



2010-11 Quarterly Financial Results Report

March 2011



2010-11

**Quarterly Financial
Results Report**

MARCH 2011

2010–11 Quarterly Financial Results Report
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2010-11

**QUARTERLY FINANCIAL RESULTS REPORT
Nine Months Ended 31 March 2011**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the nine months to 31 March 2011.

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 (including significant timing differences and the magnitude of stimulus programs relative to 2009-10), 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 original 2010-11 State Budget (released 20 May 2010), and with the estimated outturn published in the 2011-12 Budget Papers (released on 19 May 2011).

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 public sector recorded strong financial outcomes across all sub-sectors during the nine months to 31 March 2011. These results are consistent with the revised full-year estimates for 2010-11 published in the 2011-12 Budget (on 19 May 2011).

The general government sector recorded an operating surplus of \$1,146 million for the nine months to 31 March 2011. This compares with a \$15 million surplus reported for the same period in 2009-10 and includes:

- higher revenue, up \$2,223 million (or 14.3%) in the first nine months of the year, mainly driven by higher iron ore royalties and an increase in taxation revenue (with a one-off receipt in December 2010 of \$350 million from BHP Billiton and Rio Tinto as a result of changes to State Agreement Acts, and higher payroll tax receipts, partially offset by the effect of a weaker property market on transfer duty collections); and
- higher expenses, up \$1,092 million (or 7.0%), mainly due to higher salaries, current transfer costs (which included a one-off payroll tax rebate paid in the 2010-11), and services and contracts costs;

The total public sector recorded a \$1,568 million operating surplus in the first nine months of 2010-11. This included the general government sector outcome above and surplus outcomes in the public corporations sectors.

The net worth of the total public sector increased by \$4.1 billion over the nine months to 31 March 2011, to stand at \$111.9 billion.

Total public sector net debt was \$11.0 billion at 31 March 2011, \$1.1 billion higher than the \$9.9 billion recorded at 30 June 2010.

General Government Sector

The general government sector recorded an operating surplus of \$1,146 million for the nine months to 31 March 2011. This is \$1,131 million higher than the \$15 million surplus reported for the same period in 2009-10.

This outcome was largely due to stronger revenue performance, reflecting higher iron ore royalty income and taxation collections.

These outcomes are consistent with the \$784 million expected outturn reflected in 2011-12 Budget Papers, released on 19 May 2011. In this regard, revenue and expenses for the first nine months of 2010-11 were 75% and 72% of the full-year projection respectively. Expenses are expected to accelerate in the June quarter.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2010-11			2009-10		Actual ^(b)
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
Net operating balance	40	1,146	784	274	15	831
Net worth		111,905	111,265		108,893	107,844
Increase in cash balances	93	-476	-1,278	1,362	146	1,012
<i>Memorandum items</i>						
Net lending	-388	-115	-1,215	-298	-1,343	-1,058
Net debt		-16	1,086		-1,057	-1,076
Cash surplus/-deficit	-249	-370	-1,462	572	-895	-867

(a) Consistent with the revised outturn published in the 2011-12 Budget, released 19 May 2011.

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

Revenue

Revenue for the nine months to 31 March 2011 totalled \$17,787 million, up \$2,223 million (or 14.3%) on the same period in 2009-10. This primarily reflects:

- higher royalty income (up \$1,521 million), mainly from higher iron ore production volumes and prices, an increase in the royalty rate for iron ore 'fines' in State Agreement Acts that applied from 1 July 2010, and a \$55 million one-off back-payment relating to the Robe River Mesa J Mine, partially offset by the effect of a stronger Australian dollar;
- higher taxation revenue (up \$299 million), mainly due to the combined effect of :
 - a one-off contribution from Rio Tinto and BHP Billiton (\$350 million) in response to changes to State Agreement Acts¹, received in December 2010;

¹ The Government announced in December 2010 that this contribution, together with the Mesa J royalty back-payment noted above and \$100 million in higher than expected royalty collections at the end of 2009-10, will be used to fund the construction of the New Children's Hospital, with building work to commence in 2012.

- higher payroll tax receipts (up \$214 million), resulting from stronger labour market conditions; and
- lower transfer duty collections (down \$342 million), due to soft conditions in Western Australia's established housing market;
- higher sale of goods and services (up \$128 million), mainly due to higher overseas student fee collection as a result of increased enrolment numbers, and higher cost recovery and service fees by the health sector;
- higher interest income (up \$100 million), due to larger holdings of interest earning assets and higher interest rates; and
- higher dividends (up \$91 million), due to the timing of final 2009-10 dividend outcomes for public corporations.

Expenses

Expenses for the nine months to 31 March 2011 totalled \$16,642 million, up \$1,092 million (or 7.0%) on the same period in 2009-10. This primarily reflects:

- higher salaries costs (up \$377 million, or 6.2%), due mainly to higher pay rates and an increase in staff numbers, mainly in the health, education and training, and law and order sectors (accounting for around 74.1% of the total increase);
- higher current transfers (up \$329 million), due largely to the net effect of:
 - one-off payroll tax rebates of \$99 million paid to eligible employers, an initiative included in the 2009-10 State Budget;
 - higher on-passed grant payments to external health providers (up \$64 million), particularly for aged care services, patient transport services, Home and Community Care programs and mental health services;
 - higher payments under the WA Redress program and the payment of the Cost of Living Rebate (up \$62 million);
 - Native Title grants under Yawaru Agreements (\$45 million);
 - higher payments for the *Royalties for Regions* fuel card program (up \$39 million), reflecting the number of card renewals and expanded regional coverage;
 - higher funding for disability service providers (up \$34 million), resulting from the National Disabilities Agreement and State growth funding for accommodation and preventative services that were included in the 2010-11 State Budget; and
 - lower on-passed education and training sector grants (down \$30 million), mainly due to a one-off Commonwealth grant on-passed to the Catholic education sector, received in 2009-10; and
- higher services and contracts expense (up \$209 million), primarily due to timing of payments for day-to-day running costs across the general government sector; and

- higher interest expenses (up \$93 million), primarily due to increasing levels of borrowings compared to the same period in 2009-10 (with new borrowings supporting the Government's infrastructure investment program).

Balance Sheet

The net worth of the general government sector increased by \$4.1 billion for the first nine months of 2010-11, to stand at \$111.9 billion at 31 March 2011. This increase mainly reflects the general government operating surplus outlined above, estimated revaluations of land holdings and operating surpluses in the public corporations sectors.

The general government sector continued to be net debt-free during the first nine months of 2010-11, with financial assets exceeding borrowings and other debt liabilities by \$16 million at 31 March 2011. However, as indicated in the recent budget projections, strong infrastructure spending is expected to push the sector into a net debt position by 30 June 2011.

