



GOVERNMENT OF
WESTERN AUSTRALIA

2019-20

QUARTERLY FINANCIAL RESULTS REPORT

September 2019



2019-20

Quarterly Financial Results Report

September 2019

2019-20 Quarterly Financial Results Report
© Government of Western Australia 2019

Enquiries related to this report should be directed by email to info@treasury.wa.gov.au

An electronic copy of this report may be obtained at <http://www.treasury.wa.gov.au>
ISSN 1444-8548 (print)
ISSN 1447-9370 (on-line)

2019-20

Quarterly Financial Results Report

Three Months Ended 30 September 2019

Table of Contents

Foreword	i
Statement of Responsibility	ii
Overview	1
Summary	1
Results Compared to Prior Year	2
General Government Sector	2
Total Public Sector	9
Appendix 1: Interim Financial Statements	13
Introduction	13
Notes to the Interim Financial Statements	22
Appendix 2: Operating Revenue	27
Appendix 3: Public Ledger	33
Consolidated Account	33
Treasurer's Special Purpose Accounts	36
Treasurer's Advance	37
Transfers, Excesses and New Items	38
Appendix 4: Special Purpose Accounts	39
Appendix 5: General Government Salaries	47

Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 2019.

Care should be exercised in extrapolating the likely outcome for the 2019-20 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 2019-20 State Budget (presented to the Legislative Assembly on 10 May 2019).

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*.

Three new standards took effect for reporting periods commencing on or after 1 January 2019, and their impact was included in the 2019-20 Budget and has been included in the general government and whole-of-government results for the quarter ending 30 September 2019 in this report. These standards are:

- AASB 16: *Leases*, which brings operating leases and associated leased assets onto the balance sheet for the first time;
- AASB 15: *Revenue From Contracts With Customers*, which amends revenue recognition rules, particularly around the nature, amounts, timing and uncertainty of revenue arising from customer contracts; and
- AASB 1058: *Income of Not-For-Profit Entities*, which simplifies some of the new AASB 15 rules, particularly for public sector entities (where concepts of contracts with customers can be ambiguous).

Further details about the impact of each standard can be found in Chapter 3: *Fiscal Outlook and Strategy* of the 2019-20 Budget Paper No 3. The 2019-20 Budget included backcast data for the expected outturn for 2018-19 and for prior years to aid with comparisons and trend analysis. However, prior period results detailed in Appendix 1 of this report have not been restated for comparative purposes, in line with the transition provisions contained in paragraph C3(b) of AASB 15 and paragraph C3(b) of AASB 1058 and a Treasury Circular mandating those approaches for actuals reporting in State public sector reporting entities.

However, where practical, revenue and expense movements discussed in the *Overview* chapter of this report abstract from the impact of the new standards to assist the user in understanding the changes in September quarterly performance.

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;
- 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; and
- Appendix 5: *General Government Salaries*, which summarises salary outcomes by agency during the reporting period.

Information presented in this QFRR is not audited.

Statement of Responsibility

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

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the three months ended 30 September 2019 and of the balance sheets of these reporting entities at 30 September 2019. 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 2015*.

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

27 November 2019

Overview

Summary

The general government sector recorded an operating surplus of \$1,612 million for the three months to 30 September 2019, a substantial turnaround on the \$100 million deficit reported for the same period in 2018-19. This turnaround largely reflects the impact of temporarily elevated iron ore prices during the quarter, and the timing of 2019-20 GST top-up funding.

- Excluding the impact of recent accounting standards changes¹, general government revenue for the first three months of 2019-20 was \$2,026 million higher than the same period last year. This is largely driven by higher royalty income (up \$840 million, primarily due to higher iron ore prices relative to the same period in 2018-19), higher Commonwealth grants (up \$761 million, mainly due to the 2019-20 GST 70% floor grant) and higher dividend income (up \$185 million).
- General government expenses were \$336 million higher than the three months to 30 September 2018. The increase included higher current and capital transfers (up \$215 million), mainly due to the Voluntary Taxi Plate Buyback Payment Scheme by the Department of Transport, and the timing of the State's contribution to the Commonwealth-run National Disability Insurance Authority (NDIA). Excluding the Buyback and NDIA items, expenses grew by 2.1% in the September 2019 quarter.

Total public sector net debt was \$36.8 billion at 30 September 2019. This includes the first-time recognition of lease obligations measured under AASB 16: *Leases*². Adjusting 2018-19 outcomes for AASB 16 changes, the 30 September 2019 outturn is consistent with net debt having peaked in 2018-19.

¹ Two new revenue standards came into effect for periods commencing on or after 1 January 2019. AASB 15: *Revenue From Contracts With Customers* and AASB 1058: *Income of Not-For-Profit Entities* include a number of changes to rules for revenue recognition. The key change from these standards for the September quarter 2019 is the removal of Commonwealth grants paid 'through' the State to local governments and non-government schools. To assist readers to understand movements in operating aggregates detailed in this report, September quarter 2018 outcomes (released a year ago) have been adjusted to remove \$358 million in grants revenue and expenses to present a consistent basis of comparison for quarterly revenue and expense movements.

² This new accounting standard also took effect for periods commencing on or after 1 January 2019.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$1,612 million for the three months to 30 September 2019, a \$1,711 million turnaround on the \$100 million deficit for the same period in 2018-19. This significant strengthening includes the temporary lift in iron ore prices and the timing of the State's 2019-20 GST top-up funding from Commonwealth.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	1,612	1,533	-100	1,317
Net worth	100,504	103,978	102,482	99,799
Movement in cash balances	585	-610	-643	-1,355
<i>Memorandum items</i>				
Net lending	1,575	1,030	-258	175
Net debt	24,058	27,705	22,371	22,990
Cash surplus/-deficit	1,099	687	-631	-426

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

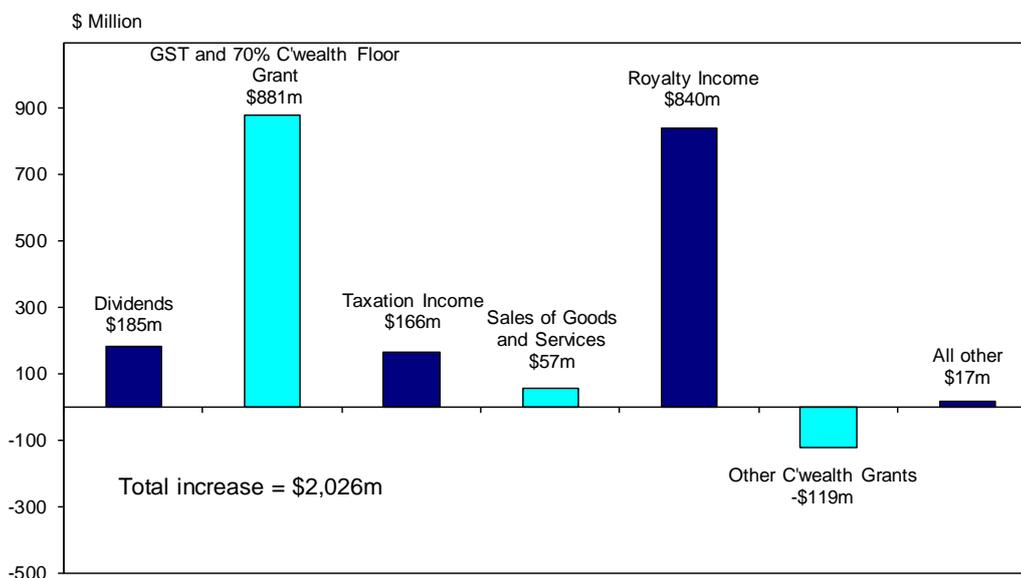
(b) Consistent with final audited data contained in the 2018-19 *Annual Report on State Finances*, released 27 September 2019.

Revenue

Revenue for the three months to 30 September 2019 totalled \$9,029 million, \$2,026 million higher than the same period last year (excluding accounting standard changes).

Figure 1

GENERAL GOVERNMENT REVENUE (a)
Change - Three Months to September 2019



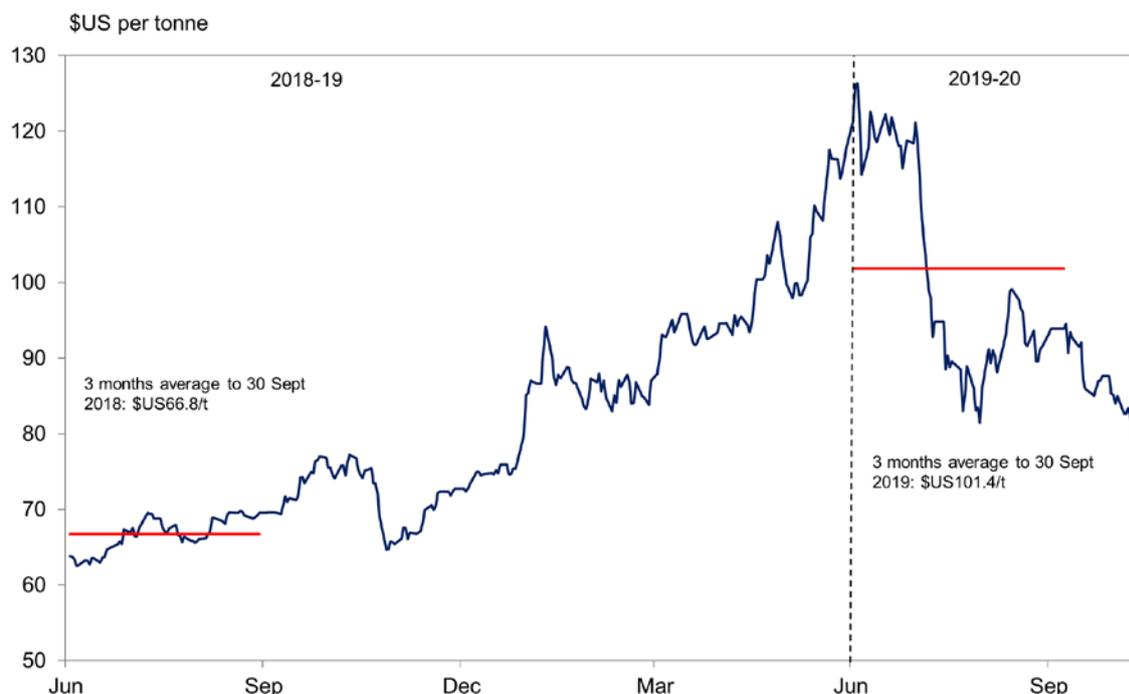
(a) Adjusted for accounting standard changes implemented in 2019-20.

