



2010-11 Quarterly Financial Results Report

September 2010



2010-11

**Quarterly Financial
Results Report**

SEPTEMBER 2010

2010–11 Quarterly Financial Results Report
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2010-11

**QUARTERLY FINANCIAL RESULTS REPORT
Three Months Ended 30 September 2010**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 2010.

Care should be exercised in extrapolating the likely outcome for the 2010-11 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 quarterly reporting periods difficult. The impact of Commonwealth stimulus spending, where it is on-passed through the State, can also distort both revenue and expenses.

The focus of the State budget is the net operating balance for the general government sector. The presentation in this report is consistent with that 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*.

This report also includes Appendix 3: *Public Ledger* which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance.

Information presented in this QFRR, is not audited.

Overview

Summary

The Western Australian general government sector recorded an operating deficit for the three months to 30 September 2010. However this was more than offset by operating surpluses recorded by the public corporations sectors.

In summary:

- the general government sector recorded a \$47 million operating deficit for the three months to 30 September 2010, compared to a \$778 million deficit for the same period in the previous year:
 - revenue in the first three months of 2010-11 increased by \$1,022 million (or 22.2%), driven primarily by Commonwealth stimulus funding and revenue from mining royalties; and
 - expenses increased by \$290 million (or 5.4%), mainly reflecting higher salaries costs in the education and training and health sectors, and higher agency operating costs across the sector;
- the total public sector recorded a \$394 million operating surplus for the first three months of 2010-11, a \$600 million turnaround on the \$206 million deficit recorded in the same quarter last year;
- the net worth of the public sector increased by \$1,092 million over the first three months of 2010-11, standing at \$108.9 billion at 30 September 2010; and
- total public sector net debt was \$10.2 billion at 30 September 2010, \$273 million higher than the \$9.9 billion recorded at 30 June 2010.

General Government Sector¹

The general government sector recorded an operating deficit of \$47 million for the three months to 30 September 2010. This is \$732 million lower than the deficit reported for the same period in 2009-10.

This outcome was largely driven by stronger revenue performance in the first quarter of 2010-11, reflecting higher iron ore royalty income, North West Shelf petroleum grants and Commonwealth grants, particularly for the education sector.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2010-11		2009-10	
	Three Months to 30 Sept	Budget Estimate ^(a)	Three Months to 30 Sept	Actual ^(b)
	\$m	\$m	\$m	\$m
Net operating balance	-47	286	-778	831
Net worth	108,936	113,871	106,996	107,844
Increase in cash balances	-609	-954	-1,395	1,012
<i>Memorandum items</i>				
Net lending	-432	-2,342	-1,082	-1,058
Net debt	-266	2,920	-1,439	-1,076
Cash surplus/-deficit	-622	-2,019	-1,043	-867

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

Revenue

Revenue for the three months to 30 September 2010 totalled \$5,622 million, up \$1,022 million or 22.2% on the same period in 2009-10. This primarily reflects:

- higher grants and subsidies from the Commonwealth (up \$382 million), mainly for:
 - higher education funding (up \$283 million), principally for the *Digital Education Revolution* program, the *Primary Schools For the 21st Century* program and non-government schools grants;
 - higher North West Shelf petroleum grants (up \$99 million), mainly due to higher energy prices and sales of LNG and LPG, partially offset by the impact of the stronger Australian dollar;
 - lower housing grants (down \$73 million), due to later receipt of funding for the *Remote Indigenous Housing* and *Investment in Social Housing* programs;

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. The general government 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.

- lower on-passed funding to local governments (down \$38 million), reflecting the timing of these grants;
- higher health funding (up \$31 million); and
- higher funding for roads (up \$26 million), mainly due to stimulus projects;
- higher royalty income (up \$382 million), primarily due to higher prices and volumes for iron ore, nickel and gold, partially offset by the impact of the stronger Australian dollar;
- higher taxation revenue (up \$226 million) including:
 - higher land tax (up \$125 million), due to the impact of late issue of assessments last year;
 - higher payroll tax collections (up \$63 million), reflecting stronger labour market conditions and wage growth; and
 - higher Emergency Services Levy (up \$22 million), primarily due to the timing of invoices;
- lower dividends (down \$89 million), due to the timing of final 2009-10 dividend outcomes for public corporations;
- higher sale of goods and services (up \$72 million), mainly due to the timing of collections and increased demand for services; and
- higher interest income (up \$37 million), due mainly to higher interest rates compared to the same period last year, and higher financial asset holdings relative to the first quarter of last year.

Expenses

Totalling \$5,669 million, expenses for the three months to 30 September 2010 were \$290 million, (or 5.4%) higher than the same period in 2009-10.

Expense growth during the September quarter primarily reflects higher:

- salaries (up \$117 million, or 5.8%), due to higher pay rates and staff numbers across the public sector mainly in the health, education and training sectors (accounting for around 58% of the total increase in salaries costs);
- services and contracts expenses (up \$62 million), mainly for increased numbers of public patients placed in private care and the timing of transactions across the general government sector;
- other gross operating expenses (up \$43 million), mainly due to increased:
 - operating lease expenses across the general government sector (up \$12 million), including building and other equipment lease costs;
 - equipment repairs and maintenance costs in the health sector (up \$9 million);

- services purchased from non-government agencies (up \$5 million) including the establishment of homelessness and case management services, and higher spending on placement services by the Department of Child Protection; and
- direct patient support costs (up \$5 million) including supplies of pharmaceutical goods and medical and surgical instruments; and
- 'other' interest expense (up \$27 million) primarily due to an increase in borrowings compared to the same period last year.

