



# 2015-16 Quarterly Financial Results Report



September 2015





**2015-16**

**Quarterly Financial Results Report**

September 2015

2015-16 Quarterly Financial Results Report  
© Government of Western Australia 2015

Enquiries related to this report should be directed by email to [info@treasury.wa.gov.au](mailto:info@treasury.wa.gov.au)

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

2015-16

**Quarterly Financial Results Report**  
Three Months Ended 30 September 2015

**Table of Contents**

<b>Foreword</b> .....	<b>i</b>
Statement of Responsibility .....	ii
<b>Overview</b> .....	<b>1</b>
Summary .....	1
Results Compared to Prior Year .....	2
General Government Sector .....	2
Total Public Sector .....	9
<b>Appendix:1: Interim Financial Statements</b> .....	<b>13</b>
Introduction .....	13
Notes to the Interim Financial Statements .....	22
<b>Appendix:2: Operating Revenue</b> .....	<b>29</b>
<b>Appendix:3: Public Ledger</b> .....	<b>35</b>
Consolidated Account .....	35
Treasurer's Special Purpose Accounts .....	37
Treasurer's Advance .....	38
Transfers, Excesses and New Items .....	39
<b>Appendix:4: Special Purpose Accounts</b> .....	<b>41</b>



# Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 2015.

Care should be exercised in extrapolating the likely outcome for the 2015-16 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The presentation in this report is consistent with that used in the 2015-16 State Budget (released on 14 May 2015).

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

In addition to the financial statements in Appendix 1 and details of operating revenue in Appendix 2, this report includes:

- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance; and
- Appendix 4: *Special Purpose Accounts*, which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes.

Information presented in this QFRR is not audited.

## Statement of Responsibility

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

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the three months ended 30 September 2015 and of the balance sheets of these reporting entities at 30 September 2015. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2005*.

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



MICHAEL BARNES  
UNDER TREASURER



MAGDALENA WITTEK  
ACTING MANAGER  
FINANCIAL REPORTING

24 November 2015

# Overview

## Summary

Aggregate financial outcomes for the first three months of 2015-16 reaffirm the challenging conditions facing the State's finances on the back of continued declines in general government revenue.

Quarterly tax collections in the first three months of 2015-16 have weakened in response to further softening of property and labour market conditions. Declining transaction volumes and prices in the residential property market are impacting transfer duty revenue, while further easing of employment and wages growth (the latter to historically low growth) in the September quarter 2015 are impacting payroll tax collections.

The general government sector recorded an operating deficit of \$1,146 million for the three months to 30 September 2015, compared to a \$347 million deficit reported for the same period in 2014-15.

- General government revenue for the first three months of 2015-16 totalled \$5,907 million, \$446 million (or 7%) lower than the same period last year – the largest quarterly contraction in revenue on record. This outcome mainly reflects lower royalty income (down \$155 million, primarily due to lower iron ore prices), lower taxation revenue (down \$152 million, largely due to lower transfer duty collections), and lower grants from the Commonwealth (down \$98 million).
- Recurrent spending was \$353 million (or 5.3%) higher than in the September quarter of 2014-15, largely reflecting higher salaries expenditure (up \$130 million or 4.8%, primarily in WA Health and the Department of Education), higher 'other' gross operating expenses across the sector (up \$112 million), the timing of the on-passing of Commonwealth grants (up \$39 million mainly for local government roads and remote indigenous housing), and higher services and contracts expenses (up \$37 million), primarily for the law and order sector.

Total public sector net worth decreased by an estimated \$465 million over the three months to 30 September 2015, to stand at \$120.8 billion. Total public sector net debt was \$25.2 billion at 30 September 2015, \$1,855 million higher than the \$23.4 billion recorded at 30 June 2015. This increase reflects the general government sector operating deficit and the need for borrowings to fund the State's Asset Investment Program.

## Results Compared to Prior Year

### General Government Sector

The general government sector recorded an operating deficit of \$1,146 million for the three months to 30 September 2015, \$799 million higher than the deficit reported in the same period in 2014-15.

Table 1

**SUMMARY OF GENERAL GOVERNMENT FINANCES**  
Western Australia

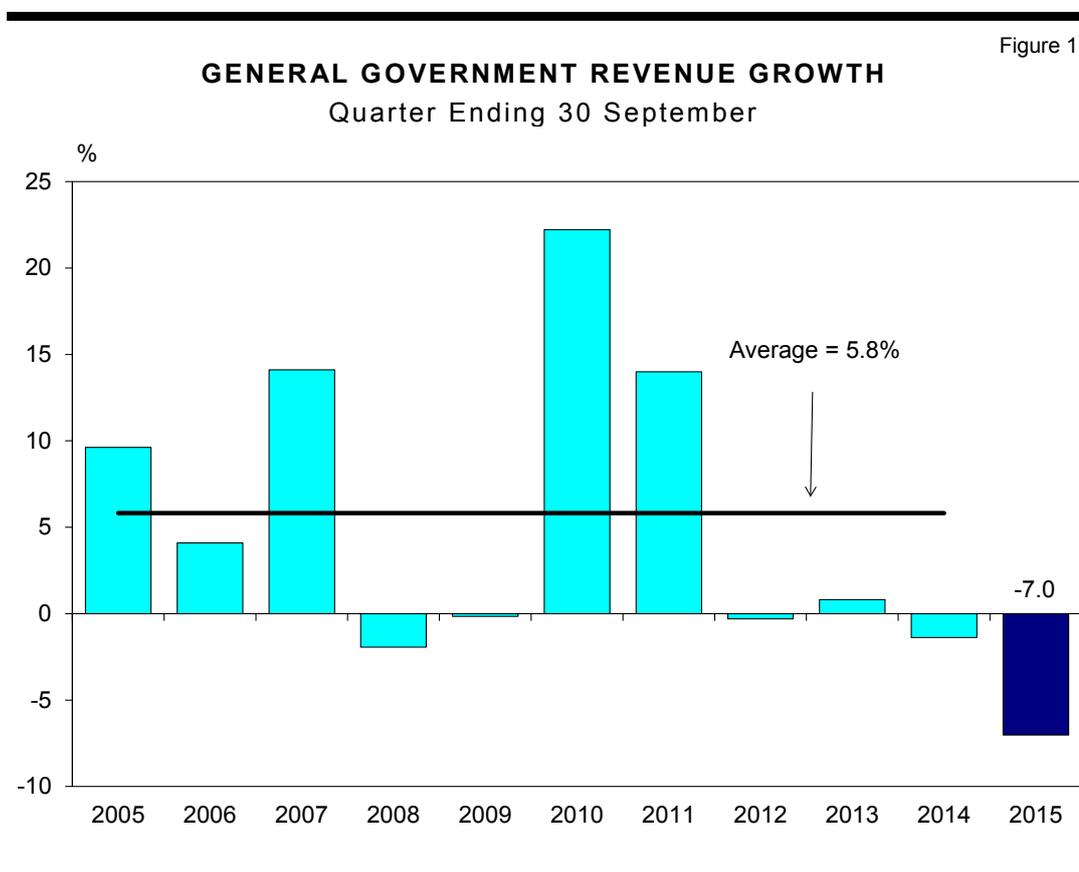
	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-1,146	-2,708	-347	-431
Net worth	120,838	117,510	117,494	121,299
Movement in cash balances	1,301	-695	80	-48
<i>Memorandum items</i>				
Net lending	-1,306	-3,628	-674	-1,809
Net debt	11,294	15,799	8,139	9,306
Cash surplus/-deficit	-1,771	-4,042	-1,044	-1,493

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 *Annual Report on State Finances*, released 24 September 2015.

## Revenue

Revenue for the three months to 30 September 2015 totalled \$5,907 million, \$446 million (or 7%) lower than the same period in 2014-15. This is the largest quarterly contraction in general government revenue on record.



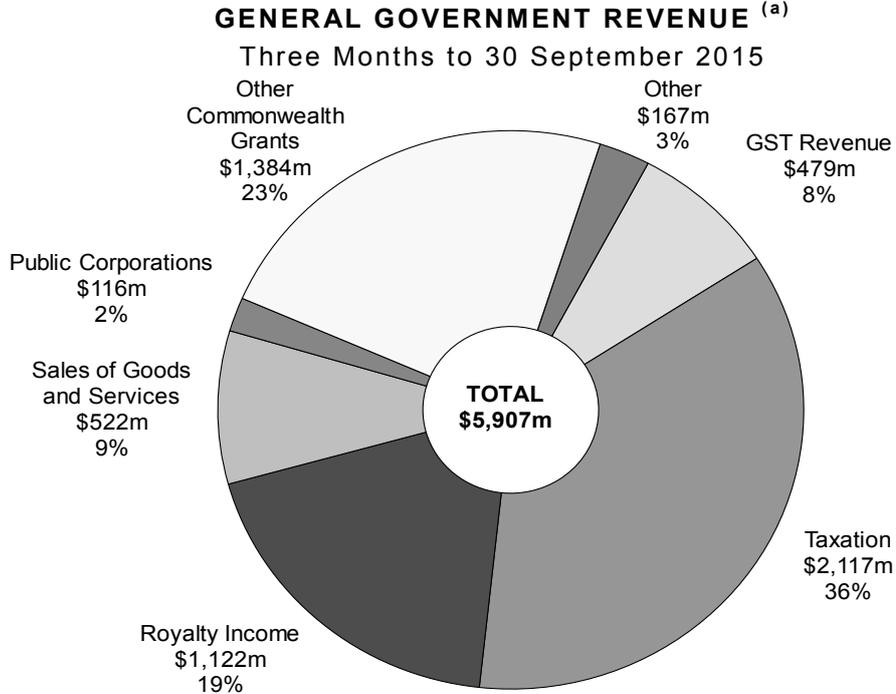
The 7% contraction in the September quarter primarily reflects the net impact of:

- lower royalty income (down \$155 million, or 12.2%), mainly due to lower iron ore prices compared to the same period in 2014-15:
  - the benchmark iron ore price averaged \$US54.4 per tonne in the September quarter 2015, 39.8% lower than the average price in the September quarter 2014 (\$US90.3 per tonne);
- lower tax collections (down \$152 million), due to:
  - lower transfer duty (down \$102 million), reflecting a softening in residential property transactions and prices;
  - lower land tax (down \$45 million), due to later issuing of assessment notices in 2015-16, which will be largely reversed when assessment notices are issued in the December quarter;
  - lower payroll tax (down \$24 million), reflecting a softening in labour market conditions and low wages growth in industries (such as mining) that tend to be larger contributors to payroll tax; and
  - higher Emergency Services Levy collections (up \$13 million);

**Quarterly Financial Results Report**

- lower recurrent and capital grants from the Commonwealth (down \$98 million), mainly due to:
  - lower North West Shelf petroleum grants (down \$110 million), due to lower prices for liquefied natural gas, crude oil, and liquefied petroleum gas, and lower volumes of domestic gas, condensate and crude oil (partially offset by the impact of a lower \$US/\$A exchange rate);
  - lower GST grants (down \$85 million), reflecting the continued decline in Western Australia’s population share of GST, with the State receiving a historic low of 30% of its population share of national GST collections in 2015-16, compared to 37.6% in 2014-15. The September 2015 grant of \$479 million is the lowest quarterly grant since GST arrangements were introduced in 2000;
  - higher grants for housing (up \$47 million), primarily due to the timing of Remote Indigenous Housing program grants;
  - higher funding for non-government schools (up \$28 million), mainly due to increases in school enrolment numbers and changes to the Commonwealth funding formula; and
  - lower local government funding (down \$22 million), due to the Commonwealth’s pull-forward of 2015-16 funding into the closing weeks of 2014-15; and
- lower sales of goods and services across the general government sector (down \$25 million), largely reflecting the flow-on effect of the lower than expected outcome for 2014-15.