The higher revenue outcome for the September 2019 quarter primarily reflects the net impact of:

- higher royalty income (up \$840 million), largely due to the combination of higher iron ore prices, a weaker \$US/\$A exchange rate and higher export volumes:
 - boosted by the impact of supply disruptions from a tailings dam disaster at a Brazilian mine site in early 2019, the benchmark iron ore price averaged \$US101.4 per tonne in the three months to 30 September 2019, 51.9% higher than the average price in the same period in 2018-19 (\$US66.8 per tonne);
 - the \$US/\$A exchange rate averaged US68.5 cents in the three months to September 2019, which was 6.3% below the average for the corresponding period a year prior (US73.1 cents), with global economic and trade tensions impacting the exchange rate; and
 - iron ore export volumes in the three months to September 2019 were 3.7% higher than the same period last year, mainly due to progressive expansions from some of the iron ore majors and the restart of shipments out of Esperance from the Koolyanobbing mine;

Figure 2

IRON ORE PRICE

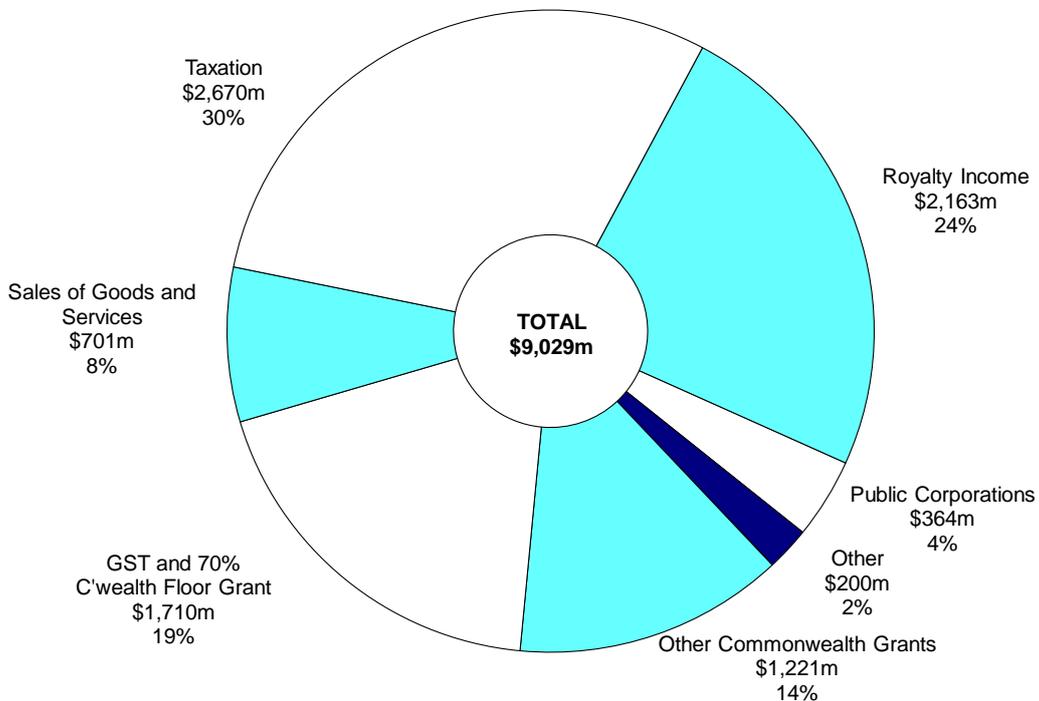


- higher Commonwealth funding (up \$761 million), primarily due to the combination of:
 - Commonwealth payments for Western Australian’s 70% GST floor grant (\$814 million), following recent GST reforms detailed in the 2019-20 Budget;
 - lower capital grants for housing (down \$130 million), reflecting the end of funding under the National Partnership on Remote Housing;
 - lower North West Shelf petroleum grants (down \$79 million), largely due to lower gas volumes and petroleum product prices, partially offset by a lower \$US/\$A exchange rate and slightly higher crude oil volumes; and
 - higher GST grants (up \$66 million), due to Western Australia receiving a larger portion of its population share of the national GST pool in 2019-20 (51.8%) compared with 2018-19 (47.3%);
- higher dividend income (up \$185 million), mainly due to the timing of interim and final dividends in 2017-18 and 2018-19, and strong investment income performance in 2018-19 by the Insurance Commission of Western Australia; and

- higher tax collections (up \$166 million), largely due to the net impact of:
 - higher payroll tax (up \$62 million), primarily reflecting stronger employment in larger payroll tax paying industries (particularly mining and professional, scientific and technical services);
 - higher land tax (up \$45 million), due to the earlier issuing of assessment notices for 2019-20 compared to 2018-19;
 - lower Emergency Services Levy (ESL) collections (down \$29 million), mainly due to the timing of collections;
 - higher betting tax (up \$19 million), mainly reflecting the introduction of the Point of Consumption Tax on 1 January 2019;
 - higher insurance duty (up \$16 million), due to the timing of insurance duty payments; and
 - higher motor vehicle taxes (up \$15 million) and transfer duty (up \$11 million).

GENERAL GOVERNMENT REVENUE (a)
Three months to 30 September 2019

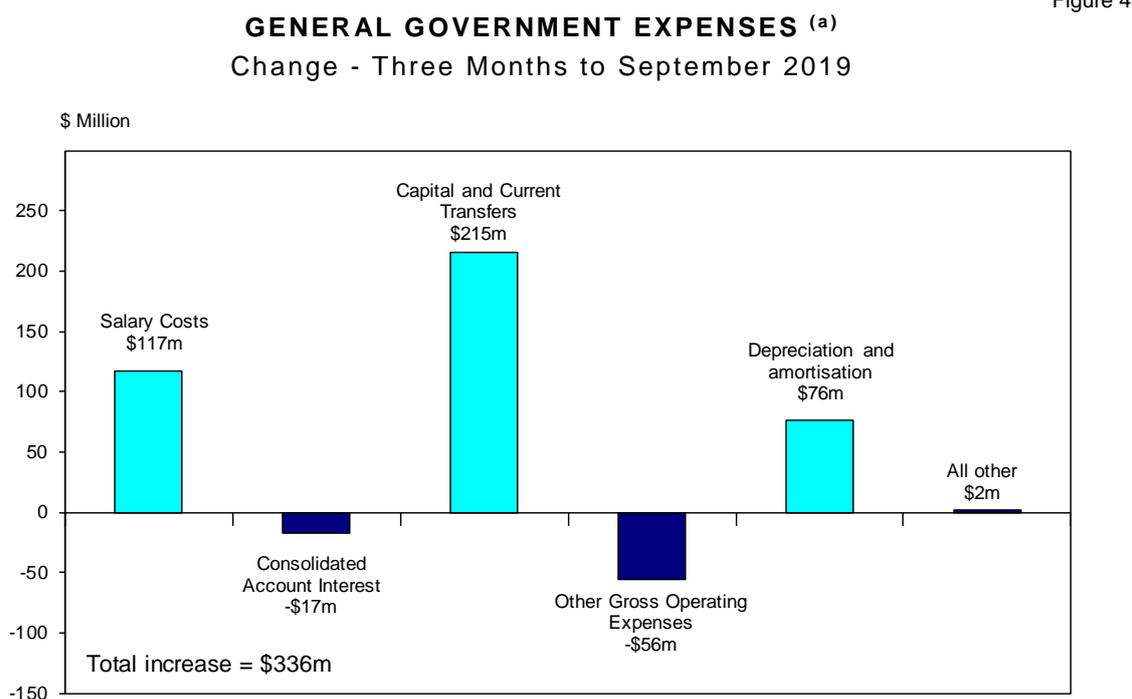
Figure 3



(a) Segments may not add due to rounding.

Expenses

Expenses for the three months to 30 September 2019 totalled \$7,417 million, \$336 million higher than the same period in 2018-19³. Excluding the impact of the costs of the Voluntary Taxi Plate Buyback scheme and timing of payments to the NDIA, expenses grew by 2.1% in the September quarter of 2019.



(a) Adjusted for accounting standard changes implemented in 2019-20.

