



2009-10 Quarterly Financial Results Report

March 2010



2009-10

**Quarterly Financial
Results Report**

MARCH 2010

2009–10 Quarterly Financial Results Report
© Government of Western Australia 2010

Further information or enquiries related to this report may be obtained by emailing TreasuryCommunications@dtf.wa.gov.au

An electronic copy of this report may be obtained at <http://www.dtf.wa.gov.au>
ISSN 1444-9110 (print)
ISSN 1447-9370 (on-line)

2009-10

**QUARTERLY FINANCIAL RESULTS REPORT
Nine Months Ended 31 March 2010**

TABLE OF CONTENTS

FOREWORD.....	1
OVERVIEW	3
Summary	3
General Government Sector	4
Total Public Sector	8
APPENDIX 1: INTERIM FINANCIAL STATEMENTS	11
APPENDIX 2: OPERATING REVENUE	27
APPENDIX 3: MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES MARCH 2010	33
APPENDIX 4: PUBLIC LEDGER.....	37

Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the nine months to 31 March 2010.

Care should be exercised in extrapolating the likely outcome for the 2009-10 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. The timing of grant revenue (from the Commonwealth) and grant payments can also be volatile, making comparisons between monthly and quarterly reporting periods difficult. The impact of Commonwealth stimulus spending, where it is on-passed through the State, also distorts both revenue and spending.

The focus of the State budget is the net operating balance for the general government sector. The presentation in this report is consistent with the estimated outturn published in the 2010-11 Budget Papers released on 20 May 2010.

The financial statements in this report have been prepared in accordance with applicable Australian Accounting Standards including AASB 134: *Interim Financial Reporting* and AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

Information presented in this QFRR is not audited.

Overview

Summary

Positive financial results were recorded across all sectors of the Western Australian public sector during the first nine months of 2009-10. These results are consistent with full-year estimates released in the 2010-11 Budget on 20 May 2010.

In summary:

- the general government sector recorded a \$15 million operating surplus for the nine months to 31 March 2010, following accumulated deficit outcomes in all previous monthly and quarterly reports this year:
 - revenue in the first nine months of 2009-10 increased by 7.7%, driven primarily by higher Commonwealth stimulus funding and revenue from property market taxes; and
 - expenses grew at a headline rate of 11.8%, mainly reflecting extraordinary items such as the impact of Commonwealth stimulus related spending (abstracting from these extraordinary items, expenses grew by 6.8% in underlying terms over the year to 31 March 2010);
- the total public sector recorded an \$813 million operating surplus for the first nine months of 2009-10 including the impact of stronger investment returns for public financial corporations (particularly the Insurance Commission of Western Australia);
- the net worth of the public sector increased by \$1.7 billion over the nine months to 31 March 2010 to stand at \$108.9 billion; and
- total public sector net debt stood at \$8.5 billion at 31 March 2010, \$1.8 billion higher than the \$6.7 billion outcome recorded at 30 June 2009.

General Government Sector¹

The general government sector recorded an operating surplus of \$15 million for the nine months to 31 March 2010. This is \$532 million lower than the surplus recorded for the same period in 2008-09 and follows period-to-date deficit outcomes in all previous monthly and quarterly reports for 2009-10.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2009-10			2008-09		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	274	15	290	-258	547	318
Net worth		108,893	110,885		94,286	107,162
Increase in cash balances	1,362	146	272	-211	-369	98
<i>Memorandum items</i>						
Net lending	-298	-1,343	-1,973	-569	-281	-987
Net debt		-1,057	197		-3,121	-2,618
Cash surplus/-deficit	572	-895	-1,900	-7	-39	-375

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 *Annual Report on State Finances*, released 24 September 2009.

The lower operating surplus primarily reflects the impact of extraordinary spending items in the first nine months of 2009-10, which are summarised in the following table.

EXTRAORDINARY EXPENSE GROWTH 2009-10 Nine Months to 31 March^(a)

Table 2

	\$m
Commonwealth spending (stimulus, grants on-passed to local governments and non-government schools, etc.)	522
Community Service Obligation payment to Synergy	134
Voluntary severances	47
Extraordinary expenses	703

(a) Compared with the same period in 2008-09.

The full-year impact of these extraordinary items is reflected in the estimated outturn for 2009-10, contained in the 2010-11 Budget projections released on 20 May 2010.

The results in this quarterly report remain consistent with expectations of a surplus outcome for 2009-10. The timing of quarterly iron ore royalty collections and year-end dividend declarations, both of which are expected to be received in the month of June, are anticipated to take the surplus for the full 2009-10 year to the \$290 million estimate contained in the 2010-11 Budget.

¹ The general government sector is the focus of the State's financial management, reflecting its sensitivity to Government policy decisions on a day-to-day basis. The general government net operating balance is the headline measure of budget performance in Western Australia. This sector is responsible for the collection of central revenue such as taxation, royalties and Commonwealth grants, and for the provision of key services to the community such as health, education and law and order.

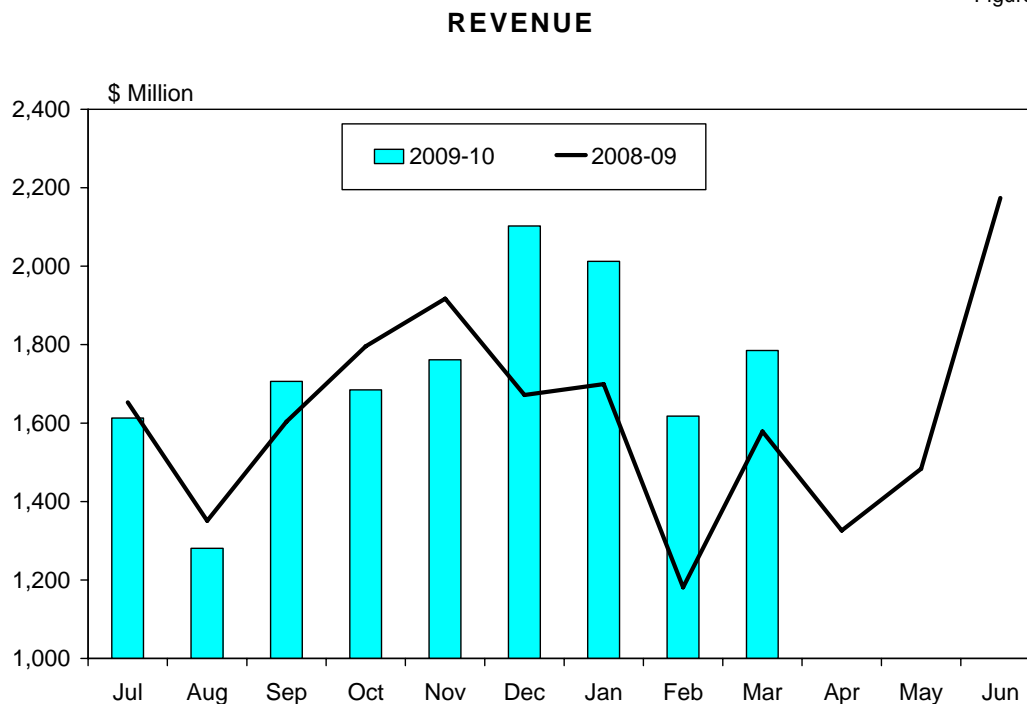
Revenue

Revenue for the nine months to 31 March 2010 totalled \$15,564 million, up \$1,113 million or 7.7% on the same period in 2008-09. This primarily reflects:

- higher grants from the Commonwealth (up \$974 million), mainly for:
 - government and non-government schools (up \$943 million);
 - lower GST grants (down \$218 million), due to changes in the timing of grant payments in 2009-10;
 - higher housing funding (up \$217 million), for the National Affordable Housing and social and indigenous housing programs;
 - lower North West Shelf petroleum grants (down \$122 million), due mainly to a stronger Australian dollar (relative to the same period a year earlier) and lower energy prices;
 - lower road funding (down \$112 million), following completion of the New Perth-Bunbury Highway project in September 2009; and
 - stimulus funding for the First Home Owners' Boost, which ended on 31 December 2009 (\$83 million);
- higher taxation revenue (up \$472 million) mainly due to higher transfer and landholder duties (up \$449 million), driven by the recovery of prices and activity in the Western Australian property market;
- lower royalty income (down \$416 million), primarily due to lower contract prices for iron ore and the impact of the strong Australian dollar, partially offset by higher iron ore production volumes; and
- lower interest income (down \$97 million), mainly due to lower financial asset holdings.

Revenue collections for the first nine months of 2009-10 were 71.6% of the full-year forecast contained in the 2010-11 Budget, with collections of interim dividends and year-end iron ore royalties expected during the month of June. Monthly revenue collections are shown in the following chart.