Cash Flow

A cash deficit of \$370 million was recorded for the nine months ended 31 March 2011, \$525 million lower than the \$895 million cash deficit for the same period in 2009-10. This outcome mainly reflects the effect on cash from the operating surplus outlined above.

Infrastructure spending was broadly comparable to the same period in 2009-10.

Total Public Sector²

The total public sector recorded an operating surplus of \$1,568 million for the nine months to 31 March 2011. This is \$755 million higher than the surplus recorded in the same period in 2009-10, with operating surpluses recorded in the general government and public corporations sectors.

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

	2010-11			2009-10		Actual ^(b)
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
Net operating balance	63	1,568	368	412	813	859
Net worth		111,905	111,265		108,893	107,844
Increase in cash balances	337	-388	-2,009	1,214	828	2,125
<i>Memorandum items</i>						
Net lending	-667	-1,220	-2,928	-498	-1,785	-4,232
Net debt		11,028	13,387		8,505	9,896
Cash surplus/-deficit	-597	-1,244	-3,763	241	-1,801	-2,816

(a) Consistent with the revised outturn published in the 2011-12 Budget, released 19 May 2011.

(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 for the first nine months of 2010-11 includes the combined impact of:

- the \$1,146 million operating surplus for the general government sector (discussed in the previous section);
- a public non-financial corporations sector operating surplus of \$375 million, which was \$180 million lower than the surplus recorded for the same period 2009-10, mainly due to lower subsidies for the Housing Authority (in anticipation of dividend funding to be received from Keystart later in 2010-11), and lower National Partnership housing revenue from the Commonwealth; and
- an operating surplus of \$247 million for the public financial corporations sector, which is \$104 million lower than the surplus recorded in the same period last year. The decrease in the surplus is mainly due to lower net investment income for the Insurance Commission of Western Australia.

² 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 sector (which includes entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority), and the public financial corporations sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

Balance Sheet

The value of the total public sector balance is identical to that of the general government sector in terms of net worth. This is because the net worth of the public corporations is recognised as an investment asset of the general government sector.

Net debt of the total public sector increased by \$1.1 billion during the first nine months of 2010-11, to stand at \$11.0 billion at 31 March 2011. This reflects the effect of the State's substantial Asset Investment Program (which is forecast to be \$6.9 billion in 2010-11).

Cash Flow

A cash deficit of \$1,244 million was recorded for the nine months ended 31 March 2011. This compares with a \$1,801 million deficit for the same period in 2009-10. The lower deficit outcome reflects the net cash impact of the operating surplus outlined above and net cash outflows for infrastructure spending (i.e. spending less sales of second hand assets) of \$4.2 billion for the nine months ended 31 March 2011.

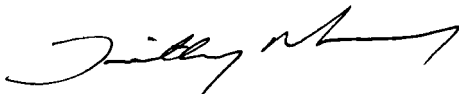
Interim Financial Statements

Statement of Responsibility

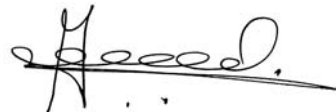
The following Interim Financial Statements and accompanying notes for the general government sector and whole-of-government have been prepared by the Department of Treasury and Finance from information provided by agencies.

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 2011 and of the balance sheets of these reporting entities at 31 March 2011. 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



FAROOK NAUSHAD
A/MANAGER
FINANCIAL REPORTING

25 May 2011

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Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT
For the nine months ended 31 March 2011

	Note	2010-11			2009-10		
		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		1,366	5,249	6,662	1,576	4,950	6,324
Current grants and subsidies		2,103	6,136	8,032	2,065	6,150	8,228
Capital grants		242	1,061	1,406	660	1,051	1,978
Sales of goods and services		415	1,311	1,718	415	1,183	1,635
Interest Income		79	242	309	52	142	227
Dividends from other sectors		138	199	696	1	108	570
Tax equivalent income		47	300	359	106	251	350
Royalty income		1,012	2,948	4,159	454	1,427	2,324
Other		111	341	422	87	303	405
Total	2	5,513	17,787	23,764	5,416	15,564	22,039
EXPENSES							
Salaries		2,162	6,489	8,913	1,985	6,112	8,284
Superannuation							
Concurrent costs		205	617	851	190	584	793
Superannuation interest cost		94	299	400	120	305	338
Other employee costs		85	250	359	72	222	323
Depreciation and amortisation		224	652	906	206	614	848
Services and contracts		430	1,209	1,826	440	1,000	1,523
Other gross operating expenses		700	2,211	3,571	636	2,123	2,959
Other interest		73	215	334	52	122	187
Current transfers	3	1,409	4,156	5,090	1,308	3,827	4,882
Capital transfers	3	93	542	729	134	639	1,071
Total		5,473	16,642	22,980	5,142	15,550	21,208
NET OPERATING BALANCE	4	40	1,146	784	274	15	831
<i>Other economic flows</i>							
Net gains on assets/liabilities		16	23	21	-13	-13	228
Net actuarial gains - superannuation		-	-	57	-	-	-169
Provision for doubtful debts		1	-2	-	-	-	-32
All other		-	-	-	-	-	-
Total other economic flows		17	21	77	-14	-13	27
OPERATING RESULT		56	1,167	861	260	2	858
<i>All other movements in equity</i>							
Revaluations		489	1,149	1,567	159	328	-2,055
Gains recognised directly in equity		-	-6	-1	-	-8	-5
Changes in accounting policy/correction of prior period errors		-34	-52	-225	-54	34	117
Change in net worth of the public corporations sectors		691	1,803	1,218	689	1,375	1,768
All other		-	-	-	-	-	-
Total all other movements in equity		1,147	2,894	2,560	794	1,729	-176
TOTAL CHANGE IN NET WORTH		1,203	4,061	3,421	1,054	1,731	682
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	40	1,146	784	274	15	831
Less <i>Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		694	2,017	3,131	826	2,035	2,974
Changes in inventories		-1	1	-2	4	1	-4
Other movement in non-financial assets		2	7	-10	2	2	-72
less:							
Sales of non-financial assets		44	113	214	54	66	161
Depreciation		224	652	906	206	614	848
Total net acquisition of non-financial assets		428	1,260	1,999	572	1,357	1,889
NET LENDING/-BORROWING	4	-388	-115	-1,215	-298	-1,343	-1,058