Balance Sheet

The net worth of the general government sector increased by \$1,092 million in the first three months of 2010-11, to stand at \$108.9 billion at 30 September 2010. This increase mainly reflects the net impact of increases in the net worth of the public corporations sectors, which are reflected as an asset of the general government sector.

The general government sector continued to be net debt-free during the first quarter of 2010-11, with financial assets exceeding borrowings and other debt liabilities by \$266 million at 30 September 2010².

Cash Flow

A cash deficit of \$622 million was recorded for the three months ended 30 September 2010. This outcome includes the impact on cash of the operating deficit outlined above.

Spending on infrastructure by the general government sector totalled \$632 million, up \$109 million from the same period in 2009-10. This increase is mainly due to spending on Commonwealth school stimulus projects by the Department of Education, and spending on the new Fiona Stanley Hospital and other health projects.

Total Public Sector³

The total public sector recorded an operating surplus of \$394 million for the three months to 30 September 2010. This is a \$600 million turnaround on the \$206 million deficit recorded in the same period in 2009-10, with operating surpluses recorded in the public corporations sectors more than offsetting the deficit in the general government sector described above.

² The State's net debt holdings are primarily reflected in the public non-financial-corporation sector, against income generating assets held by the electricity and water utilities, ports, the Public Transport Authority, etc.

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).

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
Western Australia

	2010-11		2009-10	
	Three Months to 30 Sept	Budget Estimate ^(a)	Three Months to 30 Sept	Actual ^(b)
	\$m	\$m	\$m	\$m
Net operating balance	394	111	-206	859
Net worth	108,936	113,871	106,996	107,844
Increase in cash balances	-553	-1,226	-748	2,125
<i>Memorandum items</i>				
Net lending	-424	-4,629	-861	-4,232
Net debt	10,169	15,442	7,398	9,896
Cash surplus/-deficit	-620	-4,187	-973	-2,816

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

Operating Statement

The total public sector operating surplus of \$394 million for the first three months of 2010-11 primarily reflects:

- the \$47 million operating deficit for the general government sector (noted earlier);
- an operating surplus of \$181 million for the public non-financial corporations sector (\$89 million lower than the surplus recorded for the same period in 2009-10, largely due to lower grants revenue for the Housing Authority and lower profitability for the electricity retailer Synergy); and
- an operating surplus of \$260 million for the public financial corporations sector (\$132 million lower than the \$392 million surplus recorded for the same period in 2009-10, primarily due to lower net investment income for the Insurance Commission of Western Australia).

Balance Sheet

The net worth of the general government sector includes the net worth of the public corporations sectors as an investment asset. Therefore, total public sector net worth is identical to that of the general government sector in terms of net worth.

Total public sector net debt increased by \$273 million during the first three months of 2010-11, standing at \$10.2 billion at 30 September 2010. This is consistent with increasing net debt levels forecast in the 2010-11 State Budget and reflects the impact of the State's high levels of infrastructure spending (projected to be a total \$7.6 billion for 2010-11).

Cash Flow

A cash deficit of \$620 million was recorded for the three months ended 30 September 2010. This reflects net cash flows for operating activities discussed above, and infrastructure spending of \$1.5 billion in the three months ended 30 September 2010.

Spending on infrastructure was \$190 million (or 14.2%) higher than in the September quarter 2009-10, reflecting:

- the increase in general government investment detailed earlier; and
- expenditure by the Water Corporation on the Southern Seawater Desalination plant.

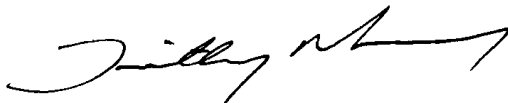
Interim Financial Statements

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 three months ended 30 September 2010 and of the balance sheets of these reporting entities at 30 September 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

22 November 2010

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Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT
For the three months ended 30 September

	Note	2010-11		2009-10	
		Three Months to 30 Sept	Budget Estimate ^(a)	Three Months to 30 Sept	Actual ^(b)
		\$m	\$m	\$m	\$m
<i>Results from Transactions</i>					
REVENUE					
Taxation		1,600	6,626	1,374	6,324
Current grants and subsidies		2,007	8,092	1,952	8,228
Capital grants		425	1,269	98	1,978
Sales of goods and services		469	1,656	397	1,635
Interest Income		84	253	47	227
Dividends from other sector entities		-	661	89	570
Tax equivalent income		83	377	73	350
Royalty income		863	3,271	481	2,324
Other		91	386	89	405
Total	2	5,622	22,591	4,600	22,039
EXPENSES					
Salaries		2,136	8,932	2,019	8,284
Superannuation					
Concurrent costs		204	855	193	793
Superannuation interest cost		105	419	87	338
Other employee costs		77	344	73	323
Depreciation and amortisation		214	899	199	848
Services and contracts		361	1,575	299	1,523
Other gross operating expenses		866	2,866	823	2,959
Other interest		65	374	38	187
Other property expenses		-	-	-	-
Current transfers	3	1,380	5,533	1,398	4,882
Capital transfers	3	261	508	250	1,071
Total		5,669	22,305	5,379	21,208
NET OPERATING BALANCE	4	-47	286	-778	831
<i>Other economic flows</i>					
Gains on net assets		-	162	-	228
Net actuarial gains - superannuation		-	-161	-	-169
Provision for doubtful debts		-2	-	-	-32
All other		-	-	-	-
Total other economic flows		-1	1	-	27
OPERATING RESULT		-49	287	-779	858
<i>All other movements in equity</i>					
Revaluations		256	1,849	56	-2,055
Gains recognised directly in equity		-6	-1	-8	-5
Changes in accounting policy/correction of prior period errors		-83	-128	16	117
Change in net worth of the public corporations sectors		975	979	549	1,768
All other		-	-	-	-
Total all other movements in equity		1,141	2,700	613	-176
TOTAL CHANGE IN NET WORTH		1,092	2,987	-166	682
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-47	286	-778	831
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		632	3,938	523	2,974
Changes in inventories		-	-	-2	-4
Other movement in non-financial assets		2	2	-	-72
<i>less:</i>					
Sales of non-financial assets		35	413	20	161
Depreciation		214	899	199	848
Total net acquisition of non-financial assets		385	2,628	303	1,889
NET LENDING/-BORROWING	4	-432	-2,342	-1,082	-1,058

