



2013-14

Quarterly Financial Results Report

March 2014



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Quarterly Financial Results Report
Nine Months Ended 31 March 2014

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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 2014.

Care should be exercised in extrapolating the likely outcome for the 2013-14 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The presentation in this report is consistent to that used in the original 2013-14 State Budget (released on 8 August 2013).

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

This report also includes Appendix 4: *Special Purpose Accounts* which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes.

Information presented in this QFRR is not audited.

Statement of Responsibility

The following Interim Financial Statements and accompanying notes for the general government sector and the whole-of-government have been prepared by the Department of Treasury 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 2014 and of the balance sheets of these reporting entities at 31 March 2014. 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' *Australian System of 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*.



MICHAEL BARNES
ACTING UNDER TREASURER



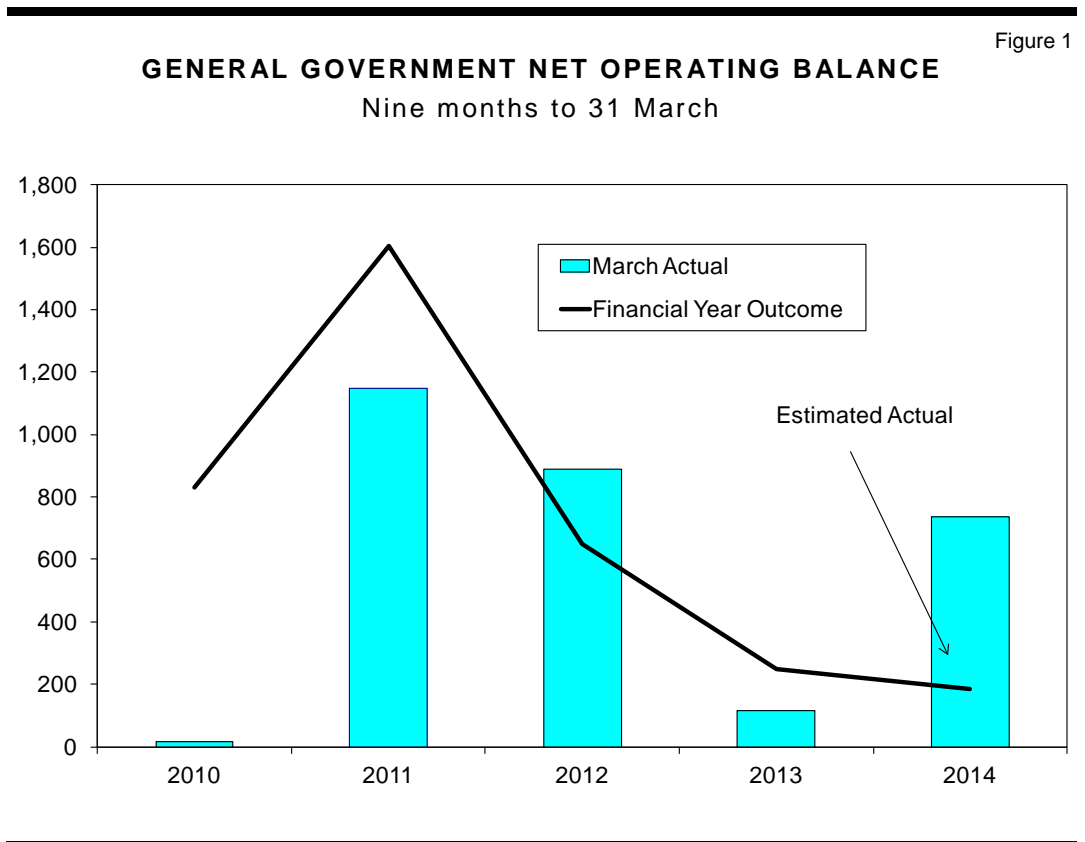
MAGDALENA WITTEK
ACTING ASSISTANT DIRECTOR
FINANCIAL REPORTING

27 May 2014

Overview

Summary

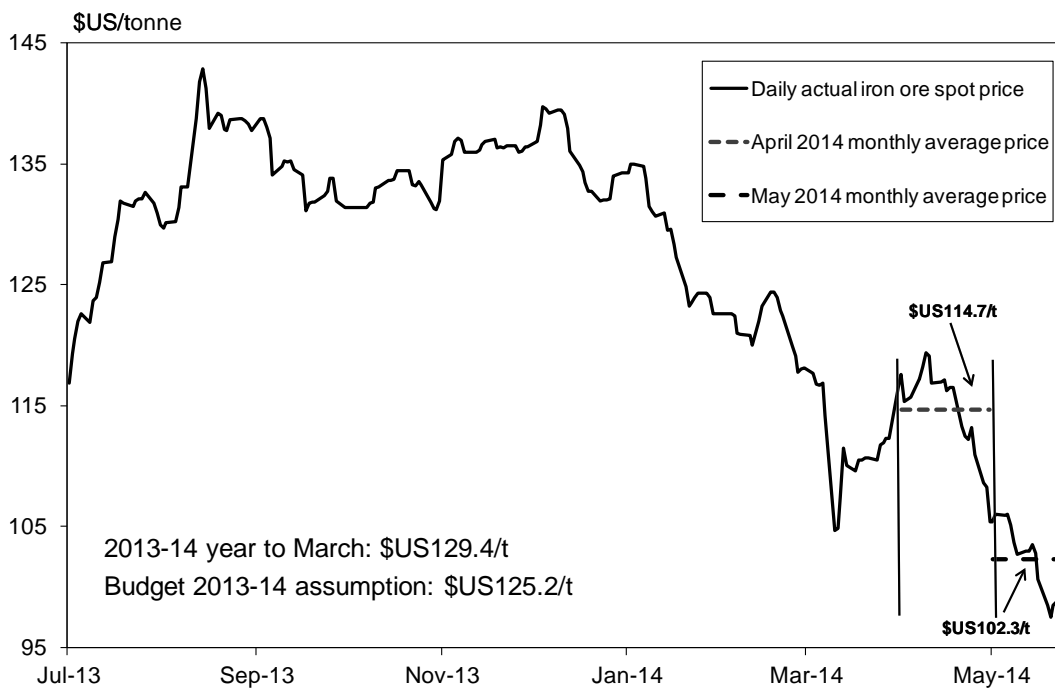
The general government sector recorded an operating surplus of \$735 million for the nine months to 31 March 2014. This is \$552 million higher than the estimated full year surplus of \$183 million contained in the recent 2014-15 Budget. While this may appear significant, this level of variance to the full year actual is not unusual, as illustrated in the following chart.



In addition, there are a range of expenses reflected in the full year estimate that will not impact actual expenses until the June 2014 quarter (e.g. the transfer of assets to the local government sector, including roads and Ord-East Kimberley Expansion Project infrastructure). At the same time, the iron ore price – a major determinant of the State’s royalty income – has declined sharply in the June quarter, which will also impact the full year result for 2013-14.

Figure 2

AUSTRALIA TO CHINA IRON ORE ‘FINES’ 62% IRON CONTENT SPOT CFR, Daily



Relative to the expected outturn in the 2014-15 Budget (released on 8 May 2014), almost 75% of the full year revenue projection was recorded during the first nine months of 2013-14. Around 73% of full year expenses were recorded over the same period.

- General government revenue in the first nine months of 2013-14 grew by \$2.1 billion (or 11.4%), compared with the same period last year. This outcome is mainly driven by higher royalty income (up \$1.5 billion, primarily due to higher iron ore production volumes and prices, and an increase in the royalty rate for iron ore ‘fines’), and higher taxation collections (up \$597 million, primarily due to higher collection of transfer and landholder duties, payroll tax, land tax and motor vehicle tax), partially offset by the State’s lower share of national GST collections.
- General government sector expenses grew by \$1.5 billion (or 8.1%) for the same period, reflecting the impact of higher salary costs, higher operating subsidies to public corporations and the Government’s payroll tax rebate.

Total public sector net worth increased by \$3.4 billion over the nine months to 31 March 2014, to stand at \$116.3 billion. Total public sector net debt was \$20.3 billion at 31 March 2014, \$2.1 billion higher than the \$18.2 billion recorded at 30 June 2013.

These outcomes are broadly consistent with the estimated actuals reflected in the 2014-15 Budget, presented to Parliament on 8 May 2014.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$735 million for the nine months to 31 March 2014. This compares with the \$115 million surplus reported for the same period in 2012-13.