Figure 1



Expenses

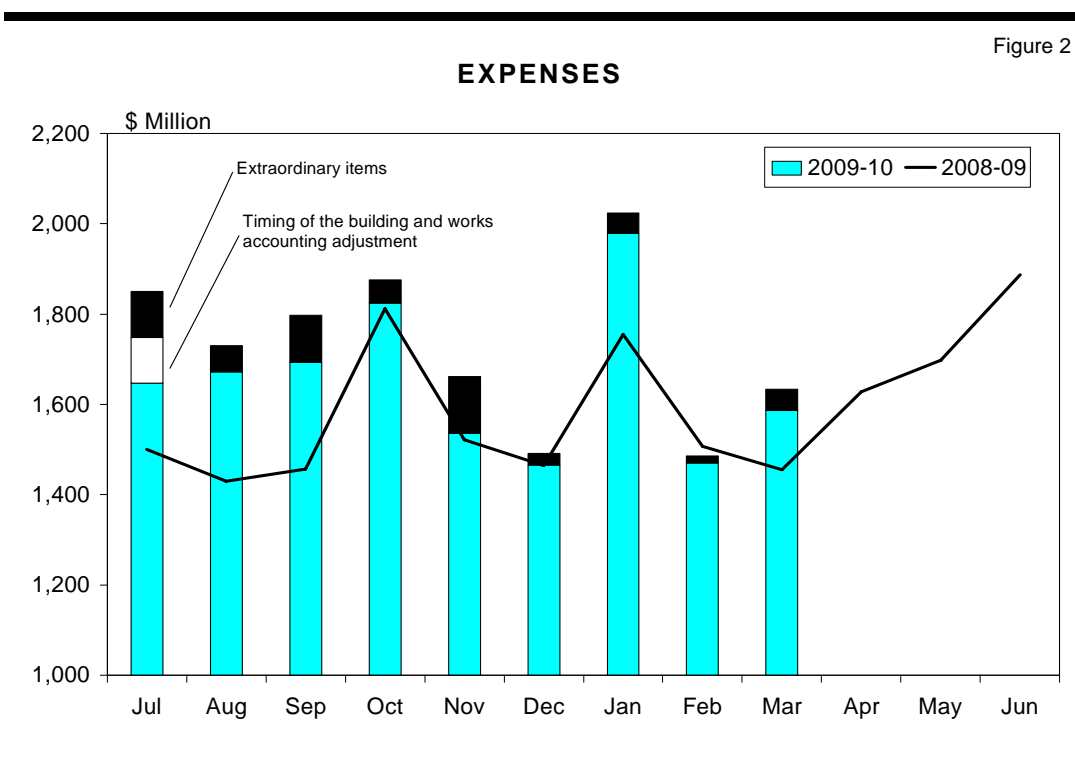
Expenses for the nine months to 31 March 2010 totalled \$15,550 million, up 11.8% on the same period in 2008-09. This includes substantial extraordinary spending noted above. Excluding extraordinary items, expenses were \$944 million (or 6.8%) higher than the corresponding period in the previous year.

Headline expense growth primarily reflects:

- higher current and capital transfers (up \$780 million), due largely to:
 - higher on-passed education and training grants (up \$342 million), including Commonwealth stimulus grants and payments to registered training organisations;
 - higher First Home Owners' Grants (up \$132 million), with the higher payments mainly resulting from the Commonwealth's Boost initiative which ended on 31 December 2009;
 - lower taxation refunds (down \$89 million) following the impact of large assessments in the same period in 2008-09;
 - higher subsidies for country water, sewerage and drainage operations paid to the Water Corporation (up \$41 million);
 - higher on-passed grant payments to external health providers (up \$40 million), mainly for Home and Community Care programs, patient transport services and aged care;

- higher State growth funding and new initiatives under the National Disabilities Agreement (up \$36 million);
- higher grants to the housing sector (up \$35 million), mainly for the Homes for the Homeless and remote Indigenous Housing programs; and
- higher science, innovation and business grants (up \$32 million), as contractual milestones have been achieved through the year;
- higher salaries costs (up \$448 million, or 7.9%), including the impact of the Government's first round voluntary severance program (\$47 million) together with increased pay rates and staff numbers, particularly in the health, education and training, and law and order sectors; and
- higher services and contracts expenses and 'other' gross operating expenses (up an aggregate \$246 million), mainly for spending on school maintenance, direct health sector patient support costs and higher expenditure on prison operations.

The following chart shows the monthly pattern of expenses incurred through the year.



Balance Sheet

The net worth of the general government sector increased by \$1.7 billion in the nine months to 31 March 2010, to stand at \$108.9 billion. This increase largely reflects the impact of higher net worth in the public corporations sectors, reflected as an asset of the general government sector.

The general government sector continued to be net debt-free during the first nine months of 2009-10, with financial assets exceeding borrowings and other debt liabilities by \$1.1 billion at 31 March 2010².

Cash Flow

A cash deficit of \$895 million was recorded for the nine months ended 31 March 2010. This outcome includes the impact on cash of the operating surplus outlined above.

Spending on infrastructure by the general government sector totalled \$2.0 billion, up \$537 million from the same period in 2008-09. This increase is mainly due to spending on schools, Perth Arena, major project works for the Fiona Stanley Hospital and various infrastructure projects by the Department of Corrective Services.

Total Public Sector³

The total public sector recorded an operating surplus of \$813 million for the nine months to 31 March 2010. This was \$271 million higher than the surplus recorded in the same period in 2008-09, with operating surpluses recorded in the general government and public corporations sectors.

Table 3

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

	2009-10			2008-09		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	412	813	183	-277	542	87
Net worth		108,893	110,885		94,286	107,162
Increase in cash balances	1,214	828	-18	102	332	335
<i>Memorandum items</i>						
Net lending	-498	-1,785	-3,948	-1,321	-2,229	-3,681
Net debt		8,505	11,365		5,059	6,688
Cash surplus/-deficit	241	-1,801	-4,629	-183	-1,072	-2,439

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 *Annual Report on State Finances*, released 24 September 2009.

Operating Statement

The total public sector operating surplus of \$813 million for the first nine months of 2009-10 primarily reflects operating surpluses in:

- the public non-financial corporations sector (\$447 million, broadly similar to the \$415 million operating surplus recorded for the same period in 2008-09); and

² The State's net debt holdings are primarily reflected in the public non-financial corporations sector, against income generating assets such as infrastructure held by the electricity and water utilities.

³ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed in the previous section), the public non-financial corporations (PNC) sector (which includes entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority), and the public financial corporations (PFC) sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

- the public financial corporations sector (\$351 million, a \$771 million turnaround on the \$420 million deficit recorded for the same period in 2008-09). This outcome was mainly due to stronger investment returns for the Insurance Commission of Western Australia (following substantially weaker results due to financial market conditions during 2008-09).

Balance Sheet

The net worth of the general government sector includes the net worth of the public corporations sectors. Therefore, total public sector net worth is identical to that of the general government sector.

Net debt of the total public sector increased by \$1.8 billion during the first nine months of 2009-10, standing at \$8.5 billion at 31 March 2010. This increase in net debt is consistent with the projected \$11.4 billion projection for the year ending 30 June 2010 and supports the State's high levels of infrastructure spending.

Total assets increased by \$5.6 billion during the nine months, mainly due to:

- higher holdings of land, infrastructure and non-financial assets (up \$3.3 billion), reflecting spending on the State's Asset Investment Program; and
- higher financial asset holdings (up \$2.3 billion), including a significant \$1.3 billion increase in the value of loans to first homebuyers by Keystart.

Liabilities increased by \$3.8 billion during the first nine months of 2009-10, mainly due to higher borrowing requirements in support of infrastructure spending and Keystart's home lending program.

Cash Flow

A cash deficit of \$1.8 billion was recorded for the nine months ended 31 March 2010. This primarily reflects net cash flows for operating activities noted above and infrastructure spending in the nine months ended 31 March 2010.

Net infrastructure spending (i.e. gross payments less asset disposals) for the nine months to 31 March 2010 was \$594 million (or 16.9%) higher than the same period in 2008-09, reflecting the State's record Asset Investment Program, driven by Commonwealth stimulus funding in 2009-10, the general government sector projects highlighted earlier in the report, and expenditure by the Water Corporation on the Southern Seawater Desalination plant.

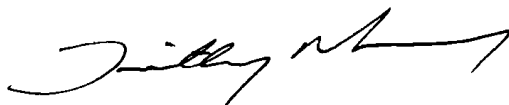
Interim Financial Statements

Statement of Responsibility

The following Interim Financial Statements and accompanying notes for the general government sector and whole-of-government have been prepared by the Department of Treasury and Finance from information provided by agencies.

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the nine months ended 31 March 2010 and of the balance sheets of these reporting entities at 31 March 2010. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2005*.

Differences between accounting and economic aggregates are detailed in the notes as Convergence Differences, consistent with the requirements of AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.



TIMOTHY MARNEY
UNDER TREASURER



ROY PICARDO
ASSISTANT DIRECTOR
FINANCIAL REPORTING

26 May 2010

Contents

Table 1.1: General Government Sector Operating Statement	12
Table 1.2: General Government Sector Balance Sheet	13
Table 1.3: General Government Sector Statement of Changes in Equity ...	14
Table 1.4: General Government Sector Cash Flow Statement	15
Table 1.5: Total Public Sector Operating Statement	16
Table 1.6: Total Public Sector Balance Sheet	17
Table 1.7: Total Public Sector Statement of Changes in Equity	18
Table 1.8: Total Public Sector Cash Flow Statement	19
Notes to the Interim Financial Statements	20

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT
For the nine months ended 31 March 2010

	Note	2009-10			2008-09		Actual ^(b) \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,576	4,950	6,316	1,173	4,478	5,706
Current grants and subsidies		2,065	6,150	8,119	2,026	5,923	8,089
Capital grants		660	1,051	1,922	64	304	411
Sales of goods and services		415	1,183	1,552	365	1,080	1,410
Interest Income		52	142	200	58	238	285
Dividends from other sector entities		1	108	666	22	79	466
Tax equivalent income		106	251	394	74	242	355
Royalty income		454	1,427	2,217	589	1,844	2,348
Other		87	303	365	89	263	364
Total	2	5,416	15,564	21,752	4,459	14,451	19,435
EXPENSES							
Salaries		1,985	6,112	8,423	1,908	5,665	7,764
Superannuation							
Concurrent costs		190	584	807	182	548	746
Superannuation interest cost		120	305	425	91	250	330
Other employee costs		72	222	339	72	219	326
Depreciation and amortisation		206	614	838	188	558	764
Services and contracts ^(c)		440	1,000	1,507	295	920	1,339
Other gross operating expenses ^(c)		636	2,123	3,031	624	1,958	2,575
Other interest		52	122	178	33	100	118
Other property expenses		-	-	-	-	-	-
Current transfers	3	1,308	3,827	4,817	1,225	3,378	4,554
Capital transfers	3	134	639	1,096	99	309	600
Total		5,142	15,550	21,462	4,718	13,903	19,117
NET OPERATING BALANCE	4	274	15	290	-258	547	318
<i>Other economic flows</i>							
Gains on net assets		-13	-13	266	13	5	52
Net actuarial gains - superannuation		-	-	204	-	-	-1,277
Provision for doubtful debts		-	-	-	-	-	24
All other		-	-	-	-	-	-
Total other economic flows		-14	-13	470	13	5	-1,201
OPERATING RESULT		260	2	760	-245	552	-883
<i>All other movements in equity</i>							
Revaluations		159	328	1,542	178	608	3,563
Gains recognised directly in equity		-	-8	18	-	-6	6
Changes in accounting policy/correction of prior period errors		-54	34	32	-	-	-204
Change in net worth of the public corporations sectors		689	1,375	1,370	111	352	11,901
All other		-	-	-	-	-	-
Total all other movements in equity		794	1,729	2,963	289	954	15,266
TOTAL CHANGE IN NET WORTH		1,054	1,731	3,723	44	1,506	14,382
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	274	15	290	-258	547	318
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		826	2,035	3,312	528	1,498	2,255
Changes in inventories		4	1	-	1	3	13
Other movement in non-financial assets		2	2	6	-	-	-36
<i>less:</i>							
Sales of non-financial assets		54	66	215	33	116	164
Depreciation		206	614	838	188	558	764
Total net acquisition of non-financial assets		572	1,357	2,264	310	828	1,305
NET LENDING/-BORROWING	4	-298	-1,343	-1,973	-569	-281	-987