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

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

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET
As at 30 September

	Note	2010-11		2009-10	
		30 Sept \$m	Budget Estimate ^(a) \$m	30 Sept \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		592	581	658	586
Advances paid		714	691	738	708
Investments, loans and placements	5	4,445	2,967	2,749	5,174
Receivables	6	2,045	1,836	1,617	2,042
Investment property		-	8	-	8
Shares and other equity					
Investments in other public sector entities - equity method		43,449	43,301	41,255	42,474
Investments in other public sector entities - direct injections		4,237	4,775	3,558	4,075
Investments in other entities		-	-	-	-
Other financial assets		-	-	-	-
Total financial assets		55,482	54,158	50,575	55,067
<i>Non-financial assets</i>					
Land		38,046	41,160	39,395	37,890
Property, plant and equipment		31,401	37,097	29,971	31,056
Biological assets		2	2	2	2
Inventories					
Land inventories		103	93	96	102
Other inventories		67	72	70	68
Intangibles		398	321	340	408
Non-current assets held for sale		57	10	25	49
Other		176	112	156	155
Total non-financial assets		70,251	78,867	70,056	69,730
TOTAL ASSETS		125,732	133,024	120,631	124,797
LIABILITIES					
Deposits held		610	293	592	683
Advances received		482	467	496	482
Borrowings	7	4,480	6,487	1,705	4,315
Unfunded superannuation		7,231	7,194	7,107	7,249
Other employee benefits		2,174	2,462	2,231	2,296
Payables		572	699	434	675
Other liabilities		1,247	1,551	1,069	1,253
TOTAL LIABILITIES		16,796	19,153	13,635	16,953
NET ASSETS		108,936	113,871	106,996	107,844
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		9,229	13,648	7,693	9,367
Other reserves		99,708	100,224	99,304	98,478
NET WORTH	4	108,936	113,871	106,996	107,844
MEMORANDUM ITEMS					
<i>Net financial worth</i>		38,686	35,005	36,940	38,114
<i>Net financial liabilities</i>		9,001	13,071	7,873	8,435
<i>Net debt</i>					
Gross debt liabilities		5,572	7,247	2,794	5,480
less: liquid financial assets		5,751	4,238	4,145	6,468
less: convergence differences impacting net debt		88	88	88	88
Net debt		-266	2,920	-1,439	-1,076

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 Annual Report on State Finances, released 28 September 2010.

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

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY
For the three months ended 30 September 2010

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2010</i>	9,367	98,478	107,844
Net Operating Balance	-47	-	-47
Revaluations	-	256	256
Change in net worth of the other sectors	-	975	975
All other	-91	-	-91
Balance as at 30 September 2010	9,229	99,708	108,936

For the three months ended 30 September 2009

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2009</i>	8,516	98,646	107,162
Net Operating Balance	-778	-	-778
Revaluations	-	56	56
Change in net worth of the other sectors	-	543	543
All other	-45	59	14
Balance as at 30 September 2009	7,693	99,304	106,996

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT
For the three months ended 30 September

	Note	2010-11		2009-10	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received</i>					
Taxes received		1,436	6,634	1,333	6,329
Grants and subsidies received		2,416	9,342	1,998	10,113
Receipts from sales of goods and services		471	1,718	425	1,767
Interest receipts		75	244	37	203
Dividends and tax equivalents		104	1,014	54	882
Other		1,288	4,529	866	3,558
<i>Total cash received</i>		<i>5,790</i>	<i>23,481</i>	<i>4,713</i>	<i>22,853</i>
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-2,574	-9,861	-2,110	-9,221
Payments for goods and services		-1,482	-4,889	-1,488	-4,594
Interest paid		-59	-326	-29	-146
Grants and subsidies paid		-1,338	-5,665	-1,214	-5,364
Dividends and tax equivalents		-	-	-	-
Other		-361	-1,233	-411	-1,582
<i>Total cash paid</i>		<i>-5,814</i>	<i>-21,975</i>	<i>-5,252</i>	<i>-20,907</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES		-24	1,506	-540	1,946
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-632	-3,938	-523	-2,974
Sales of non-financial assets		35	413	20	161
<i>Total cash flows from investments in non-financial assets</i>		<i>-598</i>	<i>-3,525</i>	<i>-503</i>	<i>-2,813</i>
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		8	-	1	19
For liquidity purposes		15	-	47	83
<i>Cash paid</i>					
For policy purposes		-170	-740	-155	-659
For liquidity purposes		-	-4	-	-2
<i>Total cash flows from investments in financial assets</i>		<i>-148</i>	<i>-744</i>	<i>-107</i>	<i>-559</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES		-745	-4,269	-611	-3,371
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	14	-	14
Borrowings		185	1,876	-9	2,754
Deposits received		-	-	-	-
Other financing receipts		7	33	8	32
<i>Total cash received</i>		<i>192</i>	<i>1,923</i>	<i>-1</i>	<i>2,799</i>
<i>Cash paid</i>					
Advances paid		-	-14	-	-14
Borrowings repaid		-13	-40	-225	-299
Deposits paid		-	-	-	-
Other financing payments		-19	-61	-19	-49
<i>Total cash paid</i>		<i>-32</i>	<i>-115</i>	<i>-244</i>	<i>-362</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES		160	1,809	-245	2,438
Net increase in cash and cash equivalents		-609	-954	-1,395	1,012
Cash and cash equivalents at the beginning of the year		5,346	4,605	4,334	4,334
Cash and cash equivalents at the end of the year		4,737	3,651	2,938	5,346
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		-24	1,506	-540	1,946
Net cash flows from investing in non-financial assets		-598	-3,525	-503	-2,813
Cash surplus/-deficit	4	-622	-2,019	-1,043	-867