Table 1

SUMMARY OF GENERAL GOVERNMENT FINANCES
Western Australia

	2013-14			2012-13		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	107	735	183	-123	115	249
Net worth		116,309	116,124		113,413	112,927
Increase in cash balances	-53	-1,603	-2,420	44	-1,684	-533
<i>Memorandum items</i>						
Net lending	-389	-714	-1,727	-606	-1,379	-1,852
Net debt		6,883	7,426		4,504	4,742
Cash surplus/-deficit	-81	-1,412	-1,738	-449	-1,883	-1,952

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.
(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

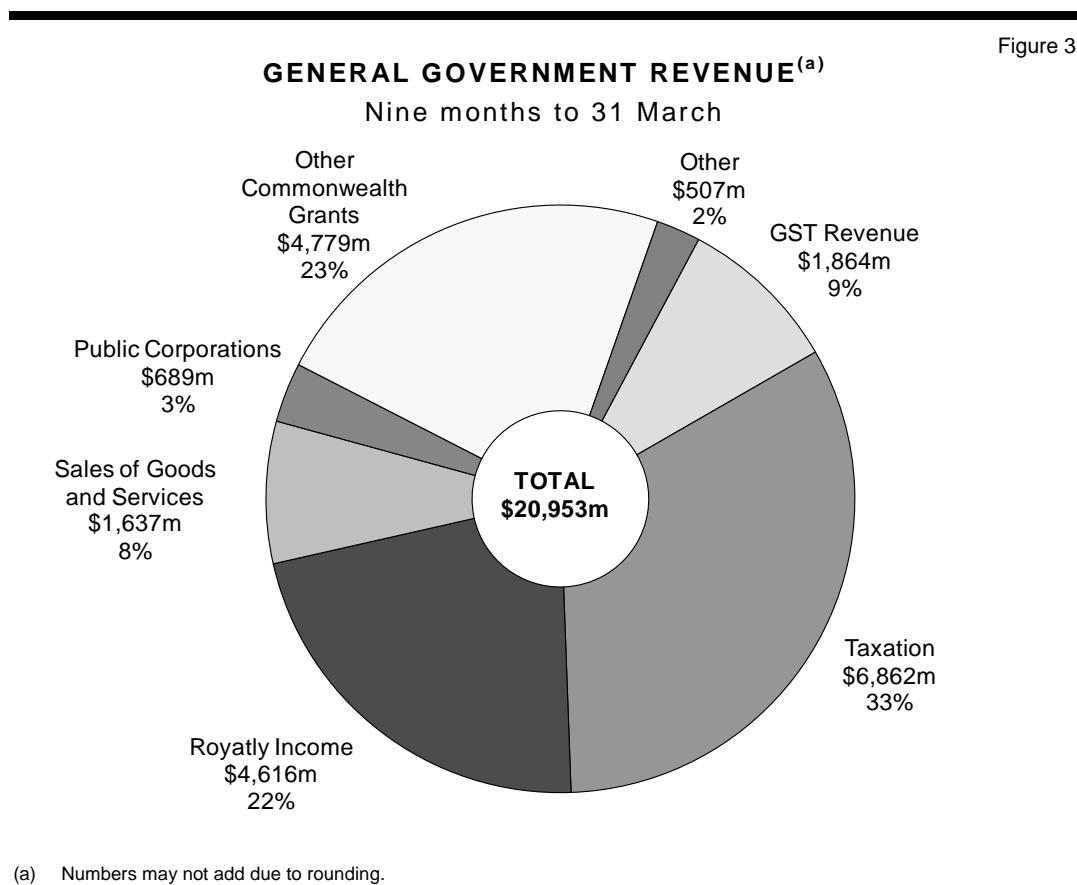
Revenue

Revenue for the nine months to 31 March 2014 totalled \$20,953 million, \$2,139 million (or 11.4%) higher than the same period in 2012-13. This compares with a full-year estimated increase of 8.8% reflected in the 2014-15 Budget.

The higher revenue outcome relative to the same period in 2012-13 primarily reflects the net effect of:

- higher royalty income (up \$1,534 million), largely due to higher production volumes and prices for iron ore compared with the same period last year, an increase in the royalty rate for iron ore 'fines' (as the 2011-12 Budget measure to phase out concessional rates on 'fines' production moves to its full effect), and the impact of a lower average exchange rate;
- higher revenue from taxation (up \$597 million), primarily due to:
 - higher transfer and landholder duty (up \$292 million), as a result of higher property values and increased levels of activity in the market, together with additional duty from interim assessments issued following implementation of the Tax Administration Package announced in the 2013-14 Budget;

- higher payroll tax collections (up \$102 million), mainly reflecting increases in wages and modest increases in employment levels across the State economy relative to the first nine months of 2012-13. The pace of wages and employment growth (and particularly full-time employment growth) has declined substantially over the past year and this is flowing through to a slowdown in the rate of growth of payroll tax collections;
- higher land tax (up \$98 million), mainly reflecting the impact effect of a 12.5% increase in land tax rates announced in the 2013-14 Budget; and
- higher motor vehicle licence fees (up \$47 million), mainly reflecting growth in the number of vehicle registrations and increases in vehicle licence fees for light and heavy vehicles;
- lower Commonwealth grants (down \$187 million), mainly due to the combined effect of:
 - lower GST grants (down \$371 million), reflecting the reduction in the State's GST distribution relativity from 55.1% of its population share in 2012-13 to 44.6% in 2013-14 under the Commonwealth Grants Commission's methodology;
 - higher funding for non-government schools (up \$89 million), mainly driven by indexation for higher student enrolment numbers and a change to the Commonwealth's funding formula following passage of the Commonwealth's Australian Education Bill 2012 in June 2013;
 - lower funding for rail and road projects under the Commonwealth's Nation Building Program (down \$89 million);
 - higher funding for the health sector (up \$99 million), under the National Health Reform Agreement;
 - higher funding for the housing sector (up \$70 million), mainly due to additional building activity in the Remote Indigenous Housing Program; and
 - higher North West Shelf petroleum grants (up \$47 million), due to higher prices for domestic gas, condensate, crude oil and liquefied petroleum gas, and a lower exchange rate, partially offset by lower production volumes and higher deductions claimed by producers; and
- higher sales of goods and services (up \$148 million), mainly attributable to increased demand for goods and services across the sector, an increase in road building services provided to local governments, higher demand-driven health sector fees and increases in a number of regulatory fees and levies across the sector.



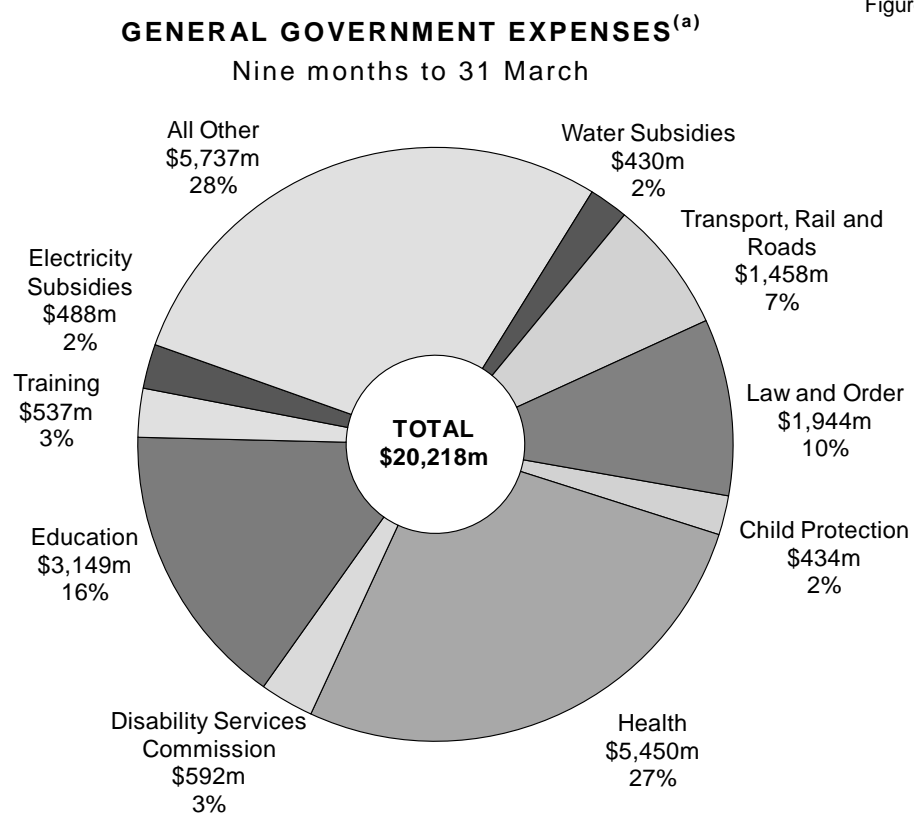
Expenses

Expenses for the nine months to 31 March 2014 totalled \$20,218 million, up \$1,519 million (or 8.1%) on the same period in 2012-13. This mainly reflects:

- higher current and capital transfers (up \$521 million), mainly due to:
 - higher operating subsidies to Synergy (up \$111 million, mainly due to an increase in tariff adjustment payments for below-cost electricity tariffs) and the Water Corporation (up \$105 million, following a review of operating subsidies for country water services reflected in the 2013-14 State Budget, and subsidies for new projects including the Mundaring, Port Headland and Karratha waste water treatment plants);
 - the impact of a \$111 million (of a total \$128 million for the full year) one-off payroll tax rebate for small to medium sized businesses;
 - higher non-government school grants (up \$89 million) and the on-passing of higher Remote Indigenous Housing grants (up \$70 million) reflecting the on-passed grants noted above; and
 - Royalties for Regions grants expenditure paid to the Water Corporation (up \$27 million), primarily for the relocation of the Port Hedland waste water treatment plant to South Hedland;

- higher salaries (up \$512 million, or 6.8%), mainly due to increases in pay rates and staff numbers across the health, education, and law and order sectors (accounting for 80% of the total increase). This growth rate is below the 8.7% full-year forecast for 2013-14 reflected in the recent State Budget, which includes around \$158 million for the Government’s Enhanced Voluntary Separation Scheme announced in the 2013-14 Budget¹; and
- higher ‘other gross operating expenses’ (up \$142 million), largely due to higher health, disability and child protection spending for the not-for-profit sector (up \$102 million), mainly reflecting an increase in the number of contracts and indexation of existing contracts, higher accommodation lease costs (up \$29 million), and higher patient support costs (up \$10 million).

Figure 4



(a) Numbers may not add due to rounding.

Balance Sheet

The net worth of the general government sector increased by \$3.4 billion (or 3.0%) in the nine months to 31 March 2014, to stand at \$116.3 billion. This increase is mainly due to the net impact of:

- an increase in the value of equity in the public corporations sectors (up \$2.0 billion), attributable to increases in the estimated value of physical assets, operating surpluses recorded by these sectors, and capital contributions supporting investment by the public corporations in infrastructure;

¹ Based on Public Service Commission data, a total of 1,112 full-time equivalent employees accepted offers under the scheme by 31 March 2014 (at an estimated cost of \$149 million), which will assist agencies to achieve the Perth Consumer Price Index salary cap savings under the Government’s public sector workforce reforms.