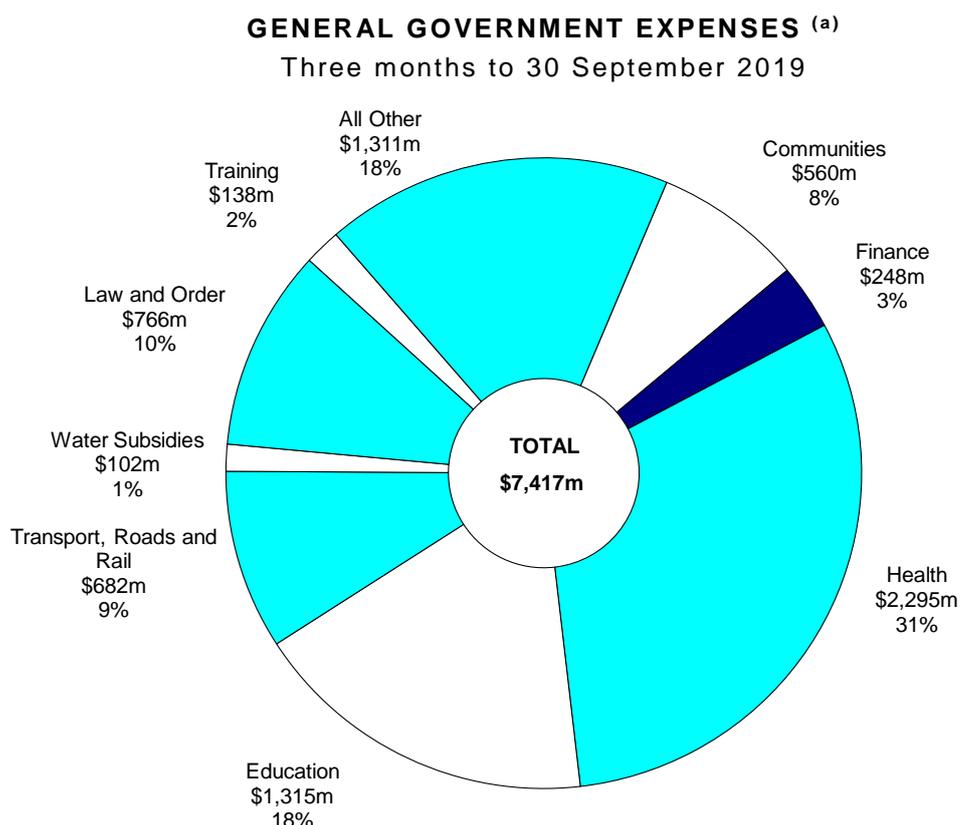
The increase in spending for the three months to 30 September 2019, compared with the same period last year, mainly reflects:

- higher current and capital transfers² (up \$215 million), primarily due to:
 - the Voluntary Taxi Plate Buyback Payment Scheme amounting to \$118 million in July 2019 by the Department of Transport;
 - higher current transfers (up \$71 million), primarily due to the timing of the State contribution to the Commonwealth’s NDIA;
 - lower appropriation to the Housing Authority (down \$66 million), primarily due to a delay in Remote Essential Municipal Services funding from the Commonwealth; and
 - a higher operating subsidy to Synergy (up \$39 million) due to the timing of draw downs, and subsidy payments to the Western Australian Land Authority for the Ocean Reef Marina and Subiaco East projects (up \$12 million); and

³ Excluding the impact of on-passed local government and non-government school grants from the Commonwealth.

- higher salaries (up \$117 million), primarily due to growth in staff numbers across the education and health sectors. This includes the impact of the Government’s commitment to convert casual and fixed-term contract staff to permanent employees across the sector, as well as increases under the \$1,000 wages policy and other prevailing industrial agreements, and other movements in the sector’s workforce.

Figure 5



(a) Segments may not add due to rounding.

Balance Sheet

General government sector net worth increased by \$705 million during the three months to 30 September 2019, to stand at \$100.5 billion⁴. This outcome mainly reflects:

- a \$1.9 billion net increase in general government sector property, plant and equipment, mainly due to right of use leased assets brought to account with the introduction of AASB 16: *Leases*;
- a \$1.6 billion increase in general government liabilities, mainly due to an increase in lease obligations with the introduction of AASB 16 and central borrowing repayment funded from Western Australia’s GST top-up payments for 2019-20;

⁴ 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.

- higher receivables (up \$402 million), mainly reflecting land tax assessments issued slightly earlier in 2019-20 than in 2018-19;
- a decrease in the value of equity in public corporations (down \$252 million), mainly due to the increase in lease liabilities in the public non-financial sector; and
- higher liquid assets (up \$248 million), mainly due to timing of cash receipts and payments through the Public Bank Account.

Cash Flow

A cash surplus of \$1,099 million was recorded for the three months to 30 September 2019, a \$1,730 million turnaround on the \$631 million cash deficit recorded for the same period in 2018-19. This outcome is largely due to:

- a net cash surplus from operating activities of \$1,570 million (up from the \$120 million cash operating deficit reported for the same period last year, largely due the impact on cash of the operating balance outcome detailed earlier); and
- \$487 million in general government infrastructure spending (\$36 million lower than the \$523 million reported in the same period in 2018-19), mainly reflecting lower spending on the NorthLink WA project by Main Roads (mainly timing of payments) and lower investment on the Southern Inland Health Initiative (nearing completion) and Karratha Health Campus (which has reached practical completion). These lower levels of project spending were partially offset by increased investment by the Department of Justice on expansions to the Casuarina and Bunbury Regional prisons.

Total Public Sector

Operating Statement

Reflecting the stronger general government operating outcomes, the total public sector recorded an operating surplus of \$1,689 million for the three months to 30 September 2019, \$1.4 billion higher than the \$252 million surplus in the same period in 2018-19.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

Table 2

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	1,689	1,094	252	716
Net worth	100,504	103,978	102,482	99,799
Movement in cash balances	1,976	-311	1,287	-1,863
<i>Memorandum items</i>				
Net lending	1,452	-123	141	-1,051
Net debt	36,818	39,531	35,005	35,462
Cash surplus/-deficit	1,030	-248	-546	-924

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

The total public sector operating surplus for the three months to 30 September 2019 includes:

- the \$1,612 million operating surplus for the general government sector outlined earlier;
- an operating surplus of \$30 million for the public non-financial corporations sector, broadly in line with the surplus recorded in the same period in 2018-19; and
- an operating surplus of \$232 million for the public financial corporations sector, \$73 million lower than the surplus recorded in the September quarter of 2018, mainly due to higher claims expenses for the Insurance Commission of Western Australia.

Table 3

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net Operating Balance				
General government sector	1,612	1,533	-100	1,317
Public non-financial corporations sector	30	639	46	648
Public financial corporations sector	232	128	305	161
<i>less</i>				
General government dividend revenue	185	1,203	-	1,350
Public non-financial corporations dividend revenue ^(c)	-	57	-	61
Agency depreciation costs on right of use assets leased from other government sectors ^(d)	-1	-54	-	-
Total public sector net operating balance	1,689	1,094	252	716

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

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

(d) Depreciation costs incurred by agencies for right of use assets leased from other agencies within the same sub-sector of government are eliminated directly on consolidation. Equivalent costs between internal sectors of government contribute to expenses (and the operating balance) in the sector in which the lessee is classified, but is not matched by a 'depreciation revenue' by the sector in which the lessor is classified. This gives rise to an adjustment against equity for this unmatched internal cost when consolidating the total public sector.

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.

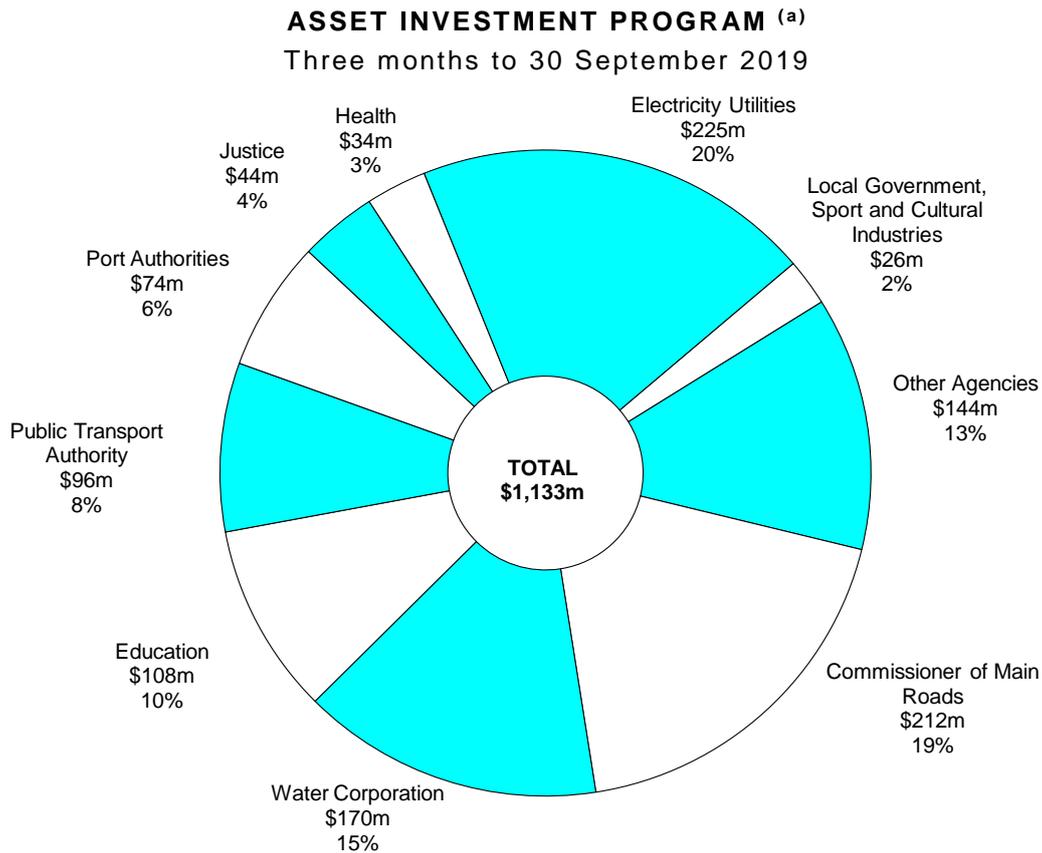
Total public sector net debt increased by \$1.4 billion during the three months to 30 September 2019 to stand at \$36.8 billion. Borrowings increased by \$2.8 billion, as a result of the implementation of AASB 16: *Leases* (as discussed earlier), while liquid financial assets (which offset gross debt liabilities when calculating net debt) increased by \$1.5 billion for the September quarter (due mainly to movements in investment assets held by the Western Australian Treasury Corporation). Abstracting from the impact of AASB 16, total public sector net debt declined by \$725 million between 30 June and 30 September 2019.

Cash Flow

A cash surplus of \$1,030 million was recorded for the three months to 30 September 2019, a \$1,577 million improvement on the \$546 million cash deficit recorded for the same period in 2018-19. This outcome reflects the impact of an operating cash surplus of \$2,073 million and a net cash deficit on infrastructure spending of \$1,042 million in the 2019-20 September quarter.

