



2016-17  
**QUARTERLY  
FINANCIAL  
RESULTS REPORT**



March 2017





**2016-17**

**Quarterly Financial Results Report**

March 2017

2016-17 Quarterly Financial Results Report  
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2016-17

## Quarterly Financial Results Report

Nine Months Ended 31 March 2017

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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 2017.

Care should be exercised in extrapolating the likely outcome for the 2016-17 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 with that used in the 2016-17 State Budget (presented to the Legislative Assembly on 14 May 2016).

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*.

In addition to the financial statements in Appendix 1 and details of operating revenue in Appendix 2, 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 nine months ended 31 March 2017 and of the balance sheets of these reporting entities at 31 March 2017. 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*.



MICHAEL BARNES  
UNDER TREASURER



MAGDALENA WITTEK  
MANAGER  
FINANCIAL REPORTING

25 May 2017

# Overview

## Summary

The general government sector recorded an operating deficit of \$1,934 million for the nine months to 31 March 2017, compared to a \$2,077 million deficit reported for the same period in 2015-16.

With around 74% of forecast revenue for 2016-17 brought to book in the nine months to 31 March 2017, and expenses at almost 73% of the full-year projection, the operating outcome for March 2017 is broadly consistent with the 2016-17 estimate, detailed in the *Pre-election Financial Projections Statement* released on 9 February 2017.

- General government revenue for the nine months of 2016-17 was \$949 million (or 5%) higher than the same period last year. This is primarily driven by higher royalty income (up \$928 million, largely due to higher iron ore prices), and higher Commonwealth grants (up \$295 million, mainly driven by higher health funding), partially offset by lower taxation collections (down \$296 million) and lower dividend income (down \$140 million).
- General government expenses grew by \$806 million (or 3.8%), largely reflecting the impact of higher 'other' gross operating expenses (up \$281 million, primarily due to higher spending on services purchased from the not-for-profit sector), higher services and contracts expenses (up \$209 million), and higher salaries expense (up \$172 million, or 2%).

Total public sector net debt was \$30.3 billion at 31 March 2017 (\$2.9 billion higher than the \$27.3 billion outcome recorded at 30 June 2016). Total public sector net worth increased by an estimated \$171 million over the nine months to 31 March 2017, to stand at \$115 billion<sup>1</sup>.

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<sup>1</sup> Net worth and other balance sheet entries for quarterly financial outcomes include estimated effects for actuarial and other valuations typically only carried out when reporting results for the year ending 30 June.

## Results Compared to Prior Year

### General Government Sector

The general government sector recorded an operating deficit of \$1,934 million for the nine months to 31 March 2017, a \$142 million improvement on the \$2,077 million deficit reported for the same period in 2015-16.

#### SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-489	-1,934	-3,028	-1,088	-2,077	-2,021
Net worth		115,037	112,667		119,381	114,866
Movement in cash balances	-326	954	-445	-354	1,513	333
<i>Memorandum items</i>						
Net lending	-704	-2,748	-3,939	-1,262	-2,679	-3,064
Net debt		18,073	19,348		13,189	13,717
Cash surplus/-deficit	-669	-3,106	-4,033	-827	-3,137	-3,664

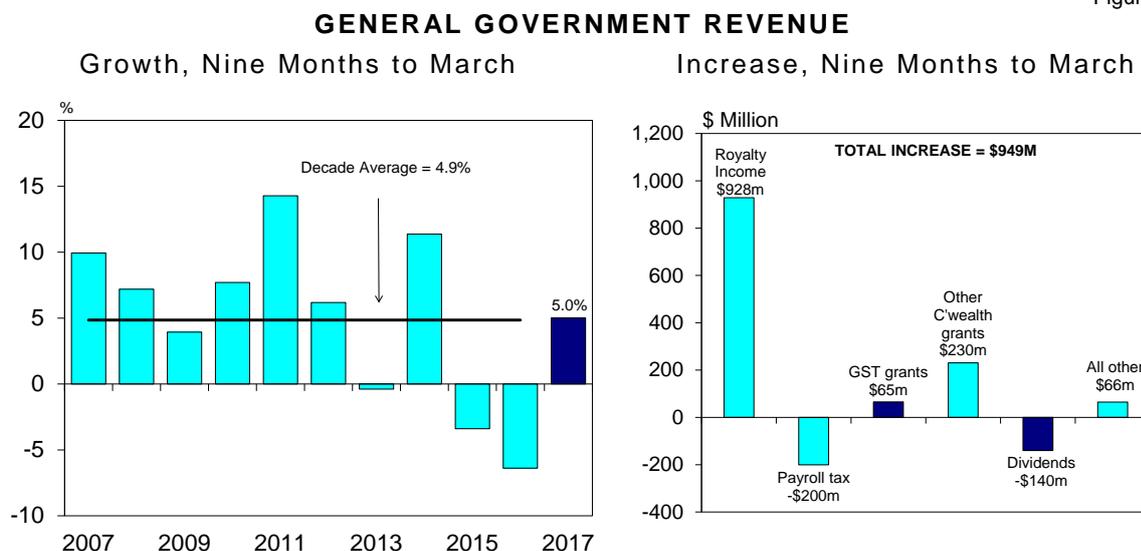
(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with final audited data contained in the *2015-16 Annual Report on State Finances*, released 22 September 2016.

### Revenue

Revenue for the nine months to 31 March 2017 totalled \$19,898 million, \$949 million (or 5%) higher than the same period last year.

Figure 1

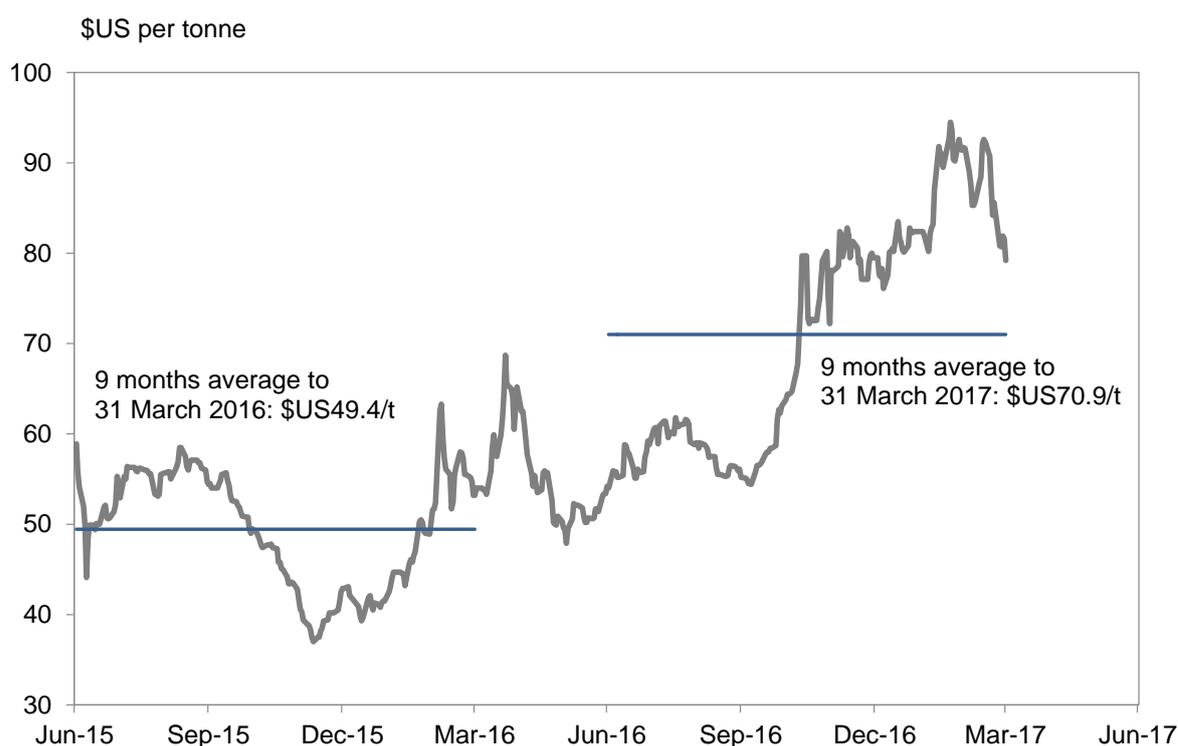


The higher March quarter revenue outcome primarily reflects the impact of:

- higher royalty income (up \$928 million, or 30.9%) as a result of higher iron ore prices and volumes more than offsetting the impact of a higher \$US/\$A exchange rate relative to the same period in 2015-16:
  - the benchmark iron ore price averaged \$US70.9 per tonne in the nine months to 31 March 2017, which was 43.5% higher than the average price in the same period in 2015-16 (\$US49.4 per tonne);
  - iron ore export volumes in the nine months to March 2017 were 4.7% higher than the same period last year; and
  - the \$US/\$A exchange rate averaged US75.5 cents in the nine months to March 2017, compared to an average of US72.3 cents for the same period last year;

**62%FE BENCHMARK IRON ORE PRICE**  
CFR China

Figure 2

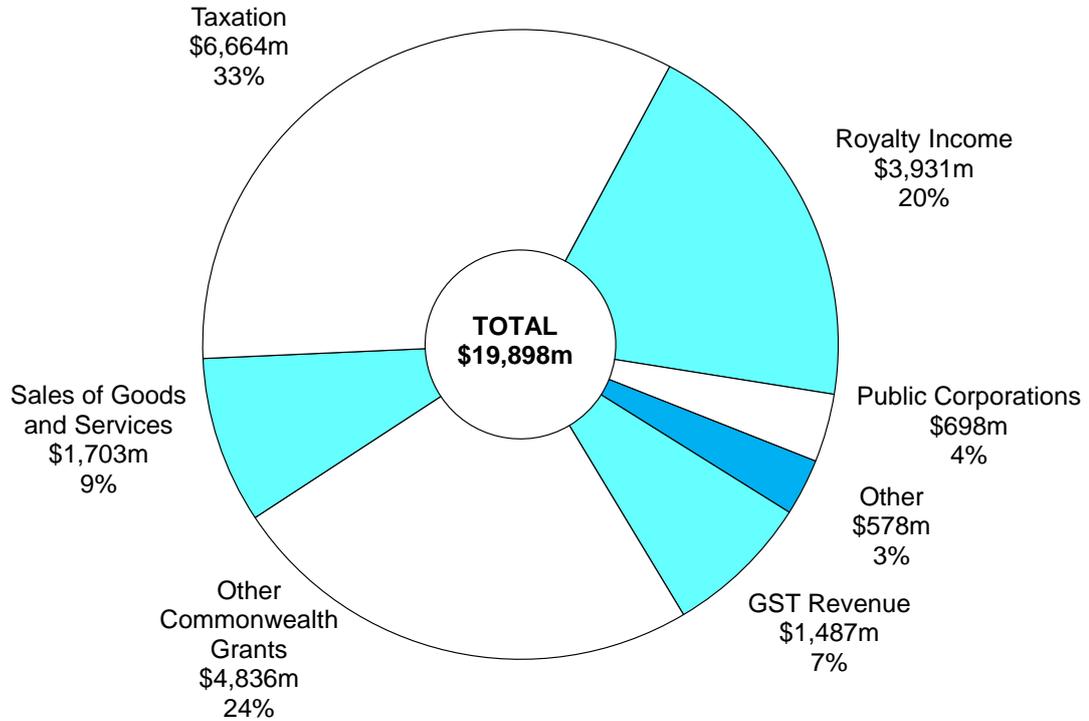


- lower tax collections (down \$296 million, or 4.3%), largely due to the net impact of:
  - lower payroll tax (down \$200 million), consistent with weaker conditions in the State’s labour market in 2016-17;
  - lower transfer duty (down \$105 million), mainly reflecting a softening in residential property transactions and prices;

- lower land tax (down \$66 million), largely due to a decline in taxable land values across the State and the number of assessment notices;
- higher insurance duty (up \$42 million), including the effect of targeted compliance activity;
- higher landholder duty (up \$24 million), reflecting the timing and number of high value commercial transactions; and
- higher Emergency Services Levy collections (up \$16 million);
- higher grants from the Commonwealth (up \$295 million, or 4.9%), primarily due to the net combination of:
  - higher National Health Reform funding (up \$225 million), due to higher levels of hospital activity;
  - lower grants for housing and transport (down \$133 million), primarily due to the timing of funding for the Remote Indigenous Housing program and the Nation Building program;
  - higher local government road and general purpose funding passed through the State (up \$106 million), mainly reflecting the timing of Commonwealth payments (and matched by higher grants expense);
  - a higher GST grant (up \$65 million), driven by growth in national GST collections;
  - higher funding for non-government schools (up \$64 million), due to an increase in school enrolment numbers and indexation (also on-passed as grants through the State); and
  - lower North West Shelf petroleum grants (down \$43 million), due to a higher exchange rate, lower prices for LNG and LPG, and lower production volumes for oil and domestic gas;
- lower dividend income (down \$140 million, or 30.6%), due to the timing of interim dividend payments by Western Power (which commenced during the last financial year and reduced the final dividend for 2015-16 received during 2016-17) and lower profit recorded by the Pilbara Ports Authority in 2015-16; and
- higher sales of goods and services (up \$113 million, or 7.1%), largely due to an increase in the recovery of Pharmaceutical Benefits Scheme costs by WA Health.