- an increase in holdings of general government sector land and physical assets (up \$2.0 billion), reflecting infrastructure spending and projected increases in the value of the sector's existing land holdings;
- lower investments, loans and placements assets (down \$1.8 billion), mainly due to Government decisions to reduce central borrowings through better use of available cash holdings;
- higher receivables (up \$540 million), due to the timing of receipts for royalties and land tax, consistent with the higher accrued revenue discussed above; and
- lower unfunded superannuation (down \$425 million), reflecting an increase in the discount rate used to calculate the liability (from 3.54% in June 2013 to 4.08% in March 2014)².

General government sector net debt totalled \$6.9 billion at 31 March 2014 (up \$2.1 billion) reflecting higher borrowings and lower liquid investments used to fund the State's infrastructure spending program.

Cash Flow

A cash deficit of \$1.4 billion was recorded for the nine months to 31 March 2014, a decrease of \$471 million on the \$1.9 billion cash deficit recorded in the same period last year. This largely reflects a stronger cash surplus on day-to-day operating activities (the cash flow equivalent of the operating statement movements discussed earlier).

General government infrastructure spending totalled \$2.4 billion for the first nine months of 2013-14, \$96 million higher than the same period last year. The increase is mainly due to higher spending on a number of road projects across the State, improvements to school buildings and the Acacia prison expansion project, partially offset by lower spending on the Fiona Stanley Hospital, Perth Arena and the Ord River Irrigation project which have all achieved practical completion during the last 12 months.

Total Public Sector³

Operating Statement

The total public sector recorded an operating surplus of \$1.1 billion for the nine months to 31 March 2014.

² Long term government bond rates are used by the actuary in year-end valuations of unfunded superannuation liabilities. Bond rates increased in the March 2014 quarter. An increase in the bond rate means that unfunded liabilities decrease in value (and vice versa). The quarterly impact of these changes is estimated by Treasury.

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 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).

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
Western Australia

	2013-14			2012-13		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	221	1,138	-603	-65	181	-208
Net worth		116,309	116,124		113,413	112,927
Increase in cash balances	794	-651	-2,708	312	-2,219	-771
<i>Memorandum items</i>						
Net lending	-13	-1,349	-4,268	-331	-2,318	-3,199
Net debt		20,320	22,042		16,875	18,188
Cash surplus/-deficit	176	-1,760	-3,512	-737	-2,663	-3,888

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

The total public sector operating surplus for the nine months to 31 March 2014 incorporates:

- the \$735 million operating surplus for the general government sector, \$620 million higher than the same period in 2012-13, discussed earlier;
- a \$695 million operating surplus for the public non-financial sector, \$340 million higher than the surplus recorded in the same period in 2012-13, mainly due to higher operating subsidies and developer contributions received by the Water Corporation; and
- an operating surplus of \$98 million for the public financial corporations sector, broadly in line with the \$64 million surplus recorded in the same period in 2012-13.

Balance Sheet

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

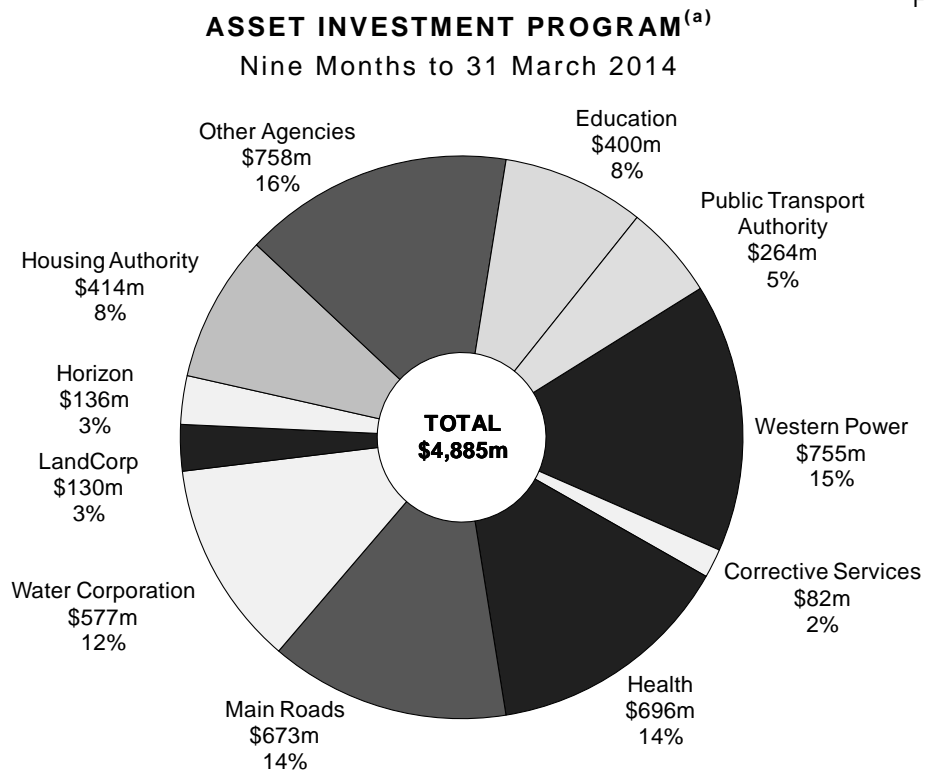
Total public sector net debt increased by \$2.1 billion during the nine months to 31 March 2014 to stand at \$20.3 billion. The increase in net debt supports the State's infrastructure investment program (which is projected to be \$7.1 billion for the full year in 2013-14).

Cash Flow

A cash deficit of \$1.8 billion was recorded for the nine months to 31 March 2014, which is \$903 million lower than the \$2.7 billion deficit recorded for the same period in 2012-13. This outcome is in line with the stronger operating outcome and the timing of both spending on infrastructure and proceeds of sales of surplus assets.

Total public sector infrastructure spending for the nine months to 31 March 2014 totalled \$4.9 billion, \$175 million lower than the same period in 2012-13. The State's Asset Investment Program is forecast to total \$7.1 billion for 2013-14, slightly lower than the \$7.4 billion spent in 2012-13, with the lower forecast outturn for 2013-14 reflecting major projects having reached (or nearing) completion.

Figure 4



(a) Numbers may not add due to rounding.

Sales of surplus assets were \$131 million higher during the first nine months of 2013-14. This mainly reflects the sale of surplus land.

Interim Financial Statements

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Introduction

Financial information presented in this appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, including AASB 134: *Interim Financial Reporting*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements under section 14A(3) of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2013-14 State Budget Papers released on 8 August 2013, facilitating comparisons between estimates and outturns.

These financial statements (Operating Statement, Balance Sheet and Cash Flow Statement) also comply with Uniform Presentation Framework (UPF) disclosure requirements by reporting the finances of the general government sector and the total public sector. Other UPF disclosure requirements are included in the notes to the financial statements, and in Appendix 2 of this report.

GENERAL GOVERNMENT OPERATING STATEMENT

Table 1.1

	Note	2013-14			2012-13		
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,979	6,862	8,881	1,791	6,265	8,335
Current grants and subsidies		2,196	6,265	8,133	2,263	6,462	8,316
Capital grants		98	378	615	182	368	622
Sales of goods and services		547	1,637	2,267	517	1,489	2,089
Interest Income		46	157	212	57	193	255
Dividends from other sectors		13	331	850	115	309	796
Tax equivalent income		102	357	524	124	297	381
Royalty income		1,563	4,616	5,911	1,006	3,081	4,425
Other		118	350	576	116	351	499
Total	2	6,662	20,953	27,970	6,170	18,814	25,718
EXPENSES							
Salaries		2,636	8,043	11,038	2,524	7,531	10,154
Superannuation							
Concurrent costs		254	776	1,065	237	713	965
Superannuation interest cost		75	245	344	83	229	369
Other employee costs		101	304	473	109	321	446
Depreciation and amortisation		286	868	1,248	253	743	1,108
Services and contracts		470	1,380	2,227	454	1,266	1,902
Other gross operating expenses		1,099	3,688	4,820	1,087	3,546	4,725
Other interest		123	364	508	106	322	442
Current transfers	3	1,394	4,144	5,259	1,321	3,666	4,895
Capital transfers	3	115	406	804	118	363	462
Total		6,555	20,218	27,787	6,293	18,699	25,468
NET OPERATING BALANCE	4	107	735	183	-123	115	249
<i>Other economic flows</i>							
Net gains on assets/liabilities		10	42	-51	21	27	-63
Net actuarial gains - superannuation		-191	316	183	182	176	895
Provision for doubtful debts		8	8	-4	-1	-2	-28
Total other economic flows		-173	366	128	202	201	804
OPERATING RESULT		-66	1,101	311	79	316	1,053
<i>All other movements in equity</i>							
Revaluations		-34	572	1,696	212	607	-424
Gains recognised directly in equity		1	-3	-1	-	-5	-4
Changes in accounting policy/correction of prior period errors		288	124	-	-102	-138	-72
Change in net worth of the public corporations sectors		-212	1,588	1,190	674	1,158	898
Total all other movements in equity		44	2,281	2,886	784	1,622	398
TOTAL CHANGE IN NET WORTH		-22	3,382	3,197	862	1,938	1,452
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	107	735	183	-123	115	249
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		799	2,376	3,168	762	2,280	3,195
Changes in inventories		-5	4	-5	-1	10	14
Other movement in non-financial assets		16	97	196	8	51	167
<i>less:</i>							
Sales of non-financial assets		28	161	200	32	104	166
Depreciation		286	868	1,248	253	743	1,108
Total net acquisition of non-financial assets		496	1,449	1,910	483	1,494	2,102
NET LENDING/-BORROWING	4	-389	-714	-1,727	-606	-1,379	-1,852