(a) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

(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 31 March 2011

	Note	2010-11		2009-10	
		31 Mar \$m	Estimated Outturn ^(a) \$m	31 Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		614	569	738	586
Advances paid		713	694	732	708
Investments, loans and placements	5	4,226	3,719	4,168	5,174
Receivables	6	2,176	2,302	1,652	2,042
Investment property		-	8	-	8
Shares and other equity					
Investments in other public sector entities - equity method		44,278	43,692	42,327	42,474
Investments in other public sector entities - direct injections		4,674	4,744	3,753	4,075
Investments in other entities		-	-	-	-
Other financial assets		-	-	-	-
Total financial assets		56,682	55,728	53,370	55,067
<i>Non-financial assets</i>					
Land		38,928	38,149	39,903	37,890
Property, plant and equipment		32,385	34,489	30,572	31,056
Biological assets		2	2	2	2
Inventories					
Land inventories		104	101	96	102
Other inventories		69	66	73	68
Intangibles		428	408	348	408
Non-current assets held for sale		55	35	23	49
Other		189	138	147	155
Total non-financial assets		72,161	73,388	71,163	69,730
TOTAL ASSETS		128,842	129,116	124,534	124,797
LIABILITIES					
Deposits held		298	339	658	683
Advances received		482	468	496	482
Borrowings	7	4,846	5,348	3,515	4,315
Unfunded superannuation		7,238	7,184	7,105	7,249
Other employee benefits		2,221	2,404	2,312	2,296
Payables		509	664	387	675
Other liabilities		1,344	1,444	1,167	1,253
TOTAL LIABILITIES		16,937	17,851	15,641	16,953
NET ASSETS		111,905	111,265	108,893	107,844
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		10,495	4,975	8,476	9,367
Other reserves		101,410	106,290	100,418	98,478
NET WORTH	4	111,905	111,265	108,893	107,844
MEMORANDUM ITEMS					
<i>Net financial worth</i>		39,745	37,877	37,730	38,114
<i>Net financial liabilities</i>		9,207	10,559	8,350	8,435
<i>Net debt</i>					
Gross debt liabilities		5,626	6,155	4,669	5,480
less: liquid financial assets		5,553	4,982	5,638	6,468
less: convergence differences impacting net debt		88	88	88	88
Net debt		-16	1,086	-1,057	-1,076

(a) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

(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 nine months ended 31 March 2011

	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	1,146	-	1,146
Revaluations	-	1,149	1,149
Change in net worth of the other sectors	-	1,803	1,803
All other	-17	-20	-37
Balance as at 31 March 2011	10,495	101,410	111,905

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>	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

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT
For the nine months ended 31 March 2011

	Note	2010-11			2009-10		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	
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		1,396	5,035	6,667	1,879	4,695	6,329
Grants and subsidies received		2,345	7,171	9,485	2,791	7,201	10,113
Receipts from sales of goods and services		497	1,364	1,762	475	1,277	1,767
Interest receipts		77	221	303	43	113	203
Dividends and tax equivalents		127	445	1,086	73	410	882
Other		1,430	4,237	5,200	843	2,617	3,558
Total cash received		5,873	18,473	24,503	6,105	16,315	22,853
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-2,577	-7,443	-10,067	-2,127	-6,696	-9,221
Payments for goods and services		-1,173	-3,952	-5,964	-951	-3,439	-4,594
Interest paid		-72	-200	-323	-23	-74	-146
Grants and subsidies paid		-1,305	-4,301	-5,481	-1,273	-3,836	-5,364
Dividends and tax equivalents		-	-	-	-	-	-
Other		-344	-1,043	-1,215	-388	-1,195	-1,582
Total cash paid		-5,471	-16,939	-23,049	-4,762	-15,241	-20,907
NET CASH FLOWS FROM OPERATING ACTIVITIES		401	1,534	1,454	1,343	1,073	1,946
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-694	-2,017	-3,131	-826	-2,035	-2,974
Sales of non-financial assets		44	113	214	54	66	161
Total cash flows from investments in non-financial assets		-650	-1,904	-2,917	-772	-1,968	-2,813
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		3	12	-	11	14	19
For liquidity purposes		-	37	-	-	60	83
<i>Cash paid</i>							
For policy purposes		-113	-611	-811	-168	-606	-659
For liquidity purposes		-	-2	-5	-	-1	-2
Total cash flows from investments in financial assets		-110	-564	-816	-157	-533	-559
NET CASH FLOWS FROM INVESTING ACTIVITIES		-761	-2,468	-3,732	-929	-2,501	-3,371
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	14	-	-	14
Borrowings		534	580	1,100	1,080	1,850	2,754
Deposits received		-	-	-	-	-	-
Other financing receipts		8	23	31	7	25	32
Total cash received		542	603	1,145	1,087	1,875	2,799
<i>Cash paid</i>							
Advances paid		-	-	-14	-	-	-14
Borrowings repaid		-48	-71	-48	-127	-261	-299
Deposits paid		-	-	-	-	-	-
Other financing payments		-42	-73	-82	-12	-40	-49
Total cash paid		-89	-144	-145	-139	-301	-362
NET CASH FLOWS FROM FINANCING ACTIVITIES		453	459	1,001	947	1,574	2,438
Net increase in cash and cash equivalents		93	-476	-1,278	1,362	146	1,012
Cash and cash equivalents at the beginning of the year		4,777	5,346	5,346	3,118	4,334	4,334
Cash and cash equivalents at the end of the year		4,871	4,871	4,068	4,480	4,480	5,346
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		401	1,534	1,454	1,343	1,073	1,946
Net cash flows from investing in non-financial assets		-650	-1,904	-2,917	-772	-1,968	-2,813
Cash surplus/-deficit	4	-249	-370	-1,462	572	-895	-867

(a) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

(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 nine months ended 31 March 2011

