



GOVERNMENT OF  
WESTERN AUSTRALIA

**2017-18**

**QUARTERLY  
FINANCIAL  
RESULTS REPORT**

**MARCH 2018**





**2017-18**

**Quarterly Financial Results Report**

March 2018

2017-18 Quarterly Financial Results Report  
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2017-18

## Quarterly Financial Results Report

Nine Months Ended 31 March 2018

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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 2018.

Care should be exercised in extrapolating the likely outcome for the 2017-18 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The presentation in this report is consistent with that used in the 2017-18 and 2018-19 State Budgets (presented to the Legislative Assembly on 7 September 2017 and 10 May 2018 respectively).

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

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

- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance;
- 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 2018, and of the balance sheets of these reporting entities at 31 March 2018. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

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



MICHAEL BARNES  
UNDER TREASURER



MAGDALENA WITTEK  
MANAGER  
FINANCIAL REPORTING

22 May 2018

# Overview

## Summary

The general government sector recorded an operating deficit of \$1,285 million for the nine months to 31 March 2018, \$650 million lower than the \$1,934 million deficit reported for the same period in 2016-17.

- General government revenue for the first nine months of 2017-18 was \$950 million (or 4.8%) higher than the same period last year. This outcome mainly reflects higher dividend income (up \$518 million), Commonwealth funding (up \$365 million) and sales of goods and services (up \$153 million), partially offset by lower royalty revenue (down \$66 million).
- General government expenses grew by \$301 million (or 1.4%), reflecting higher salaries expenditure (up \$360 million or 4.1%, of which \$101 million is due to Machinery of Government changes that took effect from 1 July 2017<sup>1</sup>), lower current transfers (down \$200 million, mainly for operating subsidies to Synergy and the Water Corporation), and higher interest expenses (up \$70 million).

Total public sector net debt was \$34.5 billion at 31 March 2018 (\$2.5 billion higher than the \$32 billion outcome recorded at 30 June 2017).

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<sup>1</sup> In April 2017, the Government announced Machinery of Government changes that reduced the number of Departments from 41 to 25 with effect from 1 July 2017. As part of these changes, the Housing Authority and the Rottnest Island Authority (which deliver public non-financial corporation functions) were transferred to the new Department of Communities and Department of Biodiversity, Conservation and Attractions respectively. The two new Departments are general government sector agencies. For accounting purposes in the State's whole-of-government financial disclosures (including this report), Housing Authority functions remain part of the public non-financial corporations sector. However, the former employees of the Housing Authority are now employed by the Department of Communities with a service delivery arrangement existing between the general government and public non-financial corporations sectors. This arrangement results in a one-off increase in salaries costs for the general government sector from 1 July 2017, funded by payment for these costs by the Housing Authority.

## Results Compared to Prior Year

### General Government Sector

The general government sector recorded an operating deficit of \$1,285 million for the nine months to 31 March 2018, \$650 million lower than the \$1,934 million deficit reported for the same period in 2016-17. This improved outcome follows a \$744 million improvement previously reported in the December 2017 *Quarterly Financial Results Report*.

Table 1

#### SUMMARY OF GENERAL GOVERNMENT SECTOR FINANCES Western Australia

	2017-18			2016-17		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn <sup>(a)</sup>	Three Months to 31 Mar	Nine Months to 31 Mar	Actual <sup>(b)</sup>
	\$m	\$m	\$m	\$m	\$m	\$m
Net operating balance	-584	-1,285	-1,327	-489	-1,934	-2,474
Net worth		107,545	107,352		115,037	110,189
Movement in cash balances	-523	856	906	-326	954	66
<i>Memorandum items</i>						
Net lending	-1,189	-2,450	-2,826	-704	-2,748	-3,592
Net debt		22,071	22,400		18,073	18,820
Cash surplus/-deficit	-417	-2,464	-2,570	-669	-3,106	-3,751

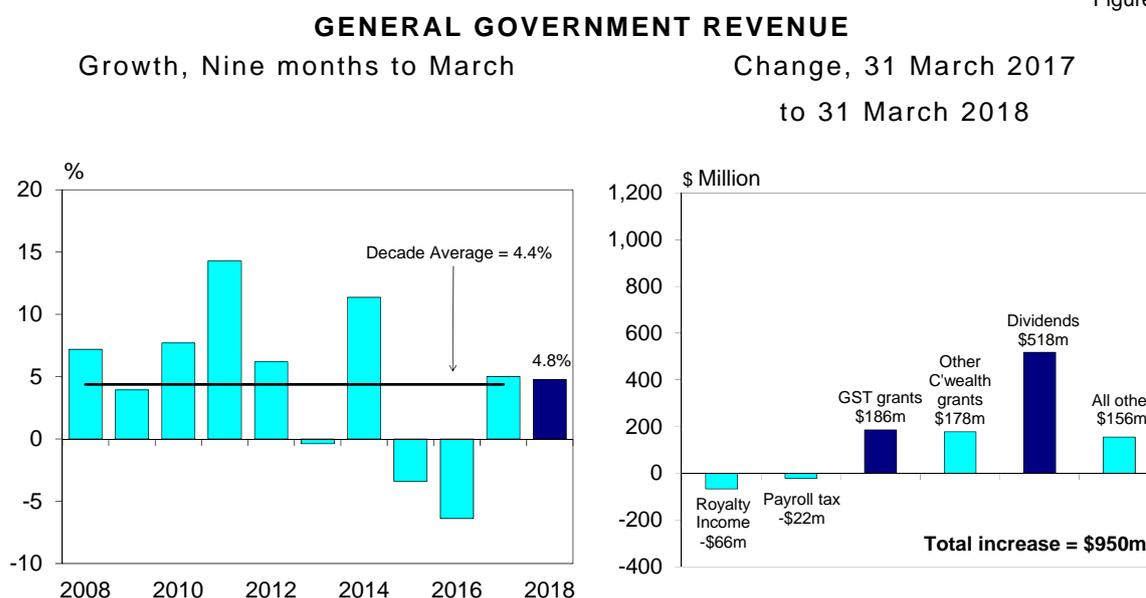
(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with final audited data contained in the 2016-17 *Annual Report on State Finances*, released 22 September 2017.

### Revenue

Revenue for the nine months to 31 March 2018 totalled \$20,848 million, \$950 million (or 4.8%) higher than the same period last year.

Figure 1



The higher revenue outcome for the nine months to 31 March 2018 primarily reflects the net impact of:

- higher dividend income (up \$518 million), largely due to a number of efficiency measures introduced for Government Trading Enterprises as part of the 2017-18 Budget<sup>2</sup>:
  - Synergy (up \$148 million), reflecting a special dividend payment of \$100 million and \$48 million profit on the sale of Synergy's shares in Mumbida Wind Farm Holdings Pty Ltd;
  - Western Power (up \$145 million), mainly due to the later timing of the Corporation's 2016-17 dividend;
  - Pilbara Ports Authority (up \$123 million), due to an increase (from 65% to 90%) in the dividend payout ratio applied to net profit after tax for 2016-17 (paid in 2017-18 – the dividend payout ratio declines to 85% from 2017-18); and
  - Insurance Commission of Western Australia (up \$32 million), reflecting interim dividend revenue following strong financial performance in the first half of 2017-18;
- higher Commonwealth funding (up \$365 million), mainly due to the net effect of:
  - higher GST grants (up \$186 million), due to an increase in the national GST pool, and Western Australia receiving a slightly larger share of national collections in 2017-18 (34.4%) compared to 2016-17 (30.3%);
  - lower local government road and general purpose funding (down \$108 million), largely reflecting the Commonwealth's decision to pay some 2017-18 funding before 30 June 2017;

<sup>2</sup> These efficiency measures included increased dividend payout ratios for a number of Government Trading Enterprises, deferral of 2016-17 interim dividend payments by the electricity corporations to 2017-18, and a special dividend payment of \$100 million by Synergy, further detail on the measures is available in Chapter 1 of the 2017-18 Budget Paper No. 3: *Economic and Fiscal Outlook*.

- higher funding for the disability and health sectors (up a combined \$70 million), mainly reflecting increased funding under the Western Australian National Disability Insurance Scheme (NDIS)<sup>3</sup>, the Multi-purpose Service Sites program (for health and aged care services), Pay Equity for the Social and Community Services Sector program, Transitional Care program, and the Home and Community Care program;
- higher funding for non-government schools (up \$64 million), mainly due to higher student enrolment numbers and indexation;
- higher untied funding for the education sector (up \$46 million), reflecting the new Quality Schools funding arrangement (which commenced 1 January 2018); and
- higher capital funding for housing (up \$33 million), due to timing of funding for Remote Indigenous Housing grants;
- higher sales of goods and services (up \$153 million), largely reflecting the recoup of salaries and on-costs by the Department of Communities as a result of Machinery of Government changes from 1 July 2017 (see footnote earlier in the chapter); and
- lower royalty income (down \$66 million), mainly due to a higher \$US/\$A exchange rate, slightly lower average benchmark iron ore price, and a lower average price for lower quality iron ore (compared to the standard benchmark price), partly offset by increased export volumes:
  - the benchmark iron ore price averaged \$US69.9 per tonne in the nine months to 31 March 2018, which was 1.5% lower than the average price in the same period in 2016-17 (\$US71.0 per tonne);
  - iron ore export volumes in the nine months to March 2018 were 2.7% higher than the same period last year; and
  - the \$US/\$A exchange rate averaged US78.1 cents in the nine months to March 2018, which is 3.5% higher than the average for the corresponding period a year earlier (US75.5 cents).

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<sup>3</sup> The State is to transition to the Commonwealth-run NDIS from 1 April 2018.