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

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

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT
For the three months ended 30 September

	Note	2010-11		2009-10	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
<i>Results from Transactions</i>					
REVENUE					
Taxation		1,527	6,348	1,307	6,026
Current grants and subsidies		2,007	8,092	1,952	8,228
Capital grants		425	1,269	98	1,978
Sales of goods and services		4,249	17,748	2,770	14,905
Interest Income		242	783	136	633
Royalty income		863	3,271	481	2,324
Other		203	765	186	801
Total	2	9,515	38,277	6,929	34,895
EXPENSES					
Salaries		2,398	9,902	2,253	9,203
Superannuation					
Concurrent costs		229	948	215	878
Superannuation interest cost		105	419	87	338
Other employee costs		56	229	52	238
Depreciation and amortisation		611	2,392	543	2,292
Services and contracts		492	2,087	429	2,112
Other gross operating expenses		3,451	15,764	2,087	13,318
Other interest		391	1,546	240	1,116
Other property expenses		-	-	-	-
Current transfers	3	1,130	4,458	1,042	3,642
Capital transfers	3	259	421	186	897
Total		9,121	38,166	7,135	34,036
NET OPERATING BALANCE	4	394	111	-206	859
<i>Other economic flows</i>					
Gains on net assets		73	371	25	506
Net actuarial gains - superannuation		-	-161	-	-193
Provision for doubtful debts		-9	-10	-3	-57
All other		-	-	-	-
Total other economic flows		65	200	21	256
OPERATING RESULT		459	311	-184	1,115
<i>All other movements in equity</i>					
Revaluations		244	2,817	-459	-1,168
Gains recognised directly in equity		326	-48	257	396
Changes in accounting policy/correction of prior period errors		63	-94	220	339
All other		-	-	-	-
Total all other movements in equity		633	2,675	18	-433
TOTAL CHANGE IN NET WORTH		1,092	2,987	-166	682
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	394	111	-206	859
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,529	7,627	1,339	6,828
Changes in inventories		49	653	13	1,331
Other movement in non-financial assets		-13	-85	-11	13
<i>less:</i>					
Sales of non-financial assets		136	1,062	142	789
Depreciation		611	2,392	543	2,292
Total net acquisition of non-financial assets		818	4,740	656	5,091
NET LENDING/-BORROWING	4	-424	-4,629	-861	-4,232

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

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 30 September

	Note	2010-11		2009-10	
		30 Sept \$m	Budget Estimate ^(a) \$m	30 Sept \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,072	1,085	1,161	1,255
Advances paid		4,354	4,921	3,371	4,347
Investments, loans and placements	5	11,213	7,344	8,741	11,211
Receivables	6	3,227	2,925	3,256	3,469
Investment property		469	477	412	464
Equity - investments in other entities		1,088	1,272	1,134	1,029
Other financial assets		49	26	25	36
<i>Total financial assets</i>		21,471	18,049	18,102	21,811
<i>Non-financial assets</i>					
Land		51,458	56,176	52,864	50,927
Property, plant and equipment		74,918	81,017	69,329	74,158
Biological assets		347	379	380	330
Inventories					
Land inventories		1,553	1,767	1,458	1,609
Other inventories		3,152	2,298	1,785	3,102
Intangibles		742	567	620	743
Non-current assets held for sale		76	11	27	64
Other		382	201	305	306
<i>Total non-financial assets</i>		132,627	142,416	126,767	131,238
TOTAL ASSETS		154,098	160,465	144,869	153,049
LIABILITIES					
Deposits held		194	150	154	201
Advances received		482	467	496	482
Borrowings	7	26,219	28,262	20,110	26,114
Unfunded superannuation		7,361	7,334	7,235	7,386
Other employee benefits		2,498	2,767	2,539	2,625
Payables		4,264	3,497	3,420	4,155
Other liabilities		4,143	4,116	3,918	4,241
<i>TOTAL LIABILITIES</i>		45,162	46,594	37,873	45,205
NET ASSETS		108,936	113,871	106,996	107,844
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		29,780	32,894	27,114	28,958
Other reserves		79,157	80,977	79,882	78,887
NET WORTH	4	108,936	113,871	106,996	107,844
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-23,691	-28,545	-19,771	-23,394
<i>Net financial liabilities</i>		24,779	29,817	20,905	24,423
<i>Net debt</i>					
Gross debt liabilities		26,896	28,879	20,760	26,797
less: liquid financial assets		16,638	13,349	13,274	16,814
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		10,169	15,442	7,398	9,896

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

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

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY
For the three months ended 30 September 2010

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2010</i>	28,958	78,887	107,844
Net Operating Balance	394	-	394
Revaluations	-	244	244
All other	428	25	453
Balance as at 30 September 2010	29,780	79,157	108,936

For the three months ended 30 September 2009

	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	-206	-	-206
Revaluations	-	-459	-459
All other	126	373	499
Balance as at 30 September 2009	27,114	79,882	106,996

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

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT
For the three months ended 30 September