Total public sector infrastructure investment for the three months to 30 September 2019 totalled \$1.1 billion, \$62 million higher than the same period in 2018-19. In addition to general government sector investment discussed earlier, higher spending was mainly attributable to higher land acquisitions by the Housing Authority and higher customer-funded works for wind farm energy projects, electricity distribution works, and underground power projects by Western Power.

Figure 6



(a) Segments may not add due to rounding.

Interim Financial Statements

Contents	Page
Introduction	13
General Government	
Table 1.1: Operating Statement.....	14
Table 1.2: Balance Sheet.....	15
Table 1.3: Statement of Changes in Equity.....	16
Table 1.4: Cash Flow Statement	17
Total Public Sector	
Table 1.5: Operating Statement.....	18
Table 1.6: Balance Sheet.....	19
Table 1.7: Statement of Changes in Equity.....	20
Table 1.8: Cash Flow Statement	21
Notes to the Interim Financial Statements	
1 Statement of significant accounting policies.....	22
2 Operating revenue	23
3 Transfer expenses.....	23
4 Convergence differences.....	24
5 Investments, loans and placements	24
6 Receivables	25
7 Borrowings.....	25
8 Details of agencies consolidated	25
9 Contingent assets and liabilities	25

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 2019-20 State Budget Papers presented to the Legislative Assembly on 9 May 2019, 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	2019-20		2018-19	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
RESULTS FROM TRANSACTIONS					
REVENUE					
Taxation		2,670	9,088	2,504	8,616
Current grants and subsidies		2,883	9,607	2,346	10,210
Capital grants		47	943	158	873
Sales of goods and services		701	2,724	645	2,734
Interest Income		35	160	44	168
Revenue from public corporations					
Dividends from other sectors		185	1,203	-	1,350
Tax equivalent income		180	641	163	642
Royalty income		2,163	6,375	1,323	6,713
Other		165	594	156	701
Total	2	9,029	31,334	7,339	32,006
EXPENSES					
Salaries		3,140	12,520	3,023	12,269
Superannuation					
Concurrent costs		311	1,228	297	1,213
Superannuation interest cost		18	138	44	135
Other employee costs		78	234	101	447
Depreciation and amortisation		431	1,865	355	1,445
Services and contracts		622	2,751	597	2,538
Other gross operating expenses		1,496	5,704	1,552	5,645
Interest					
Interest on leases		34	194	19	89
Other interest		197	811	217	859
Current transfers	3	1,064	4,123	1,177	5,426
Capital transfers	3	27	235	57	625
Total		7,417	29,801	7,438	30,689
NET OPERATING BALANCE		1,612	1,533	-100	1,317
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		1	-60	-11	59
Provision for doubtful debts		-	-14	-1	2
Changes in accounting policy/adjustments of prior periods		-805	-	-8	-84
Total other economic flows		-804	-74	-20	-23
OPERATING RESULT		808	1,459	-120	1,294
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		458	861	-2	-1,374
Net actuarial gains/-loss - superannuation		-254	-261	-8	-814
Gains recognised directly in equity		-3	-60	-	-
Change in net worth of the public corporations sectors		-304	-120	259	-1,661
All other		-	-	-	-
Total all other movements in equity		-103	420	249	-3,849
TOTAL CHANGE IN NET WORTH		705	1,879	129	-2,555
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE		1,612	1,533	-100	1,317
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		487	2,505	523	2,540
Changes in inventories		1	-	-	-
Other movement in non-financial assets		-5	-	1	146
<i>less:</i>					
Sales of non-financial assets		16	137	11	100
Depreciation		431	1,865	355	1,445
Total net acquisition of non-financial assets		37	502	158	1,142
NET LENDING/-BORROWING		1,575	1,030	-258	175

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 Annual Report on State Finances, released on 27 September 2019.

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			
		30 Sept	30 June	30 Sept	30 June
		2019	2020 ^(a)	2018	2019 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		641	1,178	1,138	601
Advances paid		723	775	728	713
Investments, loans and placements	5	4,667	2,924	4,556	4,470
Receivables	6	4,401	3,127	3,545	3,999
Shares and other equity					
Investments in other public sector entities - equity method		40,441	42,148	42,665	40,745
Investments in other public sector entities - direct injections		10,051	10,876	9,403	10,000
Investments in other entities		20	15	46	20
Other financial assets		8	8	8	8
Total financial assets		60,953	61,052	62,089	60,556
<i>Non-financial assets</i>					
Land		35,510	36,185	36,381	35,600
Property, plant and equipment		47,376	51,034	44,832	45,344
Biological assets		3	3	3	3
Inventories					
Land inventories		-	-	-	-
Other inventories		71	69	70	71
Intangibles		612	582	597	626
Assets classified as held for sale		24	34	32	43
Investment property		7	7	7	7
Other		248	378	256	245
Total non-financial assets		83,851	88,291	82,178	81,940
TOTAL ASSETS		144,805	149,343	144,267	142,496
LIABILITIES					
Deposits held		451	847	344	686
Advances received		343	377	360	343
Borrowings	7				
Lease liabilities		3,162	4,551	1,165	1,156
Other borrowings		26,135	26,807	26,924	26,589
Unfunded superannuation		7,244	6,817	6,475	7,062
Other employee benefits		3,477	3,103	3,268	3,197
Payables		1,302	1,301	983	1,425
Other liabilities		2,188	1,562	2,266	2,239
TOTAL LIABILITIES		44,301	45,365	41,785	42,697
NET ASSETS		100,504	103,978	102,482	99,799
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		6,940	6,528	4,646	6,055
Other reserves		93,564	97,450	97,836	93,743
NET WORTH		100,504	103,978	102,482	99,799
MEMORANDUM ITEMS					
<i>Net financial worth</i>		<i>16,653</i>	<i>15,687</i>	<i>20,304</i>	<i>17,859</i>
<i>Net financial liabilities</i>		<i>33,840</i>	<i>37,337</i>	<i>31,764</i>	<i>32,886</i>
<i>Net debt</i>					
Gross debt liabilities		30,090	32,582	28,793	28,774
less: liquid financial assets		6,032	4,877	6,422	5,784
less: convergence differences impacting net debt		-	-	-	-
Net debt		24,058	27,705	22,371	22,990

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 Annual Report on State Finances, released on 27 September 2019.

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

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY
For the three months ended 30 September 2019

	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 2019</i>	52,998	40,745	6,850	100,593
Restatement of prior periods ^(a)	-	-	-795	-795
<i>Restated balance at 1 July 2019</i>	<u>52,998</u>	<u>40,745</u>	<u>6,055</u>	<u>99,799</u>
Operating result	-	-	808	808
All other movements in equity	125	-304	76	-103
<i>Total change in net worth</i>	<u>125</u>	<u>-304</u>	<u>884</u>	<u>705</u>
Balance at 30 September 2019	<u>53,123</u>	<u>40,441</u>	<u>6,940</u>	<u>100,504</u>

For the three months ended 30 September 2018

	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 2018</i>	55,203	42,406	5,626	103,236
Restatement of prior periods ^(a)	-	-	-882	-882
<i>Restated balance at 1 July 2018</i>	<u>55,203</u>	<u>42,406</u>	<u>4,743</u>	<u>102,353</u>
Operating result	-	-	-120	-120
All other movements in equity	-33	259	23	249
<i>Total change in net worth</i>	<u>-33</u>	<u>259</u>	<u>-97</u>	<u>129</u>
Balance at 30 September 2018	<u>55,170</u>	<u>42,665</u>	<u>4,646</u>	<u>102,482</u>

(a) Mainly reflects the impact of changes in revenue recognition of Commonwealth infrastructure funding received in earlier periods than the associated spending, following implementation of AASB 15 and AASB 1058 from this year.

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received</i>				
Taxes received	2,102	9,104	2,072	8,911
Grants and subsidies received	3,301	11,762	2,472	11,082
Receipts from sales of goods and services	683	2,750	594	2,599
Interest receipts	40	155	45	173
Dividends and tax equivalents	178	1,863	127	2,092
Other	2,994	8,519	1,918	7,659
<i>Total cash received</i>	9,298	34,153	7,228	32,517
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-3,276	-14,233	-3,226	-13,766
Payments for goods and services	-2,423	-8,693	-2,433	-8,473
Interest paid	-243	-1,080	-230	-950
Grants and subsidies paid	-1,291	-5,519	-1,010	-5,635
Dividends and tax equivalents	-	-	-	-
Other	-496	-1,574	-449	-1,679
<i>Total cash paid</i>	-7,728	-31,099	-7,348	-30,503
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,570	3,054	-120	2,014
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-487	-2,505	-523	-2,540
Sales of non-financial assets	16	137	11	100
<i>Total cash flows from investments in non-financial assets</i>	-471	-2,367	-512	-2,441
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	2	10	19	33
For liquidity purposes	14	65	7	308
<i>Cash paid</i>				
For policy purposes	-149	-1,272	-136	-790
For liquidity purposes	-8	-33	-19	-66
<i>Total cash flows from investments in financial assets</i>	-140	-1,230	-129	-516
NET CASH FLOWS FROM INVESTING ACTIVITIES	-612	-3,598	-640	-2,956
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received</i>				
Advances received	-	17	-	17
Borrowings	16	1,750	14	61
Deposits received	-	-	-	-
Other financing receipts	98	181	171	253
<i>Total cash received</i>	114	1,948	184	330
<i>Cash paid</i>				
Advances paid	-	-17	-	-17
Borrowings repaid	-362	-1,434	-13	-513
Deposits paid	-	-	-	-
Other financing payments	-125	-564	-55	-214
<i>Total cash paid</i>	-487	-2,014	-68	-744
NET CASH FLOWS FROM FINANCING ACTIVITIES	-373	-66	117	-414
Net increase in cash and cash equivalents	585	-610	-643	-1,355
Cash and cash equivalents at the beginning of the year	5,005	4,276	6,360	6,360
Cash and cash equivalents at the end of the year	5,590	3,666	5,717	5,005
KEY FISCAL AGGREGATES				
Net cash flows from operating activities	1,570	3,054	-120	2,014
Net cash flows from investing in non-financial assets	-471	-2,367	-512	-2,441
Cash surplus/-deficit	1,099	687	-631	-426

