



2014-15

# Quarterly Financial Results Report

September 2014





**2014-15**

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2014-15 Quarterly Financial Results Report  
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2014-15

# QUARTERLY FINANCIAL RESULTS REPORT

Three Months Ended 30 September 2014

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# Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 2014.

Care should be exercised in extrapolating the likely outcome for the 2014-15 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 2014-15 State Budget (released on 8 May 2014).

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; and
- 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 three months ended 30 September 2014 and of the balance sheets of these reporting entities at 30 September 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' *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*.



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21 November 2014



# Overview

## Summary

Aggregate financial outcomes for the public sector for the three months to 30 September 2014 were broadly similar to the same period in 2013-14. However, State finances are expected to show a decline during coming quarters as the recent decline in international iron ore prices impacts on general government revenue collections.

The general government sector recorded an operating deficit of \$347 million for the three months to 30 September 2014, similar to the \$343 million deficit reported for the same period in 2013-14.

- General government revenue for the first three months of 2014-15 totalled \$6,353 million, \$89 million (or 1.4%) lower than same period last year. This outcome mainly reflects the combined effect of lower royalty income (down \$221 million, primarily due to lower iron ore prices) and the timing of local government grants from the Commonwealth (down \$159 million), partially offset by higher tax collections (mainly for land tax and the Perth Parking Levy).
- General government sector expenses were \$85 million (or 1.3%) lower than in the September quarter of 2013-14, largely reflecting lower on-passed grants to local governments and the impact of a one-off payroll tax rebate on 2013-14 outcomes, partially offset by a very small increase in salaries and 'services and contracts' expenses. Importantly, growth in salaries expenditure (the largest single cost for the general government sector) was just 1.9% relative to the same period last year, the lowest such level of September quarter growth since records began in 2000-01.

Total public sector net worth increased by \$666 million over the three months to 30 September 2014, to stand at \$117.5 billion. Total public sector net debt was \$21.7 billion at 30 September 2014, \$927 million higher than the \$20.8 billion recorded at 30 June 2014. This level of net debt is in line with the \$24.9 billion outcome forecast in the 2014-15 Budget for 30 June 2015.

## Results Compared to Prior Year

### General Government Sector

The general government sector recorded an operating deficit of \$347 million for the three months to 30 September 2014, similar to the outcome recorded by the sector for the same period in 2013-14.

Table 1

**SUMMARY OF GENERAL GOVERNMENT FINANCES**  
Western Australia

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-347	175	-343	719
Net worth	117,494	119,294	115,242	116,828
Movement in cash balances	80	-228	-1,128	-1,775
<i>Memorandum items</i>				
Net lending	-674	-1,629	-597	-1,127
Net debt	8,139	9,953	6,044	6,973
Cash surplus/-deficit	-1,044	-1,622	-1,033	-1,333

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

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

### Revenue

Revenue for the three months to 30 September 2014 totalled \$6,353 million, \$89 million (or 1.4%) lower than the same period in 2013-14. This lower outcome primarily reflects the net effect of:

- higher revenue from taxation (up \$249 million), which is largely due to:
  - the timing of the issuing of assessment notices for both land tax (up \$55 million) and the Perth Parking Levy<sup>1</sup> (up \$31 million) as well as an increase in rates<sup>2</sup>;
  - higher motor vehicle license fees (up \$38 million), due to higher annual vehicle registration fees and removal of the private motor vehicle registration fee concession announced in the 2014-15 Budget;
  - higher transfer duty (up \$37 million), largely driven by a 4% increase in the median house price in the Perth metropolitan area;

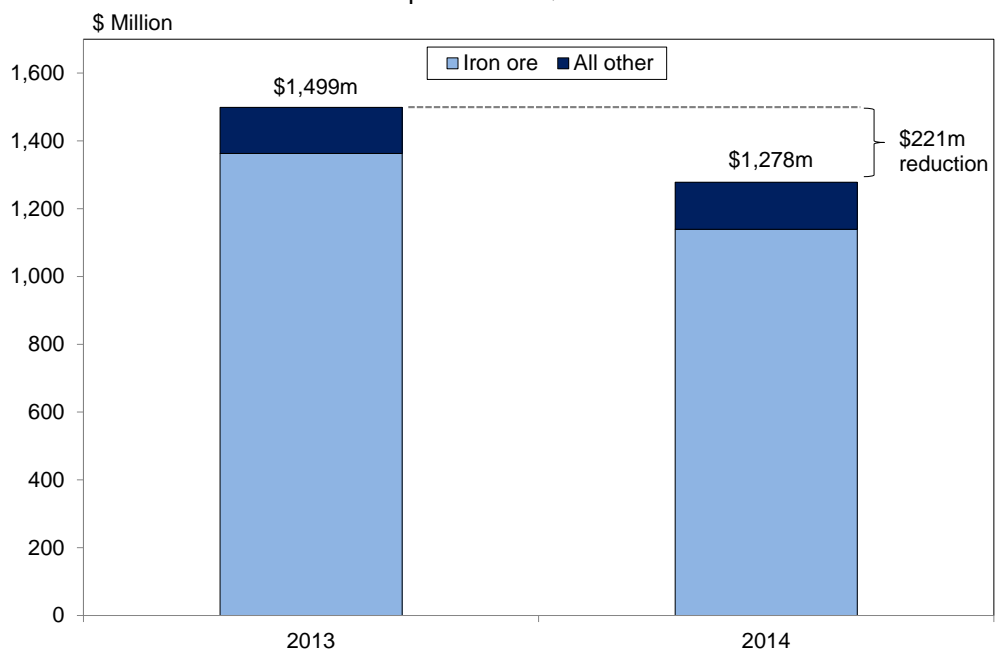
<sup>1</sup> The Government implemented a phased increase in the Perth Parking Levy from 1 July 2014 as part of revenue and savings measures announced in the 2014-15 Budget. The Budget papers included this revenue as goods and services income. However, the Australian Bureau of Statistics (ABS) advised that for Government Financial Statistics purposes, the Levy should be classified as a tax. This revised treatment was reflected in the 2013-14 *Annual Report on State Finances* released on 23 September 2014. All comparative data have been recast for this classification change.

<sup>2</sup> The 2014-15 Budget included a 10% increase in land tax rates and the beginning of the phased introduction of an increase in the Perth Parking Levy from 1 July 2014.

- the first-time recognition of Mining Rehabilitation Fund Levy collections as a tax<sup>3</sup> (\$27 million); and
- the timing of Emergency Services Levy collections (up \$19 million);
- lower royalty income (down \$221 million, or 14.7%), primarily due to lower iron ore prices compared to the same period in 2013-14:
  - the benchmark 62% Cost and Freight iron ore price averaged \$US90.3 per tonne in the September quarter 2014, 32% lower than the average price in the September quarter 2013 (\$US132.7 per tonne);
  - iron ore volumes from Western Australia have increased substantially over the past year due to expansions by the three largest producers, Rio Tinto, BHP Billiton and Fortescue Metals Group. Iron ore exports in the September quarter 2014 were 24% higher than the September quarter 2013;

**ROYALTY COLLECTIONS**  
September Quarter

Figure 1



- lower Commonwealth grants (down \$159 million) mainly due to:
  - lower local government funding (down \$102 million), due to the timing of payments received from the Commonwealth;

<sup>3</sup> From 1 July 2014 the Mining Rehabilitation Fund Levy became a compulsory levy (the Levy was a previously voluntary charge). The ABS has advised that this compulsory levy should be classified as a tax. The voluntary levy is classified as ‘other revenue’ in prior periods and has not been reclassified. The State collected \$4 million in the three months to 30 September 2013 under the voluntary levy.

- lower GST grants (down \$52 million), reflecting the continued decline in the State’s population share of GST (Western Australia will receive just 37.6% of its population share of national GST collections in 2014-15, down from a previous record low of 44.6% in 2013-14);
- lower grants for transport (down \$42 million), primarily due to the timing of funding for the Nation Building Program; and
- higher funding for the health sector (up \$40 million), mainly due to increases in activity and cost escalations under the National Health Reform Agreement; and
- higher sales of goods and services (up \$49 million) largely due to increased demand for goods and services across the sector, an increase in road building services provided to local government by Main Roads and increases in a number of regulatory fees and levies across the sector.

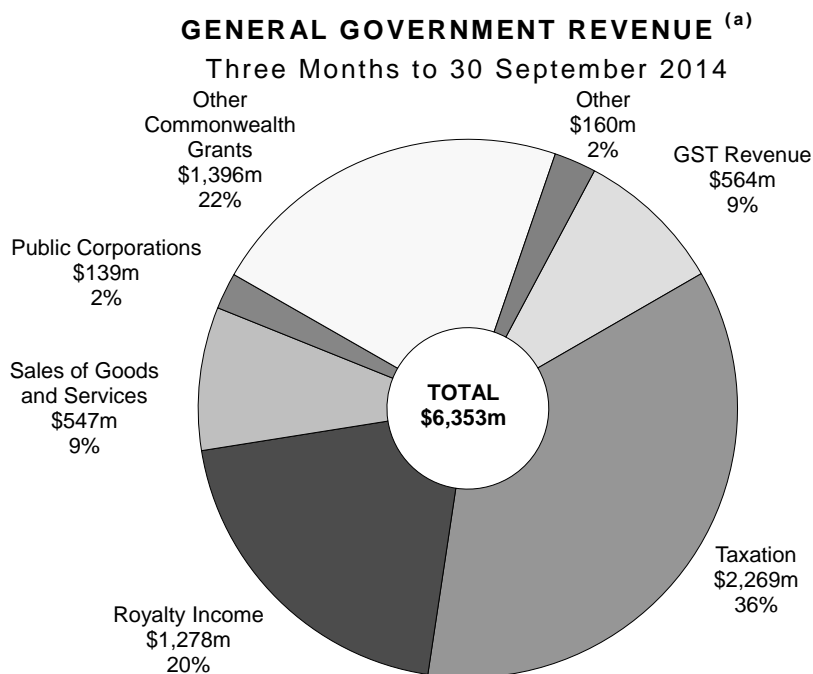


Figure 2

(a) Numbers may not add due to rounding.

