



2013-14

Quarterly Financial Results Report

December 2013



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Quarterly Financial Results Report
Six Months Ended 31 December 2013

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the six months to 31 December 2013.

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

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

The financial statements in this report have been prepared in accordance with applicable Australian Accounting Standards including AASB 134: *Interim Financial Reporting* and AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

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

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

Information presented in this QFRR is not audited.

Statement of Responsibility

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

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the six months ended 31 December 2013 and of the balance sheets of these reporting entities at 31 December 2013. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Australian System of Government Finance Statistics Concepts, Sources and Methods 2005*.

Differences between accounting and economic aggregates are detailed in the notes as Convergence Differences, consistent with the requirements of AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.



MICHAEL BARNES
ACTING UNDER TREASURER



MAGDALENA WITTEK
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26 February 2014

Overview

Summary

The general government sector recorded an operating surplus of \$628 million for the six months to 31 December 2013. This compares to a \$239 million surplus reported for the same period in 2012-13.

- General government revenue in the first six months of 2013-14 was \$1.6 billion (or 13.0%) higher compared with the same period last year. This outcome is primarily due to higher royalty income (up \$976 million, reflecting higher iron ore prices and production levels), and higher taxation collections (up \$410 million, mainly due to higher collections of transfer duty, and land tax, partly offset by lower GST grants (down \$253 million).
- General government sector expenses grew by \$1.3 billion (or 10.1%), reflecting the impact of the Government's payroll tax rebate, higher operating subsidies to public corporations, higher salaries costs in key service delivery areas and higher operating costs across the sector.

Total public sector net worth increased by an estimated \$3.4 billion over the six months to 31 December 2013, to stand at \$116.3 billion¹. Total public sector net debt was \$20.0 billion at 31 December 2013, \$1.8 billion higher than the \$18.2 billion recorded at 30 June 2013. This is broadly in line with the \$21.9 billion net debt outcome forecast for the year ending 30 June 2014 contained in the 2013-14 mid-year review.

¹ The outcome represents an estimate and does not include end-of-year valuations of various assets and liabilities that are usually completed for annual reporting purposes.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$628 million for the six months to 31 December 2013, \$389 million higher than the \$239 million surplus reported for the same period in 2012-13.

Table 1

SUMMARY OF GENERAL GOVERNMENT FINANCES
Western Australia

	2013-14			2012-13		
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn ^(a)	Three Months to 31 Dec	Six Months to 31 Dec	Actual ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m
Net operating balance	970	628	437	168	239	249
Net worth		116,331	116,725		112,556	112,927
Increase in cash balances	-423	-1,550	-1,981	-48	-1,728	-533
<i>Memorandum items</i>						
Net lending	272	-325	-1,572	-458	-772	-1,852
Net debt		6,586	7,478		3,854	4,742
Cash surplus/-deficit	-297	-1,330	-1,684	-117	-1,434	-1,952

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

Revenue

Revenue for the six months to 31 December 2013 totalled \$14,291 million, \$1,647 million (or 13.0%) higher than the same period in 2012-13. This increase primarily reflects:

- higher royalty income (up \$976 million), mainly due to higher production volumes (as producers increase output in response to recent demand), higher prices for iron ore compared with the same period last year, an increase in the royalty rate for iron ore 'fines' (as the 2011-12 Budget measure to phase out concessional rates on 'fines' production moves to its full effect), and the impact of a lower average exchange rate;
- higher revenue from taxation (up \$410 million), largely due to:
 - higher transfer and landholder duty (up \$220 million), reflecting higher property values and increased levels of activity in the market, together with duty issued from interim assessments for a number of complex high value transactions that are now subject to earlier assessment following implementation of the Tax Administration Package announced in the 2013-14 Budget;
 - higher payroll tax collections (up \$77 million), due to solid wage growth and an increase in employment levels across the State economy;
 - higher land tax (up \$67 million), reflecting the 2013-14 Budget measure which increased the land tax rate by 12.5%, together with slightly higher aggregate land values; and
 - higher motor vehicle licence fees (up \$21 million), mainly due to growth in the number of vehicles registered and increases in vehicle licence fees for light and heavy vehicles;

- lower grants and subsidies from the Commonwealth (down \$36 million), mainly due to the combined effect of:
 - lower GST grants (down \$253 million), primarily reflecting the continued decline in the State's population share of GST (GST grants from the Commonwealth are forecast to decline by a total of \$446 million over 2013-14 relative to 2012-13);
 - higher funding for the health sector (up \$113 million), as a result of population impacts on the National Health Reform Agreement;
 - higher funding for non-government schools (up \$24 million), mainly reflecting increases in school enrolment numbers and indexation; and
 - higher capital grants (up \$94 million), including a \$32 million increase in funding for housing (primarily for the Remote Indigenous Housing program), higher transport sector funding (up \$31 million) for the Nation Building road program and increased funding for the East Kimberly Development Package (up \$27 million);
- higher revenue from public corporations (up \$125 million), due to the first time recognition of a dividend from the Insurance Commission of Western Australia (\$47 million) and the timing of declarations of final dividends for 2012-13 across the public non-financial corporations sector; and
- higher sales of goods and services (up \$118 million), due mainly to an increase in the value of services provided to local governments and other third parties by Main Roads, as well as higher demand-driven health sector fees and increases in a number of regulatory fees and levies.

Expenses

Expenses for the six months to 31 December 2013 totalled \$13,664 million, up \$1,258 million (or 10.1%) on the same period in 2012-13. This mainly reflects:

- higher current and capital transfers (up \$452 million), mainly due to:
 - the impact of a \$108 million one-off payroll tax rebate for small to medium sized businesses announced in the 2012-13 Budget;
 - operating subsidies to Synergy (up \$87 million, due to higher support for below-cost electricity tariffs), the Water Corporation (up \$81 million, following the review of operating subsidies for country services reflected in the 2013-14 Budget estimates, and subsidies for new projects such as the Mundaring, Port Headland and Karratha waste water treatment plants), and the Public Transport Authority (up \$11 million, due to higher payments to bus contractors for increased labour and fuel costs);
 - higher Royalties for Regions spending (up \$63 million) mainly for the Karratha City infrastructure project, South Hedland revitalisation, and the relocation of the Port Hedland waste water treatment plant to South Hedland;
 - the on-passing of higher non-government schools grants (up \$24 million) due to increases in school enrolment numbers and indexation, noted earlier; and

- higher funding for the Remote Indigenous Housing program (up \$34 million);
- higher salaries (up \$401 million, or 8.0%), mainly due to increases in pay rates and staff numbers across the health, education, and law and order sectors (accounting for 73% of the total increase). This rate of growth is broadly consistent with the 7.9% full-year forecast for 2013-14 reflected in the recent mid-year review (and includes around \$40 million, of the \$132 million full-year estimated cost of the Government's voluntary separation scheme announced in the 2013-14 Budget); and
- higher 'other gross operating expenses' (up \$131 million), largely due to higher health, disability and child protection spending for the not-for-profit sector (up \$91 million), mainly reflecting an increase in the number of contracts and indexation of existing contracts, higher patient support costs (up \$22 million), and higher school expenses (up \$14 million).