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

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

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

	Note	2019-20		2018-19	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
<i>Results from Transactions</i>					
REVENUE					
Taxation		2,530	8,561	2,372	8,097
Current grants and subsidies		2,883	9,607	2,346	10,210
Capital grants		47	943	158	873
Sales of goods and services		10,041	35,028	5,822	23,488
Interest Income		148	685	146	639
Royalty income		2,163	6,375	1,323	6,713
Other		309	1,099	235	1,193
Total	2	18,122	62,297	12,403	51,214
EXPENSES					
Salaries		3,450	13,787	3,318	13,382
Superannuation					
Concurrent costs		341	1,352	326	1,323
Superannuation interest cost		18	138	44	135
Other employee costs		81	261	77	350
Depreciation and amortisation		965	3,974	852	3,431
Services and contracts		807	3,422	770	3,306
Other gross operating expenses		9,450	33,114	5,294	22,084
Interest					
Interest on leases		57	291	41	174
Other interest		374	1,700	402	1,583
Other property expenses		-	-	-	-
Current transfers	3	866	2,989	979	4,411
Capital transfers	3	24	174	47	319
Total		16,433	61,203	12,151	50,498
NET OPERATING BALANCE		1,689	1,094	252	716
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		74	111	32	254
Provision for doubtful debts		-8	-47	-7	-16
Changes in accounting policy/adjustment of prior periods		-983	-	12	-222
Total other economic flows		-918	64	37	16
OPERATING RESULT		772	1,157	289	732
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		190	988	-159	-2,444
Net actuarial gains/-loss - superannuation		-259	-260	-7	-850
Gains recognised directly in equity		2	-113	6	8
All other		-	-	-	-
Total all other movements in equity		-66	615	-160	-3,286
TOTAL CHANGE IN NET WORTH		705	1,773	129	-2,555
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE		1,689	1,094	252	716
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,133	5,646	1,071	4,965
Changes in inventories		136	74	-62	614
Other movement in non-financial assets		24	175	30	273
<i>less:</i>					
Sales of non-financial assets		91	705	76	654
Depreciation		965	3,974	852	3,431
Total net acquisition of non-financial assets		238	1,217	111	1,767
NET LENDING/-BORROWING		1,452	-123	141	-1,051

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

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

TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

	Note	For the period ending			
		30 Sept 2019 \$m	30 June 2020 ^(a) \$m	30 Sept 2018 \$m	30 June 2019 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,554	2,229	2,170	1,517
Advances paid		4,907	5,373	4,454	4,782
Investments, loans and placements	5	20,859	14,034	17,217	19,567
Receivables	6	6,105	5,225	5,144	5,825
Equity - investments in other entities		2,020	2,084	1,908	1,920
Other financial assets		13	13	13	13
Total financial assets		35,459	28,959	30,906	33,624
<i>Non-financial assets</i>					
Land		43,773	44,701	45,374	43,809
Property, plant and equipment		102,952	107,535	100,447	101,099
Biological assets		345	322	332	345
Inventories					
Land inventories		1,840	2,025	1,883	1,852
Other inventories		4,481	3,870	3,669	4,345
Intangibles		1,020	974	1,054	1,028
Assets classified as held for sale		33	93	69	59
Investment property		67	61	78	67
Other		458	510	448	381
Total non-financial assets		154,970	160,092	153,355	152,985
TOTAL ASSETS		190,428	189,051	184,261	186,610
LIABILITIES					
Deposits held		13	11	11	11
Advances received		343	377	360	343
Borrowings	7				
Lease liabilities		4,174	4,501	1,941	1,902
Other borrowings		59,607	56,278	56,535	59,072
Unfunded superannuation		7,342	6,891	6,571	7,165
Other employee benefits		3,878	3,478	3,641	3,577
Payables		7,144	6,612	5,863	7,211
Other liabilities		7,423	6,925	6,857	7,530
TOTAL LIABILITIES		89,924	85,073	81,779	86,811
NET ASSETS		100,504	103,978	102,482	99,799
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		26,720	27,184	25,447	25,878
Other reserves		73,783	76,794	77,035	73,920
NET WORTH		100,504	103,978	102,482	99,799
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-54,466	-56,114	-50,873	-53,187
<i>Net financial liabilities</i>		54,466	56,114	50,873	53,187
<i>Net debt</i>					
Gross debt liabilities		64,137	61,167	58,846	61,329
less: liquid financial assets		27,320	21,636	23,841	25,867
less: convergence differences impacting net debt		-	-	-	-
Net debt		36,818	39,531	35,005	35,462

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 Annual Report on State Finances, released on 27 September 2019.

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

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY
For the three months ended 30 September 2019

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
	<i>Balance at 1 July 2019</i>	73,920	
Restatement of prior periods ^(a)	-	-795	-795
<i>Restated balance at 1 July 2019</i>	<u>73,920</u>	<u>25,878</u>	<u>99,799</u>
Operating result	-	772	772
All other movements in equity	-137	70	-66
<i>Total change in net worth</i>	-137	842	705
Balance at 30 September 2019	<u>73,783</u>	<u>26,720</u>	<u>100,504</u>

For the three months ended 30 September 2018

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
	<i>Balance at 1 July 2018</i>	77,242	
Restatement of prior periods ^(a)	-	-882	-882
<i>Restated balance at 1 July 2018</i>	<u>77,242</u>	<u>25,112</u>	<u>102,353</u>
Operating result	-	289	289
All other movements in equity	-207	47	-160
<i>Total change in net worth</i>	-207	335	129
Balance at 30 September 2018	<u>77,035</u>	<u>25,447</u>	<u>102,482</u>

(a) Mainly reflects the impact of changes in revenue recognition of Commonwealth infrastructure funding received in earlier periods than the associated spending, following implementation of AASB 15 and AASB 1058 from this year.

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

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received</i>				
Taxes received	2,022	8,565	2,004	8,392
Grants and subsidies received	3,301	11,762	2,472	11,082
Receipts from sales of goods and services	6,590	24,145	5,824	23,693
Interest receipts	148	689	146	661
Other receipts	3,430	9,548	2,317	8,807
<i>Total cash received</i>	<i>15,490</i>	<i>54,711</i>	<i>12,762</i>	<i>52,635</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-3,607	-15,637	-3,538	-15,062
Payments for goods and services	-6,742	-23,610	-6,083	-23,421
Interest paid	-563	-2,073	-493	-2,017
Grants and subsidies paid	-1,152	-4,123	-881	-4,129
Other payments	-1,353	-4,573	-1,319	-4,620
<i>Total cash paid</i>	<i>-13,418</i>	<i>-50,017</i>	<i>-12,314</i>	<i>-49,248</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,073	4,694	448	3,386
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-1,133	-5,646	-1,071	-4,965
Sales of non-financial assets	91	705	76	654
<i>Total cash flows from investments in non-financial assets</i>	<i>-1,042</i>	<i>-4,942</i>	<i>-995</i>	<i>-4,310</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	2	10	6	21
For liquidity purposes	1,406	7,219	1,427	6,495
<i>Cash paid</i>				
For policy purposes	-4	-10	-4	-19
For liquidity purposes	-1,838	-7,928	-1,497	-8,784
<i>Total cash flows from investments in financial assets</i>	<i>-434</i>	<i>-709</i>	<i>-69</i>	<i>-2,286</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,477	-5,651	-1,064	-6,597
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received</i>				
Advances received	-	-	-	-
Borrowings	5,687	19,900	5,566	21,444
Deposits received	-	-	-	-
Other financing receipts	11	49	13	98
<i>Total cash received</i>	<i>5,697</i>	<i>19,949</i>	<i>5,579</i>	<i>21,542</i>
<i>Cash paid</i>				
Advances paid	-	-17	-	-17
Borrowings repaid	-4,196	-18,849	-3,632	-19,990
Deposits paid	-	-	-	-
Other financing payments	-122	-438	-44	-188
<i>Total cash paid</i>	<i>-4,318</i>	<i>-19,303</i>	<i>-3,676</i>	<i>-20,194</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,380	646	1,902	1,348
Net increase in cash and cash equivalents	1,976	-311	1,287	-1,863
Cash and cash equivalents at the beginning of the year	8,710	8,203	10,573	10,573
Cash and cash equivalents at the end of the year	10,686	7,892	11,860	8,710
KEY FISCAL AGGREGATES				
Net cash flows from operating activities	2,073	4,694	448	3,386
Net cash flows from investing in non-financial assets	-1,042	-4,942	-995	-4,310
Cash surplus/-deficit	1,030	-248	-546	-924

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 Annual Report on State Finances, released on 27 September 2019.

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

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

The quarterly financial statements are a requirement of the *Government Financial Responsibility Act 2000*.

(b) The Reporting Entity

The reporting entity is the Government of Western Australia (the total public sector) and includes entities under its control.

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

(c) Basis of Preparation

The financial statements for the three months ended 30 September 2019 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 2019, presented in Appendix 1 of the *2018-19 Annual Report on State Finances (ARSF)* released on 27 September 2019. The accounting policies adopted in this publication are consistent with those outlined in the 2018-19 ARSF. The specific accounting policies of the Government of are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the *2018-19 Annual Report on State Finances*.