## Expenses

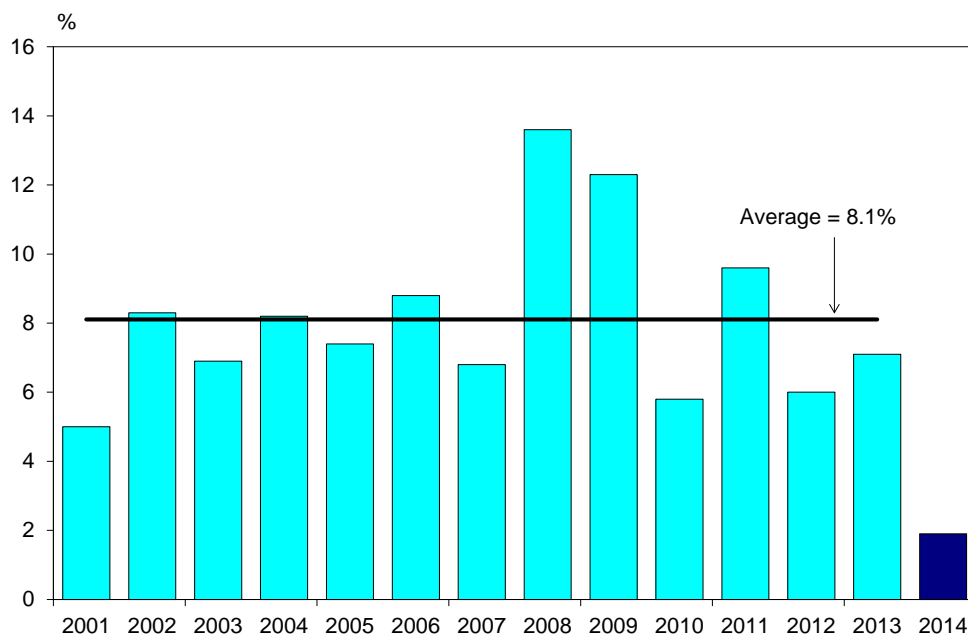
Expenses for the three months to 30 September 2014 totalled \$6,700 million, \$85 million (or 1.3%) lower than the same period in 2013-14. This outcome is mainly due to:

- lower current and capital transfers (down \$162 million), mainly due to the net impact of:
  - lower on-passed local government grants (down \$104 million), reflecting the timing issue discussed above;
  - lower payroll tax rebates (down \$99 million) following the end of the one-off payroll tax rebate for small to medium sized businesses paid in 2013-14; and

- higher appropriation to the Housing Authority primarily due to the timing of funding for the Remote Area Essential Services Program (up \$49 million);
- higher salaries (up \$50 million, or 1.9%), which is the lowest recorded rate of growth in the September results since records began in 2000-01 (see following chart), and reflects the aggregate impact of a range of Government measures to rein in spending, including:
  - a recruitment freeze at the end of 2013-14, which has taken some lead-time for agencies to reinstate recruitment activity in early 2014-15;
  - savings from last year’s Enhanced Voluntary Separation Scheme (under which 1,112 full-time equivalent staff left the sector during 2013-14); and
  - the impact of the Government’s new wages policy and associated Consumer Price Index salaries cap implemented during 2013-14; and

**SEPTEMBER QUARTER SALARIES GROWTH**  
General Government

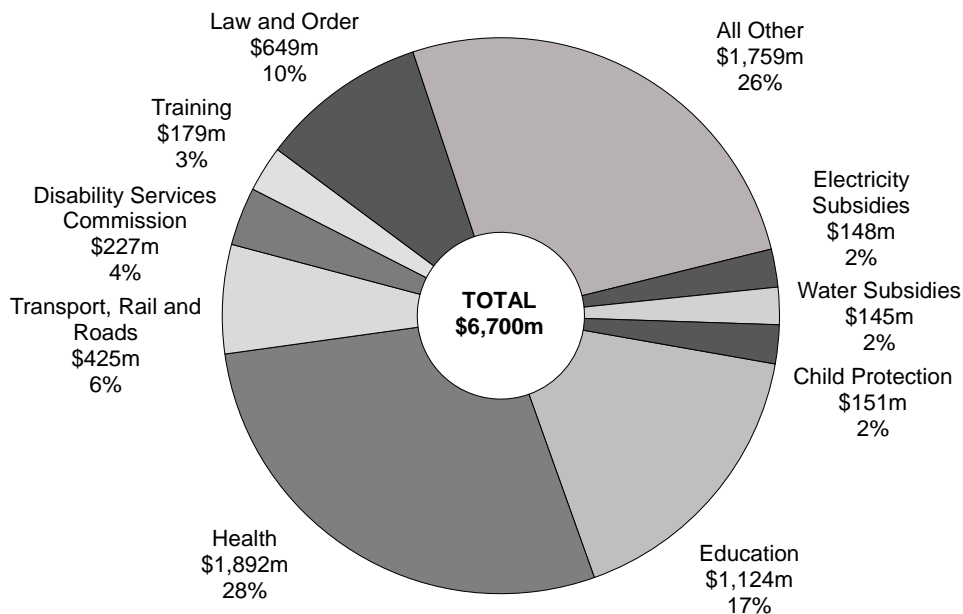
Figure 3



- higher ‘services and contracts’ expenses (up \$29 million), mainly due to higher private sector contract costs for the health sector.

Figure 4

**GENERAL GOVERNMENT EXPENSES** <sup>(a)</sup>  
 Three Months to 30 September 2014



(a) Numbers may not add due to rounding.

**Balance Sheet**

The net worth of the general government sector increased by \$666 million (or 0.6%) during the first three months of 2014-15, to stand at an estimated \$117.5 billion at 30 September 2014. This increase mainly reflects the net impact of:

- a \$1.3 billion increase in borrowings (mainly for the Consolidated Account in support of capital appropriations for infrastructure spending);
- an \$880 million increase in the value of equity in the public corporations sectors, due mainly to increases in physical asset values and operating surpluses recorded by these sectors;
- a \$620 million increase in general government sector land and physical assets, as a result of infrastructure spending and estimated movements in the value of land holdings<sup>4</sup>; and
- a \$369 million net movement in all other general government sector liabilities (including movements in unfunded superannuation liabilities, leave accruals and accounts payable, etc.).

General government sector net debt totalled \$8.1 billion at 30 September 2014, \$1.2 billion higher than at 30 June 2014. This increase primarily reflects higher borrowing by the Consolidated Account (noted above) and is consistent with the \$10.0 billion general government sector net debt forecast for the year ending 30 June 2015 reflected in the 2014-15 Budget.

<sup>4</sup> Land holdings are comprehensively valued by the Valuer General for the year ending 30 June for inclusion in annual reports. Treasury includes a notional valuation in quarterly results in anticipation of the Valuer General's year-end valuations.

## **Cash Flow**

A cash deficit of \$1.0 billion was recorded for the three months to 30 September 2014, consistent with the first three months of 2013-14.

In addition to the cash impact of the accrual operating deficit outlined above, net infrastructure spending in the general government sector was \$99 million higher than the same period last year. This mainly reflects the impact of land sales in the September quarter last year.

## Total Public Sector<sup>5</sup>

### Operating Statement

The total public sector recorded an operating surplus of \$96 million for the three months to 30 September 2014. This is a \$189 million turnaround on the operating deficit recorded in the same period in 2013-14 and reflects stronger operating performance by the State's public corporations.

#### SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

Table 2

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	96	-238	-94	225
Net worth	117,494	119,294	115,242	116,828
Movement in cash balances	338	-140	-1,172	-2,827
<i>Memorandum items</i>				
Net lending	-126	-2,390	-1,578	-3,050
Net debt	21,681	24,918	19,414	20,754
Cash surplus/-deficit	-964	-2,668	-1,136	-2,465

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

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

The total public sector operating deficit for the first three months of 2014-15 includes the net impact of:

- the \$347 million operating deficit for the general government sector, discussed above;
- a \$153 million operating surplus for the public non-financial corporations sector, \$147 million higher than the surplus recorded in the same period in 2013-14. This result is mainly due to the timing of Remote Area Essential Services Program funding for the Housing Authority (noted earlier), and a net increase in profitability across the sector, particularly for the electricity and water utilities; and
- an operating surplus of \$289 million for the public financial corporations sector, \$46 million higher than the surplus recorded in the same period in 2013-14, mainly due to lower insurance claims and interest expenses for the Insurance Commission of Western Australia.