Figure 3

**GENERAL GOVERNMENT REVENUE<sup>(a)</sup>**  
 Nine months to 31 March 2017



(a) Segments may not add due to rounding.

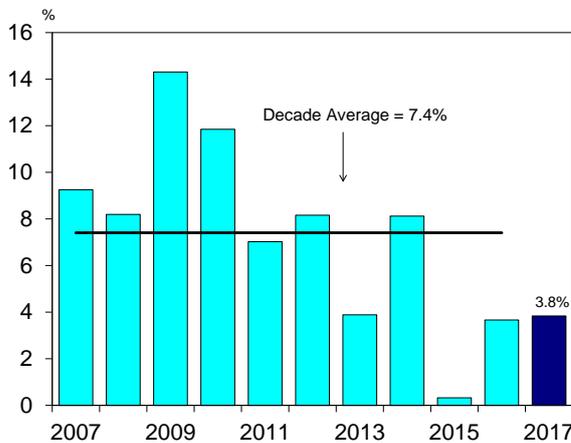
**Expenses**

Expenses for the nine months to 31 March 2017 totalled \$21,832 million, up \$806 million (or 3.8%) on the same period in 2015-16.

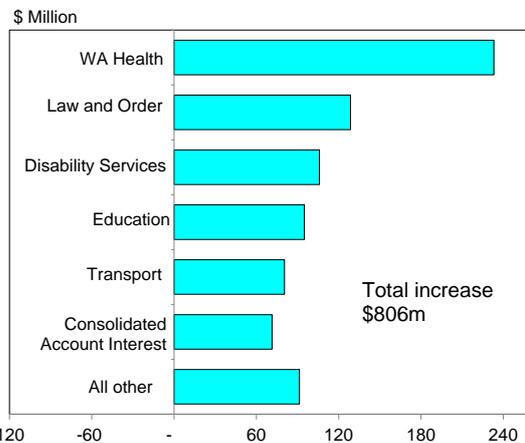
Figure 4

**GENERAL GOVERNMENT EXPENSES**

Growth, Nine Months to March



Increase, Nine Months to March

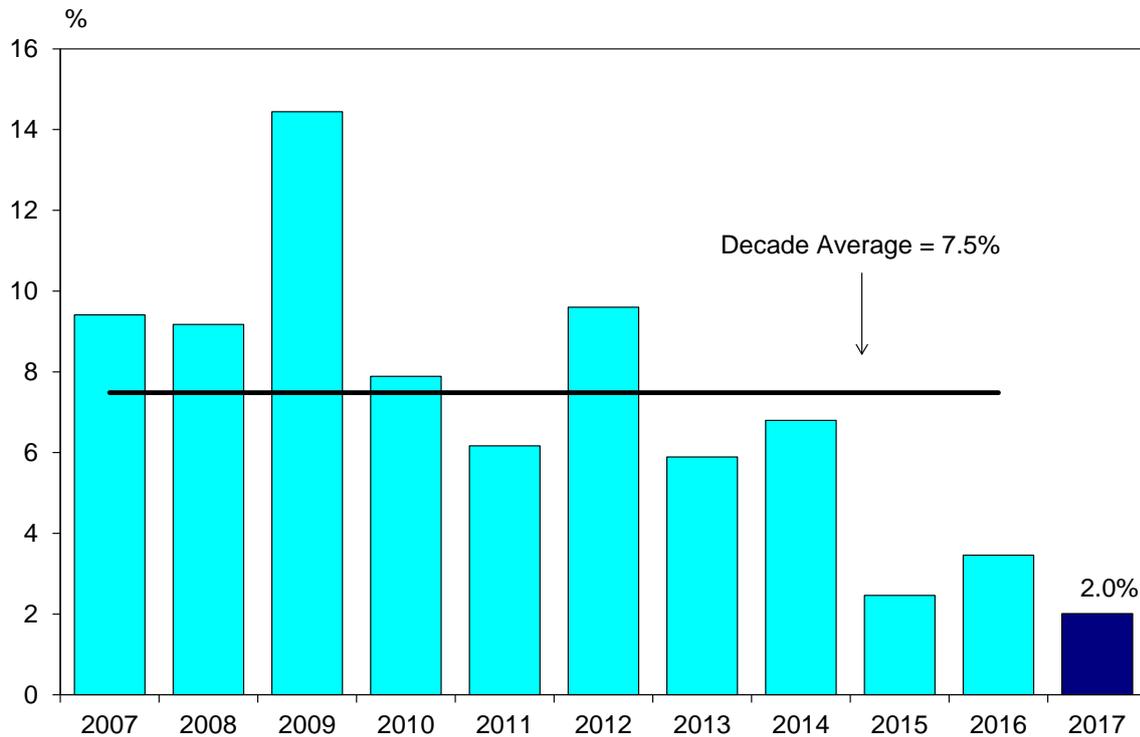


The increase in spending for the nine months to 31 March 2017 compared with the same period last year is mainly due to the net effect of:

- higher ‘other’ gross operating expenses (up \$281 million, or 7%), mainly due to health and disability spending (up \$196 million, largely reflecting spending for the not-for-profit sector and patient support), and the timing of consumables and other day-to-day spending across the sector;
- higher services and contracts expenses (up \$209 million, or 14.1%), primarily due to the cost of treating patients in the St John of God Midland Public Hospital and Joondalup Health Campus (which are operated under Public Private Partnerships), higher road maintenance expenses, and restoration costs following the Yarloop bushfire;
- higher salaries (up \$172 million, or 2%), mainly in the education sector (due to higher student numbers) and the law and order sector (reflecting the impact of new spending on the summer road safety campaign, the Meth Enforcement Action Plan and a higher daily average prisoner population). These increases are partially offset by changes in the health workforce following the closure of the Swan District Hospital; and

Figure 5

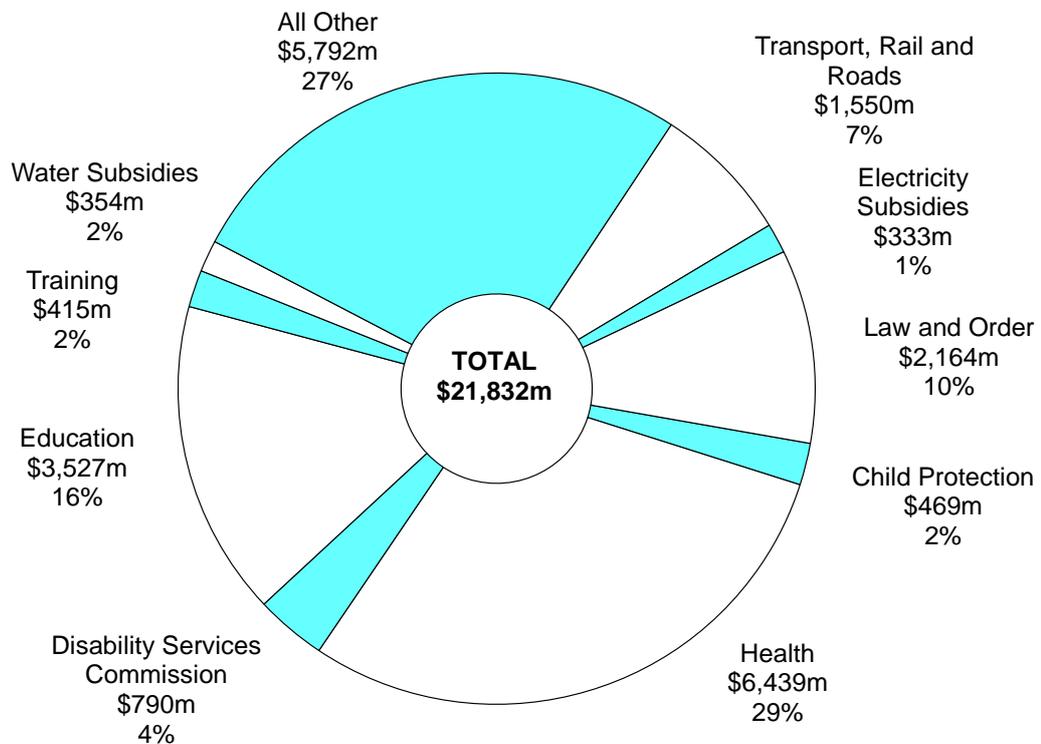
**NINE MONTHS TO 31 MARCH SALARIES GROWTH**  
General Government



- higher transfer payments (largely grants, up \$51 million, or 1.2%), mainly due to the combination of:
  - higher on-passed local government road and general purpose grants (up \$106 million), reflecting the timing of the associated funding from the Commonwealth (noted earlier);
  - higher on-passed funding for non-government schools (up \$64 million), noted earlier;
  - lower Royalties for Regions grants paid to the Western Australian Land Authority (down \$58 million), mainly due to the nearly completed Karratha City of the North and Broome Road Industrial Area projects;
  - lower on-passed Commonwealth capital grants for public housing (down \$87 million) due to the timing of funding for the Remote Indigenous Housing program;
  - a grant payment from the Department of State Development to Horizon Power for the Onslow Power infrastructure upgrade project (\$45 million); and
  - a one-off transfer of land from the Department of Planning to the Town of Cambridge as part of compensation for the Perry Lakes redevelopment in November 2015 (reducing transfers by \$28 million).

Figure 6

**GENERAL GOVERNMENT EXPENSES<sup>(a)</sup>**  
 Nine months to 31 March 2017



(a) Segments may not add due to rounding.

## Balance Sheet

Total net worth of the general government sector increased by \$171 million during the nine months to 31 March 2017, to stand at \$115 billion<sup>2</sup>. The higher estimated net worth across the general government sector balance sheet mainly reflects the net impact of:

- an increase in the value of equity in public corporations (up \$2.3 billion), attributable to increases in the estimated value of physical assets, operating surpluses recorded by public corporations and general government sector equity contributions;
- higher liquid investments (including cash and investments, loans and placements) (up \$1 billion), mainly due to timing of cash receipts and payments through the Public Bank Account;
- an estimated \$783 million increase in general government sector land and physical assets, reflecting infrastructure spending and projected increases in the value of the sector's existing asset holdings;
- an increase in receivables (up \$439 million), primarily due to the difference in the timing of revenue recognition for iron ore royalties compared with the (future) receipt of this income;
- an increase in borrowings (up \$5.3 billion), mainly due to higher central borrowings held by the Consolidated Account; and
- lower unfunded superannuation liabilities (down \$629 million), reflecting an increase in the value of the bond rate used to calculate the liability (from 2% at 30 June 2016 to 2.7% at 31 March 2017)<sup>3</sup>.

## Cash Flow

A cash deficit of \$3.1 billion was recorded for the nine months to 31 March 2017, consistent with the cash deficit recorded for the same period in 2015-16. This outcome is largely due to:

- a net cash deficit from operating activities of \$1,619 million (up from the \$1,532 million cash operating deficit reported for the same period last year), which reflects the cash impact of the accrual operating outcome discussed earlier; and
- \$1,571 million in infrastructure spending (\$90 million lower than the amount reported for the same period last year, mainly due to the completion of works on major health projects such as the Perth Children's Hospital and the St John of God Midland Public Hospital).

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<sup>2</sup> Net worth is the widest measure of financial value of the public sector and includes the value of all assets less the value of all liabilities recorded on the balance sheet.

<sup>3</sup> Long term government bond rates are used by the actuary in year-end valuations of unfunded superannuation liabilities. Bond rates increased over the nine months to 31 March 2017. 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.

## Total Public Sector

### Operating Statement

The total public sector recorded an operating deficit of \$1.6 billion for the nine months to 31 March 2017. This is a \$140 million smaller operating deficit compared with the same period in 2015-16.

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

Table 2

	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-554	-1,615	-3,462	-863	-1,755	-2,559
Net worth		115,037	112,667		119,381	114,866
Movement in cash balances	-1,345	-1,123	-120	844	3,265	2,706
<i>Memorandum items</i>						
Net lending	-902	-2,199	-5,202	-1,716	-2,926	-4,935
Net debt		30,280	33,246		26,205	27,347
Cash surplus/-deficit	-622	-1,805	-5,260	-742	-3,378	-4,731

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with final audited data contained in the 2015-16 *Annual Report on State Finances*, released 22 September 2016.

The total public sector operating deficit for the nine months to 31 March 2017 incorporates:

- the \$1,934 million operating deficit for the general government sector discussed earlier;
- a \$416 million operating surplus for the public non-financial corporations sector, \$151 million lower than the surplus recorded in the same period in 2015-16. This result is mainly due to movements in operating subsidiaries and developer contributions received by the Water Corporation, and lower Commonwealth funding for Housing Authority under the Remote Indigenous Housing program; and
- an operating surplus of \$222 million for the public financial corporations sector, broadly in line with the surplus recorded in the same period in 2015-16.