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 (a)

 General Government

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate (b) \$m	Three Months to 30 Sept \$m	Actual (c) \$m
CURRENT TRANSFERS				
Local Government	87	389	95	384
Local Government on-passing	-	-	22	181
Private and Not-for-profit sector	505	1,647	357	1,377
Private and Not-for-profit sector on-passing	-	-	316	1,323
Other sectors of Government	472	2,087	386	2,161
Total Current Transfers	1,064	4,123	1,177	5,426
CAPITAL TRANSFERS				
Local Government	7	39	1	64
Local Government on-passing	-	-	14	118
Private and Not-for-profit sector	15	121	21	87
Private and Not-for-profit sector on-passing	-	-	5	18
Other sectors of Government	5	76	16	338
Total Capital Transfers	27	235	57	625

 Total Public Sector

	2019-20		2018-19	
	Three Months to 30 Sept \$m	Budget Estimate (b) \$m	Three Months to 30 Sept \$m	Actual (c) \$m
CURRENT TRANSFERS				
Local Government	87	389	95	385
Local Government on-passing	-	-	22	181
Private and Not-for-profit sector	706	2,505	543	2,185
Private and Not-for-profit sector on-passing	-	-	316	1,323
Other sectors of Government	73	95	2	337
Total Current Transfers	866	2,989	979	4,411
CAPITAL TRANSFERS				
Local Government	7	46	1	65
Local Government on-passing	-	-	14	118
Private and Not-for-profit sector	17	128	27	119
Private and Not-for-profit sector on-passing	-	-	5	18
Total Capital Transfers	24	174	47	319

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

(b) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(c) Consistent with the final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved (e.g. the recognition of a doubtful debts provision is excluded from GFS net worth), a convergence difference arises. The standard requires that such differences are disclosed in annual outturn reports at the end of the financial year.

This note usually details all convergence differences for the September 2019 results. However, with the adoption of AASB 16: *Leases* the distinction between operating leases and finance leases as measured under previous accounting standards has been superseded. Accordingly, convergence data between the AASB 1049 key financial aggregates produced in the September 2019 results and GFS concepts is not currently available. Convergence notes in the most recent audited financial results (included in the 2018-19 *Annual Report on State Finances*, released in September 2019) show that there have been very few convergence differences in Western Australia's AASB 1049 disclosures compared with equivalent data presented on a GFS basis. The ABS is currently working with State and Territory jurisdictions to develop a methodological solution that will enable the ongoing distinction between operating and finance leases for GFS purposes.

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2019-20		2018-19	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,650	2,908	4,539	4,452
Government securities	3	3	3	3
Total	4,653	2,911	4,542	4,455
<i>Loans and advances</i>				
Loans	15	13	13	15
Financial Assets held for trading/available for sale	-	-	-	-
Total	15	13	13	15
Total	4,667	2,924	4,556	4,470

Total Public Sector

	2019-20		2018-19	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	12,811	10,050	12,833	11,836
Government securities	3,581	1,034	2,032	2,481
Total	16,393	11,084	14,865	14,318
<i>Loans and advances</i>				
Loans	3,826	2,504	1,978	4,618
Financial Assets held for trading/available for sale	641	446	374	631
Total	4,466	2,950	2,352	5,250
Total	20,859	14,034	17,217	19,567

NOTE 6: RECEIVABLES

General Government

	2019-20		2018-19	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	4,581	3,391	3,819	4,195
Provision for impairment of receivables	-181	-263	-274	-196
Total	4,401	3,127	3,545	3,999

Total Public Sector

	2019-20		2018-19	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	6,388	5,638	5,508	6,117
Provision for impairment of receivables	-282	-413	-364	-293
Total	6,105	5,225	5,144	5,825

NOTE 7: BORROWINGS

General Government

	2019-20		2018-19	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	7	-	-	117
Lease liabilities	3,162	4,551	1,165	1,156
Borrowings	26,128	26,807	26,924	26,473
Total	29,296	31,358	28,089	27,745

Total Public Sector

	2019-20		2018-19	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	10	-	-	117
Lease liabilities	4,174	4,501	1,941	1,902
Borrowings	59,597	56,278	56,535	58,956
Total	63,781	60,779	58,475	60,974

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 35: *Composition of Sectors* in the 2018-19 *Annual Report on State Finances*.

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

There have been no material changes in the contingent assets and liabilities of the State since the 2018-19 *Annual Report on State Finances* disclosure.

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.

Users of this report should note that two new accounting standards became effective from 1 January 2019. These are AASB 15: *Revenue From Contracts With Customers* and AASB 1058: *Income of Not-For-Profit Entities*. The key changes from these two standards are in the timing of some revenue recognised over time, and the ‘grossing up’ of some revenue and expenses. These changes are broadly neutral for the operating balance over time (although individual years may move up or down in line with the timing of the spending for which revenue is received, such as Commonwealth infrastructure funding paid in advance of project works carried out by the State in future periods).

Under these standards, revenue is to be recognised if the entity ‘controls’ the good or service before delivering it to the customer. In practical terms, material consequences of these changes for the State’s whole-of-government financial statements will be to:

- remove revenue and expenses where the State acts only as an agent of a third party in a relationship and exerts no control over the underlying assets (for example, general government operating revenue and expenses will be reduced by equivalent amounts to remove on-passed Commonwealth funding for local governments and non-government schools);
- de-recognise Commonwealth revenue paid in advance in earlier years (such as recent transport and hospital infrastructure funding) and then recognise it in future years in line with spending on the works; and

- recognise revenue as or when an entitlement to consideration emerges or when a good or service is delivered to a customer (in particular, this grosses up Gold Corporation revenue and expenses in the public non-financial corporations sector which will now measure non-cash precious metal transactions (mainly gold inventory) as well as cash transactions).

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2019-20		2018-19	
	Three Months to 30 Sep \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	967	3,750	905	3,565
Property taxes				
<i>Land tax</i>	480	789	435	807
Transfer Duty	271	1,161	259	1,073
Landholder Duty	2	100	-	32
<i>Total duty on transfers</i>	272	1,261	259	1,105
Metropolitan Region Improvement Tax	37	89	28	89
Perth Parking Levy	51	59	51	59
Emergency Services Levy	115	385	144	374
Loan guarantee fees	39	160	38	152
Building and Construction Industry Training Fund Levy	10	36	5	27
<i>Total other property taxes</i>	253	730	266	702
Taxes on provision of goods and services				
Lotteries Commission	54	164	50	180
Casino Tax	14	71	14	59
Betting tax	-	-	10	25
Point of Consumption Tax	19	78	-	30
<i>Total taxes on gambling</i>	87	313	74	294
Insurance Duty	187	677	171	645
Other	5	19	4	17
<i>Total taxes on insurance</i>	192	696	175	662
<i>On-demand Transport Levy</i>	10	30	-	5
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	95	373	91	363
Permits - Oversize Vehicles and Loads	2	8	2	8
Motor Vehicle registrations	262	1,027	247	995
<i>Total motor vehicle taxes</i>	358	1,407	340	1,367
<i>Mining Rehabilitation Levy</i>	32	30	30	31
<i>Landfill Levy</i>	18	83	19	79
Total Taxation	2,670	9,088	2,504	8,616
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	895	3,581	829	3,200
Commonwealth-funded 70% floor	814	814	-	434
North West Shelf grants	164	817	243	886
Compensation for Commonwealth crude oil excise arrangements	6	45	9	30
<i>Grants Through the State ^(c)</i>				
School assistance - non-government schools	-	-	316	1,323
Local government financial assistance grants	-	-	22	181
Local government roads	-	-	14	118
<i>National Specific Purpose Payment Agreement Grants</i>				
National Skills and Workforce Development	39	159	39	157
National Disability Services	43	173	62	167
National Affordable Housing	41	167	-	164
Quality Schools	193	826	171	739
National Health Reform	587	2,375	558	2,269
<i>National Partnerships/Other Grants</i>				
Health	50	128	32	194
Housing	-	-	-	0
Transport	5	153	13	54
Disability Services	-	54	-	55
Other	45	316	36	239
Total Current Grants and Subsidies ^(c)	2,883	9,607	2,346	10,210

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2019-20		2018-19	
	Three Months to 30 Sep \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
CAPITAL GRANTS				
<i>Grants Through the State</i> ^(c)				
School assistance - non-government schools	-	-	5	18
<i>National Partnerships/Other Grants</i>				
Housing	-	-	130	251
Transport	47	913	23	593
Other	0	29	-	11
Total Capital Grants ^(c)	47	943	158	873
SALES OF GOODS AND SERVICES ^(c)	701	2,724	645	2,734
INTEREST INCOME	35	160	44	168
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	185	1,203	-	1,350
Tax Equivalent Regime	180	641	163	642
Total Revenue from Public Corporations	364	1,844	163	1,991
ROYALTY INCOME	2,163	6,375	1,323	6,713
OTHER				
Lease Rentals	30	105	27	107
Fines	46	201	48	224
Revenue not elsewhere counted	88	288	81	370
Total Other	165	594	156	701
GRAND TOTAL	9,029	31,334	7,340	32,006

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

(c) Reporting aggregate impacted by new accounting standards in 2019-20 (see introduction to the appendix).

Note: Columns may not add due to rounding.