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

(c) Internal transactions between State agencies occur throughout the year and are important in determining the correct disclosure of whole-of-government information. Improved alignment of such transactions has resulted in the reclassification of some spending previously recognised as 'services and contracts' to 'other gross operating expenses' from this year. Figures for 2008-09 have been adjusted for comparability.

Note: Columns may not add due to rounding. The accompanying notes from part of these statements.

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET
As at 31 March 2010

	Note	2009-10		2008-09	
		31-Mar \$m	Estimated Outturn ^(a) \$m	31-Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		738	553	508	380
Advances paid		732	701	733	716
Investments, loans and placements	5	4,168	3,981	3,523	4,168
Receivables	6	1,652	1,755	1,597	1,549
Investment property		-	8	9	8
Shares and other equity					
Investments in other public sector entities - equity method		42,327	42,322	29,403	40,952
Investments in other public sector entities - direct injections		3,753	4,029	3,004	3,164
Investments in other entities		-	-	-	-
Other financial assets		-	-	-	-
Total financial assets		53,370	53,349	38,777	50,937
<i>Non-financial assets</i>					
Land		39,903	40,517	38,224	39,389
Property, plant and equipment		30,572	33,191	27,357	29,657
Biological assets		2	2	2	2
Inventories					
Land inventories		96	95	102	96
Other inventories		73	72	62	72
Intangibles		348	333	291	336
Non-current assets held for sale		23	28	29	18
Other		147	108	155	117
Total non-financial assets		71,163	74,346	66,222	69,686
TOTAL ASSETS		124,534	127,694	104,999	120,624
LIABILITIES					
Deposits held		658	370	265	391
Advances received		496	482	510	496
Borrowings	7	3,515	4,668	957	1,847
Unfunded superannuation		7,105	6,983	5,830	7,086
Other employee benefits		2,312	2,259	1,958	2,072
Payables		387	697	323	481
Other liabilities		1,167	1,352	872	1,088
TOTAL LIABILITIES		15,641	16,810	10,713	13,462
NET ASSETS		108,893	110,885	94,286	107,162
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		8,476	13,362	9,937	8,516
Other reserves		100,418	97,522	84,348	98,646
NET WORTH	4	108,893	110,885	94,286	107,162
MEMORANDUM ITEMS					
<i>Net financial worth</i>		37,730	36,539	28,064	37,476
<i>Net financial liabilities</i>		8,350	9,812	4,343	6,641
<i>Net debt</i>					
Gross debt liabilities		4,669	5,520	1,731	2,734
less: liquid financial assets		5,638	5,234	4,764	5,264
less: convergence differences impacting net debt		88	88	88	88
Net debt		-1,057	197	-3,121	-2,618

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

Note: Columns may not add due to rounding. The accompanying notes from part of these statements

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY^(a)
For the nine months ended 31 March 2010

	Accumulated surplus/deficit	Reserves	Total Equity
	\$m	\$m	\$m
<i>Balance as at 1 July 2009</i>	8,516	98,646	107,162
Net Operating Balance	15	-	15
Revaluations	-	328	328
Change in net worth of the other sectors	-	1,375	1,375
All other	-55	69	14
Balance as at 31 March 2010	8,476	100,417	108,893

For the nine months ended 31 March 2009

	Accumulated surplus/deficit	Reserves	Total Equity
	\$m	\$m	\$m
<i>Balance as at 1 July 2008</i>	9,274	83,505	92,780
Net Operating Balance	547	-	547
Revaluations	-	608	608
Change in net worth of the other sectors	-	352	352
All other	116	-117	-2
Balance as at 31 March 2009	9,937	84,348	94,285

(a) Accounting Standard AASB 2008-9: *Amendments to AASB 1049 for consistency with AASB 101* released in March 2008 requires all financial statements for reporting periods beginning on or after 1 January 2009 to include a Statement of Changes in Equity.

Note: Columns/rows may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT
For the nine months ended 31 March 2010

	2009-10			2008-09			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		1,879	4,695	6,324	1,687	4,546	5,865
Grants and subsidies received		2,791	7,201	9,996	2,066	6,200	8,538
Receipts from sales of goods and services		475	1,277	1,610	341	1,150	1,556
Interest receipts		43	113	190	62	232	295
Dividends and tax equivalents		73	410	1,030	93	445	877
Other		843	2,617	3,231	898	2,819	3,692
<i>Total cash received</i>		<i>6,105</i>	<i>16,315</i>	<i>22,382</i>	<i>5,146</i>	<i>15,392</i>	<i>20,822</i>
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-2,127	-6,696	-9,293	-2,030	-6,275	-8,595
Payments for goods and services		-951	-3,439	-4,954	-1,015	-3,410	-4,441
Interest paid		-23	-74	-138	-31	-89	-131
Grants and subsidies paid		-1,273	-3,836	-5,384	-1,176	-3,276	-4,650
Dividends and tax equivalents		-	-	-	-	-	-
Other		-388	-1,195	-1,417	-405	-1,000	-1,289
<i>Total cash paid</i>		<i>-4,762</i>	<i>-15,241</i>	<i>-21,186</i>	<i>-4,657</i>	<i>-14,050</i>	<i>-19,106</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,343	1,073	1,196	489	1,342	1,717
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-826	-2,035	-3,312	-528	-1,498	-2,255
Sales of non-financial assets		54	66	215	33	116	164
<i>Total cash flows from investments in non-financial assets</i>		<i>-772</i>	<i>-1,968</i>	<i>-3,096</i>	<i>-496</i>	<i>-1,381</i>	<i>-2,091</i>
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		11	14	-	-	1	1
For liquidity purposes		-	60	61	-	25	25
<i>Cash paid</i>							
For policy purposes		-168	-606	-735	-44	-210	-368
For liquidity purposes		-	-1	-	-	-7	-3
<i>Total cash flows from investments in financial assets</i>		<i>-157</i>	<i>-533</i>	<i>-674</i>	<i>-44</i>	<i>-192</i>	<i>-345</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES		-929	-2,501	-3,770	-540	-1,573	-2,437
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	14	-	-	14
Borrowings		1,080	1,850	3,037	-129	38	1,012
Deposits received		-	-	-	-	-	-
Other financing receipts		7	25	31	7	20	30
<i>Total cash received</i>		<i>1,087</i>	<i>1,875</i>	<i>3,082</i>	<i>-123</i>	<i>58</i>	<i>1,056</i>
<i>Cash paid</i>							
Advances paid		-	-	-14	-	-4	-14
Borrowings repaid		-127	-261	-167	-41	-169	-182
Deposits paid		-	-	-	-	-	-
Other financing payments		-12	-40	-55	2	-23	-43
<i>Total cash paid</i>		<i>-139</i>	<i>-301</i>	<i>-237</i>	<i>-38</i>	<i>-196</i>	<i>-239</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES		947	1,574	2,845	-161	-138	818
Net increase in cash and cash equivalents		1,362	146	272	-211	-369	98
Cash and cash equivalents at the beginning of the year		3,118	4,334	4,334	4,078	4,236	4,236
Cash and cash equivalents at the end of the year		4,480	4,480	4,605	3,867	3,867	4,334
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		1,343	1,073	1,196	489	1,342	1,717
Net cash flows from investing in non-financial assets		-772	-1,968	-3,096	-496	-1,381	-2,091
Cash surplus/deficit	4	572	-895	-1,900	-7	-39	-375

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

Note: Columns may not add due to rounding. The accompanying notes from part of these statements.