Table 3

**TOTAL PUBLIC SECTOR OPERATING BALANCE**  
By Sector

	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>Net Operating Balance</b>						
General government sector	-489	-1,934	-3,028	-1,088	-2,077	-2,021
Public non-financial corporations sector	111	416	352	263	567	892
Public financial corporations sector	-58	222	415	-3	247	72
<i>less</i>						
General government dividend revenue	117	318	1,129	1	458	1,415
Public non-financial corporations dividend revenue <sup>(c)</sup>	-	-	72	34	34	87
<b>Total public sector net operating balance</b>	<b>-554</b>	<b>-1,615</b>	<b>-3,462</b>	<b>-863</b>	<b>-1,755</b>	<b>-2,559</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

(c) Dividends received from Keystart (a public financial corporation) by the Housing Authority (a public non-financial corporation).

## Balance Sheet

The value of the total public sector balance sheet (measured by net worth, or total assets less total liabilities) is identical to that of the general government sector (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 \$2.9 billion during the nine months to 31 March 2017 to stand at \$30.3 billion. The majority of gross borrowings (the largest component of net debt) is held by the Consolidated Account, which increased borrowings to \$22.3 billion at 31 March 2017 (see Appendix 3: *Public Ledger*).

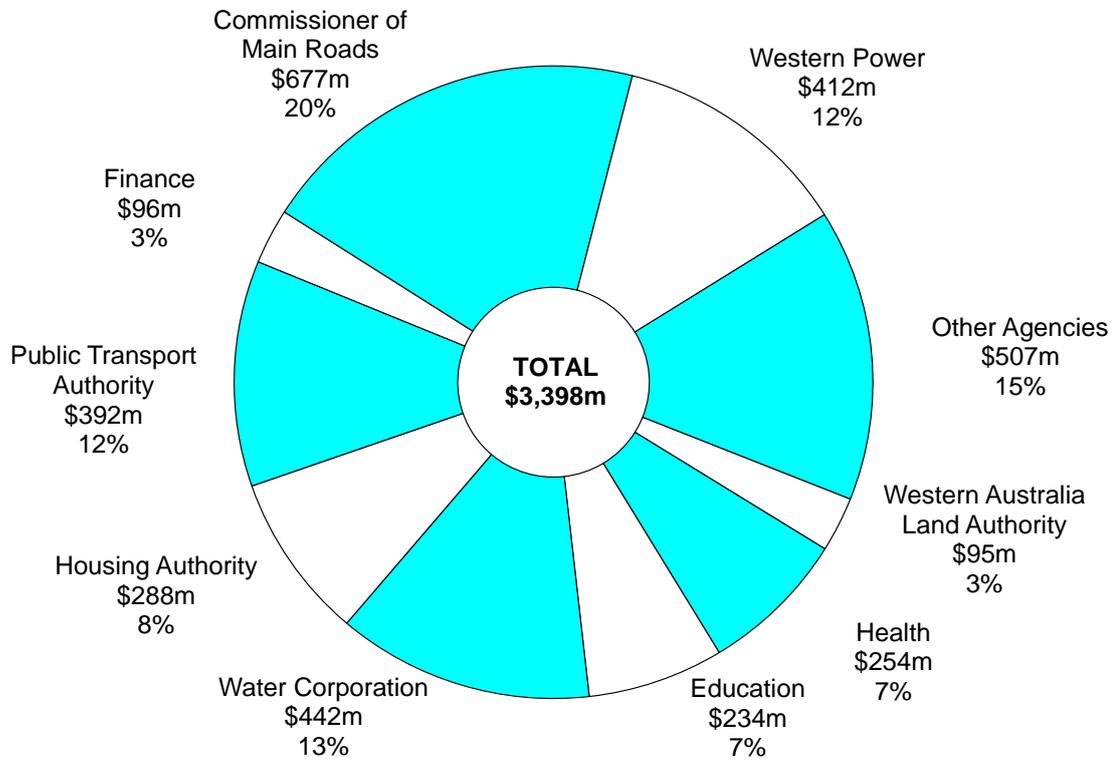
## Cash Flow

A cash deficit of \$1.8 billion was recorded for the nine months to 31 March 2017. This is \$1.5 billion lower than the \$3.3 billion cash deficit recorded for the same period in 2015-16. This outcome reflects the net impact of an operating cash surplus of \$1.2 billion (the cash flow equivalent of the operating statement movements discussed above), and a \$3 billion net cash deficit on infrastructure spending.

Gross spending on total public sector infrastructure investment for the nine months to 31 March 2017 totalled \$3.4 billion, \$160 million lower than the same period in 2015-16. The lower level of spending is mainly due to the general government sector results discussed earlier (down \$90 million), and lower public corporation sector expenditure during the same period (mainly reflecting the completion of Western Power and Western Australian Land Authority projects).

Figure 7

**ASSET INVESTMENT PROGRAM<sup>(a)</sup>**  
 Nine months to 31 March 2017



(a) Segments may not add due to rounding.



# 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 2016-17 State Budget Papers released on 12 May 2016, 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	2016-17			2015-16		Actual <sup>(b)</sup> \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<b>RESULTS FROM TRANSACTIONS</b>							
<b>REVENUE</b>							
Taxation		1,818	6,664	8,494	1,919	6,960	9,069
Current grants and subsidies		2,222	6,191	7,820	2,157	5,760	7,407
Capital grants		80	132	399	22	268	895
Sales of goods and services		608	1,703	2,225	578	1,590	2,155
Interest Income		44	150	182	52	143	192
Revenue from public corporations							
Dividends from other sectors		117	318	1,129	1	458	1,415
Tax equivalent income		151	380	521	161	383	631
Royalty income		1,496	3,931	5,558	877	3,003	4,126
Other		177	428	612	131	384	594
<b>Total</b>	<b>2</b>	<b>6,712</b>	<b>19,898</b>	<b>26,941</b>	<b>5,898</b>	<b>18,949</b>	<b>26,485</b>
<b>EXPENSES</b>							
Salaries		2,880	8,698	11,973	2,801	8,526	11,383
Superannuation							
Concurrent costs		293	887	1,216	278	847	1,167
Superannuation interest cost		51	161	218	32	141	218
Other employee costs		78	239	364	98	270	370
Depreciation and amortisation		324	971	1,433	331	995	1,359
Services and contracts		573	1,694	2,442	523	1,485	2,195
Other gross operating expenses		1,236	4,292	5,645	1,219	4,011	5,518
Other interest		197	580	786	174	491	664
Current transfers	3	1,446	4,027	5,348	1,463	3,936	5,164
Capital transfers	3	124	283	545	66	323	469
<b>Total</b>		<b>7,201</b>	<b>21,832</b>	<b>29,969</b>	<b>6,987</b>	<b>21,026</b>	<b>28,506</b>
<b>NET OPERATING BALANCE</b>	<b>4</b>	<b>-489</b>	<b>-1,934</b>	<b>-3,028</b>	<b>-1,088</b>	<b>-2,077</b>	<b>-2,021</b>
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		12	-20	-28	-23	-60	-148
Net actuarial gains/-loss - superannuation		-46	529	329	-317	-574	-589
Provision for doubtful debts		-	-	-4	-	-1	-54
Changes in accounting policy/adjustments of prior periods		44	68	-	-98	-200	110
<b>Total other economic flows</b>		<b>10</b>	<b>577</b>	<b>296</b>	<b>-438</b>	<b>-836</b>	<b>-679</b>
<b>OPERATING RESULT</b>		<b>-479</b>	<b>-1,357</b>	<b>-2,732</b>	<b>-1,526</b>	<b>-2,912</b>	<b>-2,700</b>
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		-90	-45	124	-157	341	-2,549
Gains recognised directly in equity		-	-7	-	-	-6	8
Change in net worth of the public corporations sectors		63	1,581	409	-249	660	-1,192
All other		-	-	-	-	-	-
<b>Total all other movements in equity</b>		<b>-27</b>	<b>1,528</b>	<b>533</b>	<b>-406</b>	<b>994</b>	<b>-3,733</b>
<b>TOTAL CHANGE IN NET WORTH</b>	<b>4</b>	<b>-506</b>	<b>171</b>	<b>-2,199</b>	<b>-1,932</b>	<b>-1,918</b>	<b>-6,433</b>
<b>KEY FISCAL AGGREGATES</b>							
<b>NET OPERATING BALANCE</b>	<b>4</b>	<b>-489</b>	<b>-1,934</b>	<b>-3,028</b>	<b>-1,088</b>	<b>-2,077</b>	<b>-2,021</b>
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		551	1,571	2,296	508	1,661	2,475
Changes in inventories		6	5	3	5	12	15
Other movement in non-financial assets		1	294	247	9	-19	15
<i>less:</i>							
Sales of non-financial assets		20	84	202	17	56	102
Depreciation		324	971	1,433	331	995	1,359
<b>Total net acquisition of non-financial assets</b>		<b>214</b>	<b>814</b>	<b>911</b>	<b>174</b>	<b>602</b>	<b>1,043</b>
<b>NET LENDING/-BORROWING</b>	<b>4</b>	<b>-704</b>	<b>-2,748</b>	<b>-3,939</b>	<b>-1,262</b>	<b>-2,679</b>	<b>-3,064</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

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

Table 1.2

## GENERAL GOVERNMENT BALANCE SHEET

	Note	For the period ending			
		31 Mar	30 June	31 Mar	30 June
		2017	2017 <sup>(a)</sup>	2016	2016 <sup>(b)</sup>
		\$m	\$m	\$m	\$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		1,081	745	927	820
Advances paid		746	719	722	711
Investments, loans and placements	5	5,019	3,576	4,467	4,042
Receivables	6	3,360	3,029	2,729	2,921
Shares and other equity					
Investments in other public sector entities - equity method		49,235	48,063	49,506	47,654
Investments in other public sector entities - direct injections		8,930	8,937	7,874	8,180
Investments in other entities		47	44	40	48
Other financial assets		8	8	8	8
<b>Total financial assets</b>		<b>68,425</b>	<b>65,122</b>	<b>66,274</b>	<b>64,384</b>
<i>Non-financial assets</i>					
Land		38,573	38,688	38,753	38,551
Property, plant and equipment		44,017	44,526	45,578	43,256
Biological assets		4	2	2	4
Inventories					
Land inventories		113	112	109	113
Other inventories		89	87	81	84
Intangibles		654	656	617	650
Assets classified as held for sale		24	35	26	32
Investment property		8	8	9	8
Other		674	683	464	484
<b>Total non-financial assets</b>		<b>84,156</b>	<b>84,796</b>	<b>85,637</b>	<b>83,182</b>
<b>TOTAL ASSETS</b>		<b>152,581</b>	<b>149,918</b>	<b>151,911</b>	<b>147,566</b>
<b>LIABILITIES</b>					
Deposits held		824	555	482	518
Advances received		392	376	407	392
Borrowings	7	23,704	23,458	18,416	18,379
Unfunded superannuation		7,310	7,350	7,954	7,939
Other employee benefits		3,123	2,953	3,094	2,892
Payables		856	1,234	875	1,228
Other liabilities		1,335	1,324	1,301	1,352
<b>TOTAL LIABILITIES</b>		<b>37,544</b>	<b>37,250</b>	<b>32,530</b>	<b>32,700</b>
<b>NET ASSETS</b>		<b>115,037</b>	<b>112,667</b>	<b>119,381</b>	<b>114,866</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		7,108	8,973	8,211	8,460
Other reserves		107,929	103,694	111,170	106,406
<b>NET WORTH</b>	4	<b>115,037</b>	<b>112,667</b>	<b>119,381</b>	<b>114,866</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		<b>30,881</b>	<b>27,871</b>	<b>33,744</b>	<b>31,684</b>
<i>Net financial liabilities</i>		<b>27,283</b>	<b>29,129</b>	<b>23,637</b>	<b>24,150</b>
<i>Net debt</i>					
Gross debt liabilities		24,920	24,389	19,306	19,289
less: liquid financial assets		6,847	5,040	6,117	5,572
less: convergence differences impacting net debt		-	-	-	-
<b>Net debt</b>		<b>18,073</b>	<b>19,348</b>	<b>13,189</b>	<b>13,717</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

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 2017

	Accumulated net gain on equity		Accumulated Surplus/deficit \$m	Total Equity \$m
	Asset Revaluation Surplus \$m	investments in other sector entities \$m		
<i>Balance at 1 July 2016</i>	58,752	47,654	8,460	114,866
Operating result	-	-	-1,357	-1,357
Other movements in equity	-45	1,581	-7	1,528
All other	-12	-	12	-
<i>Total change in net worth</i>	-58	1,581	-1,352	171
<b>Balance at 31 March 2017</b>	<b>58,694</b>	<b>49,235</b>	<b>7,108</b>	<b>115,037</b>