	Note	2010-11			2009-10		
		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		1,303	5,030	6,375	1,505	4,738	6,026
Current grants and subsidies		2,103	6,136	8,032	2,065	6,150	8,228
Capital grants		242	1,061	1,406	660	1,051	1,978
Sales of goods and services		3,318	10,562	15,692	2,743	8,114	14,905
Interest Income		257	732	890	200	468	633
Royalty income		1,012	2,948	4,159	454	1,427	2,324
Other		185	633	868	173	581	801
Total	2	8,420	27,104	37,423	7,801	22,530	34,895
EXPENSES							
Salaries		2,417	7,249	9,950	2,218	6,817	9,203
Superannuation							
Concurrent costs		229	690	949	212	651	878
Superannuation interest cost		94	299	400	120	305	338
Other employee costs		59	176	240	50	160	238
Depreciation and amortisation		608	1,821	2,498	556	1,661	2,292
Services and contracts		557	1,612	2,430	577	1,401	2,112
Other gross operating expenses		2,758	8,649	14,498	2,297	6,534	13,318
Other interest		378	1,125	1,521	286	785	1,116
Other property expenses		-	-	-	-	-	-
Current transfers	3	1,119	3,315	3,712	949	2,849	3,642
Capital transfers	3	139	599	858	126	554	897
Total		8,357	25,536	37,055	7,389	21,717	34,036
NET OPERATING BALANCE	4	63	1,568	368	412	813	859
<i>Other economic flows</i>							
Gains on net assets		30	132	207	66	129	506
Net actuarial gains - superannuation		-	-	57	-	-	-193
Provision for doubtful debts		-6	-18	-10	-4	-13	-57
All other		-	-	-	11	-	-
Total other economic flows		24	114	254	73	117	256
OPERATING RESULT		87	1,682	621	484	930	1,115
<i>All other movements in equity</i>							
Revaluations		1,140	1,907	2,804	593	242	-1,168
Gains recognised directly in equity		17	352	-44	31	321	396
Changes in accounting policy/correction of prior period errors		-41	120	39	-54	238	339
All other		-	-	-	-	-	-
Total all other movements in equity		1,116	2,379	2,799	570	801	-433
TOTAL CHANGE IN NET WORTH		1,203	4,061	3,421	1,054	1,731	682
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	63	1,568	368	412	813	859
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,411	4,659	6,936	1,709	4,619	6,828
Changes in inventories		89	425	-29	-61	128	1,331
Other movement in non-financial assets		-11	-34	-302	51	29	13
<i>less:</i>							
Sales of non-financial assets		152	441	811	233	517	789
Depreciation		608	1,821	2,498	545	1,661	2,292
Total net acquisition of non-financial assets		730	2,787	3,296	921	2,597	5,091
NET LENDING/-BORROWING	4	-667	-1,220	-2,928	-498	-1,785	-4,232

(a) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

(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 31 March 2011

	Note	2010-11		2009-10	
		31 Mar \$m	Estimated Outturn ^(a) \$m	31 Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,326	1,132	1,235	1,255
Advances paid		4,230	4,862	4,215	4,347
Investments, loans and placements	5	12,531	11,600	9,623	11,211
Receivables	6	3,227	3,764	3,606	3,469
Investment property		499	489	439	464
Equity - investments in other entities		1,249	1,082	1,191	1,029
Other financial assets		57	36	22	36
<i>Total financial assets</i>		23,119	22,964	20,329	21,811
<i>Non-financial assets</i>					
Land		53,192	51,830	53,685	50,927
Property, plant and equipment		76,468	79,696	71,067	74,158
Biological assets		349	354	386	330
Inventories					
Land inventories		1,666	1,835	1,514	1,609
Other inventories		3,527	3,074	1,899	3,102
Intangibles		780	681	644	743
Non-current assets held for sale		81	51	23	64
Other		402	346	282	306
<i>Total non-financial assets</i>		136,467	137,867	129,500	131,238
TOTAL ASSETS		159,586	160,830	149,829	153,049
LIABILITIES					
Deposits held		6	210	152	201
Advances received		482	468	496	482
Borrowings	7	28,715	30,391	23,017	26,114
Unfunded superannuation		7,354	7,316	7,224	7,386
Other employee benefits		2,557	2,727	2,636	2,625
Payables		4,308	4,100	3,438	4,155
Other liabilities		4,258	4,354	3,973	4,241
TOTAL LIABILITIES		47,681	49,565	40,935	45,205
NET ASSETS		111,905	111,265	108,893	107,844
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		31,084	10,848	28,607	28,958
Other reserves		80,822	100,417	80,286	78,887
NET WORTH	4	111,905	111,265	108,893	107,844
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-24,561	-26,602	-20,606	-23,394
<i>Net financial liabilities</i>		25,810	27,684	21,797	24,423
<i>Net debt</i>					
Gross debt liabilities		29,203	31,069	23,665	26,797
less: liquid financial assets		18,087	17,594	15,072	16,814
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		11,028	13,387	8,505	9,896

(a) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

(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 nine months ended 31 March 2011

	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	1,568	-	1,568
Revaluations	-	1,907	1,907
All other	558	28	586
Balance as at 31 March 2011	31,084	80,822	111,905

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

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 2011

Note	2010-11			2009-10		
	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	1,348	4,868	6,337	1,839	4,564	5,991
Grants and subsidies received	2,345	7,171	9,485	2,791	7,201	10,113
Receipts from sales of goods and services	3,207	10,676	15,661	2,695	8,281	15,134
Interest receipts	236	699	946	168	431	646
Other receipts	1,636	4,967	5,622	1,080	3,327	4,499
<i>Total cash received</i>	<i>8,772</i>	<i>28,381</i>	<i>38,051</i>	<i>8,572</i>	<i>23,805</i>	<i>36,382</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-2,858	-8,289	-11,197	-2,365	-7,460	-10,251
Payments for goods and services	-2,829	-10,219	-16,020	-2,617	-8,276	-15,052
Interest paid	-327	-970	-1,510	-160	-607	-976
Grants and subsidies paid	-1,201	-3,657	-4,163	-1,031	-3,072	-4,076
Other payments	-894	-2,271	-2,800	-683	-2,089	-2,805
<i>Total cash paid</i>	<i>-8,109</i>	<i>-25,406</i>	<i>-35,690</i>	<i>-6,856</i>	<i>-21,504</i>	<i>-33,160</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	663	2,974	2,361	1,717	2,301	3,223
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-1,411	-4,659	-6,936	-1,709	-4,619	-6,828
Sales of non-financial assets	152	441	811	233	517	789
<i>Total cash flows from investments in non-financial assets</i>	<i>-1,260</i>	<i>-4,218</i>	<i>-6,124</i>	<i>-1,476</i>	<i>-4,102</i>	<i>-6,038</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	3	7	-	11	14	19
For liquidity purposes	1,305	3,405	1,940	752	3,344	4,430
<i>Cash paid</i>						
For policy purposes	-3	-7	-	-14	-17	-19
For liquidity purposes	-2,117	-5,452	-2,578	-1,027	-4,059	-5,065
<i>Total cash flows from investments in financial assets</i>	<i>-811</i>	<i>-2,047</i>	<i>-638</i>	<i>-279</i>	<i>-718</i>	<i>-635</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,071	-6,266	-6,762	-1,754	-4,820	-6,674
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	7,652	20,101	18,077	6,715	17,815	23,727
Deposits received	-	-	-	-	-	-
Other financing receipts	9	36	55	17	42	68
<i>Total cash received</i>	<i>7,661</i>	<i>20,138</i>	<i>18,132</i>	<i>6,732</i>	<i>17,856</i>	<i>23,795</i>
<i>Cash paid</i>						
Advances paid	-	-	-14	-	-	-14
Borrowings repaid	-5,857	-17,109	-15,582	-5,460	-14,444	-18,111
Deposits paid	-	-	-	-	-	-
Other financing payments	-58	-126	-145	-21	-64	-95
<i>Total cash paid</i>	<i>-5,916</i>	<i>-17,235</i>	<i>-15,741</i>	<i>-5,481</i>	<i>-14,508</i>	<i>-18,219</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,745	2,903	2,392	1,251	3,348	5,576
Net increase in cash and cash equivalents	337	-388	-2,009	1,214	828	2,125
Cash and cash equivalents at the beginning of the year	8,387	9,112	9,112	6,601	6,987	6,987
Cash and cash equivalents at the end of the year	8,724	8,724	7,102	7,815	7,815	9,112
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	663	2,974	2,361	1,717	2,301	3,223
Net cash flows from investing in non-financial assets	-1,260	-4,218	-6,124	-1,476	-4,102	-6,038
Cash surplus/-deficit	4	-597	-3,763	241	-1,801	-2,816