Figure 2

**IRON ORE PRICE**  
62% Fe Content

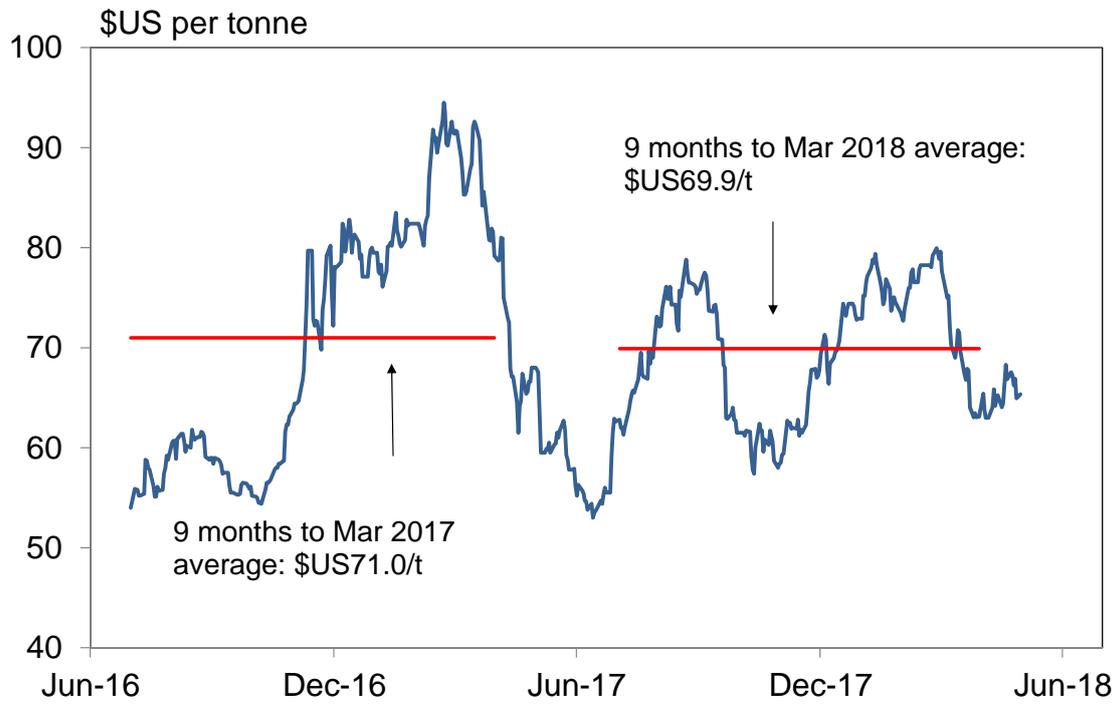
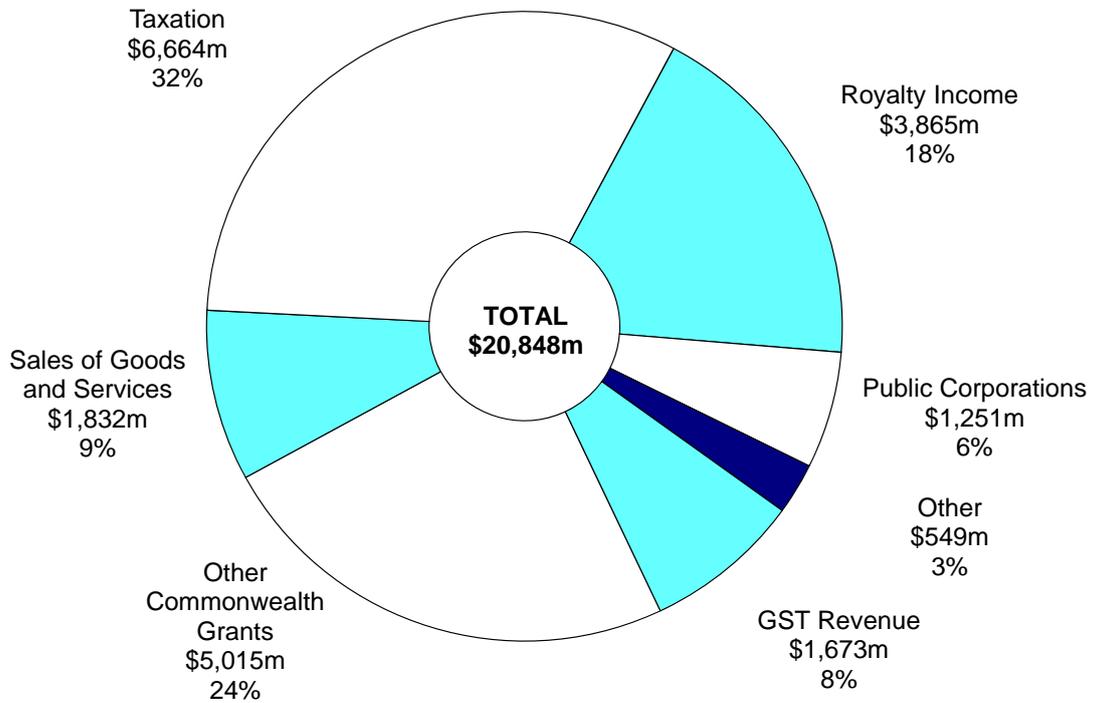


Figure 3

**GENERAL GOVERNMENT REVENUE<sup>(a)</sup>**  
Nine months to 31 March 2018



(a) Segments may not add due to rounding.

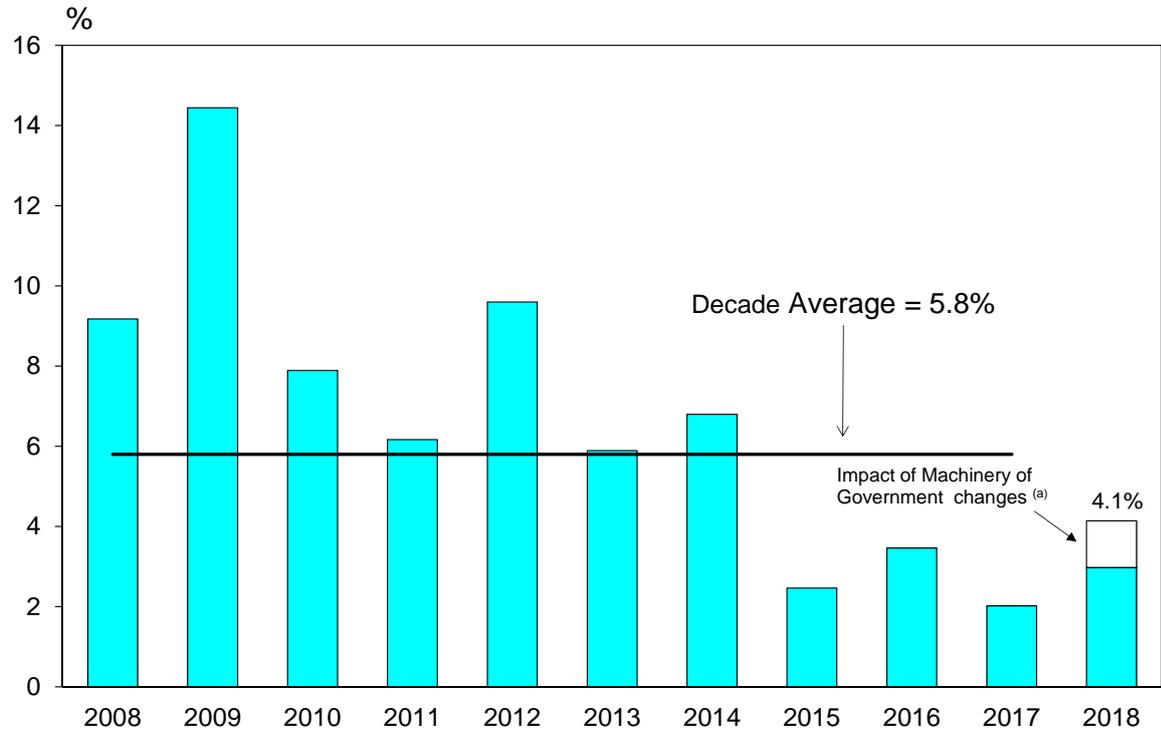
**Expenses**

Expenses for the nine months to 31 March 2018 totalled \$22,133 million, up \$301 million (or 1.4%) on the same period in 2016-17.



Figure 5

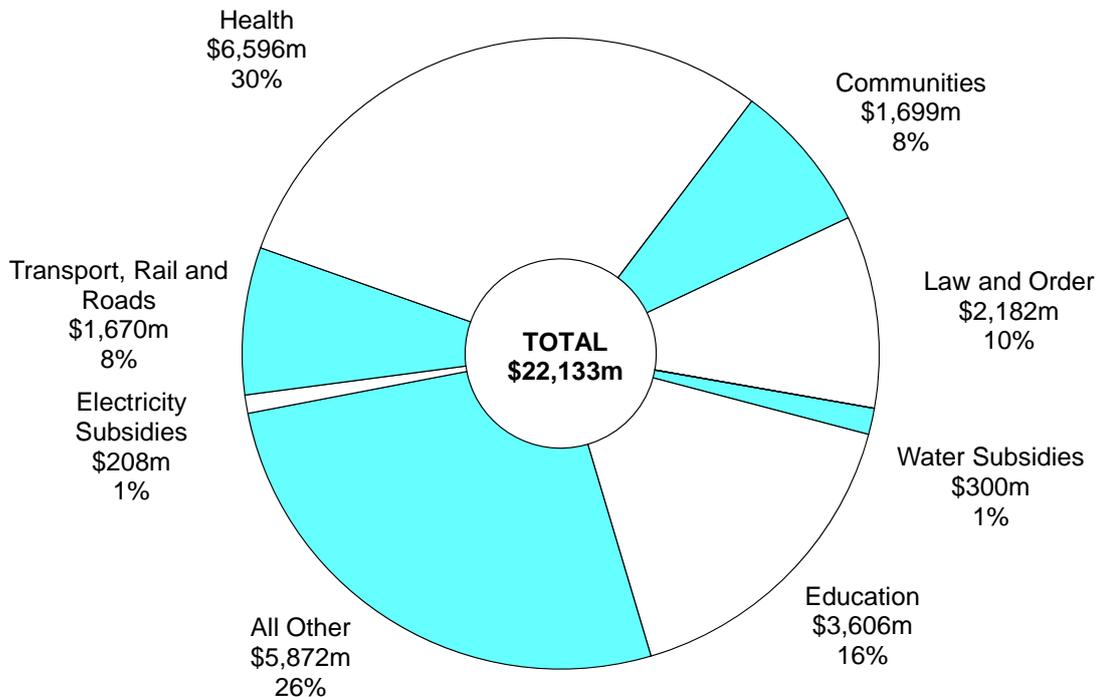
**GENERAL GOVERNMENT SALARIES GROWTH**  
Nine months to 31 March



(a) Following Machinery of Government changes which took effect from 1 July 2017, staff previously employed by the Housing Authority and Rottneest Island Authority (which are both public non-financial corporations) are now employed by the Department of Communities and the Department of Biodiversity, Conservation and Attractions respectively (general government agencies). This change results in a one-off increase to salary costs in 2017-18.

Figure 6

**GENERAL GOVERNMENT EXPENSES<sup>(a)</sup>**  
 Nine months to 31 March 2018



(a) Segments may not add due to rounding.

## Balance Sheet

Net worth of the general government sector decreased by an estimated \$2.6 billion during the nine months to 31 March 2018, to stand at \$107.5 billion<sup>4</sup>. This lower outcome reflects the net impact of:

- a \$4.2 billion increase in borrowings (mainly central borrowings held by the Consolidated Account, and recognition of the finance lease for Optus Stadium);
- an estimated \$780 million increase in general government sector land and other non-financial assets, reflecting infrastructure spending and projected increases in the value of the sector's holdings in these assets;
- a \$593 million increase in liquid assets, mainly due to the timing of cash receipts and payments through the Public Bank Account;
- a decrease in the value of equity in the public corporation sectors (down \$542 million), due primarily to a decrease in the estimated value of physical assets; and

<sup>4</sup> 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.

- a net \$187 million decrease in the net worth of all other general government sector assets and liabilities (such as movements in accounts receivable and payable, and leave accruals).

