements .....	8 - 2
8.3 IGA Review of Certain State Taxes .....	8 - 9
8.4 Commonwealth Grants Commission's 2005 Update .....	8 - 11
8.5 Issues in Intergovernmental Finances .....	8 - 14
8.6 The Need for Reform .....	8 - 18

### Chapter 9: GOVERNMENT FINANCE STATISTICS AND UNIFORM REPORTING FRAMEWORK

9.1 Introduction .....	9 - 1
9.2 Accrual GFS Reporting .....	9 - 3
9.3 Classification Framework .....	9 - 7
9.4 Accrual Uniform Presentation Framework Tables .....	9 - 8
9.5 Loan Council Reporting Requirements .....	9 - 29
9.6 Private Sector Infrastructure Projects .....	9 - 30

## APPENDICES

A. General Government Sector Accounting Financial Statements ....	A - 1
B. Tax Expenditure and Concessions Statement .....	B - 1
C. Classification of Agencies .....	C - 1
D. 2004-05 Budget - Summary of Variations .....	D - 1
E. Statement of Government Finance Statistics and Accounting Principles and Policies .....	E - 1
F. Financial Impact of International Accounting Standards .....	F - 1
G. Glossary .....	G - 1

## INDEX