(a) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

(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 nine months ended 31 March 2011 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 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			2009-10		
	2010-11		Estimated Outturn ^(b)	Three	Nine	Actual ^(c)
	Three Months to 31 Mar	Nine Months to 31 Mar		Months to 31 Mar	Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT TRANSFERS						
Local government	30	112	205	25	91	154
Local government on-passing	28	120	137	24	110	136
Private and not-for-profit sector	555	1,827	1,907	437	1,455	1,934
Private and not-for-profit sector on-passing	362	765	770	341	758	769
Other sectors of government	434	1,332	2,070	482	1,413	1,889
Total Current Transfers	1,409	4,156	5,090	1,308	3,827	4,882
CAPITAL TRANSFERS						
Local government	13	31	113	18	40	64
Local government on-passing	18	79	90	17	73	90
Private and not-for-profit sector	19	90	141	66	281	422
Private and not-for-profit sector on-passing	24	302	280	26	161	309
Other sectors of government	18	40	105	8	85	186
Total Capital Transfers	93	542	729	134	639	1,071
	Total Public Sector			2009-10		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT TRANSFERS						
Local government	30	113	205	26	93	155
Local government on-passing	28	120	137	24	110	136
Private and not-for-profit sector	695	2,298	2,392	545	1,862	2,550
Private and not-for-profit sector on-passing	362	765	770	341	758	769
Other sectors of government	4	20	208	14	26	32
Total Current Transfers	1,119	3,315	3,712	949	2,849	3,642
CAPITAL TRANSFERS						
Local government	13	32	113	18	40	66
Local government on-passing	18	79	90	17	73	90
Private and not-for-profit sector	83	186	374	65	281	421
Private and not-for-profit sector on-passing	24	302	280	26	161	309
Other sectors of government	-	-	-	-	-	9
Total Capital Transfers	139	599	858	126	554	897

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

(b) Consistent with the estimated outturn published in the 2011-12 Budget, released 19 May 2011.

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

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 2011 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Operating Balance

	2010-11			2009-10		
	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><u>General government</u></i>						
AASB1049 net operating balance	40	1,146	784	274	15	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	-	-	-	-	-	-
Total GFS revenue adjustments	-	-	-	-	3	3
<i>Less GFS expense adjustments</i>						
Capitalised interest	-	-	-	-	-	-
All other	-	-	-	-	-	-
Total GFS expense adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	3	3
GFS net operating balance	40	1,146	784	274	17	834
<i><u>Total public sector</u></i>						
AASB1049 net operating balance	63	1,568	368	412	813	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	-	-	-	-	-	-
Total GFS revenue adjustments	-	-	-	-	3	3
<i>Less GFS expense adjustments</i>						
Capitalised interest	13	42	62	3	36	51
All other	-	-	-	-	-	-
Total GFS expense adjustments	13	42	62	3	36	51
Total GFS adjustments to AASB 1049 net operating balance	-13	-42	-62	3	-33	-48
GFS net operating balance	50	1,526	305	409	780	811

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Net Lending/- Borrowing

	2010-11			2009-10		
	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
<u>General government</u>						
AASB1049 net lending/-borrowing	-388	-115	-1,215	-298	-1,343	-1,058
Plus Net operating balance convergence differences (noted above)	-	-	-	-	3	3
GFS net lending/-borrowing	-388	-115	-1,215	-298	-1,340	-1,055
<u>Total public sector</u>						
AASB1049 net lending/-borrowing	-667	-1,220	-2,928	-498	-1,785	-4,232
Plus Net operating balance convergence differences (noted above)	-13	-42	-62	-13	-33	-48
GFS net lending/-borrowing	-680	-1,261	-2,990	-511	-1,818	-4,280

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Net Worth

	2010-11		2009-10	
	Nine Months to 31 Mar	Estimated Outturn	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m
<u>General government</u>				
AASB1049 net worth	111,905	111,265	108,893	107,844
<u>Plus</u>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	185	179	157	179
Impact on public corporations net worth	25	8	39	44
Impact of AusLink Road grants prepayments	-69	-	-69	-69
All other	-	-	-	-
<i>Total GFS net worth adjustments</i>	<i>230</i>	<i>276</i>	<i>216</i>	<i>242</i>
GFS net worth	112,135	111,541	109,109	108,086
<u>Total public sector</u>				
AASB1049 net worth	111,905	111,265	108,893	107,844
<u>Plus</u>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	210	188	197	223
Impact of AusLink Road grants prepayments	-69	-	-69	-69
All other	-	-	-	-
<i>Total GFS net worth adjustments</i>	<i>230</i>	<i>276</i>	<i>216</i>	<i>242</i>
GFS net worth	112,135	111,541	109,109	108,086

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Cash Surplus/-Deficit

	2010-11			2009-10		
	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>						
AASB1049 cash surplus/-deficit	-249	-370	-1,462	572	-895	-867
Less Acquisitions under finance leases and similar arrangements	3	7	-	2	2	8
GFS cash surplus/-deficit	-252	-377	-1,462	569	-898	-875
<i>Total public sector</i>						
AASB1049 cash surplus/-deficit	-597	-1,244	-3,763	241	-1,801	-2,816
Less Acquisitions under finance leases and similar arrangements	3	7	1	65	65	144
GFS cash surplus/-deficit	-600	-1,251	-3,764	176	-1,866	-2,960

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2010-11		2009-10	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,160	3,645	4,041	5,070
Government securities	56	67	116	93
Total	4,217	3,712	4,157	5,163
<i>Loans and advances</i>				
Loans	9	7	10	10
Financial Assets held for trading/available for sale	-	-	1	-
Total	10	7	11	10
Total	4,226	3,719	4,168	5,174

Total Public Sector

	2010-11		2009-10	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	10,543	9,400	7,930	9,085
Government securities	182	226	296	219
Total	10,726	9,626	8,226	9,303
<i>Loans and advances</i>				
Loans	1,516	1,732	1,245	1,674
Financial Assets held for trading/available for sale	289	242	152	234
Total	1,805	1,974	1,397	1,908
Total	12,531	11,600	9,623	11,211

