



2013-14

Quarterly Financial Results Report

September 2013



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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)

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Quarterly Financial Results Report
Three Months Ended 30 September 2013

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 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 three months ended 30 September 2013 and of the balance sheets of these reporting entities at 30 September 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' *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*.



TIMOTHY MARNEY
UNDER TREASURER



MAGDALENA WITTEK
A/ASSISTANT DIRECTOR
FINANCIAL REPORTING

26 November 2013

Overview

Summary

The general government sector recorded an operating deficit of \$343 million for the three months to 30 September 2013, compared with a \$70 million surplus reported for the same period in 2012-13.

- General government revenue in the first three months of 2013-14 was \$52 million (or 0.8%) higher compared with the same period last year. This outcome primarily reflects the combined effect of higher royalty income (up \$417 million, mainly due to higher iron ore volumes and an increase in the royalty rate applying to iron ore 'fines' production), and lower taxation collections (down \$374 million, mainly for land tax and Metropolitan Regional Improvement Tax as a result of later issue of assessments this year).
- General government sector expenses grew by \$465 million (or 7.4%), largely reflecting higher salaries costs across education, health, and law and order sectors, higher agency operating costs and transfer expenses (including the \$100 million payroll tax rebate for small to medium businesses).

Total public sector net worth increased by an estimated \$2.3 billion over the three months to 30 September 2013, to stand at \$115.2 billion¹. Total public sector net debt was \$19.4 billion at 30 September 2013, \$1.2 billion higher than the \$18.2 billion recorded at 30 June 2013. This level of net debt is in line with the \$21.9 billion net debt outcome forecast for the year ending 30 June 2014.

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 deficit of \$343 million for the three months to 30 September 2013. This compares with the \$70 million operating surplus reported for the same period in 2012-13. This \$413 million turnaround largely reflects timing issues, (particularly for land tax collections) and the net impact of a number of revenue and expenses changes outlined below.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	-343	386	70	249
Net worth	115,242	119,612	111,846	112,927
Increase in cash balances	-1,128	-647	-1,680	-533
<i>Memorandum items</i>				
Net lending	-597	-1,644	-314	-1,852
Net debt	6,044	7,314	3,546	4,742
Cash surplus/-deficit	-1,033	-1,538	-1,316	-1,952

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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 three months to 30 September 2013 totalled \$6,442 million, \$52 million (or 0.8%) higher than the same period in 2012-13. This increase primarily reflects the net effect of:

- higher royalty income (up \$417 million), primarily due to an increase in the royalty rate for iron ore 'fines' and higher production volumes, partially offset by a lower average exchange rate;
- lower revenue from taxation (down \$374 million), which is largely due to:
 - lower land tax and Metropolitan Regional Improvement Tax (down by a total of \$425 million), due to delayed issuing of assessment notices in the current year following changes announced in the 2013-14 Budget²;
 - lower landholder duty (down \$81 million), due to a decrease in large commercial transactions relative to the same period last year;

² The 2013-14 Budget was handed down on 8 August 2013. This is later than the usual presentation of the budget (which usually occurs in the month of May) and reflects the March 2013 timing of the State election. The budget included changes to the land tax rates which required the passage of legislative amendments, delaying the annual issue of assessments this year.

- higher transfer duty (up \$72 million), primarily due to higher property prices and higher numbers of transactions associated with an increased level of property market activity relative to the September quarter last year; and
- higher payroll tax collections (up \$40 million), as a result of an increase in wages and higher levels of employment across the State economy; and
- lower GST revenue (down \$83 million), reflecting the continued decline in the State's population share of GST.

Expenses

Expenses for the three months to 30 September 2013 totalled \$6,785 million, up \$465 million (or 7.4%) on the same period in 2012-13. This increase is a result of:

- higher salaries (up \$176 million, or 7.1%), mainly due to increases in pay rates and staff numbers across the health, education, and law and order sectors (accounting for 86% of the total increase). This rate of growth is slightly higher than the 6.8% full-year estimate for salaries growth, in part due to the timing of increases in pay rates for some employees;
- higher current and capital transfers (up \$142 million), mainly due to:
 - the impact of a \$100 million one-off payroll tax rebate for small to medium businesses announced in the 2012-13 Budget;
 - higher operating subsidies for the Water Corporation (up \$40 million, primarily due to new subsidies for the Mundaring, South Hedland and Karratha treatment plants), and to the Public Transport Authority (up \$11 million, due to higher payments to bus contractors); and
 - lower funding for remote indigenous housing (down \$25 million) due to the timing of a new agreement with the Commonwealth; and
- higher 'other gross operating expenses' (up \$72 million), which is largely due to higher health, disability and child protection spending for the not-for-profit sector (up \$37 million), higher patient support costs (up \$17 million), and higher school expenses (up \$14 million).

Balance Sheet

The net worth of the general government sector increased by \$2.3 billion (or 2.0%) in the three months to 30 September 2013, to stand at \$115.2 billion. This increase is primarily attributable to the net impact of:

- a \$2.1 billion increase in the value of equity in the public corporations sectors, due mainly to estimated increases in physical asset values and operating surpluses recorded by these sectors;
- lower cash and other liquid investments (down \$1.2 billion), reflecting the use of these assets as non-debt funding source for infrastructure spending; and

- a \$772 million increase in land and physical assets, as a result of infrastructure spending and estimated increases in the value of the general government sector's land holdings.

