



GOVERNMENT OF
WESTERN AUSTRALIA

2019-20

QUARTERLY FINANCIAL RESULTS REPORT

March 2020



2019-20

Quarterly Financial Results Report

March 2020

2019-20 Quarterly Financial Results Report
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2019-20

Quarterly Financial Results Report

Nine Months Ended 31 March 2020

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the nine months to 31 March 2020.

Care should be exercised in extrapolating the likely outcome for the 2019-20 year based on the quarterly results to date, particularly in light of the COVID-19 pandemic, which is expected to have a material impact in the June quarter 2020. Seasonal and other timing factors that impact the State's finances also make full-year estimation difficult.

The presentation in this report is consistent with that used in the 2019-20 State Budget (presented to the Legislative Assembly on 9 May 2019).

Three new accounting standards took effect for reporting periods commencing on or after 1 January 2019, and their impact was included in the 2019-20 Budget and has been reflected in the general government and whole-of-government results for the nine months ended 31 March 2020 in this report. These standards are:

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

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

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

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:

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- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance;
- Appendix 4: *Special Purpose Accounts*, which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes; and
- Appendix 5: *General Government Salaries*, which summarises interim salaries spending by general government sector agencies.

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 and nine months ended 31 March 2020, and of the balance sheets of these reporting entities at 31 March 2020. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.



MICHAEL BARNES
UNDER TREASURER



MAGDALENA WITTEK
MANAGER
FINANCIAL REPORTING

25 May 2020

Overview

Summary

The outcomes reported in this March *Quarterly Financial Results Report* are generally in line with the pre-COVID-19 forecasts for the year ending 30 June 2020 that were detailed in the 2019-20 Mid-year Review (released in December 2019). This reflects that the COVID-19 pandemic had little impact on the State's finances in the March quarter. However, material impacts are expected in the June quarter, which will be included in the 2019-20 *Annual Report on State Finances* (due for release by 28 September 2020).

The general government sector recorded an operating surplus of \$2.4 billion for the nine months to 31 March 2020. This outcome is primarily the result of higher royalty income and the timing of GST 'top-up' payments from the Commonwealth.

Excluding the impact of accounting standards changes¹, general government revenue for the first nine months of 2019-20 was \$3.1 billion (or 14.7%) higher than the same period last year. This growth mainly reflects the continuing impact of the higher iron ore price on royalty revenue (up \$1,791 million) and higher GST grants and associated top-up payments (up \$983 million).

General government expenses were \$730 million (or 3.5% excluding accounting standards changes) higher than the March 2019 outcome. This increase reflects higher salaries expenditure (up \$402 million or 4.4%), largely due to higher employee costs in the health, law and order and education sectors, and higher current and capital transfer expenses (up \$273 million).

¹ Two new revenue standards came into effect for periods commencing on or after 1 January 2019. AASB 15: *Revenue From Contracts With Customers* and AASB 1058: *Income of Not-For-Profit Entities* include a number of changes to rules for revenue recognition. The key change from these standards for the March quarter 2020 is the removal of Commonwealth grants paid 'through' the State to local governments and non-government schools. To assist readers to understand movements in operating aggregates discussed in this report, explanatory information about changes since the same period last year include adjustment to March quarter 2019 outcomes (released a year ago) to remove \$1,417 million in grants revenue and expenses to present a consistent basis of comparison for quarterly revenue and expense movements. Readers should note that in line with accounting standards requirements, numerical data in tables throughout this chapter and the appendices to this report are unadjusted and remain in line with the applicable accounting standards for the periods reported.

Total public sector net debt was \$34.5 billion at 31 March 2020, \$930 million lower than the outcome recorded at 30 June 2019. This includes the recognition of lease obligations measured under AASB 16: *Leases* (which took effect for reporting periods commencing on or after 1 January 2019). Adjusting 2018-19 outcomes for the estimated impact of AASB 16 changes, the 31 March 2020 result represents a reduction in net debt of \$3 billion relative to 30 June 2019. This is consistent with the pre-COVID-19 forecast of a peak in net debt at 30 June 2019 contained in the 2019-20 Mid-year Review.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$2,439 million for the nine months to 31 March 2020, substantially higher than the \$62 million surplus reported for the same period in 2018-19.

Table 1

SUMMARY OF GENERAL GOVERNMENT SECTOR FINANCES Western Australia						
	2019-20			2018-19		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m
Net operating balance	129	2,439	2,589	-20	62	1,317
Net worth		101,002	101,938		102,264	100,593
Movement in cash balances	-93	1,493	456	-209	-1,389	-1,355
<i>Memorandum items</i>						
Net lending	-83	3,421	3,429	-129	-560	175
Net debt		22,017	23,251		23,190	22,990
Cash surplus/-deficit	187	3,348	3,299	183	-787	-426

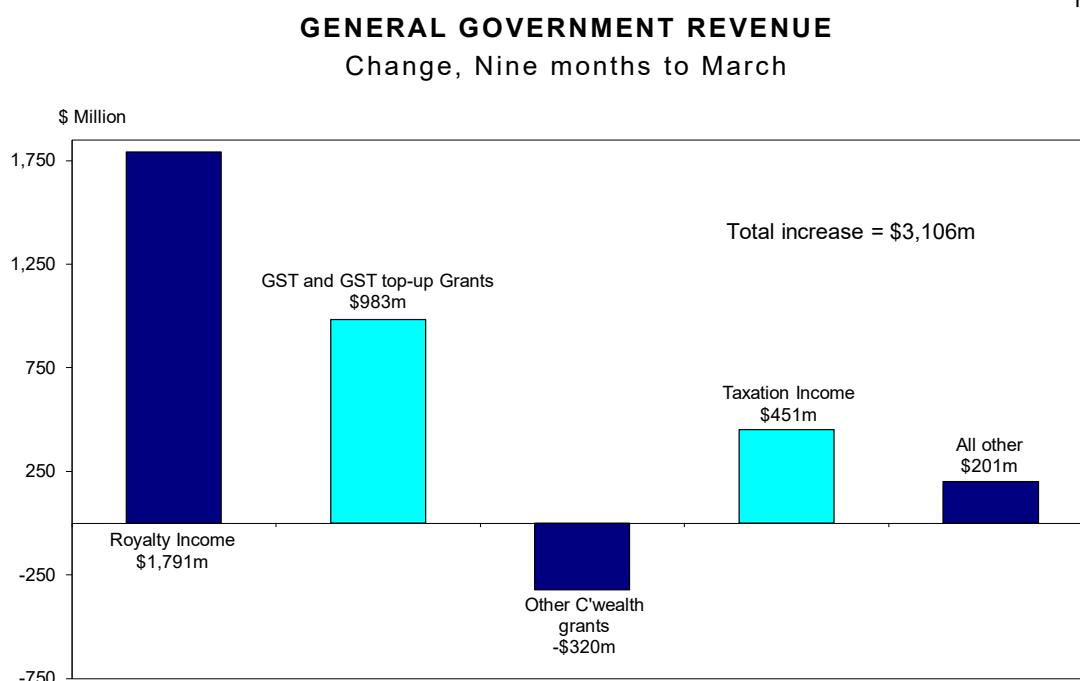
(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

Revenue

Revenue for the nine months to 31 March 2020 totalled \$24,234 million, \$3,106 million (or 14.7%) higher than the same period last year (after adjusting 2018-19 data for accounting standards changes).

Figure 1



The higher revenue outcome for the nine months to 31 March 2020 primarily reflects the net impact of:

- higher royalty income (up \$1,791 million), largely due to the combined impact of:
 - a higher benchmark iron ore price, which averaged \$US92.9 per tonne in the nine months to 31 March 2020, 26.2% above the average price in the same period in 2018-19 (\$US73.6 per tonne);
 - a lower average \$US/\$A exchange rate, which at US67.6 cents in the nine months to 31 March 2020, was 6.2% below the average for the corresponding period a year prior (US72.0 cents); and
 - slightly lower iron ore export volumes in the nine months to 31 March 2020, which were 4.8% below the level for the same period last year;