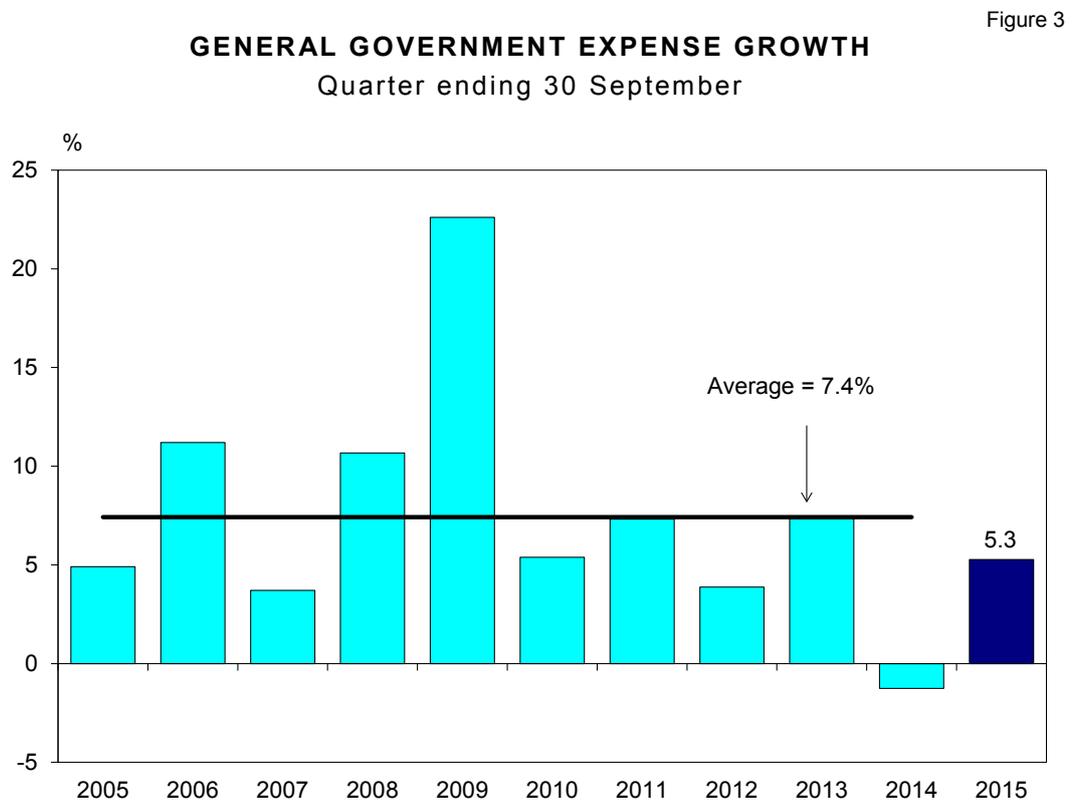
Figure 2



(a) Segments may not add due to rounding.

## Expenses

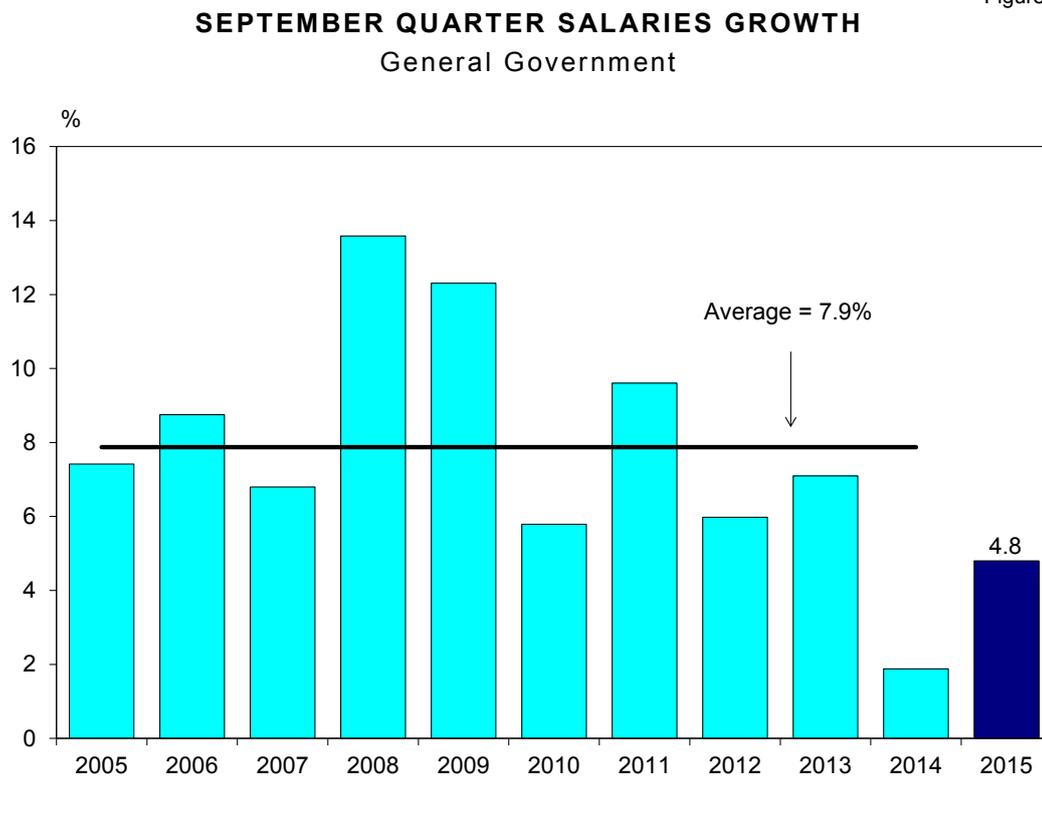
Expenses for the three months to 30 September 2015 totalled \$7,053 million, \$353 million (or 5.3%) higher than the same period in 2014-15.



Higher recurrent spending is mainly due to:

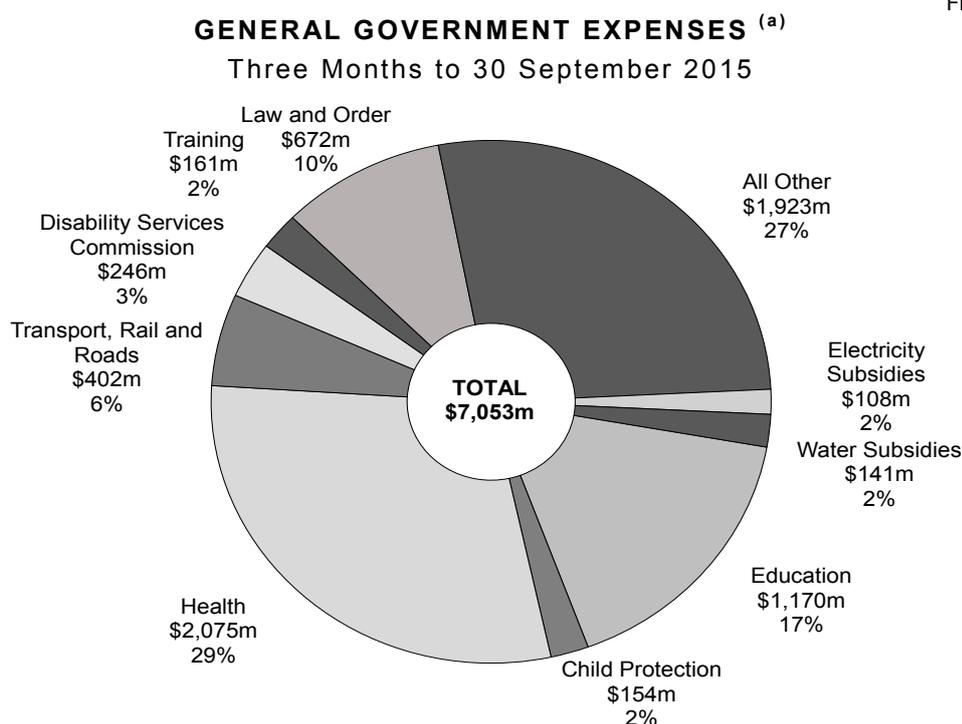
- higher salaries (up \$130 million, or 4.8%), particularly for WA Health and the Department of Education, reflecting growth in staff numbers and wage increases in Enterprise Bargaining Agreements for clinical staff (i.e. doctors and nurses) and teachers;

Figure 4



- higher ‘other’ gross operating expenses (up \$112 million), mainly due to:
  - higher patient support costs (up \$33 million), due to activity-based demand for locum services and pharmaceuticals, coupled with higher drug costs and higher third party contracted services at Fiona Stanley Hospital;
  - higher spending for the not-for-profit sector (up \$29 million), largely due to indexation arrangements for the Home and Community Care program and for disability services;
  - higher building and equipment maintenance expenses across the sector (up \$19 million); and
  - the payment of claims under the Home Indemnity Insurance arrangements (up \$7 million);
- higher capital transfers (up \$39 million), due to timing of the on-passing of local government road and remote Indigenous housing grants from the Commonwealth; and
- higher services and contracts expenses (up \$37 million), mainly due to increases in the prisoner population, and higher court security and custodial services costs.

Figure 5



(a) Segments may not add due to rounding.

## Balance Sheet

The net worth of the general government sector decreased by an estimated \$465 million (or 0.4%) during the first three months of 2015-16, to stand at an estimated \$120.8 billion at 30 September 2015. This outcome mainly reflects the impact of the general government operating deficit (discussed earlier), the partly offsetting effect of quarterly operating surpluses for the State's public corporations, and movements in estimated public sector assets and liabilities.