### Balance Sheet

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

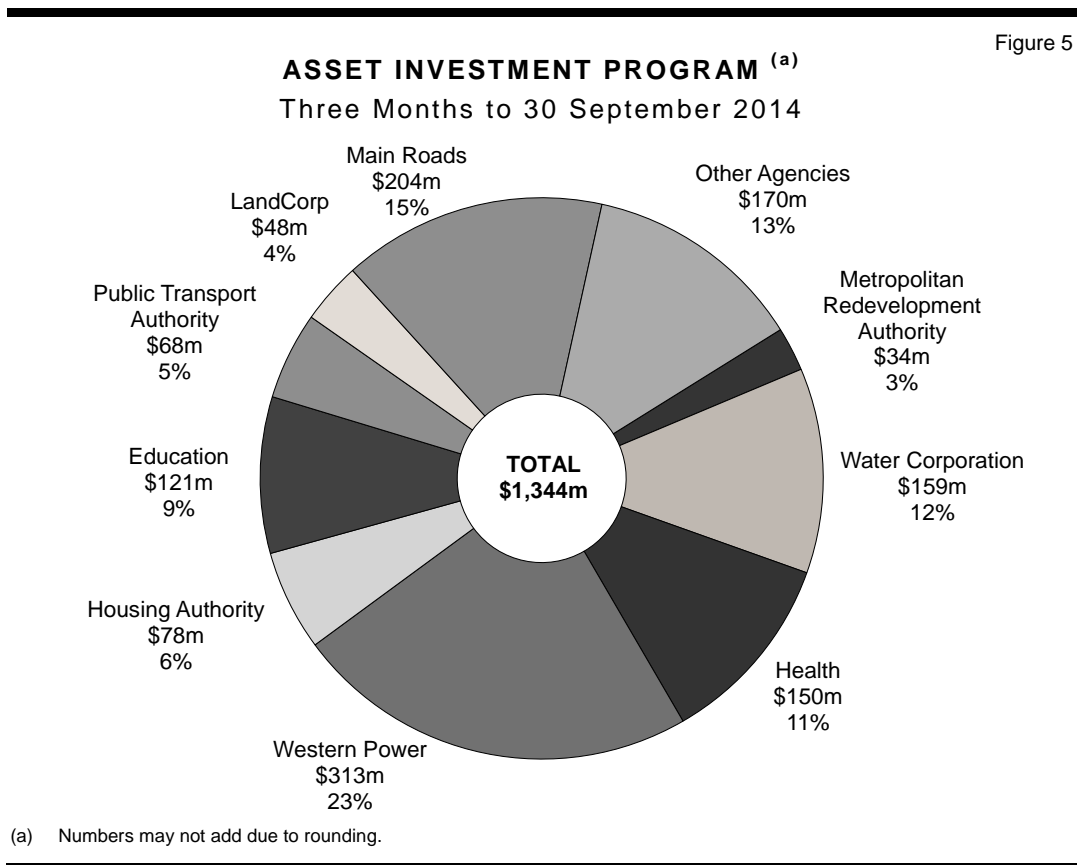
<sup>5</sup> The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed in the previous section), the public non-financial corporations sector (which includes entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority), and the public financial corporations sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).



Total public sector net debt increased by \$927 million during the first three months of 2014-15, to stand at \$21.7 billion at 30 September 2014. This level of net debt is in line with the \$24.9 billion forecast net debt outcome for the year ending 30 June 2015. This outcome includes the higher general government sector net debt outcome noted earlier, and movements in the cash surplus of public corporations.

**Cash Flow**

A cash deficit of \$1.0 billion was recorded for the three months to 30 September 2014, \$172 million lower than the \$1.1 billion deficit recorded for the same period in 2013-14. Although lower than the same period last year, spending on the State’s Asset Investment Program continues to be the main driver for increasing levels of net debt. Infrastructure investment was \$1.3 billion for the three months to 30 September 2014, \$102 million (or 7.1%) lower than the same period in 2013-14. This mainly reflects the practical completion of the Fiona Stanley Hospital and the Southern Seawater Desalination Plant during 2013-14.





# 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 2014-15 State Budget Papers released on 8 May 2014, 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.

Table 1.1

**GENERAL GOVERNMENT OPERATING STATEMENT**

	Note	2014-15		2013-14	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>RESULTS FROM TRANSACTIONS</b>					
<b>REVENUE</b>					
Taxation		2,269	9,500	2,020	8,849
Current grants and subsidies		1,949	8,006	2,073	8,199
Capital grants		11	677	46	547
Sales of goods and services		547	2,203	498	2,078
Interest Income		48	210	59	194
Revenue from public corporations					
Dividends from other sectors		-	938	-	901
Tax equivalent income		139	530	127	602
Royalty income		1,278	6,176	1,499	6,025
Other		112	444	121	561
<b>Total</b>	2	<b>6,353</b>	<b>28,683</b>	<b>6,442</b>	<b>27,956</b>
<b>EXPENSES</b>					
Salaries		2,707	11,345	2,657	10,682
Superannuation					
Concurrent costs		267	1,118	255	1,030
Superannuation interest cost		69	354	77	297
Other employee costs		102	472	98	432
Depreciation and amortisation		275	1,289	273	1,197
Services and contracts		432	2,337	403	2,041
Other gross operating expenses		1,386	5,036	1,401	4,943
Other interest		130	538	127	492
Current transfers	3	1,256	5,454	1,364	5,357
Capital transfers	3	76	565	130	765
<b>Total</b>		<b>6,700</b>	<b>28,508</b>	<b>6,785</b>	<b>27,236</b>
<b>NET OPERATING BALANCE</b>	4	<b>-347</b>	<b>175</b>	<b>-343</b>	<b>719</b>
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		4	12	6	-34
Net actuarial gains/-loss - superannuation		-99	5	131	-114
Provision for doubtful debts		-	-4	1	-37
Changes in accounting policy/correction of prior period errors		-164	-	-16	16
<b>Total other economic flows</b>		<b>-259</b>	<b>13</b>	<b>122</b>	<b>-169</b>
<b>OPERATING RESULT</b>		<b>-606</b>	<b>188</b>	<b>-221</b>	<b>550</b>
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		460	2,093	595	1,934
Gains recognised directly in equity		-5	-1	-3	-1
Change in net worth of the public corporations sectors		817	890	1,945	1,419
All other		-	-	-	-
<b>Total all other movements in equity</b>		<b>1,272</b>	<b>2,982</b>	<b>2,537</b>	<b>3,351</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>666</b>	<b>3,170</b>	<b>2,315</b>	<b>3,901</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	4	<b>-347</b>	<b>175</b>	<b>-343</b>	<b>719</b>
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		590	3,169	565	3,289
Changes in inventories		5	-	9	1
Other movement in non-financial assets		32	216	52	-22
<i>less:</i>					
Sales of non-financial assets		25	291	99	224
Depreciation		275	1,289	273	1,197
<b>Total net acquisition of non-financial assets</b>		<b>327</b>	<b>1,804</b>	<b>254</b>	<b>1,847</b>
<b>NET LENDING/-BORROWING</b>	4	<b>-674</b>	<b>-1,629</b>	<b>-597</b>	<b>-1,127</b>

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

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

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			
		30 Sept 2014	30 June 2015 <sup>(a)</sup>	30 Sept 2013	30 June 2014 <sup>(b)</sup>
		\$m	\$m	\$m	\$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		766	586	784	692
Advances paid		683	721	663	664
Investments, loans and placements	5	3,828	3,187	4,480	3,904
Receivables	6	3,081	3,264	2,982	3,054
Shares and other equity					
Investments in other public sector entities - equity method		46,523	46,367	46,232	45,706
Investments in other public sector entities - direct injections		6,794	7,083	6,335	6,731
Investments in other entities		14	11	-	11
Other financial assets		-	-	-	-
<b>Total financial assets</b>		<b>61,688</b>	<b>61,219</b>	<b>61,475</b>	<b>60,762</b>
<i>Non-financial assets</i>					
Land		38,001	37,719	36,716	37,606
Property, plant and equipment		43,388	47,314	41,128	43,162
Biological assets		1	2	2	1
Inventories					
Land inventories		95	55	84	96
Other inventories		84	72	86	79
Intangibles		575	502	547	574
Assets classified as held for sale		15	14	39	16
Investment property		8	8	8	8
Other		272	205	249	247
<b>Total non-financial assets</b>		<b>82,438</b>	<b>85,890</b>	<b>78,858</b>	<b>81,789</b>
<b>TOTAL ASSETS</b>		<b>144,126</b>	<b>147,109</b>	<b>140,333</b>	<b>142,551</b>
<b>LIABILITIES</b>					
Deposits held		409	470	392	522
Advances received		454	459	439	438
Borrowings	7	12,640	13,607	11,227	11,362
Unfunded superannuation		7,911	7,556	7,824	7,890
Other employee benefits		3,012	3,257	2,939	3,140
Payables		932	833	891	1,048
Other liabilities		1,275	1,634	1,378	1,323
<b>TOTAL LIABILITIES</b>		<b>26,632</b>	<b>27,815</b>	<b>25,091</b>	<b>25,723</b>
<b>NET ASSETS</b>		<b>117,494</b>	<b>119,294</b>	<b>115,242</b>	<b>116,828</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		10,507	11,279	10,355	11,122
Other reserves		106,987	108,015	104,888	105,706
<b>NET WORTH</b>	4	<b>117,494</b>	<b>119,294</b>	<b>115,242</b>	<b>116,828</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		<i>35,056</i>	<i>33,411</i>	<i>36,384</i>	<i>35,039</i>
<i>Net financial liabilities</i>		<i>18,261</i>	<i>20,038</i>	<i>16,183</i>	<i>17,398</i>
<i>Net debt</i>					
Gross debt liabilities		13,503	14,536	12,059	12,322
less: liquid financial assets		5,276	4,494	5,926	5,260
less: convergence differences impacting net debt		88	88	88	88
<b>Net debt</b>		<b>8,139</b>	<b>9,953</b>	<b>6,044</b>	<b>6,973</b>