Figure 2

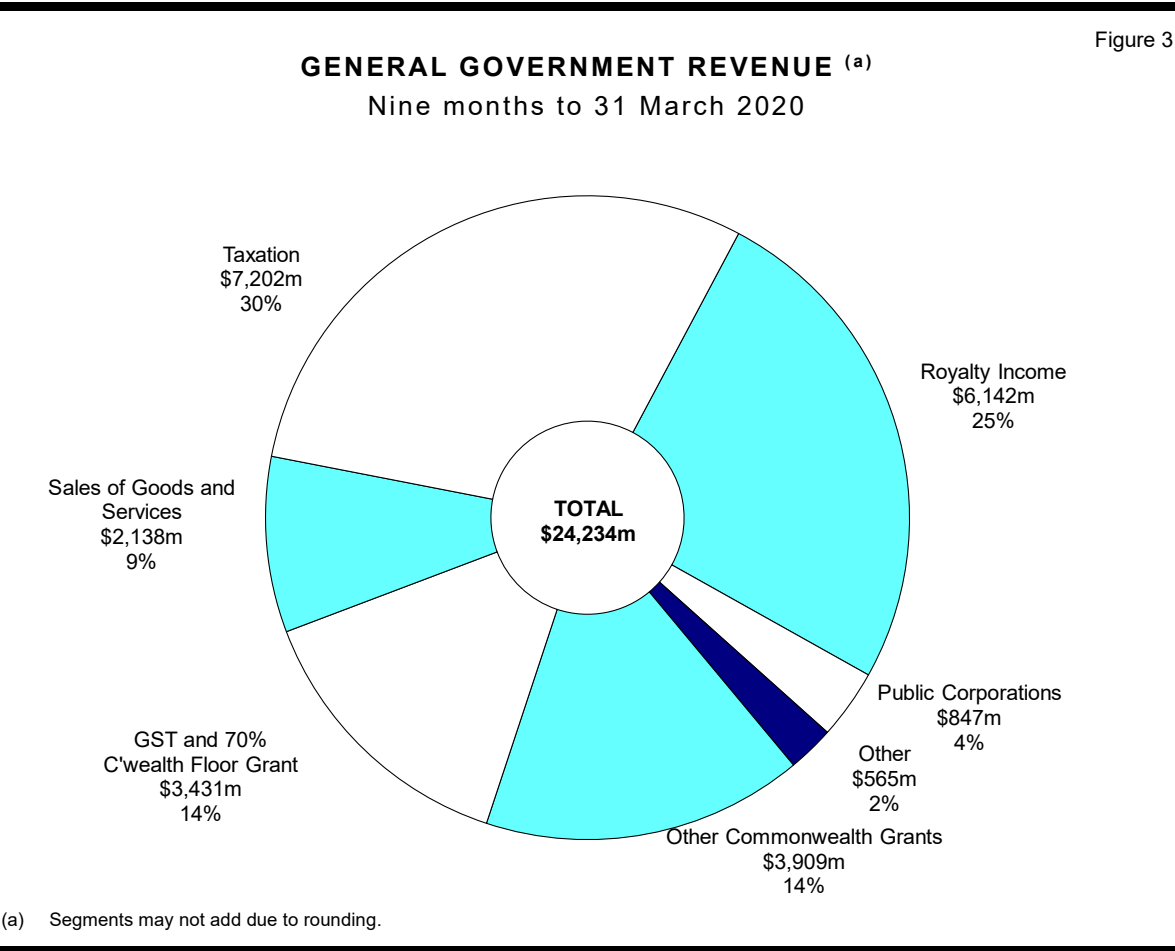


- higher Commonwealth funding (up \$662 million), mainly due to the net effect of:
 - the earlier timing of GST top-up payments from the Commonwealth (\$814 million), following GST reforms detailed in the 2019-20 Budget;
 - lower capital grants for housing (down \$251 million), reflecting the end of funding under the National Partnership Agreement on Remote Indigenous Housing (NPARIH);
 - higher GST grants (up \$169 million), due to Western Australia receiving a larger portion of its population share of the national GST pool in 2019-20 (51.8%) compared with 2018-19 (47.3%);
 - lower North West Shelf petroleum grants (down \$167 million), largely due to lower volumes for condensate, LNG, LPG and domestic gas, and lower prices for condensate, crude oil, LNG and LPG (partially offset by higher crude oil volumes, higher domestic gas prices and the impact of the lower \$US/\$A exchange rate noted earlier); and
 - higher National Health Reform Agreement funding for the health sector (up \$85 million); and

- higher tax collections (up \$451 million), largely due to the net impact of:
 - higher payroll tax (up \$167 million), primarily due to higher employment in large payroll tax paying industries such as mining;
 - higher transfer duty (up \$98 million), mainly reflecting a lift in residential property transactions;
 - higher betting tax (up \$44 million), mainly due to the introduction of the Point of Consumption Tax from 1 January 2019;
 - higher insurance duty (up \$43 million), consistent with increases in sales and prices of insurance products, and a number of large assessments received in August 2019 and January 2020;
 - higher landholder duty (up \$40 million), mainly due to a larger number of high value commercial landholder transactions in the nine months to March 2020 compared to the same period last year;
 - higher motor vehicle taxes (up \$34 million) and revenue from the on-demand transport levy (\$34 million) introduced in April 2019; and
 - lower land tax (down \$28 million), consistent with a forecast 4.1% decline in land tax collections in 2019-20.

As noted earlier, these revenue movements largely predate the COVID-19 pandemic, which is expected to have a material impact on June quarter revenue collections.

Figure 3

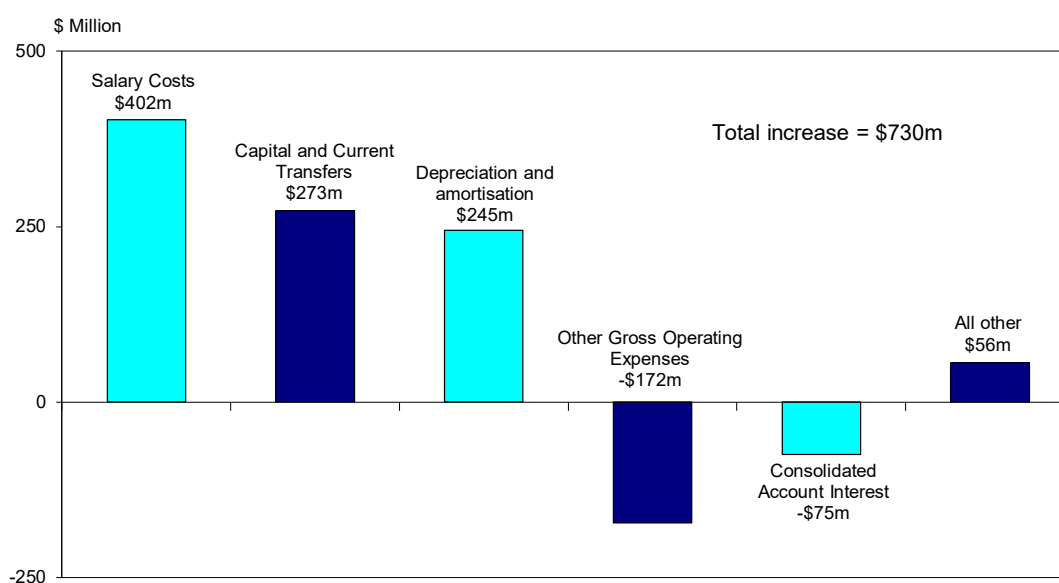


Expenses

Expenses for the nine months to 31 March 2020 totalled \$21,795 million, up \$730 million (or 3.5%) on the same period in 2018-19 (after adjusting 2018-19 data for the impact of accounting standards changes).

Figure 4

GENERAL GOVERNMENT EXPENSES Change, Nine months to March



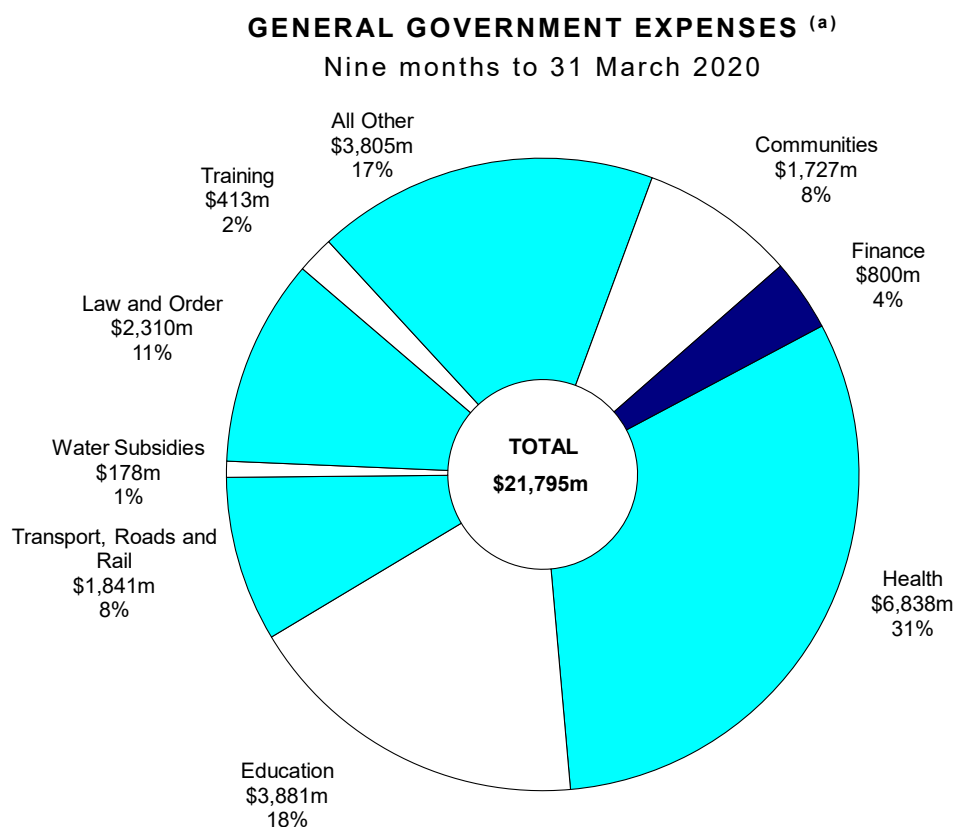
The increase in spending for the nine months to 31 March 2020, compared with the same period last year, is mainly due to the net effect of:

- higher salaries (up \$402 million or 4.4%), reflecting growth in staff numbers across the health, education and justice sectors, wage increases under prevailing industrial agreements, and the impact of the Government's commitment to convert eligible casual and fixed term contract staff to permanent employees;
- higher current and capital transfers (up \$273 million), mainly due to the combined effect of:
 - higher grant expenses by the Department of Communities (up \$344 million), primarily reflecting a change in the classification of the State's NDIS contribution to the National Disability Insurance Agency from 'other' gross operating expenses to grants;
 - lower on-passed capital grants for housing (down \$251 million), reflecting the end of Commonwealth funding previously recognised under the NPARIH (noted under grants revenue earlier in this chapter);
 - the Voluntary Taxi Plate Buyback Payment Scheme amounting to \$118 million in July 2019 by the Department of Transport;

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- lower grant payments incurred by Main Roads (down \$95 million), reflecting work on flood damaged roads in 2018-19;
- higher operating subsidies (up \$90 million), mainly due to a revised subsidy payment profile for the Public Transport Authority for 2019-20; and
- later payment of Remote Essential and Municipal Services funding to the Department of Communities (Housing Services), down \$56 million;
- higher depreciation and amortisation costs (up \$245 million), primarily due to the implementation of new accounting standard AASB 16: *Leases*; and
- lower ‘other’ gross operating expenses (down \$172 million), mainly due to the reclassification of NDIS payments to current transfers (noted earlier), and the reclassification of rental costs to other spending categories under AASB 16: *Leases*, partly offset by movements in health and education sector operating costs.

Figure 5



(a) Segments may not add due to rounding.

Balance Sheet

Net worth of the general government sector increased by \$409 million during the nine months to 31 March 2020, to stand at \$101 billion². This increase reflects the net impact of:

- a \$2.8 billion net increase in general government sector liabilities, mainly due to deferred revenue of \$1.4 billion in upfront cash proceeds from Landgate's partial commercialisation (a non-debt liability), and an increase in lease obligations (of \$2 billion, included as debt obligations) with the introduction of AASB 16: *Leases*. These increases were partially offset by a \$1.3 billion reduction in central borrowing mainly due to the application of Western Australia's GST top-up payments for 2019-20 to debt repayment;
- an estimated net increase of \$2.7 billion in general government sector property, plant and equipment, mainly due to right of use leased assets brought to account with the introduction of AASB 16;
- a \$1.3 billion increase in liquid assets, mainly due to the timing of cash receipts and payments through the Public Bank Account; and
- a \$663 million net decrease in the value of equity in public corporations, mainly due to the increase in public non-financial sector lease liabilities under AASB 16.