For the nine months ended 31 March 2016

	Accumulated net gain on equity		Accumulated Surplus/deficit \$m	Total Equity \$m
	Asset Revaluation Surplus \$m	investments in other sector entities \$m		
<i>Balance at 1 July 2015</i>	61,441	48,846	11,012	121,299
Operating result	-	-	-2,912	-2,912
Other movements in equity	341	660	-6,387	994
All other	-118	-	118	-
<i>Total change in net worth</i>	222	660	-2,801	-1,918
<b>Balance at 31 March 2016</b>	<b>61,663</b>	<b>49,506</b>	<b>8,211</b>	<b>119,381</b>

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

Table 1.4

## GENERAL GOVERNMENT CASH FLOW STATEMENT

	2016-17			2015-16			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<i>Cash received</i>							
Taxes received		1,950	6,420	8,509	2,022	6,699	9,130
Grants and subsidies received		2,299	6,285	8,190	2,225	6,039	8,310
Receipts from sales of goods and services		615	1,781	2,269	515	1,537	2,294
Interest receipts		47	133	174	48	123	187
Dividends and tax equivalents		138	695	1,745	145	951	2,087
Other		1,896	5,224	7,062	1,457	4,563	5,922
<b>Total cash received</b>		<b>6,945</b>	<b>20,537</b>	<b>27,948</b>	<b>6,412</b>	<b>19,912</b>	<b>27,929</b>
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,100	-9,619	-13,613	-3,072	-9,907	-13,374
Payments for goods and services		-1,976	-6,672	-8,406	-1,825	-5,957	-8,083
Interest paid		-190	-545	-761	-163	-444	-631
Grants and subsidies paid		-1,433	-4,102	-5,706	-1,300	-3,942	-5,485
Dividends and tax equivalents		-	-	-	-	-	-
Other		-384	-1,219	-1,402	-387	-1,194	-1,648
<b>Total cash paid</b>		<b>-7,084</b>	<b>-22,157</b>	<b>-29,887</b>	<b>-6,747</b>	<b>-21,444</b>	<b>-29,221</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>-138</b>	<b>-1,619</b>	<b>-1,939</b>	<b>-335</b>	<b>-1,532</b>	<b>-1,291</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-551	-1,571	-2,296	-508	-1,661	-2,475
Sales of non-financial assets		20	84	202	17	56	102
<b>Total cash flows from investments in non-financial assets</b>		<b>-531</b>	<b>-1,487</b>	<b>-2,094</b>	<b>-492</b>	<b>-1,605</b>	<b>-2,373</b>
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		2	10	10	128	138	140
For liquidity purposes		15	15	78	-	10	101
<i>Cash paid</i>							
For policy purposes		-82	-760	-967	-114	-491	-798
For liquidity purposes		-19	-28	-11	2	-37	-136
<b>Total cash flows from investments in financial assets</b>		<b>-81</b>	<b>-763</b>	<b>-890</b>	<b>16</b>	<b>-379</b>	<b>-694</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-614</b>	<b>-2,250</b>	<b>-2,984</b>	<b>-475</b>	<b>-1,984</b>	<b>-3,067</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<i>Cash received</i>							
Advances received		-	-	16	-	-	16
Borrowings		499	5,154	5,053	16	5,171	5,194
Deposits received		-	-	-	-	-	-
Other financing receipts		18	33	45	134	556	41
<b>Total cash received</b>		<b>517</b>	<b>5,187</b>	<b>5,114</b>	<b>149</b>	<b>5,727</b>	<b>5,250</b>
<i>Cash paid</i>							
Advances paid		-	-	-16	-	-	-16
Borrowings repaid		-20	-47	-179	-17	-78	-97
Deposits paid		-	-	-	-	-	-
Other financing payments		-71	-317	-441	324	-620	-447
<b>Total cash paid</b>		<b>-91</b>	<b>-364</b>	<b>-636</b>	<b>307</b>	<b>-698</b>	<b>-560</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>426</b>	<b>4,823</b>	<b>4,478</b>	<b>457</b>	<b>5,029</b>	<b>4,691</b>
<b>Net increase in cash and cash equivalents</b>		<b>-326</b>	<b>954</b>	<b>-445</b>	<b>-354</b>	<b>1,513</b>	<b>333</b>
Cash and cash equivalents at the beginning of the year		6,053	4,773	4,773	6,307	4,440	4,440
Cash and cash equivalents at the end of the year		5,726	5,726	4,327	5,953	5,953	4,773
<b>KEY FISCAL AGGREGATES</b>							
Net cash flows from operating activities		-138	-1,619	-1,939	-335	-1,532	-1,291
Net cash flows from investing in non-financial assets		-531	-1,487	-2,094	-492	-1,605	-2,373
<b>Cash surplus/-deficit</b>	<b>4</b>	<b>-669</b>	<b>-3,106</b>	<b>-4,033</b>	<b>-827</b>	<b>-3,137</b>	<b>-3,664</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

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

Table 1.5

**TOTAL PUBLIC SECTOR OPERATING STATEMENT**

	2016-17			2015-16			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<i>Results from Transactions</i>							
<b>REVENUE</b>							
Taxation		1,695	6,298	7,988	1,787	6,577	8,560
Current grants and subsidies		2,222	6,191	7,820	2,157	5,760	7,407
Capital grants		80	132	399	22	268	895
Sales of goods and services		4,141	15,687	22,158	5,553	16,293	21,583
Interest Income		114	345	547	151	394	635
Royalty income		1,496	3,931	5,558	877	3,003	4,126
Other		262	704	1,044	242	742	1,110
<b>Total</b>	2	<b>10,011</b>	<b>33,289</b>	<b>45,515</b>	<b>10,788</b>	<b>33,035</b>	<b>44,316</b>
<b>EXPENSES</b>							
Salaries		3,173	9,627	13,290	3,110	9,484	12,627
Superannuation							
Concurrent costs		322	981	1,350	309	942	1,296
Superannuation interest cost		51	161	218	32	141	218
Other employee costs		48	170	252	58	184	257
Depreciation and amortisation		837	2,517	3,508	837	2,579	3,354
Services and contracts		778	2,346	3,330	731	2,191	3,179
Other gross operating expenses		3,683	14,573	20,961	4,971	14,938	20,279
Other interest		399	1,212	1,677	403	1,232	1,643
Other property expenses		-	-	-	-	-	-
Current transfers	3	1,186	3,094	3,983	1,135	2,889	3,683
Capital transfers	3	87	222	407	66	210	340
<b>Total</b>		<b>10,564</b>	<b>34,904</b>	<b>48,976</b>	<b>11,652</b>	<b>34,791</b>	<b>46,875</b>
<b>NET OPERATING BALANCE</b>	4	<b>-554</b>	<b>-1,615</b>	<b>-3,462</b>	<b>-863</b>	<b>-1,755</b>	<b>-2,559</b>
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		148	367	71	-164	-97	-131
Net actuarial gains/-loss - superannuation		-47	539	329	-322	-581	-610
Provision for doubtful debts		-7	-17	-25	-4	-12	-68
Changes in accounting policy/adjustment of prior periods		43	235	-	-437	-112	-743
<b>Total other economic flows</b>		<b>138</b>	<b>1,124</b>	<b>374</b>	<b>-927</b>	<b>-802</b>	<b>-1,552</b>
<b>OPERATING RESULT</b>		<b>-416</b>	<b>-490</b>	<b>-3,087</b>	<b>-1,791</b>	<b>-2,558</b>	<b>-4,111</b>
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		-105	-216	838	-1,216	-1,303	-4,176
Gains recognised directly in equity		14	877	50	1,075	1,943	1,854
All other		-	-	-	-	-	-
<b>Total all other movements in equity</b>		<b>-90</b>	<b>661</b>	<b>888</b>	<b>-142</b>	<b>640</b>	<b>-2,322</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>-506</b>	<b>171</b>	<b>-2,199</b>	<b>-1,932</b>	<b>-1,918</b>	<b>-6,433</b>
<b>KEY FISCAL AGGREGATES</b>							
<b>NET OPERATING BALANCE</b>	4	<b>-554</b>	<b>-1,615</b>	<b>-3,462</b>	<b>-863</b>	<b>-1,755</b>	<b>-2,559</b>
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,189	3,398	5,561	1,069	3,558	5,237
Changes in inventories		135	-264	213	717	534	1,024
Other movement in non-financial assets		29	405	363	29	96	171
<i>less:</i>							
Sales of non-financial assets		169	438	888	126	439	701
Depreciation		837	2,517	3,508	837	2,579	3,354
<b>Total net acquisition of non-financial assets</b>		<b>348</b>	<b>585</b>	<b>1,740</b>	<b>852</b>	<b>1,170</b>	<b>2,376</b>
<b>NET LENDING/-BORROWING</b>	4	<b>-902</b>	<b>-2,199</b>	<b>-5,202</b>	<b>-1,716</b>	<b>-2,926</b>	<b>-4,935</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

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 2017 \$m	30 June 2017 <sup>(a)</sup> \$m	31 Mar 2016 \$m	30 June 2016 <sup>(b)</sup> \$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		2,390	1,782	1,899	1,873
Advances paid		3,582	3,787	4,664	4,729
Investments, loans and placements	5	14,792	13,947	14,812	18,322
Receivables	6	4,273	4,807	3,866	4,140
Equity - investments in other entities		1,790	1,731	1,512	1,544
Other financial assets		14	18	15	18
<b>Total financial assets</b>		<b>26,842</b>	<b>26,073</b>	<b>26,767</b>	<b>30,626</b>
<i>Non-financial assets</i>					
Land		53,262	53,370	54,019	53,233
Property, plant and equipment		99,267	99,615	99,685	97,324
Biological assets		334	333	316	334
Inventories					
Land inventories		2,048	2,193	2,266	2,172
Other inventories		4,237	4,714	4,011	4,501
Intangibles		1,062	1,090	1,104	1,097
Assets classified as held for sale		26	63	67	147
Investment property		293	310	420	297
Other		817	805	602	634
<b>Total non-financial assets</b>		<b>161,347</b>	<b>162,492</b>	<b>162,489</b>	<b>159,740</b>
<b>TOTAL ASSETS</b>		<b>188,188</b>	<b>188,564</b>	<b>189,257</b>	<b>190,366</b>
<b>LIABILITIES</b>					
Deposits held		40	31	40	27
Advances received		392	376	407	392
Borrowings	7	50,612	52,355	47,132	51,852
Unfunded superannuation		7,412	7,438	8,073	8,068
Other employee benefits		3,534	3,386	3,524	3,345
Payables		5,712	6,693	5,796	6,370
Other liabilities		5,448	5,617	4,902	5,446
<b>TOTAL LIABILITIES</b>		<b>73,151</b>	<b>75,897</b>	<b>69,875</b>	<b>75,499</b>
<b>NET ASSETS</b>		<b>115,037</b>	<b>112,667</b>	<b>119,381</b>	<b>114,866</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		29,918	30,581	31,157	29,555
Other reserves		85,119	82,086	88,224	85,312
<b>NET WORTH</b>	4	<b>115,037</b>	<b>112,667</b>	<b>119,381</b>	<b>114,866</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		-46,310	-49,824	-43,108	-44,873
<i>Net financial liabilities</i>		48,100	51,556	44,620	46,417
<i>Net debt</i>					
Gross debt liabilities		51,045	52,763	47,580	52,271
less: liquid financial assets		20,764	19,516	21,375	24,924
less: convergence differences impacting net debt		-	-	-	-
<b>Net debt</b>		<b>30,280</b>	<b>33,246</b>	<b>26,205</b>	<b>27,347</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

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 2017

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
<i>Balance at 1 July 2016</i>	85,312	29,555	114,866
Operating result	-	-490	-490
Other movements in equity	-216	877	661
All other	23	-23	-
<i>Total change in net worth</i>	-193	363	171
<b>Balance at 31 March 2017</b>	<b>85,119</b>	<b>29,918</b>	<b>115,037</b>

For the nine months ended 31 March 2016

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
<i>Balance at 1 July 2015</i>	89,669	31,630	121,299
Operating result	-	-2,558	-2,558
Other movements in equity	-1,303	1,943	640
All other	-141	141	-
<i>Total change in net worth</i>	-1,445	-473	-1,918
<b>Balance at 31 March 2016</b>	<b>88,224</b>	<b>31,157</b>	<b>119,381</b>