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

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

GENERAL GOVERNMENT BALANCE SHEET

Table 1.2

	Note	For the period ending			
		31 Mar 2014 \$m	30 June 2014 ^(a) \$m	31 Mar 2013 \$m	30 June 2013 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		886	611	631	688
Advances paid		665	681	679	665
Investments, loans and placements	5	3,891	3,370	4,668	5,722
Receivables	6	3,410	3,093	2,678	2,870
Investment property		8	8	8	8
Shares and other equity					
Investments in other public sector entities - equity method		45,875	45,477	44,547	44,287
Investments in other public sector entities - direct injections		6,580	6,430	5,978	6,156
Investments in other entities		-	11	10	8
Other financial assets		-	-	-	-
Total financial assets		61,315	59,681	59,199	60,403
<i>Non-financial assets</i>					
Land		36,809	36,926	38,157	36,222
Property, plant and equipment		42,173	44,131	39,386	40,850
Biological assets		2	2	2	2
Inventories					
Land inventories		84	70	89	84
Other inventories		82	72	74	77
Intangibles		548	504	490	554
Non-current assets held for sale		29	14	73	39
Other		291	200	250	208
Total non-financial assets		80,018	81,918	78,520	78,037
TOTAL ASSETS		141,333	141,598	137,719	138,440
LIABILITIES					
Deposits held		511	388	495	362
Advances received		439	449	454	439
Borrowings	7	11,463	11,339	9,621	11,104
Unfunded superannuation		7,575	7,683	8,687	8,000
Other employee benefits		2,915	3,184	2,746	3,043
Payables		611	837	699	884
Other liabilities		1,510	1,595	1,603	1,682
TOTAL LIABILITIES		25,024	25,474	24,305	25,513
NET ASSETS		116,309	116,124	113,413	112,927
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		11,799	11,061	9,813	10,579
Other reserves		104,510	105,063	103,600	102,348
NET WORTH	4	116,309	116,124	113,413	112,927
MEMORANDUM ITEMS					
<i>Net financial worth</i>		<i>36,291</i>	<i>34,206</i>	<i>34,894</i>	<i>34,890</i>
<i>Net financial liabilities</i>		<i>16,164</i>	<i>17,701</i>	<i>15,631</i>	<i>15,552</i>
<i>Net debt</i>					
Gross debt liabilities		12,413	12,176	10,570	11,905
less: liquid financial assets		5,442	4,662	5,978	7,075
less: convergence differences impacting net debt		88	88	88	88
Net debt		6,883	7,426	4,504	4,742

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

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 2014

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2013</i>	10,579	102,348	112,927
Net Operating Balance	735	-	735
Revaluations	-	572	572
Change in net worth of the other sectors	-	1,588	1,588
All other	485	2	488
Balance as at 31 March 2014	11,799	104,510	116,309

For the nine months ended 31 March 2013

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2012</i>	9,547	101,928	111,475
Net Operating Balance	115	-	115
Revaluations	-	607	607
Change in net worth of the other sectors	-	1,158	1,158
All other	151	-92	58
Balance as at 31 March 2013	9,813	103,600	113,413

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

GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 1.4

	Note	2013-14			2012-13		
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(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		2,110	6,443	8,898	1,853	5,969	8,156
Grants and subsidies received		2,295	6,481	8,723	2,448	6,681	8,934
Receipts from sales of goods and services		678	1,926	2,301	572	1,576	2,120
Interest receipts		39	141	202	49	180	249
Dividends and tax equivalents		248	756	1,289	193	643	1,215
Other		2,069	5,822	7,367	1,437	4,442	6,068
Total cash received		7,440	21,569	28,779	6,552	19,490	26,742
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,279	-9,272	-12,490	-2,988	-8,554	-11,304
Payments for goods and services		-1,653	-5,819	-7,623	-1,548	-5,549	-7,336
Interest paid		-117	-341	-517	-103	-310	-439
Grants and subsidies paid		-1,328	-4,111	-5,671	-1,285	-3,671	-5,144
Other		-373	-1,222	-1,249	-348	-1,113	-1,441
Total cash paid		-6,750	-20,765	-27,549	-6,272	-19,197	-25,664
NET CASH FLOWS FROM OPERATING ACTIVITIES		690	804	1,230	280	293	1,077
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-799	-2,376	-3,168	-762	-2,280	-3,195
Sales of non-financial assets		28	161	200	32	104	166
Total cash flows from investments in non-financial assets		-771	-2,215	-2,968	-729	-2,176	-3,029
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		11	20	-	3	8	7
For liquidity purposes		-	-	-	-	-	1
<i>Cash paid</i>							
For policy purposes		-60	-399	-548	-187	-488	-619
For liquidity purposes		-	-1	-	-11	-11	-18
Total cash flows from investments in financial assets		-49	-380	-548	-195	-490	-629
NET CASH FLOWS FROM INVESTING ACTIVITIES		-820	-2,595	-3,516	-924	-2,666	-3,657
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	40	-	-	15
Borrowings		411	599	146	758	1,003	2,425
Deposits received		-	-	-	-	-	-
Other financing receipts		8	26	37	7	27	35
Total cash received		419	625	223	765	1,031	2,475
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-15
Borrowings repaid		-313	-348	-179	-59	-281	-322
Deposits paid		-	-	-	-	-	-
Other financing payments		-28	-88	-163	-18	-60	-91
Total cash paid		-341	-436	-357	-77	-342	-428
NET CASH FLOWS FROM FINANCING ACTIVITIES		78	189	-134	689	689	2,047
Net increase in cash and cash equivalents		-53	-1,603	-2,420	44	-1,684	-533
Cash and cash equivalents at the beginning of the year		4,713	6,263	6,263	5,068	6,796	6,796
Cash and cash equivalents at the end of the year		4,660	4,660	3,843	5,112	5,112	6,263
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		690	804	1,230	280	293	1,077
Net cash flows from investing in non-financial assets		-771	-2,215	-2,968	-729	-2,176	-3,029
Cash surplus/-deficit	4	-81	-1,412	-1,738	-449	-1,883	-1,952

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

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

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

	Note	2013-14			2012-13		
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,862	6,526	8,420	1,683	5,953	7,894
Current grants and subsidies		2,196	6,265	8,133	2,263	6,462	8,316
Capital grants		98	378	615	182	368	622
Sales of goods and services		4,561	13,403	18,613	4,618	12,974	17,955
Interest Income		153	463	670	156	506	687
Royalty income		1,563	4,616	5,911	1,006	3,081	4,425
Other		242	742	1,007	196	616	896
Total	2	10,675	32,392	43,370	10,104	29,960	40,794
EXPENSES							
Salaries		2,947	8,996	12,264	2,821	8,414	11,307
Superannuation							
Concurrent costs		339	923	1,184	265	797	1,071
Superannuation interest cost		75	245	344	83	229	369
Other employee costs		58	193	274	73	217	315
Depreciation and amortisation		843	2,366	3,278	704	2,108	3,024
Services and contracts		681	2,075	3,078	645	1,891	2,782
Other gross operating expenses		4,035	12,082	17,584	4,139	11,828	16,487
Other interest		371	1,089	1,614	367	1,211	1,588
Current transfers	3	1,042	3,002	3,581	984	2,793	3,631
Capital transfers	3	65	283	772	88	291	428
Total		10,454	31,254	43,973	10,169	29,779	41,003
NET OPERATING BALANCE	4	221	1,138	-603	-65	181	-208
<i>Other economic flows</i>							
Gains on net assets		14	233	132	99	414	315
Net actuarial gains - superannuation		-194	321	183	185	178	881
Provision for doubtful debts		4	-1	-24	-4	-11	-106
Total other economic flows		-175	553	291	279	581	1,089
OPERATING RESULT		46	1,691	-312	214	762	881
<i>All other movements in equity</i>							
Revaluations		-312	1,037	3,563	616	785	149
Gains recognised directly in equity		-73	637	-54	121	582	556
Changes in accounting policy/correction of prior period errors		317	17	-	-88	-191	-135
Total all other movements in equity		-68	1,691	3,509	648	1,176	571
TOTAL CHANGE IN NET WORTH		-22	3,382	3,197	862	1,938	1,452
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	221	1,138	-603	-65	181	-208
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,450	4,885	7,095	1,656	5,060	7,355
Changes in inventories		-194	236	787	-505	5	-654
Other movement in non-financial assets		32	433	308	27	112	215
<i>less:</i>							
Sales of non-financial assets		210	702	1,247	209	571	902
Depreciation		843	2,366	3,278	704	2,108	3,024
Total net acquisition of non-financial assets		235	2,487	3,664	266	2,499	2,991
NET LENDING/-BORROWING	4	-13	-1,349	-4,268	-331	-2,318	-3,199

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 Annual Report on State Finances, released 25 September 2013.