NOTE 6: RECEIVABLES

General Government				
	2010-11		2009-10	
	31 Mar	Estimated	31 Mar	Actual
	\$m	Outturn \$m	\$m	\$m
Accounts Receivable	2,362	2,504	1,809	2,221
Provision for impairment of receivables	-185	-202	-157	-179
Total	2,176	2,302	1,652	2,042
Total Public Sector				
	2010-11		2009-10	
	31 Mar	Estimated	31 Mar	Actual
	\$m	Outturn \$m	\$m	\$m
Accounts Receivable	3,437	4,006	3,802	3,691
Provision for impairment of receivables	-210	-242	-197	-223
Total	3,227	3,764	3,606	3,469

NOTE 7: BORROWINGS

General Government				
	2010-11		2009-10	
	31 Mar	Estimated	31 Mar	Actual
	\$m	Outturn \$m	\$m	\$m
Bank overdrafts	-	-	-	-
Finance leases	276	349	272	281
Borrowings	4,569	4,999	3,243	4,034
Total	4,846	5,348	3,515	4,315
Total Public Sector				
	2010-11		2009-10	
	31 Mar	Estimated	31 Mar	Actual
	\$m	Outturn \$m	\$m	\$m
Bank overdrafts	6	-	4	-
Finance leases	922	1,092	854	938
Borrowings	27,787	29,299	22,159	25,176
Total	28,715	30,391	23,017	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 are:

- with effect from 1 October 2010, the designation of South West Regional College of TAFE has been altered to South West Institute of Technology;
- with effect from 19 October 2010, the designation of C.Y. O'Connor College of TAFE been altered to C.Y. O'Connor Institute;
- with effect from 30 November 2010, the designation of the Office of Health Review was altered to Health and Disability Services Complaints Office;

- the functions of the Office of the Public Sector Standards Commissioner have been transferred to the Public Sector Commission with effect from 1 December 2010; and
- the Agriculture Protection Board was abolished with effect from 20 December 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		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	
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	629	1,936	2,604	551	1,723	2,303
Property taxes						
<i>Land tax</i>	8	523	515	49	535	528
Transfer Duty	267	868	1,167	520	1,210	1,552
Landholder Duty	5	37	38	14	66	87
<i>Total duty on transfers</i>	272	904	1,205	534	1,276	1,639
Other stamp duties	-	-	-	-	-	-
Metropolitan Region Improvement Tax	-	78	77	11	79	78
Emergency Services Levy	53	187	201	43	154	169
Loan guarantee fees	2	14	25	6	21	28
<i>Total other property taxes</i>	53	279	304	59	254	275
Taxes on provision of goods and services						
Lotteries Commission	28	95	134	34	97	130
Video lottery terminals	-	-	1	-	-	-
Casino Tax	22	69	92	22	68	92
TAB betting tax	8	26	33	7	24	32
Other	-	20	20	-	-	-
<i>Total taxes on gambling</i>	58	209	279	63	189	254
Insurance Duty	110	335	440	96	304	404
Other	5	21	26	9	19	24
<i>Total taxes on insurance</i>	114	356	466	104	323	428
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	83	251	343	79	238	332
Permits - Oversize Vehicles and Loads	1	3	5	1	3	5
Motor Vehicle recording fee	11	33	45	11	32	43
Motor Vehicle registrations	136	407	546	126	378	516
<i>Total motor vehicle taxes</i>	232	693	939	216	650	895
Other taxes on use of goods and performance of activities	-	350	350	-	-	-
Total Taxation	1,366	5,249	6,662	1,576	4,950	6,324
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST Revenue grants	802	2,469	3,165	865	2,551	3,590
North West Shelf grants	228	703	898	218	561	897
Compensation for Crude Oil Excise Condensate	17	40	49	13	35	50
Grants through the State						
Schools assistance - non-government schools	362	765	770	341	758	769
Local government financial assistance grants	28	120	137	25	110	136
Local government roads	18	79	90	17	73	90
First Home Owners' Boost	3	28	30	48	135	168
Other	-	-	-	-	-	-
National Specific Purpose Payment Agreement Grants						
National Healthcare	307	922	1,230	284	852	1,136
National Schools	162	265	353	82	247	329
National Skills and Workforce Development	72	101	135	33	99	132
National Disability Services	60	71	95	19	58	78
National Affordable Housing	84	95	127	31	94	125
Nation Building and Jobs Plan						
Schools	-	-	-	-	70	70
Housing	-	-	-	5	15	20
Transport	-	-	-	-	-	5
Other Grants/National Partnerships						
Health	103	268	460	-	-	318
Housing	-52	-	16	-48	23	23
Roads	2	23	84	16	16	2
Other	-92	185	394	115	453	290
Total Current Grants and Subsidies	2,103	6,136	8,032	2,065	6,150	8,228

GENERAL GOVERNMENT
Operating Revenue

Table 2.1 (cont.)

	2010-11			2009-10		
	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
CAPITAL GRANTS						
Grants through the State						
Schools assistance – non-government schools	116	302	280	26	161	309
Nation Building and Jobs Plan						
Schools	76	427	443	352	440	651
Housing	30	90	155	105	161	368
Transport	-	-	-	3	6	5
Other Grants/National Partnerships						
Housing	39	48	96	63	79	180
Roads	10	55	156	82	82	232
Other	-29	139	275	29	122	233
Total Capital Grants	242	1,061	1,406	660	1,051	1,978
SALES OF GOODS AND SERVICES	415	1,311	1,718	415	1,183	1,635
INTEREST INCOME	79	242	309	52	142	227
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	138	199	696	1	108	570
Tax Equivalent Regime	47	300	359	106	251	350
Total Revenue from Public Corporations	185	499	1,055	106	359	920
ROYALTY INCOME	1,012	2,948	4,159	454	1,427	2,324
OTHER						
Lease Rentals	22	64	78	20	60	76
Fines	32	99	150	32	107	136
Revenue not elsewhere counted	57	178	194	36	136	193
Total Other	111	341	422	87	303	405
GRAND TOTAL	5,513	17,787	23,764	5,416	15,564	22,039

(a) Consistent with the revised outturn published in the 2011-12 Budget, released 19 May 2011.