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT
For the nine months ended 31 March 2010

	Note	2009-10			2008-09		
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,505	4,738	6,054	1,092	4,264	5,432
Current grants and subsidies		2,065	6,150	8,119	2,026	5,923	8,089
Capital grants		660	1,051	1,922	64	304	411
Sales of goods and services		2,743	8,114	13,846	2,848	7,589	10,797
Interest Income		200	468	684	75	562	648
Royalty income		454	1,427	2,217	589	1,844	2,348
Other		173	581	727	158	628	926
Total	2	7,801	22,530	33,570	6,852	21,113	28,651
EXPENSES							
Salaries		2,218	6,817	9,377	2,121	6,308	8,634
Superannuation							
Concurrent costs		212	651	899	202	609	829
Superannuation interest cost		120	305	425	91	250	330
Other employee costs		50	160	220	49	162	248
Depreciation and amortisation		556	1,661	2,220	428	1,270	2,088
Services and contracts ^(c)		577	1,401	1,966	408	1,285	1,889
Other gross operating expenses ^(c)		2,297	6,534	12,428	2,587	7,044	9,498
Other interest		286	785	1,197	239	787	1,000
Other property expenses		-	-	-	-	-	-
Current transfers	3	949	2,849	3,752	904	2,581	3,477
Capital transfers	3	126	554	902	100	274	570
Total expenses		7,389	21,717	33,387	7,129	20,571	28,564
NET OPERATING BALANCE	4	412	813	183	-277	542	87
<i>Other economic flows</i>							
Gains on net assets		66	129	473	28	63	-122
Net actuarial gains - superannuation		-	-	177	-	-	-1,301
Provision for doubtful debts		-4	-13	-9	-4	-8	3
All other		11	-	-	-	-	-
Total other economic flows		73	117	640	25	54	-1,420
OPERATING RESULT		484	930	824	-253	596	-1,332
<i>All other movements in equity</i>							
Revaluations		593	242	2,875	285	504	15,724
Gains recognised directly in equity		31	321	-22	12	406	452
Changes in accounting policy/correction of prior period errors		-54	238	46	-	-	-461
All other		-	-	-	-	-	-
Total all other movements in equity		570	801	2,899	296	910	15,715
TOTAL CHANGE IN NET WORTH		1,054	1,731	3,723	44	1,506	14,382
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	412	813	183	-277	542	87
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,709	4,619	7,162	1,310	3,870	5,795
Changes in inventories		-61	128	-126	306	564	714
Other movement in non-financial assets		51	29	116	-8	-30	-79
<i>less:</i>							
Sales of non-financial assets		233	517	800	136	363	574
Depreciation		545	1,661	2,220	428	1,270	2,088
Total net acquisition of non-financial assets		921	2,597	4,131	1,044	2,771	3,768
NET LENDING/-BORROWING	4	-498	-1,785	-3,948	-1,321	-2,229	-3,681

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

(c) Internal transactions between State agencies occur throughout the year and are important in determining the correct disclosure of whole-of-government information. Improved alignment of such transactions has resulted in the reclassification of some spending previously recognised as 'services and contracts' to 'other gross operating expenses' from this year. Figures for 2008-09 have been adjusted for comparability.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.6

TOTAL PUBLIC SECTOR BALANCE SHEET

As at 31 March 2010

	Note	2009-10		2008-09	
		31-Mar \$m	Estimated Outturn ^(a) \$m	31-Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,235	1,066	1,041	916
Advances paid		4,215	4,371	2,465	2,871
Investments, loans and placements	5	9,623	8,610	11,058	9,528
Receivables	6	3,606	3,664	3,904	3,293
Investment property		439	439	407	386
Equity - investments in other entities		1,191	1,160	857	1,004
Other financial assets		22	26	15	26
Total financial assets		20,329	19,336	19,747	18,024
<i>Non-financial assets</i>					
Land		53,685	54,716	49,294	52,850
Property, plant and equipment		71,067	75,186	56,486	68,921
Biological assets		386	378	362	364
Inventories					
Land inventories		1,514	1,549	1,456	1,483
Other inventories		1,899	1,645	1,622	1,771
Intangibles		644	55	487	580
Non-current assets held for sale		23	29	32	19
Other		282	206	248	204
Total non-financial assets		129,500	134,265	109,986	126,192
TOTAL ASSETS		149,829	153,601	129,733	144,216
LIABILITIES					
Deposits held		152	150	140	141
Advances received		496	482	510	496
Borrowings	7	23,017	24,868	19,061	19,453
Unfunded superannuation		7,224	7,133	5,945	7,221
Other employee benefits		2,636	2,578	2,234	2,382
Payables		3,438	3,446	3,743	3,387
Other liabilities		3,973	4,060	3,814	3,973
TOTAL LIABILITIES		40,935	42,717	35,447	37,054
NET ASSETS		108,893	110,885	94,286	107,162
<i>Of which:</i>					
Contributed equity		-	-	94,286	107,162
Accumulated surplus		28,607	32,717	29,054	27,194
Other reserves		80,286	78,168	65,231	79,968
NET WORTH	4	108,893	110,885	94,286	107,162
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-20,606	-23,381	-15,700	-19,030
<i>Net financial liabilities</i>		21,797	24,541	16,557	20,034
<i>Net debt</i>					
Gross debt liabilities		23,665	25,500	19,711	20,091
less: liquid financial assets		15,072	14,047	14,564	13,315
less: convergence differences impacting net debt		88	88	88	88
Net debt		8,505	11,365	5,059	6,688

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

Note: Columns may not add due to rounding. The accompanying notes from part of these statements

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY^(a)
For the nine months ended 31 March 2010

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2009</i>	27,194	79,968	107,162
Net Operating Balance	813	-	813
Revaluations	-	242	242
All other	601	75	676
Balance as at 31 March 2010	28,607	80,286	108,893

For the nine months ended 31 March 2009

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2008</i>	28,214	64,566	92,780
Net Operating Balance	542	-	542
Revaluations	-	504	504
All other	298	161	460
Balance as at 31 March 2009	29,054	65,231	94,286

(a) Accounting Standard AASB 2008-9: *Amendments to AASB 1049 for consistency with AASB 101* released in March 2008 requires all financial statements for reporting periods beginning on or after 1 January 2009 to include a Statement of Changes in Equity.

Note: Columns/rows may not add due to rounding.

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT
For the nine months ended 31 March 2010

	2009-10			2008-09			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		1,839	4,564	6,018	1,635	4,403	5,559
Grants and subsidies received		2,791	7,201	9,996	2,066	6,200	8,538
Receipts from sales of goods and services		2,695	8,281	13,963	2,904	8,490	11,978
Interest receipts		168	431	677	158	613	729
Other receipts		1,080	3,327	4,066	1,070	3,378	4,431
<i>Total cash received</i>		8,572	23,805	34,720	7,834	23,084	31,234
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-2,365	-7,460	-10,391	-2,258	-6,975	-9,516
Payments for goods and services		-2,617	-8,276	-14,395	-2,822	-8,707	-12,122
Interest paid		-160	-607	-1,168	-136	-603	-914
Grants and subsidies paid		-1,031	-3,072	-4,292	-1,011	-2,660	-3,658
Other payments		-683	-2,089	-2,742	-616	-1,704	-2,243
<i>Total cash paid</i>		-6,856	-21,504	-32,988	-6,843	-20,649	-28,453
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,717	2,301	1,732	991	2,435	2,782
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,709	-4,619	-7,162	-1,310	-3,870	-5,795
Sales of non-financial assets		233	517	800	136	363	574
<i>Total cash flows from investments in non-financial assets</i>		-1,476	-4,102	-6,362	-1,174	-3,508	-5,221
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		11	14	-	-	1	1
For liquidity purposes		752	3,344	1,884	1,142	3,301	4,242
<i>Cash paid</i>							
For policy purposes		-14	-17	-	-	-2	-1
For liquidity purposes		-1,027	-4,059	-3,472	-1,302	-3,613	-5,402
<i>Total cash flows from investments in financial assets</i>		-279	-718	-1,588	-160	-313	-1,160
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,754	-4,820	-7,950	-1,334	-3,821	-6,381
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	-	-	-	-
Borrowings		6,715	17,815	21,695	3,741	11,994	16,230
Deposits received		-	-	-	-	-	-
Other financing receipts		17	42	54	9	32	47
<i>Total cash received</i>		6,732	17,856	21,748	3,750	12,026	16,277
<i>Cash paid</i>							
Advances paid		-	-	-14	-	-4	-14
Borrowings repaid		-5,460	-14,444	-15,430	-3,292	-10,234	-12,231
Deposits paid		-	-	-	-	-	-
Other financing payments		-21	-64	-105	-14	-71	-98
<i>Total cash paid</i>		-5,481	-14,508	-15,549	-3,306	-10,309	-12,343
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,251	3,348	6,199	444	1,717	3,934
Net increase in cash and cash equivalents		1,214	828	-18	102	332	335
Cash and cash equivalents at the beginning of the year		6,601	6,986	6,986	6,882	6,652	6,652
Cash and cash equivalents at the end of the year		7,815	7,815	6,968	6,983	6,983	6,986
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		1,717	2,301	1,732	991	2,435	2,782
Net cash flows from investing in non-financial assets		-1,476	-4,102	-6,362	-1,174	-3,508	-5,221
Cash surplus/deficit	4	241	-1,801	-4,629	-183	-1,072	-2,439

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

Note: Columns may not add due to rounding. The accompanying notes from part of these statements.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) *General Statement*

The financial statements constitute general purpose financial statements for the whole-of-government and the general government sectors. The whole-of-government sector is also known as the total public sector.

The financial statements are a requirement of the *Government Financial Responsibility Act 2000*.

(b) *The reporting entity*

The reporting entity is the Government of Western Australia (the total public sector) and includes entities under its control.

The total public sector includes the general government sector and the public corporations sector (which seek to recover the majority of costs of their operations through user charges and other revenue sources).

The general government sector consists of those agencies and Crown entities that provide services that are predominantly funded from central revenue.

(c) *Basis of Preparation*

The financial statements for the nine months ended 31 March 2010 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2009, presented in Appendix 1 of the *2008-09 Annual Report on State Finances (ARSF)* released on 24 September 2009. The accounting policies adopted in this publication are consistent with those outlined in the 2008-09 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2008-09 ARSF.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, columns may not add due to rounding.

(d) *Unaudited data*

The Interim Financial Statements are not subject to audit.

NOTE 2: OPERATING REVENUE

A detailed dissection of general government and total public sector operating revenue is included in Appendix 2: *Operating Revenue*.

NOTE 3: TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include grants, subsidies, donations, transfers of assets free of charge, etc.

The following tables provide detail of current and capital transfer expenses of the general government sector and total public sector.