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

TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

	Note	For the period ending			
		31 Mar 2014 \$m	30 June 2014 ^(a) \$m	31 Mar 2013 \$m	30 June 2013 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		2,056	1,217	1,701	1,598
Advances paid		3,768	4,664	3,488	3,552
Investments, loans and placements	5	14,767	15,188	13,575	16,896
Receivables	6	4,828	4,520	4,199	4,286
Investment property		578	604	555	571
Equity - investments in other entities		1,538	1,437	1,359	1,386
Other financial assets		27	24	19	24
<i>Total financial assets</i>		27,562	27,655	24,896	28,314
<i>Non-financial assets</i>					
Land		51,777	52,073	52,870	50,653
Property, plant and equipment		91,843	94,267	86,442	89,100
Biological assets		327	320	336	324
Inventories					
Land inventories		2,042	2,091	1,994	2,028
Other inventories		3,025	3,575	3,448	2,789
Intangibles		1,085	1,001	974	1,118
Non-current assets held for sale		40	44	104	70
Other		494	500	386	509
<i>Total non-financial assets</i>		150,632	153,871	146,553	146,590
TOTAL ASSETS		178,194	181,526	171,450	174,904
LIABILITIES					
Deposits held		199	181	180	144
Advances received		439	449	454	439
Borrowings	7	40,361	42,570	35,094	39,740
Unfunded superannuation		7,746	7,794	8,825	8,143
Other employee benefits		3,328	3,633	3,136	3,465
Payables		4,591	5,100	5,032	4,486
Other liabilities		5,221	5,675	5,316	5,560
TOTAL LIABILITIES		61,885	65,402	58,036	61,977
NET ASSETS		116,309	116,124	113,413	112,927
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		33,144	31,308	30,757	30,855
Other reserves		83,164	84,816	82,657	82,072
NET WORTH	4	116,309	116,124	113,413	112,927
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-34,324	-37,747	-33,140	-33,663
<i>Net financial liabilities</i>		35,862	39,184	34,499	35,049
<i>Net debt</i>					
Gross debt liabilities		40,999	43,200	35,727	40,323
less: liquid financial assets		20,591	21,070	18,764	22,046
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		20,320	22,042	16,875	18,188

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 Annual Report on State Finances, released 25 September 2013.

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 2014

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2013</i>	30,855	82,072	112,927
Net Operating Balance	1,138	-	1,138
Revaluations	-	1,037	1,037
All other	1,152	55	1,207
Balance as at 31 March 2014	33,144	83,164	116,309

For the nine months ended 31 March 2013

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2012</i>	29,629	81,846	111,475
Net Operating Balance	181	-	181
Revaluations	-	785	785
All other	946	25	972
Balance as at 31 March 2013	30,757	82,657	113,413

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

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2013-14			2012-13			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(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		2,031	6,186	8,371	1,775	5,745	7,678
Grants and subsidies received		2,295	6,481	8,723	2,448	6,681	8,934
Receipts from sales of goods and services		4,434	13,637	18,716	4,446	12,993	18,205
Interest receipts		157	520	689	178	608	811
Other receipts		2,323	6,910	8,320	1,741	5,515	7,594
Total cash received		11,240	33,735	44,819	10,588	31,542	43,223
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,621	-10,343	-13,868	-3,319	-9,541	-12,538
Payments for goods and services		-3,565	-13,343	-18,879	-4,147	-12,987	-18,339
Interest paid		-446	-1,220	-1,564	-385	-1,299	-1,687
Grants and subsidies paid		-1,036	-2,938	-3,761	-1,008	-2,762	-3,770
Other payments		-1,154	-3,467	-4,411	-1,017	-3,126	-4,324
Total cash paid		-9,824	-31,312	-42,483	-9,877	-29,716	-40,658
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,416	2,423	2,336	711	1,827	2,565
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,450	-4,885	-7,095	-1,656	-5,060	-7,355
Sales of non-financial assets		210	702	1,247	209	571	902
Total cash flows from investments in non-financial assets		-1,240	-4,183	-5,848	-1,447	-4,490	-6,453
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		11	20	-	3	8	12
For liquidity purposes		1,351	4,653	1,586	1,452	5,436	7,236
<i>Cash paid</i>							
For policy purposes		-11	-20	-	-3	-9	-12
For liquidity purposes		-2,224	-5,484	-2,768	-1,298	-4,315	-6,401
Total cash flows from investments in financial assets		-873	-832	-1,181	154	1,120	835
NET CASH FLOWS FROM INVESTING ACTIVITIES		-2,113	-5,015	-7,029	-1,293	-3,370	-5,618
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	25	-	-	-
Borrowings		8,965	19,272	28,556	5,596	19,494	31,930
Deposits received		-	-	-	-	-	-
Other financing receipts		7	30	304	18	43	30
Total cash received		8,972	19,301	28,886	5,615	19,537	31,960
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-15
Borrowings repaid		-7,462	-17,303	-26,725	-4,689	-20,127	-29,576
Deposits paid		-	-	-	-	-	-
Other financing payments		-20	-57	-161	-31	-85	-87
Total cash paid		-7,482	-17,361	-26,900	-4,720	-20,213	-29,678
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,491	1,941	1,985	895	-676	2,282
Net increase in cash and cash equivalents		794	-651	-2,708	312	-2,219	-771
Cash and cash equivalents at the beginning of the year		9,765	11,210	11,210	9,450	11,981	11,981
Cash and cash equivalents at the end of the year		10,559	10,559	8,502	9,762	9,762	11,210
KEY FISCAL AGGREGATES							
Net cash flow s from operating activities		1,416	2,423	2,336	711	1,827	2,565
Net cash flow s from investing in non-financial assets		-1,240	-4,183	-5,848	-1,447	-4,490	-6,453
Cash surplus/-deficit	4	176	-1,760	-3,512	-737	-2,663	-3,888

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

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

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

The quarterly 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. The general government sector consists of those agencies and Crown entities that provide services that are predominantly funded from central revenue. Public corporations generally seek to recover the majority of the costs of operations through user charges and other own-source revenue.

(c) Basis of Preparation

The financial statements for the nine months ended 31 March 2014 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 2013, presented in Appendix 1 of the 2012-13 *Annual Report on State Finances* (ARSF) released on 25 September 2013. The accounting policies adopted in this publication are consistent with those outlined in the ARSF, (see Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2012-13 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/rows may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

A detailed dissection of general government sector 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

	2013-14			2012-13		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Actual ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local Government	66	191	304	74	199	322
Local Government on-passing	21	147	170	19	139	158
Private and Not-for-profit sector	315	1,192	1,456	299	1,076	1,590
Private and Not-for-profit sector on-passing	479	948	940	412	858	873
Other sectors of Government	514	1,665	2,389	517	1,394	1,952
Total Current Transfers	1,394	4,144	5,259	1,321	3,666	4,895
<i>CAPITAL TRANSFERS</i>						
Local Government	12	38	294	26	59	65
Local Government on-passing	13	93	107	12	89	101
Private and Not-for-profit sector	24	92	148	34	102	155
Private and Not-for-profit sector on-passing	3	17	27	10	18	25
Other sectors of Government	64	166	228	36	95	116
Total Capital Transfers	115	406	804	118	363	462

Total Public Sector

	2013-14			2012-13		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Actual ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local Government	66	191	304	74	199	322
Local Government on-passing	21	147	170	19	139	158
Private and Not-for-profit sector	473	1,707	2,155	476	1,589	2,260
Private and Not-for-profit sector on-passing	479	948	940	412	858	873
Other sectors of Government	2	8	12	3	9	17
Total Current Transfers	1,042	3,002	3,581	984	2,793	3,631
<i>CAPITAL TRANSFERS</i>						
Local Government	12	38	295	27	60	65
Local Government on-passing	13	93	107	12	89	101
Private and Not-for-profit sector	36	134	341	39	124	237
Private and Not-for-profit sector on-passing	3	17	27	10	18	25
Other sectors of Government	-	-	1	-	-	-
Total Capital Transfers	65	283	772	88	291	428

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

(b) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(c) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises Government Finance Statistics (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 2014 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Operating Balance

	2013-14			2012-13		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Actual	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<u>General government</u>						
AASB1049 net operating balance	107	735	183	-123	115	249
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	-	-
GFS net operating balance	107	735	183	-123	115	249
<u>Total public sector</u>						
AASB1049 net operating balance	221	1,138	-603	-65	181	-208
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Capitalised interest	6	25	46	6	19	27
Total GFS expense adjustments	6	25	46	6	19	27
Total GFS adjustments to AASB 1049 net operating balance	-6	-25	-46	-6	-19	-27
GFS net operating balance	215	1,113	-649	-71	162	-235

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/-Borrowing

	2013-14			2012-13		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Actual	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	-389	-714	-1,727	-606	-1,379	-1,852
Plus Net operating balance convergence differences	-	-	-	-	-	-
GFS net lending/-borrowing	-389	-714	-1,727	-606	-1,379	-1,852
<u>Total public sector</u>						
AASB1049 net lending/-borrowing	-13	-1,349	-4,268	-331	-2,318	-3,199
Plus Net operating balance convergence differences	-6	-25	-46	-6	-19	-27
GFS net lending/-borrowing	-19	-1,374	-4,314	-337	-2,337	-3,226

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Worth

	For the period ending			
	31 Mar 2014 \$m	30 June 2014 \$m	31 Mar 2013 \$m	30 June 2013 \$m
<i>General government</i>				
<i>AASB1049 net worth</i>	116,309	116,124	113,413	112,927
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	194	207	202	208
Impact on public corporations net worth	38	24	25	97
<i>Total GFS net worth adjustments</i>	320	320	315	393
GFS net worth	116,629	116,444	113,729	113,320
<i>Total public sector</i>				
<i>AASB1049 net worth</i>	116,309	116,124	113,413	112,927
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	232	232	227	305
<i>Total GFS net worth adjustments</i>	320	320	315	393
GFS net worth	116,629	116,444	113,729	113,320