Balance Sheet

The net worth of the general government sector increased by \$3.4 billion (or 3.0%) in the six months to 31 December 2013, to stand at \$116.3 billion. This increase is primarily attributable to the net impact of:

- an increase in the value of equity in the public corporations sectors (up \$2.2 billion), due mainly to increases in the estimated value of physical assets, operating surpluses recorded by these sectors in the first six months of 2013-14, and capital contributions supporting infrastructure spending;
- lower investments, loans and placements assets (down \$1.7 billion), due to fluctuations in the balance of the Public Bank Account and the utilisation of liquid investments for infrastructure spending;
- an increase in holdings of general government sector land and physical assets (up \$1.4 billion), reflecting infrastructure spending and projected increases in the value of the sector's existing land holdings;
- higher receivables (up \$779 million), mainly due to higher accruals for transfer duty and land tax consistent with the higher revenue discussed above; and
- lower unfunded superannuation (down \$532 million), reflecting an increase in the discount rate used to calculate the liability (from 3.54% in June 2013 to 4.24% in December 2013)².

General government sector net debt increased by \$1.8 billion during the first six months of 2013-14, to stand at \$6.6 billion at 31 December 2013, reflecting higher borrowings and lower liquid investments used to fund the State's infrastructure spending program. This outcome is in line with the \$7.5 billion general government sector net debt forecast for the year ending 30 June 2014, reflected in the recent 2013-14 mid-year review.

² Long term government bond rates are used by the actuary in year-end valuations of unfunded superannuation liabilities. Bond rates increased in the December 2013 quarter. An increase in the bond rate means that unfunded liabilities decrease in value (and vice versa). The quarterly impact of these changes is estimated by Treasury.

Cash Flow

A cash deficit of \$1.3 billion was recorded for the six months to 31 December 2013, broadly in line with the \$1.4 billion cash shortfall for the same period in 2012-13.

Infrastructure expenditure in the general government sector totalled \$1.6 billion, which is marginally higher (up \$58 million), than the amount reported in the same period last year. The increase mainly reflects increased spending in the health sector on the Perth Children's Hospital project. This is partially offset by decreased spending on the Fiona Stanley Hospital and the Albany Regional Resource Centre, due to the near completion of these projects.

Total Public Sector³

Operating Statement

The total public sector recorded an operating surplus of \$917 million for the six months to 31 December 2013. This is \$671 million higher than the operating surplus recorded in the same period in 2012-13, incorporating the stronger December 2013 general government sector outcome discussed earlier, as well as stronger public corporation sector performance.

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
Western Australia

	2013-14			2012-13		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
Net operating balance	1,010	917	-170	-155	246	-208
Net worth		116,331	116,725		112,556	112,927
Increase in cash balances	-272	-1,444	-2,292	223	-2,531	-771
<i>Memorandum items</i>						
Net lending	243	-1,335	-3,248	-1,167	-1,987	-3,199
Net debt		20,005	21,880		16,109	18,188
Cash surplus/-deficit	-799	-1,936	-3,353	-913	-1,926	-3,888

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.
(b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

The total public sector operating surplus for the first six months of 2013-14 incorporates:

- the \$628 million operating surplus for the general government sector, \$389 million higher than the same period in 2012-13, discussed above;
- a \$428 million operating surplus for the public non-financial sector, \$365 million higher than the surplus recorded in the same period in 2012-13. This is primarily due to a stronger performance for the Housing Authority (driven by the timing of the receipt of dividends from Keystart (\$45 million) and increased Commonwealth funding for Remote Indigenous Housing) noted earlier, and increased operating subsidies and developer contributions received by the Water Corporation; and

³ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed in the previous section), the public non-financial corporations sector (which includes entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority), and the public financial corporations sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

- an operating surplus of \$225 million for the public financial corporations sector, \$87 million higher than the surplus recorded in the same period in 2012-13, primarily due to higher surpluses recorded by the Western Australian Treasury Corporation (reflecting the impact of lower interest rates on the Corporation's borrowings), partially offset by a deficit reported by the Insurance Commission of Western Australia (due to higher claims expenses).

Balance Sheet

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

Total public sector net debt increased by \$1.8 billion during the first six months of 2013-14, to stand at \$20.0 billion as at 31 December 2013. This is consistent with the \$21.9 billion total public sector net debt forecast for the year ending 30 June 2014, reflected in the recent 2013-14 mid-year review.

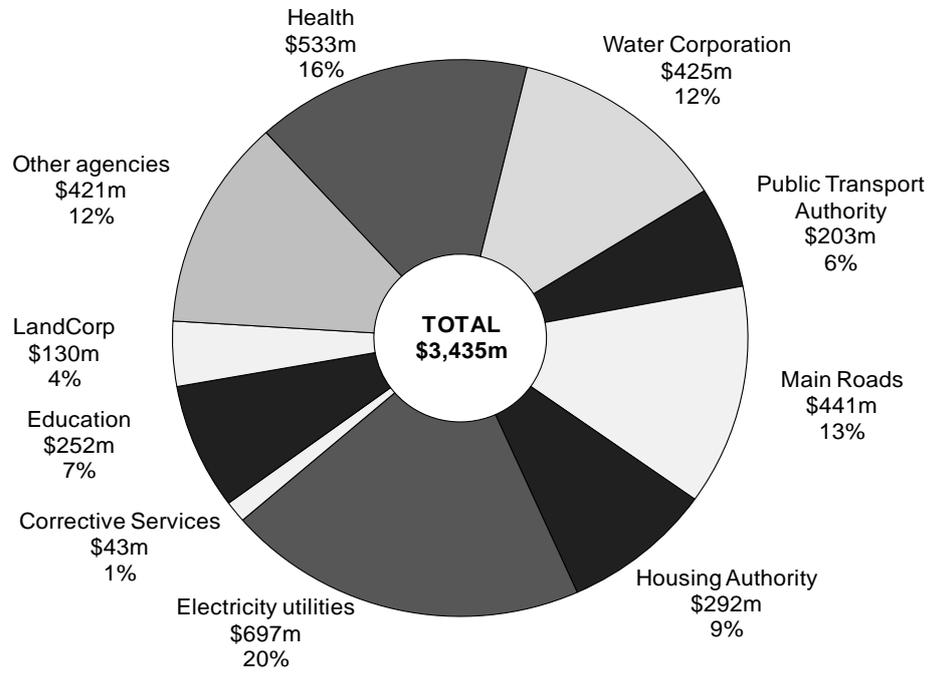
The increase in net debt supports the State's significant infrastructure investment program (which is projected to be \$7.3 billion for the full year in 2013-14).

Cash Flow

A cash deficit of \$1.9 billion was recorded for the six months to 31 December 2013, almost identical to the deficit (up \$10 million) recorded for the same period in 2012-13. Public sector infrastructure spending continues at high levels with spending on the State's Asset Investment program totalling \$3.4 billion in the six months to 31 December 2013, which is marginally higher than the same period in 2012-13. The chart below outlines the composition of the program to 31 December 2013.