Cash Flow

A cash surplus of \$3.3 billion was recorded for the nine months to 31 March 2020, a significant turnaround from the \$787 million cash deficit reported for the same period in 2018-19. This outcome is largely due to:

- a net cash surplus from operating activities of \$3.6 billion, compared with a \$832 million cash surplus reported for the same period last year, due to the cash impact of the higher general government sector operating surplus outcome discussed earlier; and
- a \$299 million in general government net cash outflow from investment in non-financial assets, compared with \$1.6 billion for the same period in 2018-19 (with almost \$1.8 billion in infrastructure investment largely offset by cash proceeds from the partial commercialisation of Landgate and sale of other non-financial assets).

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

Total Public Sector³

Operating Statement

Bolstered by the general government sector, the total public sector recorded an operating surplus of \$2,590 million for the nine months to 31 March 2020, \$1,948 million higher than the \$642 million operating surplus recorded in the same period a year earlier.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
Western Australia

Table 2

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	286	2,590	1,853	192	642	716
Net worth		101,002	101,938		102,264	100,593
Movement in cash balances	1,683	2,891	560	201	-685	-1,863
<i>Memorandum items</i>						
Net lending	-1,479	1,613	1,935	607	-401	-1,051
Net debt		34,532	36,173		34,915	35,462
Cash surplus/-deficit	601	3,241	1,961	526	-388	-924

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

The total public sector operating surplus for the nine months to 31 March 2020 includes:

- the \$2,439 million operating surplus for the general government sector outlined earlier;
- an operating surplus of \$274 million for the public non-financial corporations sector, \$460 million lower than the surplus recorded in the same period in 2018-19, mainly due to a lower operating surplus reported by the Housing Authority (reflecting the cessation of Commonwealth Remote Indigenous Housing funding and later timing of Remote Essential and Municipal Services funding, noted earlier); and
- an operating surplus of \$212 million for the public financial corporations sector, broadly in line with the surplus recorded in the same period in 2018-19.

³ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed above), the public non-financial corporations sector (which includes entities operating on a predominantly cost recovery basis like the State's ports and the electricity and water utilities), and the public financial corporations sector (which includes agencies mainly engaged in financial activities, such as the Western Australian Treasury Corporation, the Insurance Commission of Western Australia, and Keystart).

Table 3

TOTAL PUBLIC SECTOR OPERATING BALANCE By Sector

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outcome ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net Operating Balance						
General government sector	129	2,439	2,589	-20	62	1,317
Public non-financial corporations sector	257	274	534	300	734	648
Public financial corporations sector	-102	212	109	-68	194	161
<i>less</i>						
General government dividend revenue	-	339	1,334	19	348	1,350
Public non-financial corporations dividend revenue ^(c)	-	-	70	-	-	61
Agency depreciation costs on right of use assets leased from other government sectors ^(d)	-3	-3	-26	-	-	-
Total public sector net operating balance	286	2,590	1,853	192	642	716

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

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

Balance Sheet

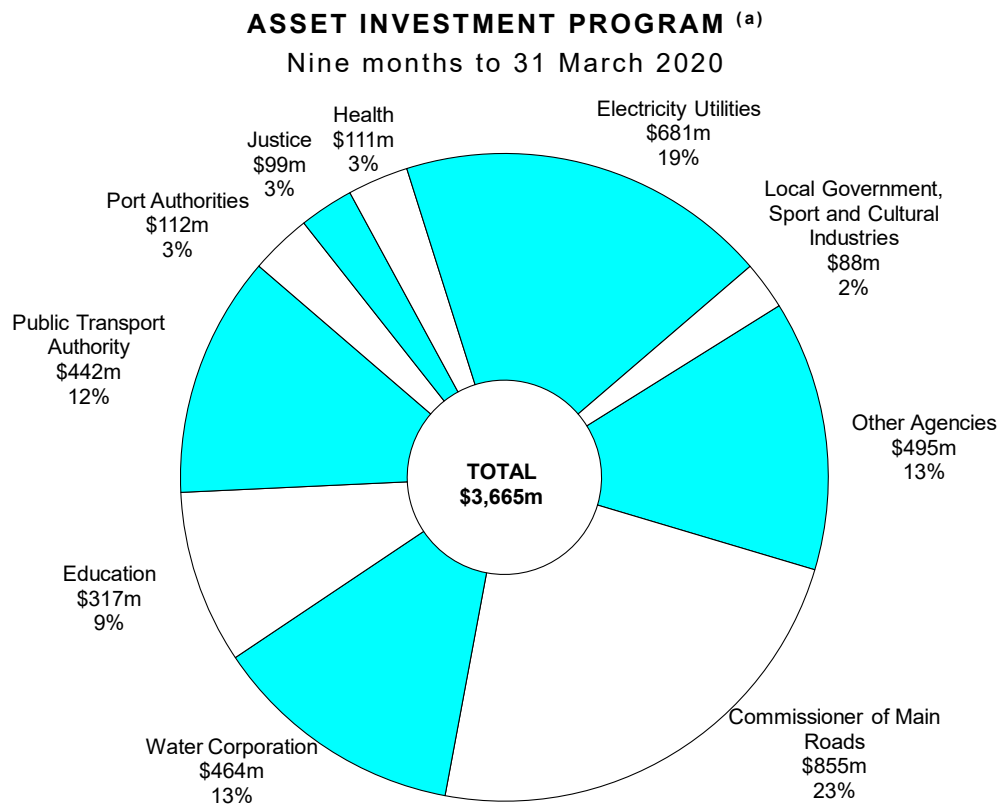
The value of the total public sector balance sheet (measured by net worth, or total assets less total liabilities) is identical to that of the general government sector (discussed earlier). This is because the net worth of the public corporations sectors is recognised as an investment asset of the general government sector.

Adjusting the 30 June 2019 outcome for the estimated impact of AASB 16, total public sector net debt declined by \$3 billion during the nine months to 31 March 2020 to stand at \$34.5 billion. This improvement was mainly reflected in higher liquid financial assets (which are offset against gross debt liabilities when calculating net debt). These assets increased by \$2.7 billion for the March quarter, due primarily to higher general government sector and Western Australian Treasury Corporation investment asset holdings.

Cash Flow

A cash surplus of \$3.2 billion was recorded for the total public sector for the nine months to 31 March 2020, due mainly to the general government cash outcome noted earlier. Total public sector infrastructure investment was \$3.7 billion over the nine months to 31 March 2020, \$317 million higher than the same period in 2018-19. This higher level of spending is mainly due to higher capital expenditure on METRONET projects by the Public Transport Authority, and higher investment by Western Power.

Figure 6



(a) Segments may not add due to rounding.

APPENDIX 1

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 of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2019-20 State Budget Papers presented to the Legislative Assembly on 9 May 2019, facilitating comparisons between estimates and outturns.

These financial statements (Operating Statement, Balance Sheet and Cash Flow Statement) also comply with Uniform Presentation Framework (UPF) disclosure requirements to assist with comparison to reporting in the Budget, Mid-year Review and the *Annual Report on State Finances*. Disclosures consistent with 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

		2019-20			2018-19		
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
RESULTS FROM TRANSACTIONS							
REVENUE							
Taxation		2,115	7,202	9,011	1,908	6,751	8,616
Current grants and subsidies		2,075	7,057	9,573	2,673	7,471	10,210
Capital grants		126	283	980	291	624	873
Sales of goods and services		692	2,138	2,796	663	1,987	2,734
Interest income		29	98	148	42	128	168
Revenue from public corporations							
Dividends from other sectors		-	339	1,334	19	348	1,350
Tax equivalent income		185	508	628	160	422	642
Royalty income		1,937	6,142	7,505	1,498	4,351	6,713
Other		173	468	577	187	463	701
Total	2	7,334	24,234	32,553	7,441	22,545	32,006
EXPENSES							
Salaries		3,146	9,499	12,595	2,982	9,097	12,269
Superannuation							
Concurrent costs		312	940	1,242	294	896	1,213
Superannuation interest cost		-8	41	79	11	87	135
Other employee costs		119	285	350	104	315	447
Depreciation and amortisation		436	1,311	1,852	359	1,066	1,445
Services and contracts		552	1,849	2,877	589	1,794	2,538
Other gross operating expenses		1,280	4,025	5,035	1,242	4,197	5,645
Interest							
Interest on leases		31	106	168	21	63	89
Other interest		179	563	745	215	647	859
Current transfers	3	1,129	3,092	4,778	1,474	3,894	5,426
Capital transfers	3	28	85	243	170	428	625
Total		7,205	21,795	29,964	7,461	22,483	30,689
NET OPERATING BALANCE		129	2,439	2,589	-20	62	1,317
Other economic flows - included in the operating result							
Net gains on assets/liabilities		-2	4	-106	170	131	59
Provision for doubtful debts		-3	-4	-14	-1	-6	2
Changes in accounting policy/adjustments of prior periods		127	-148	-	-299	-352	-172
Total other economic flows		122	-149	-119	-130	-227	-111
OPERATING RESULT		251	2,291	2,469	-150	-164	1,206
All other movements in equity							
Items that will not be reclassified to operating result							
Revaluations		-10	-71	682	-166	-325	-1,374
Net actuarial gains/-loss - superannuation		-877	-830	-447	-202	-670	-814
Gains recognised directly in equity		-4	-10	-71	-	-	-
Change in net worth of the public corporations sectors		-557	-971	-495	373	188	-1,661
All other		-	-	-	-	-	-
Total all other movements in equity		-1,448	-1,882	-331	5	-807	-3,849
TOTAL CHANGE IN NET WORTH		-1,197	409	2,139	-145	-971	-2,642
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		129	2,439	2,589	-20	62	1,317
Less Net acquisition of non-financial assets							
Purchase of non-financial assets		632	1,754	2,563	487	1,670	2,540
Changes in inventories		9	10	1	-3	4	-
Other movement in non-financial assets		25	21	-13	-2	65	146
less:							
Sales of non-financial assets		17	1,456	1,539	15	51	100
Depreciation		436	1,311	1,852	359	1,066	1,445
Total net acquisition of non-financial assets		212	-982	-840	109	622	1,142
NET LENDING/-BORROWING		-83	3,421	3,429	-129	-560	175