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

## TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2016-17			2015-16			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<i>Cash received</i>							
Taxes received		1,825	6,110	7,905	1,911	6,399	8,556
Grants and subsidies received		2,299	6,285	8,190	2,225	6,039	8,310
Receipts from sales of goods and services		4,148	17,168	22,461	5,712	16,912	21,979
Interest receipts		243	437	589	166	480	667
Other receipts		2,147	6,105	7,781	1,710	5,510	7,156
<b>Total cash received</b>		<b>10,663</b>	<b>36,105</b>	<b>46,926</b>	<b>11,726</b>	<b>35,340</b>	<b>46,668</b>
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,435	-10,726	-15,142	-3,411	-11,028	-14,834
Payments for goods and services		-4,056	-16,234	-22,882	-5,566	-17,159	-22,112
Interest paid		-530	-1,568	-1,658	-488	-1,423	-1,940
Grants and subsidies paid		-1,228	-3,215	-4,153	-1,107	-2,871	-3,711
Other payments		-1,015	-3,208	-3,678	-953	-3,118	-4,266
<b>Total cash paid</b>		<b>-10,264</b>	<b>-34,950</b>	<b>-47,513</b>	<b>-11,525</b>	<b>-35,599</b>	<b>-46,863</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>399</b>	<b>1,155</b>	<b>-587</b>	<b>201</b>	<b>-259</b>	<b>-195</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,189	-3,398	-5,561	-1,069	-3,558	-5,237
Sales of non-financial assets		169	438	888	126	439	701
<b>Total cash flows from investments in non-financial assets</b>		<b>-1,020</b>	<b>-2,960</b>	<b>-4,673</b>	<b>-943</b>	<b>-3,119</b>	<b>-4,536</b>
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes	2	10	10	10	128	138	140
For liquidity purposes		1,671	4,091	5,546	905	2,980	4,850
<i>Cash paid</i>							
For policy purposes		-1	-8	-10	-1	-12	-16
For liquidity purposes		-2,888	-6,215	-4,801	-951	-2,560	-4,457
<b>Total cash flows from investments in financial assets</b>		<b>-1,216</b>	<b>-2,122</b>	<b>745</b>	<b>80</b>	<b>546</b>	<b>516</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-2,237</b>	<b>-5,082</b>	<b>-3,928</b>	<b>-862</b>	<b>-2,573</b>	<b>-4,020</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<i>Cash received</i>							
Advances received		-	-	-	-	-	-
Borrowings		5,061	11,637	18,672	4,006	12,995	18,612
Deposits received		-	-	-	-	-	-
Other financing receipts		15	35	42	137	564	49
<b>Total cash received</b>		<b>5,076</b>	<b>11,672</b>	<b>18,714</b>	<b>4,143</b>	<b>13,559</b>	<b>18,660</b>
<i>Cash paid</i>							
Advances paid		-	-	-16	-	-	-16
Borrowings repaid		-4,513	-8,556	-13,881	-3,005	-6,893	-11,333
Deposits paid		-	-	-	-	-	-
Other financing payments		-70	-311	-423	368	-568	-391
<b>Total cash paid</b>		<b>-4,584</b>	<b>-8,868</b>	<b>-14,320</b>	<b>-2,637</b>	<b>-7,462</b>	<b>-11,740</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>493</b>	<b>2,805</b>	<b>4,394</b>	<b>1,506</b>	<b>6,097</b>	<b>6,921</b>
<b>Net increase in cash and cash equivalents</b>		<b>-1,345</b>	<b>-1,123</b>	<b>-120</b>	<b>844</b>	<b>3,265</b>	<b>2,706</b>
Cash and cash equivalents at the beginning of the year		12,168	11,946	11,946	11,660	9,239	9,239
Cash and cash equivalents at the end of the year		10,823	10,823	11,825	12,504	12,504	11,946
<b>KEY FISCAL AGGREGATES</b>							
Net cash flows from operating activities		399	1,155	-587	201	-259	-195
Net cash flows from investing in non-financial assets		-1,020	-2,960	-4,673	-943	-3,119	-4,536
<b>Cash surplus/-deficit</b>	4	<b>-622</b>	<b>-1,805</b>	<b>-5,260</b>	<b>-742</b>	<b>-3,378</b>	<b>-4,731</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

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 nine months ended 31 March 2017 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 note disclosures that are 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 2016, presented in Appendix 1 of the 2015-16 *Annual Report on State Finances* (ARSF) released on 22 September 2016. The accounting policies adopted in this publication are consistent with those outlined in the 2015-16 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 2015-16 ARSF.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, totals and sub-totals quoted in this report 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<sup>(a)</sup>

General Government						
	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(b)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(c)</sup> \$m
	<i>CURRENT TRANSFERS</i>					
Local Government	34	184	260	38	182	413
Local Government on-passing	43	129	172	21	64	85
Private and Not-for-profit sector	316	1,046	1,565	316	975	1,319
Private and Not-for-profit sector on-passing	597	1,165	1,176	562	1,100	1,110
Other sectors of Government	456	1,504	2,174	526	1,615	2,237
<b>Total Current Transfers</b>	<b>1,446</b>	<b>4,027</b>	<b>5,348</b>	<b>1,463</b>	<b>3,936</b>	<b>5,164</b>
<i>CAPITAL TRANSFERS</i>						
Local Government	9	37	110	11	55	88
Local Government on-passing	27	81	108	13	40	54
Private and Not-for-profit sector	26	73	101	25	85	111
Private and Not-for-profit sector on-passing	12	12	17	4	13	15
Other sectors of Government	51	81	211	13	130	200
<b>Total Capital Transfers</b>	<b>124</b>	<b>283</b>	<b>545</b>	<b>66</b>	<b>323</b>	<b>469</b>
Total Public Sector						
	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(b)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(c)</sup> \$m
	<i>CURRENT TRANSFERS</i>					
Local Government	34	184	260	38	188	419
Local Government on-passing	43	129	172	21	64	85
Private and Not-for-profit sector	501	1,594	2,346	506	1,522	2,044
Private and Not-for-profit sector on-passing	597	1,165	1,176	562	1,100	1,110
Other sectors of Government	11	22	28	7	15	25
<b>Total Current Transfers</b>	<b>1,186</b>	<b>3,094</b>	<b>3,983</b>	<b>1,135</b>	<b>2,889</b>	<b>3,683</b>
<i>CAPITAL TRANSFERS</i>						
Local Government	9	37	110	11	55	89
Local Government on-passing	27	81	108	13	40	54
Private and Not-for-profit sector	39	93	173	37	102	182
Private and Not-for-profit sector on-passing	12	12	17	4	13	15
Other sectors of Government	-	-	-	-	-	-
<b>Total Capital Transfers</b>	<b>87</b>	<b>222</b>	<b>407</b>	<b>66</b>	<b>210</b>	<b>340</b>

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

(b) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(c) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

Note: Columns may not add due to rounding.

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**NOTE 4: CONVERGENCE DIFFERENCES**


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

The following tables detail convergence differences reflected in the March 2017 results.

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

	2016-17			2015-16		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<i>General government</i>						
AASB1049 net operating balance	-489	-1,934	-3,028	-1,088	-2,077	-2,021
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments						
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	88	88	88
Total GFS expense adjustments	-	-	-	88	88	88
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-88	-88	-88
<b>GFS net operating balance</b>	<b>-489</b>	<b>-1,934</b>	<b>-3,028</b>	<b>-1,176</b>	<b>-2,165</b>	<b>-2,109</b>
<i>Total public sector</i>						
AASB1049 net operating balance	-554	-1,615	-3,462	-863	-1,755	-2,559
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments						
Capitalised interest	-	-	12	6	23	31
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	88	88	88
Total GFS expense adjustments	-	-	12	94	111	119
Total GFS adjustments to AASB 1049 net operating balance	-	-	-12	-94	-111	-119
<b>GFS net operating balance</b>	<b>-554</b>	<b>-1,615</b>	<b>-3,474</b>	<b>-957</b>	<b>-1,866</b>	<b>-2,678</b>

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

	2016-17			2015-16		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<i>General government</i>						
AASB1049 net lending/-borrowing	-704	-2,748	-3,939	-1,262	-2,679	-3,064
Plus Net operating balance convergence differences (noted above)	-	-	-	-88	-88	-88
<b>GFS net lending/-borrowing</b>	<b>-704</b>	<b>-2,748</b>	<b>-3,939</b>	<b>-1,350</b>	<b>-2,767</b>	<b>-3,152</b>
<i>Total public sector</i>						
AASB1049 net lending/-borrowing	-902	-2,199	-5,202	-1,716	-2,926	-4,935
Plus Net operating balance convergence differences (noted above)	-	-	-12	-94	-111	-119
<b>GFS net lending/-borrowing</b>	<b>-902</b>	<b>-2,199</b>	<b>-5,214</b>	<b>-1,810</b>	<b>-3,036</b>	<b>-5,054</b>

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

	2016-17		2015-16	
	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>				
AASB1049 net worth	115,037	112,667	119,381	114,866
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Provision for doubtful debts				
General government sector	253	262	225	263
Impact on public corporations net worth	43	21	32	31
<i>Total GFS net worth adjustments</i>	296	284	257	293
<b>GFS net worth</b>	<b>115,333</b>	<b>112,951</b>	<b>119,638</b>	<b>115,160</b>
<u>Total public sector</u>				
AASB1049 net worth	115,037	112,667	119,381	114,866
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Provision for doubtful debts	296	284	257	293
<i>Total GFS net worth adjustments</i>	296	284	257	293
<b>GFS net worth</b>	<b>115,333</b>	<b>112,951</b>	<b>119,638</b>	<b>115,160</b>

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

	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>						
AASB 1049 change in net worth	-506	171	-2,199	-1,932	-1,918	-6,433
<i>Plus change in:</i>						
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-88	-88	-88
Provision for doubtful debts						
General government sector	-1	-10	-	-	-11	27
Impact on public corporations net worth	6	12	-9	2	7	6
<i>Total GFS change in net worth adjustments</i>	5	2	-10	-86	-92	-55
<b>GFS change in net worth</b>	<b>-501</b>	<b>173</b>	<b>-2,209</b>	<b>-2,018</b>	<b>-2,010</b>	<b>-6,488</b>
<u>Total public sector</u>						
AASB 1049 change in net worth	-506	171	-2,199	-1,932	-1,918	-6,433
<i>Plus change in:</i>						
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-88	-88	-88
Provision for doubtful debts	5	2	-10	2	-4	33
<i>Total GFS change in net worth adjustments</i>	5	2	-10	-86	-92	-55
<b>GFS change in net worth</b>	<b>-501</b>	<b>173</b>	<b>-2,209</b>	<b>-2,018</b>	<b>-2,010</b>	<b>-6,488</b>

## AASB 1049 TO GFS CONVERGENCE DIFFERENCES

### Cash Surplus/-Deficit

	2016-17			2015-16		Actual \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>General government</i>						
AASB1049 cash surplus/-deficit	-669	-3,106	-4,033	-827	-3,137	-3,664
Less Acquisitions under finance leases and similar arrangements	-2	290	291	-	-	-
<b>GFS cash surplus/-deficit</b>	<b>-667</b>	<b>-3,396</b>	<b>-4,324</b>	<b>-827</b>	<b>-3,137</b>	<b>-3,664</b>
<i>Total public sector</i>						
AASB1049 cash surplus/-deficit	-622	-1,805	-5,260	-742	-3,378	-4,731
Less Acquisitions under finance leases and similar arrangements	-2	290	291	-	-	-
<b>GFS cash surplus/-deficit</b>	<b>-619</b>	<b>-2,095</b>	<b>-5,551</b>	<b>-742</b>	<b>-3,379</b>	<b>-4,731</b>

## NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

### General Government

	2016-17		2015-16	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	5,000	3,562	4,453	4,008
Government securities	4	4	5	4
<b>Total</b>	<b>5,004</b>	<b>3,566</b>	<b>4,457</b>	<b>4,013</b>
<i>Loans and advances</i>				
Loans	15	10	10	29
Financial Assets held for trading/available for sale	-	-	-	-
<b>Total</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>29</b>
<b>Total</b>	<b>5,019</b>	<b>3,576</b>	<b>4,467</b>	<b>4,042</b>

### Total Public Sector

	2016-17		2015-16	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	11,269	11,311	11,176	11,153
Government securities	781	404	400	404
<b>Total</b>	<b>12,049</b>	<b>11,714</b>	<b>11,576</b>	<b>11,556</b>
<i>Loans and advances</i>				
Loans	2,295	1,518	2,768	6,051
Financial Assets held for trading/available for sale	447	714	469	714
<b>Total</b>	<b>2,743</b>	<b>2,233</b>	<b>3,236</b>	<b>6,765</b>
<b>Total</b>	<b>14,792</b>	<b>13,947</b>	<b>14,812</b>	<b>18,322</b>

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**NOTE 6: RECEIVABLES**


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**General Government**


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	2016-17		2015-16	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	3,613	3,291	2,954	3,184
Provision for impairment of receivables	-253	-262	-225	-263
<b>Total</b>	<b>3,360</b>	<b>3,029</b>	<b>2,729</b>	<b>2,921</b>

**Total Public Sector**


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	2016-17		2015-16	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	4,568	5,090	4,123	4,433
Provision for impairment of receivables	-296	-284	-257	-293
<b>Total</b>	<b>4,273</b>	<b>4,807</b>	<b>3,866</b>	<b>4,140</b>

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**NOTE 7: BORROWINGS**


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**General Government**


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	2016-17		2015-16	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	-	-	55	-
Finance leases	796	785	564	560
Borrowings	22,907	22,673	17,797	17,819
<b>Total</b>	<b>23,704</b>	<b>23,458</b>	<b>18,416</b>	<b>18,379</b>

**Total Public Sector**


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	2016-17		2015-16	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	2	-	58	-
Finance leases	1,623	1,604	1,426	1,414
Borrowings	48,988	50,751	45,648	50,438
<b>Total</b>	<b>50,612</b>	<b>52,355</b>	<b>47,132</b>	<b>51,852</b>

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**NOTE 8: DETAILS OF CONSOLIDATED AGENCIES**


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The agencies included in these financial statements are detailed in Note 34: Composition of Sectors in the 2015-16 *Annual Report on State Finances*. Changes since that date include the abolishment of the Potato Marketing Corporation of Western Australia on 31 December 2016.