Figure 1

ASSET INVESTMENT PROGRAM
Six Months to 31 December 2013



Interim Financial Statements

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Introduction

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

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

GENERAL GOVERNMENT OPERATING STATEMENT

Table 1.1

	Note	2013-14			2012-13		
		Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		2,885	4,884	9,025	2,101	4,474	8,335
Current grants and subsidies		1,995	4,068	8,062	2,090	4,198	8,316
Capital grants		234	280	724	124	186	622
Sales of goods and services		567	1,090	2,181	453	972	2,089
Interest Income		52	111	221	65	136	255
Dividends from other sectors		319	319	857	194	194	796
Tax equivalent income		129	256	546	101	173	381
Royalty income		1,553	3,052	6,089	993	2,076	4,425
Other		116	232	561	133	235	499
Total	2	7,849	14,291	28,267	6,254	12,644	25,718
EXPENSES							
Salaries		2,750	5,407	10,960	2,525	5,006	10,154
Superannuation							
Concurrent costs		266	522	1,058	240	476	965
Superannuation interest cost		92	169	350	81	146	369
Other employee costs		104	202	470	108	212	446
Depreciation and amortisation		309	582	1,289	233	490	1,108
Services and contracts		507	910	2,193	424	812	1,902
Other gross operating expenses		1,189	2,590	4,832	1,130	2,459	4,725
Other interest		114	241	504	107	216	442
Current transfers	3	1,385	2,749	5,379	1,135	2,344	4,895
Capital transfers	3	161	291	795	103	244	462
Total		6,878	13,664	27,830	6,086	12,406	25,468
NET OPERATING BALANCE	4	970	628	437	168	239	249
<i>Other economic flows</i>							
Net gains on assets/liabilities		26	32	-6	1	7	-63
Net actuarial gains - superannuation		377	508	249	332	-6	895
Provision for doubtful debts		-	-	-4	-1	-1	-28
Total other economic flows		402	539	239	332	-1	804
OPERATING RESULT		1,372	1,167	676	500	238	1,053
<i>All other movements in equity</i>							
Revaluations		11	606	1,725	134	395	-424
Gains recognised directly in equity		-1	-4	-1	-	-5	-4
Changes in accounting policy/correction of prior period errors		-148	-164	-	92	-31	-72
Change in net worth of the public corporations sectors		-145	1,799	1,398	-16	484	898
Total all other movements in equity		-284	2,237	3,122	210	843	398
TOTAL CHANGE IN NET WORTH		1,089	3,404	3,798	710	1,080	1,452
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	970	628	437	168	239	249
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,012	1,576	3,313	827	1,518	3,195
Changes in inventories		1	9	-5	6	11	14
Other movement in non-financial assets		29	81	208	44	44	167
<i>less:</i>							
Sales of non-financial assets		34	133	219	18	72	166
Depreciation		309	582	1,289	233	490	1,108
Total net acquisition of non-financial assets		699	952	2,008	627	1,011	2,102
NET LENDING/-BORROWING	4	272	-325	-1,572	-458	-772	-1,852

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

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

GENERAL GOVERNMENT BALANCE SHEET

Table 1.2

	Note	For the period ending			
		31 Dec	30 June	31 Dec	30 June
		2013	2014 ^(a)	2012	2013 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		816	594	612	688
Advances paid		667	663	676	665
Investments, loans and placements	5	4,024	3,734	4,601	5,722
Receivables	6	3,649	3,218	2,746	2,870
Investment property		8	8	8	8
Shares and other equity					
Investments in other public sector entities - equity method		46,086	45,685	43,873	44,287
Investments in other public sector entities - direct injections		6,529	6,544	5,833	6,156
Investments in other entities		-	11	10	8
Other financial assets		-	-	-	-
Total financial assets		61,778	60,456	58,359	60,403
<i>Non-financial assets</i>					
Land		36,824	36,926	37,892	36,222
Property, plant and equipment		41,640	44,284	38,914	40,850
Biological assets		2	2	2	2
Inventories					
Land inventories		84	70	83	84
Other inventories		87	72	74	77
Intangibles		546	528	494	554
Non-current assets held for sale		31	2	77	39
Other		322	198	276	208
Total non-financial assets		79,535	82,082	77,813	78,037
TOTAL ASSETS		141,313	142,538	136,173	138,440
LIABILITIES					
Deposits held		385	303	465	362
Advances received		439	424	454	439
Borrowings	7	11,357	11,829	8,912	11,104
Unfunded superannuation		7,468	7,625	8,901	8,000
Other employee benefits		3,151	3,172	2,871	3,043
Payables		623	857	472	884
Other liabilities		1,559	1,603	1,541	1,682
TOTAL LIABILITIES		24,982	25,813	23,617	25,513
NET ASSETS		116,331	116,725	112,556	112,927
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		11,584	11,822	9,730	10,579
Other reserves		104,747	104,902	102,826	102,348
NET WORTH	4	116,331	116,725	112,556	112,927
MEMORANDUM ITEMS					
<i>Net financial worth</i>		36,796	34,643	34,742	34,890
<i>Net financial liabilities</i>		15,819	17,586	14,964	15,552
<i>Net debt</i>					
Gross debt liabilities		12,181	12,556	9,831	11,905
less: liquid financial assets		5,506	4,991	5,889	7,075
less: convergence differences impacting net debt		88	88	88	88
Net debt		6,586	7,478	3,854	4,742

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

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

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2013

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2013</i>	10,579	102,348	112,927
Net Operating Balance	628	-	628
Revaluations	-	606	606
Change in net worth of the other sectors	-	1,799	1,799
All other	377	-6	371
Balance as at 31 December 2013	11,584	104,747	116,331

For the six months ended 31 December 2012

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2012</i>	9,547	101,928	111,475
Net Operating Balance	239	-	239
Revaluations	-	395	395
Change in net worth of the other sectors	-	484	484
All other	-56	19	-37
Balance as at 31 December 2012	9,730	102,826	112,556

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

GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 1.4

	Note	2013-14			2012-13		Actual ^(b) \$m
		Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		2,382	4,332	9,032	2,299	4,116	8,156
Grants and subsidies received		2,240	4,186	8,761	2,231	4,233	8,934
Receipts from sales of goods and services		559	1,248	2,210	499	1,003	2,120
Interest receipts		46	102	212	61	131	249
Dividends and tax equivalents		430	507	1,289	371	450	1,215
Other		1,975	3,753	7,426	1,469	3,005	6,068
<i>Total cash received</i>		7,631	14,129	28,929	6,931	12,938	26,742
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-2,869	-5,993	-12,372	-2,630	-5,567	-11,304
Payments for goods and services		-1,891	-4,166	-7,604	-1,831	-4,001	-7,336
Interest paid		-117	-224	-509	-103	-207	-439
Grants and subsidies paid		-1,641	-2,783	-5,798	-1,314	-2,386	-5,144
Other		-433	-849	-1,236	-361	-765	-1,441
<i>Total cash paid</i>		-6,951	-14,015	-27,520	-6,239	-12,925	-25,664
NET CASH FLOWS FROM OPERATING ACTIVITIES		681	114	1,410	692	13	1,077
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,012	-1,576	-3,313	-827	-1,518	-3,195
Sales of non-financial assets		34	133	219	18	72	166
<i>Total cash flows from investments in non-financial assets</i>		-978	-1,444	-3,094	-810	-1,446	-3,029
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		4	9	-	4	5	7
For liquidity purposes		-	-	-	-	-	1
<i>Cash paid</i>							
For policy purposes		-154	-339	-664	-148	-301	-619
For liquidity purposes		-1	-1	-	-	-	-18
<i>Total cash flows from investments in financial assets</i>		-151	-331	-663	-144	-295	-629
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,129	-1,775	-3,757	-953	-1,741	-3,657
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	15	-	-	15
Borrowings		69	188	560	231	245	2,425
Deposits received		-	-	-	-	-	-
Other financing receipts		10	17	46	7	21	35
<i>Total cash received</i>		80	206	621	238	265	2,475
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-15
Borrowings repaid		-18	-35	-121	-8	-222	-322
Deposits paid		-	-	-	-	-	-
Other financing payments		-36	-60	-118	-17	-42	-91
<i>Total cash paid</i>		-54	-95	-255	-25	-265	-428
NET CASH FLOWS FROM FINANCING ACTIVITIES		26	110	366	213	-	2,047
Net increase in cash and cash equivalents		-423	-1,550	-1,981	-48	-1,728	-533
Cash and cash equivalents at the beginning of the year		5,135	6,263	6,263	5,117	6,796	6,796
Cash and cash equivalents at the end of the year		4,713	4,713	4,282	5,068	5,068	6,263
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		681	114	1,410	692	13	1,077
Net cash flows from investing in non-financial assets		-978	-1,444	-3,094	-810	-1,446	-3,029
Cash surplus/-deficit	4	-297	-1,330	-1,684	-117	-1,434	-1,952