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Cash Surplus/-Deficit

	2013-14			2012-13		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<i>General government</i>						
<i>AASB1049 cash surplus/-deficit</i>	-81	-1,412	-1,738	-449	-1,883	-1,952
<i>Less Acquisitions under finance leases and similar arrangements</i>	10	90	267	4	33	104
GFS cash surplus/-deficit	-92	-1,501	-2,006	-453	-1,915	-2,056
<i>Total public sector</i>						
<i>AASB1049 cash surplus/-deficit</i>	176	-1,760	-3,512	-737	-2,663	-3,888
<i>Less Acquisitions under finance leases and similar arrangements</i>	9	355	532	4	33	104
GFS cash surplus/-deficit	167	-2,115	-4,045	-741	-2,696	-3,992

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2013-14		2012-13	
	31 Mar \$m	Estimated Actual \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	3,877	3,355	4,652	5,707
Government securities	6	6	7	6
Total	3,883	3,361	4,659	5,713
<i>Loans and advances</i>				
Loans	8	8	8	8
Financial assets held for trading/available for sale	-	1	1	1
Total	8	9	9	9
Total	3,891	3,370	4,668	5,722

Total Public Sector

	2013-14		2012-13	
	31 Mar \$m	Estimated Actual \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	11,909	10,160	10,595	12,357
Government securities	500	405	375	405
Total	12,409	10,565	10,970	12,761
<i>Loans and advances</i>				
Loans	2,104	4,307	2,325	3,820
Financial assets held for trading/available for sale	254	316	280	315
Total	2,358	4,623	2,605	4,135
Total	14,767	15,188	13,575	16,896

NOTE 6: RECEIVABLES

General Government

	2013-14		2012-13	
	31 Mar \$m	Estimated Actual \$m	31 Mar \$m	Actual \$m
Accounts receivable	3,604	3,300	2,881	3,078
Provision for impairment of receivables	-194	-207	-202	-208
Total	3,410	3,093	2,678	2,870

Total Public Sector

	2013-14		2012-13	
	31 Mar \$m	Estimated Actual \$m	31 Mar \$m	Actual \$m
Accounts receivable	5,060	4,751	4,426	4,591
Provision for impairment of receivables	-232	-232	-227	-305
Total	4,828	4,520	4,199	4,286

NOTE 7: BORROWINGS**General Government**

	2013-14		2012-13	
	31 Mar \$m	Estimated Actual \$m	31 Mar \$m	Actual \$m
Bank overdrafts	269	-	-	-
Finance leases	506	682	347	422
Borrowings	10,688	10,657	9,274	10,682
Total	11,463	11,339	9,621	11,104

Total Public Sector

	2013-14		2012-13	
	31 Mar \$m	Estimated Actual \$m	31 Mar \$m	Actual \$m
Bank overdrafts	277	-	2	3
Finance leases	1,430	1,600	1,025	1,097
Borrowings	38,655	40,971	34,067	38,639
Total	40,361	42,570	35,094	39,740

NOTE 8: DETAILS OF AGENCY CHANGES

The agencies included in these financial statements are detailed in Note 33: *Composition of Sectors* in the 2012-13 *Annual Report on State Finances*. Changes since that date include:

- with effect from 1 July 2013, the Department of Regional Development of Lands was disaggregated to become the Department of Regional Development and the Department of Lands;
- with effect from 1 July 2013, the Department of Environment and Conservation was disaggregated to become the Department of Environmental Regulation and the Department of Parks and Wildlife;
- with effect from 1 July 2013, the Department of Local Government was abolished and its functions transferred to Department of Communities, which was renamed as the Department of Local Government and Communities;
- with effect from 1 January 2014, the Electricity Retail Corporation (Synergy) was abolished and its functions transferred to the Electricity Generation Corporation (Verve), which was renamed the Electricity Generation and Retail Corporation (Synergy); and
- with effect from 31 January 2014, the Minerals and Energy Research Institute of Western Australia was abolished and its functions transferred to the Minerals Research Institute of Western Australia.

NOTE 9: CONTINGENT LIABILITIES

Contingent liabilities were reported in the 2012-13 Annual Report on State Finances. The only material update to these potential obligations is for Home Indemnity Insurance (HII). The Heads of Agreements with private insurers covering the existing HII arrangement expired on 30 June 2013, but were subsequently extended until 31 October 2013 to allow the Government to consider long term options. Under a new temporary arrangement commencing from 1 November 2013, the State wholly underwrites the provision of new HII policies to provide cover for financial loss resulting from the death, insolvency or disappearance of a builder or building group. This temporary arrangement will be in place for one year (to 31 October 2014) to allow consideration of a longer term, permanent solution to home indemnity insurance.

Operating Revenue

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

The total public sector consolidates internal transfers between the general government sector and agencies in the public corporations sectors, eliminating transactions between parties within the public sector.

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 internal public sector collections are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the general government taxation revenue aggregate.

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2013-14			2012-13		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Actual ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m
TAXATION						
<i>Payroll tax</i>	845	2,710	3,617	820	2,608	3,476
Property taxes						
<i>Land tax</i>	36	661	662	5	563	568
Transfer Duty	438	1,357	1,839	387	1,112	1,654
Landholder Duty	32	171	196	10	123	216
<i>Total duty on transfers</i>	470	1,528	2,035	397	1,236	1,870
Other stamp duties	-	-	-	-	5	5
Metropolitan Region Improvement Tax	-	88	89	-	85	85
Emergency Services Levy	70	236	256	64	217	237
Loan guarantee fees	29	80	119	29	69	104
<i>Total other property taxes</i>	99	404	464	92	376	431
Taxes on provision of goods and services						
Lotteries Commission	37	110	148	32	113	151
Video lottery terminals	-	-	1	-	-	-
Casino Tax	39	102	118	26	86	112
Betting tax	11	32	42	10	31	41
Other	-	-	-	-	-	-
<i>Total taxes on gambling</i>	86	245	309	68	230	304
Insurance Duty	135	437	593	128	414	555
Other	8	19	23	5	16	22
<i>Total taxes on insurance</i>	143	457	616	133	430	576
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	95	285	396	100	301	404
Permits - Oversize Vehicles and Loads	1	5	8	1	3	8
Motor Vehicle recording fee	14	39	49	12	35	48
Motor Vehicle registrations	188	529	725	162	482	650
<i>Total motor vehicle taxes</i>	298	858	1,178	275	821	1,109
Total Taxation	1,979	6,862	8,881	1,791	6,265	8,335
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	609	1,864	2,473	727	2,235	2,935
North West Shelf grants	279	842	1,134	251	795	1,031
Compensation for Commonwealth crude oil excise arrangements	17	53	62	16	48	63
<i>Grants through the State</i>						
Schools assistance – non-government schools	479	948	940	412	858	873
Local government financial assistance grants	21	147	170	19	139	158
Local government roads	13	93	107	12	89	101
<i>National Specific Purpose Payment Agreement Grants</i>						
Schools	118	346	469	99	302	406
Skills and Workforce Development	39	135	152	37	110	146
Disability Services	36	109	146	32	95	127
Affordable Housing	35	107	139	34	101	135
<i>National Health Reform</i>	382	1,150	1,535	323	978	1,398
<i>Other Grants/National Partnerships</i>						
Health	78	265	403	172	390	474
Housing	-	-	15	-	-	6
Transport	35	41	76	19	61	69
Other	55	164	311	111	261	394
Total Current Grants and Subsidies	2,196	6,265	8,133	2,263	6,462	8,316
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	3	17	27	10	18	25
<i>National Partnerships/Other Grants</i>						
Housing	59	152	200	31	92	93
Transport	27	170	300	128	241	445
Other	10	39	88	12	17	59
Total Capital Grants	98	378	615	182	368	622

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2013-14			2012-13		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
SALES OF GOODS AND SERVICES	547	1,637	2,267	517	1,489	2,089
INTEREST INCOME	46	157	212	57	193	255
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	13	331	850	115	309	796
Tax Equivalent Regime	102	357	524	124	297	381
Total Revenue from Public Corporations	114	689	1,374	239	606	1,177
ROYALTY INCOME	1,563	4,616	5,911	1,006	3,081	4,425
OTHER						
Lease Rentals	22	74	89	24	71	91
Fines	35	105	169	37	117	157
Revenue not elsew here counted	60	171	318	54	162	252
Total Other	118	350	576	116	351	499
GRAND TOTAL	6,662	20,953	27,970	6,170	18,814	25,718

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 Annual Report on State Finances, released 25 September 2013.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2013-14			2012-13		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(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>	824	2,643	3,531	799	2,549	3,390
Property taxes						
<i>Land tax</i>	22	618	597	-8	525	511
Transfer Duty	438	1,357	1,839	387	1,112	1,654
Landholder Duty	32	171	196	10	123	216
<i>Total duty on transfers</i>	470	1,528	2,035	397	1,236	1,870
Other stamp duties	-	-	-	-	5	5
Metropolitan Region Improvement Tax	-	88	89	-	85	85
Emergency Services Levy	65	232	252	60	213	233
Loan guarantee fees	1	2	4	1	2	3
<i>Total other property taxes</i>	66	321	344	60	305	326
Taxes on provision of goods and services						
Video lottery terminals	-	-	1	-	-	-
Casino Tax	39	102	118	26	86	112
<i>Total taxes on gambling</i>	39	102	119	26	87	112
Insurance Duty	135	437	593	128	414	555
Other	8	19	23	5	16	22
<i>Total taxes on insurance</i>	143	457	616	133	430	576
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	95	285	396	100	301	404
Permits - Oversize Vehicles and Loads	1	5	8	1	3	8
Motor Vehicle recording fee	14	39	49	12	35	48
Motor Vehicle registrations	188	529	725	162	482	650
<i>Total motor vehicle taxes</i>	298	858	1,178	275	821	1,109
Total Taxation	1,862	6,526	8,420	1,683	5,953	7,894
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	609	1,864	2,473	727	2,235	2,935
North West Shelf grants	279	842	1,134	251	795	1,031
Compensation for Commonwealth crude oil excise arrangements	17	53	62	16	48	63
Grants through the State						
Schools assistance – non-government schools	479	948	940	412	858	873
Local government financial assistance grants	21	147	170	19	139	158
Local government roads	13	93	107	12	89	101
National Specific Purpose Payment Agreement Grants						
Schools	118	346	469	99	302	406
Skills and Workforce Development	39	135	152	37	110	146
Disability Services	36	109	146	32	95	127
Affordable Housing	35	107	139	34	101	135
National Health Reform	382	1,150	1,535	323	978	1,398
Other Grants/National Partnerships						
Health	78	265	403	172	390	474
Housing	-	-	15	-	-	6
Transport	35	41	76	19	61	69
Other	55	164	311	111	261	394
Total Current Grants and Subsidies	2,196	6,265	8,133	2,263	6,462	8,316
CAPITAL GRANTS						
Grants through the State						
Schools assistance – non-government schools	3	17	27	10	18	25
National Partnerships/Other Grants						
Housing	59	152	200	31	92	93
Transport	27	170	300	128	241	445
Other	10	39	88	12	17	59
Total Capital Grants	98	378	615	182	368	622