The Government announced a range of changes to amalgamate and restructure some agencies on 28 April 2017. These changes are not due to take effect until 1 July 2017 and thus have no impact on these interim financial statements.

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**NOTE 9: CONTINGENT ASSETS AND LIABILITIES**

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In addition to the Home Indemnity Insurance (HII) contingent liability disclosed in the ARSF, the appointment of an administrator to the Bilton Group in January 2017 gives rise to a potentially earlier than expected stream of payments under the HII arrangements. The magnitude of the impact of this event is still to be determined with any certainty but is not expected to exceed \$9 million in total over the next twelve months.

There have been no other material changes in the contingent assets and liabilities of the State since the 2015-16 *Annual Report on State Finances* disclosure.

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## APPENDIX 2

# Operating Revenue

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

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

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These collections are internal to the whole-of-government and 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**

	2016-17			2015-16		Actual <sup>(b)</sup> \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<b>TAXATION</b>						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	783	2,481	3,267	841	2,681	3,502
Property taxes						
<i>Land tax</i>	16	882	893	26	948	948
Transfer Duty	285	894	1,253	334	999	1,338
Landholder Duty	44	119	101	43	95	419
<i>Total duty on transfers</i>	329	1,013	1,354	378	1,094	1,756
Metropolitan Region Improvement Tax	1	96	99	1	98	98
Perth Parking Levy	3	55	58	2	54	57
Emergency Services Levy	87	297	323	82	281	307
Loan guarantee fees	37	107	142	37	101	134
<i>Total other property taxes</i>	127	555	621	122	534	596
Taxes on provision of goods and services						
Lotteries Commission	37	113	164	40	121	163
Video lottery terminals	-	-	1	-	-	-
Casino Tax	13	42	68	15	46	65
Betting tax	10	30	45	10	32	42
<i>Total taxes on gambling</i>	59	185	277	65	199	270
Insurance Duty	154	496	647	144	454	592
Other	5	15	20	5	18	24
<i>Total taxes on insurance</i>	159	511	667	149	472	615
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	86	257	346	86	255	346
Permits - Oversize Vehicles and Loads	1	6	8	1	6	7
Motor Vehicle recording fee	15	43	56	15	44	60
Motor Vehicle registrations	224	650	907	217	646	874
<i>Total motor vehicle taxes</i>	326	956	1,317	320	950	1,286
Mining Rehabilitation Levy	-	28	27	-	28	28
Landfill Levy	18	53	70	18	53	69
<b>Total Taxation</b>	<b>1,818</b>	<b>6,664</b>	<b>8,494</b>	<b>1,919</b>	<b>6,960</b>	<b>9,069</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>						
<i>General Purpose Grants</i>						
GST grants	483	1,487	1,970	466	1,422	1,881
North West Shelf grants	163	462	552	156	505	616
Compensation for Commonwealth crude oil excise arrangements	9	26	30	7	22	29
<i>Grants Through the State</i>						
Schools assistance – non-government schools	597	1,165	1,176	562	1,100	1,110
Local government financial assistance grants	43	129	172	21	64	85
Local government roads	27	81	108	13	40	54
<i>National Specific Purpose Payment Agreement Grants</i>						
National Skills and Workforce Development	40	120	160	30	113	157
National Disability Services	36	113	161	34	113	147
National Affordable Housing	36	110	146	36	110	143
<i>Students First</i>	158	448	600	142	418	558
<i>National Health Reform</i>	500	1,567	2,011	469	1,342	1,844
<i>Other Grants/Wational Partnerships</i>						
Health	83	262	314	92	268	422
Housing	4	13	19	4	12	16
Transport	5	63	93	47	62	69
Other	38	147	307	77	169	275
<b>Total Current Grants and Subsidies</b>	<b>2,222</b>	<b>6,191</b>	<b>7,820</b>	<b>2,157</b>	<b>5,760</b>	<b>7,407</b>

Table 2.1 (cont.)

**GENERAL GOVERNMENT**  
Operating Revenue

	2016-17			2015-16		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn <sup>(a)</sup>	Three Months to 31 Mar	Nine Months to 31 Mar	Actual <sup>(b)</sup>
	\$m	\$m	\$m	\$m	\$m	\$m
<b>CAPITAL GRANTS</b>						
<i>Grants through the State</i>						
Schools assistance – non-government schools	12	12	17	4	13	15
<i>National Partnerships/Other Grants</i>						
Housing	-	15	145	-	102	163
Transport	61	95	224	15	141	698
Other	8	10	14	3	12	18
<b>Total Capital Grants</b>	<b>80</b>	<b>132</b>	<b>399</b>	<b>22</b>	<b>268</b>	<b>895</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>608</b>	<b>1,703</b>	<b>2,225</b>	<b>578</b>	<b>1,590</b>	<b>2,155</b>
<b>INTEREST INCOME</b>	<b>44</b>	<b>150</b>	<b>182</b>	<b>52</b>	<b>143</b>	<b>192</b>
<b>REVENUE FROM PUBLIC CORPORATIONS</b>						
Dividends	117	318	1,129	1	458	1,415
Tax Equivalent Regime	151	380	521	161	383	631
<b>Total Revenue from Public Corporations</b>	<b>268</b>	<b>698</b>	<b>1,651</b>	<b>163</b>	<b>841</b>	<b>2,047</b>
<b>ROYALTY INCOME</b>	<b>1,496</b>	<b>3,931</b>	<b>5,558</b>	<b>877</b>	<b>3,003</b>	<b>4,126</b>
<b>OTHER</b>						
Lease Rentals	24	74	95	36	71	92
Fines	46	138	206	46	145	206
Revenue not elsew here counted	107	216	311	49	168	297
<b>Total Other</b>	<b>177</b>	<b>428</b>	<b>612</b>	<b>131</b>	<b>384</b>	<b>594</b>
<b>GRAND TOTAL</b>	<b>6,712</b>	<b>19,898</b>	<b>26,941</b>	<b>5,898</b>	<b>18,949</b>	<b>26,485</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

Note: Columns may not add due to rounding.

Table 2.2

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

	2016-17			2015-16		Actual <sup>(b)</sup> \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<b>TAXATION</b>						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	762	2,414	3,176	818	2,610	3,406
Property taxes						
<i>Land tax</i>	-2	828	822	5	888	870
Transfer Duty	285	894	1,253	334	999	1,338
Landholder Duty	44	119	101	43	95	419
<i>Total duty on transfers</i>	329	1,013	1,354	378	1,094	1,756
Metropolitan Region Improvement Tax	1	96	99	1	98	98
Perth Parking Levy	3	55	58	2	54	57
Emergency Services Levy	84	294	320	79	278	304
Loan guarantee fees	3	8	9	3	5	6
<i>Total other property taxes</i>	91	452	486	85	435	465
Taxes on provision of goods and services						
Video lottery terminals	-	-	1	-	-	-
Casino Tax	13	42	68	15	46	64
<i>Total taxes on gambling</i>	13	42	69	15	46	65
Insurance Duty	154	496	647	144	454	592
Other	5	15	20	5	18	24
<i>Total taxes on insurance</i>	159	511	667	149	472	615
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	86	257	346	86	255	346
Permits - Oversize Vehicles and Loads	1	6	8	1	6	7
Motor Vehicle recording fee	15	43	56	15	44	60
Motor Vehicle registrations	224	650	907	217	646	874
<i>Total motor vehicle taxes</i>	326	956	1,317	320	950	1,286
Mining Rehabilitation Levy	-	28	27	-	28	28
Landfill Levy	18	53	70	18	53	69
<b>Total Taxation</b>	<b>1,695</b>	<b>6,298</b>	<b>7,988</b>	<b>1,787</b>	<b>6,577</b>	<b>8,560</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>						
<i>General Purpose Grants</i>						
GST grants	483	1,487	1,970	466	1,422	1,881
North West Shelf grants	163	462	552	156	505	616
Compensation for Commonwealth crude oil excise arrangements	9	26	30	7	22	29
<i>Grants through the State</i>						
Schools assistance – non-government schools	597	1,165	1,176	562	1,100	1,110
Local government financial assistance grants	43	129	172	21	64	85
Local government roads	27	81	108	13	40	54
<i>National Specific Purpose Payment Agreement Grants</i>						
National Agreement for Skills and Workforce Development	40	120	160	30	113	157
National Disability Services	36	113	161	34	113	147
National Affordable Housing	36	110	146	36	110	143
<i>Students First</i>	158	448	600	142	418	558
<i>National Health Reform</i>	500	1,567	2,011	469	1,342	1,844
<i>National Partnerships/Other Grants</i>						
Health	83	262	314	92	268	422
Housing	4	13	19	4	12	16
Transport	5	63	93	47	62	69
Other	38	147	307	77	169	275
<b>Total Current Grants and Subsidies</b>	<b>2,222</b>	<b>6,191</b>	<b>7,820</b>	<b>2,157</b>	<b>5,760</b>	<b>7,407</b>

**TOTAL PUBLIC SECTOR**  
Operating Revenue

Table 2.2 (cont.)

	2016-17			2015-16		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>						
<i>Grants through the State</i>						
Schools assistance – non-government schools	12	12	17	4	13	15
<i>National Partnerships/Other Grants</i>						
Housing	-	15	145	-	102	163
Transport	61	95	224	15	141	698
Other	8	10	14	3	12	18
<b>Total Capital Grants</b>	<b>80</b>	<b>132</b>	<b>399</b>	<b>22</b>	<b>268</b>	<b>895</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>4,141</b>	<b>15,687</b>	<b>22,158</b>	<b>5,553</b>	<b>16,293</b>	<b>21,583</b>
<b>INTEREST INCOME</b>	<b>114</b>	<b>345</b>	<b>547</b>	<b>151</b>	<b>394</b>	<b>635</b>
<b>ROYALTY INCOME</b>	<b>1,496</b>	<b>3,931</b>	<b>5,558</b>	<b>877</b>	<b>3,003</b>	<b>4,126</b>
<b>OTHER</b>						
Lease Rentals	24	74	95	36	71	92
Fines	46	141	206	47	148	206
Revenue not elsew here counted	191	489	743	159	523	813
<b>Total Other</b>	<b>262</b>	<b>704</b>	<b>1,044</b>	<b>242</b>	<b>742</b>	<b>1,110</b>
<b>GRAND TOTAL</b>	<b>10,011</b>	<b>33,289</b>	<b>45,515</b>	<b>10,788</b>	<b>33,035</b>	<b>44,316</b>

(a) Consistent with the revised outturn published in the *Pre-election Financial Projections Statement*, released on 9 February 2017.

(b) Consistent with the final audited data contained in the *2015-16 Annual Report on State Finances*, released on 22 September 2016.

Note: Columns may not add due to rounding.



## APPENDIX 3

# Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006 (FMA)*, includes those transactions and operations that are conducted through the Consolidated Account, the Treasurer's Advance Account and Treasurer's Special Purpose Accounts (TSPAs). Together with agency cash balances held at Treasury, the total of these accounts form the Public Bank Account.

<b>PUBLIC LEDGER BALANCES AT 31 MARCH</b>			
	2017	2016	Variance
	\$m	\$m	\$m
<b>THE PUBLIC LEDGER</b>			
Consolidated Account <sup>(a)</sup>	-13,401	-13,014	-387
Treasurer's Special Purpose Accounts	13,096	12,561	535
Treasurer's Advance Account – Net Advances and Overdraw n Trusts <sup>(b)</sup>	-41	-11	-30
<b>TOTAL</b>	<b>-346</b>	<b>-464</b>	<b>118</b>
Agency Special Purpose Account	5,744	3,158	2,586
<b>TOTAL PUBLIC BANK ACCOUNT INVESTMENTS</b>	<b>5,397</b>	<b>3,620</b>	<b>1,777</b>

(a) The balance of the Consolidated Account at 31 March 2017 includes non-cash appropriations of \$10,646 million (31 March 2016: \$9,659 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. The cash/non-cash balances have been restated for the nine months ending 31 March 2016 (see footnote to Table 3.2).

(b) The Treasurer's Advance Account has been restated in 2016 to reflect net advances and overdrawn trusts.