(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 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>	613	1,886	2,555	540	1,690	2,241
Property taxes						
<i>Land tax</i>	-1	491	468	36	499	484
Transfer Duty	267	868	1,167	520	1,210	1,551
Landholder Duty	5	37	38	14	66	87
<i>Total duty on transfers</i>	272	904	1,205	534	1,276	1,639
Other stamp duties	-	-	-	-	-	-
Metropolitan Region Improvement Tax	-	78	77	11	79	78
Emergency Services Levy	51	184	201	42	152	165
Loan guarantee fees	1	1	2	-	1	1
<i>Total other property taxes</i>	52	263	280	53	232	245
Taxes on provision of goods and services						
Lotteries Commission	-	-	-	-	-	-
Video lottery terminals	-	-	1	-	-	-
Casino Tax	22	69	92	22	68	92
TAB betting tax	-	-	-	-	-	-
Other	-	20	20	-	-	-
<i>Total taxes on gambling</i>	22	89	113	22	68	92
Insurance Duty	110	335	440	96	304	404
Other	5	21	26	9	19	23
<i>Total taxes on insurance</i>	114	356	466	104	323	428
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	83	251	343	79	238	331
Permits - Oversize Vehicles and Loads	1	3	5	1	3	4
Motor Vehicle recording fee	11	33	45	11	32	43
Motor Vehicle registrations	136	407	546	126	378	515
<i>Total motor vehicle taxes</i>	232	693	939	216	650	895
Other taxes on use of goods and performance of activities	-	350	350	-	-	-
Total Taxation	1,303	5,030	6,376	1,505	4,738	6,026
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST Revenue grants	802	2,469	3,165	865	2,551	3,590
North West Shelf grants	228	703	898	218	561	897
Compensation for Crude Oil Excise Condensate	17	40	49	13	35	50
Grants through the State						
Schools assistance – non-government schools	362	765	770	341	758	769
Local government financial assistance grants	28	120	137	25	110	136
Local government roads	18	79	90	17	73	90
First Home Owners' Boost	3	28	30	48	135	168
Other	-	-	-	-	-	-
National Specific Purpose Payment Agreement Grants						
National Healthcare	307	922	1,230	284	852	1,136
National Schools	162	265	353	82	247	329
National Skills and Workforce Development	72	101	135	33	99	132
National Disability Services	60	71	94	19	58	78
National Affordable Housing	84	95	127	31	94	125
Nation Building and Jobs Plan						
Schools	-	-	-	-	70	70
Housing	-	-	-	5	15	20
Transport	-	-	-	-	-	5
Other Grants/National Partnerships						
Health	103	268	460	-	-	318
Housing	-52	-	16	-48	23	23
Roads	2	23	84	16	16	2
Other	-92	185	394	115	453	290
Total Current Grants and Subsidies	2,103	6,136	8,032	2,065	6,150	8,228

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2010-11			2009-10		
	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	116	302	280	26	161	309
Nation Building and Jobs Plan						
Schools	76	427	443	352	440	651
Housing	30	90	155	105	161	368
Transport	-	-	5	3	6	5
Other Grants/National Partnerships						
Housing	39	48	96	63	79	180
Roads	10	55	156	82	82	232
Other	-29	139	271	29	122	233
Total Capital Grants	242	1,061	1,406	660	1,051	1,978
SALES OF GOODS AND SERVICES	3,318	10,562	15,692	2,743	8,114	14,905
INTEREST INCOME	257	732	890	200	468	633
ROYALTY INCOME	1,012	2,948	4,159	454	1,427	2,324
OTHER						
Lease Rentals	22	64	78	20	60	76
Fines	32	101	151	33	109	139
Revenue not elsewhere counted	131	468	639	121	412	587
Total Other	185	633	868	173	581	801
GRAND TOTAL	8,420	27,104	37,423	7,801	22,530	34,895

(a) Consistent with the revised outturn published in the 2011-12 Budget, released 19 May 2011.

(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 31 March 2011 decreased by \$291 million compared with 31 March 2010. This mainly reflects the net impact of a \$1,161 million increase in the Consolidated Account deficit (mainly for non-cash accrual appropriation costs), partially offset by an \$864 million increase in the Treasurer's Special Purpose Accounts.

Table 3.1

PUBLIC LEDGER BALANCES AT 31 MARCH

	2011	2010
	\$m	\$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-6,396	-5,235
Treasurer's Special Purpose Accounts	7,083	6,219
Treasurer's Advance Account – Net Advances	-7	-13
Total	680	971

(a) The balance of the Consolidated Account at 31 March 2011 includes non-cash appropriations of \$5,409 million (31 March 2010: \$4,614 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 \$6,396 million at 31 March 2011. This included \$5,409 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 \$987 million at 31 March 2011, compared with an accumulated cash deficit of \$621 million for the period ended March 2010.

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 nine months ended 31 March			
	2011	2010	
	\$m	\$m	
REVENUE			
<i>Operating Activities</i>			
Taxation	3,925	4,026	
Commonwealth Grants	4,754	4,798	
Government Enterprises	448	413	
Revenue from other agencies	4,068	2,234	
Other	207	155	
<i>Total Operating Activities</i>	13,402	11,626	
<i>Financing Activities</i>			
Repayments of Recoverable Advances	6	7	
Transfers from:			
Public Bank Account Interest Earned Account	50	3	
Bankwest Pension Trust	2	2	
Other Receipts	1	1	
Borrowings	513	1,850	
<i>Total Financing Activities</i>	572	1,863	
TOTAL REVENUE	13,974	13,489	
EXPENDITURE			
<i>Recurrent</i>			
Authorised by Other Statutes	1,128	1,013	
Appropriation Act (No. 1)	12,566	11,433	
Recurrent Expenditure under the Treasurer's Advance	12	153	
<i>Total Recurrent Expenditure</i>	13,706	12,599	
<i>Investing Activities</i>			
Authorised by Other Statutes	78	53	
Appropriation Act (No. 2)	2,119	2,219	
Investing Expenditure under the Treasurer's Advance	1	7	
<i>Total Investing Activities</i>	2,198	2,279	
<i>Financing Activities</i>			
Loan repayments	-	-	
Other financing	1	1	
<i>Total Financing Activities</i>	1	1	
TOTAL EXPENDITURE	15,905	14,879	
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,931	-1,390	
Consolidated Account Balance			
Opening balance at 1 July	-4,465	-3,844	
Closing balance at 31 March	-6,396	-5,235	
Of which:			
Appropriations payable	-5,409	-4,614	
Cash balance at 31 March	-987	-621	

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 \$864 million increase in the TSPA mainly reflects higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$795 million).

TREASURER'S SPECIAL PURPOSE ACCOUNTS		
At 31 March		
	2011	2010
	\$m	\$m
Agency Holding Accounts	5,409	4,614
Fiona Stanley Hospital Construction Account	907	1,222
Royalties for Regions Special Purpose Account	338	26
Other Special Purpose Accounts	429	357
TREASURER'S SPECIAL PURPOSE ACCOUNTS	7,083	6,219

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 ended 30 June 2011, compared with a total of \$469.2 million authorised limit applying at the same time last year (the *Treasurer's Advance Authorization Act 2010* authorised an increase in the 2009-10 limit in May 2010).