## Cash Flow

A cash deficit of \$2.5 billion was recorded for the nine months to 31 March 2018, a \$642 million improvement on the cash deficit recorded for the same period in 2016-17. This outcome is largely due to:

- a net cash deficit from operating activities of \$822 million, compared with a \$1.6 billion cash deficit reported for the same period last year, due to the cash impact of the lower operating deficit outcome discussed earlier; and
- \$1.7 billion in general government infrastructure spending, \$132 million higher than the amount reported for the same period last year. This increase is mainly due to spending on the Southern Inland Health Initiative and construction works at Karratha Health Campus.

## Total Public Sector

### Operating Statement

The total public sector recorded an operating deficit of \$1,489 million for the nine months to 31 March 2018, a \$126 million decrease from the \$1,615 million operating deficit recorded in the same period a year earlier.

<b>SUMMARY OF TOTAL PUBLIC SECTOR FINANCES</b>						
Western Australia						
	2017-18			2016-17		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-363	-1,489	-2,295	-554	-1,615	-2,744
Net worth		107,545	107,352		115,037	110,189
Movement in cash balances	16	-122	342	-1,345	-1,123	-927
<i>Memorandum items</i>						
Net lending	-566	-2,606	-4,112	-902	-2,199	-3,829
Net debt		34,454	35,951		30,280	31,964
Cash surplus/-deficit	-291	-2,707	-3,468	-622	-1,805	-4,675

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.  
(b) Consistent with final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

The total public sector operating deficit for the nine months to 31 March 2018 incorporates:

- the \$1,285 million operating deficit for the general government sector outlined earlier;
- an operating surplus of \$262 million for the public non-financial corporations sector, \$154 million lower than the surplus recorded in the same period in 2016-17 primarily due to lower Housing Authority profitability (mainly due to property market conditions and higher maintenance costs); and

- an operating surplus of \$370 million for the public financial corporations sector, \$149 million higher than the surplus recorded in the same period in 2016-17, mainly due to the first full year of collections of Catastrophic Injuries Support premiums by the Insurance Commission of Western Australia, and investment returns on the Commission's financial assets.

Table 3

### TOTAL PUBLIC SECTOR OPERATING BALANCE By Sector

	2017-18			2016-17		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>Net Operating Balance</b>						
General government sector	-584	-1,285	-1,327	-489	-1,934	-2,474
Public non-financial corporations sector	189	262	384	111	416	480
Public financial corporations sector	108	370	401	-58	222	164
<i>less</i>						
General government dividend revenue	77	836	1,689	117	318	837
Public non-financial corporations dividend revenue <sup>(c)</sup>	-	-	64	-	-	78
<b>Total public sector net operating balance</b>	<b>-363</b>	<b>-1,489</b>	<b>-2,295</b>	<b>-554</b>	<b>-1,615</b>	<b>-2,744</b>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

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

## Balance Sheet

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

Total public sector net debt increased by \$2.5 billion during the nine months to 31 March 2018 to stand at \$34.5 billion, mainly driven by higher Consolidated Account borrowings, partially offset by the timing of Western Australian Treasury Corporation pre-lending/borrowing activities.

## Cash Flow

A cash deficit of \$2.7 billion was recorded for the total public sector for the nine months to 31 March 2018. This is a \$901 million increase on the \$1.8 billion cash deficit over the same period in 2016-17. The higher cash deficit outcome includes the impact of a \$535 million operating cash surplus<sup>5</sup>.

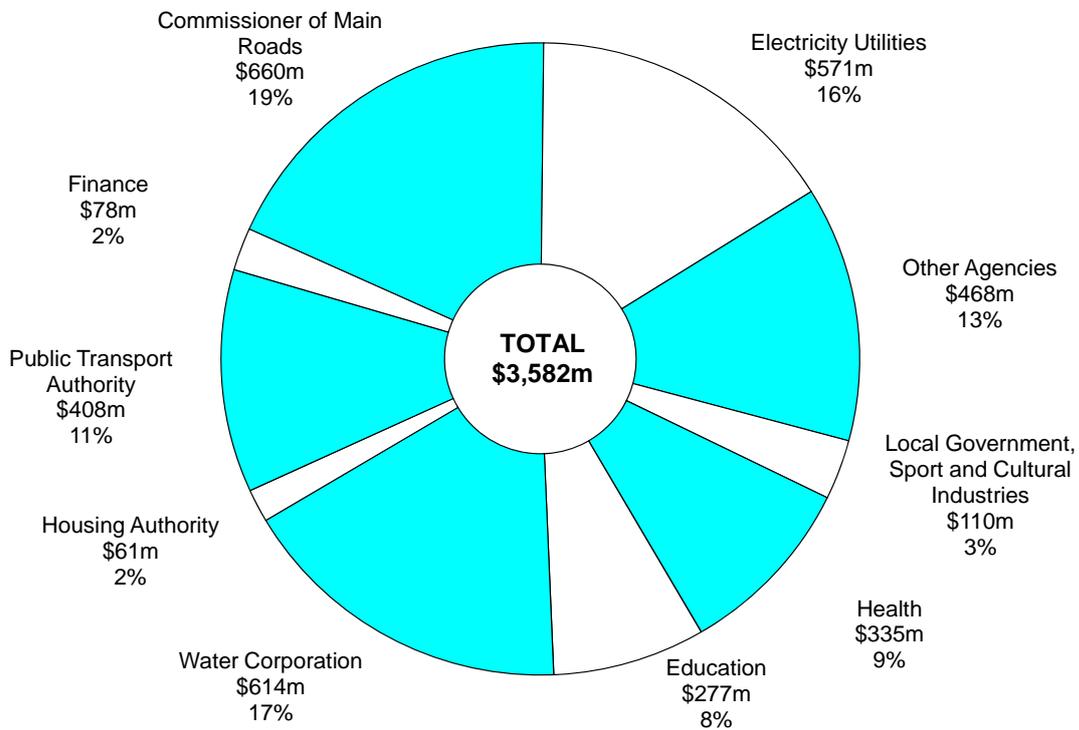
<sup>5</sup> The key difference between the accrual operating deficit discussed earlier, and the cash operating surplus is non-cash depreciation costs and other accruals.

The net cash deficit on infrastructure spending in the March quarter was \$3.2 billion. Total public sector infrastructure investment for the nine months to 31 March 2018 totalled \$3.6 billion, \$184 million higher than the same period in 2016-17. In addition to general government sector investment discussed earlier, higher spending was incurred by the Water Corporation (mainly for Woodman Point Wastewater Treatment Plant, Stage 2 Groundwater Replenishment Scheme, and the construction of an 80 megalitre water storage tank in Ellenbrook).

Figure 7

**ASSET INVESTMENT PROGRAM<sup>(a)</sup>**

Nine months to 31 March 2018



(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 under section 14A(3) of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2017-18 and 2018-19 State Budget Papers presented to the Legislative Assembly on 7 September 2017 and 10 May 2018 respectively, facilitating comparisons between estimates and outturns.

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

Table 1.1

**GENERAL GOVERNMENT OPERATING STATEMENT**

	2017-18			2016-17			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>RESULTS FROM TRANSACTIONS</b>							
<b>REVENUE</b>							
Taxation <sup>(c)</sup>		1,962	6,664	8,495	1,827	6,688	8,604
Current grants and subsidies		2,393	6,500	8,317	2,222	6,191	8,091
Capital grants		114	188	1,306	80	132	513
Sales of goods and services <sup>(c)</sup>		628	1,832	2,452	598	1,679	2,261
Interest Income		40	120	164	44	150	196
Revenue from public corporations							
Dividends from other sectors		77	836	1,689	117	318	837
Tax equivalent income		163	415	613	151	380	534
Royalty income		1,350	3,865	5,221	1,496	3,931	5,272
Other		147	429	615	177	428	604
<b>Total</b>	<b>2</b>	<b>6,873</b>	<b>20,848</b>	<b>28,874</b>	<b>6,712</b>	<b>19,898</b>	<b>26,913</b>
<b>EXPENSES</b>							
Salaries		3,049	9,058	12,237	2,880	8,698	11,610
Superannuation							
Concurrent costs		309	915	1,234	293	887	1,166
Superannuation interest cost		45	137	210	51	161	156
Other employee costs		85	256	348	78	239	322
Depreciation and amortisation		328	969	1,430	324	971	1,320
Services and contracts		529	1,713	2,547	573	1,694	2,393
Other gross operating expenses		1,350	4,317	5,780	1,236	4,292	5,808
Other interest		228	650	893	197	580	783
Current transfers	3	1,403	3,827	5,022	1,446	4,027	5,280
Capital transfers	3	131	291	500	124	283	549
<b>Total</b>		<b>7,457</b>	<b>22,133</b>	<b>30,201</b>	<b>7,201</b>	<b>21,832</b>	<b>29,387</b>
<b>NET OPERATING BALANCE</b>	<b>4</b>	<b>-584</b>	<b>-1,285</b>	<b>-1,327</b>	<b>-489</b>	<b>-1,934</b>	<b>-2,474</b>
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-11	-54	-47	12	-20	-193
Net actuarial gains/-loss - superannuation		-126	-106	-187	-46	529	659
Provision for doubtful debts		-	-2	-14	-	-	-41
Changes in accounting policy/adjustments of prior periods		125	122	-	44	68	143
<i>Total other economic flows</i>		<i>-12</i>	<i>-39</i>	<i>-248</i>	<i>10</i>	<i>577</i>	<i>568</i>
<b>OPERATING RESULT</b>		<b>-596</b>	<b>-1,324</b>	<b>-1,575</b>	<b>-479</b>	<b>-1,357</b>	<b>-1,905</b>
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		-681	-509	-287	-90	-45	-3,042
Gains recognised directly in equity		-	-6	-	-	-7	15
Change in net worth of the public corporations sectors		-679	-805	-974	63	1,581	254
All other		-	-	-	-	-	-
<i>Total all other movements in equity</i>		<i>-1,360</i>	<i>-1,320</i>	<i>-1,262</i>	<i>-27</i>	<i>1,528</i>	<i>-2,772</i>
<b>TOTAL CHANGE IN NET WORTH</b>	<b>4</b>	<b>-1,956</b>	<b>-2,644</b>	<b>-2,837</b>	<b>-506</b>	<b>171</b>	<b>-4,677</b>
<b>KEY FISCAL AGGREGATES</b>							
<b>NET OPERATING BALANCE</b>	<b>4</b>	<b>-584</b>	<b>-1,285</b>	<b>-1,327</b>	<b>-489</b>	<b>-1,934</b>	<b>-2,474</b>
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		531	1,703	2,627	551	1,571	2,341
Changes in inventories		4	1	-	6	5	-11
Other movement in non-financial assets		423	491	468	1	294	240
<i>less:</i>							
Sales of non-financial assets		24	61	164	20	84	132
Depreciation		328	969	1,430	324	971	1,320
<i>Total net acquisition of non-financial assets</i>		<i>605</i>	<i>1,165</i>	<i>1,499</i>	<i>214</i>	<i>814</i>	<i>1,119</i>
<b>NET LENDING/-BORROWING</b>	<b>4</b>	<b>-1,189</b>	<b>-2,450</b>	<b>-2,826</b>	<b>-704</b>	<b>-2,748</b>	<b>-3,592</b>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 Annual Report on State Finances, released on 22 September 2017.