Across the general government sector balance sheet, the lower estimated net worth outcome mainly reflects the net impact of:

- a \$3.1 billion increase in borrowings (mainly for the Consolidated Account in support of capital appropriations for infrastructure spending and an operating cash shortfall);
- a \$1.1 billion increase in investments, loans and placements, due to fluctuations in cash investments held by the Public Bank Account;
- increases in the value of equity in the public corporations sectors (up \$764 million), due mainly to increases in physical asset values and operating surpluses recorded by these sectors;
- a \$511 million (or 0.6%) increase in general government sector land and physical assets, as a result of infrastructure spending and movements in the estimated value of land holdings<sup>1</sup>; and

<sup>1</sup> Land holdings are valued by the Valuer General at year end for inclusion in annual reports. Treasury includes a notional 3.5% increase in land values in quarterly results, in anticipation of the Valuer General's year-end valuations.

- a \$132 million net movement in all other general government sector liabilities (including movements in unfunded superannuation liabilities, leave accruals and accounts payable, etc.).

General government sector net debt totalled \$11.3 billion at 30 September 2015, \$2 billion higher than at 30 June 2015. This increase primarily reflects higher borrowing by the Consolidated Account (noted further in Appendix 3: *Public Ledger*), partly offset by movements in liquid investments (noted above).

### **Cash Flow**

A cash deficit of \$1.8 billion was recorded for the three months to 30 September 2015, compared to a \$1 billion deficit reported in the first three months of 2014-15. This outcome reflects:

- a net cash deficit from operating activities of \$1,283 million (\$803 million higher than the cash operating deficit outcome for September 2014), largely reflecting the cash impact of the accrual operating activities discussed earlier; and
- a \$76 million lower infrastructure spend, mainly reflecting lower health and education spending, due to the completion (or near completion) of a number of major projects such as the transition of Year 7 students to secondary settings, the Perth Children's Hospital, and the Midland and Busselton Health campuses.

## Total Public Sector<sup>2</sup>

### Operating Statement

The total public sector recorded an operating deficit of \$748 million for the three months to 30 September 2015. This is an \$844 million turnaround on the operating surplus recorded in the same period in 2014-15 and mainly reflects the general government outcome discussed earlier.

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

Table 2

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-748	-3,082	96	-464
Net worth	120,834	117,510	117,494	121,299
Movement in cash balances	1,671	-432	338	857
<i>Memorandum items</i>				
Net lending	-878	-5,489	-126	-2,693
Net debt	25,230	30,996	21,681	23,374
Cash surplus/-deficit	-1,646	-5,090	-964	-2,500

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 *Annual Report on State Finances*, released 24 September 2015.

The total public sector operating deficit for the first three months of 2015-16 includes the net impact of:

- the \$1,146 million operating deficit for the general government sector, discussed earlier in this report;
- a \$76 million operating surplus for the public non-financial corporations sector, \$77 million lower than the surplus recorded in the same period in 2014-15. This result is mainly due to a net decrease in profitability across the sector, particularly for Synergy (mainly due to lower sales volumes and margins across both electricity and gas) and the Public Transport Authority (due to the timing of operating subsidy receipts, higher depreciation expense resulting from the revaluation of assets at the end of 2014-15, and higher maintenance costs of stations, buildings and track structures); and
- an operating surplus of \$322 million for the public financial corporations sector, \$33 million higher than the surplus recorded in the same period in 2014-15, mainly due to fluctuations in investment returns and lower insurance claims expense for the Insurance Commission of Western Australia.

<sup>2</sup> The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed in the previous section), the public non-financial corporations sector (which includes entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority), and the public financial corporations sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

Table 3

**TOTAL PUBLIC SECTOR OPERATING BALANCE**  
By Sector

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>Net Operating Balance</b>				
General government sector	-1,146	-2,708	-347	-431
Public non-financial corporations sector	76	437	153	1,049
Public financial corporations sector	322	203	289	176
<i>less</i>				
General government dividend revenue	-	945	-	1,187
Public non-financial corporations dividend revenue <sup>(c)</sup>	-	68	-	72
<b>Total public sector net operating balance</b>	<b>-748</b>	<b>-3,082</b>	<b>96</b>	<b>-464</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 *Annual Report on State Finances*, released 24 September 2015.

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

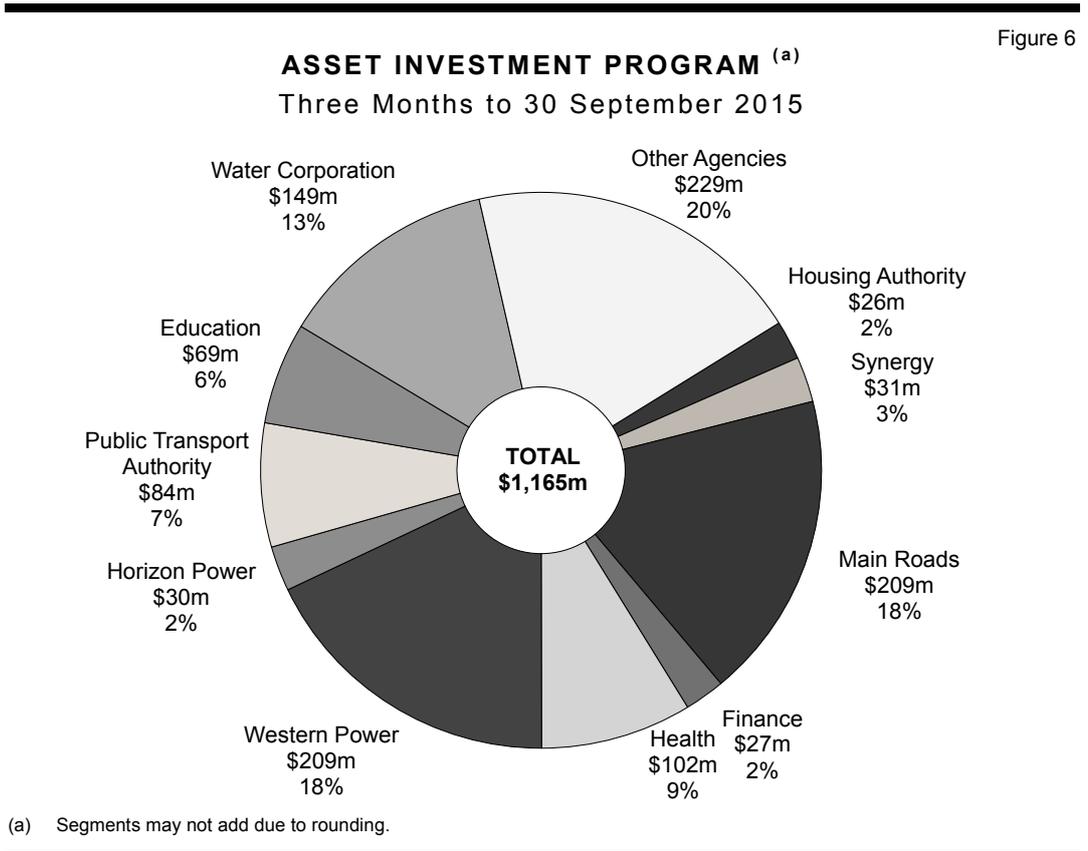
### Balance Sheet

Total public sector net worth is identical to that of the general government sector, discussed earlier. This is because the net worth of the public corporations sector is recognised as an investment asset of the general government sector.

At \$25.2 billion at 30 September 2015, total public sector net debt increased by \$1,855 million during the first three months of 2015-16. This outcome primarily reflects the higher general government sector net debt outcome noted earlier.

### Cash Flow

A cash deficit of \$1.6 billion was recorded for the three months to 30 September 2015, \$682 million higher than the \$964 million deficit recorded for the same period in 2014-15. Spending on the State’s Asset Investment Program continues to be a key driver for increasing levels of net debt, albeit with a \$179 million (or 13%) lower spend during the first three months of 2015-16 compared with the same period last year. This lower level of infrastructure spending reflects the general government sector results discussed earlier and lower expenditure on Western Power’s Mid-West Energy Project.





# Interim Financial Statements

Contents	Page
<b>Introduction</b>	13
<b>General Government</b>	
Table 1.1: Operating Statement.....	14
Table 1.2: Balance Sheet.....	15
Table 1.3: Statement of Changes in Equity.....	16
Table 1.4: Cash Flow Statement.....	17
<b>Total Public Sector</b>	
Table 1.5: Operating Statement.....	18
Table 1.6: Balance Sheet.....	19
Table 1.7: Statement of Changes in Equity.....	20
Table 1.8: Cash Flow Statement.....	21
<b>Notes to the Consolidated Financial Statements</b>	
1 Statement of significant accounting policies.....	22
2 Operating revenue.....	23
3 Transfer expenses.....	23
4 Convergence differences.....	24
5 Investments, loans and placements.....	27
6 Receivables.....	27
7 Borrowings.....	28
8 Details of agencies consolidated.....	28
9 Contingent liabilities.....	28