Table 2.2

TOTAL PUBLIC SECTOR
Operating Revenue

	2019-20		2018-19	
	Three Months to 30 Sep \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	944	3,658	884	3,479
Property taxes				
<i>Land tax</i>	464	720	419	744
Transfer Duty	271	1,161	259	1,073
Landholder Duty	2	100	-	32
<i>Total duty on transfers</i>	272	1,261	259	1,105
Metropolitan Region Improvement Tax	37	89	28	89
Perth Parking Levy	51	59	51	59
Emergency Services Levy	115	380	144	369
Loan guarantee fees	3	7	3	8
Building and Construction Industry Training Fund Levy	10	36	5	27
<i>Total other property taxes</i>	216	571	231	552
Taxes on provision of goods and services				
Casino Tax	14	71	14	59
Point of Consumption tax	9	35	-	13
<i>Total taxes on gambling</i>	23	106	14	73
Insurance Duty	187	677	171	645
Other	5	19	4	17
<i>Total taxes on insurance</i>	192	696	175	662
<i>On-demand Transport Levy</i>	10	30	-	5
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	95	373	91	363
Permits - Oversize Vehicles and Loads	2	8	2	8
Motor Vehicle registrations	262	1,027	247	995
<i>Total motor vehicle taxes</i>	358	1,407	340	1,367
<i>Mining Rehabilitation Levy</i>	32	30	30	31
<i>Landfill Levy</i>	18	83	19	79
Total Taxation	2,530	8,561	2,372	8,097
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	895	3,581	829	3,200
Commonwealth-funded 70% floor grant	814	814	-	434
North West Shelf grants	164	817	243	886
Compensation for Commonwealth crude oil excise arrangements	6	45	9	30
<i>Grants Through the State ^(c)</i>				
School assistance - non-government schools	-	-	316	1,323
Local government financial assistance grants	-	-	22	181
Local government roads	-	-	14	118
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	39	159	39	157
National Disability Services	43	173	62	167
National Affordable Housing	41	167	-	164
Quality Schools	193	826	171	739
National Health Reform	587	2,375	558	2,269
<i>National Partnerships/Other Grants</i>				
Health	50	128	32	194
Housing	30	-	-	-
Transport	5	153	13	54
Disability Services	-	54	-	55
Other	15	316	36	239
Total Current Grants and Subsidies ^(c)	2,883	9,607	2,346	10,210

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2019-20		2018-19	
	Three Months to 30 Sep \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
CAPITAL GRANTS				
<i>Grants Through the State</i> ^(c)				
School assistance - non-government schools	-	-	5	18
<i>National Partnerships/Other Grants</i>				
Housing	-	-	130	251
Transport	47	913	23	593
Other	-	29	-	11
Total Capital Grants ^(c)	47	943	158	873
SALES OF GOODS AND SERVICES ^(c)	10,041	35,028	5,822	23,488
INTEREST INCOME	148	685	146	639
ROYALTY INCOME	2,163	6,375	1,323	6,713
OTHER				
Lease Rentals	30	105	27	107
Fines	47	201	49	224
Revenue not elsewhere counted	232	793	159	862
Total Other	309	1,099	235	1,193
GRAND TOTAL	18,122	62,297	12,403	51,214

(a) Consistent with the 2019-20 Budget estimates released on 9 May 2019.

(b) Consistent with the final audited data contained in the 2018-19 *Annual Report on State Finances*, released on 27 September 2019.

(c) Reporting aggregate impacted by new accounting standards in 2019-20 (see introduction to the appendix).

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 through the Treasurer's Special Purpose Accounts (TSPAs). Together with agency cash balances held at Treasury, the total of these accounts form the Public Bank Account.

PUBLIC LEDGER BALANCES AT 30 SEPTEMBER

Table 3.1

	2019 \$m	2018 \$m	Variance \$m
THE PUBLIC LEDGER			
Consolidated Account ^(a)	-17,171	-15,685	-1,487
Treasurer's Special Purpose Accounts	16,155	14,891	1,264
Treasurer's Advance Account – Net Advances and Overdraw n Trusts	-17	-30	13
TOTAL	-1,034	-824	-209
Agency Special Purpose Accounts	6,088	5,701	387
TOTAL PUBLIC BANK ACCOUNT	5,055	4,877	178

(a) The balance of the Consolidated Account at 30 September 2019 includes non-cash appropriations of \$13,477 million (30 September 2018: \$12,212 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account recorded a deficit of \$3,694 million at 30 September 2019 (compared with a deficit position of \$3,472 million at 30 September 2018).

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 each appropriation clearly specified.

The Consolidated Account accrual deficit at 30 September 2019 was \$17,171 million, \$1,487 million larger than the accumulated deficit at 30 September 2018. This included \$13,477 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 had a deficit balance of \$3,694 million at 30 September 2019, \$222 million higher than the \$3,472 million cash deficit at 30 September 2018.

Borrowings held by the Consolidated Account decreased by \$350 million in the September 2019 quarter, and totalled \$25.6 billion compared with \$26.4 billion in September 2018. Debt repayments during the September quarter were sourced from Western Australia's GST top-up payments for 2019-20. Debt repayments have been scheduled to coincide with the timing of maturing State borrowings. Further debt repayments sourced from GST top-up payments and the repayment of surplus funds returned to the Consolidated Account by RiskCover are scheduled for later in the financial year.

Total proceeds from gross borrowings (i.e. excluding repayments of borrowings) stood at \$26.6 billion at 30 September 2019 and remain below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding *Loan Acts*¹. The Consolidated Account last drew down new borrowings in April 2018.

¹ Proceeds of borrowings by the Consolidated Account (i.e. gross borrowings excluding debt repayments) cannot exceed the cumulative limit authorised by the *Loan Acts*. The current cumulative limit is \$34.5 billion.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS
For the three months ended 30 September

	2019 \$m	2018 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	1,551	1,552	-1
Commonwealth grants	1,085	1,045	40
Government enterprises	181	128	53
Revenue from other agencies	2,768	1,667	1,101
Other receipts	1,004	251	753
<i>Total Operating Activities</i>	6,590	4,643	1,946
<i>Financing Activities</i>			
Repayments of recoverable advances	2	2	_(a)
Borrowings	-	-	-
Other receipts	5	5	_(a)
<i>Total Financing Activities</i>	7	7	_(a)
TOTAL REVENUE	6,597	4,650	1,947
EXPENDITURE			
<i>Recurrent</i>			
Authorised by other statutes	717	641	77
Appropriation Act (No. 1)	5,644	5,440	204
Recurrent expenditure under the Treasurer's Advance	-	-	-
<i>Total Recurrent Expenditure</i>	6,361	6,081	281
<i>Investing Activities</i>			
Authorised by other statutes	73	53	20
Appropriation Act (No. 2)	349	329	20
Investing expenditure under the Treasurer's Advance	-	-	-
<i>Total Investing Activities</i>	422	382	40
<i>Financing Activities</i>			
Loan repayments	350	-	350
Other financing	5	5	-
<i>Total Financing Activities</i>	355	5	350
TOTAL EXPENDITURE	7,138	6,467	671
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-541	-1,817	1,276
Consolidated Account Balance			
Opening balance at 1 July	-16,630	-13,868	-2,763
Closing balance at 30 June	-17,171	-15,685	-1,487
Of which:			
Appropriations payable	-13,477	-12,212	-1,265
Cash balance at 30 June	-3,694	-3,472	-222

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

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

Relative to 30 September 2018, aggregate TSPA balances were \$1,264 million higher at the end of September 2019, mainly due to:

- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$1,265 million);
- a decrease in the balance of the Commonwealth Grants for Specific Purposes Account (SPA) (down \$182 million), reflecting the receipt of the final payment under the National Partnership on Remote Housing agreement in the prior year, the reconciliation of prior year Commonwealth funding for the State-administered National Disability Insurance Scheme (NDIS) trials, provision of National Disability Specific Purpose Payment funding to the Department of Communities for on-payment to the National Disability Insurance Agency (for the Commonwealth-administered NDIS), and interim Skilling Australians funding from the Commonwealth;
- a \$111 million increase in the balance of the Western Australian Future Fund reflecting appropriation of 1% of forecast annual royalty revenue for 2019-20 (\$64 million) and interest earnings on the balance of the Fund over the last 12 months (\$47 million);
- establishment of the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account, less payments totalling \$1.7 million made from the account to the Departments of Justice and Communities for implementation and administration costs;
- a net decrease in the Royalties for Regions Fund (down \$84 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 Fiona Stanley Construction Hospital Account (down \$39 million), reflecting the return of unspent funds to the Consolidated Account and closure of this SPA; and

- an increase in the balance of agency accounts that hold cash for the cost of an extra pay period which falls due every 11 years (up \$44 million).

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

TREASURER'S SPECIAL PURPOSE ACCOUNTS
At 30 September

Table 3.3

	2019 \$m	2018 \$m	Variance \$m
Agency Holding Accounts	13,477	12,212	1,265
Royalties for Regions Fund	910	994	-84
Western Australian Future Fund	1,391	1,279	111
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	151	-	151
Commonwealth Grants for Specific Purposes	3	185	-182
Perth Children's Hospital Account	13	13	-
Perth Stadium Account	12	11	1
Fiona Stanley Hospital Construction Account	-	39	-39
Agency 27th Pay Accounts	133	90	44
Other Special Purpose Accounts	65	68	-3
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER	16,155	14,891	1,264

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

Treasurer's Advance

The Treasurer's Advance allows for repayable advances to agencies for working capital purposes (known as 'net recoverable advances'), a short-term advance for any overdrawn agency SPAs, 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 \$658.4 million is authorised under section 29 of the FMA for the year ended 30 June 2020, compared with a total of \$652.2 million authorised limit applying in 2018-19.

TREASURER'S ADVANCE AT 30 SEPTEMBER			
	2019	2018	Variance
	\$m	\$m	\$m
AUTHORISED LIMIT	658.4	652.2	6.2
<i>Total Drawn Against Treasurer's Advance Account</i>	17.1	30.4	-13.2
Comprising:			
Net recoverable advances as at 30 June (see below)	17.1	30.4	-13.2
Overdraw n Special Purpose Accounts	-	-	-
Excesses and New Items			
- recurrent	-	-	-
- capital	-	-	-
NET RECOVERABLE ADVANCES			
Mines Safety	8.0	18.0	-10.0
Petroleum and Geothermal Energy Safety	2.0	2.0	-
Mining Rehabilitation Fund	-	5.3	-5.3
Sport and Recreation	1.1	1.1	-
Western Australian Energy Disputes Arbitrator	-	0.1	-0.1
Suitors Fund	2.5	2.5	-
Sundry Debtors	3.5	1.3	2.2
TOTAL RECOVERABLE TREASURER'S ADVANCES	17.1	30.4	-13.2

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

Transfers, Excesses and New Items

There were no transfers of appropriation between agencies, or excesses or new items impacting appropriations in the September 2019 quarter.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* (FMA) or by a statute (e.g. the Royalties for Regions Fund). Accounts established by statute are governed by the relevant provisions of the legislation, while accounts that are established administratively are governed by a statement that outlines the purpose of the account.