	Note	2010-11		2009-10	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received</i>					
Taxes received		1,395	6,307	1,292	5,991
Grants and subsidies received		2,416	9,342	1,998	10,113
Receipts from sales of goods and services		4,655	17,759	3,115	15,134
Interest receipts		229	819	121	646
Other receipts		1,601	5,381	1,171	4,499
<i>Total cash received</i>		10,296	39,607	7,698	36,382
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-2,875	-11,013	-2,375	-10,251
Payments for goods and services		-4,370	-17,310	-3,150	-15,052
Interest paid		-262	-1,519	-159	-976
Grants and subsidies paid		-1,252	-4,675	-1,018	-4,076
Other payments		-766	-	-770	-2,805
<i>Total cash paid</i>		-9,524	-37,229	-7,474	-33,160
NET CASH FLOWS FROM OPERATING ACTIVITIES		772	2,378	224	3,223
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-1,529	-7,627	-1,339	-6,828
Sales of non-financial assets		136	1,062	142	789
<i>Total cash flows from investments in non-financial assets</i>		-1,392	-6,565	-1,197	-6,038
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		3	-	1	19
For liquidity purposes		791	1,731	947	4,430
<i>Cash paid</i>					
For policy purposes		-3	-	-1	-19
For liquidity purposes		-1,185	-2,424	-1,244	-5,065
<i>Total cash flows from investments in financial assets</i>		-395	-694	-297	-635
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,787	-7,258	-1,494	-6,674
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	-	-	-
Borrowings		6,117	19,676	5,184	23,727
Deposits received		-	-	-	-
Other financing receipts		14	33	11	68
<i>Total cash received</i>		6,131	19,709	5,195	23,795
<i>Cash paid</i>					
Advances paid		-	-14	-	-14
Borrowings repaid		-5,633	-15,917	-4,642	-18,111
Deposits paid		-	-	-	-
Other financing payments		-37	-122	-31	-95
<i>Total cash paid</i>		-5,670	-16,054	-4,673	-18,219
NET CASH FLOWS FROM FINANCING ACTIVITIES		462	3,655	522	5,576
Net increase in cash and cash equivalents		-553	-1,226	-748	2,125
Cash and cash equivalents at the beginning of the year		9,112	6,968	6,986	6,986
Cash and cash equivalents at the end of the year		8,559	5,742	6,238	9,112
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		772	2,378	224	3,223
Net cash flows from investing in non-financial assets		-1,392	-6,565	-1,197	-6,038
Cash surplus/-deficit	4	-620	-4,187	-973	-2,816

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

Note: Columns may not add due to rounding. The accompanying notes form 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 three months ended 30 September 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 Financial Statements for the year ended 30 June 2010, presented in Appendix 1 of the 2009-10 *Annual Report on State Finances* (ARSF) released on 28 September 2010. The accounting policies adopted in this publication are consistent with those outlined in the 2009-10 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 2009-10 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

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>CURRENT TRANSFERS</i>				
Local Government	47	202	35	154
Local Government on-passing	37	143	60	136
Private and Not-for-profit sector	684	2,379	580	1,934
Private and Not-for-profit sector on-passing	178	861	215	769
Other sectors of Government	434	1,948	507	1,889
Total Current Transfers	1,380	5,533	1,398	4,882
<i>CAPITAL TRANSFERS</i>				
Local Government	9	108	7	64
Local Government on-passing	24	95	39	90
Private and Not-for-profit sector	39	190	108	422
Private and Not-for-profit sector on-passing	186	27	31	309
Other sectors of Government	2	87	64	186
Total Capital Transfers	261	508	250	1,071

Total Public Sector

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>CURRENT TRANSFERS</i>				
Local Government	47	202	95	155
Local Government on-passing	37	143	60	136
Private and Not-for-profit sector	856	3,215	669	2,550
Private and Not-for-profit sector on-passing	178	861	214	769
Other sectors of Government	13	35	3	32
Total Current Transfers	1,130	4,458	1,042	3,642
<i>CAPITAL TRANSFERS</i>				
Local Government	10	121	7	66
Local Government on-passing	24	84	39	90
Private and Not-for-profit sector	39	190	108	421
Private and Not-for-profit sector on-passing	186	27	31	309
Other sectors of Government	-	-	-	9
Total Capital Transfers	259	421	186	897

(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 September 2010 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
 Net Operating Balance

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i><u>General government</u></i>				
<i>AASB1049 net operating balance</i>	-47	286	-778	831
<i>Plus GFS revenue adjustments</i>				
Capital grants - prepaid AusLink road grants	-	-	3	3
Goods and services revenue - intersector equity/asset transfers recorded as revenue	-	-	-	-
All other	-	-	-	-
<i>Total GFS revenue adjustments</i>	-	-	3	3
<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
GFS net operating balance	-47	286	-776	834
<i><u>Total public sector</u></i>				
<i>AASB1049 net operating balance</i>	394	111	-206	859
<i>Plus GFS revenue adjustments</i>				
Capital grants - prepaid AusLink road grants	-	-	3	3
Goods and services revenue - intersector equity/asset transfers recorded as revenue	-	-	-	-
All other	-	-	-	-
<i>Total GFS revenue adjustments</i>	-	-	3	3
<i>Less GFS expense adjustments</i>				
Capitalised interest	15	87	11	51
All other	-	-	-	-
<i>Total GFS expense adjustments</i>	15	87	11	51
<i>Total GFS adjustments to AASB 1049 net operating balance</i>	-15	-87	-8	-48
GFS net operating balance	379	24	-214	811