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013

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

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

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

	Note	2013-14			2012-13		Actual ^(b) \$m
		Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
<i>Results from Transactions</i>							
REVENUE							
Taxation		2,749	4,664	8,584	1,981	4,270	7,894
Current grants and subsidies		1,995	4,068	8,062	2,090	4,198	8,316
Capital grants		234	280	724	124	186	622
Sales of goods and services		4,542	8,842	20,271	4,079	8,355	17,955
Interest Income		148	310	761	169	350	687
Royalty income		1,553	3,052	6,089	993	2,076	4,425
Other		228	500	1,006	235	421	896
Total	2	11,451	21,716	45,497	9,670	19,856	40,794
EXPENSES							
Salaries		3,086	6,049	12,154	2,819	5,594	11,307
Superannuation							
Concurrent costs		299	584	1,173	268	531	1,071
Superannuation interest cost		92	169	350	81	146	369
Other employee costs		73	135	271	74	144	315
Depreciation and amortisation		759	1,523	3,313	689	1,405	3,024
Services and contracts		765	1,394	3,033	668	1,246	2,782
Other gross operating expenses		4,045	8,047	19,276	3,806	7,688	16,487
Other interest		354	718	1,693	467	843	1,588
Current transfers	3	883	1,961	3,644	860	1,809	3,631
Capital transfers	3	84	219	761	91	203	428
Total		10,440	20,800	45,667	9,825	19,610	41,003
NET OPERATING BALANCE	4	1,010	917	-170	-155	246	-208
<i>Other economic flows</i>							
Gains on net assets		107	219	155	286	315	315
Net actuarial gains - superannuation		382	515	249	337	-7	881
Provision for doubtful debts		-6	-5	-22	-1	-7	-106
Total other economic flows		483	728	382	622	302	1,089
OPERATING RESULT		1,494	1,645	212	467	548	881
<i>All other movements in equity</i>							
Revaluations		-248	1,349	3,634	188	169	149
Gains recognised directly in equity		-2	710	-48	-59	461	556
Changes in accounting policy/correction of prior period errors		-155	-300	-	114	-98	-135
Total all other movements in equity		-405	1,759	3,586	243	533	571
TOTAL CHANGE IN NET WORTH		1,089	3,404	3,798	710	1,080	1,452
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	1,010	917	-170	-155	246	-208
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,990	3,435	7,326	1,853	3,404	7,355
Changes in inventories		-529	431	97	-70	510	-654
Other movement in non-financial assets		322	400	318	93	85	215
<i>less:</i>							
Sales of non-financial assets		256	492	1,350	175	362	902
Depreciation		759	1,523	3,313	689	1,405	3,024
Total net acquisition of non-financial assets		768	2,252	3,078	1,013	2,233	2,991
NET LENDING/-BORROWING	4	243	-1,335	-3,248	-1,167	-1,987	-3,199

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

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

TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

	Note	For the period ending			
		31 Dec 2013 \$m	30 June 2014 ^(a) \$m	31 Dec 2012 \$m	30 June 2013 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,903	1,277	1,612	1,598
Advances paid		3,693	4,646	3,489	3,552
Investments, loans and placements	5	13,431	14,683	13,838	16,896
Receivables	6	4,797	4,525	4,241	4,286
Investment property		568	603	543	571
Equity - investments in other entities		1,546	1,479	1,269	1,386
Other financial assets		16	24	13	24
<i>Total financial assets</i>		<i>25,954</i>	<i>27,238</i>	<i>25,004</i>	<i>28,314</i>
<i>Non-financial assets</i>					
Land		52,193	52,073	52,340	50,653
Property, plant and equipment		91,112	94,357	85,565	89,100
Biological assets		325	321	335	324
Inventories					
Land inventories		2,039	2,111	1,912	2,028
Other inventories		3,220	2,886	3,953	2,789
Intangibles		1,143	1,100	985	1,118
Non-current assets held for sale		57	33	107	70
Other		571	525	441	509
<i>Total non-financial assets</i>		<i>150,661</i>	<i>153,406</i>	<i>145,639</i>	<i>146,590</i>
TOTAL ASSETS		176,614	180,643	170,542	174,904
LIABILITIES					
Deposits held		179	175	186	144
Advances received		439	424	454	439
Borrowings	7	38,503	41,975	34,496	39,740
Unfunded superannuation		7,591	7,723	9,047	8,143
Other employee benefits		3,563	3,605	3,265	3,465
Payables		4,179	4,348	5,503	4,486
Other liabilities		5,829	5,668	5,137	5,560
TOTAL LIABILITIES		60,283	63,919	58,087	61,977
NET ASSETS		116,331	116,725	112,556	112,927
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		32,862	31,582	30,483	30,855
Other reserves		83,469	85,143	82,073	82,072
NET WORTH	4	116,331	116,725	112,556	112,927
MEMORANDUM ITEMS					
<i>Net financial worth</i>		<i>-34,329</i>	<i>-36,681</i>	<i>-33,083</i>	<i>-33,663</i>
<i>Net financial liabilities</i>		<i>35,875</i>	<i>38,160</i>	<i>34,352</i>	<i>35,049</i>
<i>Net debt</i>					
Gross debt liabilities		39,121	42,574	35,135	40,323
less: liquid financial assets		19,028	20,606	18,939	22,046
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		<i>20,005</i>	<i>21,880</i>	<i>16,109</i>	<i>18,188</i>

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

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

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2013

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2013</i>	30,855	82,072	112,927
Net Operating Balance	917	-	917
Revaluations	-	1,349	1,349
All other	1,091	48	1,138
Balance as at 31 December 2013	32,862	83,469	116,331

For the six months ended 31 December 2012

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2012</i>	29,629	81,846	111,475
Net Operating Balance	246	-	246
Revaluations	-	169	169
All other	608	57	665
Balance as at 31 December 2012	30,483	82,073	112,556