TRANSFER EXPENSES ^(a)

	General Government			2008-09		
	2009-10		Estimated Outturn	Three	Nine	Actual
	Three Months to 31 Mar	Nine Months to 31 Mar		Months to 31 Mar	Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local government	25	91	129	25	69	216
Local government on-passing	24	110	137	33	99	132
Private and not-for-profit sector	437	1,455	2,072	409	1,352	1,875
Private and not-for-profit sector on-passing	341	758	634	314	650	667
Other sectors of government	482	1,413	1,846	446	1,210	1,664
<i>Total Current Transfers</i>	1,308	3,827	4,817	1,225	3,378	4,554
<i>CAPITAL TRANSFERS</i>						
Local government	18	40	109	5	39	172
Local government on-passing	17	73	81	22	67	89
Private and not-for-profit sector	66	281	368	71	145	276
Private and not-for-profit sector on-passing	26	161	333	-	12	18
Other sectors of government	8	85	206	1	47	46
<i>Total Capital Transfers</i>	134	639	1,096	99	309	600
	Total Public Sector			2008-09		
	2009-10		Estimated Outturn	Three	Nine	Actual
	Three Months to 31 Mar	Nine Months to 31 Mar		Months to 31 Mar	Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local government	26	93	129	25	70	216
Local government on-passing	24	110	137	33	99	132
Private and not-for-profit sector	545	1,862	2,816	523	1,738	2,419
Private and not-for-profit sector on-passing	341	758	634	313	650	667
Other sectors of government	14	26	35	10	24	43
<i>Total Current Transfers</i>	949	2,849	3,752	904	2,581	3,477
<i>CAPITAL TRANSFERS</i>						
Local government	18	40	114	6	51	188
Local government on-passing	17	73	81	22	67	89
Private and not-for-profit sector	65	281	370	71	145	276
Private and not-for-profit sector on-passing	26	161	333	-	12	18
Other sectors of government	-	-	4	-	-	-
<i>Total Capital Transfers</i>	126	554	902	100	274	570

(a) Includes grants, subsidies and other transfer expenses.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved (e.g. the recognition of a doubtful debts provision is excluded from GFS net worth), a convergence difference arises.

The following tables detail convergence differences reflected in the March 2010 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Operating Balance

	2009-10			2008-09		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<i>General government</i>						
<i>AASB1049 net operating balance</i>	274	15	290	-258	547	318
<i>Plus GFS revenue adjustments</i>						
Capital grants - prepaid AusLink road grants	-	3	3	33	99	199
Goods and services revenue - intersector equity/asset transfers recorded as revenue	-	-	-	-	-	-
All other	-	-	-	-	-	-
<i>Total GFS revenue adjustments</i>	-	3	3	33	99	199
<i>Less GFS expense adjustments</i>						
Capitalised interest	-	-	-	-	-	-
All other	-	-	-	-	-	-
<i>Total GFS expense adjustments</i>	-	-	-	-	-	-
<i>Total GFS adjustments to AASB 1049 net operating balance</i>	-	3	3	33	99	199
GFS net operating balance	274	17	293	-225	646	517
<i>Total public sector</i>						
<i>AASB1049 net operating balance</i>	412	813	183	-277	542	87
<i>Plus GFS revenue adjustments</i>						
Capital grants - prepaid AusLink road grants	-	3	3	33	99	199
Goods and services revenue - intersector equity/asset transfers recorded as revenue	-	-	-	-	-	-
All other	-	-	-	-	-	-
<i>Total GFS revenue adjustments</i>	-	3	3	33	99	199
<i>Less GFS expense adjustments</i>						
Capitalised interest	3	36	16	10	32	43
All other	-	-	-	-	-	-
<i>Total GFS expense adjustments</i>	3	36	16	10	32	43
<i>Total GFS adjustments to AASB 1049 net operating balance</i>	3	-33	-13	24	67	157
GFS net operating balance	409	780	170	-253	609	244

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/- Borrowing

	2009-10			2008-09		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<i>General government</i>						
AASB1049 net lending/-borrowing	-298	-1,343	-1,974	-569	-281	-987
Plus Net operating balance convergence differences (noted above)	-	3	3	33	99	199
GFS net lending/-borrowing	-298	-1,340	-1,971	-535	-182	-787
<i>Total public sector</i>						
AASB1049 net lending/-borrowing	-498	-1,785	-3,948	-1,321	-2,229	-3,681
Plus Net operating balance convergence differences (noted above)	-13	-33	-13	24	67	157
GFS net lending/-borrowing	-511	-1,818	-3,962	-1,297	-2,162	-3,524

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Worth

	2009-10		2008-09	
	Nine Months to 31 Mar	Estimated Outturn	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m
<i>General government</i>				
AASB1049 net worth	108,893	110,885	94,286	107,162
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	157	147	195	158
Impact on public corporations net worth	39	7	26	29
Impact of AusLink Road grants prepayments	-69	-	-172	-72
All other	-	-	-	-
<i>Total GFS net worth adjustments</i>	<i>216</i>	<i>242</i>	<i>137</i>	<i>204</i>
GFS net worth	109,109	111,127	94,422	107,366
<i>Total public sector</i>				
AASB1049 net worth	108,893	110,885	94,286	107,162
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	197	154	221	187
Impact of AusLink Road grants prepayments	-69	-	-172	-72
All other	-	-	-	-
<i>Total GFS net worth adjustments</i>	<i>216</i>	<i>242</i>	<i>137</i>	<i>204</i>
GFS net worth	109,109	111,127	94,422	107,366

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Cash Surplus/-Deficit

	2009-10			2008-09		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<i>General government</i>						
AASB1049 cash surplus/-deficit	572	-895	-1,900	-7	-39	-375
Less Acquisitions under finance leases and similar arrangements	2	2	5	1	1	7
GFS cash surplus/-deficit	569	-898	-1,905	-8	-40	-382
<i>Total public sector</i>						
AASB1049 cash surplus/-deficit	241	-1,801	-4,629	-183	-1,072	-2,439
Less Acquisitions under finance leases and similar arrangements	65	65	136	1	1	7
GFS cash surplus/-deficit	176	-1,866	-4,765	-184	-1,074	-2,447

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2009-10		2008-09	
	31-Mar	Estimated Outturn	31-Mar	Actual
	\$m	\$m	\$m	\$m
<i>Investments</i>				
Term deposits	4,041	3,803	3,346	3,981
Government securities	116	168	177	176
Total	4,157	3,971	3,523	4,157
<i>Loans and advances</i>				
Loans	10	9	-	10
Financial assets held for trading/available for sale	1	1	-	1
Total	11	10	-	11
Total	4,168	3,981	3,523	4,168

Total Public Sector

	2009-10		2008-09	
	31-Mar	Estimated Outturn	31-Mar	Actual
	\$m	\$m	\$m	\$m
<i>Investments</i>				
Term deposits	7,930	7,124	7,451	7,883
Government securities	296	327	391	362
Total	8,226	7,451	7,843	8,245
<i>Loans and advances</i>				
Loans	1,245	1,156	3,178	1,279
Financial assets held for trading/available for sale	152	3	37	4
Total	1,397	1,159	3,215	1,283
Total	9,623	8,610	11,058	9,528

NOTE 6: RECEIVABLES

General Government

	2009-10		2008-09	
	31-Mar	Estimated Outturn	31-Mar	Actual
	\$m	\$m	\$m	\$m
Accounts receivable	1,809	1,902	1,792	1,708
Provision for impairment of receivables	-157	-147	-195	-158
Total	1,652	1,755	1,597	1,549

Total Public Sector

	2009-10		2008-09	
	31-Mar	Estimated Outturn	31-Mar	Actual
	\$m	\$m	\$m	\$m
Accounts receivable	3,802	3,819	4,126	3,481
Provision for impairment of receivables	-197	-154	-221	-187
Total	3,606	3,664	3,904	3,293

NOTE 7: BORROWINGS

General Government

	2009-10		2008-09	
	31-Mar	Estimated Outturn	31-Mar	Actual
	\$m	\$m	\$m	\$m
Bank overdrafts	-	13	-	13
Finance leases	272	239	287	288
Derivative financial Instruments	-	-	-	-
Domestic and foreign borrowings	3,243	4,415	670	1,546
Total	3,515	4,668	957	1,847

Total Public Sector

	2009-10		2008-09	
	31-Mar	Estimated Outturn	31-Mar	Actual
	\$m	\$m	\$m	\$m
Bank overdrafts	4	14	15	14
Finance leases	854	892	806	809
Derivative financial Instruments	31	-197	1,661	191
Domestic and foreign borrowings	22,129	24,159	16,579	18,439
Total	23,017	24,868	19,061	19,453

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 31, Composition of Sectors in the 2008-09 *Annual Report on State Finances*. Changes since that date include the following items.

- With effect from 16 October 2009, the designation of West Coast TAFE has been altered to West Coast Institute of Training.
- With effect from 30 October 2009, the designation of the Department of Education and Training has been altered to the Department of Education, and the Department of Training and Workforce Development has been established.

- With effect from 20 November 2009, the designation of Swan TAFE has been altered to Polytechnic West.
- With effect from 16 October 2009, the designation of West Coast TAFE has been altered to West Coast Institute of Training.
- With effect from 20 November 2009, the designation of Challenger TAFE has been altered to Challenger Institute of Technology.
- With effect from 24 November 2009, the designation of Central TAFE has been altered to Central Institute of Technology.
- The Office of the Environmental Protection Authority has been established to come into effect from 27 November 2009.
- The Community Insurance Fund ceased operations with effect from 31 January 2009.
- With effect from 22 March 2010, the designation of Central West TAFE has been altered to Durack Institute of Technology.

NOTE 9: CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the release of the 2008-09 *Annual Report on State Finances*.

APPENDIX 2

Operating Revenue

The tables below detail operating revenue of the general government and total public sectors. They provide detailed revenue information consistent with the operating statements presented in Appendix 1: *Interim Financial Statements*.

The total public sector consolidates internal transfers between the general government sector and agencies in the public corporations sectors.

Accordingly, some total public sector revenue aggregates may be **smaller** than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These collections are not shown in the total public sector taxation revenue data which is thus smaller than the general government taxation revenue aggregate.