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2013-14			2012-13		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Actual ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
SALES OF GOODS AND SERVICES	4,561	13,403	18,613	4,618	12,974	17,955
INTEREST INCOME	153	463	670	156	506	687
ROYALTY INCOME	1,563	4,616	5,911	1,006	3,081	4,425
OTHER						
Lease Rentals	22	74	89	24	71	91
Fines	36	107	169	38	120	157
Revenue not elsewhere counted	183	561	749	133	425	647
Total Other	242	742	1,007	196	616	896
GRAND TOTAL	10,675	32,392	43,370	10,104	29,960	40,794

(a) Consistent with the revised outcome published in the 2014-15 Budget, released 8 May 2014.

(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

Note: Columns may not add due to rounding.

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 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 2014 decreased by \$639 million compared with 31 March 2013. This largely reflects the combined impact of a \$1,548 million increase in the Consolidated Account deficit, partly offset by an increase of \$866 million in Treasurer's Special Purpose Accounts balances.

PUBLIC LEDGER BALANCES AT 31 MARCH		
	2014	2013
	\$m	\$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-10,044	-8,496
Treasurer's Special Purpose Accounts	9,761	8,895
Treasurer's Advance Account – Net Advances	-31	-74
TOTAL	-314	325

(a) The balance of the Consolidated Account at 31 March 2014 includes non-cash appropriations of \$7,798 million (31 March 2013: \$7,026 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.

Note: Columns may not add due to rounding.

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 associated appropriation clearly specified.

The Consolidated Account recorded an accumulated deficit of \$10,044 million at 31 March 2014. This included \$7,798 million in non-cash Holding Account balances for agencies, associated with accrual appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded an accumulated cash deficit of \$2,246 million at 31 March 2014, compared with an accumulated cash deficit of \$1,470 million at 31 March 2013. Cash balances vary significantly through the year, depending on the timing of receipts into, and payments from, the Account.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS		
For the nine months ended 31 March		
	2014	2013
	\$m	\$m
REVENUE		
<i>Operating Activities</i>		
Taxation	5,469	5,078
Commonwealth Grants	2,773	3,283
Government Enterprises	775	654
Revenue from other agencies	5,288	3,888
Other	226	212
<i>Total Operating Activities</i>	14,531	13,115
<i>Financing Activities</i>		
Repayments of Recoverable Advances	4	4
Transfers from:		
Public Bank Account Interest Earned Account	-	80
Bankwest Pension Trust	1	1
Other Receipts	4	1
Borrowings	-	750
<i>Total Financing Activities</i>	9	836
TOTAL REVENUE	14,540	13,951
EXPENDITURE		
<i>Recurrent</i>		
Authorised by Other Statutes	1,640	1,428
Appropriation Act (No. 1)	14,052	12,964
Recurrent Expenditure under the Treasurer's Advance	-	-
<i>Total Recurrent Expenditure</i>	15,692	14,392
<i>Investing Activities</i>		
Authorised by Other Statutes	96	54
Appropriation Act (No. 2)	1,783	1,917
Investing Expenditure under the Treasurer's Advance	-	-
<i>Total Investing Activities</i>	1,879	1,971
<i>Financing Activities</i>		
Loan repayments	-	-
Other financing	4	1
<i>Total Financing Activities</i>	4	1
TOTAL EXPENDITURE	17,575	16,364
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-3,035	-2,413
Consolidated Account Balance		
Opening balance at 1 July	-7,009	-6,083
Closing balance at 31 March	-10,044	-8,496
Of which:		
Appropriations payable	-7,798	-7,026
Cash balance at 31 March	-2,246	-1,470

Note: Columns may not add due to rounding.

Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPAs) consist 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.

Relative to 31 March 2013, aggregate TSPA balances were \$866 million higher at 31 March 2014, mainly reflecting:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$772 million);
- a net decrease for the Perth Children's Hospital Account balance (down \$337 million), reflecting draw downs for construction costs on this new hospital;
- an increase in the Royalties for Regions Fund (up \$312 million), mainly due to the impact of the increase in budget-time forecasts of royalty revenue, reflecting assumptions for production volumes and prices of mineral resources on the appropriation approved for 2013-14;
- 'seed capital' sourced from the Royalties for Regions Fund¹ and interest earnings on the balance of the Western Australian Future Fund (up \$286 million);
- the draw down of cash reserves set aside for construction of the Fiona Stanley Hospital (down \$148 million), which achieved practical completion in December 2013;
- a decrease in the balance of the New Perth Stadium Account (down \$82 million), reflecting the timing of payments for project work; and
- an increase in the aggregate balance of all other Special Purpose Accounts (up \$63 million).

¹ Further detail of the Western Australia Future Fund can be found in Appendix 4: *Special Purpose Accounts*.

Details of key Special Purpose Accounts are disclosed in Appendix 4: *Special Purpose Accounts*.

Table 3.3

TREASURER'S SPECIAL PURPOSE ACCOUNTS		
At 31 March		
	2014	2013
	\$m	\$m
Agency Holding Accounts	7,798	7,026
Fiona Stanley Hospital Construction Account	15	163
Royalties for Regions Fund	799	487
Western Australian Future Fund	589	303
Perth Children's Hospital Account	11	348
The New Perth Stadium Account	18	100
Other Special Purpose Accounts	531	468
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 March	9,761	8,895

Note: Columns may not add due to rounding.

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 \$595.7 million is authorised under section 29 of the FMA for the year ended 30 June 2014, compared with a total of \$651.5 million authorised limit applying at the same time last year. The decline in the limit this year reflects the lower recurrent and capital Appropriation Bills on which the Treasurer's Advance limit is calculated. This is mainly due to the impact of the Government's corrective measures on appropriations (these measures are detailed in Budget Papers and in mid-year reviews).

Of the \$595.7 million authorised limit for 2013-14, \$30.6 million was held in the form of net recoverable advances at 31 March 2014 (see Table 3.4).

TREASURER'S ADVANCE AT 31 MARCH

Table 3.4

	2014	2013
	\$m	\$m
AUTHORISED LIMIT	595.7	651.5
<i>Total Drawn Against Treasurer's Advance Account</i>	41.5	73.8
Comprising:		
Net recoverable advances as at 31 March (see below)	30.6	73.6
Excesses and New Items		
- recurrent	10.9	0.2
- capital	-	-
NET RECOVERABLE ADVANCES		
Building Farm Business Grants	-	4.0
Building Management and Works	-	50.0
Electoral Boundaries Distribution	0.4	0.2
Local Government Elections	2.5	-
Mining Rehabilitation Fund	2.2	0.3
Sport and Recreation	1.6	1.8
Strategic Projects	20.0	10.0
Suitors Fund	1.8	1.8
Sundry Debtors	0.1	0.4
Teacher Registration Board of Western Australia	-	0.3
Transport	2.0	2.0
WA Museum	-	2.8
TOTAL RECOVERABLE TREASURER'S ADVANCES	30.6	73.6

Transfers, Excesses and New Items

During the year, there are often transfers of appropriations between agencies. These transfers are authorised under section 25 of the FMA or specific enabling legislation and have no impact on the Treasurer's Advance.

Excesses and/or new items (approved by the Treasurer under the authority of section 27 of the FMA) reflect increases in appropriation above the original budgeted amount approved by the Parliament that have since been revised up, or appropriation for a new purpose that was not contemplated in the budget.

Transfer of appropriation funds are for the provision of an approved service which is now delivered by an alternative agency. These transfers have no impact on the Treasurer's Advance. In the nine months ending 31 March 2014, appropriation transfers included:

- the transfer of \$31.8 million to WA Health (\$31.4 million) and the Mental Health Commission (\$0.4 million) from Treasury, for the 'Closing the Gap' project;
- the transfer from Treasury of \$3.7 million (including both recurrent and capital appropriations) to the Office of the Director of Public Prosecutions (\$0.4 million), Racing, Gaming and Liquor (\$0.7 million), Corrective Services (\$1.1 million) and Water (\$1.5 million) for transition costs and to re-establish corporate service functions relating to the decommissioning of the Office of Shared Services. These costs were provisioned in a central appropriation in the 2013-14 Budget; and
- the transfer of \$0.5 million from the Department of Premier and Cabinet to the State Emergency Management Committee Secretariat for accommodation at Leederville.