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET

		For the period ending			
	Note	31 Mar 2020 \$m	30 June 2020 ^(a) \$m	31 Mar 2019 \$m	30 June 2019 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		852	967	642	601
Advances paid		732	740	745	713
Investments, loans and placements	5	5,576	4,697	4,448	4,470
Receivables	6	3,730	3,303	3,283	3,999
Shares and other equity					
Investments in other public sector entities - equity method		39,775	40,250	42,595	40,745
Investments in other public sector entities - direct injections		10,308	11,083	9,769	10,000
Investments in other entities		20	20	15	20
Other financial assets		8	17	8	8
Total financial assets		61,001	61,077	61,505	60,556
<i>Non-financial assets</i>					
Land		35,591	36,293	36,019	35,600
Property, plant and equipment		48,027	48,553	45,388	45,344
Biological assets		3	3	3	3
Inventories					
Land inventories		-	-	-	-
Other inventories		81	71	74	71
Intangibles		604	578	590	626
Assets classified as held for sale		20	43	27	43
Investment property		7	-	7	7
Other		261	187	304	245
Total non-financial assets		84,593	85,728	82,412	81,940
TOTAL ASSETS		145,594	146,805	143,917	142,496
LIABILITIES					
Deposits held		569	951	797	686
Advances received		343	351	360	343
Borrowings	7				
Lease liabilities		3,106	3,157	1,183	1,156
Other borrowings		25,159	25,195	26,685	26,589
Unfunded superannuation		7,656	7,102	6,943	7,062
Other employee benefits		3,526	3,237	3,290	3,197
Payables		1,345	1,412	982	1,425
Other liabilities		2,888	3,461	1,413	1,445
TOTAL LIABILITIES		44,593	44,868	41,653	41,903
NET ASSETS		101,002	101,938	102,264	100,593
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		7,805	9,202	5,096	6,317
Other reserves		93,197	92,736	97,168	94,276
NET WORTH		101,002	101,938	102,264	100,593
MEMORANDUM ITEMS					
<i>Net financial worth</i>		<i>16,409</i>	<i>16,210</i>	<i>19,852</i>	<i>18,653</i>
<i>Net financial liabilities</i>		<i>33,674</i>	<i>35,124</i>	<i>32,511</i>	<i>32,091</i>
<i>Net debt</i>					
Gross debt liabilities		29,177	29,654	29,025	28,774
less: liquid financial assets		7,161	6,403	5,836	5,784
less: convergence differences impacting net debt		-	-	-	-
Net debt		22,017	23,251	23,190	22,990

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2019

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2018</i>	54,923	42,406	5,907	103,236
Operating result	-	-	-164	-164
All other movements in equity	-350	188	-646	-807
<i>Total change in net worth</i>	-350	188	-810	-971
Balance at 31 March 2019	54,573	42,595	5,096	102,264

For the nine months ended 31 March 2020

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2019</i>	53,531	40,745	6,317	100,593
Operating result	-	-	2,291	2,291
All other movements in equity	-108	-971	-803	-1,882
<i>Total change in net worth</i>	-108	-971	1,488	409
Balance at 31 March 2020	53,422	39,775	7,805	101,002

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	2,196	6,869	9,022	2,072	6,787	8,911
Grants and subsidies received	3,004	8,865	11,788	3,001	8,095	11,082
Receipts from sales of goods and services	647	2,043	2,796	608	1,828	2,599
Interest receipts	27	90	143	38	119	173
Dividends and tax equivalents	165	850	2,002	144	890	2,092
Other	2,436	8,375	10,099	1,954	5,623	7,659
Total cash received	8,475	27,093	35,850	7,816	23,341	32,517
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-3,303	-10,383	-14,285	-3,189	-10,094	-13,766
Payments for goods and services	-1,968	-6,432	-8,361	-1,906	-6,489	-8,473
Interest paid	-221	-690	-936	-240	-705	-950
Grants and subsidies paid	-1,771	-4,440	-6,166	-1,463	-3,976	-5,635
Dividends and tax equivalents	-	-	-	-	-	-
Other	-409	-1,500	-1,780	-362	-1,246	-1,679
Total cash paid	-7,672	-23,446	-31,527	-7,160	-22,509	-30,503
NET CASH FLOWS FROM OPERATING ACTIVITIES	802	3,647	4,323	656	832	2,014
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-632	-1,754	-2,563	-487	-1,670	-2,540
Sales of non-financial assets	17	1,456	1,539	15	51	100
Total cash flows from investments in non-financial assets	-615	-299	-1,024	-472	-1,619	-2,441
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	7	17	10	4	29	33
For liquidity purposes	-24	36	117	217	245	308
<i>Cash paid</i>						
For policy purposes	-143	-417	-1,285	-306	-603	-790
For liquidity purposes	-11	-19	-38	-18	-42	-66
Total cash flows from investments in financial assets	-170	-383	-1,196	-103	-370	-516
NET CASH FLOWS FROM INVESTING ACTIVITIES	-785	-682	-2,220	-575	-1,989	-2,956
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	17	-	-	17
Borrowings	12	46	166	11	46	61
Deposits received	-	-	-	-	-	-
Other financing receipts	24	197	140	11	193	253
Total cash received	36	243	323	22	240	330
<i>Cash paid</i>						
Advances paid	-	-	-17	-	-	-17
Borrowings repaid	-82	-1,356	-1,443	-258	-285	-513
Deposits paid	-	-	-	-	-	-
Other financing payments	-64	-359	-511	-53	-187	-214
Total cash paid	-146	-1,715	-1,970	-312	-472	-744
NET CASH FLOWS FROM FINANCING ACTIVITIES	-110	-1,472	-1,647	-289	-232	-414
Net increase in cash and cash equivalents	-93	1,493	456	-209	-1,389	-1,355
Cash and cash equivalents at the beginning of the year	6,591	5,005	5,005	5,180	6,360	6,360
Cash and cash equivalents at the end of the year	6,498	6,498	5,460	4,971	4,971	5,005
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	802	3,647	4,323	656	832	2,014
Net cash flows from investing in non-financial assets	-615	-299	-1,024	-472	-1,619	-2,441
Cash surplus/-deficit	187	3,348	3,299	183	-787	-426

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

		2019-20			2018-19		
	Note	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(b)
		\$m	\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,984	6,803	8,485	1,772	6,355	8,097
Current grants and subsidies		2,075	7,057	9,573	2,673	7,471	10,210
Capital grants		126	283	980	291	624	873
Sales of goods and services		9,627	28,853	37,887	5,951	17,969	23,488
Interest Income		125	410	674	141	451	639
Royalty income		1,937	6,142	7,505	1,498	4,351	6,713
Other		251	768	1,032	330	827	1,193
Total	2	16,125	50,316	66,136	12,655	38,049	51,214
EXPENSES							
Salaries		3,421	10,401	13,872	3,261	9,969	13,382
Superannuation							
Concurrent costs		339	1,029	1,368	344	1,005	1,323
Superannuation interest cost		-8	41	79	11	87	135
Other employee costs		91	270	296	80	239	350
Depreciation and amortisation		949	2,893	3,962	866	2,572	3,431
Services and contracts		720	2,374	3,526	726	2,287	3,306
Other gross operating expenses		9,207	27,081	35,509	5,447	16,580	22,084
Interest							
Interest on leases		54	174	262	42	127	174
Other interest		313	1,023	1,533	372	1,169	1,583
Other property expenses		-	-	-	-	-	-
Current transfers	3	723	2,349	3,680	1,264	3,222	4,411
Capital transfers	3	28	91	196	51	150	319
Total		15,839	47,726	64,283	12,463	37,407	50,498
NET OPERATING BALANCE		286	2,590	1,853	192	642	716
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-665	-519	86	439	124	254
Provision for doubtful debts		-16	-21	-51	-14	-31	-16
Changes in accounting policy/adjustment of prior periods		107	-232	-	-366	-480	-310
Total other economic flows		-574	-772	35	59	-387	-72
OPERATING RESULT		-287	1,818	1,888	252	255	644
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		-20	-560	794	-190	-555	-2,444
Net actuarial gains/-loss - superannuation		-883	-837	-449	-207	-678	-850
Gains recognised directly in equity		-7	-12	-95	-	6	8
All other		-	-	-	-	-	-
Total all other movements in equity		-910	-1,410	250	-397	-1,227	-3,286
TOTAL CHANGE IN NET WORTH		-1,197	409	2,139	-145	-971	-2,642
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		286	2,590	1,853	192	642	716
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,246	3,665	5,646	953	3,348	4,965
Changes in inventories		1,529	1,800	84	-449	384	614
Other movement in non-financial assets		40	88	139	28	158	273
<i>less:</i>							
Sales of non-financial assets		100	1,682	1,988	80	275	654
Depreciation		949	2,893	3,962	866	2,572	3,431
Total net acquisition of non-financial assets		1,765	977	-81	-414	1,043	1,767
NET LENDING/-BORROWING		-1,479	1,613	1,935	607	-401	-1,051