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2009-10			2008-09		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	551	1,723	2,296	533	1,703	2,246
Property taxes						
<i>Land tax</i>	49	535	541	11	576	568
Transfer Duty	520	1,210	1,565	201	827	1,102
Landholder Duty	14	66	72	-	-	24
<i>Total duty on transfers</i>	534	1,276	1,637	201	827	1,126
Mortgages	-	-	-	1	4	4
Other stamp duties	-	-	-	-1	-	1
Metropolitan Region Improvement Tax	11	79	81	5	83	82
Emergency Services Levy	43	154	168	46	143	157
Loan guarantee fees	6	21	21	5	14	19
<i>Total other property taxes</i>	59	254	270	56	245	264
Taxes on provision of goods and services						
Lotteries Commission	34	97	128	48	108	134
Video lottery terminals	-	-	-	-	-	-
Casino Tax	22	68	90	23	66	91
Betting tax	7	24	34	8	24	32
<i>Total taxes on gambling</i>	63	189	253	78	199	257
Insurance Duty	96	304	403	98	285	377
Other	9	19	23	6	16	21
<i>Total taxes on insurance</i>	104	323	426	104	301	397
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	79	238	329	62	238	318
Permits - Oversize Vehicles and Loads	1	3	4	1	3	4
Motor Vehicle recording fee	11	32	43	10	30	40
Motor Vehicle registrations	126	378	515	116	358	486
<i>Total motor vehicle taxes</i>	216	650	892	189	629	848
Total Taxation	1,576	4,950	6,316	1,173	4,478	5,706
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST Revenue grants	865	2,551	3,585	897	2,769	3,529
North West Shelf grants	218	561	766	196	683	844
Compensation for Crude Oil Excise Condensate	13	35	94	4	12	23
Grants through the State						
Schools assistance – non-government schools	341	758	634	313	650	751
Local government financial assistance grants	25	110	137	33	99	132
Local government roads	17	73	92	22	67	89
First Home Owners' Boost	48	135	159	53	53	100
Other	-	-	25	-	-	-
National Specific Purpose Payment Agreement Grants						
National Health Care Agreement	284	852	1,136	244	749	1,056
National Education Agreement	82	247	329	67	214	318
National Agreement for Skills and Workforce Development	33	99	132	32	84	131
National Disability Agreement	19	58	78	15	52	75
National Affordable Housing Agreement	31	94	125	29	67	122
Nation Building and Jobs Plan						
Schools	-	70	70	-	-	78
Housing	5	15	20	5	5	15
Transport	-	-	9	-	-	15
Other Grants/National Partnerships						
Housing	-48	23	11	-	-	26
Roads	16	16	52	-	38	53
Other	115	453	667	116	382	732
Total Current Grants and Subsidies	2,065	6,150	8,119	2,026	5,923	8,089

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2009-10			2008-09		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CAPITAL GRANTS						
Grants through the State						
Schools assistance – non-government schools	26	161	333	-	12	18
Nation Building and Jobs Plan						
Schools	352	440	651	-	-	-
Housing	105	161	368	-	-	4
Transport	3	6	7	-	-	-
Other Grants/National Partnerships						
Housing	63	79	188	-	44	39
Roads	82	82	158	34	172	238
Other	29	122	219	29	76	112
Total Capital Grants	660	1,051	1,922	64	304	411
SALES OF GOODS AND SERVICES	415	1,183	1,552	365	1,080	1,410
INTEREST INCOME	52	142	200	58	238	285
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	1	108	666	22	79	466
Tax Equivalent Regime	106	251	394	74	242	355
Total Revenue from Public Corporations	106	359	1,061	95	321	821
ROYALTY INCOME	454	1,427	2,217	589	1,844	2,348
OTHER						
Lease Rentals	20	60	72	16	49	65
Fines	32	107	119	36	102	138
Revenue not elsewhere counted	36	136	175	37	112	161
<i>Total Other</i>	87	303	365	89	263	364
GRAND TOTAL	5,416	15,564	21,752	4,459	14,451	19,435

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 *Annual Report on State Finances*, released 24 September 2009.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2009-10			2008-09		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	540	1,690	2,266	523	1,672	2,204
Property taxes						
<i>Land tax</i>	36	499	495	2	540	523
Transfer Duty	520	1,210	1,565	201	827	1,102
Landholder Duty	14	66	72	-	-	24
<i>Total duty on transfers</i>	534	1,276	1,637	201	827	1,126
Mortgages	-	-	-	1	4	-
Other stamp duties	-	-	-	-1	-	1
Metropolitan Region Improvement Tax	11	79	81	5	83	82
Emergency Services Levy	42	152	165	45	141	154
Loan guarantee fees	-	1	1	-	1	1
<i>Total other property taxes</i>	53	232	248	51	229	243
Taxes on provision of goods and services						
Lotteries Commission	-	-	-	-	-	-
Video lottery terminals	-	-	-	-	-	-
Casino Tax	22	68	90	23	66	91
TAB betting tax	-	-	-	-	-	-
<i>Total taxes on gambling</i>	22	68	90	23	66	91
Insurance Duty	96	304	403	98	285	377
Other	9	19	23	6	16	21
<i>Total taxes on insurance</i>	104	323	426	104	301	397
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	79	238	329	62	238	318
Permits - Oversize Vehicles and Loads	1	3	4	1	3	4
Motor Vehicle recording fee	11	32	43	10	30	40
Motor Vehicle registrations	126	378	515	116	358	486
<i>Total motor vehicle taxes</i>	216	650	892	189	629	848
Total Taxation	1,505	4,738	6,054	1,092	4,264	5,432
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST Revenue grants	865	2,551	3,585	897	2,769	3,529
North West Shelf grants	218	561	766	196	683	844
Compensation for Crude Oil Excise Condensate	13	35	94	4	12	23
Grants through the State						
Schools assistance – non-government schools	341	758	634	313	650	751
Local government financial assistance grants	25	110	137	33	99	132
Local government roads	17	73	92	22	67	89
First Home Owners' Boost	48	135	159	53	53	100
Other	-	-	25	-	-	-
National Specific Purpose Payment Agreement Grants						
National Health Care Agreement	284	852	1,136	244	749	1,056
National Education Agreement	82	247	329	67	214	318
National Agreement for Skills and Workforce Development	33	99	132	32	84	131
National Disability Agreement	19	58	78	15	52	75
National Affordable Housing Agreement	31	94	125	29	67	122
Nation Building and Jobs Plan						
Schools	-	70	70	-	-	78
Housing	5	15	20	5	5	15
Transport	-	-	9	-	-	15
Other Grants/National Partnerships						
Housing	-48	23	11	-	-	26
Roads	16	16	52	-	38	53
Other	115	453	667	116	382	732
Total Current Grants and Subsidies	2,065	6,150	8,119	2,026	5,923	8,089

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2009-10			2008-09		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CAPITAL GRANTS						
Grants through the State						
Schools assistance – non-government schools	26	161	333	-	12	18
Nation Building and Jobs Plan						
Schools	352	440	651	-	-	-
Housing	105	161	368	-	-	4
Transport	3	6	7	-	-	-
Other Grants/National Partnerships						
Housing	63	79	188	-	44	39
Roads	82	82	158	34	172	238
Other	29	122	219	29	76	112
Total Capital Grants	660	1,051	1,922	64	304	411
SALES OF GOODS AND SERVICES	2,743	8,114	13,846	2,848	7,589	10,797
INTEREST INCOME	200	468	684	75	562	648
ROYALTY INCOME	454	1,427	2,217	589	1,844	2,348
OTHER						
Lease Rentals	20	60	72	16	49	65
Fines	33	109	119	37	104	140
Revenue not elsewhere counted	121	412	536	104	476	721
Total Other	173	581	727	158	628	926
GRAND TOTAL	7,801	22,530	33,570	6,852	21,113	28,651

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 *Annual Report on State Finances*, released 24 September 2009.

Note: Columns may not add due to rounding.

Monthly Report of General Government Finances – March 2010

This appendix provides a summary of the Western Australian general government sector's finances for the month of March 2010. Care should be taken in interpreting monthly results, which can vary significantly from month to month due to various seasonal and other timing factors.

Operating Statement

The general government sector recorded an operating surplus of \$152 million for the month of March 2010, \$29 million higher than the \$123 million surplus recorded in March 2009.

Revenue in March 2010 totalled \$1,785 million, \$206 million higher than the same month the previous year. This primarily reflects:

- higher grants from the Commonwealth (up \$240 million), mainly due to:
 - higher North West Shelf petroleum grants (up \$92 million), reflecting the timing of payments received from the Commonwealth;
 - higher funding to the education sector (up \$41 million), mainly due to the receipt of stimulus funding noted earlier in this report;
 - higher funding for roads (up \$41 million); and
 - higher funding for the housing sector for the National Affordable Housing Program (up \$25 million);
- lower royalty income (down \$134 million), reflecting lower iron ore contract prices and the stronger Australian dollar (relative to the same month a year earlier), partially offset by higher iron ore production volumes; and
- higher taxation revenue (up \$124 million), primarily due to higher transfer duty on the back of the recovering Western Australian property market.

Expenses for the month of March 2010 totalled \$1,634 million, up \$178 million from March 2009. This included the impact of:

- higher salaries (up \$54 million, or 8.1%), mainly for higher pay rates and staff numbers in the health, education and training, and law and order sectors;
- higher current transfers (up \$42 million), largely due to higher subsidies to Synergy for tariff adjustment and on-passed grants to registered training organisations; and
- higher 'services and contracts expense' (up \$30 million), due primarily to the timing of transactions across the general government sector.

Cash Flow Statement

A cash surplus of \$271 million was recorded in March 2010, compared to an \$84 million cash surplus recorded in March 2009. This reflects the impact of the net cash inflow from the operating activities outlined above (up \$212 million on the same period in 2008-09).