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

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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

Table 1.3

**GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY**  
For the three months ended 30 September 2014

	Asset Revaluation Surplus	investments in other sector entities	Accumulated net gain on equity	Accumulated Surplus/deficit	Total Equity
	\$m	\$m	\$m	\$m	\$m
Balance at 1 July 2014	60,000	45,706	11,122	116,828	
Operating result	-	-	-606	-606	
Other movements in equity	460	817	-5	1,272	
All other	5	-	-5	-	
<i>Total change in net worth</i>	<i>465</i>	<i>817</i>	<i>-616</i>	<i>666</i>	
<b>Balance at 30 September 2014</b>	<b>60,465</b>	<b>46,523</b>	<b>10,506</b>	<b>117,494</b>	

For the three months ended 30 September 2013

	Asset Revaluation Surplus	investments in other sector entities	Accumulated net gain on equity	Accumulated Surplus/deficit	Total Equity
	\$m	\$m	\$m	\$m	\$m
Balance at 1 July 2013	58,061	44,287	10,580	112,927	
Operating result	-	-	-221	-221	
Other movements in equity	595	1,945	-3	2,537	
<i>Total change in net worth</i>	<i>595</i>	<i>1,945</i>	<i>-224</i>	<i>2,315</i>	
<b>Balance at 30 September 2013</b>	<b>58,656</b>	<b>46,232</b>	<b>10,355</b>	<b>115,242</b>	

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

## GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 1.4

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Cash received</i>				
Taxes received	2,110	9,514	1,971	8,712
Grants and subsidies received	1,924	8,689	1,946	8,614
Receipts from sales of goods and services	633	2,242	664	2,135
Interest receipts	38	199	56	219
Dividends and tax equivalents	163	1,447	78	1,497
Other	1,917	7,594	1,782	7,829
<i>Total cash received</i>	<i>6,785</i>	<i>29,685</i>	<i>6,498</i>	<i>29,006</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-3,225	-12,874	-3,124	-12,157
Payments for goods and services	-2,348	-7,814	-2,275	-7,526
Interest paid	-117	-523	-108	-485
Grants and subsidies paid	-1,131	-5,841	-1,142	-5,567
Dividends and tax equivalents	-	-	-	-
Other	-443	-1,377	-416	-1,538
<i>Total cash paid</i>	<i>-7,264</i>	<i>-28,429</i>	<i>-7,065</i>	<i>-27,273</i>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-479</b>	<b>1,256</b>	<b>-567</b>	<b>1,733</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-590	-3,169	-565	-3,289
Sales of non-financial assets	25	291	99	224
<i>Total cash flows from investments in non-financial assets</i>	<i>-565</i>	<i>-2,878</i>	<i>-466</i>	<i>-3,065</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	3	-	5	22
For liquidity purposes	-	-	-	1
<i>Cash paid</i>				
For policy purposes	-67	-597	-185	-551
For liquidity purposes	-10	-	-	-1
<i>Total cash flows from investments in financial assets</i>	<i>-74</i>	<i>-597</i>	<i>-180</i>	<i>-529</i>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-639</b>	<b>-3,475</b>	<b>-646</b>	<b>-3,594</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<i>Cash received</i>				
Advances received	15	40	-	30
Borrowings	1,503	2,271	119	545
Deposits received	-	-	-	-
Other financing receipts	8	39	7	36
<i>Total cash received</i>	<i>1,526</i>	<i>2,351</i>	<i>126</i>	<i>611</i>
<i>Cash paid</i>				
Advances paid	-	-15	-	-16
Borrowings repaid	-291	-127	-18	-368
Deposits paid	-	-	-	-
Other financing payments	-35	-217	-24	-140
<i>Total cash paid</i>	<i>-328</i>	<i>-360</i>	<i>-41</i>	<i>-524</i>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>1,198</b>	<b>1,991</b>	<b>85</b>	<b>86</b>
<b>Net increase in cash and cash equivalents</b>	<b>80</b>	<b>-228</b>	<b>-1,128</b>	<b>-1,775</b>
Cash and cash equivalents at the beginning of the year	4,488	3,843	6,263	6,263
Cash and cash equivalents at the end of the year	4,568	3,615	5,135	4,488
<b>KEY FISCAL AGGREGATES</b>				
Net cash flows from operating activities	-479	1,256	-567	1,733
Net cash flows from investing in non-financial assets	-565	-2,878	-466	-3,065
<b>Cash surplus/-deficit</b>	<b>-1,044</b>	<b>-1,622</b>	<b>-1,033</b>	<b>-1,333</b>

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

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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	2014-15		2013-14	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<i>Results from Transactions</i>					
<b>REVENUE</b>					
Taxation		2,159	9,025	1,935	8,384
Current grants and subsidies		1,949	8,006	2,073	8,199
Capital grants		11	677	46	547
Sales of goods and services		4,643	19,854	4,274	17,773
Interest income		151	702	162	614
Royalty income		1,278	6,176	1,499	6,025
Other		244	845	276	1,088
<b>Total</b>	2	<b>10,435</b>	<b>45,285</b>	<b>10,266</b>	<b>42,630</b>
<b>EXPENSES</b>					
Salaries		3,027	12,602	2,963	11,937
Superannuation					
Concurrent costs		298	1,242	285	1,150
Superannuation interest cost		69	354	77	297
Other employee costs		72	263	62	288
Depreciation and amortisation		764	3,383	764	3,220
Services and contracts		623	3,174	630	3,017
Other gross operating expenses		4,095	18,665	4,001	16,645
Other interest		387	1,664	365	1,543
Other property expenses		-	-	-	-
Current transfers	3	936	3,772	1,078	3,695
Capital transfers	3	67	404	135	613
<b>Total</b>		<b>10,339</b>	<b>45,523</b>	<b>10,359</b>	<b>42,406</b>
<b>NET OPERATING BALANCE</b>	4	<b>96</b>	<b>-238</b>	<b>-94</b>	<b>225</b>
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		53	107	112	368
Net actuarial gains/-loss - superannuation		-99	5	133	-140
Provision for doubtful debts		-3	-23	-	-50
Changes in accounting policy/correction of prior period errors		561	-	-145	-846
<b>Total other economic flows</b>		<b>513</b>	<b>89</b>	<b>99</b>	<b>-669</b>
<b>OPERATING RESULT</b>		<b>608</b>	<b>-149</b>	<b>6</b>	<b>-444</b>
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		-618	3,376	1,597	3,750
Gains recognised directly in equity		676	-57	712	595
All other		-	-	-	-
<b>Total all other movements in equity</b>		<b>58</b>	<b>3,319</b>	<b>2,310</b>	<b>4,345</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>666</b>	<b>3,170</b>	<b>2,315</b>	<b>3,901</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	4	<b>96</b>	<b>-238</b>	<b>-94</b>	<b>225</b>
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,344	6,728	1,446	6,814
Changes in inventories		-297	-93	960	515
Other movement in non-financial assets		91	251	79	317
<i>less:</i>					
Sales of non-financial assets		153	1,351	236	1,151
Depreciation		764	3,383	764	3,220
<b>Total net acquisition of non-financial assets</b>		<b>221</b>	<b>2,151</b>	<b>1,484</b>	<b>3,275</b>
<b>NET LENDING/-BORROWING</b>	4	<b>-126</b>	<b>-2,390</b>	<b>-1,578</b>	<b>-3,050</b>

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

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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			
		30 Sept 2014 \$m	30 June 2015 <sup>(a)</sup> \$m	30 Sept 2013 \$m	30 June 2014 <sup>(b)</sup> \$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		1,586	1,236	1,836	1,610
Advances paid		4,072	5,350	3,601	3,968
Investments, loans and placements	5	12,805	12,520	13,942	15,419
Receivables	6	4,256	4,704	4,211	4,355
Equity - investments in other entities		1,388	1,564	1,548	1,457
Other financial assets		13	24	21	17
<i>Total financial assets</i>		<b>24,120</b>	<b>25,400</b>	<b>25,160</b>	<b>26,826</b>
<i>Non-financial assets</i>					
Land		53,164	53,617	51,897	52,524
Property, plant and equipment		94,156	98,470	90,438	93,780
Biological assets		322	321	324	335
Inventories					
Land inventories		2,023	2,166	1,983	2,002
Other inventories		3,007	3,482	3,748	3,304
Intangibles		1,095	973	1,133	1,091
Assets classified as held for sale		28	44	67	28
Investment property		581	652	571	581
Other		450	515	506	386
<i>Total non-financial assets</i>		<b>154,826</b>	<b>160,240</b>	<b>150,667</b>	<b>154,031</b>
<b>TOTAL ASSETS</b>		<b>178,946</b>	<b>185,640</b>	<b>175,827</b>	<b>180,857</b>
<b>LIABILITIES</b>					
Deposits held		159	181	172	186
Advances received		454	459	439	438
Borrowings	7	39,620	43,473	38,270	41,216
Unfunded superannuation		8,040	7,635	7,960	8,027
Other employee benefits		3,445	3,716	3,359	3,574
Payables		5,069	4,946	5,336	5,757
Other liabilities		4,666	5,936	5,048	4,832
<i>TOTAL LIABILITIES</i>		<b>61,452</b>	<b>66,346</b>	<b>60,585</b>	<b>64,029</b>
<b>NET ASSETS</b>		<b>117,494</b>	<b>119,294</b>	<b>115,242</b>	<b>116,828</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		32,187	31,076	31,536	30,931
Other reserves		85,307	88,218	83,706	85,897
<b>NET WORTH</b>	4	<b>117,494</b>	<b>119,294</b>	<b>115,242</b>	<b>116,828</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		-37,332	-40,295	-35,425	-37,204
<i>Net financial liabilities</i>		38,720	41,859	36,974	38,661
<i>Net debt</i>					
Gross debt liabilities		40,232	44,112	38,882	41,840
less: liquid financial assets		18,463	19,106	19,379	20,997
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		<b>21,681</b>	<b>24,918</b>	<b>19,414</b>	<b>20,754</b>