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Net Lending/- Borrowing

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net lending/-borrowing	-432	-2,342	-1,082	-1,058
Plus Net operating balance convergence differences (noted above)	-	-	3	3
GFS net lending/-borrowing	-432	-2,342	-1,079	-1,055
<u>Total public sector</u>				
AASB1049 net lending/-borrowing	-424	-4,629	-861	-4,232
Plus Net operating balance convergence differences (noted above)	-15	-87	-8	-48
GFS net lending/-borrowing	-439	-4,717	-870	-4,280

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Net Worth

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net worth	108,936	113,871	106,996	107,844
Plus				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	187	147	159	179
Impact on public corporations net worth	22	9	32	44
Impact of AusLink Road grants prepayments	-69	-	-69	-69
All other	-	-	-	-
<i>Total GFS net worth adjustments</i>	228	244	210	242
GFS net worth	109,165	114,115	107,206	108,086
<u>Total public sector</u>				
AASB1049 net worth	108,936	113,871	106,996	107,844
Plus				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	209	156	191	223
Impact of AusLink Road grants prepayments	-69	-	-69	-69
All other	-	-	-	-
<i>Total GFS net worth adjustments</i>	228	244	210	242
GFS net worth	109,165	114,115	107,206	108,086

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Cash Surplus/-Deficit

	2010-11		2009-10	
	Three Months to 30 Sept	Budget Estimate	Three Months to 30 Sept	Actual
	\$m	\$m	\$m	\$m
<i>General government</i>				
AASB1049 cash surplus/-deficit	-622	-2,019	-1,043	-867
Less Acquisitions under finance leases and similar arrangements	2	2	-	8
GFS cash surplus/-deficit	-624	-2,021	-1,043	-875
<i>Total public sector</i>				
AASB1049 cash surplus/-deficit	-620	-4,187	-973	-2,816
Less Acquisitions under finance leases and similar arrangements	2	3	-	143
GFS cash surplus/-deficit	-623	-4,189	-973	-2,960

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2010-11		2009-10	
	30 Sept	Budget Estimate	30 Sept	Actual
	\$m	\$m	\$m	\$m
<i>Investments</i>				
Term deposits	4,357	2,908	2,610	5,070
Government securities	78	53	129	93
<i>Total</i>	<i>4,435</i>	<i>2,961</i>	<i>2,739</i>	<i>5,163</i>
<i>Loans and advances</i>				
Loans	10	6	10	10
Financial Assets held for trading/available for sale	-	-	-	-
<i>Total</i>	<i>10</i>	<i>6</i>	<i>10</i>	<i>10</i>
Total	4,445	2,967	2,749	5,174

Total Public Sector

	2010-11		2009-10	
	30 Sept	Budget Estimate	30 Sept	Actual
	\$m	\$m	\$m	\$m
<i>Investments</i>				
Term deposits	9,134	5,951	7,009	9,085
Government securities	207	143	283	219
<i>Total</i>	<i>9,341</i>	<i>6,094</i>	<i>7,292</i>	<i>9,303</i>
<i>Loans and advances</i>				
Loans	1,630	1,096	1,342	1,674
Financial Assets held for trading/available for sale	242	153	108	234
<i>Total</i>	<i>1,872</i>	<i>1,250</i>	<i>1,449</i>	<i>1,908</i>
Total	11,213	7,344	8,741	11,211

NOTE 6: RECEIVABLES

General Government

	2010-11		2009-10	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	2,231	1,983	1,776	2,221
Provision for impairment of receivables	-187	-147	-159	-179
Total	2,045	1,836	1,617	2,042

Total Public Sector

	2010-11		2009-10	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	3,436	3,081	3,447	3,691
Provision for impairment of receivables	-209	-156	-191	-223
Total	3,227	2,925	3,256	3,469

NOTE 7: BORROWINGS

General Government

	2010-11		2009-10	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	156	13	-	-
Finance leases	281	223	286	281
Borrowings	4,042	6,250	1,420	4,034
Total	4,480	6,487	1,705	4,315

Total Public Sector

	2010-11		2009-10	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	159	18	3	-
Finance leases	933	873	804	938
Borrowings	25,125	27,371	19,303	25,176
Total	26,219	28,262	20,110	26,114

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 32: Composition of Sectors in the 2009-10 *Annual Report on State Finances*. Changes since that date include the designation of South West Regional College of TAFE which has been altered to South West Institute of Technology, with effect from 1 October 2010.

NOTE 9: CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the release of the 2009-10 *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 corporation 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

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	654	2,458	591	2,303
Property taxes				
<i>Land tax</i>	126	527	1	528
Transfer Duty	294	1,602	319	1,552
Landholder Duty	12	58	7	87
<i>Total duty on transfers</i>	306	1,660	326	1,639
Mortgages	-	-	-	-
Other stamp duties	-	-	-	-
Metropolitan Region Improvement Tax	9	79	-	78
Emergency Services Levy	79	204	57	169
Loan guarantee fees	5	28	6	28
<i>Total other property taxes</i>	93	312	63	275
Taxes on provision of goods and services				
Lotteries Commission	33	133	32	130
Video lottery terminals	-	1	-	-
Casino Tax	22	92	25	92
TAB betting tax	9	36	9	32
<i>Total taxes on gambling</i>	65	262	65	254
Insurance Duty	117	433	111	404
Other	7	22	6	24
<i>Total taxes on insurance</i>	124	455	117	428
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	84	361	75	332
Permits - Oversize Vehicles and Loads	-	4	1	5
Motor Vehicle recording fee	11	45	11	43
Motor Vehicle registrations	137	541	126	516
<i>Total motor vehicle taxes</i>	232	951	212	895
Total Taxation	1,600	6,626	1,374	6,324
CURRENT GRANTS AND SUBSIDIES				
General Purpose Grants				
GST Revenue grants	840	3,374	833	3,590
North West Shelf grants	243	928	143	897
Compensation for Crude Oil Excise Condensate	11	57	10	50
Grants through the State				
Schools assistance – non-government schools	178	861	215	769
Local government financial assistance grants	37	143	60	136
Local government roads	24	95	39	90
First Home Owners' Boost	19	-	-	168
Other	-	25	-	-
National Specific Purpose Payment Agreement Grants				
National Health Care Agreement	308	1,228	284	1,136
National Education Agreement	88	352	82	329
National Agreement for Skills and Workforce Development	34	135	33	132
National Disability Agreement	24	94	19	78
National Affordable Housing Agreement	32	127	31	125
Nation Building and Jobs Plan				
Schools	-	-	-	70
Housing	-	-	5	20
Transport	4	-	-	5
Other Grants/National Partnerships				
Health	86	325	77	318
Housing	-	16	43	23
Roads	12	50	1	2
Other	68	282	76	290
Total Current Grants and Subsidies	2,007	8,092	1,952	8,228