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

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2013-14			2012-13			
	Note	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		2,272	4,155	8,533	2,204	3,971	7,678
Grants and subsidies received		2,240	4,186	8,761	2,231	4,233	8,934
Receipts from sales of goods and services		4,627	9,203	20,188	3,833	8,547	18,205
Interest receipts		182	364	790	194	430	811
Other receipts		2,333	4,588	8,533	1,844	3,774	7,594
<i>Total cash received</i>		11,654	22,495	46,806	10,307	20,955	43,223
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,253	-6,722	-13,741	-2,948	-6,222	-12,538
Payments for goods and services		-5,027	-9,778	-20,524	-4,157	-8,840	-18,339
Interest paid		-401	-774	-1,668	-553	-914	-1,687
Grants and subsidies paid		-929	-1,902	-3,830	-895	-1,754	-3,770
Other payments		-1,111	-2,313	-4,420	-991	-2,109	-4,324
<i>Total cash paid</i>		-10,721	-21,488	-44,183	-9,543	-19,839	-40,658
NET CASH FLOWS FROM OPERATING ACTIVITIES		934	1,008	2,623	764	1,116	2,565
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,990	-3,435	-7,326	-1,853	-3,404	-7,355
Sales of non-financial assets		256	492	1,350	175	362	902
<i>Total cash flows from investments in non-financial assets</i>		-1,733	-2,943	-5,976	-1,677	-3,043	-6,453
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		4	9	-	4	5	12
For liquidity purposes		1,578	3,302	1,372	1,611	3,984	7,236
<i>Cash paid</i>							
For policy purposes		-4	-9	-	-4	-6	-12
For liquidity purposes		-1,392	-3,261	-2,579	-1,216	-3,017	-6,401
<i>Total cash flows from investments in financial assets</i>		186	41	-1,207	395	966	835
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,548	-2,902	-7,183	-1,282	-2,076	-5,618
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	-	-	-	-
Borrowings		4,816	10,307	25,595	6,745	13,897	31,930
Deposits received		-	-	-	-	-	-
Other financing receipts		15	22	307	12	25	30
<i>Total cash received</i>		4,831	10,329	25,902	6,757	13,922	31,960
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-15
Borrowings repaid		-4,478	-9,841	-23,537	-5,992	-15,439	-29,576
Deposits paid		-	-	-	-	-	-
Other financing payments		-11	-38	-82	-24	-54	-87
<i>Total cash paid</i>		-4,489	-9,879	-23,633	-6,016	-15,493	-29,678
NET CASH FLOWS FROM FINANCING ACTIVITIES		341	450	2,268	741	-1,571	2,282
Net increase in cash and cash equivalents		-272	-1,444	-2,292	223	-2,531	-771
Cash and cash equivalents at the beginning of the year		10,038	11,210	11,210	9,227	11,981	11,981
Cash and cash equivalents at the end of the year		9,765	9,765	8,917	9,450	9,450	11,210
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		934	1,008	2,623	764	1,116	2,565
Net cash flows from investing in non-financial assets		-1,733	-2,943	-5,976	-1,677	-3,043	-6,453
Cash surplus/-deficit	4	-799	-1,936	-3,353	-913	-1,926	-3,888

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

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

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

(b) The Reporting Entity

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

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

(c) Basis of Preparation

The financial statements for the six months ended 31 December 2013 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2013, presented in Appendix 1 of the *2012-13 Annual Report on State Finances (ARSF)* released on 25 September 2013. The accounting policies adopted in this publication are consistent with those outlined in the ARSF, (see Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2012-13 ARSF).

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, columns/rows may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

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

NOTE 3: TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include grants, subsidies, donations, transfers of assets free of charge, etc. The following tables provide detail of current and capital transfer expenses of the general government sector and total public sector.

TRANSFER EXPENSES^(a)
General Government

	2013-14			2012-13		
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn ^(b)	Three Months to 31 Dec	Six Months to 31 Dec	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local Government	60	124	308	51	125	322
Local Government on-passing	21	127	170	19	119	158
Private and Not-for-profit sector	381	877	1,549	372	777	1,590
Private and Not-for-profit sector on-passing	258	470	897	246	446	873
Other sectors of Government	666	1,152	2,455	446	877	1,952
Total Current Transfers	1,385	2,749	5,379	1,135	2,344	4,895
<i>CAPITAL TRANSFERS</i>						
Local Government	15	26	284	22	33	65
Local Government on-passing	13	80	107	12	77	101
Private and Not-for-profit sector	31	68	145	37	68	155
Private and Not-for-profit sector on-passing	10	14	29	5	8	25
Other sectors of Government	92	102	230	27	59	116
Total Capital Transfers	161	291	795	103	244	462

Total Public Sector

	2013-14			2012-13		
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn ^(b)	Three Months to 31 Dec	Six Months to 31 Dec	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local Government	60	124	308	51	125	322
Local Government on-passing	21	127	170	19	119	158
Private and Not-for-profit sector	542	1,234	2,257	544	1,113	2,260
Private and Not-for-profit sector on-passing	258	470	897	246	446	873
Other sectors of Government	3	6	13	-	6	17
Total Current Transfers	883	1,961	3,644	860	1,809	3,631
<i>CAPITAL TRANSFERS</i>						
Local Government	15	26	285	20	33	65
Local Government on-passing	13	80	107	12	77	101
Private and Not-for-profit sector	46	98	339	55	86	237
Private and Not-for-profit sector on-passing	10	14	29	5	8	25
Other sectors of Government	-	-	1	-	-	-
Total Capital Transfers	84	219	761	91	203	428

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

(b) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises 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 December 2013 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Operating Balance

	2013-14			2012-13		Actual \$m
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
<i>General government</i>						
AASB1049 net operating balance	970	628	437	168	239	249
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	-	-
GFS net operating balance	970	628	437	168	239	249
<i>Total public sector</i>						
AASB1049 net operating balance	1,010	917	-170	-155	246	-208
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Capitalised interest	13	19	46	5	13	27
Total GFS expense adjustments	13	19	46	5	13	27
Total GFS adjustments to AASB 1049 net operating balance	-13	-19	-46	-5	-13	-27
GFS net operating balance	997	898	-216	-160	233	-235

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/-Borrowing

	2013-14			2012-13		Actual \$m
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
<i>General government</i>						
AASB1049 net lending/-borrowing	272	-325	-1,572	-458	-772	-1,852
Plus Net operating balance convergence differences	-	-	-	-	-	-
GFS net lending/-borrowing	272	-325	-1,572	-458	-772	-1,852
<i>Total public sector</i>						
AASB1049 net lending/-borrowing	243	-1,335	-3,248	-1,167	-1,987	-3,199
Plus Net operating balance convergence differences	-13	-19	-46	-5	-13	-27
GFS net lending/-borrowing	229	-1,354	-3,294	-1,173	-2,000	-3,226

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Net Worth

	For the period ending			
	31 Dec 2013 \$m	30 June 2014 \$m	31 Dec 2012 \$m	30 June 2013 \$m
<i>General government</i>				
AASB1049 net worth	116,331	116,725	112,556	112,927
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	203	207	202	208
Impact on public corporations net worth	36	97	24	97
<i>Total GFS net worth adjustments</i>	326	392	314	393
GFS net worth	116,657	117,117	112,870	113,320
<i>Total public sector</i>				
AASB1049 net worth	116,331	116,725	112,556	112,927
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	238	304	226	305
<i>Total GFS net worth adjustments</i>	326	392	314	393
GFS net worth	116,657	117,117	112,870	113,320

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Cash Surplus/-Deficit

	2013-14			2012-13		Actual \$m
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
<i>General government</i>						
AASB1049 cash surplus/-deficit	-297	-1,330	-1,684	-117	-1,434	-1,952
Less Acquisitions under finance leases and similar arrangements	29	80	270	28	28	104
GFS cash surplus/-deficit	-326	-1,410	-1,954	-146	-1,462	-2,056
<i>Total public sector</i>						
AASB1049 cash surplus/-deficit	-799	-1,936	-3,353	-913	-1,926	-3,888
Less Acquisitions under finance leases and similar arrangements	296	347	535	28	28	104
GFS cash surplus/-deficit	-1,095	-2,282	-3,888	-942	-1,955	-3,992