Of the \$555.5 million authorised limit, \$7.4 million was held in the form of net recoverable advances (see Table 3.4) and \$12.3 million against increases in recurrent and capital appropriations (see Table 3.5) applying at 31 March 2011.

TREASURER'S ADVANCE AT 31 MARCH			Table 3.4
	2011	2010	
	\$m	\$m	
AUTHORISED LIMIT	555.5	469.2	
<i>Total Drawn Against Treasurer's Advance Account</i>	19.7	173.0	
Comprising:			
Net recoverable advances as at 31 March (see below)	7.4	13.4	
Excesses and New Items (see Table 3.5)			
- recurrent	11.7	152.9	
- capital	0.6	6.7	
NET RECOVERABLE ADVANCES			
Department of Water	- (a)	-	
Public Sector Standards Commissioner – CEO selection	-	0.5	
Electoral Boundaries Distribution	0.5	2.3	
Energy Smart Government Program	0.5	1.1	
Gas Review Board	0.5	0.5	
Local Government Elections	0.3	-	
Programed Building Maintenance	0.1	-	
Sport and Recreation	1.9	2.0	
Suitors Fund	1.5	1.5	
Transport	2.0	3.5	
Western Australian Health Promotion Foundation	-	2.0	
TOTAL RECOVERABLE TREASURER'S ADVANCES	7.4	13.4	

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

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).

Transfers of appropriations between agencies were for the following purposes:

- \$0.1 million from the Legislative Council to the Parliamentary Services Department for the transfer of responsibility and the associated funding for the Electronic Document Records Management System Project Manager function;
- \$0.1 million from the Department of the Premier and Cabinet to the Department of the Attorney General for the transfer of the non-government legislative drafting services function;
- \$0.3 million from the Department of Treasury and Finance to the Department of Education for the transfer of the i-procurement function;
- \$0.1 million from the Department for Child Protection to the Department of the Attorney General for the Burial of Unclaimed Bodies Under the Bereavement Assistance Program;
- \$2.6 million from the Office of the Public Sector Standards Commissioner to the Public Sector Commission for the transfer of all functions and operations of the office;
- \$4.9 million from the Public Transport Authority to the Department of Transport for the transfer of the multi-modal public transport planning function;
- \$2.5 million from the Department of Transport to the Department of Planning for the transfer of corporate services; and
- \$0.4 million from the Department of Planning to the Department of Transport for office refurbishment costs.

Table 3.5

TRANSFERS, EXCESSES AND NEW ITEMS
For the nine months to 31 March 2011

	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	-
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	105.9	-0.1	-	-	105.8	-
<i>Public Sector Commission</i>						
Item 6: Delivery of Services	18.0	2.6	-	-	20.7	-
<i>Public Sector Standards Commission</i>						
Item 8: Delivery of services	4.6	-2.6	-	-	2.0	-
<i>Treasury and Finance</i>						
Item 11: Delivery of Services	208.1	-0.3	-	-	207.8	-
Item 23: Payroll Tax Rebate	100.0	-	-	16.0	116.0	-
Item 34: All Other Grants, Subsidies and Transfer Payments	7.7	-	-	5.0	12.7	3.7
<i>Education</i>						
Item 57: Delivery of Services	3,019.1	0.3	-	-	3,019.3	-
<i>Transport</i>						
Item: 63 Delivery of Services	139.4	-2.5	-	-	136.9	-
<i>Public Transport Authority of Western Australia</i>						
Item 66: Delivery of Services	753.8	-4.9	-	-	748.9	-
<i>Planning</i>						
Item 75: Delivery of Services	31.5	7.5	-	-	39.0	-
<i>Art Gallery of Western Australia</i>						
Item 78: Delivery of Services	4.0	-	-	0.8	4.8	0.7
<i>Perth Theatre Trust</i>						
Item 80: Delivery of Services	3.9	-	-	1.9	5.8	1.0
<i>Western Australian Museum</i>						
Item 81: Delivery of Services	5.3	-	-	2.7	8.0	1.9
<i>Attorney General</i>						
Item 84: Delivery of Services	304.3	0.2	-	-	304.5	-
<i>Office of the Information Commissioner</i>						
Item 90: Delivery of Services	1.4	-0.1	-	-	1.3	-
<i>Child Protection</i>						
Item 93: Delivery of Services	393.9	-0.1	-	-	393.8	-
<i>Rural Business Development Corporation</i>						
Item 105: Delivery of Services	0.2	-	-	4.5	4.7	4.5
Total Recurrent		-	-	30.9		11.7
Capital Appropriations						
<i>Treasury and Finance</i>						
Item 123: Forest Products Commission	0.1	-	-	3.0	3.1	-
<i>Transport</i>						
Item 138: Capital Appropriation	12.9	0.4	-	-	13.3	-
<i>Planning</i>						
Item 145: Capital Appropriation	11.7	-0.4	-	-	11.3	-
<i>National Trust of Australia (W.A.)</i>						
Item 158: Capital Appropriation	0.4	-	-	1.0	1.4	0.6
Total Capital		-	-	4.0	29.1	0.6
TOTAL		-	-	34.9		12.3

(a) Authorised under section 25 of the FMA.

Approved excesses were for the following items:

Treasury and Finance

Item 23: **Payroll Tax Rebate** (\$16.0 million) for additional eligible payroll tax rebates during 2010-11.

Item 34: **All Other Grants, Subsidies and Transfer Payments** (\$5.0 million) for the Consolidated Account share of funding for the Toodyay Bushfire Financial Assistance Package (the balance of the \$10 million fund is provided by Western Power).

Item 123: **Forest Products Commission** (\$3.0 million) to facilitate restructuring of the Forest Products Commission.

Culture and the Arts

Item 78: **Art Gallery of Western Australia** (0.8 million) for additional short-term funding to address an operating deficit arising as a result of non-discretionary cost pressures such as utility charges, insurance premiums and maintenance costs for the State's public, cultural, heritage and scientific buildings, archives and collections.

Item 80: **Perth Theatre Trust** (\$1.9 million) to meet the operational, management and depreciation costs associated with operation of the Albany Entertainment Centre.

Item 81: **Western Australian Museum** (\$2.7 million) for additional short-term funding to address an operating deficit arising as a result of non-discretionary cost pressures such as utility charges, insurance premiums and maintenance costs for the State's public, cultural, heritage and scientific buildings, archives and collections.

Rural Business Development Corporation

Item 105: **Net amount appropriated to deliver services** (\$4.5 million) for the provision of assistance to farmers affected by the 2010 dry season.

National Trust of Australia (WA)

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