GENERAL GOVERNMENT
Operating Revenue

Table 2.1 (cont.)

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CAPITAL GRANTS				
Grants through the State				
Schools assistance – non-government schools	186	27	31	309
Nation Building and Jobs Plan				
Schools	179	479	14	651
Housing	-	155	22	368
Transport	-	-	-	5
Other Grants/National Partnerships				
Housing	4	85	7	180
Roads	34	195	19	232
Other	23	329	4	233
Total Capital Grants	425	1,269	98	1,978
SALES OF GOODS AND SERVICES	469	1,656	397	1,635
INTEREST INCOME	84	253	47	227
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	-	661	89	570
Tax Equivalent Regime	83	377	73	350
Total Revenue from Public Corporations	83	1,038	162	920
ROYALTY INCOME	863	3,271	481	2,324
OTHER				
Lease Rentals	20	67	19	76
Fines	34	179	34	136
Revenue not elsewhere counted	37	139	36	193
Total Other	91	386	89	405
GRAND TOTAL	5,622	22,591	4,600	22,039

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	639	2,426	581	2,241
Property taxes				
<i>Land tax</i>	114	480	-11	484
Transfer Duty	294	1,602	319	1,551
Landholder Duty	12	58	7	87
<i>Total duty on transfers</i>	306	1,660	326	1,639
Mortgages	-	-	-	-
Other stamp duties	-	-	-	-
Metropolitan Region Improvement Tax	9	79	-	78
Emergency Services Levy	79	201	57	165
Loan guarantee fees	-	2	-	1
<i>Total other property taxes</i>	88	283	57	245
Taxes on provision of goods and services				
Lotteries Commission	-	-	-	-
Video lottery terminals	-	1	-	-
Casino Tax	22	92	25	92
TAB betting tax	-	-	-	-
<i>Total taxes on gambling</i>	22	93	25	92
Insurance Duty	117	433	111	404
Other	7	22	6	23
<i>Total taxes on insurance</i>	124	455	117	428
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	84	361	75	331
Permits - Oversize Vehicles and Loads	-	4	1	4
Motor Vehicle recording fee	11	45	11	43
Motor Vehicle registrations	137	541	126	515
<i>Total motor vehicle taxes</i>	232	951	212	895
Total Taxation	1,527	6,348	1,307	6,026
CURRENT GRANTS AND SUBSIDIES				
General Purpose Grants				
GST Revenue grants	840	3,374	833	3,590
North West Shelf grants	243	928	143	897
Compensation for Crude Oil Excise Condensate	11	57	10	50
Grants through the State				
Schools assistance – non-government schools	178	861	215	769
Local government financial assistance grants	37	143	60	136
Local government roads	24	95	39	90
First Home Owners' Boost	19	-	-	168
Other	-	25	-	-
National Specific Purpose Payment Agreement Grants				
National Health Care Agreement	308	1,228	284	1,136
National Education Agreement	88	352	82	329
National Agreement for Skills and Workforce Development	34	135	33	132
National Disability Agreement	24	94	19	78
National Affordable Housing Agreement	32	127	31	125
Nation Building and Jobs Plan				
Schools	-	-	-	70
Housing	-	-	5	20
Transport	4	-	-	5
Other Grants/National Partnerships				
Health	86	325	77	318
Housing	-	16	43	23
Roads	12	50	1	2
Other	68	282	76	290
Total Current Grants and Subsidies	2,007	8,092	1,952	8,228

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2010-11		2009-10	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept	Actual ^(b) \$m
CAPITAL GRANTS				
Grants through the State				
Schools assistance – non-government schools	186	27	31	309
Nation Building and Jobs Plan				
Schools	179	479	14	651
Housing	-	155	22	368
Transport	-	-	-	5
Other Grants/National Partnerships				
Housing	4	85	7	180
Roads	34	195	19	232
Other	23	329	4	233
Total Capital Grants	425	1,269	98	1,978
SALES OF GOODS AND SERVICES	4,249	17,748	2,770	14,905
INTEREST INCOME	242	783	136	633
ROYALTY INCOME	863	3,271	481	2,324
OTHER				
Lease Rentals	20	67	19	76
Fines	35	179	35	139
Revenue not elsewhere counted	148	519	132	587
Total Other	203	765	186	801
GRAND TOTAL	9,515	38,277	6,929	34,895

(a) Estimate published in the 2010-11 Budget, released 20 May 2010.

(b) Consistent with final audited data contained in the 2009-10 *Annual Report on State Finances*, released 28 September 2010.

Note: Columns may not add due to rounding.

APPENDIX 3

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 3.1 shows that the aggregate balance of the Public Ledger at 30 September 2010 increased by \$1,002 million compared with 30 September 2009. This reflects the net impact of a \$832 million increase in the Treasurer's Special Purpose Accounts, a \$140 million decrease in the Consolidated Account deficit and a \$30 million decrease in the Treasurer's Advance Account.