(c) The Building and Construction Industry Training Fund Levy is a compulsory levy and has been reclassified as taxation revenue on advice from the ABS. This revenue was previously classified as sales of goods and services. Prior periods have been restated for comparability purposes.

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

Table 1.2

## GENERAL GOVERNMENT BALANCE SHEET

	Note	For the period ending			
		31 Mar	30 June	31 Mar	30 June
		2018	2018 <sup>(a)</sup>	2017	2017 <sup>(b)</sup>
		\$m	\$m	\$m	\$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		915	773	1,081	778
Advances paid		742	743	746	717
Investments, loans and placements	5	4,710	4,976	5,019	4,278
Receivables	6	3,357	3,108	3,360	3,099
Shares and other equity					
Investments in other public sector entities - equity method		47,104	46,934	49,235	47,909
Investments in other public sector entities - direct injections		9,282	8,886	8,930	9,019
Investments in other entities		44	45	47	51
Other financial assets		8	8	8	8
<i>Total financial assets</i>		66,162	65,474	68,425	65,859
<i>Non-financial assets</i>					
Land		36,799	36,771	38,573	37,269
Property, plant and equipment		44,301	45,425	44,017	42,640
Biological assets		4	4	4	8
Inventories					
Land inventories		98	107	113	98
Other inventories		74	72	89	73
Intangibles		672	695	654	680
Assets classified as held for sale		90	88	24	111
Investment property		7	-	8	7
Other		287	245	674	665
<i>Total non-financial assets</i>		82,331	83,408	84,156	81,551
<b>TOTAL ASSETS</b>		<b>148,493</b>	<b>148,881</b>	<b>152,581</b>	<b>147,410</b>
<b>LIABILITIES</b>					
Deposits held		318	433	824	646
Advances received		376	360	392	376
Borrowings	7	27,744	28,099	23,704	23,572
Unfunded superannuation		6,967	6,941	7,310	7,043
Other employee benefits		3,162	2,947	3,123	2,911
Payables		977	1,384	856	1,294
Other liabilities		1,404	1,366	1,335	1,380
<i>TOTAL LIABILITIES</i>		<i>40,948</i>	<i>41,529</i>	<i>37,544</i>	<i>37,221</i>
<b>NET ASSETS</b>		<b>107,545</b>	<b>107,352</b>	<b>115,037</b>	<b>110,189</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		5,237	4,974	7,108	6,553
Other reserves		102,308	102,378	107,929	103,636
<b>NET WORTH</b>	4	<b>107,545</b>	<b>107,352</b>	<b>115,037</b>	<b>110,189</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		<i>25,215</i>	<i>23,945</i>	<i>30,881</i>	<i>28,638</i>
<i>Net financial liabilities</i>		<i>31,171</i>	<i>31,875</i>	<i>27,283</i>	<i>28,290</i>
<i>Net debt</i>					
Gross debt liabilities		28,438	28,892	24,920	24,594
less: liquid financial assets		6,367	6,492	6,847	5,773
less: convergence differences impacting net debt		-	-	-	-
<i>Net debt</i>		<i>22,071</i>	<i>22,400</i>	<i>18,073</i>	<i>18,820</i>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

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 2018

	Accumulated net gain on equity		Accumulated Surplus/deficit \$m	Total Equity \$m
	Asset Revaluation Surplus \$m	investments in other sector entities \$m		
<i>Balance at 1 July 2017</i>	55,727	47,909	6,553	110,189
Operating result	-	-	-1,324	-1,324
Other movements in equity	-509	-805	-6	-1,320
All other	-14	-	14	-
<i>Total change in net worth</i>	-523	-805	-1,316	-2,644
<b>Balance at 31 March 2018</b>	<b>55,204</b>	<b>47,104</b>	<b>5,237</b>	<b>107,545</b>

For the nine months ended 31 March 2017

	Accumulated net gain on equity		Accumulated Surplus/deficit \$m	Total Equity \$m
	Asset Revaluation Surplus \$m	investments in other sector entities \$m		
<i>Balance at 1 July 2016</i>	58,752	47,654	8,460	114,866
Operating result	-	-	-1,357	-1,357
Other movements in equity	-45	1,581	-7	1,528
All other	-12	-	12	-
<i>Total change in net worth</i>	-58	1,581	-1,352	171
<b>Balance at 31 March 2017</b>	<b>58,694</b>	<b>49,235</b>	<b>7,108</b>	<b>115,037</b>

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

Table 1.4

## GENERAL GOVERNMENT CASH FLOW STATEMENT

	2017-18			2016-17			
	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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<i>Cash received</i>							
Taxes received (c)		2,255	6,378	8,502	1,950	6,444	8,432
Grants and subsidies received		2,491	6,662	9,613	2,299	6,285	8,529
Receipts from sales of goods and services (c)		627	1,934	2,487	615	1,757	2,335
Interest receipts		38	106	159	47	133	193
Dividends and tax equivalents		139	1,155	2,294	138	695	1,484
Other		1,645	5,403	7,053	1,896	5,224	7,218
<i>Total cash received</i>		<b>7,195</b>	<b>21,638</b>	<b>30,109</b>	<b>6,945</b>	<b>20,537</b>	<b>28,191</b>
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,268	-10,124	-13,979	-3,100	-9,619	-13,141
Payments for goods and services		-1,953	-6,609	-8,627	-1,976	-6,672	-8,608
Interest paid		-221	-618	-869	-190	-545	-758
Grants and subsidies paid		-1,353	-3,781	-5,172	-1,245	-3,915	-5,389
Dividends and tax equivalents		-	-	-	-	-	-
Other		-310	-1,328	-1,570	-572	-1,406	-1,836
<i>Total cash paid</i>		<b>-7,105</b>	<b>-22,460</b>	<b>-30,217</b>	<b>-7,084</b>	<b>-22,157</b>	<b>-29,732</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>90</b>	<b>-822</b>	<b>-108</b>	<b>-138</b>	<b>-1,619</b>	<b>-1,541</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-531	-1,703	-2,627	-551	-1,571	-2,341
Sales of non-financial assets		24	61	164	20	84	132
<i>Total cash flows from investments in non-financial assets</i>		<b>-507</b>	<b>-1,642</b>	<b>-2,462</b>	<b>-531</b>	<b>-1,487</b>	<b>-2,210</b>
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		4	10	10	2	10	14
For liquidity purposes		24	51	34	15	15	83
<i>Cash paid</i>							
For policy purposes		-85	-359	-585	-82	-760	-861
For liquidity purposes		-7	-31	-14	-19	-28	-46
<i>Total cash flows from investments in financial assets</i>		<b>-63</b>	<b>-329</b>	<b>-555</b>	<b>-83</b>	<b>-763</b>	<b>-809</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-570</b>	<b>-1,971</b>	<b>-3,017</b>	<b>-614</b>	<b>-2,250</b>	<b>-3,018</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<i>Cash received</i>							
Advances received		-	-	16	-	-	16
Borrowings		13	3,799	4,312	499	5,154	5,166
Deposits received		-	-	-	-	-	-
Other financing receipts		13	128	170	18	33	46
<i>Total cash received</i>		<b>25</b>	<b>3,927</b>	<b>4,499</b>	<b>517</b>	<b>5,187</b>	<b>5,227</b>
<i>Cash paid</i>							
Advances paid		-	-	-16	-	-	-16
Borrowings repaid		-17	-56	-176	-20	-47	-168
Deposits paid		-	-	-	-	-	-
Other financing payments		-51	-222	-275	-71	-317	-418
<i>Total cash paid</i>		<b>-68</b>	<b>-278</b>	<b>-468</b>	<b>-91</b>	<b>-364</b>	<b>-602</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>-43</b>	<b>3,649</b>	<b>4,031</b>	<b>426</b>	<b>4,823</b>	<b>4,626</b>
<b>Net increase in cash and cash equivalents</b>		<b>-523</b>	<b>856</b>	<b>906</b>	<b>-326</b>	<b>954</b>	<b>66</b>
Cash and cash equivalents at the beginning of the year		6,217	4,839	4,839	6,053	4,773	4,773
Cash and cash equivalents at the end of the year		5,695	5,695	5,745	5,726	5,726	4,839
<b>KEY FISCAL AGGREGATES</b>							
Net cash flows from operating activities		90	-822	-108	-138	-1,619	-1,541
Net cash flows from investing in non-financial assets		-507	-1,642	-2,462	-531	-1,487	-2,210
<b>Cash surplus/-deficit</b>	<b>4</b>	<b>-417</b>	<b>-2,464</b>	<b>-2,570</b>	<b>-669</b>	<b>-3,106</b>	<b>-3,751</b>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

(c) The Building and Construction Industry Training Fund Levy is a compulsory levy and has been reclassified as taxation receipts on advice from the ABS. These receipts were previously classified as sales of goods and services. Prior periods have been restated for comparability purposes.