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2013-14		2012-13	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
<i>Investments</i>				
Term deposits	3,963	3,719	4,585	5,707
Government securities	6	6	7	6
Total	3,970	3,725	4,592	5,713
<i>Loans and advances</i>				
Loans	8	8	8	8
Financial Assets held for trading/available for sale	46	1	1	1
Total	54	9	9	9
Total	4,024	3,734	4,601	5,722

Total Public Sector

	2013-14		2012-13	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
<i>Investments</i>				
Term deposits	10,821	10,488	10,745	12,357
Government securities	274	405	171	405
Total	11,095	10,892	10,916	12,761
<i>Loans and advances</i>				
Loans	2,072	3,475	2,540	3,820
Financial Assets held for trading/available for sale	265	316	381	315
Total	2,336	3,791	2,921	4,135
Total	13,431	14,683	13,838	16,896

NOTE 6: RECEIVABLES

General Government

	2013-14		2012-13	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Accounts Receivable	3,851	3,425	2,948	3,078
Provision for impairment of receivables	-203	-207	-202	-208
Total	3,649	3,218	2,746	2,870

Total Public Sector

	2013-14		2012-13	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Accounts Receivable	5,035	4,829	4,467	4,591
Provision for impairment of receivables	-238	-304	-226	-305
Total	4,797	4,525	4,241	4,286

NOTE 7: BORROWINGS

General Government

	2013-14		2012-13	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Bank overdrafts	189	-	44	-
Finance leases	498	685	342	422
Borrowings	10,670	11,145	8,526	10,682
Total	11,357	11,829	8,912	11,104

Total Public Sector

	2013-14		2012-13	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Bank overdrafts	193	-	46	3
Finance leases	1,430	1,602	1,026	1,097
Borrowings	36,880	40,373	33,424	38,639
Total	38,503	41,975	34,496	39,740

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

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

- with effect from 1 July 2013, the Department of Regional Development of Lands was disaggregated to become the Department of Regional Development and the Department of Lands;
 - with effect from 1 July 2013, the Department of Environment and Conservation was disaggregated to become the Department of Environmental Regulation and the Department of Parks and Wildlife; and
 - with effect from 1 July 2013, the Department of Local Government was abolished and its functions transferred to Department of Communities, which was renamed the Department of Local Government and Communities.
-

NOTE 9: CONTINGENT LIABILITIES

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

Operating Revenue

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

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

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These internal collections are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the general government taxation revenue aggregate.

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2013-14			2012-13		Actual ^(P)
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn ^(P)	Three Months to 31 Dec	Six Months to 31 Dec	
	\$m	\$m	\$m	\$m	\$m	\$m
TAXATION						
<i>Payroll tax</i>	907	1,865	3,730	870	1,788	3,476
Property taxes						
<i>Land tax</i>	624	625	662	171	558	568
Transfer Duty	515	919	1,799	394	725	1,654
Landholder Duty	120	139	248	13	113	216
<i>Total duty on transfers</i>	635	1,058	2,047	406	838	1,870
Other stamp duties	-	-	-	5	5	5
Metropolitan Region Improvement Tax	87	87	89	46	85	85
Emergency Services Levy	80	167	256	62	153	237
Loan guarantee fees	35	51	119	32	40	104
<i>Total other property taxes</i>	202	305	464	145	283	431
Taxes on provision of goods and services						
Lotteries Commission	37	74	147	46	81	151
Video lottery terminals	-	-	1	-	-	-
Casino Tax	32	63	118	32	60	112
Betting tax	11	22	42	11	21	41
<i>Total taxes on gambling</i>	80	159	308	89	163	304
Insurance Duty	153	302	593	143	286	555
Other	5	11	23	6	11	22
<i>Total taxes on insurance</i>	158	313	616	148	297	576
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	94	190	416	100	201	404
Permits - Oversize Vehicles and Loads	1	4	8	1	1	8
Motor Vehicle recording fee	13	25	49	12	23	48
Motor Vehicle registrations	170	341	725	158	320	650
<i>Total motor vehicle taxes</i>	278	560	1,198	270	546	1,109
Total Taxation	2,885	4,884	9,025	2,101	4,474	8,335

GENERAL GOVERNMENT
Operating Revenue

Table 2.1 (cont.)

	2013-14			2012-13		Actual ^(b)
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn ^(a)	Three Months to 31 Dec	Six Months to 31 Dec	
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	639	1,255	2,489	809	1,508	2,935
North West Shelf grants	256	563	1,091	257	545	1,031
Compensation for Commonwealth crude oil excise arrangements	18	36	60	18	32	63
<i>Grants through the State</i>						
Schools assistance – non-government schools	258	470	897	246	446	873
Local government financial assistance grants	21	127	170	19	119	158
Local government roads	13	80	107	12	77	101
<i>National Health Reform</i>	384	768	1,535	327	655	1,398
<i>National Specific Purpose Payment Agreement Grants</i>						
Schools	116	228	457	100	202	406
Skills and Workforce Development	38	96	151	37	73	146
Disability Services	37	73	146	32	63	127
Affordable Housing	37	72	139	34	68	135
<i>Other Grants/National Partnerships</i>						
Health	100	188	407	88	170	474
Housing	-	1	15	-	-	6
Transport	5	6	76	10	42	69
Other	75	108	323	100	197	394
Total Current Grants and Subsidies	1,995	4,068	8,062	2,090	4,198	8,316
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	10	14	29	5	8	25
<i>National Partnerships/Other Grants</i>						
Housing	93	93	200	32	61	93
Transport	102	143	408	82	112	445
Other	29	29	88	4	5	59
Total Capital Grants	234	280	724	124	186	622
SALES OF GOODS AND SERVICES	567	1,090	2,181	453	972	2,089
INTEREST INCOME	52	111	221	65	136	255
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	319	319	857	194	194	796
Tax Equivalent Regime	129	256	546	101	173	381
Total Revenue from Public Corporations	448	575	1,403	295	367	1,177
ROYALTY INCOME	1,553	3,052	6,089	993	2,076	4,425
OTHER						
Lease Rentals	25	51	84	24	47	91
Fines	33	69	169	39	80	157
Revenue not elsewhere counted	57	111	308	70	108	252
Total Other	116	232	561	133	235	499
GRAND TOTAL	7,849	14,291	28,267	6,254	12,644	25,718

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2013-14			2012-13		Actual ^(b) \$m
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	883	1,818	3,647	851	1,750	3,390
Property taxes						
<i>Land tax</i>	595	596	614	158	533	511
Transfer Duty	515	919	1,799	394	725	1,654
Landholder Duty	120	139	248	13	113	216
<i>Total duty on transfers</i>	635	1,058	2,047	406	838	1,870
Other stamp duties	-	-	-	5	5	5
Metropolitan Region Improvement Tax	87	87	89	46	85	85
Emergency Services Levy	80	167	252	62	153	233
Loan guarantee fees	1	1	4	1	1	3
<i>Total other property taxes</i>	168	256	344	114	245	326
Taxes on provision of goods and services						
Video lottery terminals	-	-	1	-	-	-
Casino Tax	32	63	118	32	60	112
<i>Total taxes on gambling</i>	32	63	119	32	61	112
Insurance Duty	153	302	593	143	286	555
Other	5	11	23	6	11	22
<i>Total taxes on insurance</i>	158	313	616	148	297	576
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	94	190	416	100	201	404
Permits - Oversize Vehicles and Loads	1	4	8	1	1	8
Motor Vehicle recording fee	13	25	49	12	23	48
Motor Vehicle registrations	170	341	725	158	320	650
<i>Total motor vehicle taxes</i>	278	560	1,198	270	546	1,109
Total Taxation	2,749	4,664	8,584	1,981	4,270	7,894