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

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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

Table 1.7

**TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY**

For the three months ending 30 September 2014

	Asset		Total Equity
	Revaluation Surplus	Accumulated Surplus/deficit	
	\$m	\$m	\$m
Balance at 1 July 2014	85,897	30,931	116,828
Operating result	-	608	608
Other movements in equity	-618	676	58
All other	28	-28	-
<i>Total change in net worth</i>	-590	1,256	666
<b>Balance at 30 September 2014</b>	<b>85,307</b>	<b>32,187</b>	<b>117,494</b>

For the three months ending 30 September 2013

	Asset		Total Equity
	Revaluation Surplus	Accumulated Surplus/deficit	
	\$m	\$m	\$m
Balance at 1 July 2013	82,072	30,855	112,927
Operating result	-	6	6
Other movements in equity	1,597	712	2,310
All other	37	-31	6
<i>Total change in net worth</i>	1,634	681	2,316
<b>Balance at 30 September 2013</b>	<b>83,706</b>	<b>31,536</b>	<b>115,242</b>

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

## TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2014-15		2013-14		
	Note	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<i>Cash received</i>					
Taxes received		2,039	8,976	1,903	8,186
Grants and subsidies received		1,924	8,689	1,946	8,614
Receipts from sales of goods and services		4,812	19,778	4,551	18,291
Interest receipts		210	737	181	692
Other receipts		2,327	8,630	2,258	9,204
<i>Total cash received</i>		<i>11,312</i>	<i>46,809</i>	<i>10,841</i>	<i>44,987</i>
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,587	-14,304	-3,468	-13,533
Payments for goods and services		-4,916	-19,910	-4,751	-17,815
Interest paid		-427	-1,614	-373	-1,751
Grants and subsidies paid		-934	-3,960	-973	-3,674
Other payments		-1,223	-4,314	-1,202	-5,016
<i>Total cash paid</i>		<i>-11,086</i>	<i>-44,101</i>	<i>-10,767</i>	<i>-41,789</i>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>226</b>	<b>2,708</b>	<b>74</b>	<b>3,198</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-1,344	-6,728	-1,446	-6,814
Sales of non-financial assets		153	1,351	236	1,151
<i>Total cash flows from investments in non-financial assets</i>		<i>-1,191</i>	<i>-5,376</i>	<i>-1,210</i>	<i>-5,663</i>
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		3	-	5	22
For liquidity purposes		1,626	1,655	1,724	7,112
<i>Cash paid</i>					
For policy purposes		-2	-	-5	-23
For liquidity purposes		-1,953	-2,423	-1,868	-7,406
<i>Total cash flows from investments in financial assets</i>		<i>-327</i>	<i>-768</i>	<i>-145</i>	<i>-295</i>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-1,518</b>	<b>-6,144</b>	<b>-1,355</b>	<b>-5,958</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<i>Cash received</i>					
Advances received		15	25	-	15
Borrowings		5,273	31,214	5,491	26,192
Deposits received		-	-	-	-
Other financing receipts		8	35	7	41
<i>Total cash received</i>		<i>5,296</i>	<i>31,275</i>	<i>5,499</i>	<i>26,249</i>
<i>Cash paid</i>					
Advances paid		-2	-15	-	-16
Borrowings repaid		-3,632	-27,723	-5,363	-26,194
Deposits paid		-	-	-	-
Other financing payments		-33	-240	-26	-105
<i>Total cash paid</i>		<i>-3,667</i>	<i>-27,979</i>	<i>-5,390</i>	<i>-26,316</i>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>1,629</b>	<b>3,296</b>	<b>109</b>	<b>-67</b>
<b>Net increase in cash and cash equivalents</b>		<b>338</b>	<b>-140</b>	<b>-1,172</b>	<b>-2,827</b>
Cash and cash equivalents at the beginning of the year		8,383	8,502	11,210	11,210
Cash and cash equivalents at the end of the year		8,720	8,361	10,038	8,383
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities		226	2,708	74	3,198
Net cash flows from investing in non-financial assets		-1,191	-5,376	-1,210	-5,663
<b>Cash surplus/deficit</b>	4	<b>-964</b>	<b>-2,668</b>	<b>-1,136</b>	<b>-2,465</b>

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

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

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

## Notes to the Interim Financial Statements

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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#### (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 three months ended 30 September 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 2014, presented in Appendix 1 of the 2013-14 *Annual Report on State Finances* (ARSF) released on 23 September 2014. The accounting policies adopted in this publication are consistent with those outlined in the 2013-14 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 2013-14 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.

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**NOTE 2: OPERATING REVENUE**


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

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**NOTE 3: TRANSFER EXPENSES**


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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.

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**TRANSFER EXPENSES<sup>(a)</sup>**


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General Government				
	2014-15		2013-14	
	Three Months to 30 Sept	Budget Estimate <sup>(b)</sup>	Three Months to 30 Sept	Actual <sup>(c)</sup>
	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>				
Local Government	81	383	65	316
Local Government on-passing	44	179	106	168
Private and Not-for-profit sector	376	1,446	496	1,537
Private and Not-for-profit sector on-passing	241	1,018	211	951
Other sectors of Government	513	2,427	486	2,384
<b>Total Current Transfers</b>	<b>1,256</b>	<b>5,454</b>	<b>1,364</b>	<b>5,357</b>
<i>CAPITAL TRANSFERS</i>				
Local Government	5	94	12	274
Local Government on-passing	27	111	67	107
Private and Not-for-profit sector	29	130	37	130
Private and Not-for-profit sector on-passing	4	30	4	22
Other sectors of Government	11	200	10	232
<b>Total Capital Transfers</b>	<b>76</b>	<b>565</b>	<b>130</b>	<b>765</b>
Total Public Sector				
	2014-15		2013-14	
	Three Months to 30 Sept	Budget Estimate <sup>(b)</sup>	Three Months to 30 Sept	Actual <sup>(c)</sup>
	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>				
Local Government	81	383	65	317
Local Government on-passing	44	179	106	168
Private and Not-for-profit sector	565	2,180	692	2,243
Private and Not-for-profit sector on-passing	241	1,018	211	951
Other sectors of Government	5	12	3	16
<b>Total Current Transfers</b>	<b>936</b>	<b>3,772</b>	<b>1,078</b>	<b>3,695</b>
<i>CAPITAL TRANSFERS</i>				
Local Government	5	106	12	274
Local Government on-passing	27	111	67	107
Private and Not-for-profit sector	31	157	53	210
Private and Not-for-profit sector on-passing	4	30	4	22
Other sectors of Government	-	1	-	-
<b>Total Capital Transfers</b>	<b>67</b>	<b>404</b>	<b>135</b>	<b>613</b>

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

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

(c) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

Note: Columns may not add due to rounding.

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**NOTE 4: CONVERGENCE DIFFERENCES**

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

The following tables detail convergence differences reflected in the September 2014 results.

**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**  
Net Operating Balance

	2014-15		2013-14	
	Three Months to 30 Sept	Budget Estimate	Three Months to 30 Sept	Actual
	\$m	\$m	\$m	\$m
<u>General government</u>				
AASB1049 net operating balance	-347	175	-343	719
Plus GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-
<b>GFS net operating balance</b>	<b>-347</b>	<b>175</b>	<b>-343</b>	<b>719</b>
<u>Total public sector</u>				
AASB1049 net operating balance	96	-238	-94	225
Plus GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Capitalised interest	6	25	6	42
Total GFS expense adjustments	6	25	6	42
Total GFS adjustments to AASB 1049 net operating balance	-6	-25	-6	-42
<b>GFS net operating balance</b>	<b>89</b>	<b>-264</b>	<b>-99</b>	<b>183</b>

**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**  
Net Lending/-Borrowing

	2014-15		2013-14	
	Three Months to 30 Sept	Budget Estimate	Three Months to 30 Sept	Actual
	\$m	\$m	\$m	\$m
<u>General government</u>				
AASB1049 net lending/-borrowing	-674	-1,629	-597	-1,127
Plus Net operating balance convergence differences (noted above)	-	-	-	-
<b>GFS net lending/-borrowing</b>	<b>-674</b>	<b>-1,629</b>	<b>-597</b>	<b>-1,127</b>
<u>Total public sector</u>				
AASB1049 net lending/-borrowing	-126	-2,390	-1,578	-3,050
Plus Net operating balance convergence differences (noted above)	-6	-25	-6	-42
<b>GFS net lending/-borrowing</b>	<b>-132</b>	<b>-2,415</b>	<b>-1,584</b>	<b>-3,092</b>