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

		For the period ending			
	Note	31 Mar 2020	30 June 2020 ^(a)	31 Mar 2019	30 June 2019 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		2,386	1,889	1,454	1,517
Advances paid		5,170	5,393	4,683	4,782
Investments, loans and placements	5	21,015	19,840	16,684	19,567
Receivables	6	5,603	5,255	4,980	5,825
Equity - investments in other entities		1,622	2,087	1,815	1,920
Other financial assets		17	22	13	13
Total financial assets		35,814	34,486	29,629	33,624
<i>Non-financial assets</i>					
Land		43,710	44,373	44,780	43,809
Property, plant and equipment		103,758	105,232	101,133	101,099
Biological assets		343	200	332	345
Inventories					
Land inventories		1,836	2,022	1,868	1,852
Other inventories		6,145	4,429	4,115	4,345
Intangibles		1,106	968	971	1,028
Assets classified as held for sale		26	54	31	59
Investment property		67	53	68	67
Other		404	327	446	381
Total non-financial assets		157,396	157,658	153,744	152,985
TOTAL ASSETS		193,209	192,144	183,373	186,610
LIABILITIES					
Deposits held		19	11	18	11
Advances received		343	351	360	343
Borrowings	7				
Lease liabilities		4,114	4,171	1,939	1,902
Other borrowings		58,627	58,762	55,419	59,072
Unfunded superannuation		7,742	7,194	7,057	7,165
Other employee benefits		3,929	3,617	3,664	3,577
Payables		9,033	7,260	6,374	7,211
Other liabilities		8,401	8,840	6,277	6,736
TOTAL LIABILITIES		92,208	90,207	81,109	86,017
NET ASSETS		101,002	101,938	102,264	100,593
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		27,066	29,334	25,852	26,056
Other reserves		73,936	72,604	76,412	74,537
NET WORTH		101,002	101,938	102,264	100,593
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-56,394	-55,720	-51,480	-52,392
<i>Net financial liabilities</i>		56,394	55,720	51,480	52,392
<i>Net debt</i>					
Gross debt liabilities		63,103	63,295	57,736	61,329
less: liquid financial assets		28,571	27,122	22,821	25,867
less: convergence differences impacting net debt		-	-	-	-
Net debt		34,532	36,173	34,915	35,462

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2019

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2018</i>	76,680	26,555	103,236
Operating result	-	255	255
All other movements in equity	-268	-958	-1,227
<i>Total change in net worth</i>	-268	-703	-971
Balance at 31 March 2019	76,412	25,852	102,264

For the nine months ended 31 March 2020

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2019</i>	74,537	26,056	100,593
Operating result	-	1,818	1,818
All other movements in equity	-601	-809	-1,410
<i>Total change in net worth</i>	-601	1,010	409
Balance at 31 March 2020	73,936	27,066	101,002

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

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	2,100	6,621	8,486	1,978	6,528	8,392
Grants and subsidies received	3,004	8,865	11,788	3,001	8,095	11,082
Receipts from sales of goods and services	6,858	19,849	25,365	5,829	17,803	23,693
Interest receipts	134	442	647	147	471	661
Other receipts	2,711	9,260	10,833	2,169	6,517	8,807
<i>Total cash received</i>	<i>14,808</i>	<i>45,037</i>	<i>57,119</i>	<i>13,125</i>	<i>39,415</i>	<i>52,635</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-3,591	-11,376	-15,712	-3,507	-11,059	-15,062
Payments for goods and services	-6,456	-19,562	-24,575	-5,531	-17,700	-23,421
Interest paid	-494	-1,463	-1,767	-513	-1,503	-2,017
Grants and subsidies paid	-1,387	-3,621	-4,819	-1,189	-3,010	-4,129
Other payments	-1,132	-3,792	-4,629	-986	-3,458	-4,620
<i>Total cash paid</i>	<i>-13,060</i>	<i>-39,814</i>	<i>-51,501</i>	<i>-11,726</i>	<i>-36,730</i>	<i>-49,248</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,747	5,223	5,618	1,398	2,685	3,386
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-1,246	-3,665	-5,646	-953	-3,348	-4,965
Sales of non-financial assets	100	1,682	1,988	80	275	654
<i>Total cash flows from investments in non-financial assets</i>	<i>-1,146</i>	<i>-1,982</i>	<i>-3,658</i>	<i>-872</i>	<i>-3,073</i>	<i>-4,310</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	7	17	10	4	17	21
For liquidity purposes	2,523	10,010	6,708	1,336	5,401	6,495
<i>Cash paid</i>						
For policy purposes	-7	-16	-10	-5	-16	-19
For liquidity purposes	-4,328	-10,637	-7,418	-1,982	-5,312	-8,784
<i>Total cash flows from investments in financial assets</i>	<i>-1,805</i>	<i>-626</i>	<i>-710</i>	<i>-647</i>	<i>90</i>	<i>-2,286</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,951	-2,609	-4,367	-1,519	-2,984	-6,597
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	8,272	15,709	18,481	6,289	16,460	21,444
Deposits received	-	-	-	-	-	-
Other financing receipts	26	115	49	12	37	98
<i>Total cash received</i>	<i>8,299</i>	<i>15,824</i>	<i>18,530</i>	<i>6,301</i>	<i>16,497</i>	<i>21,542</i>
<i>Cash paid</i>						
Advances paid	-	-	-17	-	-	-17
Borrowings repaid	-5,365	-15,206	-18,752	-5,901	-16,705	-19,990
Deposits paid	-	-	-	-	-	-
Other financing payments	-46	-342	-452	-78	-178	-188
<i>Total cash paid</i>	<i>-5,412</i>	<i>-15,548</i>	<i>-19,221</i>	<i>-5,979</i>	<i>-16,884</i>	<i>-20,194</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,887	276	-691	322	-387	1,348
Net increase in cash and cash equivalents	1,683	2,891	560	201	-685	-1,863
Cash and cash equivalents at the beginning of the year	9,918	8,710	8,710	9,687	10,573	10,573
Cash and cash equivalents at the end of the year	11,601	11,601	9,270	9,888	9,888	8,710
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	1,747	5,223	5,618	1,398	2,685	3,386
Net cash flows from investing in non-financial assets	-1,146	-1,982	-3,658	-872	-3,073	-4,310
Cash surplus/-deficit	601	3,241	1,961	526	-388	-924

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

(b) The Reporting Entity

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

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

(c) Basis of Preparation

The financial statements for the nine months ended 31 March 2020 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.

The ABS Government Finance Statistics (GFS) Manual provides the basis upon which GFS information that is contained in the financial statements is prepared. In particular, notes disclosing key financial aggregates of net worth, total change in net worth, net operating balance, net lending/-borrowing and cash surplus/-deficit determined using the principles and rules in the ABS GFS Manual are included in the financial statements, together with a reconciliation of those key fiscal aggregates to the corresponding key fiscal aggregates recognised in the financial statements.

This interim financial report does not include all the note disclosures that are included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2019, presented in Appendix 1 of the 2018-19 *Annual Report on State Finances* (ARSF) released on 27 September 2019. The accounting policies adopted in this publication are consistent with those outlined in the 2018-19 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2018-19 ARSF.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, totals and sub-totals quoted in this report may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

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

NOTE 3: TRANSFER EXPENSES

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

TRANSFER EXPENSES (a)

General Government						
	2019-20			2018-19		
	Three Months to 31 Mar	Nine Months to 31 Mar \$m	Estimated Outturn (b) \$m	Three Months to 31 Mar	Nine Months to 31 Mar \$m	Actual (c) \$m
CURRENT TRANSFERS						
Local Government	59	198	399	77	268	384
Local Government on-passing	-	-	-	22	67	181
Private and Not-for-profit sector	317	1,182	1,649	293	990	1,377
Private and Not-for-profit sector on-passing	-	-	-	667	1,294	1,323
Other sectors of Government	753	1,712	2,731	414	1,275	2,161
Total Current Transfers	1,129	3,092	4,778	1,474	3,894	5,426
CAPITAL TRANSFERS						
Local Government	5	19	60	4	13	64
Local Government on-passing	-	-	-	14	43	118
Private and Not-for-profit sector	15	48	124	23	57	87
Private and Not-for-profit sector on-passing	-	-	-	3	13	18
Other sectors of Government	7	19	59	125	302	338
Total Capital Transfers	28	85	243	170	428	625
Total Public Sector						
	2019-20			2018-19		
	Three Months to 31 Mar	Nine Months to 31 Mar \$m	Estimated Outturn (b) \$m	Three Months to 31 Mar	Nine Months to 31 Mar \$m	Actual (c) \$m
CURRENT TRANSFERS						
Local Government	59	198	399	77	268	385
Local Government on-passing	-	-	-	22	67	181
Private and Not-for-profit sector	516	1,799	2,508	497	1,586	2,185
Private and Not-for-profit sector on-passing	-	-	-	667	1,294	1,323
Other sectors of Government	147	352	773	1	6	337
Total Current Transfers	723	2,349	3,680	1,264	3,222	4,411
CAPITAL TRANSFERS						
Local Government	5	19	60	4	13	65
Local Government on-passing	-	-	-	14	43	118
Private and Not-for-profit sector	23	72	136	29	81	119
Private and Not-for-profit sector on-passing	-	-	-	3	13	18
Other sectors of Government	-	-	-	-	-	-
Total Capital Transfers	28	91	196	51	150	319

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

(b) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

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

This note usually details all convergence differences for the March 2020 results. However, with the adoption of AASB 16: *Leases* the distinction between operating leases and finance leases as measured under previous accounting standards has been superseded. Accordingly, convergence data between the AASB 1049 key financial aggregates produced in the March 2020 results and GFS concepts is not currently available. Convergence notes in the most recent audited financial results (included in the 2018-19 *Annual Report on State Finances*, released in September 2019) show that there have been very few convergence differences in Western Australia's AASB 1049 disclosures compared with equivalent data presented on a GFS basis. The ABS is currently working with State and Territory Treasuries to develop a methodological solution that will enable the ongoing distinction between operating and finance leases for GFS purposes.

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government				
	2019-20		2018-19	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	5,559	4,661	4,431	4,452
Government securities	3	3	3	3
Total	5,562	4,664	4,434	4,455
<i>Loans and advances</i>				
Loans	15	33	13	15
Financial Assets held for trading/available for sale	-	-	-	-
Total	15	33	13	15
Total	5,576	4,697	4,448	4,470
Total Public Sector				
	2019-20		2018-19	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	14,278	12,068	11,967	11,836
Government securities	2,171	2,481	1,290	2,481
Total	16,449	14,549	13,257	14,318
<i>Loans and advances</i>				
Loans	3,864	4,659	2,939	4,618
Financial Assets held for trading/available for sale	703	631	489	631
Total	4,566	5,291	3,427	5,250
Total	21,015	19,840	16,684	19,567

NOTE 6: RECEIVABLES**General Government**

	2019-20		2018-19	
	31 Mar	Estimated Outturn	31 Mar	Actual
	\$m	\$m	\$m	\$m
Accounts Receivable	3,906	3,500	3,542	4,195
Provision for impairment of receivables	-176	-197	-258	-196
Total	3,730	3,303	3,283	3,999

Total Public Sector

	2019-20		2018-19	
	31 Mar	Estimated Outturn	31 Mar	Actual
	\$m	\$m	\$m	\$m
Accounts Receivable	5,881	5,580	5,341	6,117
Provision for impairment of receivables	-277	-325	-361	-293
Total	5,603	5,255	4,980	5,825

NOTE 7: BORROWINGS**General Government**

	2019-20		2018-19	
	31 Mar	Estimated Outturn	31 Mar	Actual
	\$m	\$m	\$m	\$m
Bank overdrafts	-	-	-	117
Lease liabilities	3,106	3,157	1,183	1,156
Borrowings	25,159	25,195	26,685	26,473
Total	28,265	28,352	27,868	27,745

Total Public Sector

	2019-20		2018-19	
	31 Mar	Estimated Outturn	31 Mar	Actual
	\$m	\$m	\$m	\$m
Bank overdrafts	2	1	-	117
Lease liabilities	4,114	4,171	1,939	1,902
Borrowings	58,625	58,761	55,418	58,956
Total	62,741	62,933	57,358	60,974

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

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

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

Material contingent assets and liabilities were described in the 2018-19 *Annual Report on State Finances*.

