

**DIVISION 9: TREASURY AND FINANCE**

*Supplementary Information Request No A40.*

*Question: Mr L. Graham asked for historical information on the movements in cash balances in the past financial year for the Department of Treasury and Finance.*

*Answer: Sources of movements in cash balances for the Department of Treasury and Finance over the three years to 30 June 2005 are shown in the table below. This information is drawn from page 174 of the 2003/04 Budget Paper No. 2. The expected inflows are as follows:*

DEPARTMENT OF TREASURY AND FINANCE			
ESTIMATED CASH FLOWS			
	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>TOTAL CASH INFLOWS</b>	<b>71,647</b>	<b>69,304</b>	<b>66,879</b>
<b>CASH OUTFLOWS</b>			
<b>Operating Payments</b>			
Employee costs	(34,293)	(33,492)	(33,687)
Superannuation	(3,601)	(3,632)	(3,577)
Supplies and services	(19,339)	(19,402)	(17,430)
Grants and subsidies	(13,850)	(2,594)	(29)
Accommodation	(3,907)	(3,992)	(4,062)
Administration	(200)	(200)	(200)
Capital User Charge	(2,179)	(2,032)	(2,118)
Goods and Services Tax	(4,049)	(3,100)	(3,100)
Other	(1,351)	(1,167)	(1,685)
	<u>(82,769)</u>	<u>(69,611)</u>	<u>(65,888)</u>
<b>Investment Outflows</b>			
Purchase of non-current assets	(3,417)	(2,017)	(1,714)
<b>TOTAL CASH OUTFLOWS</b>	<b>(86,186)</b>	<b>(71,628)</b>	<b>(67,602)</b>
<b>OPENING CASH BALANCE</b>	<b><u>22,755</u></b>	<b><u>8,216</u></b>	<b><u>5,892</u></b>
<b>CLOSING CASH BALANCE</b>	<b><u>8,216</u></b>	<b><u>5,892</u></b>	<b><u>5,169</u></b>

**Notes**

Employee costs are salaries and allowances payable to the department's employees, including amounts paid for annual leave and long service leave.

Superannuation is the amount payable to the Government Employees Superannuation Board as required by legislation.

Supplies and services represent amounts payable for consumables, repairs and maintenance, travel and for consultants and contractors.

Grants and subsidies represent amounts payable to Telstra for the Wireless West Project.

Accommodation is for lease of office premises.

Capital User Charge is payable to the Government. This represents 8% of net assets at the end of each quarter.

The majority of goods and services taxes are paid to suppliers. There is also money paid to the Australian Taxation Office (ATO).

Purchase of non current assets mainly represent purchases of office equipment and computers.

**Explanation**

The major cause for the reduction in the department's cash balance over the three years to 30 June 2005 is payment of grants to Telstra for the Wireless West project in 2003/04 – a project undertaken by Telstra where they will construct 45 mobile phone base stations in rural and regional Western Australia. Once those grants are made there is general balance between projected cash inflows and outflows from the department over the succeeding years.