## 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 2015-16 State Budget Papers released on 14 May 2015, 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	2015-16		2014-15	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>RESULTS FROM TRANSACTIONS</b>					
<b>REVENUE</b>					
Taxation		2,117	9,754	2,269	8,882
Current grants and subsidies		1,795	7,738	1,949	8,051
Capital grants		68	651	11	1,263
Sales of goods and services		522	2,342	547	2,105
Interest Income		44	174	48	185
Revenue from public corporations					
Dividends from other sectors		-	945	-	1,187
Tax equivalent income		116	527	139	592
Royalty income		1,122	3,670	1,278	4,603
Other		123	523	112	532
<b>Total</b>	2	<b>5,907</b>	<b>26,325</b>	<b>6,353</b>	<b>27,400</b>
<b>EXPENSES</b>					
Salaries		2,837	11,498	2,707	11,089
Superannuation					
Concurrent costs		279	1,129	267	1,107
Superannuation interest cost		49	224	69	266
Other employee costs		91	449	102	430
Depreciation and amortisation		331	1,434	275	1,235
Services and contracts		469	2,341	432	2,057
Other gross operating expenses		1,499	5,435	1,386	5,131
Other interest		148	616	130	543
Current transfers	3	1,236	5,353	1,256	5,465
Capital transfers	3	115	555	76	507
<b>Total</b>		<b>7,053</b>	<b>29,033</b>	<b>6,700</b>	<b>27,831</b>
<b>NET OPERATING BALANCE</b>	4	<b>-1,146</b>	<b>-2,708</b>	<b>-347</b>	<b>-431</b>
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		-2	32	4	-21
Net actuarial gains/-loss - superannuation		-448	-48	-99	98
Provision for doubtful debts		-1	-4	-	-36
Changes in accounting policy/adjustments of prior periods		-88	-	-157	-504
<b>Total other economic flows</b>		<b>-539</b>	<b>-21</b>	<b>-252</b>	<b>-463</b>
<b>OPERATING RESULT</b>		<b>-1,685</b>	<b>-2,729</b>	<b>-599</b>	<b>-894</b>
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		566	2,045	452	2,229
Gains recognised directly in equity		-6	-1	-5	-4
Change in net worth of the public corporations sectors		659	789	817	3,140
All other		-	-	-	-
<b>Total all other movements in equity</b>		<b>1,220</b>	<b>2,833</b>	<b>1,265</b>	<b>5,365</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>-465</b>	<b>104</b>	<b>666</b>	<b>4,472</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	4	<b>-1,146</b>	<b>-2,708</b>	<b>-347</b>	<b>-431</b>
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		508	2,603	590	2,667
Changes in inventories		2	-	5	-9
Other movement in non-financial assets		-	-42	32	90
<i>less:</i>					
Sales of non-financial assets		19	207	25	134
Depreciation		331	1,434	275	1,235
<b>Total net acquisition of non-financial assets</b>		<b>160</b>	<b>919</b>	<b>327</b>	<b>1,378</b>
<b>NET LENDING/-BORROWING</b>	4	<b>-1,306</b>	<b>-3,628</b>	<b>-674</b>	<b>-1,809</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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 2015	30 June 2016 <sup>(a)</sup>	30 Sept 2014	30 June 2015 <sup>(b)</sup>
		\$m	\$m	\$m	\$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		859	579	766	785
Advances paid		697	708	683	678
Investments, loans and placements	5	4,674	2,085	3,828	3,571
Receivables	6	2,753	2,494	3,081	2,660
<i>Shares and other equity</i>					
Investments in other public sector entities - equity method		49,505	46,997	46,523	48,846
Investments in other public sector entities - direct injections		7,559	8,479	6,794	7,455
Investments in other entities		43	43	14	44
Other financial assets		-	-	-	-
<b>Total financial assets</b>		<b>66,091</b>	<b>61,386</b>	<b>61,688</b>	<b>64,038</b>
<i>Non-financial assets</i>					
Land		39,147	38,745	38,001	38,837
Property, plant and equipment		45,205	48,566	43,388	45,003
Biological assets	2	2	1	1	2
<i>Inventories</i>					
Land inventories		105	68	95	106
Other inventories		71	77	84	69
<i>Intangibles</i>					
Assets classified as held for sale		29	13	15	27
Investment property		9	-	8	9
Other		352	748	272	249
<b>Total non-financial assets</b>		<b>85,529</b>	<b>88,853</b>	<b>82,438</b>	<b>84,911</b>
<b>TOTAL ASSETS</b>		<b>151,620</b>	<b>150,238</b>	<b>144,126</b>	<b>148,949</b>
<b>LIABILITIES</b>					
Deposits held		333	711	409	417
Advances received		407	392	454	407
Borrowings	7	16,871	18,068	12,640	13,603
Unfunded superannuation		7,911	8,367	7,911	7,573
Other employee benefits		3,110	2,644	3,012	3,292
Payables		884	1,027	932	1,071
Other liabilities		1,268	1,520	1,275	1,287
<b>TOTAL LIABILITIES</b>		<b>30,786</b>	<b>32,729</b>	<b>26,632</b>	<b>27,649</b>
<b>NET ASSETS</b>		<b>120,834</b>	<b>117,510</b>	<b>117,494</b>	<b>121,299</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		9,312	6,134	11,310	11,012
Other reserves		111,522	111,375	106,184	110,287
<b>NET WORTH</b>	4	<b>120,834</b>	<b>117,510</b>	<b>117,494</b>	<b>121,299</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		35,305	28,657	35,056	36,389
<i>Net financial liabilities</i>		21,759	26,819	18,261	19,912
<i>Net debt</i>					
Gross debt liabilities		17,612	19,171	13,503	14,427
less: liquid financial assets		6,230	3,372	5,276	5,034
less: convergence differences impacting net debt		88	-	88	88
<b>Net debt</b>		<b>11,294</b>	<b>15,799</b>	<b>8,139</b>	<b>9,306</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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 2015

	Asset Revaluation Surplus \$m	investments in other sector entities \$m	Accumulated net gain on equity Accumulated Surplus/deficit \$m	Total Equity \$m
Balance at 1 July 2015	61,441	48,846	11,012	121,299
Operating result	-	-	-1,685	-1,685
Other movements in equity	566	659	-6	1,220
All other	9	-	-9	-
<i>Total change in net worth</i>	576	659	-1,700	-465
<b>Balance at 30 September 2015</b>	<b>62,017</b>	<b>49,505</b>	<b>9,312</b>	<b>120,834</b>

For the three months ended 30 September 2014

	Asset Revaluation Surplus \$m	investments in other sector entities \$m	Accumulated net gain on equity Accumulated Surplus/deficit \$m	Total Equity \$m
Balance at 1 July 2014	59,205	45,706	11,917	116,828
Operating result	-	-	-599	-599
Other movements in equity	452	817	-5	1,265
All other	4	-	-4	-
<i>Total change in net worth</i>	456	817	-607	666
<b>Balance at 30 September 2014</b>	<b>59,661</b>	<b>46,523</b>	<b>11,310</b>	<b>117,494</b>

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

## GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 1.4

	Note	2015-16		2014-15	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<i>Cash received</i>					
Taxes received		2,089	9,774	2,110	8,846
Grants and subsidies received		1,824	8,355	1,924	9,394
Receipts from sales of goods and services		525	2,358	633	2,129
Interest receipts		40	164	38	180
Dividends and tax equivalents		149	1,527	163	1,865
Other		1,542	5,376	1,917	6,799
<b>Total cash received</b>		<b>6,169</b>	<b>27,554</b>	<b>6,785</b>	<b>29,213</b>
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,452	-13,385	-3,225	-12,546
Payments for goods and services		-2,297	-8,102	-2,348	-7,761
Interest paid		-132	-582	-117	-537
Grants and subsidies paid		-1,143	-5,712	-1,131	-5,767
Dividends and tax equivalents		-	-	-	-
Other		-427	-1,420	-443	-1,562
<b>Total cash paid</b>		<b>-7,451</b>	<b>-29,201</b>	<b>-7,264</b>	<b>-28,173</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>-1,283</b>	<b>-1,647</b>	<b>-479</b>	<b>1,040</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-508	-2,603	-590	-2,667
Sales of non-financial assets		19	207	25	134
<b>Total cash flows from investments in non-financial assets</b>		<b>-489</b>	<b>-2,395</b>	<b>-565</b>	<b>-2,533</b>
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		3	-	3	18
For liquidity purposes		-	20	-	5
<i>Cash paid</i>					
For policy purposes		-127	-666	-67	-566
For liquidity purposes		-18	-19	-10	-22
<b>Total cash flows from investments in financial assets</b>		<b>-142</b>	<b>-665</b>	<b>-74</b>	<b>-565</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-631</b>	<b>-3,060</b>	<b>-639</b>	<b>-3,098</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<i>Cash received</i>					
Advances received		5	16	15	16
Borrowings		3,315	4,493	1,219	2,065
Deposits received		-	-	-	-
Other financing receipts		410	37	292	448
<b>Total cash received</b>		<b>3,730</b>	<b>4,546</b>	<b>1,526</b>	<b>2,529</b>
<i>Cash paid</i>					
Advances paid		-	-16	-2	-16
Borrowings repaid		-23	-86	-21	-79
Deposits paid		-	-	-	-
Other financing payments		-492	-432	-305	-424
<b>Total cash paid</b>		<b>-515</b>	<b>-534</b>	<b>-328</b>	<b>-519</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>3,214</b>	<b>4,012</b>	<b>1,198</b>	<b>2,010</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,301</b>	<b>-695</b>	<b>80</b>	<b>-48</b>
Cash and cash equivalents at the beginning of the year		4,440	3,135	4,488	4,488
Cash and cash equivalents at the end of the year		5,741	2,440	4,568	4,440
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities		-1,283	-1,647	-479	1,040
Net cash flows from investing in non-financial assets		-489	-2,395	-565	-2,533
<b>Cash surplus/-deficit</b>	4	<b>-1,771</b>	<b>-4,042</b>	<b>-1,044</b>	<b>-1,493</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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	2015-16		2014-15	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<i>Results from Transactions</i>					
<b>REVENUE</b>					
Taxation		2,000	9,236	2,159	8,400
Current grants and subsidies		1,795	7,738	1,949	8,051
Capital grants		68	651	11	1,263
Sales of goods and services		5,386	19,789	4,643	19,071
Interest Income		111	658	151	648
Royalty income		1,122	3,670	1,278	4,603
Other		251	997	244	1,256
<b>Total</b>	2	<b>10,733</b>	<b>42,740</b>	<b>10,435</b>	<b>43,292</b>
<b>EXPENSES</b>					
Salaries		3,164	12,768	3,027	12,314
Superannuation					
Concurrent costs		311	1,254	298	1,230
Superannuation interest cost		49	224	69	266
Other employee costs		71	259	72	298
Depreciation and amortisation		897	3,571	764	3,226
Services and contracts		696	3,217	623	2,991
Other gross operating expenses		4,935	18,526	4,095	17,600
Other interest		385	1,739	387	1,506
Other property expenses		-	-	-	-
Current transfers	3	915	3,819	936	3,886
Capital transfers	3	57	445	67	440
<b>Total</b>		<b>11,480</b>	<b>45,822</b>	<b>10,339</b>	<b>43,756</b>
<b>NET OPERATING BALANCE</b>	4	<b>-748</b>	<b>-3,082</b>	<b>96</b>	<b>-464</b>
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		-144	186	53	327
Net actuarial gains/-loss - superannuation		-453	-48	-99	60
Provision for doubtful debts		-6	-22	-3	-45
Changes in accounting policy/adjustment of prior periods		325	-	545	-688
<b>Total other economic flows</b>		<b>-278</b>	<b>115</b>	<b>497</b>	<b>-345</b>
<b>OPERATING RESULT</b>		<b>-1,026</b>	<b>-2,967</b>	<b>592</b>	<b>-810</b>
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		-307	3,125	-602	4,724
Gains recognised directly in equity		868	-55	676	557
All other		-	-	-	-
<b>Total all other movements in equity</b>		<b>561</b>	<b>3,071</b>	<b>74</b>	<b>5,281</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>-465</b>	<b>104</b>	<b>666</b>	<b>4,472</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	4	<b>-748</b>	<b>-3,082</b>	<b>96</b>	<b>-464</b>
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,165	6,284	1,344	5,777
Changes in inventories		-62	819	-297	173
Other movement in non-financial assets		52	111	91	418
<i>less:</i>					
Sales of non-financial assets		127	1,236	153	913
Depreciation		897	3,571	764	3,226
<b>Total net acquisition of non-financial assets</b>		<b>131</b>	<b>2,406</b>	<b>221</b>	<b>2,229</b>
<b>NET LENDING/-BORROWING</b>	4	<b>-878</b>	<b>-5,489</b>	<b>-126</b>	<b>-2,693</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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 2015	30 June 2016 <sup>(a)</sup>	30 Sept 2014	30 June 2015 <sup>(b)</sup>
		\$m	\$m	\$m	\$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		1,673	1,197	1,586	1,631
Advances paid		4,489	4,707	4,072	4,429
Investments, loans and placements	5	13,649	10,608	12,805	15,190
Receivables	6	3,776	3,641	4,256	3,747
Equity - investments in other entities		1,631	1,745	1,388	1,670
Other financial assets		8	17	13	7
<b>Total financial assets</b>		<b>25,227</b>	<b>21,916</b>	<b>24,120</b>	<b>26,674</b>
<i>Non-financial assets</i>					
Land		54,431	54,794	53,164	54,084
Property, plant and equipment		99,272	102,038	94,156	98,636
Biological assets		316	314	322	316
Inventories					
Land inventories		2,308	2,321	2,023	2,281
Other inventories		3,415	3,595	3,007	3,477
Intangibles		1,125	1,048	1,095	1,129
Assets classified as held for sale		880	17	28	879
Investment property		59	666	581	59
Other		571	961	450	454
<b>Total non-financial assets</b>		<b>162,377</b>	<b>165,753</b>	<b>154,826</b>	<b>161,315</b>
<b>TOTAL ASSETS</b>		<b>187,604</b>	<b>187,669</b>	<b>178,946</b>	<b>187,989</b>
<b>LIABILITIES</b>					
Deposits held		67	187	159	52
Advances received		407	392	454	407
Borrowings	7	44,655	46,930	39,620	44,252
Unfunded superannuation		8,046	8,435	8,040	7,710
Other employee benefits		3,547	3,092	3,445	3,763
Payables		5,308	5,500	5,069	5,705
Other liabilities		4,739	5,623	4,666	4,800
<b>TOTAL LIABILITIES</b>		<b>66,770</b>	<b>70,159</b>	<b>61,452</b>	<b>66,690</b>
<b>NET ASSETS</b>		<b>120,834</b>	<b>117,510</b>	<b>117,494</b>	<b>121,299</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		31,476	24,206	33,137	31,630
Other reserves		89,358	93,304	84,357	89,669
<b>NET WORTH</b>	4	<b>120,834</b>	<b>117,510</b>	<b>117,494</b>	<b>121,299</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		-41,543	-48,244	-37,332	-40,016
<i>Net financial liabilities</i>		43,174	49,989	38,720	41,686
<i>Net debt</i>					
Gross debt liabilities		45,130	47,509	40,232	44,712
less: liquid financial assets		19,812	16,512	18,463	21,250
less: convergence differences impacting net debt		88	-	88	88
<b>Net debt</b>		<b>25,230</b>	<b>30,996</b>	<b>21,681</b>	<b>23,374</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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