A further contingent liability has since arisen in relation to the Perth Children's Hospital where additional resources may be required in order to exercise contractual entitlements and to represent the State in legal proceedings advanced by John Holland, the Managing Contractor at the hospital.

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APPENDIX 2

Operating Revenue

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

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

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

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

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

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

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

Table 2.1

GENERAL GOVERNMENT Operating Revenue

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	914	2,837	3,781	865	2,669	3,565
Property taxes						
<i>Land tax</i>	59	776	773	36	805	807
Transfer Duty	299	910	1,152	244	812	1,073
Landholder Duty	40	61	31	13	20	32
<i>Total duty on transfers</i>	339	971	1,183	257	833	1,105
Metropolitan Region Improvement Tax	1	87	88	3	89	89
Perth Parking Levy	2	55	59	2	56	59
Emergency Services Levy	102	355	386	100	343	374
Loan guarantee fees	41	118	158	40	115	152
Building and Construction Industry Training Fund Levy	9	33	37	8	19	27
<i>Total other property taxes</i>	154	649	728	154	623	702
Taxes on provision of goods and services						
Lotteries Commission	39	134	164	48	139	180
Casino Tax	11	39	71	12	40	59
Betting tax	-	-	-	-	22	25
Point of Consumption Tax	18	59	78	15	15	30
<i>Total taxes on gambling</i>	69	232	313	75	215	294
Insurance Duty	177	533	664	154	490	645
Other	5	14	19	4	13	17
<i>Total taxes on insurance</i>	181	547	683	159	503	662
<i>On-demand Transport Levy</i>	12	34	30	-	-	5
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	102	285	368	92	270	363
Permits - Oversize Vehicles and Loads	3	7	8	3	7	8
Motor Vehicle registrations	258	770	1,029	248	735	995
<i>Total motor vehicle taxes</i>	364	1,062	1,405	343	1,013	1,367
<i>Mining Rehabilitation Levy</i>	-	33	32	-	30	31
<i>Landfill Levy</i>	23	62	83	20	61	79
Total Taxation	2,115	7,202	9,011	1,908	6,751	8,616
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	849	2,617	3,559	807	2,448	3,200
Commonwealth-funded 70% floor	-	814	814	-	-	434
North West Shelf grants	178	533	767	202	700	886
Compensation for Commonwealth crude oil excise arrangements	7	17	31	5	25	30
<i>Grants Through the State ^(c)</i>						
School assistance - non-government schools	-	-	-	667	1,294	1,323
Local government financial assistance grants	-	-	-	22	67	181
Local government roads	-	-	-	14	43	118
<i>National Specific Purpose Payment Agreement Grants</i>						
National Skills and Workforce Development	40	119	158	39	118	157
National Disability Services	45	132	173	11	122	167
National Affordable Housing	41	124	166	41	123	164
Quality Schools	215	615	826	194	547	739
National Health Reform	595	1,772	2,342	555	1,687	2,269
<i>National Partnerships/Other Grants</i>						
Health	41	132	178	36	119	194
Housing	-	-	1	-	-	-
Transport	1	46	174	1	50	54
Disability Services	-	-	82	-	-	55
Other	64	136	303	78	128	239
Total Current Grants and Subsidies ^(c)	2,075	7,057	9,573	2,673	7,471	10,210

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CAPITAL GRANTS						
<i>Grants Through the State</i> ^(c)						
School assistance - non-government schools	-	-	-	3	13	18
<i>National Partnerships/Other Grants</i>						
Housing	-	-	-	121	251	251
Transport	126	280	950	167	359	593
Other	-	4	30	-	-	11
Total Capital Grants ^(c)	126	283	980	291	624	873
SALES OF GOODS AND SERVICES ^(c)	692	2,138	2,796	663	1,987	2,734
INTEREST INCOME	29	98	148	42	128	168
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	-	339	1,334	19	348	1,350
Tax Equivalent Regime	185	508	628	160	422	642
Total Revenue from Public Corporations	185	847	1,962	179	770	1,991
ROYALTY INCOME	1,937	6,142	7,505	1,498	4,351	6,713
OTHER						
Lease Rentals	29	89	105	25	82	107
Fines	47	142	200	81	174	224
Revenue not elsewhere counted	97	237	272	81	206	370
Total Other	173	468	577	187	463	701
GRAND TOTAL	7,334	24,234	32,553	7,441	22,545	32,006

(a) Consistent with the outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Note: Columns may not add due to rounding.

Table 2.2

TOTAL PUBLIC SECTOR Operating Revenue

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	891	2,769	3,689	844	2,606	3,479
Property taxes						
<i>Land tax</i>	43	728	703	19	755	744
Transfer Duty	299	910	1,152	244	812	1,073
Landholder Duty	40	61	31	13	20	32
<i>Total duty on transfers</i>	339	971	1,183	257	833	1,105
Metropolitan Region Improvement Tax	1	87	88	3	89	89
Perth Parking Levy	2	55	59	2	56	59
Emergency Services Levy	96	349	380	97	340	369
Loan guarantee fees	3	6	7	3	7	8
Building and Construction Industry Training Fund Levy	9	33	37	8	19	27
<i>Total other property taxes</i>	111	531	571	114	511	552
Taxes on provision of goods and services						
Casino Tax	11	39	71	12	40	59
Point of Consumption tax	8	27	35	5	5	13
<i>Total taxes on gambling</i>	19	66	106	17	44	73
Insurance Duty	177	533	664	154	490	645
Other	5	14	19	4	13	17
<i>Total taxes on insurance</i>	181	547	683	159	503	662
On-demand Transport Levy	12	34	30	-	-	5
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	102	285	368	92	270	363
Permits - Oversize Vehicles and Loads	3	7	8	3	7	8
Motor Vehicle registrations	258	770	1,029	248	735	995
<i>Total motor vehicle taxes</i>	364	1,062	1,405	343	1,013	1,367
Mining Rehabilitation Levy	-	33	32	-	30	31
Landfill Levy	23	62	83	20	61	79
Total Taxation	1,984	6,803	8,485	1,772	6,355	8,097
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	849	2,617	3,559	807	2,448	3,200
Commonwealth-funded 70% floor grant	-	814	814	-	-	434
North West Shelf grants	178	533	767	202	700	886
Compensation for Commonwealth crude oil excise arrangements	7	17	31	5	25	30
Grants Through the State ^(c)						
School assistance - non-government schools	-	-	-	667	1,294	1,323
Local government financial assistance grants	-	-	-	22	67	181
Local government roads	-	-	-	14	43	118
National Specific Purpose Payment Agreement Grants						
National Agreement for Skills and Workforce Development	40	119	158	39	118	157
National Disability Services	45	132	173	11	122	167
National Affordable Housing	41	124	166	41	123	164
Quality Schools	215	615	826	194	547	739
National Health Reform	595	1,772	2,342	555	1,687	2,269
National Partnerships\Other Grants						
Health	41	132	178	36	119	194
Housing	-	-	1	-	-	0
Transport	1	46	174	1	50	54
Disability Services	-	-	82	-	-	55
Other	64	136	303	78	128	239
Total Current Grants and Subsidies^(c)	2,075	7,057	9,573	2,673	7,471	10,210

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2019-20			2018-19		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CAPITAL GRANTS						
<i>Grants Through the State</i> ^(c)						
School assistance - non-government schools	-	-	-	3	13	18
<i>National Partnerships/Other Grants</i>						
Housing	-	-	-	121	251	251
Transport	126	280	950	167	359	593
Other	-	4	30	-	-	11
Total Capital Grants ^(c)	126	283	980	291	624	873
SALES OF GOODS AND SERVICES ^(c)	9,627	28,853	37,887	5,951	17,969	23,488
INTEREST INCOME	125	410	674	141	451	639
ROYALTY INCOME	1,937	6,142	7,505	1,498	4,351	6,713
OTHER						
Lease Rentals	29	89	105	25	82	107
Fines	48	145	200	82	177	224
Revenue not elsewhere counted	174	534	727	223	568	862
Total Other	251	768	1,032	330	827	1,193
GRAND TOTAL	16,125	50,316	66,136	12,655	38,049	51,214

(a) Consistent with the outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

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

Note: Columns may not add due to rounding.

APPENDIX 3

Public Ledger

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

PUBLIC LEDGER BALANCES AT 31 MARCH				Table 3.1
	2020 \$m	2019 \$m	Variance \$m	
THE PUBLIC LEDGER				
Consolidated Account ^(a)	-16,865	-17,456	591	
Treasurer's Special Purpose Accounts	16,519	15,360	1,159	
Treasurer's Advance Account – Net Advances and Overdraw n Trusts	-14	-25	11	
TOTAL	-360	-2,121	1,761	
Agency Special Purpose Accounts	6,289	6,907	-618	
TOTAL PUBLIC BANK ACCOUNT	5,929	4,786	1,143	

(a) The balance of the Consolidated Account at 31 March 2020 includes non-cash appropriations of \$14,195 million (31 March 2019: \$12,789 million), representing the funding of non-cash costs of agency services. These appropriations are credited to agency Holding Accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account recorded a deficit of \$2,669 million at 31 March 2020 (compared with a deficit position of \$4,667 million at 31 March 2019).

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

Consolidated Account

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

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

The Consolidated Account accrual deficit at 31 March 2020 was \$16,865 million, \$591 million lower than the accumulated deficit at 31 March 2019. This included \$14,195 million associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash balances in agency Holding Accounts.