Table 3.1

GENERAL GOVERNMENT
Operating Statement

	2009-10			2008-09	
	Month of Feb \$m	Month of Mar \$m	Estimated Outturn ^(a) \$m	Month of Mar \$m	Actual \$m
Results from Transactions					
<i>REVENUE</i>					
Taxation	495	527	6,316	403	5,706
Current grants and subsidies	654	617	8,119	484	8,089
Capital grants	267	117	1,922	11	411
Sales of goods and services	146	157	1,552	169	1,410
Interest Income	14	24	200	22	285
Dividends from other sector entities	1	-	666	3	466
Tax equivalent income	48	16	394	31	466
Royalty income	27	292	2,217	426	2,348
Other	28	35	365	29	2,348
<i>Total</i>	<i>1,680</i>	<i>1,785</i>	<i>21,752</i>	<i>1,579</i>	<i>19,435</i>
<i>EXPENSES</i>					
Salaries	632	722	8,423	668	7,764
Superannuation					
Concurrent costs	61	69	807	66	746
Superannuation interest cost	40	40	425	30	330
Other employee costs	22	25	339	26	326
Depreciation and amortisation	73	68	838	61	764
Services and contracts ^(c)	143	114	1,507	84	1,339
Other gross operating expenses ^(c)	49	254	3,031	251	2,575
Other interest	16	22	178	9	118
Other property expenses	-	-	-	-	-
Current transfers	441	288	4,817	246	4,554
Capital transfers	72	32	1,096	15	600
<i>Total</i>	<i>1,547</i>	<i>1,634</i>	<i>21,462</i>	<i>1,456</i>	<i>19,117</i>
NET OPERATING BALANCE	133	152	290	123	318

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 *Annual Report on State Finances*, released 24 September 2009.

(c) Internal transactions between State agencies occur throughout the year and are important in determining the correct disclosure of whole-of-government information. Improved alignment of such transactions has resulted in the reclassification of some spending previously recognised as 'services and contracts' to 'other gross operating expenses' from this year. Figures for 2008-09 have been adjusted for comparability.

Note: Columns may not add due to rounding.

Table 3.2

GENERAL GOVERNMENT
Cash Flow Statement

	2009-10			2008-09	
	Month of Feb \$m	Month of Mar \$m	Estimated Outturn ^(a) \$m	Month of Mar \$m	Actual \$m
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received</i>					
Taxes received	550	595	6,324	474	5,865
Grants and subsidies received	894	755	9,996	484	8,538
Receipts from sales of goods and services	150	197	1,610	122	1,556
Interest receipts	12	19	190	23	295
Dividends and tax equivalents	2	-2	1,030	-	877
Other receipts	181	449	3,231	540	3,692
<i>Total cash received</i>	<i>1,789</i>	<i>2,013</i>	<i>22,362</i>	<i>1,643</i>	<i>20,822</i>
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation	-694	-724	-9,293	-698	-8,595
Payments for goods and services	-217	-429	-4,954	-385	-4,441
Interest paid	-4	-2	-138	-10	-131
Grants and subsidies paid	-341	-227	-5,384	-168	-4,650
Dividends and tax equivalents	-	-	-	-	-
Other payments	-137	-152	-1,417	-115	-1,289
<i>Total cash paid</i>	<i>-1,393</i>	<i>-1,533</i>	<i>-21,186</i>	<i>-1,375</i>	<i>-19,106</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	396	480	1,196	268	1,717
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets	-333	-203	-3,312	-193	-2,255
Sales of non-financial assets	39	-5	215	10	164
<i>Total cash flows from investments in non-financial assets</i>	<i>-294</i>	<i>-208</i>	<i>-3,096</i>	<i>-184</i>	<i>-2,091</i>
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes	9	1	-	-	1
For liquidity purposes	-	-	61	-	25
<i>Cash paid</i>					
For policy purposes	-72	-30	-735	-10	-368
For liquidity purposes	-	-	-	-	-3
<i>Total cash flows from investments in financial assets</i>	<i>-63</i>	<i>-28</i>	<i>-674</i>	<i>-10</i>	<i>-345</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-357	-236	-3,770	-194	-2,437
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received	1	-2	14	-2	14
Borrowings	303	477	3,037	-181	1,012
Deposits received	-	-	-	-	-
Other financing receipts	-	7	31	5	30
<i>Total cash received</i>	<i>304</i>	<i>483</i>	<i>3,082</i>	<i>-178</i>	<i>1,056</i>
<i>Cash paid</i>					
Advances paid	-1	2	-14	2	-14
Borrowings repaid	-3	-116	-167	-20	-182
Deposits paid	-	-	-	-	-
Other financing payments	-1	-2	-55	8	-43
<i>Total cash paid</i>	<i>-5</i>	<i>-116</i>	<i>-237</i>	<i>-9</i>	<i>-239</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	299	366	2,845	-187	818
Net increase in cash and cash equivalents	338	610	272	-113	98
Cash and cash equivalents at the beginning of the year	3,532	3,870	4,334	3,980	4,236
Cash and cash equivalents at the end of the year	3,870	4,480	4,605	3,867	4,334
KEY FISCAL AGGREGATES					
Net cash flows from operating activities	396	480	1,196	268	1,717
Net cash flows from investing in non-financial assets	-294	-208	-3,096	-184	-2,091
Cash surplus/-deficit	102	271	-1,900	84	-375

(a) Consistent with the estimated outturn published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2008-09 Annual Report on State Finances, released 24 September 2009.

Note: Columns may not add due to rounding.

APPENDIX 4

Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006* (FMA), includes those transactions and operations that are conducted through the Public Bank Account and maintained by the Treasurer. The Public Ledger comprises the Consolidated Account, the Treasurer's Advance Account and the Treasurer's Special Purpose Accounts.

Table 4.1 shows that the aggregate balance of the Public Ledger at 31 March 2010 increased by \$245 million compared with 31 March 2009. This mainly reflects the net impact of a \$710 million increase in the Treasurer's Special Purpose Accounts offset by a \$498 million increase in the Consolidated Account deficit.

Table 4.1

PUBLIC LEDGER BALANCES AT 31 MARCH

	2010 \$m	2009 \$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-5,235	-4,737
Treasurer's Special Purpose Accounts	6,219	5,509
Treasurer's Advance Account – Net Advances	-13	-46
Total	971	726

(a) The balance of the Consolidated Account at 31 March 2010 includes non-cash appropriations of \$4,614 million (31 March 2009: \$3,816 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the Treasurer's Special Purpose Accounts balance.

Consolidated Account

The *Constitution Act 1889* requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity, shall be credited to the Consolidated Account, and that payments out of the Account must be appropriated by Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it, and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by Parliament, with both the amount and the expressed purpose of the relevant appropriation clearly specified.

The Consolidated Account recorded an accumulated deficit of \$5,235 million at 31 March 2010. This included \$4,614 million in non-cash Holding Account balances for agencies, associated with accrual (non-cash) appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded a cash deficit of \$621 million at 31 March 2010, compared with an accumulated cash deficit of \$921 million for the period ended 31 March 2009.

Cash balances vary significantly through the year, depending on the timing of receipts into, and payments from, the Account.

CONSOLIDATED ACCOUNT TRANSACTIONS		Table 4.2	
For the nine months ended 31 March			
	2010	2009	
	\$m	\$m	
REVENUE			
<i>Operating Activities</i>			
Taxation	4,026	3,804	
Commonwealth Grants ^(a)	4,798	2,805	
Government Enterprises	413	450	
Revenue from other agencies ^(a)	2,234	3,973	
Other	155	125	
<i>Total Operating Activities</i>	11,626	11,157	
<i>Financing Activities</i>			
Repayments of Recoverable Advances	7	9	
Transfers from:			
Public Bank Account Interest Earned Account	3	69	
Bankwest Pension Trust	2	2	
Other Receipts	1	6	
Borrowings	1,850	-	
<i>Total Financing Activities</i>	1863	86	
TOTAL REVENUE	13,489	11,243	
EXPENDITURE			
<i>Recurrent</i>			
Authorised by Other Statutes	1,013	902	
Appropriation Act (No. 1)	11,433	10,623	
Recurrent Expenditure under the Treasurer's Advance	153	188	
<i>Total Recurrent Expenditure</i>	12,599	11,713	
<i>Investing Activities</i>			
Authorised by Other Statutes	53	78	
Appropriation Act (No. 2)	2,219	1,590	
Investing Expenditure under the Treasurer's Advance	7	-	
<i>Total Investing Activities</i>	2,279	1,668	
<i>Financing Activities</i>			
Loan repayments	-	-	
Other financing	1	3	
<i>Total Financing Activities</i>	1	3	
TOTAL EXPENDITURE	14,879	13,384	
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,390	-2,141	
Consolidated Account Balance			
Opening balance at 1 July	-3,844	-2,595	
Closing balance at 31 March	-5,235	-4,737	
Of which:			
Appropriations payable	-4,614	-3,816	
Cash balance at 31 March	-621	-921	

(a) From January 2009, reflecting a national move to streamline the administration of grants, most Commonwealth funding is now received centrally by the Department of Treasury and Finance (DTF). Under these arrangements, most grants are received by a Special Purpose Account and then on-passed to the agencies that spend the funds. Prior to 1 January 2009, these grants were disclosed as Commonwealth grants revenue in the financial statements of the individual agencies that received the funding.

A limited number of grants received by DTF are paid into the Consolidated Account. This mirrors the arrangements prior to 1 January 2009. Examples include the National Health Care Agreement (previously administered by the Department of Health), the First Home Owners Boost grant, and funds received under the Commonwealth's *Nation Building and Jobs Plan* (which are by and large used to construct assets such as public housing and schools facilities and are generally appropriated from the Consolidated Account as capital contributions).

Note: Columns may not add due to rounding.

Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPA) consists of:

- any account established by the Treasurer as a TSPA for the purposes determined by the Treasurer;
- suspense accounts established for the purposes of section 26 of the FMA;
- any account established to hold money transferred under section 39(5) of the FMA;
- the Public Bank Account Interest Earned Account established for the purpose of holding money credited to that account under section 38(9) of the FMA pending its allocation and payment as required or permitted under the FMA or another written law;
- any account established under written law and determined by the Treasurer to be a TSPA; and
- any account established to hold other money and determined by the Treasurer to be a TSPA.