This appendix details balances at 30 September 2019 for a number of key SPAs. It is not an exhaustive list of all SPAs but covers the major/material SPAs in existence at 30 September 2019. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

Debt Reduction Account

The Debt Reduction Account was established in 2017-18 to apply windfall funds to the repayment of State borrowings held against the Consolidated Account. In the quarter ended 30 September 2019, receipts (and payments) totalled \$350 million, sourced from Western Australia's GST top-up payments for 2019-20. Further repayments (sourced from GST top-up payments and the repayment of surplus funds returned to the Consolidated Account by RiskCover) are scheduled to occur later in the financial year as debt matures.

DEBT REDUCTION ACCOUNT
At 30 September

Table 4.1

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	-	-
Receipts	350	-
Payments	350	-
Closing Balance	-	-

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in 2017-18 to support the planning and construction of METRONET transport infrastructure projects.

Receipts for the first quarter ending 30 September 2019 reflect capital appropriation of \$32.6 million for METRONET projects and an operating subsidy of \$0.5 million for the METRONET Office. Payments of \$12.2 million were for transport infrastructure planning and delivery, and \$0.2 million for the METRONET Offices operating expenses.

Table 4.2

METRONET ACCOUNT At 30 September

	2019	2018
	\$m	\$m
<i>Balance at 1 July ^(a)</i>	275	10
Receipts	33	10
Payments	12	6
Closing Balance	295	14

(a) The closing balance of \$275 million at 30 June 2019 (opening balance at 1 July) has been restated from the \$276 million (reported in the 2018-19 *Annual Report on State Finances*). The restatement incorporates a correction to the rounding of the closing balance, which revises the closing value at 30 June 2019.

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in December 2018 to hold motor vehicle licence revenue allocated to METRONET road works, including projects under development. A total of \$112 million in receipts and \$70 million in payments is forecast to flow through the account in 2019-20. No transactions occurred in the first quarter of the 2019 financial year.

Metropolitan Region Improvement Account

This account was established 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 three months to the end of September 2019 reflects MRIT collections (\$22.3 million), receipts from the Australian Taxation Office for refunds of GST on purchases (\$3 million), interest revenue (\$2.1 million), proceeds from the sale of land and buildings (\$1.7 million) and rental revenue (\$1.5 million). Payments from the account were for service delivery costs associated with the Metropolitan Region Improvement Fund (\$8.2 million) and the acquisition of land and buildings (\$1.7 million).

Table 4.3

METROPOLITAN REGION IMPROVEMENT ACCOUNT
At 30 September

	2019	2018
	\$m	\$m
<i>Balance at 1 July</i>	440	399
Receipts	31	28
Payments	10	8
Closing Balance	461	419

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 September 2019 quarter reflect levy contributions by mining operators (\$32 million) while payments (\$0.2 million) were for administration costs.

Table 4.4

MINING REHABILITATION FUND
At 30 September

	2019	2018
	\$m	\$m
<i>Balance at 1 July</i>	150	122
Receipts	32	30
Payments	- (a)	- (a)
Closing Balance	182	152

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account

This account was established in December 2018, to meet the cost of payments associated with the State's participation in the National Redress Scheme, and for civil litigation claims by victims of historical child sexual abuse.

There were no transactions during the three months to 30 September 2019.

Table 4.5

**NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF
INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT**

At 30 September

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	151	-
Receipts	-	-
Payments	-	-
Closing Balance	151	-

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.

The Hospital achieved practical completion in April 2017 and fully opened on 10 June 2018. Project closure arrangements for the hospital are expected to be finalised in 2020 to accommodate the extended defect liability period, with any remaining funds in the account to be returned to the Consolidated Account at that time.

Table 4.6

PERTH CHILDREN'S HOSPITAL ACCOUNT

At 30 September

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	13	13
Receipts	-	-
Payments	-	-
Closing Balance	13	13

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established under section 23(1) of the *Perth Parking Management Act 1999*. Money credited to the account reflects licence fees, penalties and money appropriated by the Parliament for the purposes of the Act.

Funds drawn from the account were used to support the Central Area Transit bus system, the 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.

Table 4.7

PERTH PARKING LICENSING ACCOUNT

At 30 September

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	93	54
Receipts	51	51
Payments	- ^(a)	4
Closing Balance	144	101

(a) Amount below \$500,000.

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 Optus Stadium and associated transport infrastructure. The stadium commenced operations in early 2018.

There were no payments or receipts during the three months to 30 September 2019.

Table 4.8

PERTH STADIUM ACCOUNT

At 30 September

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	11	13
Receipts	-	-
Payments	-	3
Closing Balance	11	11

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts for the September 2019 quarter reflect collections from prescribed penalties paid during the year (\$23.1 million) and interest revenue earned on the account balance (\$0.4 million).

Road safety projects funded from the Account are focused on achieving reductions in serious road trauma as part of the ‘Towards Zero Strategy’ for 2008 to 2020. The majority of funds drawn from the account during the September 2019 quarter were for initiatives to:

- reduce serious crashes at metropolitan intersections (\$1.5 million); and
- prevent death and serious injury in crashes (\$1.1 million).

Funds were also used for community education campaigns, a range of smaller road safety initiatives and support programs, and ongoing operating costs of the Road Safety Commission (worth a total of \$3.4 million).

ROAD TRAUMA TRUST ACCOUNT

At 30 September

Table 4.9

	2019	2018
	\$m	\$m
<i>Balance at 1 July</i>	61	53
Receipts	23	24
Payments	6	2
Closing Balance	78	75

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 September 2019 quarter reflect interest revenue earned on the account balance (\$3.4 million) and unused funds from associated projects returned to the Fund by agencies (\$4.9 million). A total of \$98.5 million was disbursed from the Fund to support infrastructure, business and economic development and other regional initiatives.

Table 4.10

ROYALTIES FOR REGIONS FUND At 30 September

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	8	95
Payments	98	102
Closing Balance	910	994

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. There were no transactions in the September 2019 quarter.

Table 4.11

ROYALITES FOR REGIONS REGIONAL REFORM FUND At 30 September

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	80	96
Receipts	-	-
Payments	-	-
Closing Balance	80	96

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 from the landfill levy. Funds are drawn from the Account to support programs and other initiatives related to the management, reduction, reuse, recycling, monitoring or measurement of waste.

Landfill levy receipts in July 2019 totalled \$17.9 million, out of which \$5.2 million was allocated to the account by Ministerial determination under the Act. Draw downs totalling \$3 million were for waste programs and the repayment of administration costs incurred by the Department of Water and Environmental Regulation.

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT At 30 September

Table 4.12

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	40	39
Receipts	5	5
Payments	3	2
Closing Balance	42	42

Note: Columns may not add due to rounding.

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.

Receipts of \$78 million in the 2019-20 September quarter included the Consolidated Account's annual contribution equivalent to 1% of annual forecast royalty revenue (\$63.7 million) and interest receipts (\$13.9 million).

WESTERN AUSTRALIAN FUTURE FUND At 30 September

Table 4.13

	2019 \$m	2018 \$m
<i>Balance at 1 July</i>	1,313	1,215
Receipts	78	64
Payments	-	-
Closing Balance	1,391	1,279

Note: Columns may not add due to rounding.

General Government Salaries

Introduction

Salaries represent the single largest component of general government sector expenses (42.5% for September 2019).

General government salaries totalled \$3,140 million in the first three months of 2019-20 (an increase of 3.8% compared to the same period in the prior year). This included the impact of the Government's commitment to convert casual and fixed-term contract staff to permanent employees across the sector, as well as increases under the \$1,000 wages policy and other prevailing industrial agreements, and other movements in the sector's workforce. Health, education, law and order and community services account for over 83% of the general government salaries costs in the September quarter, reflecting the significant workforce numbers in these agencies.

The following table summarises salaries outcomes for general government agencies for the three months to 30 September 2019.

Table 5.1

SALARIES COSTS
General Government Sector

	2019-20		2018-19	
	Three Months to 30 Sep \$m	Budget Estimate \$m	Three Months to 30 Sep \$m	Actual \$m
WA Health	1,175	4,715	1,134	4,608
Education	900	3,536	863	3,449
Western Australia Police Force	236	925	241	932
Justice	178	652	160	657
Communities	116	472	120	493
Fire and Emergency Services	48	191	45	191
Biodiversity Conservation and Attractions	41	184	40	181
Primary Industries and Regional Development	37	153	36	167
Mines, Industry Regulation and Safety	39	169	35	149
Transport	32	127	30	122
North Metropolitan TAFE	28	119	27	114
South Metropolitan TAFE	24	104	23	105
Finance	24	108	24	93
Water and Environmental Regulation	23	86	20	81
Local Government, Sport and Cultural Industries	22	86	20	78
Premier and Cabinet	20	82	20	81
Planning, Lands and Heritage	20	80	19	77
Western Australian Sports Centre Trust	15	54	14	55
Commissioner of Main Roads	17	58	12	58
Land Information Authority	12	49	13	48
Training and Workforce Development	11	47	11	43
Mental Health Commission	8	30	8	31
Treasury	9	40	8	33
Central Regional TAFE	8	33	8	33
North Regional TAFE	8	30	8	31
South Regional TAFE	8	33	7	36
Jobs, Tourism, Science and Innovation	9	34	8	32
Legal Aid Commission of WA	8	32	7	31
Office of the Director of Public Prosecutions	8	32	7	31
Legislative Assembly	6	23	6	22
Legislative Council	4	18	4	16
Office of the Auditor General	4	17	4	16
Corruption and Crime Commission	4	16	3	14
Chemistry Centre (WA)	3	14	3	14
Public Sector Commission	3	16	3	13
WorkCover WA	3	15	3	12
All other agencies (with annual salaries costs below \$10 million)	30	138	30	122
Total salaries	3,140	12,520	3,023	12,269

Note: Columns may not add due to rounding.