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In cash terms, the Consolidated Account had a deficit balance of \$2,669 million at 31 March 2020, \$1,997 million lower than the \$4,667 million deficit balance at 31 March 2019.

Borrowings held by the Consolidated Account decreased by \$69 million in the March 2020 quarter, and totalled \$24.6 billion compared with \$26.2 billion in March 2019. Debt repayments for the first nine months of 2020-21 totalled \$1.3 billion, which includes the application of \$1.2 billion in GST ‘top-up’ funding.

Total proceeds from gross borrowings (i.e. excluding debt repayment) stood at \$26.6 billion at 31 March 2020, which remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding *Loan Acts*¹. The Consolidated Account last drew down new borrowings in April 2018.

¹ Proceeds of borrowings by the Consolidated Account (i.e. gross borrowings excluding debt repayments) cannot exceed the cumulative limit authorised by the *Loan Acts*.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS

For the nine months ended 31 March

	2020 \$m	2019 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	5,382	5,385	-2
Commonwealth grants	3,181	3,169	12
Government enterprises	2,278	944	1,335
Revenue from other agencies	7,695	5,035	2,660
Other receipts	1,179	470	709
<i>Total Operating Activities</i>	<i>19,716</i>	<i>15,002</i>	<i>4,713</i>
<i>Financing Activities</i>			
Repayments of recoverable advances	5	5	-(a)
Borrowings	-	-	-
Other receipts	8	10	-3
<i>Total Financing Activities</i>	<i>13</i>	<i>15</i>	<i>-2</i>
TOTAL REVENUE	19,729	15,018	4,711
EXPENDITURE			
<i>Recurrent</i>			
Authorised by other statutes	1,925	2,035	-110
Appropriation Act (No. 1)	15,255	14,704	551
Recurrent expenditure under the Treasurer's Advance	20	191	-171
<i>Total Recurrent Expenditure</i>	<i>17,200</i>	<i>16,931</i>	<i>269</i>
<i>Investing Activities</i>			
Authorised by other statutes	218	242	-24
Appropriation Act (No. 2)	1,221	1,178	43
Investing expenditure under the Treasurer's Advance	-(a)	4	-4
<i>Total Investing Activities</i>	<i>1,439</i>	<i>1,424</i>	<i>14</i>
<i>Financing Activities</i>			
Loan repayments	1,318	242	1,076
Other financing	7	9	-3
<i>Total Financing Activities</i>	<i>1,324</i>	<i>251</i>	<i>1,073</i>
TOTAL EXPENDITURE	19,963	18,606	1,357
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-234	-3,588	3,354
Consolidated Account Balance			
Opening balance at 1 July	-16,630	-13,868	-2,763
Closing balance at 31 March	-16,865	-17,456	591
Of which:			
Appropriations payable	-14,195	-12,789	-1,406
Cash balance at 31 March	-2,669	-4,667	1,997

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

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

Treasurer's Special Purpose Accounts

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

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

Aggregate TSPA balances at 31 March 2020 were \$1,159 million higher than at the same time last year. This mainly reflects:

- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$1,406 million);
- a net decrease in the Royalties for Regions Fund (down \$296 million), reflecting the timing of appropriation payments to the Fund, and draw downs for approved spending on individual programs;
- an increase in the balance of the Western Australian Future Fund reflecting appropriation of 1% of forecast annual royalty receipts (\$64 million) and interest earnings on the balance of the Fund over the last twelve months (\$35 million);
- a decrease in the balance of the Commonwealth Grants for Specific Purposes Account (down \$92 million), mainly reflecting the return of surplus 'MyWay' trial funds to the Consolidated Account and the provision of National Disability Specific Purpose Payment funding to the Department of Communities for on-payment to the National Disability Insurance Agency (for the Commonwealth-administered NDIS); and
- an increase in the balance of agency accounts that hold cash for the cost of an extra pay period which falls due every 11 years (up \$44 million).

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

Table 3.3

TREASURER'S SPECIAL PURPOSE ACCOUNTS
At 31 March

	2020	2019	Variance
	\$m	\$m	\$m
Agency Holding Accounts	14,195	12,789	1,406
Royalties for Regions Fund	542	838	-296
Western Australian Future Fund	1,403	1,304	99
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	150	153	-3
Agency 27th Pay Accounts	137	93	44
Commonwealth Grants for Specific Purposes	-	92	-92
Other Special Purpose Accounts	91	90	-(a)
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 MARCH	16,519	15,360	1,159

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

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

Treasurer's Advance

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

A limit of \$658.4 million was authorised under section 29 of the FMA for the year ended 30 June 2020, compared with a total of \$652.2 million authorised limit applying at the same time last year. The *Treasurer's Advance Authorisation Act 2020* came into force in April 2020 and increased the limit to \$1,658.4 million for the remainder of 2019-20. This Act was passed by the Parliament to deal with the anticipated impact on the Treasurer's Advance expected to emerge during the June quarter of 2020 in response to the COVID-19 pandemic.

Table 3.4

TREASURER'S ADVANCE AT 31 MARCH

	2020	2019	Variance
	\$m	\$m	\$m
AUTHORISED LIMIT	658.4	652.2	6.2
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>33.6</i>	<i>220.7</i>	<i>-187.0</i>
Comprising:			
Net recoverable advances as at 31 March (see below)	13.7	25.0	-11.3
Overdrawn Special Purpose Accounts	-	-	-
Excesses and New Items			
- recurrent	19.8	191.3	-171.5
- capital	0.1	4.4	-4.3
NET RECOVERABLE ADVANCES			
Mines Safety	8.0	16.5	-8.5
Petroleum and Geothermal Energy Safety	2.0	2.0	-
Sport and Recreation	1.1	1.1	-
Suitors Fund	2.5	2.5	-
Sundry Debtors	0.1	2.7	-2.7
Western Australian Energy Disputes Arbitrator	-	0.1	-0.1
TOTAL RECOVERABLE TREASURER'S ADVANCES	13.7	25.0	-11.3

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

Transfers, Excesses and New Items

Table 3.5 summarises transfers of appropriations between agencies, authorised under section 25 of the FMA (and which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer under the authority of section 27 of the FMA.

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

In the nine months to 31 March 2020, appropriation transfers included:

- \$20.4 million (including both recurrent and capital appropriation) has been transferred from the Department of Treasury to Energy Policy WA (EPWA) following the transfer of the functions of the former Public Utilities Office and the Energy Transformation Implementation Unit from Treasury to EPWA. EPWA was established as a sub-department of the Department of Mines, Industry Regulation and Safety on 5 September 2019; and
- \$0.6 million from WA Health to the Parliamentary Commissioner for Administrative Investigations (the Ombudsman) to enable the Ombudsman to undertake the Expanded Child Death Review Function in 2019-20.

Approved excesses and new items during the nine months to 31 March 2020 included:

- \$35 million for Department of Transport to fund settlement of an outstanding claim against the State;
- \$6.2 million for the Western Australian Land Authority for the relocation and accelerated decommissioning of electrical and gas infrastructure, and for security, maintenance and project management costs for the East Perth Power Station project;
- \$4.2 million for Infrastructure WA, following establishment of this statutory authority in July 2019;
- \$2.7 million for the Chemistry Centre (WA) to continue to provide essential scientific services to government and non-government clients, and to support the Centre's scientific education, and research and development functions; and
- \$0.6 million to the Metropolitan Redevelopment Authority to complete preliminary investigative works for the East Perth Power Station project.

Table 3.5

TRANSFERS, EXCESSES AND NEW ITEMS

For the nine months to 31 March

	Treasurer's Advance					Draw n against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Parliamentary Commissioner for Administrative Investigations</i>						
Item 4: Delivery of Services	7.4	0.6	-	-	8.1	-
<i>Treasury</i>						
Item 14: Delivery of Services	79.6	-20.3	-	-	59.3	-
Item 23: Western Australian Land Authority	79.1	-	-	6.2	85.3	-
Item 27: Metropolitan Redevelopment Authority	20.9	-	-	0.6	21.5	-
<i>WA Health</i>						
Item 51: Delivery of Services	4,979.4	-0.6	-	-	4,978.8	-
<i>Chemistry Centre (WA)</i>						
Item 66: Delivery of Services	5.0	-	-	2.7	7.8	0.5
<i>Transport</i>						
Item 79: Delivery of Services	204.7	-	-	35.0	239.7	16.4
<i>Energy Policy WA</i>						
New Item: Delivery of Services	-	20.3	-	-	20.3	-
<i>Infrastructure WA</i>						
New Item: Delivery of Services	-	-	4.1	-	4.1	2.9
Total Recurrent		-	4.1	44.5		19.8
Capital Appropriations						
<i>Treasury</i>						
Item 101: Capital Appropriation	0.3	-0.1	-	-	0.3	-
<i>Energy Policy WA</i>						
New Item: Capital Appropriation	-	0.1	-	-	0.1	-
<i>Infrastructure WA</i>						
New Item: Capital Appropriation	-	-	0.1	-	0.1	0.1
Total Capital		-	0.1	-		0.1
TOTAL						19.9

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

Special Purpose Accounts

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

This appendix details balances at 31 March 2020 for a number of key SPAs established to deliver specific policy outcomes. The focus of this Appendix is on major/material SPAs that were in existence at 31 March 2020. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

Debt Reduction Account

In line with the Government's election commitment for responsible financial management, a Debt Reduction Account was established in 2017-18 to apply windfall funds to the repayment of Consolidated Account borrowings. Receipts of \$1,318 million in the nine months to March 2020 were sourced from Western Australia's 2019-20 GST top-up payment (\$1,248 million) and surplus capital returned to the Consolidated Account by RiskCover (\$69 million). These funds were applied to debt repayment through the Western Australian Treasury Corporation during the same period.

DEBT REDUCTION ACCOUNT
At 31 March

Table 4.1

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	-	-
Receipts	1,318	242
Payments	1,318	242
Closing Balance	-	-

Note: Columns may not add due to rounding.

METRONET Account

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

Receipts for the third quarter ending 31 March 2020 reflect capital appropriation of \$134.7 million for METRONET projects and an operating subsidy of \$1.9 million for the METRONET Office. Payments of \$116.9 million were for transport infrastructure planning and delivery and for METRONET Office operating expenses (\$1 million).