Approved excesses and new items during the nine months to 31 March 2014 totalled \$10.9 million which have been drawn by the relevant agencies. These excesses and new items included:

- funds for the South West Native Title Settlement (totalling \$7.8 million) transferred to the Department of the Premier and the Cabinet (\$2.9 million), the Department of Lands (\$2.5 million), the Department of the Attorney General (\$0.8 million), the Department of Mines and Petroleum (\$0.6 million), the Department of Parks and Wildlife (\$0.4 million), the Department of Finance (\$0.3 million), the Department of Aboriginal Affairs (\$0.2 million) and the Department of Agriculture and Food (\$0.1 million). This funding is primarily for the purpose of establishing adequate administrative arrangements to deal with the associated land identification, transfer and management processes under the Settlement, and to plan and design development of a Noongar Cultural Centre;
- a net excess of \$1.3 million for the Western Australian Sports Centre Trust for a partial re-instatement of the VenuesWest Public Sector Workforce Reform salary cap, partially offset by procurement expenditure savings;
- an approved excess to the Chemistry Centre of Western Australia to address a funding shortfall arising from reduced demand for commercial services (totalling \$1.2 million); and
- an approved excess to the School Curriculum and Standards Authority for adjustments to the agency's salary cap, activities associated with expanded Kindergarten to Year 10 functions, curriculum implementation and accommodation expenses (totalling \$0.7 million).

Table 3.5

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

	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance			Draw n against Treasurer's Advance to date \$m
			New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	233.6	-0.5	-	2.9	236.0	2.9
<i>Chemistry Centre (WA)</i>						
Item 11: Delivery of Services	7.7	-	-	1.2	8.9	1.2
<i>WA Health</i>						
Item 12: Delivery of Services	4,080.1	31.4	-	-	4,111.5	-
<i>Lands</i>						
Item 24: Delivery of Services	19.8	-	-	2.5	22.3	2.5
<i>School Curriculum and Standards Authority</i>						
Item 29: Delivery of Services	34.4	-	-	0.7	35.1	0.7
<i>Aboriginal Affairs</i>						
Item 31: Delivery of Services	34.3	-	-	0.2	34.5	0.2
<i>Treasury</i>						
Item 40: Closing the Gap	31.8	-31.8	-	-	-	-
Item 42: Decommissioning of the Office of Shared Services	2.4	-2.2	-	-	0.2	-
<i>Water</i>						
Item 70: Delivery of Services	69.1	-(b)	-	-	69.1	-
<i>Mental Health Commission</i>						
Item 72: Delivery of Services	556.1	0.4	-	-	556.5	-
<i>Attorney General</i>						
Item 75: Delivery of Services	249.0	-	-	0.8	249.8	0.8
<i>Office of the Director of Public Prosecutions</i>						
Item 79: Delivery of Services	29.9	0.4	-	-	30.3	-
<i>Mines and Petroleum</i>						
Item 86: Delivery of Services	76.2	-	-	0.6	76.8	0.6
<i>WA Sports Centre Trust</i>						
Item 92: Delivery of Services	36.1	-	-	1.3	37.4	1.3
<i>Racing, Gaming and Liquor</i>						
Item 93: Delivery of Services	4.8	0.7	-	-	5.5	-
<i>Agriculture and Food</i>						
Item 95: Delivery of Services	135.6	-	-	0.1	135.7	0.1
<i>Finance</i>						
Item 98: Delivery of Services	274.1	-	-	0.3	274.4	0.3
<i>Parks and Wildlife</i>						
Item 103: Delivery of Services	201.5	-	-	0.4	201.9	0.4
<i>State Emergency Management Committee Secretariat</i>						
Item:113 Delivery of Services	3.9	0.5	-	-	4.4	-
<i>Corrective Services</i>						
Item:114 Delivery of Services	753.6	1.1	-	-	754.7	-
Total Recurrent		-	-	11.0		10.9
Capital Appropriations						
<i>Treasury</i>						
Item 130: Decommissioning of the Office of Shared Services	8.9	-1.5	-	-	7.4	-
<i>Water</i>						
Item 155: Capital Appropriation	8.4	1.5	-	-	9.9	-
Total Capital		-	-	-		-
TOTAL				11.0		10.9

(a) Authorised under section 25 of the FMA.

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

Note: Columns and rows may not add due to rounding

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* (FMA) or by a statute (e.g. the Fiona Stanley Hospital Construction Account and the Royalties for Regions Fund). Accounts established by statute are governed by the relevant provisions of the statute while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outline the purpose of the account.

This appendix details the year to date position of a number of SPAs established to deliver key Government policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs that provide a funding source for particular initiatives or policy areas and that were in existence at 31 March 2014. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated projections outlined elsewhere in this report.

It is important to note that each dollar that is spent from these SPA balances will increase net debt (and reduce the operating balance if the spending is for recurrent purposes) by the same amount. In this way, these SPA balances are no different from other funding sources, including new borrowings.

Fiona Stanley Hospital Construction Account

This SPA was established in October 2007 to set aside funds to be used for the construction of the Fiona Stanley Hospital.

Receipts during the nine months to 31 March 2014 reflect \$15 million appropriated by Parliament and \$2 million of interest revenue earned on the account balance. Funds are drawn from the account and paid to WA Health as payments for construction work fall due. Funds from the account have almost been fully drawn down as the new facility achieved practical completion in December 2013. A small cash balance is expected to remain at the end of 2014-15 to support project close out activities.

Table 4.1

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT
At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	104	309
Receipts	17	133
Payments	107	279
Closing Balance	15	163

Note: Columns may not add due to rounding.

Perth Children's Hospital Account¹

This SPA was established in October 2010 to hold money for the construction and start up of the Perth Children's Hospital. The hospital is expected to be completed by mid-2015 and utilise all available funds in the SPA.

A total of \$645 million (or 55%) of the estimated construction costs have been funded from one-off royalty revenue and Consolidated Account surplus outcomes recorded over the period 2009-10 to 2011-12.

Funds are drawn from the SPA and paid to WA Health as payments for construction work fall due.

Table 4.2

PERTH CHILDREN'S HOSPITAL ACCOUNT
At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	277	423
Receipts	-	70
Payments	266	145
Closing Balance	11	348

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 to set aside funds to be used to encourage a balanced transport system for gaining access to the Perth city area.

Receipts consist of application fees, license fees, penalties, money appropriated by Parliament and interest revenue earned on the account balances. Funds drawn from the account are spent on the Central Area Transit system, improving public transport access, enhancing the pedestrian environment, supporting bicycle access and for administration of the *Perth Parking Management Act 1999*.

¹ Previously the New Children's Hospital Account. The account was renamed on 30 January 2014 following the 30 September 2013 announcement by the State Government that Perth Children's Hospital would be the official name for the new children's hospital.

PERTH PARKING LICENSING ACCOUNT

Table 4.3

At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	70	56
Receipts	37	33
Payments	49	12
Closing Balance	58	77

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect prescribed penalties paid during the quarter, other funds collected under the *Road Traffic Act 1974*, and interest revenue earned on the account balance.

Key road safety initiatives funded from the account include improvements to metropolitan intersections, continuation of the electronic school zone sign project, strategic traffic enforcement and increased breath and drug testing by Western Australia Police, community and school education programs and the continuation of support for 'Roadwise' (the Local Government and Community Road Safety Program).

ROAD TRAUMA TRUST ACCOUNT

Table 4.4

At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	65	43
Receipts	64	69
Payments	39	26
Closing Balance	89	87

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside 25% of the State's annual royalty income to fund investment in regional Western Australia.

Receipts during the first nine months of 2013-14 reflect moneys appropriated from Parliament and interest revenue earned on the account balance. Funds were drawn to support infrastructure services, business and economic development and other regional initiatives outlined in the 2013-14 Budget and December 2013 Mid-year Review.

Table 4.5

ROYALTIES FOR REGIONS FUND
At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	881	687
Receipts	715	661
Payments	797	861
Closing Balance	799	487

Note: Columns may not add due to rounding.

Royalties for Regions Southern Inland Health Initiative

This SPA was established in June 2012 to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*.

Funds drawn from the SPA will be applied to support local hospitals and health facilities, provide additional resources, telehealth services and other related regional health services in the Great Southern, Mid-West, Goldfields, South-West and Wheatbelt regions.

Table 4.6

ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE
At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	211	226
Receipts	-	-
Payments	17	9
Closing Balance	194	218

Note: Columns may not add due to rounding.

The New Perth Stadium Account

This SPA was established in October 2011 to set aside funds to be used for the construction of the New Perth Stadium and associated transport infrastructure. The stadium is expected to be completed by 2018 and utilise all available funds in the SPA as part of the funding to support the construction. Funds are drawn from the SPA as payments for construction work fall due.

THE NEW PERTH STADIUM ACCOUNT

Table 4.7

At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	95	-
Receipts	-	100
Payments	77	-
Closing Balance	18	100

Note: Columns may not add due to rounding.

Western Australian Future Fund

The Western Australian Future Fund was established as a Treasurer's SPA following the passage of the *Western Australian Future Fund Act 2012* in November 2012. The Act provides for an accruing balance over 20 years to 2032, after which the annual interest earnings can be drawn down to fund economic or social infrastructure projects across Western Australia.

Announced as part of the 2012-13 Budget, the Future Fund will receive around \$1.1 billion in 'seed capital' to be transferred from the Royalties for Regions Fund over the period 2012-13 to 2015-16. From 2016-17 onwards, a minimum of 1% of the State's annual royalty revenue will be paid into the Fund. Receipts over the nine months to 31 March 2014 include the Royalties for Regions 'seed capital' contribution for 2013-14 (\$263 million) and interest receipts (\$21 million).

WESTERN AUSTRALIAN FUTURE FUND

Table 4.8

At 31 March

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	306	-
Receipts	284	303
Payments	-	-
Closing Balance	590	303

Note: Columns may not add due to rounding.