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

Table 1.5

**TOTAL PUBLIC SECTOR OPERATING STATEMENT**

	2017-18			2016-17			
	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
<i>Results from Transactions</i>							
<b>REVENUE</b>							
Taxation (c)		1,844	6,299	8,010	1,705	6,322	8,117
Current grants and subsidies		2,393	6,500	8,317	2,222	6,191	8,091
Capital grants		114	188	1,306	80	132	513
Sales of goods and services (c)		5,096	15,642	21,366	4,132	15,663	20,602
Interest income		138	409	535	114	345	597
Royalty income		1,350	3,865	5,221	1,496	3,931	5,272
Other		231	684	949	262	704	979
<b>Total</b>	<b>2</b>	<b>11,165</b>	<b>33,588</b>	<b>45,704</b>	<b>10,011</b>	<b>33,289</b>	<b>44,172</b>
<b>EXPENSES</b>							
Salaries		3,310	9,863	13,390	3,173	9,627	12,811
Superannuation							
Concurrent costs		335	996	1,349	322	981	1,287
Superannuation interest cost		45	137	210	51	161	156
Other employee costs		59	187	229	48	170	179
Depreciation and amortisation		820	2,515	3,550	837	2,517	3,399
Services and contracts		729	2,371	3,368	778	2,346	3,309
Other gross operating expenses		4,562	14,491	20,008	3,683	14,573	19,652
Other interest		436	1,245	1,735	399	1,212	1,714
Other property expenses		-	-	-	-	-	-
Current transfers	3	1,165	3,050	3,900	1,186	3,094	3,927
Capital transfers	3	67	222	260	87	222	482
<b>Total</b>		<b>11,528</b>	<b>35,077</b>	<b>47,999</b>	<b>10,564</b>	<b>34,904</b>	<b>46,916</b>
<b>NET OPERATING BALANCE</b>	<b>4</b>	<b>-363</b>	<b>-1,489</b>	<b>-2,295</b>	<b>-554</b>	<b>-1,615</b>	<b>-2,744</b>
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-69	84	14	148	367	187
Net actuarial gains/-loss - superannuation		-126	-105	-184	-47	539	638
Provision for doubtful debts		-6	-7	-50	-7	-17	-102
Changes in accounting policy/adjustment of prior periods		-7	-1,087	-	43	235	-1,008
<i>Total other economic flows</i>		<i>-208</i>	<i>-1,115</i>	<i>-220</i>	<i>138</i>	<i>1,124</i>	<i>-285</i>
<b>OPERATING RESULT</b>		<b>-571</b>	<b>-2,604</b>	<b>-2,515</b>	<b>-416</b>	<b>-490</b>	<b>-3,030</b>
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		-1,391	-1,290	-1,398	-105	-216	-2,803
Gains recognised directly in equity		6	1,251	1,076	14	877	1,155
All other		-	-	-	-	-	-
<i>Total all other movements in equity</i>		<i>-1,385</i>	<i>-39</i>	<i>-322</i>	<i>-90</i>	<i>661</i>	<i>-1,648</i>
<b>TOTAL CHANGE IN NET WORTH</b>	<b>4</b>	<b>-1,956</b>	<b>-2,644</b>	<b>-2,837</b>	<b>-506</b>	<b>171</b>	<b>-4,677</b>
<b>KEY FISCAL AGGREGATES</b>							
<b>NET OPERATING BALANCE</b>	<b>4</b>	<b>-363</b>	<b>-1,489</b>	<b>-2,295</b>	<b>-554</b>	<b>-1,615</b>	<b>-2,744</b>
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,035	3,582	5,522	1,189	3,398	5,137
Changes in inventories		-431	-162	149	135	-264	-449
Other movement in non-financial assets		457	551	523	29	405	371
<i>less:</i>							
Sales of non-financial assets		39	340	827	169	438	576
Depreciation		820	2,515	3,550	837	2,517	3,399
<i>Total net acquisition of non-financial assets</i>		<i>203</i>	<i>1,117</i>	<i>1,817</i>	<i>348</i>	<i>585</i>	<i>1,085</i>
<b>NET LENDING/-BORROWING</b>	<b>4</b>	<b>-566</b>	<b>-2,606</b>	<b>-4,112</b>	<b>-902</b>	<b>-2,199</b>	<b>-3,829</b>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

(c) The Building and Construction Industry Training Fund Levy is a compulsory levy and has been reclassified as taxation revenue on advice from the ABS. This revenue was previously classified as sales of goods and services. Prior periods have been restated for comparability purposes.

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

## TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

	Note	For the period ending			
		31 Mar 2018 \$m	30 June 2018 <sup>(a)</sup> \$m	31 Mar 2017 \$m	30 June 2017 <sup>(b)</sup> \$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		2,104	1,797	2,390	2,136
Advances paid		4,190	4,370	3,582	3,710
Investments, loans and placements	5	15,966	19,698	14,792	18,613
Receivables	6	4,334	4,303	4,273	4,190
Equity - investments in other entities		1,777	2,307	1,790	2,101
Other financial assets		13	15	14	14
<b>Total financial assets</b>		<b>28,383</b>	<b>32,489</b>	<b>26,842</b>	<b>30,764</b>
<i>Non-financial assets</i>					
Land		49,890	49,692	53,262	50,870
Property, plant and equipment		99,941	101,513	99,267	98,534
Biological assets		330	321	334	334
Inventories					
Land inventories		2,117	2,130	2,048	2,065
Other inventories		3,890	4,201	4,237	4,052
Intangibles		1,115	1,127	1,062	1,119
Assets classified as held for sale		91	111	26	135
Investment property		69	105	293	262
Other		394	356	817	806
<b>Total non-financial assets</b>		<b>157,836</b>	<b>159,555</b>	<b>161,347</b>	<b>158,178</b>
<b>TOTAL ASSETS</b>		<b>186,219</b>	<b>192,044</b>	<b>188,188</b>	<b>188,942</b>
<b>LIABILITIES</b>					
Deposits held		17	26	40	26
Advances received		376	360	392	376
Borrowings	7	56,321	61,430	50,612	56,021
Unfunded superannuation		7,070	7,034	7,412	7,166
Other employee benefits		3,516	3,311	3,534	3,310
Payables		5,519	6,455	5,712	6,235
Other liabilities		5,854	6,076	5,448	5,619
<b>TOTAL LIABILITIES</b>		<b>78,674</b>	<b>84,692</b>	<b>73,151</b>	<b>78,753</b>
<b>NET ASSETS</b>		<b>107,545</b>	<b>107,352</b>	<b>115,037</b>	<b>110,189</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		26,567	27,416	29,918	27,900
Other reserves		80,979	79,936	85,119	82,289
<b>NET WORTH</b>	4	<b>107,545</b>	<b>107,352</b>	<b>115,037</b>	<b>110,189</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		-50,290	-52,203	-46,310	-47,989
<i>Net financial liabilities</i>		52,067	54,510	48,100	50,089
<i>Net debt</i>					
Gross debt liabilities		56,714	61,816	51,045	56,423
less: liquid financial assets		22,260	25,865	20,764	24,459
less: convergence differences impacting net debt		-	-	-	-
<b>Net debt</b>		<b>34,454</b>	<b>35,951</b>	<b>30,280</b>	<b>31,964</b>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 Annual Report on State Finances, released on 22 September 2017.

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 2018

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
<i>Balance at 1 July 2017</i>	82,289	27,900	110,189
Operating result	-	-2,604	-2,604
Other movements in equity	-1,290	1,251	-39
All other	-20	20	-
<i>Total change in net worth</i>	-1,310	-1,333	-2,644
<b>Balance at 31 March 2018</b>	<b>80,979</b>	<b>26,567</b>	<b>107,545</b>

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
<i>Balance at 1 July 2016</i>	85,312	29,555	114,866
Operating result	-	-490	-490
Other movements in equity	-216	877	661
All other	23	-23	-
<i>Total change in net worth</i>	-193	363	171
<b>Balance at 31 March 2017</b>	<b>85,119</b>	<b>29,918</b>	<b>115,037</b>

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

Table 1.8

## TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

	2017-18			2016-17			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<i>Cash received</i>							
Taxes received <sup>(c)</sup>		2,159	6,134	8,007	1,825	6,134	7,939
Grants and subsidies received		2,491	6,662	9,613	2,299	6,285	8,529
Receipts from sales of goods and services <sup>(c)</sup>		5,115	15,734	21,492	4,148	17,144	20,819
Interest receipts		134	422	573	243	437	609
Other receipts		1,888	6,313	7,764	2,147	6,105	8,355
<i>Total cash received</i>		<i>11,786</i>	<i>35,265</i>	<i>47,449</i>	<i>10,663</i>	<i>36,105</i>	<i>46,252</i>
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,555	-11,037	-15,289	-3,435	-10,726	-14,586
Payments for goods and services		-4,978	-15,941	-21,526	-4,056	-16,234	-21,342
Interest paid		-443	-1,350	-1,712	-530	-1,568	-2,068
Grants and subsidies paid		-1,134	-2,896	-3,591	-945	-2,932	-3,773
Other payments		-971	-3,504	-4,103	-1,297	-3,490	-4,596
<i>Total cash paid</i>		<i>-11,081</i>	<i>-34,729</i>	<i>-46,222</i>	<i>-10,264</i>	<i>-34,950</i>	<i>-46,366</i>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>705</b>	<b>535</b>	<b>1,227</b>	<b>399</b>	<b>1,155</b>	<b>-114</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,035	-3,582	-5,522	-1,189	-3,398	-5,137
Sales of non-financial assets		39	340	827	169	438	576
<i>Total cash flows from investments in non-financial assets</i>		<i>-997</i>	<i>-3,242</i>	<i>-4,695</i>	<i>-1,020</i>	<i>-2,960</i>	<i>-4,561</i>
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		4	10	10	2	10	14
For liquidity purposes		963	4,637	6,524	1,671	4,091	6,136
<i>Cash paid</i>							
For policy purposes		-5	-12	-10	-1	-8	-13
For liquidity purposes		-1,938	-5,306	-7,527	-2,888	-6,215	-7,678
<i>Total cash flows from investments in financial assets</i>		<i>-975</i>	<i>-670</i>	<i>-1,003</i>	<i>-1,216</i>	<i>-2,122</i>	<i>-1,541</i>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-1,971</b>	<b>-3,912</b>	<b>-5,698</b>	<b>-2,237</b>	<b>-5,082</b>	<b>-6,102</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<i>Cash received</i>							
Advances received		-	-	-	-	-	-
Borrowings		4,723	14,316	20,391	5,061	11,637	16,150
Deposits received		-	-	-	-	-	-
Other financing receipts		14	102	49	15	35	45
<i>Total cash received</i>		<i>4,737</i>	<i>14,418</i>	<i>20,439</i>	<i>5,076</i>	<i>11,672</i>	<i>16,195</i>
<i>Cash paid</i>							
Advances paid		-	-	-16	-	-	-16
Borrowings repaid		-3,408	-10,954	-15,360	-4,513	-8,556	-10,477
Deposits paid		-	-	-	-	-	-
Other financing payments		-47	-209	-249	-70	-311	-413
<i>Total cash paid</i>		<i>-3,455</i>	<i>-11,163</i>	<i>-15,625</i>	<i>-4,584</i>	<i>-8,868</i>	<i>-10,906</i>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>1,282</b>	<b>3,255</b>	<b>4,814</b>	<b>493</b>	<b>2,805</b>	<b>5,289</b>
<b>Net increase in cash and cash equivalents</b>		<b>16</b>	<b>-122</b>	<b>342</b>	<b>-1,345</b>	<b>-1,123</b>	<b>-927</b>
Cash and cash equivalents at the beginning of the year		10,882	11,019	11,019	12,168	11,946	11,946
Cash and cash equivalents at the end of the year		10,897	10,897	11,361	10,823	10,823	11,019
<b>KEY FISCAL AGGREGATES</b>							
Net cash flows from operating activities		705	535	1,227	399	1,155	-114
Net cash flows from investing in non-financial assets		-997	-3,242	-4,695	-1,020	-2,960	-4,561
<b>Cash surplus/-deficit</b>	<b>4</b>	<b>-291</b>	<b>-2,707</b>	<b>-3,468</b>	<b>-622</b>	<b>-1,805</b>	<b>-4,675</b>

(a) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

(c) The Building and Construction Industry Training Fund Levy is a compulsory levy and has been reclassified as taxation receipts on advice from the ABS. This receipt was previously classified as sales of goods and services. Prior periods have been restated for comparability purposes.