General government sector net debt totalled \$6.0 billion at 30 September 2013 (up \$1.3 billion), reflecting higher borrowings and lower liquid investments used to fund the State's infrastructure spending program. This outcome is consistent with the \$7.3 billion general government sector net debt forecast for the year ending 30 June 2014 reflected in the recent 2013-14 Budget.

Cash Flow

A cash deficit of \$1.0 billion was recorded for the three months to 30 September 2013, mainly reflecting the cash impact of the accrual operating deficit outlined above.

Infrastructure expenditure in the general government sector was \$126 million lower than the same period last year. This decrease is mainly due to lower spending on the Ord-East Kimberly Expansion project and health infrastructure projects, such as the Fiona Stanley Hospital and Albany Regional Resource Centre, due to the completion, or near completion, of these projects.

Total Public Sector³

Operating Statement

The total public sector recorded an operating deficit of \$94 million for the three months to 30 September 2013. This is a \$495 million turnaround on the operating surplus recorded in the same period in 2012-13, and largely reflects the general government sector outcome discussed earlier.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES				
Western Australia				
	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	-94	-57	401	-208
Net worth	115,242	119,612	111,846	112,927
Increase in cash balances	-1,172	-829	-2,754	-771
<i>Memorandum items</i>				
Net lending	-1,578	-3,200	-820	-3,199
Net debt	19,414	21,909	15,283	18,188
Cash surplus/-deficit	-1,136	-2,801	-1,013	-3,888

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 2013
 (b) Consistent with final audited data contained in the 2012-13 *Annual Report on State Finances*, released 25 September 2013.

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).

The total public sector operating deficit for the first three months of 2013-14 includes the net impact of:

- the \$343 million operating deficit for the general government sector discussed above;
- an operating surplus of \$243 million for the public financial corporations sector, \$81 million lower than the surplus recorded in the same period in 2012-13, mainly due to increases in the size and volume of claims expenses for the Insurance Commission of Western Australia; and
- a \$6 million operating surplus for the public non-financial sector, similar to the outcome recorded by the sector for the same period in 2012-13.

Balance Sheet

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

Total public sector net debt increased by \$1.2 billion during the first three months of 2013-14, to stand at \$19.4 billion at 30 September 2013. The increase in net debt supports the State's significant infrastructure investment program (which is projected to be \$7.5 billion for the full year in 2013-14). This level of net debt is in line with the \$21.9 billion forecast net debt outcome for the year ending 30 June 2014.

Cash Flow

A cash deficit of \$1.1 billion was recorded for the three months to 30 September 2013, almost identical to the \$1.0 billion deficit recorded for the same period in 2012-13.

Relative to the September quarter of 2011-12, infrastructure spending decreased by \$106 million to be \$1.4 billion in the three months to 30 September 2013. This outcome primarily reflects the impact of spending on the expansion of the Southern Seawater Desalination Plant as this project moves toward its final stages of completion, as well as lower general government infrastructure expenditure as outlined earlier.

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.

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT

	Note	2013		2012	
		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		1,999	9,177	2,373	8,335
Current grants and subsidies		2,073	8,015	2,109	8,316
Capital grants		46	709	63	622
Sales of goods and services		523	2,175	518	2,089
Interest Income		59	201	70	255
Dividends from other sectors		-	832	-	796
Tax equivalent income		127	502	73	381
Royalty income		1,499	5,824	1,082	4,425
Other		117	543	102	499
Total	2	6,442	27,978	6,390	25,718
EXPENSES					
Salaries		2,657	10,804	2,481	10,154
Superannuation					
Concurrent costs		255	1,044	235	965
Superannuation interest cost		77	352	65	369
Other employee costs		98	446	104	446
Depreciation and amortisation		273	1,225	257	1,108
Services and contracts		403	2,113	388	1,902
Other gross operating expenses		1,401	4,893	1,329	4,725
Other interest		127	506	109	442
Current transfers	3	1,364	5,382	1,210	4,895
Capital transfers	3	130	826	142	462
Total		6,785	27,592	6,320	25,468
NET OPERATING BALANCE	4	-343	386	70	249
<i>Other economic flows</i>					
Net gains on assets/liabilities		6	6	6	-63
Net actuarial gains - superannuation		131	44	-338	895
Provision for doubtful debts		1	-4	-1	-28
All other		-	-	-	-
Total other economic flows		137	46	-333	804
OPERATING RESULT		-205	433	-263	1,053
<i>All other movements in equity</i>					
Revaluations		595	2,045	261	-424
Gains recognised directly in equity		-3	-1	-5	-4
Changes in accounting policy/correction of prior period errors		-16	-	-123	-72
Change in net worth of the public corporations sectors		1,945	1,241	500	898
All other		-	-	-	-
Total all other movements in equity		2,521	3,286	633	398
TOTAL CHANGE IN NET WORTH		2,315	3,719	370	1,452
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-343	386	70	249
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		565	3,196	691	3,195
Changes in inventories		9	-4	5	14
Other movement in non-financial assets		52	303	-	167
<i>less:</i>					
Sales of non-financial assets		99	239	54	166
Depreciation		273	1,225	257	1,108
Total net acquisition of non-financial assets		254	2,030	384	2,102
NET LENDING/-BORROWING	4	-597	-1,644	-314	-1,852