Table 1.7

**TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY**  
For the three months ending 30 September 2015

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
Balance at 1 July 2015	89,669	31,630	121,299
Operating result	-	-1,026	-1,026
Other movements in equity	-307	868	561
All other	-4	4	-
<i>Total change in net worth</i>	<i>-311</i>	<i>-154</i>	<i>-465</i>
<b>Balance at 30 September 2015</b>	<b>89,358</b>	<b>31,476</b>	<b>120,834</b>

For the three months ending 30 September 2014

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
Balance at 1 July 2014	84,955	31,873	116,828
Operating result	-	592	592
Other movements in equity	-602	676	74
All other	4	-4	-
<i>Total change in net worth</i>	<i>-598</i>	<i>1,264</i>	<i>666</i>
<b>Balance at 30 September 2014</b>	<b>84,357</b>	<b>33,137</b>	<b>117,494</b>

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

## TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2015-16		2014-15		
	Note	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<i>Cash received</i>					
Taxes received		2,012	9,186	2,039	8,305
Grants and subsidies received		1,824	8,362	1,924	9,394
Receipts from sales of goods and services		5,720	19,973	4,812	19,836
Interest receipts		156	710	210	748
Other receipts		1,967	6,083	2,327	8,065
<i>Total cash received</i>		<b>11,679</b>	<b>44,313</b>	<b>11,312</b>	<b>46,347</b>
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,856	-14,878	-3,587	-13,917
Payments for goods and services		-5,953	-19,722	-4,916	-20,123
Interest paid		-459	-1,708	-427	-1,699
Grants and subsidies paid		-898	-4,019	-934	-4,001
Other payments		-1,121	-4,029	-1,223	-4,244
<i>Total cash paid</i>		<b>-12,288</b>	<b>-44,356</b>	<b>-11,086</b>	<b>-43,983</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>-609</b>	<b>-43</b>	<b>226</b>	<b>2,364</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-1,165	-6,284	-1,344	-5,777
Sales of non-financial assets		127	1,236	153	913
<i>Total cash flows from investments in non-financial assets</i>		<b>-1,038</b>	<b>-5,047</b>	<b>-1,191</b>	<b>-4,864</b>
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		3	-	3	18
For liquidity purposes		1,371	6,896	1,626	7,056
<i>Cash paid</i>					
For policy purposes		-2	-	-2	-17
For liquidity purposes		-1,063	-7,207	-1,953	-6,732
<i>Total cash flows from investments in financial assets</i>		<b>308</b>	<b>-311</b>	<b>-327</b>	<b>325</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-729</b>	<b>-5,358</b>	<b>-1,518</b>	<b>-4,539</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<i>Cash received</i>					
Advances received		5	-	15	-
Borrowings		3,909	33,329	4,988	16,256
Deposits received		-	-	-	-
Other financing receipts		413	37	293	454
<i>Total cash received</i>		<b>4,327</b>	<b>33,366</b>	<b>5,296</b>	<b>16,711</b>
<i>Cash paid</i>					
Advances paid		-	-16	-2	-16
Borrowings repaid		-825	-27,974	-3,362	-13,242
Deposits paid		-	-	-	-
Other financing payments		-493	-406	-303	-421
<i>Total cash paid</i>		<b>-1,318</b>	<b>-28,397</b>	<b>-3,667</b>	<b>-13,679</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>3,009</b>	<b>4,969</b>	<b>1,629</b>	<b>3,032</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,671</b>	<b>-432</b>	<b>338</b>	<b>857</b>
Cash and cash equivalents at the beginning of the year		9,239	6,560	8,383	8,383
Cash and cash equivalents at the end of the year		10,911	6,128	8,720	9,239
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities		-609	-43	226	2,364
Net cash flows from investing in non-financial assets		-1,038	-5,047	-1,191	-4,864
<b>Cash surplus/-deficit</b>	4	<b>-1,646</b>	<b>-5,090</b>	<b>-964</b>	<b>-2,500</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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 2015 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the note disclosures that are included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2015, presented in Appendix 1 of the 2014-15 *Annual Report on State Finances* (ARSF) released on 24 September 2015. The accounting policies adopted in this publication are consistent with those outlined in the 2014-15 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 2014-15 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<sup>(a)</sup>**


---

General Government				
	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(b)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(c)</sup> \$m
<i>CURRENT TRANSFERS</i>				
Local Government	90	306	81	380
Local Government on-passing	21	176	44	262
Private and Not-for-profit sector	364	1,438	376	1,435
Private and Not-for-profit sector on-passing	269	1,139	241	1,064
Other sectors of Government	492	2,295	513	2,325
<b>Total Current Transfers</b>	<b>1,236</b>	<b>5,353</b>	<b>1,256</b>	<b>5,465</b>
<i>CAPITAL TRANSFERS</i>				
Local Government	5	112	5	87
Local Government on-passing	13	108	27	162
Private and Not-for-profit sector	32	142	29	129
Private and Not-for-profit sector on-passing	4	35	4	16
Other sectors of Government	60	158	11	113
<b>Total Capital Transfers</b>	<b>115</b>	<b>555</b>	<b>76</b>	<b>507</b>
Total Public Sector				
	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(b)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(c)</sup> \$m
<i>CURRENT TRANSFERS</i>				
Local Government	95	306	81	380
Local Government on-passing	21	176	44	262
Private and Not-for-profit sector	525	2,183	565	2,162
Private and Not-for-profit sector on-passing	269	1,139	241	1,064
Other sectors of Government	6	15	5	18
<b>Total Current Transfers</b>	<b>915</b>	<b>3,819</b>	<b>936</b>	<b>3,886</b>
<i>CAPITAL TRANSFERS</i>				
Local Government	5	122	5	88
Local Government on-passing	13	108	27	162
Private and Not-for-profit sector	34	180	31	174
Private and Not-for-profit sector on-passing	4	35	4	16
Other sectors of Government	-	1	-	-
<b>Total Capital Transfers</b>	<b>57</b>	<b>445</b>	<b>67</b>	<b>440</b>

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

(b) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(c) Consistent with final audited data contained in the 2014-15 *Annual Report on State Finances*, released 24 September 2015.

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 2015 results.