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

## Notes to the Interim Financial Statements

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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#### **(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 2018 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the note disclosures that are included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2017, presented in Appendix 1 of the 2016-17 *Annual Report on State Finances* (ARSF) released on 22 September 2017. The accounting policies adopted in this publication are consistent with those outlined in the 2016-17 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 2016-17 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

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

## NOTE 3: TRANSFER EXPENSES

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

### TRANSFER EXPENSES<sup>(a)</sup>

	General Government			Total Public Sector		
	2017-18			2016-17		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(b)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(c)</sup> \$m
<i>CURRENT TRANSFERS</i>						
Local Government	73	238	319	34	184	278
Local Government on-passing	20	60	80	43	129	262
Private and Not-for-profit sector	254	966	1,413	316	1,046	1,422
Private and Not-for-profit sector on-passing	630	1,228	1,230	597	1,165	1,172
Other sectors of Government	426	1,335	1,981	456	1,504	2,147
<b>Total Current Transfers</b>	<b>1,403</b>	<b>3,827</b>	<b>5,022</b>	<b>1,446</b>	<b>4,027</b>	<b>5,280</b>
<i>CAPITAL TRANSFERS</i>						
Local Government	11	37	49	9	37	138
Local Government on-passing	14	42	56	27	81	163
Private and Not-for-profit sector	35	81	87	26	73	103
Private and Not-for-profit sector on-passing	3	12	17	12	12	16
Other sectors of Government	68	120	291	51	81	129
<b>Total Capital Transfers</b>	<b>131</b>	<b>291</b>	<b>500</b>	<b>124</b>	<b>283</b>	<b>549</b>

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

(b) Consistent with the revised estimated outcome published in the 2018-19 Budget, released on 10 May 2018.

(c) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

Note: Columns may not add due to rounding.

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**NOTE 4: CONVERGENCE DIFFERENCES**


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Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved (e.g. the recognition of a doubtful debts provision is excluded from GFS net worth), a convergence difference arises.

The following tables detail convergence differences reflected in the March 2018 results.

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

	2017-18			2016-17		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<i>General government</i>						
AASB1049 net operating balance	-584	-1,285	-1,327	-489	-1,934	-2,474
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Total GFS expense adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	-	-
<b>GFS net operating balance</b>	<b>-584</b>	<b>-1,285</b>	<b>-1,327</b>	<b>-489</b>	<b>-1,934</b>	<b>-2,474</b>
<i>Total public sector</i>						
AASB1049 net operating balance	-363	-1,489	-2,295	-554	-1,615	-2,744
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	17	-	-	1
Capitalised interest	-	-	17	-	-	1
Total GFS expense adjustments	-	-	17	-	-	1
Total GFS adjustments to AASB 1049 net operating balance	-	-	-17	-	-	-1
<b>GFS net operating balance</b>	<b>-363</b>	<b>-1,489</b>	<b>-2,312</b>	<b>-554</b>	<b>-1,615</b>	<b>-2,745</b>

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

	2017-18			2016-17		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<u>General government</u>						
AASB1049 net lending/-borrowing	-1,189	-2,450	-2,826	-704	-2,748	-3,592
Plus Net operating balance convergence differences (noted above)	-	-	-	-	-	-
<b>GFS net lending/-borrowing</b>	<b>-1,189</b>	<b>-2,450</b>	<b>-2,826</b>	<b>-704</b>	<b>-2,748</b>	<b>-3,592</b>
<u>Total public sector</u>						
AASB1049 net lending/-borrowing	-566	-2,606	-4,112	-902	-2,199	-3,829
Plus Net operating balance convergence differences (noted above)	-	-	-17	-	-	-1
<b>GFS net lending/-borrowing</b>	<b>-566</b>	<b>-2,606</b>	<b>-4,129</b>	<b>-902</b>	<b>-2,199</b>	<b>-3,830</b>

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

	2017-18		2016-17	
	Nine Months to 31 Mar	Estimated Outturn	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m
<u>General government</u>				
AASB1049 net worth	107,545	107,352	115,037	110,189
<i>Plus</i>				
Provision for doubtful debts				
General government sector	253	263	253	266
Impact on public corporations net worth	81	28	43	84
<i>Total GFS net worth adjustments</i>	<i>334</i>	<i>291</i>	<i>296</i>	<i>350</i>
<b>GFS net worth</b>	<b>107,879</b>	<b>107,643</b>	<b>115,333</b>	<b>110,539</b>
<u>Total public sector</u>				
AASB1049 net worth	107,545	107,352	115,037	110,189
<i>Plus</i>				
Provision for doubtful debts	334	291	296	350
<i>Total GFS net worth adjustments</i>	<i>334</i>	<i>291</i>	<i>296</i>	<i>350</i>
<b>GFS net worth</b>	<b>107,879</b>	<b>107,643</b>	<b>115,333</b>	<b>110,539</b>

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

	2017-18			2016-17		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<u>General government</u>						
AASB 1049 change in net worth	-1,956	-2,644	-2,837	-506	171	-4,677
Plus change in:						
Provision for doubtful debts						
General government sector	-26	-13	-3	-1	-10	4
Impact on public corporations net worth	1	-3	-56	6	12	53
Total GFS change in net worth adjustments	-25	-16	-58	5	2	56
<b>GFS change in net worth</b>	<b>-1,980</b>	<b>-2,659</b>	<b>-2,895</b>	<b>-501</b>	<b>173</b>	<b>-4,621</b>
<u>Total public sector</u>						
AASB 1049 change in net worth	-1,956	-2,644	-2,837	-506	171	-4,677
Plus change in:						
Provision for doubtful debts	-25	-16	-58	5	2	56
Total GFS change in net worth adjustments	-25	-16	-58	5	2	56
<b>GFS change in net worth</b>	<b>-1,980</b>	<b>-2,659</b>	<b>-2,895</b>	<b>-501</b>	<b>173</b>	<b>-4,621</b>

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

	2017-18			2016-17		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn	Three Months to 31 Mar	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
<u>General government</u>						
AASB1049 cash surplus/-deficit	-417	-2,464	-2,570	-669	-3,106	-3,751
Less Acquisitions under finance leases and similar arrangements	423	490	469	-2	290	288
<b>GFS cash surplus/-deficit</b>	<b>-840</b>	<b>-2,954</b>	<b>-3,040</b>	<b>-667</b>	<b>-3,396</b>	<b>-4,039</b>
<u>Total public sector</u>						
AASB1049 cash surplus/-deficit	-291	-2,707	-3,468	-622	-1,805	-4,675
Less Acquisitions under finance leases and similar arrangements	423	490	469	-2	290	288
<b>GFS cash surplus/-deficit</b>	<b>-714</b>	<b>-3,197</b>	<b>-3,938</b>	<b>-619</b>	<b>-2,095</b>	<b>-4,963</b>

**NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS**

## General Government

	2017-18		2016-17	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,694	4,960	5,000	4,262
Government securities	4	4	4	4
<b>Total</b>	<b>4,698</b>	<b>4,963</b>	<b>5,004</b>	<b>4,266</b>
<i>Loans and advances</i>				
Loans	12	12	15	13
Financial Assets held for trading/available for sale	-	-	-	-
<b>Total</b>	<b>12</b>	<b>12</b>	<b>15</b>	<b>13</b>
<b>Total</b>	<b>4,710</b>	<b>4,976</b>	<b>5,019</b>	<b>4,278</b>

## Total Public Sector

	2017-18		2016-17	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	12,590	11,380	11,269	11,902
Government securities	966	947	781	947
<b>Total</b>	<b>13,555</b>	<b>12,327</b>	<b>12,049</b>	<b>12,849</b>
<i>Loans and advances</i>				
Loans	2,040	5,156	2,295	5,195
Financial Assets held for trading/available for sale	371	2,215	447	569
<b>Total</b>	<b>2,411</b>	<b>7,371</b>	<b>2,743</b>	<b>5,764</b>
<b>Total</b>	<b>15,966</b>	<b>19,698</b>	<b>14,792</b>	<b>18,613</b>

**NOTE 6: RECEIVABLES**

## General Government

	2017-18		2016-17	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	3,611	3,372	3,613	3,365
Provision for impairment of receivables	-253	-263	-253	-266
<b>Total</b>	<b>3,357</b>	<b>3,108</b>	<b>3,360</b>	<b>3,099</b>

## Total Public Sector

	2017-18		2016-17	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	4,668	4,594	4,568	4,539
Provision for impairment of receivables	-334	-291	-296	-350
<b>Total</b>	<b>4,334</b>	<b>4,303</b>	<b>4,273</b>	<b>4,190</b>

**NOTE 7: BORROWINGS**

## General Government

	2017-18		2016-17	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	-	-	-	-
Finance leases	1,203	1,166	796	771
Borrowings	26,541	26,933	22,907	22,801
<b>Total</b>	<b>27,744</b>	<b>28,099</b>	<b>23,704</b>	<b>23,572</b>

## Total Public Sector

	2017-18		2016-17	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	2	-	2	-
Finance leases	1,991	1,947	1,623	1,589
Borrowings	54,328	59,482	48,988	54,431
<b>Total</b>	<b>56,321</b>	<b>61,430</b>	<b>50,612</b>	<b>56,021</b>

**NOTE 8: DETAILS OF AGENCIES CONSOLIDATED**

Most of the agencies included in these financial statements are detailed in Note 35: *Composition of Sectors* in the 2016-17 *Annual Report on State Finances*. However, a range of Machinery of Government changes to amalgamate and restructure a number of agencies took effect from 1 July 2017.

The following new agencies were formed as a result of these changes and included in the whole-of-government financial statements detailed in this report:

- the Department of Biodiversity Conservation and Attractions (including the former Department of Parks and Wildlife, Botanical Gardens and Parks Authority, Zoological Parks Authority and Rottne Island Authority);
- the Department of Community Services (including the former Department of Child Protection and Family Support, the Department of Housing, Disability Services Commission and some functions of the former Department of Local Government and Communities);
- the Department of Education (including, the former Department of Education, the Department of Education Services and the School curriculum and Standards Authority);
- the Department of Jobs, Tourism, Science and Innovation (including the former Department of State Development, Western Australian Tourism Commission and some functions of the former Department of Commerce);
- the Department of Justice (including the former Departments of the Attorney General and Corrective Services);
- the Department of Local Government, Sport and Cultural Industries (including the former Departments of Culture and the Arts, Racing, Gaming and Liquor and Sport and Recreation and some functions of the former Department of Local Government and Communities);

- the Department of Mines, Industry Regulation and Safety (including the former Department of Mines and Petroleum and some functions of the former Department of Commerce);
- the Department Planning, Lands and Heritage (including the former Department of Planning, Department of Lands and the State Heritage Office);
- the Department of Primary Industries and Regional Development (including the former Departments of Agriculture and Food, Regional Development and Fisheries and the Regional Development Commissions);
- the Department of Water and Environmental Regulation (including the former Departments of Water and Environmental Regulation and the Office of the Environmental Protection Agency);
- Western Australia Police (including the former Western Australian Police and the Road Safety Commission);
- the Economic Reform and Public Utilities Office ceased to be a part of the Department of Finance and were transferred to the Department of Treasury; and
- Strategic Projects was transferred to the Department of Finance from the Department of Treasury.