**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**  
Net Worth

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 net worth	117,494	119,294	115,242	116,828
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	217	208	207	216
Impact on public corporations net worth	32	25	95	42
<i>Total GFS net worth adjustments</i>	337	321	390	347
<b>GFS net worth</b>	<b>117,831</b>	<b>119,615</b>	<b>115,632</b>	<b>117,174</b>
<i>Total public sector</i>				
AASB1049 net worth	117,494	119,294	115,242	116,828
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	249	233	302	259
<i>Total GFS net worth adjustments</i>	337	321	390	347
<b>GFS net worth</b>	<b>117,831</b>	<b>119,615</b>	<b>115,632</b>	<b>117,174</b>

**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**  
Change in Net Worth

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB 1049 change in net worth	666	3,170	2,315	3,901
<i>Plus change in:</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Provision for doubtful debts				
General government sector	-	-	-1	8
Impact on public corporations net worth	-10	1	-2	-55
All other	-	-	-	-
<i>Total GFS change in net worth adjustments</i>	-10	1	-3	-46
<b>GFS change in net worth</b>	<b>656</b>	<b>3,171</b>	<b>2,312</b>	<b>3,854</b>
<i>Total public sector</i>				
AASB 1049 change in net worth	666	3,170	2,315	3,901
<i>Plus change in:</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Provision for doubtful debts	-10	1	-3	-46
All other	-	-	-	-
<i>Total GFS change in net worth adjustments</i>	-10	1	-3	-46
<b>GFS change in net worth</b>	<b>656</b>	<b>3,171</b>	<b>2,312</b>	<b>3,854</b>

**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**  
Cash Surplus/-Deficit

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 cash surplus/-deficit	-1,044	-1,622	-1,033	-1,333
Less Acquisitions under finance leases and similar arrangements	32	216	51	109
<b>GFS cash surplus/-deficit</b>	<b>-1,076</b>	<b>-1,838</b>	<b>-1,084</b>	<b>-1,441</b>
<i>Total public sector</i>				
AASB1049 cash surplus/-deficit	-964	-2,668	-1,136	-2,465
Less Acquisitions under finance leases and similar arrangements	32	216	51	372
<b>GFS cash surplus/-deficit</b>	<b>-996</b>	<b>-2,884</b>	<b>-1,187</b>	<b>-2,837</b>

**NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS**

General Government

	2014-15		2013-14	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	3,814	3,173	4,418	3,889
Government securities	6	6	6	6
<b>Total</b>	<b>3,819</b>	<b>3,179</b>	<b>4,425</b>	<b>3,895</b>
<i>Loans and advances</i>				
Loans	8	7	8	9
Financial Assets held for trading/available for sale	1	1	47	1
<b>Total</b>	<b>9</b>	<b>8</b>	<b>55</b>	<b>9</b>
<b>Total</b>	<b>3,828</b>	<b>3,187</b>	<b>4,480</b>	<b>3,904</b>

Total Public Sector

	2014-15		2013-14	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	9,612	10,166	11,126	9,365
Government securities	427	405	445	6
<b>Total</b>	<b>10,039</b>	<b>10,570</b>	<b>11,570</b>	<b>9,370</b>
<i>Loans and advances</i>				
Loans	2,405	1,634	2,063	5,591
Financial Assets held for trading/available for sale	361	316	309	458
<b>Total</b>	<b>2,766</b>	<b>1,950</b>	<b>2,372</b>	<b>6,049</b>
<b>Total</b>	<b>12,805</b>	<b>12,520</b>	<b>13,942</b>	<b>15,419</b>



**NOTE 6: RECEIVABLES**

General Government				
	2014-15		2013-14	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	3,298	3,472	3,188	3,270
Provision for impairment of receivables	-217	-208	-207	-216
<b>Total</b>	<b>3,081</b>	<b>3,264</b>	<b>2,982</b>	<b>3,054</b>

Total Public Sector				
	2014-15		2013-14	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	4,505	4,937	4,513	4,613
Provision for impairment of receivables	-249	-233	-302	-259
<b>Total</b>	<b>4,256</b>	<b>4,704</b>	<b>4,211</b>	<b>4,355</b>

**NOTE 7: BORROWINGS**

General Government				
	2014-15		2013-14	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	185	-	84	171
Finance leases	553	815	472	524
Borrowings	11,902	12,792	10,671	10,667
<b>Total</b>	<b>12,640</b>	<b>13,607</b>	<b>11,227</b>	<b>11,362</b>

Total Public Sector				
	2014-15		2013-14	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	191	-	90	171
Finance leases	1,462	1,702	1,140	1,441
Borrowings	37,967	41,771	37,040	39,603
<b>Total</b>	<b>39,620</b>	<b>43,473</b>	<b>38,270</b>	<b>41,216</b>

**NOTE 8: DETAILS OF AGENCIES CONSOLIDATED**

The agencies included in these financial statements are detailed in Note 34 *Composition of Sectors* in the 2013-14 *Annual Report on State Finances*. Changes since that date include:

- with effect from 1 July 2014, Geraldton Port Authority was renamed to Mid West Ports Authority;
- with effect from 1 July 2014, Dampier Port Authority merged with Port Hedland Ports Authority to form Pilbara Ports Authority;
- with effect from 1 July 2014 Broome Port Authority was renamed to Kimberly Ports Authority; and
- with effect from 1 July 2014 the Department of the State Heritage Office was established.

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**NOTE 9: CONTINGENT LIABILITIES**

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There have been no material changes to the contingent liabilities that were disclosed in Note 30 of the 2013-14 *Annual Report on State Finances*.

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## Operating Revenue

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

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

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These internal 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

	2014-15		2013-14	
	Three Months to 30 Sept	Budget Estimate <sup>(a)</sup>	Three Months to 30 Sept	Actual <sup>(b)</sup>
	\$m	\$m	\$m	\$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	971	3,834	958	3,566
Property taxes				
<i>Land tax</i>	56	755	1	661
Transfer Duty	438	1,823	404	1,776
Landholder Duty	21	123	19	193
<i>Total duty on transfers</i>	459	1,946	422	1,969
Metropolitan Region Improvement Tax	5	93	-	88
Perth Parking Levy <sup>(c)</sup>	41	48	10	40
Emergency Services Levy	106	274	87	258
Loan guarantee fees	22	125	16	119
<i>Total other property taxes</i>	174	539	112	504
Taxes on provision of goods and services				
Lotteries Commission	38	155	36	147
Video lottery terminals	-	1	-	-
Casino Tax	28	123	32	127
Betting tax	11	44	11	43
<i>Total taxes on gambling</i>	77	322	79	317
Insurance Duty	166	638	149	580
Other	9	25	5	32
<i>Total taxes on insurance</i>	175	663	155	611
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	92	442	95	385
Permits - Oversize Vehicles and Loads	2	8	3	7
Motor Vehicle recording fee	14	52	12	53
Motor Vehicle registrations	212	834	171	728
<i>Total motor vehicle taxes</i>	320	1,336	282	1,173
Mining Rehabilitation Levy <sup>(d)</sup>	27	45	-	-
Landfill Levy <sup>(c)</sup>	11	60	11	47
<b>Total Taxation</b>	<b>2,269</b>	<b>9,500</b>	<b>2,020</b>	<b>8,849</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>				
<i>General Purpose Grants</i>				
GST grants	564	2,215	616	2,507
North West Shelf grants	286	1,055	307	1,103
Compensation for Commonwealth crude oil excise arrangements	14	58	18	65
<i>Grants through the State</i>				
Schools assistance – non-government schools	241	1,018	211	951
Local government financial assistance grants	44	179	106	168
Local government roads	27	111	67	107
<i>National Specific Purpose Payment Agreement Grants</i>				
National Schools	114	528	112	469
National Skills and Workforce Development	41	159	58	151
National Disability Services	36	155	37	146
National Affordable Housing	36	145	35	139
<i>National Health Reform</i>	436	1,730	384	1,518
<i>National Partnerships/Other Grants</i>				
Health	76	363	88	484
Housing	5	15	1	15
Transport	1	70	2	52
Other	30	203	33	323
<b>Total Current Grants and Subsidies</b>	<b>1,949</b>	<b>8,006</b>	<b>2,073</b>	<b>8,199</b>

**GENERAL GOVERNMENT**  
Operating Revenue

Table 2.1 (cont.)

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	30	4	22
<i>National Partnerships/Other Grants</i>				
Housing	5	166	-	191
Transport	-	416	42	242
Other	2	66	-	92
<b>Total Capital Grants</b>	<b>11</b>	<b>677</b>	<b>46</b>	<b>547</b>
<b>SALES OF GOODS AND SERVICES<sup>(c)</sup></b>	<b>547</b>	<b>2,203</b>	<b>498</b>	<b>2,078</b>
<b>INTEREST INCOME</b>	<b>48</b>	<b>210</b>	<b>59</b>	<b>194</b>
<b>REVENUE FROM PUBLIC CORPORATIONS</b>				
Dividends	-	938	-	901
Tax Equivalent Regime	139	530	127	602
<b>Total Revenue from Public Corporations</b>	<b>139</b>	<b>1,468</b>	<b>127</b>	<b>1,503</b>
<b>ROYALTY INCOME</b>	<b>1,278</b>	<b>6,176</b>	<b>1,499</b>	<b>6,025</b>
<b>OTHER</b>				
Lease Rentals	26	86	26	94
Fines	37	168	36	141
Revenue not elsew here counted <sup>(d)</sup>	50	190	59	326
<b>Total Other</b>	<b>112</b>	<b>444</b>	<b>121</b>	<b>561</b>
<b>GRAND TOTAL</b>	<b>6,353</b>	<b>28,683</b>	<b>6,442</b>	<b>27,956</b>

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

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

(c) The 2014-15 Budget included this revenue as goods and services income. However, the Australian Bureau of Statistics (ABS) advised that for Government Financial Statistics purposes, the Levy should be classified as a tax. This revised treatment was reflected in the 2013-14 *Annual Report on State Finances* released on 23 September 2014. All comparative data have been recast for this classification change.