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

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i><u>General government</u></i>				
AASB1049 net operating balance	-1,146	-2,708	-347	-431
<i>Plus GFS revenue adjustments</i>				
Capital grants - prepaid road grants	-	-	-	-499
Total GFS revenue adjustments	-	-	-	-499
<i>Less GFS expense adjustments</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	88	-	-
Total GFS expense adjustments	-	88	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-88	-	-499
<b>GFS net operating balance</b>	<b>-1,146</b>	<b>-2,796</b>	<b>-347</b>	<b>-930</b>
<i><u>Total public sector</u></i>				
AASB1049 net operating balance	-748	-3,082	96	-464
<i>Plus GFS revenue adjustments</i>				
Capital grants - prepaid road grants	-	-	-	-499
Total GFS revenue adjustments	-	-	-	-499
<i>Less GFS expense adjustments</i>				
Capitalised interest	9	22	6	33
Dampier to Bunbury Natural Gas Pipeline loan asset	-	88	-	-
Total GFS expense adjustments	9	110	6	33
Total GFS adjustments to AASB 1049 net operating balance	-9	-110	-6	-532
<b>GFS net operating balance</b>	<b>-756</b>	<b>-3,192</b>	<b>89</b>	<b>-996</b>

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

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 net lending/-borrowing	-1,306	-3,628	-674	-1,809
Plus Net operating balance convergence differences (noted above)	-	-88	-	-499
<b>GFS net lending/-borrowing</b>	<b>-1,306</b>	<b>-3,716</b>	<b>-674</b>	<b>-2,308</b>
<i>Total public sector</i>				
AASB1049 net lending/-borrowing	-878	-5,489	-126	-2,693
Plus Net operating balance convergence differences (noted above)	-9	-110	-6	-532
<b>GFS net lending/-borrowing</b>	<b>-887</b>	<b>-5,598</b>	<b>-132</b>	<b>-3,225</b>

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

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 net worth	120,834	117,510	117,494	121,299
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	-	88	88
Provision for doubtful debts				
General government sector	236	216	217	236
Impact on public corporations net worth	29	16	32	25
Impact of Road grants prepayments	-499	-	-	-499
<i>Total GFS net worth adjustments</i>	<i>-146</i>	<i>232</i>	<i>337</i>	<i>-150</i>
<b>GFS net worth</b>	<b>120,688</b>	<b>117,742</b>	<b>117,831</b>	<b>121,149</b>
<i>Total public sector</i>				
AASB1049 net worth	120,834	117,510	117,494	121,299
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	-	88	88
Provision for doubtful debts	265	232	249	261
Impact of Road grants prepayments	-499	-	-	-499
<i>Total GFS net worth adjustments</i>	<i>-146</i>	<i>232</i>	<i>337</i>	<i>-150</i>
<b>GFS net worth</b>	<b>120,688</b>	<b>117,742</b>	<b>117,831</b>	<b>121,149</b>

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

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB 1049 change in net worth	-465	104	666	4,472
Plus change in:				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-88	-	-
Provision for doubtful debts				
General government sector	-	-	-	20
Impact on public corporations net worth	4	1	-10	-17
Impact of Road grants prepayments	-	-	-	-499
<b>Total GFS change in net worth adjustments</b>	<b>4</b>	<b>-87</b>	<b>-10</b>	<b>-497</b>
<b>GFS change in net worth</b>	<b>-461</b>	<b>16</b>	<b>656</b>	<b>3,975</b>
<u>Total public sector</u>				
AASB 1049 change in net worth	-465	104	666	4,472
Plus change in:				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-88	-	-
Provision for doubtful debts	4	1	-10	2
Impact of Road grants prepayments	-	-	-	-499
<b>Total GFS change in net worth adjustments</b>	<b>4</b>	<b>-87</b>	<b>-10</b>	<b>-497</b>
<b>GFS change in net worth</b>	<b>-461</b>	<b>16</b>	<b>656</b>	<b>3,975</b>

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

	2015-16		2014-15	
	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	-1,771	-4,042	-1,044	-1,493
Less Acquisitions under finance leases and similar arrangements	-	5	32	80
<b>GFS cash surplus/-deficit</b>	<b>-1,771</b>	<b>-4,047</b>	<b>-1,076</b>	<b>-1,573</b>
<u>Total public sector</u>				
AASB1049 cash surplus/-deficit	-1,646	-5,090	-964	-2,500
Less Acquisitions under finance leases and similar arrangements	-	5	32	80
<b>GFS cash surplus/-deficit</b>	<b>-1,647</b>	<b>-5,095</b>	<b>-996</b>	<b>-2,580</b>

## NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government				
	2015-16		2014-15	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,659	2,071	3,814	3,552
Government securities	5	6	6	5
<b>Total</b>	<b>4,663</b>	<b>2,076</b>	<b>3,819</b>	<b>3,556</b>
<i>Loans and advances</i>				
Loans	10	8	8	15
Financial Assets held for trading/available for sale	-	1	1	-
<b>Total</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>15</b>
<b>Total</b>	<b>4,674</b>	<b>2,085</b>	<b>3,828</b>	<b>3,571</b>
Total Public Sector				
	2015-16		2014-15	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	10,311	7,747	9,612	9,169
Government securities	5	6	427	5
<b>Total</b>	<b>10,316</b>	<b>7,753</b>	<b>10,039</b>	<b>9,174</b>
<i>Loans and advances</i>				
Loans	2,849	2,400	2,405	5,492
Financial Assets held for trading/available for sale	484	455	361	523
<b>Total</b>	<b>3,333</b>	<b>2,855</b>	<b>2,766</b>	<b>6,015</b>
<b>Total</b>	<b>13,649</b>	<b>10,608</b>	<b>12,805</b>	<b>15,190</b>

## NOTE 6: RECEIVABLES

General Government				
	2015-16		2014-15	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	2,990	2,711	3,298	2,896
Provision for impairment of receivables	-236	-216	-217	-236
<b>Total</b>	<b>2,753</b>	<b>2,494</b>	<b>3,081</b>	<b>2,660</b>
Total Public Sector				
	2015-16		2014-15	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	4,041	3,873	4,505	4,008
Provision for impairment of receivables	-265	-232	-249	-261
<b>Total</b>	<b>3,776</b>	<b>3,641</b>	<b>4,256</b>	<b>3,747</b>

## NOTE 7: BORROWINGS

General Government				
	2015-16		2014-15	
	30 Sept	Budget Estimate	30 Sept	Actual
	\$m	\$m	\$m	\$m
Bank overdrafts	288	171	185	304
Finance leases	585	800	553	594
Borrowings	15,997	17,097	11,902	12,704
<b>Total</b>	<b>16,871</b>	<b>18,068</b>	<b>12,640</b>	<b>13,603</b>

Total Public Sector				
	2015-16		2014-15	
	30 Sept	Budget Estimate	30 Sept	Actual
	\$m	\$m	\$m	\$m
Bank overdrafts	290	171	191	304
Finance leases	1,463	1,650	1,462	1,481
Borrowings	42,901	45,109	37,967	42,467
<b>Total</b>	<b>44,655</b>	<b>46,930</b>	<b>39,620</b>	<b>44,252</b>

## NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 34: *Composition of Sectors* in the 2014-15 *Annual Report on State Finances*. The following changes took effect from 1 July 2015:

- the functions of the Swan River Trust were merged with the Department of Parks and Wildlife;
- the Western Australian Alcohol and Drug Authority was amalgamated into the Mental Health Commission;
- the Road Safety Commission was established;
- the Fremantle Prison function ceased to be part of the Department of Finance and was transferred to the State Heritage Office; and
- the Office of the Government Chief Information Officer was established as a sub-department of the Department of Finance.

## NOTE 9: CONTINGENT LIABILITIES

There have been no material changes to the contingent liabilities that were disclosed in Note 30 of the 2014-15 *Annual Report on State Finances*.

## 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

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	946	3,997	971	3,602
Property taxes				
<i>Land tax</i>	11	939	56	744
Transfer Duty	336	1,614	438	1,598
Landholder Duty	29	118	21	101
<i>Total duty on transfers</i>	365	1,732	459	1,699
Metropolitan Region Improvement Tax	1	98	5	93
Perth Parking Levy	49	57	41	48
Emergency Services Levy	119	306	106	274
Loan guarantee fees	26	163	22	119
<i>Total other property taxes</i>	195	624	174	534
Taxes on provision of goods and services				
Lotteries Commission	40	162	38	152
Video lottery terminals	-	1	-	-
Casino Tax	15	81	28	110
Betting tax	11	45	11	42
<i>Total taxes on gambling</i>	66	289	77	305
Insurance Duty	159	660	166	604
Other	7	21	9	31
<i>Total taxes on insurance</i>	166	682	175	635
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	85	395	92	363
Permits - Oversize Vehicles and Loads	3	9	2	7
Motor Vehicle recording fee	15	54	14	58
Motor Vehicle registrations	219	879	212	848
<i>Total motor vehicle taxes</i>	322	1,337	320	1,277
<i>Mining Rehabilitation Levy</i>	28	51	27	27
<i>Landfill Levy</i>	18	104	11	59
<b>Total Taxation</b>	<b>2,117</b>	<b>9,754</b>	<b>2,269</b>	<b>8,882</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>				
<i>General Purpose Grants</i>				
GST grants	479	1,934	564	2,258
North West Shelf grants	175	722	286	865
Compensation for Commonw earth crude oil excise arrangements	8	40	14	48
<i>Grants through the State</i>				
Schools assistance – non-government schools	269	1,139	241	1,064
Local government financial assistance grants	21	176	44	262
Local government roads	13	108	27	162
<i>National Specific Purpose Payment Agreement Grants</i>				
National Skills and Workforce Development	41	164	41	156
National Disability Services	38	163	36	151
National Affordable Housing	41	149	36	144
<i>Students First</i>	128	566	114	503
<i>National Health Reform</i>	429	1,928	436	1,750
<i>National Partnerships/Other Grants</i>				
Health	93	331	76	402
Housing	-	20	5	15
Transport	14	78	1	55
Other	46	220	30	216
<b>Total Current Grants and Subsidies</b>	<b>1,795</b>	<b>7,738</b>	<b>1,949</b>	<b>8,051</b>

Table 2.1 (cont.)

**GENERAL GOVERNMENT**  
Operating Revenue

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	35	4	16
<i>National Partnerships/Other Grants</i>				
Housing	51	124	5	173
Transport	12	454	-	992
Other	-	38	2	82
<b>Total Capital Grants</b>	<b>68</b>	<b>651</b>	<b>11</b>	<b>1,263</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>522</b>	<b>2,342</b>	<b>547</b>	<b>2,105</b>
<b>INTEREST INCOME</b>	<b>44</b>	<b>174</b>	<b>48</b>	<b>185</b>
<b>REVENUE FROM PUBLIC CORPORATIONS</b>				
Dividends	-	945	-	1,187
Tax Equivalent Regime	116	527	139	592
<b>Total Revenue from Public Corporations</b>	<b>116</b>	<b>1,472</b>	<b>139</b>	<b>1,779</b>
<b>ROYALTY INCOME</b>	<b>1,122</b>	<b>3,670</b>	<b>1,278</b>	<b>4,603</b>
<b>OTHER</b>				
Lease Rentals	20	88	26	89
Fines	50	205	37	188
Revenue not elsew here counted	53	229	50	255
<b>Total Other</b>	<b>123</b>	<b>523</b>	<b>112</b>	<b>532</b>
<b>GRAND TOTAL</b>	<b>5,907</b>	<b>26,325</b>	<b>6,353</b>	<b>27,400</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 *Annual Report on State Finances*, released 24 September 2015.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR**  
Operating Revenue