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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			
		30 Sept	30 June	30 Sept	30 June
		2013	2014 ^(a)	2012	2013 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		784	553	709	688
Advances paid		663	665	679	665
Investments, loans and placements	5	4,480	5,051	4,973	5,722
Receivables	6	2,982	2,845	3,025	2,870
Investment property		8	8	8	8
Shares and other equity					
Investments in other public sector entities - equity method		46,232	47,148	43,889	44,287
Investments in other public sector entities - direct injections		6,335	6,672	5,689	6,156
Investments in other entities		-	10	10	8
Other financial assets		-	-	-	-
Total financial assets		61,483	62,951	58,982	60,403
<i>Non-financial assets</i>					
Land		36,716	38,936	37,750	36,222
Property, plant and equipment		41,128	44,638	38,239	40,850
Biological assets		2	2	2	2
Inventories					
Land inventories		84	79	88	84
Other inventories		86	62	68	77
Intangibles		547	428	500	554
Non-current assets held for sale		39	32	91	39
Other		249	137	262	208
Total non-financial assets		78,851	84,314	77,001	78,037
TOTAL ASSETS		140,333	147,264	135,983	138,440
LIABILITIES					
Deposits held		392	369	703	362
Advances received		439	424	454	439
Borrowings	7	11,227	12,877	8,837	11,104
Unfunded superannuation		7,824	8,484	9,215	8,000
Other employee benefits		2,939	2,990	2,682	3,043
Payables		609	947	712	884
Other liabilities		1,661	1,562	1,534	1,682
TOTAL LIABILITIES		25,091	27,653	24,137	25,513
NET ASSETS		115,242	119,612	111,846	112,927
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		10,355	12,552	9,163	10,579
Other reserves		104,888	107,060	102,683	102,348
NET WORTH	4	115,242	119,612	111,846	112,927
MEMORANDUM ITEMS					
<i>Net financial worth</i>		36,392	35,298	34,845	34,890
<i>Net financial liabilities</i>		16,175	18,522	14,734	15,552
<i>Net debt</i>					
Gross debt liabilities		12,059	13,670	9,994	11,905
less: liquid financial assets		5,926	6,268	6,361	7,075
less: convergence differences impacting net debt		88	88	88	88
Net debt		6,044	7,314	3,546	4,742

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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 three months ended 30 September 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	-343	-	-343
Revaluations	-	595	595
Change in net worth of the other sectors	-	1,945	1,945
All other	118	-	118
Balance as at 30 September 2013	10,355	104,888	115,242

For the three months ended 30 September 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	70	-	70
Revaluations	-	261	261
Change in net worth of the other sectors	-	500	500
All other	-454	-6	-460
Balance as at 30 September 2012	9,163	102,683	111,846

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

GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 1.4

	2013-14		2012-13		
	Note	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		1,951	9,183	1,817	8,156
Grants and subsidies received		1,946	8,718	2,002	8,934
Receipts from sales of goods and services		689	2,186	504	2,120
Interest receipts		56	192	69	249
Dividends and tax equivalents		78	1,306	79	1,215
Other		1,778	6,915	1,536	6,068
<i>Total cash received</i>		6,498	28,501	6,007	26,742
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,124	-12,258	-2,937	-11,304
Payments for goods and services		-2,275	-7,334	-2,170	-7,336
Interest paid		-108	-506	-104	-439
Grants and subsidies paid		-1,142	-5,775	-1,072	-5,144
Dividends and tax equivalents		-	-	-	-
Other		-416	-1,209	-403	-1,441
<i>Total cash paid</i>		-7,065	-27,082	-6,687	-25,664
NET CASH FLOWS FROM OPERATING ACTIVITIES		-567	1,419	-680	1,077
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-565	-3,196	-691	-3,195
Sales of non-financial assets		99	239	54	166
<i>Total cash flows from investments in non-financial assets</i>		-466	-2,957	-637	-3,029
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		5	-	2	7
For liquidity purposes		-	-	-	1
<i>Cash paid</i>					
For policy purposes		-185	-721	-153	-619
For liquidity purposes		-	-	-	-18
<i>Total cash flows from investments in financial assets</i>		-180	-721	-151	-629
NET CASH FLOWS FROM INVESTING ACTIVITIES		-646	-3,678	-788	-3,657
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	15	-	15
Borrowings		119	1,868	14	2,425
Deposits received		-	-	-	-
Other financing receipts		7	46	14	35
<i>Total cash received</i>		126	1,929	28	2,475
<i>Cash paid</i>					
Advances paid		-	-15	-	-15
Borrowings repaid		-18	-129	-214	-322
Deposits paid		-	-	-	-
Other financing payments		-24	-173	-25	-91
<i>Total cash paid</i>		-41	-317	-240	-428
NET CASH FLOWS FROM FINANCING ACTIVITIES		85	1,612	-212	2,047
Net increase in cash and cash equivalents		-1,128	-647	-1,680	-533
Cash and cash equivalents at the beginning of the year		6,263	6,198	6,796	6,796
Cash and cash equivalents at the end of the year		5,135	5,551	5,117	6,263
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		-567	1,419	-680	1,077
Net cash flows from investing in non-financial assets		-466	-2,957	-637	-3,029
Cash surplus/-deficit	4	-1,033	-1,538	-1,316	-1,952