(d) From 1 July 2014 the Mining Rehabilitation Fund Levy became a compulsory levy (the Levy was a previously voluntary charge). The ABS has advised that this compulsory levy should be classified as a tax. The voluntary levy is classified as 'other revenue' in prior periods and has not been reclassified. The State collected \$4 million in the three months to 30 September 2013 under the voluntary levy.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR**  
Operating Revenue

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	948	3,747	935	3,474
Property taxes				
<i>Land tax</i>	40	691	1	596
Transfer Duty	438	1,823	404	1,776
Landholder Duty	21	123	19	193
<i>Total duty on transfers</i>	459	1,946	422	1,969
Metropolitan Region Improvement Tax	4	93	-	88
Perth Parking Levy <sup>(c)</sup>	40	48	10	40
Emergency Services Levy	106	270	87	253
Loan guarantee fees	1	3	-	6
<i>Total other property taxes</i>	152	414	97	387
Taxes on provision of goods and services				
Video lottery terminals	-	1	-	-
Casino Tax	28	123	31	127
<i>Total taxes on gambling</i>	28	124	31	127
Insurance Duty	166	638	149	580
Other	9	25	5	32
<i>Total taxes on insurance</i>	175	663	155	611
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	92	442	95	385
Permits - Oversize Vehicles and Loads	2	8	3	7
Motor Vehicle recording fee	14	52	12	53
Motor Vehicle registrations	212	834	171	728
<i>Total motor vehicle taxes</i>	320	1,336	282	1,173
Mining Rehabilitation Levy <sup>(d)</sup>	27	45	-	-
Landfill Levy <sup>(c)</sup>	11	60	11	47
<b>Total Taxation</b>	<b>2,159</b>	<b>9,025</b>	<b>1,935</b>	<b>8,384</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>				
<i>General Purpose Grants</i>				
GST grants	564	2,215	616	2,507
North West Shelf grants	286	1,055	307	1,103
Compensation for Commonwealth crude oil excise arrangements	14	58	18	65
<i>Grants through the State</i>				
Schools assistance – non-government schools	241	1,018	211	951
Local government financial assistance grants	44	179	106	168
Local government roads	27	111	67	107
<i>National Specific Purpose Payment Agreement Grants</i>				
National Schools	114	528	112	469
National Agreement for Skills and Workforce Development	41	159	58	151
National Disability Services	36	155	37	146
National Affordable Housing	36	145	35	139
<i>National Health Reform</i>	436	1,730	384	1,518
<i>National Partnerships\Other Grants</i>				
Health	76	363	88	484
Housing	5	15	1	15
Transport	1	70	2	52
Other	30	203	33	323
<b>Total Current Grants and Subsidies</b>	<b>1,949</b>	<b>8,006</b>	<b>2,073</b>	<b>8,199</b>

**TOTAL PUBLIC SECTOR**  
**Operating Revenue**

Table 2.2 (cont.)

	2014-15		2013-14	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	30	4	22
<i>National Partnerships/Other Grants</i>				
Housing	5	166	-	191
Transport	-	416	42	242
Other	2	66	-	92
<b>Total Capital Grants</b>	<b>11</b>	<b>677</b>	<b>46</b>	<b>547</b>
<b>SALES OF GOODS AND SERVICES<sup>(c) (d)</sup></b>	<b>4,643</b>	<b>19,854</b>	<b>4,274</b>	<b>17,773</b>
<b>INTEREST INCOME</b>	<b>151</b>	<b>702</b>	<b>162</b>	<b>614</b>
<b>ROYALTY INCOME</b>	<b>1,278</b>	<b>6,176</b>	<b>1,499</b>	<b>6,025</b>
<b>OTHER</b>				
Lease Rentals	26	86	26	94
Fines	37	168	37	141
Revenue not elsew here counted	181	591	213	853
<b>Total Other</b>	<b>244</b>	<b>845</b>	<b>276</b>	<b>1,088</b>
<b>GRAND TOTAL</b>	<b>10,435</b>	<b>45,285</b>	<b>10,266</b>	<b>42,630</b>

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

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

(c) The 2014-15 Budget included this revenue as goods and services income. However, the Australian Bureau of Statistics (ABS) advised that for Government Financial Statistics purposes, the Levy should be classified as a tax. This revised treatment was reflected in the 2013-14 *Annual Report on State Finances* released on 23 September 2014. All comparative data have been recast for this classification change.

(d) From 1 July 2014 the Mining Rehabilitation Fund Levy became a compulsory levy (the Levy was a previously voluntary charge). The ABS has advised that this compulsory levy should be classified as a tax. The voluntary levy is classified as 'other revenue' in prior periods and has not been reclassified. The State collected \$4 million in the three months to 30 September 2013 under the voluntary levy.

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 30 September 2014 decreased by \$1,031 million compared with 30 September 2013. This lower balance largely reflects the combined impact of a \$2,705 million increase in the Consolidated Account deficit, and an increase of \$1,720 million in Treasurer's Special Purpose Accounts balances.

<b>PUBLIC LEDGER BALANCES AT 30 SEPTEMBER</b>		
	2014	2013
	\$m	\$m
<b>THE PUBLIC LEDGER</b>		
Consolidated Account <sup>(a)</sup>	-11,677	-8,972
Treasurer's Special Purpose Accounts	11,058	9,338
Treasurer's Advance Account – Net Advances	-56	-10
<b>TOTAL PUBLIC LEDGER</b>	<b>-675</b>	<b>356</b>

(a) The balance of the Consolidated Account at 30 September 2014 includes non-cash appropriations of \$8,197 million (30 September 2013: \$7,391 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 relevant appropriation clearly specified.

The Consolidated Account recorded an accumulated deficit of \$11,677 million at 30 September 2014. This included \$8,197 million in non-cash Holding Account balances for agencies, associated with accrual (non-cash) appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded an accumulated cash deficit of \$3,480 million at 30 September 2014, compared with an accumulated cash deficit of \$1,581 million at 30 September 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 three months ended 30 September

	2014 \$m	2013 \$m
<b>REVENUE</b>		
<i>Operating Activities</i>		
Taxation	1,677	1,652
Commonwealth Grants	830	908
Government Enterprises	167	81
Revenue From Other Agencies	1,674	1,544
Other	73	75
<i>Total Operating Activities</i>	<b>4,421</b>	<b>4,260</b>
<i>Financing Activities</i>		
Repayments of Recoverable Advances	1	1
Transfers from:		
Public Bank Account Interest Earned Account	-	-
Bankwest Pension Trust	-(a)	-
Other Receipts	1	-
Borrowings	1,200	-
<i>Total Financing Activities</i>	<b>1,202</b>	<b>1</b>
<b>TOTAL REVENUE</b>	<b>5,623</b>	<b>4,261</b>
<b>EXPENDITURE</b>		
<i>Recurrent</i>		
Authorised by Other Statutes	649	516
Appropriation Act (No. 1)	5,444	5,252
Recurrent Expenditure Under The Treasurer's Advance	-(a)	-
<i>Total Recurrent Expenditure</i>	<b>6,093</b>	<b>5,768</b>
<i>Investing Activities</i>		
Authorised by Other Statutes	63	26
Appropriation Act (No. 2)	924	430
Investing Expenditure Under The Treasurer's Advance	-	-
<i>Total Investing Activities</i>	<b>987</b>	<b>456</b>
<i>Financing Activities</i>		
Loan Repayments	-	-
Other Financing	1	-
<i>Total Financing Activities</i>	<b>1</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>	<b>7,081</b>	<b>6,224</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>-1,458</b>	<b>-1,963</b>
<b>Consolidated Account Balance</b>		
Opening Balance at 1 July	-10,218	-7,009
Closing Balance at 30 September	-11,677	-8,972
Of which:		
Appropriations Payable	-8,197	-7,391
Cash Balance at 30 September	-3,480	-1,581

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

The increase in the cash deficit position at 30 September 2014 relative to the same time in 2013 reflects a change in borrowing arrangements implemented in the second half of 2013-14. As part of its 18 September 2013 credit rating assessment, Standard & Poor's noted the increasing level of Western Australia's gross borrowings. Treasury reviewed borrowing arrangements for the Consolidated Account which had previously drawn sufficient funds to leave the Account in balance (or in a small cash surplus position) each year. The State Solicitor advised that this level of borrowing was not mandatory.

However, as the Consolidated Account is a part of the broader Public Bank Account (the PBA, which consists of the Public Ledger and the Special Purpose Accounts of public sector agencies), borrowing may still be required from time to time to ensure that the PBA has sufficient funds to meet payment obligations through the year.

As the PBA maintained sufficient cash balances to meet such obligations throughout the quarter, no Consolidated Account borrowings were required during the three months ending 30 September 2014. Accordingly, the Consolidated Account was in a cash overdraft position at 30 September 2014. This follows a similar outcome for the year ending 30 June 2014, reported in 2013-14 *Annual Report on State Finances* (released on 23 September 2014).