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	922	3,912	948	3,503
Property taxes				
<i>Land tax</i>	-7	872	40	675
Transfer Duty	336	1,614	438	1,598
Landholder Duty	29	118	21	101
<i>Total duty on transfers</i>	365	1,732	459	1,699
Metropolitan Region Improvement Tax	1	98	5	93
Perth Parking Levy	49	57	40	48
Emergency Services Levy	119	301	106	270
Loan guarantee fees	1	9	1	3
<i>Total other property taxes</i>	170	465	152	415
Taxes on provision of goods and services				
Video lottery terminals	-	1	-	-
Casino Tax	15	81	28	110
<i>Total taxes on gambling</i>	15	82	28	110
Insurance Duty	159	660	166	604
Other	7	21	9	31
<i>Total taxes on insurance</i>	166	682	175	635
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	85	395	92	363
Permits - Oversize Vehicles and Loads	3	9	2	7
Motor Vehicle recording fee	15	54	14	58
Motor Vehicle registrations	219	879	212	848
<i>Total motor vehicle taxes</i>	322	1,337	320	1,277
<i>Mining Rehabilitation Levy</i>	28	51	27	27
<i>Landfill Levy</i>	18	104	11	59
<b>Total Taxation</b>	<b>2,000</b>	<b>9,236</b>	<b>2,159</b>	<b>8,400</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>				
<i>General Purpose Grants</i>				
GST grants	479	1,934	564	2,258
North West Shelf grants	175	722	286	865
Compensation for Commonwealth crude oil excise arrangements	8	40	14	48
<i>Grants through the State</i>				
Schools assistance – non-government schools	269	1,139	241	1,064
Local government financial assistance grants	21	176	44	262
Local government roads	13	108	27	162
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	41	164	41	156
National Disability Services	38	163	36	151
National Affordable Housing	41	149	36	144
<i>Students First</i>	128	566	114	503
<i>National Health Reform</i>	429	1,928	436	1,750
<i>National Partnerships\Other Grants</i>				
Health	93	331	76	402
Housing	-	20	5	15
Transport	14	78	1	55
Other	46	220	30	216
<b>Total Current Grants and Subsidies</b>	<b>1,795</b>	<b>7,738</b>	<b>1,949</b>	<b>8,051</b>

**TOTAL PUBLIC SECTOR**  
Operating Revenue

Table 2.2 (cont.)

	2015-16		2014-15	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	35	4	16
<i>National Partnerships/Other Grants</i>				
Housing	51	124	5	173
Transport	12	454	-	992
Other	-	38	2	82
<b>Total Capital Grants</b>	<b>68</b>	<b>651</b>	<b>11</b>	<b>1,263</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>5,386</b>	<b>19,789</b>	<b>4,643</b>	<b>19,071</b>
<b>INTEREST INCOME</b>	<b>111</b>	<b>658</b>	<b>151</b>	<b>648</b>
<b>ROYALTY INCOME</b>	<b>1,122</b>	<b>3,670</b>	<b>1,278</b>	<b>4,603</b>
<b>OTHER</b>				
Lease Rentals	20	88	26	89
Fines	52	205	37	188
Revenue not elsew here counted	179	704	181	978
<b>Total Other</b>	<b>251</b>	<b>997</b>	<b>244</b>	<b>1,256</b>
<b>GRAND TOTAL</b>	<b>10,733</b>	<b>42,740</b>	<b>10,435</b>	<b>43,292</b>

(a) Consistent with the estimate published in the 2015-16 Budget released 14 May 2015.

(b) Consistent with final audited data contained in the 2014-15 Annual Report on State Finances, released 24 September 2015.

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 Treasurer's Special Purpose Accounts (TSPAs).

Table 3.1 shows that the aggregate balance of the Public Ledger at 30 September 2015 was in a \$407 million deficit position, a \$268 million reduction on the deficit position at 30 September 2014. This reflects a \$363 million increase in the accrual deficit of the Consolidated Account, a \$583 million increase in TSPA balances and a lower draw against the Treasurer's Advance during the first three months of 2015-16.

Table 3.1

<b>PUBLIC LEDGER BALANCES AT 30 SEPTEMBER</b>			
	2015	2014	Variance
	\$m	\$m	\$m
<b>THE PUBLIC LEDGER</b>			
Consolidated Account <sup>(a)</sup>	-12,040	-11,677	-363
Treasurer's Special Purpose Accounts	11,641	11,058	583
Treasurer's Advance Account – Net Advances	-8	-56	48
<b>TOTAL</b>	<b>-407</b>	<b>-675</b>	<b>268</b>
Agency Special Purpose Account	5,332	4,733	599
<b>TOTAL PUBLIC BANK ACCOUNT</b>	<b>4,925</b>	<b>4,058</b>	<b>867</b>

(a) The balance of the Consolidated Account at 30 September 2015 includes non-cash appropriations of \$8,684 million (30 September 2014: \$8,197 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. The Act also requires that payments out of the Account must be appropriated by Parliament.

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

The Consolidated Account accrual deficit at 30 September 2015 was \$12,040 million, an increase of \$363 million on the accumulated deficit at 30 September 2014. This included \$8,684 million associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash balances in agency Holding Accounts.

In cash terms, the Consolidated Account was overdrawn by \$3,356 million at 30 September 2015. This compares with a \$3,480 million deficit cash balance at 30 September 2014. 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

	2015 \$m	2014 \$m	Variance \$m
<b>REVENUE</b>			
<i>Operating Activities</i>			
Taxation	1,637	1,677	-40
Commonwealth Grants	629	830	-201
Government Enterprises	139	167	-28
Revenue from other agencies	1,320	1,674	-354
Other	85	73	12
<i>Total Operating Activities</i>	<b>3,810</b>	<b>4,421</b>	<b>-611</b>
<i>Financing Activities</i>			
Repayments of Recoverable Advances	2	1	1
Transfers from:			
Bankwest Pension Trust	_(a)	_(a)	_(a)
Other Receipts	15	1	14
Borrowings	3,285	1,200	2,000
<i>Total Financing Activities</i>	<b>3,302</b>	<b>1,202</b>	<b>2,100</b>
<b>TOTAL REVENUE</b>	<b>7,111</b>	<b>5,623</b>	<b>1,488</b>
<b>EXPENDITURE</b>			
<i>Recurrent</i>			
Authorised by Other Statutes	645	649	-4
Appropriation Act (No. 1)	5,382	5,444	-62
Recurrent Expenditure under the Treasurer's Advance	1	_(a)	1
<i>Total Recurrent Expenditure</i>	<b>6,028</b>	<b>6,093</b>	<b>-65</b>
<i>Investing Activities</i>			
Authorised by Other Statutes	94	63	31
Appropriation Act (No. 2)	338	924	-586
Investing Expenditure under the Treasurer's Advance	-	-	-
<i>Total Investing Activities</i>	<b>432</b>	<b>987</b>	<b>-555</b>
<i>Financing Activities</i>			
Loan repayments	-	-	-
Other financing	15	1	14
<i>Total Financing Activities</i>	<b>15</b>	<b>1</b>	<b>14</b>
<b>TOTAL EXPENDITURE</b>	<b>6,475</b>	<b>7,081</b>	<b>-606</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>637</b>	<b>-1,458</b>	<b>2,095</b>
<b>Consolidated Account Balance</b>			
Opening balance at 1 July	-12,677	-10,218	-2,459
Closing balance at 30 September	-12,040	-11,677	-363
Of which:			
Appropriations payable	-8,684	-8,197	-487
Cash balance at 30 September	-3,356	-3,480	124

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

Consolidated Account borrowings increased by \$3.3 billion in the 2015-16 September quarter. Centrally held borrowings totalled \$15.4 billion at 30 September 2015 (up from \$11.3 billion at 30 September 2014). This remains below the cumulative Loan Acts limit of \$21.8 billion for the Consolidated Account.

## **Treasurer's Special Purpose Accounts**

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

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

Relative to 30 September 2014, a \$583 million increase in aggregate TSPA balances at 30 September 2015 mainly reflects:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$927 million);
- an increase in the balance of the Western Australian Future Fund following the transfer of 'seed capital' sourced from the Royalties for Regions Fund, and interest earnings on the balance of the Fund for the year-to-date (up \$165 million);
- a decrease in the Royalties for Regions Fund (down \$181 million), mainly due to differences in the timing and magnitude of royalty receipts paid to the account and payments for approved projects;
- a net decrease in the Perth Children's Hospital Account balance (down \$154 million), reflecting the receipt of the budgeted \$44 million Consolidated Account capital contributions for 2015-16, which was more than offset by the draw down of funds from the account for the construction work at the new Hospital;
- a decrease in the Perth Stadium Account (down \$154 million), which largely reflects higher procurement and works spending on the stadium (which is proceeding ahead of the schedule), sports precinct and transport infrastructure, and the timing of appropriation contributions to the account this year; and
- an increase in the Fiona Stanley Hospital Construction Account (up \$11 million), due to the timing of transactions on the account during later quarters in 2014-15).

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

	2015 \$m	2014 \$m	Variance \$m
Agency Holding Accounts	9,124	8,197	927
Royalties for Regions Fund	762	943	-181
Western Australian Future Fund	1,016	851	165
Perth Children's Hospital Account	221	375	-154
Perth Stadium Account	19	172	-154
Fiona Stanley Hospital Construction Account	20	9	11
Other Special Purpose Accounts	480	511	-31
<b>TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 September</b>	<b>11,641</b>	<b>11,058</b>	<b>583</b>

Note: Columns may not add due to rounding.

## Treasurer's Advance

The Treasurer's Advance allows for repayable advances to agencies for working capital purposes (known as 'net recoverable advances') 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 \$645.2 million is authorised under section 29 of the FMA for the year ended 30 June 2016, compared with a total of \$638.4 million authorised limit applying at the same time last year. The slight increase in the limit this year reflects the higher recurrent and capital Appropriation Bills for 2014-15 when compared to 2013-14 (the applicable years for calculations of the annual limit).

Of the \$645.2 million authorised limit, \$7.8 million was held in the form of net recoverable advances and \$3.4 million as approved overdrawn Special Purpose Accounts at 30 September 2015 (see Table 3.4).

Table 3.4

**TREASURER'S ADVANCE AT 30 SEPTEMBER**

	2015 \$m	2014 \$m	Variance \$m
<b>AUTHORISED LIMIT</b>	<b>645.2</b>	<b>638.4</b>	<b>6.8</b>
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>11.8</i>	<i>56.5</i>	<i>-44.7</i>
Comprising:			
Net recoverable advances as at 30 September (see below)	7.8	56.5	-48.7
Overdrawn Special Purpose Accounts <sup>(a)</sup>	3.4	-	3.4
Excesses and New Items			
- recurrent	0.7	-	0.7
- capital	-	-	-
<b>NET RECOVERABLE ADVANCES</b>			
Building Management and Works	-	50.0	-50.0
Mining Rehabilitation Fund	4.5	2.6	1.9
Sport and Recreation	1.2	1.6	-0.4
Suitors Fund	2.0	1.8	0.2
Sundry Debtors	-( <sup>(b)</sup> )	0.5	-0.5
<b>TOTAL RECOVERABLE TREASURER'S ADVANCES</b>	<b>7.8</b>	<b>56.5</b>	<b>-48.7</b>

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

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

Note: Columns may not add due to rounding.