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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	
		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		1,914	8,734	2,289	7,894
Current grants and subsidies		2,073	8,015	2,109	8,316
Capital grants		46	709	63	622
Sales of goods and services		4,299	20,058	4,276	17,955
Interest Income		162	743	181	687
Royalty income		1,499	5,824	1,082	4,425
Other		272	971	186	896
Total	2	10,266	45,054	10,186	40,794
EXPENSES					
Salaries		2,963	12,006	2,774	11,307
Superannuation					
Concurrent costs		285	1,161	263	1,071
Superannuation interest cost		77	352	65	369
Other employee costs		62	278	71	315
Depreciation and amortisation		764	3,174	716	3,024
Services and contracts		630	2,986	577	2,782
Other gross operating expenses		4,001	18,916	3,882	16,487
Other interest		365	1,699	376	1,588
Other property expenses		-	-	-	-
Current transfers	3	1,078	3,740	949	3,631
Capital transfers	3	135	798	112	428
Total		10,359	45,111	9,785	41,003
NET OPERATING BALANCE	4	-94	-57	401	-208
<i>Other economic flows</i>					
Gains on net assets		112	167	29	315
Net actuarial gains - superannuation		133	44	-344	881
Provision for doubtful debts		-	-21	-6	-106
All other		-	-	-	-
Total other economic flows		245	191	-321	1,089
OPERATING RESULT		151	134	80	881
<i>All other movements in equity</i>					
Revaluations		1,597	3,636	-18	149
Gains recognised directly in equity		712	-51	520	556
Changes in accounting policy/correction of prior period errors		-145	-	-212	-135
All other		-	-	-	-
Total all other movements in equity		2,164	3,585	290	571
TOTAL CHANGE IN NET WORTH		2,315	3,719	370	1,452
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-94	-57	401	-208
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,446	7,451	1,552	7,355
Changes in inventories		960	124	580	-654
Other movement in non-financial assets		79	413	-8	215
<i>less:</i>					
Sales of non-financial assets		236	1,671	187	902
Depreciation		764	3,174	716	3,024
Total net acquisition of non-financial assets		1,484	3,143	1,221	2,991
NET LENDING/-BORROWING	4	-1,578	-3,200	-820	-3,199

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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			
		30 Sept 2013 \$m	30 June 2014 ^(a) \$m	30 Sept 2012 \$m	30 June 2013 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,836	1,326	1,741	1,598
Advances paid		3,601	5,285	3,558	3,552
Investments, loans and placements	5	13,942	14,004	14,282	16,896
Receivables	6	4,211	4,496	4,517	4,286
Investment property		571	653	543	571
Equity - investments in other entities		1,548	1,484	1,195	1,386
Other financial assets		21	39	23	24
<i>Total financial assets</i>		<i>25,731</i>	<i>27,288</i>	<i>25,859</i>	<i>28,314</i>
<i>Non-financial assets</i>					
Land		51,897	56,408	52,069	50,653
Property, plant and equipment		90,438	93,820	84,652	89,100
Biological assets		324	328	335	324
Inventories					
Land inventories		1,983	2,205	1,758	2,028
Other inventories		3,748	4,030	4,023	2,789
Intangibles		1,133	791	958	1,118
Non-current assets held for sale		67	276	117	70
Other		506	405	445	509
<i>Total non-financial assets</i>		<i>150,097</i>	<i>158,262</i>	<i>144,358</i>	<i>146,590</i>
TOTAL ASSETS		175,827	185,550	170,217	174,904
LIABILITIES					
Deposits held		172	190	199	144
Advances received		439	424	454	439
Borrowings	7	38,270	41,998	34,299	39,740
Unfunded superannuation		7,960	8,573	9,374	8,143
Other employee benefits		3,359	3,413	3,066	3,465
Payables		4,926	5,579	5,769	4,486
Other liabilities		5,458	5,761	5,210	5,560
TOTAL LIABILITIES		60,585	65,938	58,371	61,977
NET ASSETS		115,242	119,612	111,846	112,927
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		31,536	31,768	30,000	30,855
Other reserves		83,706	87,844	81,846	82,072
NET WORTH	4	115,242	119,612	111,846	112,927
MEMORANDUM ITEMS					
<i>Net financial worth</i>		<i>-34,854</i>	<i>-38,650</i>	<i>-32,512</i>	<i>-33,663</i>
<i>Net financial liabilities</i>		<i>36,403</i>	<i>40,134</i>	<i>33,708</i>	<i>35,049</i>
<i>Net debt</i>					
Gross debt liabilities		38,882	42,612	34,952	40,323
less: liquid financial assets		19,379	20,615	19,581	22,046
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		<i>19,414</i>	<i>21,909</i>	<i>15,283</i>	<i>18,188</i>

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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 three months ended 30 September 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	-94	-	-94
Revaluations	-	1,597	1,597
All other	775	36	811
Balance as at 30 September 2013	31,536	83,706	115,242

For the three months ended 30 September 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	401	-	401
Revaluations	-	-18	-18
All other	-30	18	-12
Balance as at 30 September 2012	30,000	81,846	111,846