Note: Columns/rows 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. The Act also requires 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 the Parliament, with both the amount and the expressed purpose of the relevant appropriation clearly specified.

The Consolidated Account accrual deficit at 31 March 2017 was \$13,401 million, an increase of \$387 million on the accumulated deficit at 31 March 2016. This included \$10,646 million associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash balances in agency Holding Accounts.

In cash terms, the Consolidated Account was overdrawn by \$2,755 million at 31 March 2017. This compares with a \$3,356 million deficit cash balance at 31 March 2016 (following restatement of the cash/non-cash balances last year, detailed in the footnote to Table 3.2).

Consolidated Account borrowings increased by \$500 million in the March 2017 quarter, bringing total new borrowings for the nine months to 31 March 2017 to \$5.1 billion. Centrally held borrowings totalled \$22.3 billion at 31 March 2017 (compared with \$17.2 billion at 31 March 2016), and remained below the \$23.5 billion cumulative limit approved by the *Loan Act 2016* and preceding *Loan Acts*.

Table 3.2

**CONSOLIDATED ACCOUNT TRANSACTIONS**  
For the nine months ended 31 March

	2017 \$m	2016 \$m	Variance \$m
<b>REVENUE</b>			
<i>Operating Activities</i>			
Taxation	5,143	5,456	-313
Commonwealth Grants	1,953	1,956	-3
Government Enterprises	701	949	-248
Revenue from other agencies	4,555	3,987	568
Other	287	264	23
<i>Total Operating Activities</i>	12,639	12,612	27
<i>Financing Activities</i>			
Repayments of Recoverable Advances	47	5	42
Transfers from:			
Bankwest Pension Trust	1	1	-
Other Receipts	10	20	-10
Borrowings	5,100	5,100	-
<i>Total Financing Activities</i>	5,158	5,126	32
<b>TOTAL REVENUE</b>	<b>17,797</b>	<b>17,738</b>	<b>59</b>
<b>EXPENDITURE</b>			
<i>Recurrent</i>			
Authorised by Other Statutes	1,887	1,765	122
Appropriation Act (No. 1)	14,763	14,756	7
Recurrent Expenditure under the Treasurer's Advance	7	10	-3
<i>Total Recurrent Expenditure</i>	16,657	16,532	126
<i>Investing Activities</i>			
Authorised by Other Statutes	239	242	-3
Appropriation Act (No. 2)	1,634	1,249	386
Investing Expenditure under the Treasurer's Advance	3	33	-30
<i>Total Investing Activities</i>	1,877	1,524	353
<i>Financing Activities</i>			
Loan repayments	-	-	-
Other financing	10	20	-10
<i>Total Financing Activities</i>	10	20	-10
<b>TOTAL EXPENDITURE</b>	<b>18,544</b>	<b>18,076</b>	<b>468</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>-747</b>	<b>-338</b>	<b>-410</b>
<b>Consolidated Account Balance</b>			
Opening balance at 1 July	-12,654	-12,677	23
Closing balance at 31 March	-13,401	-13,014	-387
Of which <sup>(a)</sup> :			
Appropriations payable	-10,646	-9,659	-987
Cash balance at 31 March	-2,755	-3,356	601

(a) The cash/non-cash balances shown in the 31 March 2016 outcome in the March 2016 *Quarterly Financial Results Report* incorrectly allocated \$668 million in non-cash appropriations to the closing cash balance (leaving an equivalent discrepancy between the balance of agency Holding Accounts shown in Table 3.3 and the non-cash closing balance for the Consolidated Account in Table 3.2 in the March 2016 report). These balances have been corrected and restated in this report.

Note: Columns/rows 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 2016, aggregate TSPA balances were \$535 million higher at the end of March 2017, mainly reflecting:

- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$987 million);
- a decrease in the balance of agency accounts that hold cash for the cost of an extra pay period which fall due every 11 years (down \$321 million following 27<sup>th</sup> pay draw downs during the last year);
- a decrease in the Royalties for Regions Fund (down \$146 million), reflecting the timing of appropriation payments to the Fund, and draw downs for approved spending on individual programs;
- a decrease in the balance of the Perth Market Authority TSPA (down \$86 million), reflecting the sale of the Authority on 31 March 2016, and the subsequent transfer of these funds to the Consolidated Account (and applied to debt repayment in May 2017);
- an increase in the balance of the Western Australian Future Fund reflecting appropriation of 1% of forecast annual royalty receipts (\$38 million) and interest earnings on the balance of the Fund for the year to date (\$40 million);
- a net decrease for the Perth Children's Hospital Account balance (down \$63 million), following the draw down of payments associated with the achievement of construction milestones; and
- an increase in the balance of the Perth Stadium Account (up \$53 million) reflecting the net impact of procurement and works spending relating to the stadium, sports precinct and transport infrastructure, and the appropriation funding approved in the 2016-17 Budget;

A number of TSPAs and other agency accounts are discussed in Appendix 4: *Special Purpose Accounts*.

**TREASURER'S SPECIAL PURPOSE ACCOUNTS**  
At 31 March

Table 3.3

	2017	2016	Variance
	\$m	\$m	\$m
Agency Holding Accounts	10,646	9,659	987
Royalties for Regions Fund	845	991	-146
Western Australian Future Fund	1,117	1,038	78
Perth Children's Hospital Account	69	132	-63
Perth Stadium Account	173	120	53
Fiona Stanley Hospital Construction Account	20	20	-
Perth Market Authority	-	86	-86
Agency 27th Pay Accounts	-	321	-321
Other Special Purpose Accounts	225	194	31
<b>TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 MARCH</b>	<b>13,096</b>	<b>12,561</b>	<b>535</b>

Note: Columns/rows 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'), a short term advance for any overdrawn agency Special Purpose Accounts, 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 \$632.4 million is authorised under section 29 of the FMA for the year ended 30 June 2017, compared with a total of \$645.2 million authorised limit applying at the same time last year. The lower limit this year reflects lower capital appropriation for 2015-16 compared to 2014-15 (the applicable years for calculations of the annual limit in 2016-17 and 2015-16 respectively).

Table 3.4

**TREASURER'S ADVANCE AT 31 MARCH**

	2017	2016	Variance
	\$m	\$m	\$m
<b>AUTHORISED LIMIT</b>	<b>632.4</b>	<b>645.2</b>	<b>-12.8</b>
<i>Total Drawn Against Treasurer's Advance Account</i>	51.6	54.2	-2.6
Comprising:			
Net recoverable advances as at 31 March (see below)	29.1	8.5	20.6
Overdraw n Special Purpose Accounts <sup>(a)</sup>	12.1	2.3	9.7
Excesses and New Items <sup>(b)</sup>			
- recurrent	7.3	10.1	-2.8
- capital	3.2	33.3	-30.1
<b>NET RECOVERABLE ADVANCES</b>			
Building Management and Works	20.0	-	20.0
Mining Rehabilitation Fund	5.3	5.3	-
Sport and Recreation	1.1	1.1	-
Suitors Fund	2.5	2.0	0.5
Sundry Debtors	_(c)	_(c)	_(c)
<b>TOTAL RECOVERABLE TREASURER'S ADVANCES</b>	<b>29.1</b>	<b>8.5</b>	<b>20.6</b>

(a) The Treasurer has given approval for the Department of Mines and Petroleum to overdraw a Special Purpose Account. Any overdrawn SPA is taken to be an advance to be charged in the relevant financial year to the Treasurer's Advance Account.

(b) Excesses and new items have been restated in 31 March 2016 to reflect only amounts drawn against the Treasurer's Advance Account instead of total excesses and new items that were approved for the period to 31 March 2016.

(c) Amount less than \$500,000.

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

## Transfers, Excesses and New Items

Table 3.5 summarises transfers of appropriations between agencies (and which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer under the authority of section 27 of the FMA.

Transfer of appropriation funds are for the provision of an approved service which is now delivered by an alternative agency. These transfers are authorised either under section 25 of the FMA or specific enabling legislation.

In the March 2017 quarter, appropriation transfers included:

- \$5 million of recurrent appropriation from the Department of the Premier and Cabinet to the Office of the Government Chief Information Officer for the Innovation Package which provided industry support, researchers, innovators and start-up businesses;
- \$0.9 million of recurrent appropriation from the Department of Finance to the Western Australian Tourism Commission and to the Departments of Planning, Corrective Services, Fire and Emergency Services, Parks and Wildlife, Premier and Cabinet, and Child Protection and Family Support, reflecting the cost of increasing procurement responsibilities in these agencies;
- \$0.8 million from the Department of Commerce to the Office of the Government Chief Information Officer following the transfer of responsibility and funding for the Innovation Package;

- \$0.5 million from the Department of Treasury to the Department of Local Government and Communities for the Chinese New Year 2017 Activation Project;
- \$0.4 million of recurrent appropriation from the Department of the Premier and Cabinet to the Office of Emergency Management for the transfer of five full-time equivalent staff and associated funding to coordinate the Western Australia Natural Disaster Relief and Recovery Arrangements;
- \$0.3 million from the Department of Treasury to the Department of the Premier and Cabinet to perform the administrative and secretariat roles of the Anzac Day Trust; and
- \$0.2 million from the Mental Health Commission to the Department of the Premier and Cabinet to develop a communications plan for the Western Australian Meth Strategy.

Approved excesses and new items during the nine months to 31 March 2017 included:

- a new item for State Emergency Management Committee Secretariat to replace roads, bridges, and other public assets following a number of natural disasters events, including floods in the South and Mid-West regions, the Yarloop bushfire and Cycle Olwyn in the North West (\$30 million);
- an excess of \$29.6 million to the Department of Corrective Services for unavoidable cost pressures associated with a higher than forecast daily average prisoner population for 2016-17 (\$25.4 million), and transition costs following the retender of the Court Security and Custodial Services contract (\$6 million), partly offset by a decrease in Government Regional Officers' Housing Costs (\$1.6 million) and other minor costs;
- a new item for costs administered by Treasury (\$8.1 million) to facilitate the winding up of the WA Bell Companies Administrator Authority's operations following the High Court of Australia's ruling in May 2016 that the *Bell Group Companies (Finalisation of Matters and Distribution of Proceeds) Act 2015* was invalid. This funding will also meet costs associated with reimbursing the legal expenses of the creditors incurred during the High Court proceedings, the Administrator's legal costs and the examination summons proceedings;
- an excess of \$7.8 million to the Department of Finance, reflecting the previous Government's decision to increase grant payments under the existing First Home Owners Grant Scheme, from \$10,000 to \$15,000 applying from 1 January 2017;
- a new equity contribution item (of \$2.1 million) for the Forest Product Commission, compensating the Commission for providing 406 hectares of FPC land to the Department of Mines and Petroleum to facilitate sand mining as part of the Strategic Assessment of the Perth Peel Region. The Commission has applied the funding to purchase alternative land for planting to facilitate expansion of the softwood plantation estate by 10,000 hectares by 2021;
- an excess of \$2.1 million to the Western Australian Tourism Commission for event costs;
- an excess of \$2 million to the Department of Commerce for an ex gratia payment for damage caused by subsidence (as a result of a sink hole) at two residential properties in Mullaloo, and the associated costs for demolition of buildings and remediation of the land;

- an excess of \$1.4 million to Western Australian Sports Centre Trust to meet the costs associated with management transition of the Perth Motorplex, including \$653,000 in recurrent funding for transitional operating costs and \$716,000 in capital funding for asset purchases;
- an excess of \$0.8 million to the Registrar, Western Australian Industrial Relations Commission to undertake planned fit-out works to reconfigure and consolidate the Commission's office space;
- an excess of \$0.8 million to the Racing, Gaming and Liquor for the relocation of the Department's office;
- an excess of \$0.3 million to the Department of Treasury relating to an Act of Grace payment; and
- an excess of \$0.3 million to the Animal Resources Authority to ensure a minimum level of cash balances to meet commitments and to offset forecast operating losses.

Of these approved increases, \$10.5 million had been drawn against the Treasurer's Advance by 31 March 2017.