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2013-14			2012-13		Actual ^(b) \$m
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	639	1,255	2,489	809	1,508	2,935
North West Shelf grants	256	563	1,091	257	545	1,031
Compensation for Commonwealth crude oil excise arrangements	18	36	60	18	32	63
<i>Grants through the State</i>						
Schools assistance – non-government schools	258	470	897	246	446	873
Local government financial assistance grants	21	127	170	19	119	158
Local government roads	13	80	107	12	77	101
<i>National Health Reform</i>	384	768	1,535	327	655	1,398
<i>National Specific Purpose Payment Agreement Grants</i>						
Schools	116	228	457	100	202	406
Skills and Workforce Development	38	96	151	37	73	146
Disability Services	37	73	146	32	63	127
Affordable Housing	37	72	139	34	68	135
<i>Other Grants/National Partnerships</i>						
Health	100	188	407	88	170	474
Housing	-	1	15	-	-	6
Transport	5	6	76	10	42	69
Other	75	108	323	100	197	394
Total Current Grants and Subsidies	1,995	4,068	8,062	2,090	4,198	8,316
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	10	14	29	5	8	25
<i>National Partnerships/Other Grants</i>						
Housing	93	93	200	32	61	93
Transport	102	143	408	82	112	445
Other	29	29	88	4	5	59
Total Capital Grants	234	280	724	124	186	622
SALES OF GOODS AND SERVICES	4,542	8,842	20,271	4,079	8,355	17,955
INTEREST INCOME	148	310	761	169	350	687
ROYALTY INCOME	1,553	3,052	6,089	993	2,076	4,425
OTHER						
Lease Rentals	25	51	84	24	47	91
Fines	34	71	169	40	82	157
Revenue not else here counted	169	378	753	171	291	647
Total Other	228	500	1,006	235	421	896
GRAND TOTAL	11,451	21,716	45,497	9,670	19,856	40,794

(a) Consistent with the revised outcome published in the 2013-14 mid-year review, released 18 December 2013.

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

Note: Columns may not add due to rounding.

Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006* (FMA), includes those transactions and operations that are conducted through the Consolidated Account, the Treasurer's Advance Account and the Treasurer's Special Purpose Accounts.

Table 3.1 shows that the aggregate balance of the Public Ledger at 31 December 2013 decreased by \$332 million compared with 31 December 2012. This decrease largely reflects the combined impact of a \$915 million increase in the Consolidated Account deficit, and an increase of \$607 million in Treasurer's Special Purpose Accounts balances.

PUBLIC LEDGER BALANCES AT 31 DECEMBER		
	2013	2012
	\$m	\$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-9,235	-8,320
Treasurer's Special Purpose Accounts	9,483	8,876
Treasurer's Advance Account – Net Advances	-90	-66
TOTAL	158	490

(a) The balance of the Consolidated Account at 31 December 2013 includes non-cash appropriations of \$7,584 million (31 December 2012: \$6,787 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the Treasurer's Special Purpose Accounts balance.

Note: Columns may not add due to rounding.

Consolidated Account

The *Constitution Act 1889* requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity shall be credited to the Consolidated Account, and that payments out of the Account must be appropriated by Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it, and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by Parliament, with both the amount and the expressed purpose of the relevant appropriation clearly specified.

The Consolidated Account recorded an accumulated deficit of \$9,235 million at 31 December 2013. This included \$7,584 million in non-cash Holding Account balances for agencies, associated with accrual appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded an accumulated cash deficit of \$1,650 million at 31 December 2013, compared with an accumulated cash deficit of \$1,533 million at 31 December 2012. Cash balances vary significantly through the year, depending on the timing of receipts into, and payments from, the Account.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS

For the six months ended 31 December

	2013 \$m	2012 \$m
REVENUE		
<i>Operating Activities</i>		
Taxation	3,704	3,524
Commonwealth Grants	1,846	2,142
Government Enterprises	521	451
Revenue from other agencies	3,391	2,602
Other	144	136
<i>Total Operating Activities</i>	9,606	8,855
<i>Financing Activities</i>		
Repayments of Recoverable Advances	3	3
Transfers from:		
Public Bank Account Interest Earned Account	-	-
Bankwest Pension Trust	1	1
Other Receipts	4	1
Borrowings	-	-
<i>Total Financing Activities</i>	8	5
TOTAL REVENUE	9,614	8,860
EXPENDITURE		
<i>Recurrent</i>		
Authorised by Other Statutes	1,006	784
Appropriation Act (No. 1)	9,606	8,909
Recurrent Expenditure under the Treasurer's Advance	-	-
<i>Total Recurrent Expenditure</i>	10,612	9,693
<i>Investing Activities</i>		
Authorised by Other Statutes	56	32
Appropriation Act (No. 2)	1,172	1,371
Investing Expenditure under the Treasurer's Advance	-	-
<i>Total Investing Activities</i>	1,228	1,403
<i>Financing Activities</i>		
Loan repayments	-	-
Other financing	4	1
<i>Total Financing Activities</i>	4	1
TOTAL EXPENDITURE	11,844	11,097
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,230	-2,237
Consolidated Account Balance		
Opening balance at 1 July	-7,009	6,083
Closing balance at 31 December	-9,235	8,320
Of which:		
Appropriations payable	-7,584	6,787
Cash balance at 31 December	-1,650	1,533

Note: Columns may not add due to rounding.

Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPAs) consist of:

- any account established by the Treasurer as a TSPA for the purposes determined by the Treasurer;
- suspense accounts established for the purposes of section 26 of the FMA;
- any account established to hold money transferred under section 39(5) of the FMA;
- the Public Bank Account Interest Earned Account established for the purpose of holding money credited to that account under section 38(9) of the FMA pending its allocation and payment as required or permitted under the FMA or another written law;
- any account established under written law and determined by the Treasurer to be a TSPA; and
- any account established to hold other money and determined by the Treasurer to be a TSPA.

Relative to 31 December 2012, aggregate TSPA balances were \$607 million higher in December 2013, mainly reflecting:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$797 million);
- a net decrease for the New Children's Hospital Account balance (down \$292 million), reflecting draw downs for construction costs;
- 'seed capital' sourced from the Royalties for Regions Fund¹ and interest earnings on the balance of the Western Australian Future Fund (up \$283 million);
- the draw down of cash reserves set aside for construction of the now complete Fiona Stanley Hospital (down \$100 million);
- a decrease in the balance of The New Perth Stadium Account (down \$57 million), reflecting payments for project work;
- a decrease in the Royalties for Regions Fund (down \$14 million), mainly due to differences in the timing of royalty receipts paid to the account and payments for approved projects; and
- a decrease in the balances of Other Special Purpose Accounts (down \$11 million).

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

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

Table 3.3

TREASURER'S SPECIAL PURPOSE ACCOUNTS

At 31 December

	2013	2012
	\$m	\$m
Agency Holding Accounts	7,584	6,787
Fiona Stanley Hospital Construction Account	18	118
Royalties for Regions Fund	659	673
Western Australian Future Fund	581	298
New Children's Hospital Account	89	381
The New Perth Stadium Account	43	100
Other Special Purpose Accounts	509	520
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 December	9,483	8,876

Note: Columns may not add due to rounding.