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

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	Note	2013		2012	
		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		1,883	8,686	1,766	7,678
Grants and subsidies received		1,946	8,718	2,002	8,934
Receipts from sales of goods and services		4,576	19,930	4,714	18,205
Interest receipts		181	784	237	811
Other receipts		2,254	8,194	1,929	7,594
<i>Total cash received</i>		10,841	46,313	10,648	43,223
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,468	-13,635	-3,274	-12,538
Payments for goods and services		-4,751	-20,081	-4,683	-18,339
Interest paid		-373	-1,676	-361	-1,687
Grants and subsidies paid		-973	-3,911	-860	-3,770
Other payments		-1,202	-4,031	-1,118	-4,324
<i>Total cash paid</i>		-10,767	-43,334	-10,296	-40,658
NET CASH FLOWS FROM OPERATING ACTIVITIES		74	2,979	352	2,565
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-1,446	-7,451	-1,552	-7,355
Sales of non-financial assets		236	1,671	187	902
<i>Total cash flows from investments in non-financial assets</i>		-1,210	-5,780	-1,365	-6,453
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		5	-	2	12
For liquidity purposes		1,724	1,357	2,373	7,236
<i>Cash paid</i>					
For policy purposes		-5	-	-2	-12
For liquidity purposes		-1,868	-1,527	-1,801	-6,401
<i>Total cash flows from investments in financial assets</i>		-145	-170	571	835
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,355	-5,950	-794	-5,618
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	-	-	-
Borrowings		5,491	25,204	7,152	31,930
Deposits received		-	-	-	-
Other financing receipts		7	306	13	30
<i>Total cash received</i>		5,499	25,511	7,165	31,960
<i>Cash paid</i>					
Advances paid		-	-15	-	-15
Borrowings repaid		-5,363	-23,212	-9,447	-29,576
Deposits paid		-	-	-	-
Other financing payments		-26	-142	-30	-87
<i>Total cash paid</i>		-5,390	-23,369	-9,477	-29,678
NET CASH FLOWS FROM FINANCING ACTIVITIES		109	2,142	-2,312	2,282
Net increase in cash and cash equivalents		-1,172	-829	-2,754	-771
Cash and cash equivalents at the beginning of the year		11,210	9,103	11,981	11,981
Cash and cash equivalents at the end of the year		10,038	8,274	9,227	11,210
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		74	2,979	352	2,565
Net cash flows from investing in non-financial assets		-1,210	-5,780	-1,365	-6,453
Cash surplus/-deficit	4	-1,136	-2,801	-1,013	-3,888

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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 three months ended 30 September 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 2012-13 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 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 30 Sept	Budget Estimate ^(b)	Three Months to 30 Sept	Actual ^(c)	
	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>					
Local Government	65	346	73	322	
Local Government on-passing	106	170	100	158	
Private and Not-for-profit sector	496	1,624	405	1,590	
Private and Not-for-profit sector on-passing	211	897	201	873	
Other sectors of Government	486	2,345	431	1,952	
Total Current Transfers	1,364	5,382	1,210	4,895	
<i>CAPITAL TRANSFERS</i>					
Local Government	12	325	11	65	
Local Government on-passing	67	107	65	101	
Private and Not-for-profit sector	37	142	31	155	
Private and Not-for-profit sector on-passing	4	29	3	25	
Other sectors of Government	10	223	32	116	
Total Capital Transfers	130	826	142	462	
Total Public Sector					
	2013-14		2012-13		
	Three Months to 30 Sept	Budget Estimate ^(b)	Three Months to 30 Sept	Actual ^(c)	
	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>					
Local Government	65	346	73	322	
Local Government on-passing	106	170	100	158	
Private and Not-for-profit sector	692	2,315	569	2,260	
Private and Not-for-profit sector on-passing	211	897	201	873	
Other sectors of Government	3	13	6	17	
Total Current Transfers	1,078	3,740	949	3,631	
<i>CAPITAL TRANSFERS</i>					
Local Government	12	326	13	65	
Local Government on-passing	67	107	65	101	
Private and Not-for-profit sector	53	335	31	237	
Private and Not-for-profit sector on-passing	4	29	3	25	
Other sectors of Government	-	1	-	-	
Total Capital Transfers	135	798	112	428	

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

(b) Consistent with the estimate published in the 2013-14 Budget released 8 August 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 September 2013 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Operating Balance

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net operating balance	-343	386	70	249
Plus GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-
GFS net operating balance	-343	386	70	249
<u>Total public sector</u>				
AASB1049 net operating balance	-94	-57	401	-208
Plus GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Capitalised interest	6	46	8	27
Total GFS expense adjustments	6	46	8	27
Total GFS adjustments to AASB 1049 net operating balance	-6	-46	-8	-27
GFS net operating balance	-99	-103	393	-235

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/-Borrowing

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net lending/-borrowing	-597	-1,644	-314	-1,852
Plus Net operating balance convergence differences (noted above)	-	-	-	-
GFS net lending/-borrowing	-597	-1,644	-314	-1,852
<u>Total public sector</u>				
AASB1049 net lending/-borrowing	-1,578	-3,200	-820	-3,199
Plus Net operating balance convergence differences (noted above)	-6	-46	-8	-27
GFS net lending/-borrowing	-1,584	-3,246	-828	-3,226

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Worth

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net worth	115,242	119,612	111,846	112,927
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	207	202	202	208
Impact on public corporations net worth	95	23	26	97
<i>Total GFS net worth adjustments</i>	390	312	316	393
GFS net worth	115,632	119,924	112,161	113,320
<u>Total public sector</u>				
AASB1049 net worth	115,242	119,612	111,846	112,927
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	302	224	228	305
<i>Total GFS net worth adjustments</i>	390	312	316	393
GFS net worth	115,632	119,924	112,161	113,320