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#### **NOTE 9: CONTINGENT ASSETS AND LIABILITIES**

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Since the publication of the *2016-17 Annual Report on State Finances*, the following material changes to the contingent assets and liabilities of the State have occurred:

- Removal of Statutory Limitation Periods for Civil Litigation by Victims of Child Sexual Abuse – the Civil Liability Legislation Amendment (Child Sexual Abuse Actions) Bill 2017 to remove statutory limitation periods for victims of historical child sexual abuse was passed by the Parliament in April 2018. It will come into force upon proclamation of the legislation which is anticipated to occur before the end of 2017-18. The removal of statutory limitation periods potentially exposes organisations in which abuse occurred (including State-based institutions) to claims for damages and compensation. The implementation of this reform represents a potentially significant liability to the State that will be assessed and funded on an emerging basis, in line with the settlement of resulting claims; and
  - Western Australian Government Participation in the National Redress Scheme for Institutional Child Sexual Abuse – in response to the recommendation made by the Royal Commission into Institutional Response to Child Sexual Abuse, the Commonwealth Government has established a National Redress Scheme for Institutional Child Sexual Abuse. The Commonwealth Government is seeking formal agreement from State and Territories to opt in to the scheme, which is scheduled to commence on 1 July 2018. The State is continuing to work collaboratively with the Commonwealth on the design and cost implications of the scheme. Should the State choose to provide access to a redress scheme, a provision will be required that will have an impact on the State's financial aggregates.
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# 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.

Table 2.1

**GENERAL GOVERNMENT**  
**Operating Revenue**

	2017-18			2016-17		
	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
<b>TAXATION</b>						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	788	2,459	3,228	783	2,481	3,266
Property taxes						
<i>Land tax</i>	101	835	829	16	882	876
Transfer Duty	295	939	1,237	285	894	1,357
Landholder Duty	69	100	201	44	119	151
<i>Total duty on transfers</i>	364	1,039	1,438	329	1,013	1,508
Metropolitan Region Improvement Tax	1	93	93	1	96	96
Perth Parking Levy	2	56	58	3	55	56
Emergency Services Levy	91	310	337	87	297	325
Loan guarantee fees	37	108	144	37	107	140
Building and Construction Industry Training Fund Levy (c)	6	19	29	10	24	31
<i>Total other property taxes</i>	137	587	660	137	579	648
Taxes on provision of goods and services						
Lotteries Commission	33	116	155	37	113	151
Video lottery terminals	-	-	-	-	-	-
Casino Tax	13	41	62	13	42	62
Betting tax	10	32	42	10	30	40
<i>Total taxes on gambling</i>	56	189	260	59	185	253
Insurance Duty	146	469	617	154	496	641
Other	5	15	20	5	15	20
<i>Total taxes on insurance</i>	151	484	637	159	511	661
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	94	263	356	86	257	344
Permits - Oversize Vehicles and Loads	3	7	8	1	6	6
Motor Vehicle recording fee	15	45	59	15	43	59
Motor Vehicle registrations	235	688	916	224	650	885
<i>Total motor vehicle taxes</i>	346	1,002	1,339	326	956	1,294
Mining Rehabilitation Levy	-	29	28	-	28	28
Landfill Levy	20	39	76	18	53	69
<b>Total Taxation</b>	<b>1,962</b>	<b>6,664</b>	<b>8,495</b>	<b>1,827</b>	<b>6,688</b>	<b>8,604</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>						
<i>General Purpose Grants</i>						
GST grants	546	1,673	2,219	483	1,487	1,944
North West Shelf grants	187	497	711	163	462	609
Compensation for Commonweath crude oil excise arrangements	7	22	39	9	26	31
<i>Grants through the State</i>						
Schools assistance – non-government schools	630	1,228	1,230	597	1,165	1,172
Local government financial assistance grants	20	60	80	43	129	262
Local government roads	14	42	56	27	81	163
<i>National Specific Purpose Payment Agreement Grants</i>						
National Skills and Workforce Development	38	115	153	40	120	160
National Disability Services	42	119	142	36	113	148
National Affordable Housing	35	104	143	36	110	145
Quality Schools	171	489	658	158	448	598
National Health Reform	531	1,593	2,119	500	1,567	2,089
<i>National Partnerships/Other Grants</i>						
Health	83	284	363	83	262	399
Housing	4	11	24	4	13	17
Transport	8	68	85	5	63	64
Disability Services	27	65	145	1	44	42
Other	50	131	152	37	103	247
<b>Total Current Grants and Subsidies</b>	<b>2,393</b>	<b>6,500</b>	<b>8,317</b>	<b>2,222</b>	<b>6,191</b>	<b>8,091</b>

**GENERAL GOVERNMENT**  
Operating Revenue

Table 2.1 (cont.)

	2017-18			2016-17		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>						
<i>Grants through the State</i>						
Schools assistance – non-government schools	3	12	17	12	12	16
<i>National Partnerships/Other Grants</i>						
Housing	48	48	179	-	15	51
Transport	59	118	899	61	95	425
Other	3	9	211	8	10	21
<b>Total Capital Grants</b>	<b>114</b>	<b>188</b>	<b>1,306</b>	<b>80</b>	<b>132</b>	<b>513</b>
<b>SALES OF GOODS AND SERVICES <sup>(c)</sup></b>	<b>628</b>	<b>1,832</b>	<b>2,452</b>	<b>598</b>	<b>1,679</b>	<b>2,261</b>
<b>INTEREST INCOME</b>	<b>40</b>	<b>120</b>	<b>164</b>	<b>44</b>	<b>150</b>	<b>196</b>
<b>REVENUE FROM PUBLIC CORPORATIONS</b>						
Dividends	77	836	1,689	117	318	837
Tax Equivalent Regime	163	415	613	151	380	534
<b>Total Revenue from Public Corporations</b>	<b>240</b>	<b>1,251</b>	<b>2,302</b>	<b>268</b>	<b>698</b>	<b>1,371</b>
<b>ROYALTY INCOME</b>	<b>1,350</b>	<b>3,865</b>	<b>5,221</b>	<b>1,496</b>	<b>3,931</b>	<b>5,272</b>
<b>OTHER</b>						
Lease Rentals	25	82	94	24	74	99
Fines	45	139	195	46	138	199
Revenue not elsew here counted	77	209	326	107	216	305
<b>Total Other</b>	<b>147</b>	<b>429</b>	<b>615</b>	<b>177</b>	<b>428</b>	<b>604</b>
<b>GRAND TOTAL</b>	<b>6,873</b>	<b>20,848</b>	<b>28,874</b>	<b>6,712</b>	<b>19,898</b>	<b>26,913</b>

(a) Consistent with the revised outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

(c) The Building and Construction Industry Training Fund Levy is a compulsory levy and has been reclassified as taxation revenue on advice from the ABS. This revenue was previously classified as sales of goods and services. Prior periods have been restated for comparability purposes.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR**  
**Operating Revenue**

	2017-18			2016-17		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	768	2,398	3,148	762	2,414	3,173
Property taxes						
<i>Land tax</i>	84	785	760	-2	828	807
Transfer Duty	295	939	1,237	285	894	1,357
Landholder Duty	69	100	201	44	119	151
<i>Total duty on transfers</i>	364	1,039	1,438	329	1,013	1,508
Metropolitan Region Improvement Tax	1	93	93	1	96	96
Perth Parking Levy	2	56	58	3	55	56
Emergency Services Levy	86	305	334	84	294	322
Loan guarantee fees	3	8	8	3	8	9
Building and Construction Industry Training Fund Levy <sup>(c)</sup>	6	19	29	10	24	31
<i>Total other property taxes</i>	98	481	522	101	476	514
Taxes on provision of goods and services						
Video lottery terminals	-	-	-	-	-	-
Casino Tax	13	41	62	13	42	62
<i>Total taxes on gambling</i>	13	41	62	13	42	62
Insurance Duty	146	469	617	154	496	641
Other	5	15	20	5	15	20
<i>Total taxes on insurance</i>	151	484	637	159	511	661
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	94	263	356	86	257	344
Permits - Oversize Vehicles and Loads	3	7	8	1	6	6
Motor Vehicle recording fee	15	45	59	15	43	59
Motor Vehicle registrations	235	688	916	224	650	885
<i>Total motor vehicle taxes</i>	346	1,002	1,339	326	956	1,294
Mining Rehabilitation Levy	-	29	28	-	28	28
Landfill Levy	20	39	76	18	53	69
<b>Total Taxation</b>	<b>1,844</b>	<b>6,299</b>	<b>8,010</b>	<b>1,705</b>	<b>6,322</b>	<b>8,117</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>						
<i>General Purpose Grants</i>						
GST grants	546	1,673	2,219	483	1,487	1,944
North West Shelf grants	187	497	711	163	462	609
Compensation for Commonwealth crude oil excise arrangements	7	22	39	9	26	31
<i>Grants through the State</i>						
Schools assistance – non-government schools	630	1,228	1,230	597	1,165	1,172
Local government financial assistance grants	20	60	80	43	129	262
Local government roads	14	42	56	27	81	163
<i>National Specific Purpose Payment Agreement Grants</i>						
National Agreement for Skills and Workforce Development	38	115	153	40	120	160
National Disability Services	42	119	142	36	113	148
National Affordable Housing	35	104	143	36	110	145
Quality Schools	171	489	658	158	448	598
National Health Reform	531	1,593	2,119	500	1,567	2,089
<i>National Partnerships\Other Grants</i>						
Health	83	284	363	83	262	399
Housing	4	11	24	4	13	17
Transport	8	68	85	5	63	64
Disability Services	27	65	145	1	44	42
Other	50	131	152	37	103	247
<b>Total Current Grants and Subsidies</b>	<b>2,393</b>	<b>6,500</b>	<b>8,317</b>	<b>2,222</b>	<b>6,191</b>	<b>8,091</b>

**TOTAL PUBLIC SECTOR**  
**Operating Revenue**

Table 2.2 (cont.)