## Transfers, Excesses and New Items

Transfers of appropriations between agencies can occur during the year and 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.

There were no transfers and excesses impacting the Treasurer's Advance during the three months to 30 September 2015.

There was one new item during the September 2015 quarter following the establishment of the Office of the Government Chief Information Officer as a sub-department of the Department of Finance on 1 July 2015, pursuant to section 27(1) of the FMA. The new item authorises expenditure of \$675,000 in 2015-16 for the operational costs of the Office for 2014-15.

Table 3.5

### TRANSFERS, EXCESSES AND NEW ITEMS For the three months to 30 September 2015

	Treasurer's Advance					Draw n against Treasurer's Advance to date \$m
	Budget \$m	Transfers <sup>(a)</sup> \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
<b>Recurrent Appropriations</b>						
<i>Finance</i>						
New Item: Office of the Government Chief Information Officer	-	-	0.7	-	0.7	0.7
<b>Total Recurrent</b>		-	<b>0.7</b>	-		<b>-0.7</b>

Note: Columns 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 are established by specific legislation). Accounts established by statute are governed by the relevant provisions of the statute, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outline the purpose of the account.

This appendix details the year-to-date position of a number of SPAs established to deliver key Government policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs in existence at 30 September 2015. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated general government and total public sector outcomes outlined elsewhere in this report.

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

### **Essential and Municipal Services Account**

The 2015-16 Budget included expectations that \$90 million in funding received from the Commonwealth, as a final contribution to the cost of providing essential municipal services in remote Aboriginal communities, would be placed in a new SPA by 30 June 2015, with \$30 million of these funds to the Housing Authority and Horizon Power during 2015-16, in line with Government spending approvals at that time.

The Commonwealth's contribution in 2014-15 is now held in the Consolidated Account. In line with the 2015-16 Budget, a total of \$30 million was released through appropriations during the September quarter, including \$25.6 million for the delivery of essential and municipal services by the Housing Authority at a range of remote communities, and \$4.6 million for Stage 1 of the Aboriginal Remote Communities Power Supply Project (being delivered by Horizon Power).

Release of the \$60 million residual balance of the Commonwealth's funding is subject to Government spending approvals as part of future budgets. These residual funds remain in the Consolidated Account and the Essential and Municipal Services SPA (which was created in June 2015) has not been used to date.

## 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.

The Fiona Stanley Hospital achieved practical completion in December 2013, followed by the completion of phased commissioning in February 2015. Project closure arrangements are ongoing and are expected to be finalised in 2015-16, with any remaining unspent funds to be subsequently returned to the Consolidated Account.

### FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT

At 30 September

Table 4.1

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	20	9
Receipts	-	1
Payments	-	-
<b>Closing Balance</b>	<b>20</b>	<b>9</b>

Note: Columns may not add due to rounding.

## Metropolitan Region Improvement Fund

This account was established in December 1959 under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for management of the Metropolitan Region Scheme. Receipts are sourced from Metropolitan Region Improvement Tax (MRIT) collections. Funds from the account are used on parks and recreation areas, the purchase of land for future roads, railways and other public purpose reservations, and to compensate owners for compulsory land acquisitions.

Receipts for the fund in the September 2015 quarter mainly reflect proceeds from the sale of land and buildings (\$4.4 million), a GST refund from the Australian Taxation Office (\$2.8 million) and rental and interest revenue (\$3 million). A total of \$7 million was drawn from the account for the acquisition of land and buildings (\$6 million), progressing a range of smaller infrastructure and works (\$0.4 million), and for grants to the Department of Parks and Wildlife for park management (\$0.4 million).

### METROPOLITAN REGION IMPROVEMENT FUND

At 30 September

Table 4.2

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	262	199
Receipts	11	5
Payments	7	22
<b>Closing Balance</b>	<b>266</b>	<b>182</b>

Note: Columns may not add due to rounding.

## Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold associated levy collections under the *Mining Rehabilitation Fund Act 2012*.

Receipts for the first three months of 2015-16 reflect payments to the fund by mining operators.

<b>MINING REHABILITATION FUND</b>			Table 4.3
At 30 September			
	2015 \$m	2014 \$m	
<i>Balance at 1 July</i>	35	10	
Receipts	28	26	
Payments	-	-	
<b>Closing Balance</b>	<b>63</b>	<b>36</b>	

Note: Columns may not add due to rounding.

## Perth Children's Hospital Account

This SPA was established in October 2010 to hold money for the construction and establishment of the Perth Children's Hospital. A total of \$645 million (or 55%) of the estimated construction costs has been funded from one-off royalty revenue and Consolidated Account surplus outcomes recorded over the period 2009-10 to 2011-12.

Receipts of \$44 million to the end of September 2015 were from budgeted Consolidated Account capital contributions for scheduled construction work during 2015-16.

Funds are drawn from the SPA and paid to WA Health as payments for construction work fall due, with \$10 million drawn for this purpose in the September quarter.

<b>PERTH CHILDREN'S HOSPITAL ACCOUNT</b>			Table 4.4
At 30 September			
	2015 \$m	2014 \$m	
<i>Balance at 1 July</i>	187	94	
Receipts	44	350	
Payments	10	68	
<b>Closing Balance</b>	<b>221</b>	<b>375</b>	

Note: Columns may not add due to rounding.

## Perth Parking Licensing Account

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

Funds drawn from the account are used to support the Central Area Transit and Free Transit Zone public transport services, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access and other transport system initiatives.

Higher receipts received during the first quarter of 2014-15 reflect the 2014-15 Budget decision to increase the Perth Parking Levy, to be phased in over 2014-15 and 2015-16.

Table 4.5

**PERTH PARKING LICENSING ACCOUNT**  
At 30 September

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	13	55
Receipts	49	41
Payments	4	7
<b>Closing Balance</b>	<b>58</b>	<b>89</b>

Note: Columns may not add due to rounding.

## Perth Stadium Account

This SPA was established in October 2011 to set aside funds to be used for the construction of Perth Stadium and associated transport infrastructure. Construction is expected to be completed by the end of 2017 and utilise all available funds in the SPA.

Funds drawn from the account in the three months to 30 September 2015 totalled \$102 million, and funded procurement and works relating to the stadium, sports precinct and transport infrastructure.

Table 4.6

**PERTH STADIUM ACCOUNT**  
At 30 September

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	121	47
Receipts	-	145
Payments	102	20
<b>Closing Balance</b>	<b>19</b>	<b>172</b>

Note: Columns may not add due to rounding.

## Road Trauma Trust Account

This account was established in 1990 and provides for road safety initiatives. Receipts reflect prescribed penalties paid during the year, other funds collected under the *Road Traffic (Administration) Act 2008* and interest revenue earned on the account balance.

Road safety projects funded from the account are focused on achieving reductions in serious road trauma as part of the Government's *Towards Zero Strategy* for 2008 to 2020. The majority of funds drawn from the account in the September 2015 quarter were for the Community Road Safety Program. Receipts reflect prescribed penalties paid during the period (\$29 million) and interest earned on the account balance (\$0.6 million).

**ROAD TRAUMA TRUST ACCOUNT**  
At 30 September

Table 4.7

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	94	72
Receipts	30	22
Payments	3	3
<b>Closing Balance</b>	<b>121</b>	<b>91</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside 25% of the State's annual royalty income to fund investment in regional Western Australia. The balance held in the Fund at any time cannot exceed \$1 billion.

Receipts during the first quarter of 2015-16 reflect interest revenue earned on the account balance (\$5 million) and the return of unused funds from 2014-15 (\$4 million). Funds were drawn during the three months to 30 September 2015 to support infrastructure services, business and economic development and other regional initiatives outlined in the Budget. A further \$126 million was transferred to the Western Australian Future Fund SPA (discussed later in this appendix).

**ROYALTIES FOR REGIONS FUND**  
At 30 September

Table 4.8

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	1,000	940
Receipts	9	371
Payments	247	368
<b>Closing Balance</b>	<b>762</b>	<b>943</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Regional Reform Fund

Establishment of this SPA was approved as part of the 2015-16 Budget. The account will receive \$50 million each year over the next two years from the Royalties for Regions Fund. The account will fund strategic reform initiatives in regional Western Australia, and will initially focus on regional Aboriginal reform initiatives. Funds will be allocated to specific projects once the most effective and efficient mode of delivery has been determined.

Table 4.9

**ROYALTIES FOR REGIONS REGIONAL REFORM FUND**  
At 30 September

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	50	-
Receipts	-	-
Payments	-	-
<b>Closing Balance</b>	<b>50</b>	<b>-</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Southern Inland Health Initiative

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

Funds drawn from the SPA in the first quarter of 2015-16 totalled \$9 million, including payments for the District Medical Workforce Investment Program (\$6 million), the Telehealth Investment Program (\$1.2 million), the Residential Aged and Dementia Program (\$1 million) and the District Hospital Investment Program (\$0.9 million).

Table 4.10

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

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	219	273
Receipts	-	-
Payments	9	12
<b>Closing Balance</b>	<b>209</b>	<b>261</b>

Note: Columns may not add due to rounding.

## Waste Avoidance and Resource Recovery Account

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

Landfill levy receipts paid into the account for the first quarter totalled \$6.8 million. Drawdowns of \$2.3 million for the quarter were used for a range of programs including the Regional Funding Program for Local Government Authorities 2011 - 2016, Waste Wise Schools, the Best Practice Implementation Incentive Scheme, and services provided by the Department of Environment Regulation.

Table 4.11

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

	2015	2014
	\$m	\$m
<i>Balance at 1 July</i>	21	16
Receipts <sup>(a)</sup>	7	4
Payments	2	2
<b>Closing Balance <sup>(a)</sup></b>	<b>25</b>	<b>18</b>

(a) Receipts for September 2014 have been revised on advice from the Department of Environment Regulation. Previously reported receipts of \$11 million reflected the full amount of the landfill levy collected for the quarter. The account received \$4 million during the September quarter following the Minister's determination on the amount to be credited to the Waste Avoidance and Resource Recovery Account in 2014-15.

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.

The Future Fund received a total of \$933 million in 'seed capital' 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 of \$126 million in the September quarter were transferred from the Royalties for Regions Fund, with a further \$12 million received from interest on the Fund balance.

Table 4.12

**WESTERN AUSTRALIAN FUTURE FUND**  
At 30 September

	2015	2014
	\$m	\$m
<i>Balance at 1 July</i>	879	596
Receipts	137	255
Payments	-	-
<b>Closing Balance</b>	<b>1,016</b>	<b>851</b>

Note: Columns may not add due to rounding.