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Cash Surplus/-Deficit

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 cash surplus/-deficit	-1,033	-1,538	-1,316	-1,952
Less Acquisitions under finance leases and similar arrangements	51	417	-	104
GFS cash surplus/-deficit	-1,084	-1,955	-1,316	-2,056
<u>Total public sector</u>				
AASB1049 cash surplus/-deficit	-1,136	-2,801	-1,013	-3,888
Less Acquisitions under finance leases and similar arrangements	51	682	-	104
GFS cash surplus/-deficit	-1,187	-3,483	-1,013	-3,992

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government				
	2013-14		2012-13	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,418	5,023	4,956	5,707
Government securities	6	7	7	6
Total	4,425	5,030	4,964	5,713
<i>Loans and advances</i>				
Loans	8	8	8	8
Financial Assets held for trading/available for sale	47	13	1	1
Total	55	21	9	9
Total	4,480	5,051	4,973	5,722
Total Public Sector				
	2013-14		2012-13	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	11,126	10,853	11,110	12,357
Government securities	445	7	7	405
Total	11,570	10,860	11,118	12,761
<i>Loans and advances</i>				
Loans	2,063	2,626	2,724	3,820
Financial Assets held for trading/available for sale	309	519	441	315
Total	2,372	3,144	3,165	4,135
Total	13,942	14,004	14,282	16,896

NOTE 6: RECEIVABLES

General Government				
	2013-14		2012-13	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	3,188	3,047	3,227	3,078
Provision for impairment of receivables	-207	-202	-202	-208
Total	2,982	2,845	3,025	2,870
Total Public Sector				
	2013-14		2012-13	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	4,513	4,721	4,745	4,591
Provision for impairment of receivables	-302	-224	-228	-305
Total	4,211	4,496	4,517	4,286

NOTE 7: BORROWINGS

General Government				
	2013-14		2012-13	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	84	17	-	-
Finance leases	472	723	318	422
Borrowings	10,671	12,136	8,519	10,682
Total	11,227	12,877	8,837	11,104

Total Public Sector				
	2013-14		2012-13	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	90	21	-	3
Finance leases	1,140	1,641	1,006	1,097
Borrowings	37,040	40,336	33,294	38,639
Total	38,270	41,998	34,299	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 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	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
TAXATION				
<i>Payroll tax</i>	958	3,730	918	3,476
Property taxes				
<i>Land tax</i>	1	657	387	568
Transfer Duty	404	1,866	332	1,654
Landholder Duty	19	309	100	216
<i>Total duty on transfers</i>	422	2,174	432	1,870
Other stamp duties	-	-	-	5
Metropolitan Region Improvement Tax	-	87	39	85
Emergency Services Levy	87	257	90	237
Loan guarantee fees	16	120	8	104
<i>Total other property taxes</i>	102	464	138	431
Taxes on provision of goods and services				
Lotteries Commission	36	147	35	151
Video lottery terminals	-	1	-	-
Casino Tax	32	130	28	112
Betting tax	11	42	10	41
Other	-	-	-	-
<i>Total taxes on gambling</i>	79	320	73	304
Insurance Duty	149	593	143	555
Other	5	24	5	22
<i>Total taxes on insurance</i>	155	617	149	576
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	95	436	101	404
Permits - Oversize Vehicles and Loads	3	6	1	8
Motor Vehicle recording fee	12	49	12	48
Motor Vehicle registrations	171	725	162	650
<i>Total motor vehicle taxes</i>	282	1,216	276	1,109
Total Taxation	1,999	9,177	2,373	8,335

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	616	2,458	699	2,935
North West Shelf grants	307	1,067	288	1,031
Compensation for Commonwealth crude oil excise arrangements	18	59	15	63
<i>Grants through the State</i>				
Schools assistance – non-government schools	211	897	201	873
Local government financial assistance grants	106	170	100	158
Local government roads	67	107	65	101
<i>National Health Reform</i>	384	1,535	328	1,398
<i>National Specific Purpose Payment Agreement Grants</i>				
Schools	112	457	102	406
Skills and Workforce Development	58	151	36	146
Disability Services	37	146	31	127
Affordable Housing	35	139	33	135
<i>Other Grants/National Partnerships</i>				
Health	88	392	106	474
Housing	1	15	-	6
Transport	2	76	32	69
Other	33	347	73	394
Total Current Grants and Subsidies	2,073	8,015	2,109	8,316
CAPITAL GRANTS				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	29	3	25
<i>National Partnerships/Other Grants</i>				
Housing	-	200	28	93
Transport	42	392	30	445
Other	-	89	1	59
Total Capital Grants	46	709	63	622
SALES OF GOODS AND SERVICES	523	2,175	518	2,089
INTEREST INCOME	59	201	70	255
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	-	832	-	796
Tax Equivalent Regime	127	502	73	381
Total Revenue from Public Corporations	127	1,334	73	1,177
ROYALTY INCOME	1,499	5,824	1,082	4,425
OTHER				
Lease Rentals	26	84	24	91
Fines	36	169	41	157
Revenue not elsewhere counted	54	290	38	252
Total Other	117	543	102	499
GRAND TOTAL	6,442	27,978	6,390	25,718