Table 3.1		
PUBLIC LEDGER BALANCES AT 30 SEPTEMBER		
	2010 \$m	2009 \$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-5,896	-6,036
Treasurer's Special Purpose Accounts	6,846	6,014
Treasurer's Advance Account – Net Advances	-27	-57
Total	923	-79

(a) The balance of the Consolidated Account at 30 September 2010 includes non-cash appropriations of \$5,002 million (30 September 2009: \$4,236 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 \$5,896 million at 30 September 2010. This included \$5,002 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 an accumulated cash deficit of \$894 million at 30 September 2010, \$906 million lower than the \$1,800 million cash deficit at 30 September 2009.

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

CONSOLIDATED ACCOUNT TRANSACTIONS		Table 3.2	
For the three months ended 30 September			
	2010	2009	
	\$m	\$m	
REVENUE			
<i>Operating Activities</i>			
Taxation	1,197	1,130	
Commonwealth Grants	1,658	1,111	
Government Enterprises	106	59	
Revenue from other agencies	1,102	801	
Other	54	57	
<i>Total Operating Activities</i>	4,117	3,158	
<i>Financing Activities</i>			
Repayments of Recoverable Advances	2	3	
Transfers from:			
Public Bank Account Interest Earned Account	-	-	
Bankwest Pension Trust	1	-	
Other Receipts	1	1	
Borrowings	-	-	
<i>Total Financing Activities</i>	4	4	
TOTAL REVENUE	4,121	3,162	
EXPENDITURE			
<i>Recurrent</i>			
Authorised by Other Statutes	307	291	
Appropriation Act (No. 1)	4,689	4,226	
Recurrent Expenditure under the Treasurer's Advance	-	-	
<i>Total Recurrent Expenditure</i>	4,996	4,517	
<i>Investing Activities</i>			
Authorised by Other Statutes	9	16	
Appropriation Act (No. 2)	546	821	
Investing Expenditure under the Treasurer's Advance	-	-	
<i>Total Investing Activities</i>	555	837	
<i>Financing Activities</i>			
Loan repayments	-	-	
Other financing	1	-	
<i>Total Financing Activities</i>	1	-	
TOTAL EXPENDITURE	5,552	5,354	
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,431	-2,192	
Consolidated Account Balance			
Opening balance at 1 July	-4,465	-3,844	
Closing balance at 30 September	-5,896	-6,036	
Of which:			
Appropriations payable	-5,002	-4,236	
Cash balance at 30 September	-894	-1,800	

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 \$832 million increase in the TSPA mainly reflects higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$766 million).

TREASURER'S SPECIAL PURPOSE ACCOUNTS		
AT 30 SEPTEMBER		
	2010	2009
	\$m	\$m
Agency Holding Accounts	5,002	4,236
Fiona Stanley Hospital Construction Account	1,091	1,293
Royalties for Regions Special Purpose Account	329	26
Other Special Purpose Accounts	424	459
TREASURER'S SPECIAL PURPOSE ACCOUNTS	6,846	6,014

Table 3.3

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').

A limit of \$555.5 million is authorised under section 29 of the FMA for the year ending 30 June 2011, compared with a total \$469.2 million authorised limit applying at the same time last year.

Of the \$555.5 million authorised limit applying at 30 September 2010, \$27.2 million was held in the form of net recoverable advances (see Table 3.4). There have been no draw-downs at 30 September 2010, against approved supplementary funding (see Table 3.5).

TREASURER'S ADVANCE AT 30 SEPTEMBER		
	2010	2009
	\$m	\$m
AUTHORISED LIMIT	555.5	469.2
<i>Total Drawn Against Treasurer's Advance Account</i>	27.2	57.2
Comprising:		
Net recoverable advances as at 30 September (see below)	27.2	57.2
Excesses and New Items (see Table 3.5)		
- recurrent	-	-
- capital	-	-
NET RECOVERABLE ADVANCES		
Building Management and Works	-	51.0
Public Sector Standards Commissioner – CEO selection	0.5	0.5
Electoral Boundaries Distribution	0.1	1.0
Energy Smart Government Program	0.5	1.1
Gas Review Board	0.5	0.5
Programmed Building Maintenance	0.1	-
Sport and Recreation	1.9	-
Suitors Fund	1.5	1.1
Transport	2.0	2.0
W.A. Health Promotion Foundation	20.1	-
TOTAL RECOVERABLE TREASURER'S ADVANCES	27.2	57.2

Transfers, Excesses and New Items

Table 3.5 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).

The transfer of \$0.1 million in appropriation funding from the Legislative Council to the Parliamentary Services Department has been approved for the transfer of responsibility and the associated funding for the Electronic Document Records Management System Project Manager function.

Table 3.5

TRANSFERS, EXCESSES AND NEW ITEMS
For the three months to 30 September 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	3.9	-0.1	-	-	3.8	-
<i>Parliamentary Services</i>						
Item 3: Delivery of Services	13.0	0.1	-	-	13.1	-
Total Recurrent		-	-	-		-
Capital Appropriations						
<i>National Trust of Australia (W.A.)</i>						
Item 158: Capital Appropriation	0.4	-	-	1.0	1.4	-
Total Capital		-	-	1.0		-
TOTAL		-	-	1.0		-

(a) Authorised under section 25 of the FMA.

Note: Columns may not add due to rounding

The approved excess was for the following item:

National Trust of Australia (WA)

Item 158: Capital Appropriation (\$1.0 million) for restorative works and a new toilet block on the Old Perth Boys School site.