Treasurer's Advance

The Treasurer's Advance allows for short-term repayable advances to agencies for working capital purposes (known as 'net recoverable advances') and the provision of supplementary appropriation funding for unforeseen and/or extraordinary events during the year (known as 'excesses and new items').

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

Of the \$595.7 million authorised limit for 2013-14, \$89.8 million was held in the form of net recoverable advances at 31 December 2013 (see Table 3.4).

Table 3.4

TREASURER'S ADVANCE AT 31 DECEMBER		
	2013	2012
	\$m	\$m
AUTHORISED LIMIT	595.7	651.5
<i>Total Drawn Against Treasurer's Advance Account</i>	89.8	65.7
Comprising:		
Net recoverable advances as at 31 December (see below)	89.8	65.7
Excesses and New Items		
- recurrent	-	-
- capital	-	0
NET RECOVERABLE ADVANCES		
Building Farm Business Grants	-	4.0
Building Management and Works	60.0	50.0
Electoral Boundaries Distribution	0.4	0.2
Local Government Elections	2.5	-
Mining Rehabilitation Fund	1.5	0.3
Sport and Recreation	1.5	1.8
Strategic Projects	20.0	5.0
Suitors Fund	1.8	1.8
Sundry Debtors	0.1	0.3
Teacher Registration Board of Western Australia	-	0.3
Transport	2.0	2.0
TOTAL RECOVERABLE TREASURER'S ADVANCES	89.8	65.7

Transfers, Excesses and New Items

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

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

Transfer of appropriation funds are for the provision of an approved service which is now delivered by an alternative agency. These transfers are authorised either under section 25 of the FMA or specific enabling legislation and have no impact on the Treasurer's Advance. In the six months ending 31 December 2013, appropriation transfers included:

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

Approved excesses and new items during the six months to 31 December 2013 were limited to the approved excess of \$7.8 million to various agencies involved in the South West Native Title Settlement. The funding is primarily to establish adequate administrative arrangements, deal with the land identification, transfer and management processes and plan and design development of the Noongar Cultural Centre.

TRANSFERS, EXCESSES AND NEW ITEMS
For the six months to 31 December

Table 3.5

	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance			Draw n against Treasurer's Advance to date \$m
			New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	233.6	-	-	2.9	236.5	-
<i>WA Health</i>						
Item 12: Delivery of Services	4,080.1	31.4	-	-	4,111.5	-
<i>Lands</i>						
Item 24: Delivery of Services	19.8	-	-	2.5	22.3	-
<i>Aboriginal Affairs</i>						
Item 31: Delivery of Services	34.3	-	-	0.2	34.5	-
<i>Treasury</i>						
Item 40: Closing the Gap	31.8	-31.8	-	-	-	-
<i>Treasury</i>						
Item 42: Decommissioning of the Office of Shared Services	2.4	-2.2	-	-	0.2	-
<i>Water</i>						
Item 70: Delivery of Services	69.1	-(b)	-	-	69.1	-
<i>Mental Health Commission</i>						
Item 72: Delivery of Services	556.1	0.4	-	-	556.5	-
<i>Attorney General</i>						
Item 75: Delivery of Services	249.0	-	-	0.8	249.8	-
<i>Office of the Director of Public Prosecutions</i>						
Item 79: Delivery of Services	29.9	0.4	-	-	30.3	-
<i>Mines and Petroleum</i>						
Item 86: Delivery of Services	76.2	-	-	0.6	76.8	-
<i>Racing, Gaming and Liquor</i>						
Item 93: Delivery of Services	4.8	0.7	-	-	5.5	-
<i>Agriculture and Food</i>						
Item 95: Delivery of Services	135.6	-	-	0.1	135.7	-
<i>Finance</i>						
Item 98: Delivery of Services	274.1	-	-	0.3	274.4	-
<i>Parks and Wildlife</i>						
Item 103: Delivery of Services	201.5	-	-	0.4	201.9	-
<i>Corrective Services</i>						
Item 114: Delivery of Services	753.6	1.1	-	-	754.7	-
Total Recurrent		-	-	7.8		-
Capital Appropriations						
<i>Treasury</i>						
Item 130: Decommissioning of the Office of Shared Services	8.9	-1.5	-	-	7.4	-
<i>Water</i>						
Item 155: Capital Appropriation	8.4	1.5	-	-	9.9	-
Total Capital		-	-	-		-
TOTAL				7.8		-

(a) Authorised under section 25 of the FMA.

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

Note: Columns and rows may not add due to rounding

Special Purpose Accounts

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

This appendix details the year to date position of a number of SPAs established to deliver key Government policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs in existence at 31 December 2013. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated projections outlined elsewhere in this report.

The SPA balances detailed in this appendix provide a funding source for particular initiatives or policy areas. It is important to note that each dollar that is spent from these SPA balances will increase net debt (and reduce the operating balance if the spending is for recurrent purposes) by the same amount. In this way, these SPA balances are no different from other funding sources, including new borrowings.

Fiona Stanley Hospital Construction Account

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

Receipts during the December quarter reflect interest revenue earned on the account balances. Funds are drawn from the account and paid to WA Health as payments for construction work fall due. The new facility achieved practical completion in December 2013. Remaining funds are to be utilised on residual minor works.

Table 4.1

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT
At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	104	309
Receipts	2	6
Payments	88	198
Closing Balance	18	118

Note: Columns may not add due to rounding.

New Children's Hospital Account

This SPA was established in October 2010 to hold money for the construction and start up of the New Children's Hospital. The hospital is expected to be completed by mid 2015 and utilise all available funds in the SPA. A total of \$645 million (or 55%) of the estimated construction costs have been funded from one-off royalty revenue and Consolidated Account surplus outcomes recorded over the period 2009-10 to 2011-12.

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

Table 4.2

NEW CHILDREN'S HOSPITAL ACCOUNT
At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	277	423
Receipts	-	70
Payments	188	112
Closing Balance	89	381

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

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

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

PERTH PARKING LICENSING ACCOUNT

Table 4.3

At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	70	56
Receipts	35	33
Payments	44	9
Closing Balance	61	80

Note: Columns may not add due to rounding.

Road Trauma Trust Account

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

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

ROAD TRAUMA TRUST ACCOUNT

Table 4.4

At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	65	43
Receipts	42	47
Payments	20	17
Closing Balance	87	73

Note: Columns may not add due to rounding.

Royalties for Regions Fund

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

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

Table 4.5

ROYALTIES FOR REGIONS FUND
At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	881	687
Receipts	377	628
Payments	599	642
Closing Balance	659	673

Note: Columns may not add due to rounding.

Royalties for Regions Southern Inland Health Initiative

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

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

Table 4.6

ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE
At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	211	226
Receipts	-	-
Payments	11	-
Closing Balance	200	226

Note: Columns may not add due to rounding.

The New Perth Stadium Account

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

Funds are drawn from the SPA as payments for construction work fall due.

THE NEW PERTH STADIUM ACCOUNT

Table 4.7

At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	95	-
Receipts	-	100
Payments	53	-
Closing Balance	43	100

Note: Columns may not add due to rounding.

Western Australian Future Fund

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

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

WESTERN AUSTRALIAN FUTURE FUND

Table 4.8

At 31 December

	2013 \$m	2012 \$m
<i>Balance at 1 July</i>	306	-
Receipts	276	-
Payments	-	-
Closing Balance	581	-

Note: Columns may not add due to rounding.