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	935	3,646	899	3,390
Property taxes				
<i>Land tax</i>	1	609	375	511
Transfer Duty	404	1,866	332	1,654
Landholder Duty	19	309	100	216
<i>Total duty on transfers</i>	422	2,174	432	1,870
Other stamp duties	-	-	-	5
Metropolitan Region Improvement Tax	-	87	39	85
Emergency Services Levy	86	252	90	233
Loan guarantee fees	1	4	-	3
<i>Total other property taxes</i>	87	343	130	326
Taxes on provision of goods and services				
Video lottery terminals	-	1	-	-
Casino Tax	32	130	28	112
<i>Total taxes on gambling</i>	32	131	28	112
Insurance Duty	149	593	143	555
Other	5	24	5	22
<i>Total taxes on insurance</i>	155	617	149	576
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	95	436	101	404
Permits - Oversize Vehicles and Loads	3	6	1	8
Motor Vehicle recording fee	12	49	12	48
Motor Vehicle registrations	171	725	162	650
<i>Total motor vehicle taxes</i>	282	1,216	276	1,109
Total Taxation	1,914	8,734	2,289	7,894

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2013-14		2012-13	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	616	2,458	699	2,935
North West Shelf grants	307	1,067	288	1,031
Compensation for Commonwealth crude oil excise arrangements	18	59	15	63
<i>Grants through the State</i>				
Schools assistance – non-government schools	211	897	201	873
Local government financial assistance grants	106	170	100	158
Local government roads	67	107	65	101
<i>National Health Reform</i>	384	1,535	328	1,398
<i>National Specific Purpose Payment Agreement Grants</i>				
Schools	112	457	102	406
Skills and Workforce Development	58	151	36	146
Disability Services	37	146	31	127
Affordable Housing	35	139	33	135
<i>Other Grants/National Partnerships</i>				
Health	88	392	106	474
Housing	1	15	0	6
Transport	2	76	32	69
Other	33	347	73	394
Total Current Grants and Subsidies	2,073	8,015	2,109	8,316
CAPITAL GRANTS				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	29	3	25
<i>National Partnerships/Other Grants</i>				
Housing	-	200	28	93
Transport	42	392	30	445
Other	-	89	1	59
Total Capital Grants	46	709	63	622
SALES OF GOODS AND SERVICES	4,299	20,058	4,276	17,955
INTEREST INCOME	162	743	181	687
ROYALTY INCOME	1,499	5,824	1,082	4,425
OTHER				
Lease Rentals	26	84	24	91
Fines	37	169	42	157
Revenue not elsew here counted	208	718	120	647
Total Other	272	971	186	896
GRAND TOTAL	10,266	45,054	10,186	40,794

(a) Consistent with the estimate published in the 2013-14 Budget released 8 August 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 30 September 2013 decreased by \$162 million compared with 30 September 2012. This decrease largely reflects the combined impact of a \$747 million increase in the Consolidated Account deficit, and an increase of \$579 million in Treasurer's Special Purpose Accounts balances.

PUBLIC LEDGER BALANCES AT 30 SEPTEMBER		
	2013	2012
	\$m	\$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-8,972	-8,225
Treasurer's Special Purpose Accounts	9,338	8,759
Treasurer's Advance Account – Net Advances	-10	-16
TOTAL	356	518

(a) The balance of the Consolidated Account at 30 September 2013 includes non-cash appropriations of \$7,391 million (30 September 2012: \$6,580 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 \$8,972 million at 30 September 2013. This included \$7,391 million in non-cash Holding Account balances for agencies, associated with accrual (non-cash) appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded an accumulated cash deficit of \$1,581 million at 30 September 2013, compared with an accumulated cash deficit of \$1,645 million at 30 September 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 three months ended 30 September

	2013	2012
	\$m	\$m
REVENUE		
<i>Operating Activities</i>		
Taxation	1,652	1,542
Commonwealth Grants	908	980
Government Enterprises	81	80
Revenue from other agencies	1,544	1,335
Other	75	61
<i>Total Operating Activities</i>	4,260	3,998
<i>Financing Activities</i>		
Repayments of Recoverable Advances	1	1
Transfers from:		
Public Bank Account Interest Earned Account	-	-
Bankwest Pension Trust	-	1
Other Receipts	-	1
Borrowings	-	-
<i>Total Financing Activities</i>	1	3
TOTAL REVENUE	4,261	4,001
EXPENDITURE		
<i>Recurrent</i>		
Authorised by Other Statutes	516	386
Appropriation Act (No. 1)	5,252	4,992
Recurrent Expenditure under the Treasurer's Advance	-	-
<i>Total Recurrent Expenditure</i>	5,768	5,378
<i>Investing Activities</i>		
Authorised by Other Statutes	26	14
Appropriation Act (No. 2)	430	750
Investing Expenditure under the Treasurer's Advance	-	-
<i>Total Investing Activities</i>	456	764
<i>Financing Activities</i>		
Loan repayments	-	-
Other financing	-	1
<i>Total Financing Activities</i>	-	1
TOTAL EXPENDITURE	6,224	6,143
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,963	-2,142
Consolidated Account Balance		
Opening balance at 1 July	-7,009	-6,083
Closing balance at 30 September	-8,972	-8,225
Of which:		
Appropriations payable	-7,391	-6,580
Cash balance at 30 September	-1,581	-1,645

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 30 September 2012, a \$579 million increase in aggregate TSPA balances at 30 September 2013 mainly reflects:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$811 million);
- the establishment of the Western Australian Future Fund in November 2012 using 'seed capital' sourced from the Royalties for Regions Fund¹, and interest earnings on the balance of the Fund for the year-to-date (\$575 million);
- a decrease in the Royalties for Regions Fund (down \$300 million), mainly due to differences in the timing of royalty receipts paid to the account and payments for approved projects;
- a net decrease for the New Children's Hospital Account balance (down \$275 million), reflecting the timing of receipts paid into the account and draw downs for construction costs as work on the project proceeds over the first three months of 2013-14;
- the draw down of cash reserves set aside for construction of the Fiona Stanley Hospital (down \$177 million) as work on the project proceeds toward completion;
- a decrease in The New Perth Stadium Account (down \$20 million), reflecting payments for project work; and
- a decrease in the balances of Other Special Purpose Accounts (down \$35 million), including accumulated interest on Public Bank Account balances yet to be transferred to interest earning accounts.