## 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 other account established to hold other money and determined by the Treasurer to be a TSPA.

Relative to 30 September 2013, a \$1,720 million increase in aggregate TSPA balances at 30 September 2014 mainly reflects:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$806 million);
- an increase in the balance of the Western Australian Future Fund following the transfer of 'seed capital' sourced from the Royalties for Regions Fund, and interest earnings on the balance of the Fund for the year-to-date (up \$276 million);

- an increase in the Royalties for Regions Fund (up \$375 million), mainly due to differences in the timing of royalty receipts paid to the account and payments for approved projects;
- a net increase in the Perth Children’s Hospital Account balance (up \$182 million), reflecting the receipts of the budgeted \$350 million Consolidated Account capital contributions for 2014-15, offset by the draw down of funds from the account for the construction work at the new Hospital;
- the draw down of cash for minor residual works on the Fiona Stanley Hospital (\$38 million); and
- an increase in the New Perth Stadium Account (up \$92 million), reflects receipts of the budgeted \$145 million capital contribution for 2014-15, less payments of \$20 million for works related to progress on related transport infrastructure.

Details of key Special Purpose Accounts are disclosed in Appendix 4 of this report.

Table 3.3

**TREASURER’S SPECIAL PURPOSE ACCOUNTS**  
At 30 September

	2014 \$m	2013 \$m
Agency Holding Accounts	8,197	7,391
Fiona Stanley Hospital Construction Account	9	47
Royalties for Regions Fund	943	568
Western Australian Future Fund	851	575
Perth Children’s Hospital Account	375	193
The New Perth Stadium Account	172	80
Other Special Purpose Accounts	510	483
<b>TREASURER’S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER</b>	<b>11,058</b>	<b>9,338</b>

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 \$638.4 million is authorised under section 29 of the FMA for the year ended 30 June 2015, compared with a total of \$595.7 million authorised limit applying at the same time last year. The increase in the limit this year reflects the higher recurrent and capital Appropriation Bills for 2013-14 when compared to 2012-13 (the applicable years for calculations of the annual limit).

Of the \$638.4 million authorised limit, \$56.5 million was held in the form of net recoverable advances at 30 September 2014 (see Table 3.4). A total of \$50 million of this amount was held against Building Management and Works to facilitate the payment of a number of large transactions prior to receipt of payment from agencies. The amount was repaid to the advance in October following the receipt of agency revenue.

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**TREASURER'S ADVANCE AT 30 SEPTEMBER**

Table 3.4

	2014	2013
	\$m	\$m
<b>AUTHORISED LIMIT</b>	<b>638.4</b>	<b>595.7</b>
<i>Total Drawn Against Treasurer's Advance Account</i>	56.5	9.6
Comprising:		
Net recoverable advances at 30 September (see below)	56.5	9.6
<b>NET RECOVERABLE ADVANCES</b>		
Electoral Boundaries Distribution	-	2.5
Building Management and Works	50.0	-
Building Farm Business Grants	-	0.4
Mining Rehabilitation Fund	2.6	1.0
Sport and Recreation	1.6	1.8
Suitors Fund	1.8	1.8
Sundry Debtors	0.5	0.1
Transport	-	2.0
<b>TOTAL RECOVERABLE TREASURER'S ADVANCES</b>	<b>56.5</b>	<b>9.6</b>

Note: Columns may not add due to rounding.

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## Transfers, Excesses and New Items

During the year, there are often transfers of appropriations between agencies (authorised under section 25 of the FMA or specific enabling legislation) and/or excesses/new items (approved by the Treasurer under the authority of section 27 of the FMA).

There were no transfers of appropriation or excesses/new items during the September 2014 quarter.



## 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 are established by specific legislation). 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 in existence at 30 September 2014. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated general government and total public sector outcomes outlined elsewhere in this report.

The SPA balances detailed in this appendix provide a funding source for particular initiatives or policy areas. 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.

Funds from the account have almost been extinguished to pay for construction work, with the new facility achieving practical completion in December 2013 and commencing phased operation in October 2014. Receipts to the end of September 2014 reflect interest earned on the account balance.

Table 4.1

**FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT**  
At 30 September

	2014	2013
	\$m	\$m
<i>Balance at 1 July</i>	9	104
Receipts	1	1
Payments	-	58
<b>Closing Balance</b>	<b>9</b>	<b>47</b>

Note: Columns may not add due to rounding.

## Perth Children's Hospital Account

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

Receipts of \$350 million to the end of September 2014 are from budgeted Consolidated Account capital contributions that are forecast to be required to meet scheduled construction works during 2014-15.

Funds are drawn from the SPA and paid to WA Health as payments for construction work fall due, with \$68 million drawn for this purpose in the September quarter.

Table 4.2

**PERTH CHILDREN'S HOSPITAL ACCOUNT**  
At 30 September

	2014	2013
	\$m	\$m
<i>Balance at 1 July</i>	94	277
Receipts	350	-
Payments	68	84
<b>Closing Balance</b>	<b>375</b>	<b>193</b>

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 and Free Transit Zone public transport services, Central Business District Transport Plan initiatives, a contribution to the Perth Busport project and for administration of the *Perth Parking Management Act 1999*.

The \$31 million increase in receipts relative to the September quarter a year ago reflects an increase in fees, together with the extension to the usual due date for the payment of Perth Parking License fees last year, as a result of delays in the issue of assessment notices for 2013-14.



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**PERTH PARKING LICENSING ACCOUNT**

Table 4.3

At 30 September

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	55	70
Receipts	41	10
Payments	7	5
<b>Closing Balance</b>	<b>89</b>	<b>74</b>

Note: Columns may not add due to rounding.

## Road Trauma Trust Account

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

Key initiatives funded from the account in 2014-15 include regional road run-off improvements, safer vehicles data and crash testing, the Road Safety Council research and evaluation program and continued support for 'Roadwise' (the Local Government and Community Road Safety Program).

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**ROAD TRAUMA TRUST ACCOUNT**

Table 4.4

At 30 September

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	72	65
Receipts	22	16
Payments	3	1
<b>Closing Balance</b>	<b>91</b>	<b>79</b>

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 a share of the State's annual royalty income to fund investment in regional Western Australia.

As part of the revenue and savings measures included in the 2014-15 Budget, changes have been made to Royalties for Regions funding arrangements that will establish a \$1 billion expenditure limit on the program, which will be reviewed annually.

Receipts during the first quarter reflect interest revenue earned on the account balance (\$6 million), quarterly transfer of moneys appropriated by Parliament (\$364 million) and unspent funds returned by agencies (\$0.7 million). Funds were drawn during the three months to 30 September 2014 to support infrastructure services, business and economic development and other regional initiatives outlined in the Budget. A further \$247 million was transferred to the Future Fund SPA (see below).

Table 4.5

**ROYALTIES FOR REGIONS FUND**  
At 30 September

	2014	2013
	\$m	\$m
<i>Balance at 1 July</i>	940	881
Receipts	371	11
Payments	368	324
<b>Closing Balance</b>	<b>943</b>	<b>568</b>

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 in the first quarter of 2014-15 totalled \$12 million, including payments for the District Medical Workforce Investment Program (\$5 million), Telehealth Investment Program (\$0.3 million), Primary Health Centres Demonstration Program (\$0.2 million) and the Small Hospital and Nursing Post Refurbishment Program (\$7 million).

Table 4.6

**ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE**  
At 30 September

	2014	2013
	\$m	\$m
<i>Balance at 1 July</i>	273	211
Receipts	-	-
Payments	12	-
<b>Closing Balance</b>	<b>261</b>	<b>211</b>

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.

Receipts of \$145 million in the September quarter reflect the budgeted capital contribution for 2014-15. Payments of (\$20 million) were for works on Victoria Park Drive bridge modifications and for drainage and earthworks.

**THE NEW PERTH STADIUM ACCOUNT**  
At 30 September

Table 4.7

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	47	95
Receipts	145	-
Payments	20	16
<b>Closing Balance</b>	<b>172</b>	<b>80</b>

Note: Columns may not add due to rounding.

## Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the landfill levy. The purpose of the Account is to fund spending on the management, reduction, reuse, recycling, monitoring or measurement of waste, other waste management initiatives applied consistent with the business plan or as approved by the Minister for Environment and the costs of administration and enforcement of the Act.

Receipts paid into the account for the first quarter totalled \$11 million. Drawdowns of \$1.9 million for the quarter were used for Best Practice Funded Programs, Strategic Partnership and Programs, Waste Wise Schools and services overseen by the Department of Environment Regulation.

**WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT**  
At 30 September

Table 4.8

	2014 \$m	2013 \$m
<i>Balance at 1 July</i>	16	18
Receipts	11	3
Payments	2	2
<b>Closing Balance</b>	<b>25</b>	<b>19</b>

Note: Columns may not add due to rounding.

## Western Australian Future Fund

The Western Australian Future Fund (WAFF) 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 WAFF. Receipts in the September quarter 2014 include the Royalties for Regions 'seed capital' contribution (\$247 million) and interest receipts (\$9 million).

**WESTERN AUSTRALIAN FUTURE FUND**  
At 30 September

Table 4.9

	2014	2013
	\$m	\$m
<i>Balance at 1 July</i>	596	306
Receipts	255	269
Payments	-	-
<b>Closing Balance</b>	<b>851</b>	<b>575</b>

Note: Columns may not add due to rounding.