Table 3.5

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

	Treasurer's Advance					Draw n against Treasurer's Advance to date \$m
	Budget \$m	Transfers <sup>(a)</sup> \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
<b>Recurrent Appropriations</b>						
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	169.6	-5.2	-	-	164.4	-
Item 6: Administered Grants, Subsidies and Other Transfer Payments	15.8	0.3	-	-	16.1	-
<i>Western Australian Tourism Commission</i>						
Item 10: Delivery of Services	65.1	0.1	-	2.1	67.3	-
<i>Treasury</i>						
Item 56: Metropolitan Redevelopment Authority	26.1	-0.5	-	-	25.6	-
Item 64: All Other Grants, Subsidies and Transfer Payments	6.3	-0.3	-	0.3	6.3	-
New Item: Bell Group Administration Wind Up and Associated Costs	-	-	8.1	-	8.1	6.6
<i>Finance</i>						
Item 69: Delivery of Services	176.2	-0.9	-	-	175.3	-
Item 70: Administered Grants, Subsidies and Other Transfer Payments	204.2	-	-	7.8	212.0	-
<i>Office of the Government Chief Information Officer</i>						
Item 71: Delivery of Services	3.4	5.8	-	-	9.2	-
<i>Commerce</i>						
Item 80: Delivery of Services	56.9	-0.8	-	-	56.1	-
Item 81: Administered Grants, Subsidies and Other Transfer Payments	7.6	-	-	2.0	9.6	-
<i>Parks and Wildlife</i>						
Item 83: Delivery of Services	0.2	0.1	-	-	0.3	-
<i>Fire and Emergency Services</i>						
Item 91: Delivery of Services	17.7	0.1	-	-	17.8	-
<i>State Emergency Management Committee Secretariat</i>						
Item 92: Delivery of Services	5.0	0.4	-	-	5.4	-
<i>Corrective Services</i>						
Item 94: Delivery of Services	877.0	0.1	-	29.6	906.8	-
<i>Western Australian Sports Centre Trust</i>						
Item 100: Delivery of Services	51.0	-	-	0.7	51.6	-
<i>Local Government and Communities</i>						
Item 107: Delivery of Services	99.8	0.5	-	-	100.3	-
<i>Racing, Gaming and Liquor</i>						
Item 109: Delivery of Services	5.2	-	-	0.8	6.0	0.7

Table 3.5 (cont.)

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

	Treasurer's Advance					Drawn against Treasurer's Advance to date
	Budget	Transfers <sup>(a)</sup>	New Items	Approved Excesses	Revised Appropriation	
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Planning</i>						
Item 111: Delivery of Services	47.5	0.1	-	-	47.6	-
<i>Mental Health Commission</i>						
Item 115: Delivery of Services	668.7	-0.2	-	-	668.5	-
<i>Child Protection and Family Support</i>						
Item 119: Delivery of Services	582.5	0.1	-	-	582.6	-
<i>State Emergency Management Committee Secretariat</i>						
New Item: WA Natural Disaster Relief and Recovery Arrangements	-	-	30.0	-	30.0	-
<b>Total Recurrent</b>		-	<b>38.1</b>	<b>43.3</b>		<b>7.3</b>
<b>Capital Appropriations</b>						
<i>Treasury</i>						
Item 136: Animal Resources Authority	0.5	-	-	0.3	0.8	0.3
<i>Registrar Western Australian Industrial Relations Commission</i>						
Item 151: Capital Appropriation	1.3	-	-	0.8	2.1	0.8
<i>Western Australia Sports Centre Trust</i>						
Item 160: Capital Appropriation	3.4	-	-	0.7	4.2	-
<i>Forest Products Commission</i>						
New Item: Capital Appropriation	-	-	2.1	-	-	2.1
<b>Total Capital</b>		-	<b>2.1</b>	<b>1.8</b>		<b>3.2</b>
<b>TOTAL</b>						<b>10.5</b>

(a) Authorised under section 25 of the FMA.

Note: Columns/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 specific legislation (e.g. the Fiona Stanley Hospital Construction Account and the Royalties for Regions Fund). Accounts established by legislation 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 balances at 31 March 2017 for a number of key SPAs established to deliver specific policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs in existence at 31 March 2017. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes 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.

## Municipal and Essential Services Account

This SPA was established in 2015 to set aside the Commonwealth's final \$90 million contribution for municipal and essential services to remote Aboriginal communities, received at the end of June 2015.

Payments in the nine months to 31 March 2017 were for the delivery of municipal and essential services at a range of remote communities (\$14 million), and for the supply of diesel to power stand-alone electricity generators in remote communities (\$2.3 million).

Table 4.1

**MUNICIPAL AND ESSENTIAL SERVICES ACCOUNT**  
At 31 March

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	63	-
Receipts	-	-
Payments	16	-
<b>Closing Balance</b>	<b>47</b>	<b>-</b>

Note: Columns may not add due to rounding.

## Fiona Stanley Hospital Construction Account

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

The new facility achieved practical completion in December 2013, followed by completion of phased commissioning in February 2015. Project closure arrangements are expected to be finalised later in 2017, with any remaining unspent funds on closure of the account returning to the Consolidated Account at that time. No funds have been drawn from the account to the end of March 2017.

Table 4.2

**FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT**  
At 31 March

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	20	20
Receipts	_(a)	_(a)
Payments	-	-
<b>Closing Balance</b>	<b>20</b>	<b>20</b>

(a) Amount less than \$0.5 million.

Note: Columns may not add due to rounding.

## Forrestfield-Airport Link Account

This SPA was established in May 2016 to support the construction of the Forrestfield-Airport Link.

Receipts for the nine months to March 2017 reflect the transfer of the Commonwealth's contribution of \$490 million announced in April 2016 and interest earned on the account balance (\$4.6 million). Payments from the account (\$139.8 million) were in support of the design and construction contract (\$123.1 million), project management costs (\$7.2 million), works at the Perth airport (\$2.8 million), works by Main Roads (\$2.7 million), utilities and services (\$2.2 million), land acquisition (\$1.3 million) and other project works (\$0.5 million).

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**FORRESTFIELD-AIRPORT LINK ACCOUNT**

Table 4.3

At 31 March

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	-	-
Receipts	495	-
Payments	140	-
<b>Closing Balance</b>	<b>355</b>	-

Note: Columns may not add due to rounding.

## Metropolitan Region Improvement Account

This account was established in under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT).

Receipts for the nine months to the end of March 2017 mainly reflect MRIT revenue (\$73.4 million), rental and interest revenue (\$9.3 million), proceeds from the sale of land and buildings (\$5.3 million), the refund (by the Australian Taxation Office) of GST payments on purchases (\$1.7 million), and the recoup of costs associated with the settlement of an arbitrated claim (\$0.9 million). Payments from the account were for service delivery expenses (\$16 million), the acquisition of land and buildings (\$10.6 million), and to progress a range of smaller infrastructure and works (\$1million).

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**METROPOLITAN REGION IMPROVEMENT ACCOUNT**

Table 4.4

At 31 March

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	293	262
Receipts	92	48
Payments	28	42
<b>Closing Balance</b>	<b>357</b>	<b>269</b>

Note: Columns may not add due to rounding.

## Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the nine months of 2016–17 reflect contributions to the fund by mining operators (\$27.7 million) and interest on the contributions (\$0.9 million). A total of \$0.8 million was drawn from the fund for administration costs and the rehabilitation of abandoned mine sites.

Table 4.5

**MINING REHABILITATION FUND**

At 31 March

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	63	35
Receipts	29	29
Payments	1	1
<b>Closing Balance</b>	<b>91</b>	<b>64</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 establishment of the Perth Children's Hospital.

WA Health drew \$53 million for construction work during the nine months to 31 March 2017.

Table 4.6

**PERTH CHILDREN'S HOSPITAL ACCOUNT**

At 31 March

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	122	187
Receipts	-	44
Payments	53	99
<b>Closing Balance</b>	<b>69</b>	<b>132</b>

Note: Columns may not add due to rounding.

## Perth Parking Licensing Account

This SPA was established under the *Perth Parking Management Act 1999*. Money credited to the account (\$55 million in the nine months to 31 March 2017) reflects licence fees, penalties and money appropriated by Parliament for the purposes of the Act.

In the same period, \$38 million was used to support the Central Area Transit bus system and Free Transit Zone public transport services in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access, other transport system initiatives and for the administration of the Act.

**PERTH PARKING LICENSING ACCOUNT**  
At 31 March

Table 4.7

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	11	13
Receipts	55	54
Payments	38	47
<b>Closing Balance</b>	<b>28</b>	<b>20</b>

Note: Columns may not add due to rounding.

## Perth Stadium Account

This SPA was established in October 2011 to hold funds in support of the construction of Perth Stadium and associated transport infrastructure. The stadium is expected to be ready for operation by the start of the 2018 AFL season. Construction will utilise all available funds in the SPA.

During the nine months to March 2017, receipts of \$370 million reflect appropriation funding approved in the 2016-17 Budget. Funds drawn from the account over this period, totalled \$233 million for procurement and works relating to the stadium, sports precinct and transport infrastructure.

**PERTH STADIUM ACCOUNT**  
At 31 March

Table 4.8

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	36	121
Receipts	370	240
Payments	233	241
<b>Closing Balance</b>	<b>173</b>	<b>120</b>

Note: Columns may not add due to rounding.

## Road Trauma Trust Account

This account was established under *Road Safety Council Act 2002* to provide for road safety initiatives. Receipts mainly reflect collections from prescribed penalties received during the first nine months of 2016-17 (\$74.9 million), other funds collected under the *Road Traffic (Administration) Act 2008* (\$7.1 million), and interest revenue earned on the account balance (\$1.8 million).

The majority of funds drawn from the account in the nine months to 31 March 2017 were for the Regional Run-off Crashes program (\$25.2 million), the Inappropriate Speed Crashes program (\$28.2 million), the Informing and Mobilising Road Safety Actions Program (\$8.9 million), other road safety programs (\$9.5 million), GST payments on purchases (\$7.6 million) and the operational cost of the Road Safety Commission (\$3.6 million).

Table 4.9

**ROAD TRAUMA TRUST ACCOUNT**  
At 31 March

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	95	94
Receipts	84	88
Payments	83	57
<b>Closing Balance</b>	<b>96</b>	<b>125</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. Under the *Royalties for Regions Act 2009*, the balance held in the Fund at any time cannot exceed \$1 billion.

Receipts during the first nine months of 2016-17 reflect the initial draw down of moneys appropriated by the Parliament (\$362 million), interest revenue earned on the account balance (\$14 million), and unused funds from associated projects returned to the Fund by agencies (\$32 million). A total of \$432 million was disbursed from the account to support infrastructure, business and economic development and other regional initiatives funded by the Royalties for Regions program.

Table 4.10

**ROYALTIES FOR REGIONS FUND**  
At 31 March

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	870	1,000
Receipts	408	646
Payments	432	655
<b>Closing Balance</b>	<b>845</b>	<b>991</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Regional Reform Fund

This SPA was established in June 2015 to fund strategic reform initiatives in regional Western Australia.

Table 4.11

<b>ROYALTIES FOR REGIONS REGIONAL REFORM FUND</b>		
At 31 March		
	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	100	50
Receipts	-	50
Payments	-	-
<b>Closing Balance</b>	<b>100</b>	<b>100</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Southern Inland Health Initiative

This SPA was established to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*. Funding is provided by the Royalties for Regions Fund for initiatives to improve healthcare across the southern part of the State.

Payments from the SPA totalled \$46.5 million to the end of March 2017, including payments for the District Medical Workforce Investment Program (\$23.2 million), the District Hospital Investment Program (\$9.9 million), the Residential Aged and Dementia Care Program (\$6.6million) , Primary Health Centres Demonstration Program (\$4.0 million) and the Telehealth Investment Program (\$2.7 million).

Table 4.12

<b>ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE</b>		
At 31 March		
	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	156	219
Receipts	10	3
Payments	47	44
<b>Closing Balance</b>	<b>119</b>	<b>177</b>

Note: Columns may not add due to rounding.

## Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established under the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated by the Minister from the landfill levy. The purpose of the Account is to fund programs and other initiatives related to the management, reduction, reuse, recycling, monitoring and measurement of waste.

Receipts from fees paid into the account for the nine months to March 2017 totalled \$13.5 million. Payments from the account over the same period (\$9.7 million) were used for a range of programs including the Household Hazardous Waste Program, Waste Wise Schools, and other waste management initiatives and services provided by the Department of Environment Regulation.

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Table 4.13

**WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT**  
At 31 March

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	2017 \$m	2016 \$m
<i>Balance at 1 July<sup>(a)</sup></i>	30	21
Receipts	14	20
Payments	10	10
<b>Closing Balance</b>	<b>34</b>	<b>31</b>

(a) The closing balance of \$30 million at 30 June 2016 (opening balance at 1 July) has been restated from the \$31 million reported in the 2015-16 *Annual Report on State Finances*. The restatement incorporates a minor movement in receipts finalised for the Department of Environment Regulation's annual report for 2015-16, which revises the closing value at 30 June 2016 after rounding.

Note: Columns may not add due to rounding.

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## Western Australian Future Fund

The Western Australian Future Fund was established under the *Western Australian Future Fund Act 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.

The Future Fund received \$933 million in 'seed capital' from the Royalties for Regions Fund over the period 2012-13 to 2015-16. From 2016-17 onwards, 1% of the State's annual royalty revenue will be permanently appropriated into the Fund. Receipts of \$73 million in the nine months to March 2017 comprised 1% of annual forecast royalty collections (\$38.4 million) and interest receipts (\$34.3 million).

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Table 4.14

**WESTERN AUSTRALIAN FUTURE FUND**  
At 31 March

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	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	1,044	879
Receipts	73	159
Payments	-	-
<b>Closing Balance</b>	<b>1,117</b>	<b>1,038</b>

Note: Columns may not add due to rounding.

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