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

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

Table 3.3

TREASURER'S SPECIAL PURPOSE ACCOUNTS
At 30 September

	2013	2012
	\$m	\$m
Agency Holding Accounts	7,391	6,580
Fiona Stanley Hospital Construction Account	47	224
Royalties for Regions Fund	568	868
Western Australian Future Fund	575	-
New Children's Hospital Account	193	469
The New Perth Stadium Account	80	100
Other Special Purpose Accounts	483	518
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER	9,337	8,759

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 for 2012-13 when compared to 2011-12. This was mainly due to the impact of the Government's corrective measures.

Of the \$595.7 million authorised limit, \$9.6 million was held in the form of net recoverable advances at 30 September 2013 (see Table 3.4).

Table 3.4

TREASURER'S ADVANCE AT 30 SEPTEMBER		
	2013	2012
	\$m	\$m
AUTHORISED LIMIT	595.7	651.5
<i>Total Drawn Against Treasurer's Advance Account</i>	9.6	15.5
Comprising:		
Net recoverable advances as at 30 September (see below)	9.6	15.5
Excesses and New Items		
- recurrent	-	-
- capital	-	-
NET RECOVERABLE ADVANCES		
Building Farm Business Grants	-	4.0
Electoral Boundaries Distribution	0.4	0.2
Local Government Elections	2.5	-
Mining Rehabilitation Fund	1.0	-
Suitors Fund	1.8	1.8
Sundry Debtors	0.1	0.4
Sport and Recreation	1.8	1.8
Strategic Projects	-	5.0
Teacher Registration Board	-	0.3
Transport	2.0	2.0
TOTAL RECOVERABLE TREASURER'S ADVANCES	9.6	15.5

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. There were no appropriation transfers during the September 2013 quarter due to the later passage of the 2013-14 Budget appropriation bills this year (as a result of the March 2013 State election).

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.

Reflecting the later passage of the 2013-14 Budget bills (in October) this year, there was only one approved excess during the September 2013 quarter. This approval was item 113: Delivery of Services (\$4.2 million) for the State Emergency Management Committee Secretariat to support its operations from July 2013.

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. Exhaustive coverage of all SPAs, is not attempted in this appendix. Rather, it covers the major/material SPAs in existence at 30 September 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 September 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. Draw downs from the account are reducing the end-of-year balance as construction of the new facility is now well advanced.

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT
At 30 September

Table 4.1

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	104	309
Receipts	1	4
Payments	58	89
CLOSING BALANCE	47	224

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. Receipts to be paid to the Account in 2013-14 were to proceed after the later passage of this year's budget (passed in October 2013, due to the timing of the March 2013 State election).

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

NEW CHILDREN'S HOSPITAL ACCOUNT
At 30 September

Table 4.2

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	277	423
Receipts	-	70
Payments	84	24
CLOSING BALANCE	193	469

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 to address various needs in the transport system such as traffic, bicycle access and enhancing the pedestrian environment that increase 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 30 September

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	70	56
Receipts	10	28
Payments	5	3
CLOSING BALANCE	74	81

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established as the Road Trauma Trust Account in 1990 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 30 September

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	65	43
Receipts	16	25
Payments	1	10
CLOSING BALANCE	79	59

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 quarter reflect interest revenue earned on the account balance. Funds were drawn during the three months to 30 September 2013 to support infrastructure services, business and economic development and other regional initiatives outlined in the 2013-14 Budget.

Table 4.5

ROYALTIES FOR REGIONS FUND
At 30 September

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	881	687
Receipts	11	312
Payments	324	131
CLOSING BALANCE	568	868

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 30 September

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	211	226
Receipts	-	-
Payments	-	-
CLOSING BALANCE	211	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
At 30 September

Table 4.7

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	95	-
Receipts	-	100
Payments	16	-
CLOSING BALANCE	80	100

Note: Columns may not add due to rounding.

Western Australian Future Fund

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

Announced as part of the 2012-13 Budget, the Future Fund will receive around \$1 billion in 'seed capital' to be transferred from the Royalties for Regions Fund over the period 2012-13 to 2015-16. From 2016-17 onwards, a minimum of 1% of the State's annual royalty revenue will be paid into the WAFF. Receipts in the September 2013 quarter include the Royalties for Regions seed capital contribution for 2013-14 (\$263 million) and interest receipts (\$6 million).

WESTERN AUSTRALIAN FUTURE FUND
At 30 September

Table 4.8

	2013	2012
	\$m	\$m
<i>Balance at 1 July</i>	306	-
Receipts	269	-
Payments	-	-
CLOSING BALANCE	575	-

Note: Columns may not add due to rounding.

2013-14 QUARTERLY FINANCIAL RESULTS REPORT