METRONET ACCOUNT At 31 March

Table 4.2

	2020 \$m	2019 \$m
<i>Balance at 1 July ^(a)</i>	274	10
Receipts	137	274
Payments	118	31
Closing Balance	293	253

(a) Payments during 2018-19 were restated from the \$46 million reported in the 2018-19 *Annual Report on State Finances* (ARSF), resulting in a revised closing balance at 30 June 2019 of \$274 million.

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in December 2018 to hold motor vehicle licence revenue allocated to METRONET road works, including projects under development.

During the nine months ending 31 March 2020 receipts of \$58.3 million, that represent motor vehicle licence revenue, was allocated to this account. Payments of \$12.4 million have been made during the same period for road works associated with the Forrestfield-Airport Link project.

METRONET ROADS ACCOUNT At 31 March

Table 4.3

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	-	-
Receipts	58	-
Payments	12	-
Closing Balance	46	-

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Account

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

Receipts for the nine months to the end of March 2020 reflect MRIT collections (\$67 million), proceeds from the sale of land and buildings (\$6.3 million), rental revenue (\$5.1 million), receipts from the Australian Taxation Office for refunds of GST on purchases (\$4.8 million) and interest revenue (\$4.8 million). Payments from the account were for the acquisition of land and buildings (\$37.2 million), service delivery costs associated with the Metropolitan Region Improvement Fund (\$19.8 million), compensation for injurious affection (\$3 million) and to progress a range of smaller infrastructure and works (\$1.1 million).

METROPOLITAN REGION IMPROVEMENT ACCOUNT

Table 4.4

At 31 March

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	440	399
Receipts	89	86
Payments	61	33
Closing Balance	468	453

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the March quarter reflect levy contributions by mining operators (\$33 million) and interest earnings (\$1 million). Payments for the year to date were for administration costs (\$0.6 million).

MINING REHABILITATION FUND

Table 4.5

At 31 March

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	150	122
Receipts	34	32
Payments	1	6
Closing Balance	183	148

Note: Columns may not add due to rounding.

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

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

During the nine-month period ending 31 March 2020, payments totalling \$1 million were made in line with the State's obligations under the National Redress Scheme.

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

At 31 March

Table 4.6

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	151	-
Receipts	-	153
Payments	1	-
Closing Balance	150	153

Note: Columns may not add due to rounding.

Perth Children's Hospital Account

This SPA was established in October 2010 to hold money for the construction and establishment of the Perth Children's Hospital.

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

PERTH CHILDREN'S HOSPITAL ACCOUNT

At 31 March

Table 4.7

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	13	13
Receipts	-	-
Payments	-	-
Closing Balance	13	13

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 under section 23(1) of the *Perth Parking Management Act 1999* to set aside funds to be used to encourage a balanced transport system for access to the Perth city area. Money credited to the account reflects licence fees, penalties and money appropriated by the Parliament for the purposes of the Act.

Funds drawn from the account are used to support the Central Area Transit bus system, the Free Transit Zone public transport services in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access, other transport system initiatives and for the administration of the Act.

PERTH PARKING LICENSING ACCOUNT
At 31 March

Table 4.8

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	93	54
Receipts	55	56
Payments	12	13
Closing Balance	136	97

Note: Columns may not add due to rounding.

Perth Stadium Account

This SPA was established in October 2011 to hold funds in support of the construction of Perth Stadium and associated transport infrastructure. The stadium commenced operations in early 2018.

There were no payments or receipts during the nine months to 31 March 2020.

PERTH STADIUM ACCOUNT
At 31 March

Table 4.9

	2020 \$m	2019 \$m
<i>Balance at 1 July ^(a)</i>	12	13
Receipts	-	-
Payments	-	3
Closing Balance	12	11

(a) The opening balance of \$12 million at 1 July 2019 has been restated from the \$11 million closing balance as reported in the 2018-19 *Annual Report on State Finances*. This restatement incorporates a correction to the rounding of the closing balance at 30 June 2019.

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect collections from prescribed penalties paid during the first three quarters of 2019-20 (\$71.5 million), interest revenue received on the account balance (\$0.8 million) and other miscellaneous funds collected under the *Road Traffic (Administration) Act 2008*.

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. A total of \$53 million drawn from the account in the nine months to the 31 March 2020 supported the following initiatives and programs:

- regional run-off crashes (\$17.9 million);
- speed management (\$13.9 million);
- vulnerable road users (\$5.7 million);
- reduction in road death and serious injury from impaired driving from alcohol and/or drugs (\$4.7 million); and
- the ongoing operational cost of the Road Safety Commission and a range of smaller road safety initiatives and support programs (\$10.4 million).

ROAD TRAUMA TRUST ACCOUNT
At 31 March

Table 4.10

	2020 \$m	2019 \$m
<i>Balance at 1 July ^(a)</i>	60	53
Receipts	72	73
Payments	53	50
Closing Balance	80	76

(a) The closing balance of \$60 million at 30 June 2019 (opening balance at 1 July) has been restated from the \$61 million (reported in the 2018-19 *Annual Report on State Finances*). The restatement incorporates a correction to the rounding of the closing balance at 30 June 2019.

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia. Under the *Royalties for Regions Act 2009*, the balance held in the Fund at any time cannot exceed \$1 billion.

Receipts during the first nine months of 2019-20 reflect the draw down of moneys appropriated by the Parliament (\$159.5 million), interest revenue earned on the account balance (\$8.9 million), and unused funds from regional projects returned to the Fund by agencies (\$6.6 million). A total of \$632.8 million was disbursed from the Fund to support infrastructure, business and economic development and other regional initiatives (detailed in the 2019-20 Budget Paper No. 3 and updated in the 2019-20 Mid-year Review).

Table 4.11

ROYALTIES FOR REGIONS FUND
At 31 March

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	175	262
Payments	633	425
Closing Balance	542	838

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was established in June 2015 to fund strategic reform initiatives in regional Western Australia. Payment of \$2 million was made in the March quarter to the Department of Education for the Kimberley Schools Project.

Table 4.12

ROYALTES FOR REGIONS REGIONAL REFORM FUND
At 31 March

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	80	96
Receipts	-	-
Payments	2	10
Closing Balance	78	86

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established under the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the landfill levy. Funds are drawn from the Account to support programs and other initiatives related to the management, reduction, reuse, recycling, monitoring or measurement of waste. Landfill levy receipts of \$15.6 million were allocated to the account by Ministerial determination under the Act in the nine months to 31 March 2020. Draw downs totalling \$13.5 million over the same period were for waste programs and the repayment of administration costs incurred by the Department of Water and Environmental Regulation.

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT

Table 4.13

At 31 March

	2020 \$m	2019 \$m
<i>Balance at 1 July¹</i>	40	39
Receipts	16	16
Payments	14	11
Closing Balance	42	44

Note: Columns may not add due to rounding.

Western Australian Future Fund

The Western Australian Future Fund was established under the *Western Australian Future Fund Act 2012*. The Act provides for an accruing balance over 20 years to 2032, after which the annual interest earnings can be drawn down to fund economic or social infrastructure projects across Western Australia.

Receipts for the nine months ending 31 March 2020 totalled \$90.1 million and included appropriation of 1% of annual forecast royalty revenue in the 2019-20 Budget (\$63.7 million) and interest receipts (\$26.4 million).

WESTERN AUSTRALIAN FUTURE FUND

Table 4.14

At 31 March

	2020 \$m	2019 \$m
<i>Balance at 1 July</i>	1,313	1,215
Receipts	90	89
Payments	-	-
Closing Balance	1,403	1,304

Note: Columns may not add due to rounding.

General Government Salaries

Introduction

Salaries represent the single largest component of general government sector expenses (43.6% in the first nine months of 2019-20).

Relative to the same period in 2018-19, general government salaries grew by \$402 million (or 4.4%) over the first three quarters of 2019-20, to total \$9,499 million. Salaries in the health, education, law and order, and community services sectors account for over 83% of general government salaries costs in the March outcome. Higher salary costs included increases under the Government's Wages Policy and other prevailing industrial agreements, the impact of the Government's commitment to convert eligible casual and fixed-term contract staff to permanent employees across the sector, and other movements in the sector's workforce.

The following table summarises salaries outcomes for general government agencies for the nine months to 31 March 2020.

Table 5.1

SALARIES COSTS
General Government Sector

	2019-20		2018-19	
	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
WA Health	3,527	4,730	3,380	4,608
Education	2,688	3,535	2,586	3,449
Western Australia Police Force	716	931	708	932
Justice	530	656	492	657
Communities	438	529	415	525
Fire and Emergency Services	150	193	140	191
Biodiversity Conservation and Attractions	141	184	136	181
Primary Industries and Regional Development	124	170	119	167
Mines, Industry Regulation and Safety	118	154	106	149
Transport	94	131	90	122
North Metropolitan TAFE	86	117	84	114
South Metropolitan TAFE	80	110	75	105
Finance	72	104	71	93
Water and Environmental Regulation	69	86	60	81
Premier and Cabinet	62	80	60	81
Local Government, Sport and Cultural Industries	62	86	59	78
Planning, Lands and Heritage	61	81	55	77
Commissioner of Main Roads	42	60	37	58
Western Australian Sports Centre Trust	39	47	40	55
Land Information Authority	37	54	37	48
Training and Workforce Development	32	45	33	43
South Regional TAFE	26	37	26	36
Jobs, Tourism, Science and Innovation	26	35	23	32
Central Regional TAFE	25	33	24	33
Office of the Director of Public Prosecutions	24	32	22	31
Legal Aid Commission of WA	24	33	23	31
North Regional TAFE	24	32	24	31
Mental Health Commission	24	31	23	31
Treasury	23	33	25	33
Legislative Assembly	17	23	17	22
Office of the Auditor General	12	19	11	16
Legislative Council	12	17	12	16
Corruption and Crime Commission	12	16	11	14
Public Sector Commission	11	16	9	13
Parliamentary Services Department	8	11	8	10
Chemistry Centre (WA)	10	14	10	14
WorkCover WA	10	13	9	12
All other agencies (with annual salaries costs below \$10 million)	41	117	39	78
Total salaries	9,499	12,595	9,097	12,269

(a) Consistent with the estimated outcome published in the 2019-20 Mid-year Review, released on 18 December 2019.

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

Note: Columns may not add due to rounding.