The \$710 million increase in the TSPA mainly reflects higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$798 million).

TREASURER'S SPECIAL PURPOSE ACCOUNTS		
AT 31 MARCH		
	2010	2009
	\$m	\$m
Agency Holding Accounts	4,614	3,816
Fiona Stanley Hospital Construction Account	1,222	1,369
Royalties for Regions Special Purpose Account	26	-
Other Special Purpose Accounts	357	324
TREASURER'S SPECIAL PURPOSE ACCOUNTS	6,219	5,509

Table 4.3

Treasurer's Advance

The Treasurer's Advance allows for short-term repayable advances to agencies for working capital purposes (known as 'net recoverable advances') and the provision of supplementary appropriation funding for unforeseen and/or extraordinary events during the year (known as 'excesses and new items').

The original limit for the year ending 30 June 2010, as authorised by section 29 of the FMA, was \$469.2 million (compared with a total of \$437.7 million authorised limit applying at the same time last year). This limit was increased to \$1,150 million by the *Treasurer's Advance Authorisation Act 2010*, which received Royal Assent on 3 May 2010.

Of the \$469.2 million authorised limit applying at 31 March 2010, \$13.4 million was held in the form of net recoverable advances (see Table 4.4) and \$159.6 million against increases in recurrent and capital appropriations (see Table 4.5).

TREASURER'S ADVANCE AT 31 MARCH		
	2010	2009
	\$m	\$m
AUTHORISED LIMIT	469.2^(a)	437.7
Total Drawn Against Treasurer's Advance Account	173.0	233.8
Comprising:		
Net recoverable advances as at 31 March (see below)	13.4	45.5
Excesses and New Items		
- recurrent (see Table 4.5)	152.9	188.3
- capital	6.7	-
NET RECOVERABLE ADVANCES		
Public Sector Standards Commissioner – CEO selection	0.5	0.5
Electoral Boundaries Distribution	2.3	0.3
Energy Smart Government Program	1.1	1.6
Gas Review Board	0.5	0.5
Public Sector Commission	-	4.5
Sport and Recreation	2.0	-
State Development	-	15.0
Suitors Fund	1.5	1.1
Sundry Debtors	3.5	-
Transport	2.0	2.0
Works and Services	-	20.0
TOTAL RECOVERABLE TREASURER'S ADVANCES	13.4	45.5

(a) This limit was subsequently increased to \$1,150 million by the *Treasurer's Advance Authorisation Act 2010*, which received Royal Assent 3 May 2010.

Transfers, Excesses and New Items

Table 4.5 outlines transfers of appropriations between agencies, authorised under section 25 of the FMA (and which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer (under the authority of section 27 of the FMA).

Transfer of appropriations between agencies were for the following purposes:

- \$0.1 million from the Public Sector Commission to the Department of Local Government to meet accommodation costs at Dumas House;
- \$48.7 million (including the transfer of both recurrent and capital appropriations) from the Department of Planning to the Department of Transport in support of spending on coastal infrastructure, transport policy and support of the National Transport Commission;
- \$0.1 million from the Department of Agriculture and Food to the Department of Treasury and Finance (DTF) for costs associated with procurement management;
- \$0.7 million from the Department of Health to DTF for the transfer of Health procurement services;
- \$0.2 million from the Department of Premier and Cabinet to the Office of the Information Commissioner for the transfer of the Freedom of Information audit function;
- \$289.3 million (including the transfer of both recurrent and capital appropriations) from the restructured Department of Education to the newly created Department of Training and Workforce Development for the transfer of functions following the disaggregation of the previous Department of Education and Training from 30 October 2009;
- \$6.3 million (including both recurrent and capital appropriations) from the Department of Environment and Conservation to the newly created Office of the Environmental Protection Authority following the transfer of responsibility for policy development and environmental impact assessments under the *Environmental Protection Act 1986*;
- \$0.1 million from the Public Sector Commission to the Department of the Attorney General for the transfer of administering Western Australia's copyright responsibilities;
- \$40,000 from the Legislative Council to the Parliamentary Services Department for costs associated with a records management software licence;
- \$0.1 million from the Department of Local Government to the Department of Regional Development and Lands for the administration of the Rural, Remote and Regional Women's Network;
- \$2.5 million from DTF to the Department of Commerce for costs associated with the establishment of the Building Commission as a division of the Department of Commerce; and

- \$1.2 million from the Department of Commerce to the Department of Mines and Petroleum for the transfer of functions for the resources safety division.

Table 4.5

TRANSFERS, EXCESSES AND NEW ITEMS

For the nine months to 31 March 2010

	Treasurer's Advance					Drawn against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Legislative Council</i>						
Item 1: Delivery of Services	3.8	-(b)	-	-	3.8	-
<i>Parliamentary Services</i>						
Item 3: Delivery of Services	12.5	(b)	-	-	12.6	-
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	103.4	-0.2	-	-	103.2	-
<i>Public Sector Commission</i>						
Item 6: Delivery of Services	20.7	-0.2	-	-	20.5	-
<i>Health</i>						
Item 14: Delivery of Services	858.9	-0.7	-	-	858.2	-
<i>Mines and Petroleum</i>						
Item 17: Delivery of Services	68.2	1.2	-	-	69.4	-
<i>Regional Development and Lands</i>						
Item 22: Delivery of Services	31.9	0.1	-	-	32.0	-
<i>Education and Training</i>						
Item 33: Delivery of Services	3,320.7	-254.4	-	-	3066.3	-
<i>Transport</i>						
Item 39: Delivery of Services	92.4	36.9	-	-	129.3	-
<i>Treasury and Finance</i>						
Item 43: Delivery of Services	189.5	-1.8	-	-	187.7	-
Item 49: Aerial Shark Surveillance Program	0.2	-	-	0.2	0.4	0.2
Item 53: First Home Owners' Assistance	122.0	-	-	235.0	357.0	149.7
Item: 55: Office of Health Review	1.7	-	-	0.3	1.9	0.3
Item 58: Provision for Unfunded Liabilities in the Government Insurance Fund	2.1	-	-	1.8	3.9	-
Item 60: Refund of Past Years Revenue Collections - All Other	33.6	-	-	15.0	48.6	2.8
<i>Commerce</i>						
Item 70: Delivery of Services	123.9	1.3	-	-	125.2	-
<i>Western Australian Sports Centre Trust</i>						
Item 78: Delivery of Services	8.2	-	-	2.4	10.6	-
<i>Planning</i>						
Item 81: Delivery of Services	63.5	-36.9	-	-	26.6	-
<i>Attorney General</i>						
Item 90: Delivery of Services	228.3	0.1	-	-	228.4	-
<i>Office of the Information Commissioner</i>						
Item 95: Delivery of Services	1.3	0.2	-	-	1.5	-
<i>Local Government</i>						
Item 103: Delivery of Services	16.6	0.1	-	-	16.7	-
<i>Agriculture and Food</i>						
Item 107: Delivery of Services	159.7	-0.1	-	-	159.6	-

Table 4.5 (cont)

TRANSFERS, EXCESSES AND NEW ITEMS
For the nine months to 31 March 2010

	Treasurer's Advance					Drawn against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
<i>Environment and Conservation</i>						
Item 110: Delivery of Services	171.2	-6.0	-	-	165.2	-
<i>Office of the Environmental Protection Authority</i>						
New Item: Delivery of Services	-	6.0	-	-	6.0	-
<i>Training and Workforce Development</i>						
New Item: Delivery of Services	-	254.4	-	-	254.4	-
Total Recurrent		-	-	254.7		152.9
Capital Appropriations						
<i>Education and Training</i>						
Item 126: Capital Appropriation	1,018.3	-34.8	-	-	983.5	-
<i>Transport</i>						
Item 130: Capital Appropriation	3.4	11.8	-	-	15.2	-
<i>Planning</i>						
Item 156: Capital Appropriation	33.9	-11.8	-	-	22.1	-
<i>Child Protection</i>						
Item 168: Capital Appropriation	6.1	-	-	24.9	31.0	6.7
<i>Environment and Conservation</i>						
Item 172: Capital Appropriation	12.9	-0.4	-	-	12.6	-
<i>Office of the Environmental Protection Authority</i>						
New Item: Capital Appropriation	-	0.4	-	-	0.4	-
<i>Training and Workforce Development</i>						
New item: Capital Appropriation	-	34.8	-	-	34.8	-
Total Capital		-	-	24.9		6.7
TOTAL		-	-	279.6		159.6

(a) Authorised under section 25 of the FMA.

(b) Amount less than \$50,000.

Note: Columns may not add due to rounding

Approved excesses were for the following items:

Treasury and Finance

Item 49: **Aerial Shark Surveillance Program** (\$0.2 million), to conduct mid-week aerial shark patrols during the 2009-10 summer holidays.

Item 53: **First Home Owners' Assistance** (\$235.0 million), due to a significant increase in demand for First Home Owner Grants as a result of the extension of the First Home Owners' Boost scheme to 31 December 2009, announced in the Commonwealth's 2009-10 Budget.

Item 55: **Office of Health Review** (\$0.3 million), for employment of a medical consultant, and escalation of accommodation costs.

Item 58: **Provision for Unfunded Liabilities in the Government Insurance Fund** (\$1.8 million), for an increase in unfunded liabilities as determined by the Insurance Commission's actuary.

Item 60: **Refund of Past Years Revenue Collections – All Other** (\$15.0 million), for higher taxation refunds impacting on a range of tax bases managed by the Office of State Revenue.

Western Australian Sports Centre Trust

Item 78: **Net Amount Appropriated to Deliver Services** (\$2.4 million), for operating costs for the State Athletics Stadium and the State Basketball Centre at AK Reserve.

Child Protection

Item 168: **Capital Appropriation** (\$24.9 million) for expansion and reform of residential care services.