	2017-18			2016-17		Actual <sup>(b)</sup> \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn <sup>(a)</sup> \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<b>CAPITAL GRANTS</b>						
<i>Grants through the State</i>						
Schools assistance – non-government schools	3	12	17	12	12	16
<i>National Partnerships/Other Grants</i>						
Housing	48	48	179	-	15	51
Transport	59	118	899	61	95	425
Other	3	9	211	8	10	21
<b>Total Capital Grants</b>	<b>114</b>	<b>188</b>	<b>1,306</b>	<b>80</b>	<b>132</b>	<b>513</b>
<b>SALES OF GOODS AND SERVICES <sup>(c)</sup></b>	<b>5,096</b>	<b>15,642</b>	<b>21,366</b>	<b>4,132</b>	<b>15,663</b>	<b>20,602</b>
<b>INTEREST INCOME</b>	<b>138</b>	<b>409</b>	<b>535</b>	<b>114</b>	<b>345</b>	<b>597</b>
<b>ROYALTY INCOME</b>	<b>1,350</b>	<b>3,865</b>	<b>5,221</b>	<b>1,496</b>	<b>3,931</b>	<b>5,272</b>
<b>OTHER</b>						
Lease Rentals	25	82	94	24	74	99
Fines	46	141	195	46	141	200
Revenue not elsew here counted	160	461	660	191	489	680
<b>Total Other</b>	<b>231</b>	<b>684</b>	<b>949</b>	<b>262</b>	<b>704</b>	<b>979</b>
<b>GRAND TOTAL</b>	<b>11,165</b>	<b>33,588</b>	<b>45,704</b>	<b>10,011</b>	<b>33,289</b>	<b>44,172</b>

(a) Consistent with the revised outcome published in the 2018-19 Budget, released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2016-17 *Annual Report on State Finances*, released on 22 September 2017.

(c) The Building and Construction Industry Training Fund Levy is a compulsory levy and has been reclassified as taxation revenue on advice from the ABS. This revenue was previously classified as sales of goods and services. Prior periods have been restated for comparability purposes.

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

<b>PUBLIC LEDGER BALANCES AT 31 MARCH</b>			
	2018 \$m	2017 \$m	Variance \$m
<b>THE PUBLIC LEDGER</b>			
Consolidated Account <sup>(a)</sup>	-14,569	-13,401	-1,168
Treasurer's Special Purpose Accounts	13,970	13,096	874
Treasurer's Advance Account – Net Advances and Overdraw n Trusts	-22	-41	19
<b>TOTAL</b>	<b>-621</b>	<b>-346</b>	<b>-275</b>
Agency Special Purpose Account	5,659	5,744	-85
<b>TOTAL PUBLIC BANK ACCOUNT</b>	<b>5,038</b>	<b>5,397</b>	<b>-359</b>

(a) The balance of the Consolidated Account at 31 March 2018 includes non-cash appropriations of \$11,499 million (31 March 2017: \$10,646 million), representing the non-cash cost of agency services. These appropriations are credited to agency Holding Accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account recorded a deficit of \$3,069 million at 31 March 2018 (compared with a deficit position of \$2,755 million at 31 March 2017).

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

## Consolidated Account

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

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

The Consolidated Account accrual deficit at 31 March 2018 was \$14,569 million, an increase of \$1,168 million on the accumulated deficit at 31 March 2017. This included \$11,499 million associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash balances in agency Holding Accounts.

In cash terms, the Consolidated Account was overdrawn by \$3,069 million at 31 March 2018. This compares with a \$2,755 million deficit cash balance at 31 March 2017.

There were no Consolidated Account borrowings during the March 2018 quarter. However, \$3,750 million in borrowings have been raised since 30 June 2017. Centrally held borrowings totalled \$26 billion at 31 March 2018 (compared with \$22.3 billion at 31 March 2017), and remained below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding *Loan Acts*<sup>1</sup>.

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<sup>1</sup> The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding *Loan Acts* from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit authorised by these Acts.

Table 3.2

**CONSOLIDATED ACCOUNT TRANSACTIONS**  
For the nine months ended 31 March

	2018	2017	Variance
	\$m	\$m	\$m
<b>REVENUE</b>			
<i>Operating Activities</i>			
Taxation	5,032	5,143	-111
Commonwealth Grants	2,175	1,953	222
Government Enterprises	1,166	701	465
Revenue from other agencies	4,702	4,555	147
Other	385	263 <sup>(a)</sup>	122
<i>Total Operating Activities</i>	<b>13,460</b>	<b>12,615</b>	<b>845</b>
<i>Financing Activities</i>			
Repayments of Recoverable Advances	5	71 <sup>(a)</sup>	-66
Transfers from:			
Bankwest Pension Trust	1	1	-
Other Receipts	4	10	-6
Borrowings	3,750	5,100	-1,350
<i>Total Financing Activities</i>	<b>3,760</b>	<b>5,182</b>	<b>-1,422</b>
<b>TOTAL REVENUE</b>	<b>17,221</b>	<b>17,797</b>	<b>-576</b>
<b>EXPENDITURE</b>			
<i>Recurrent</i>			
Authorised by Other Statutes	1,914	1,887	27
Appropriation Act (No. 1)	14,622	14,763	-141
Recurrent Expenditure under the Treasurer's Advance	-	7	-7
<i>Total Recurrent Expenditure</i>	<b>16,535</b>	<b>16,657</b>	<b>-122</b>
<i>Investing Activities</i>			
Authorised by Other Statutes	174	239	-65
Appropriation Act (No. 2)	1,149	1,634	-485
Investing Expenditure under the Treasurer's Advance	1	3	-2
<i>Total Investing Activities</i>	<b>1,325</b>	<b>1,877</b>	<b>-552</b>
<i>Financing Activities</i>			
Loan repayments	-	-	-
Other financing	4	10	-6
<i>Total Financing Activities</i>	<b>4</b>	<b>10</b>	<b>-6</b>
<b>TOTAL EXPENDITURE</b>	<b>17,865</b>	<b>18,544</b>	<b>-679</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>-644</b>	<b>-747</b>	<b>103</b>
<b>Consolidated Account Balance</b>			
Opening balance at 1 July	-13,925	-12,654	-1,271
Closing balance at 31 March	-14,569	-13,401	-1,168
Of which:			
Appropriations payable	-11,499	-10,646	-853
Cash balance at 31 March	-3,069	-2,755	-314

(a) Comparatives have been restated to reflect a reallocation of \$24 million to *Repayments of Recoverable Advances* from *Revenue from Other Operating Activities* to correctly reflect receipts for final payment of borrowings and interest associated with the Perry Lakes land redevelopment project.

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.

At 31 March 2018, aggregate TSPA balances were \$874 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 \$853 million);
- a net decrease in the Royalties for Regions Fund (up \$11 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 (\$52 million) and interest earnings on the balance of the Fund for the year to date (\$36 million);
- a net decrease in the Perth Children's Hospital Account balance (down \$56 million), reflecting payments associated with residual construction activities at the new hospital;
- a decrease in the balance of the Perth Stadium Account (down \$139 million), representing the net impact of appropriation contributions and procurement and works spending relating to the stadium, sports precinct and transport infrastructure incurred during the period to date; 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 \$55 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

	2018	2017	Variance
	\$m	\$m	\$m
Agency Holding Accounts	11,499	10,646	853
Royalties for Regions Fund	856	845	11
Western Australian Future Fund	1,205	1,117	88
Perth Children's Hospital Account	13	69	-56
Perth Stadium Account	34	173	-139
Fiona Stanley Hospital Construction Account	39	20	19
Agency 27th Pay Accounts	55	-	55
Other Treasurer's Special Purpose Accounts	268	225	43
<b>TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 MARCH</b>	<b>13,970</b>	<b>13,096</b>	<b>874</b>

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

## Treasurer's Advance

The Treasurer's Advance allows for short term repayable advances to agencies for working capital purposes (known as 'net recoverable advances'), 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 \$646.1 million is authorised under section 29 of the FMA for the year ended 30 June 2018, compared with a total of \$632.4 million authorised limit applying at the same time last year. To 31 March 2018, \$22.9 million had been drawn against the 2017-18 annual limit (compared with \$51.6 million for the same period last year).

Table 3.4

**TREASURER'S ADVANCE AT 31 MARCH**

	2018	2017	Variance
	\$m	\$m	\$m
<b>AUTHORISED LIMIT</b>	<b>646.1</b>	<b>632.4</b>	<b>13.7</b>
<i>Total Drawn Against Treasurer's Advance Account</i>	22.9	51.6	-28.7
Comprising:			
Net recoverable advances as at 31 March (see below)	11.0	29.1	-18.1
Overdrawn Special Purpose Accounts <sup>(a)</sup>	11.1	12.1	-1.0
Excesses and New Items			
- recurrent	-	7.3	-7.3
- capital	0.8	3.2	-2.4
<b>NET RECOVERABLE ADVANCES</b>			
Building Management and Works	-	20.0	-20.0
Mining Rehabilitation Fund	5.3	5.3	-
Sport and Recreation	1.1	1.1	-
WA Energy Disputes Arbitrator	0.1	0.1	-
Suitors Fund	2.5	2.5	-
Sundry Debtors	1.9	- <sup>(b)</sup>	1.9
<b>TOTAL RECOVERABLE TREASURER'S ADVANCES</b>	<b>11.0</b>	<b>29.1</b>	<b>-18.1</b>

(a) The Treasurer has given approval for the Department of Mines, Industry Regulation and Safety to overdraw a Special Purpose Account. Any overdrawn SPA is taken to be an advance to be charged in the relevant financial year to the Treasurer's Advance Account.

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

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.

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

There were no transfers or new items impacting appropriations during the nine months of 2017-18.

In the March 2018 quarter, approved excesses included:

- an excess of \$1.6 million for costs administered by Treasury to fund outstanding litigation relating to the Bell Group High Court of Australia proceedings, examination summons proceedings and the Western Australian Bell Companies Administrator's legal costs; and
- an excess of \$0.8 million to the Chemistry Centre (WA) for procurement of a high resolution liquid chromatography-mass spectrometer and automated sample extraction system to strengthen the analytical capability of the racing industry and enhance testing efficiencies of the agency.

<b>TREASURER'S ADVANCE AT 31 MARCH</b>						
	<u>Treasurer's Advance</u>					Draw n against Treasurer's Advance to date \$m
	Budget	Transfers <sup>(a)</sup>	New Items	Approved Excesses	Revised Appropriation	
	\$m	\$m	\$m	\$m	\$m	
<b>Recurrent Appropriations</b>						
<i>Treasury</i>						
Item 59: Bell Group Administration						
Wind Up and Associated Costs	1.3	-	-	1.6	2.9	-
<b>Total Recurrent</b>		-	-	<b>1.6</b>		-
<b>Capital Appropriations</b>						
<i>Chemistry Centre (WA)</i>						
Item 129: Capital Appropriation	0.9	-	-	0.8	1.7	0.8
<b>Total Capital</b>		-	-	<b>0.8</b>		<b>0.8</b>
<b>TOTAL</b>						<b>0.8</b>

(a) Authorised under section 25 of the FMA.  
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 Fiona Stanley Hospital Construction Account and 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 2018 for a number of key SPAs established to deliver specific policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs in existence at 31 March 2018. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

### Fiona Stanley Hospital Construction Account

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

The hospital achieved practical completion in December 2013, followed by completion of phased commissioning in February 2015. Project closure arrangements are expected to be finalised by the end of 2017-18, with any remaining unspent funds on closure of the account returning to the Consolidated Account at that time. In March 2018, \$18 million in unspent construction funds were returned to this SPA by WA Health. No funds have been drawn from the account during the first nine months of 2017-18.

<b>FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT</b>		
At 31 March		
	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	20	20
Receipts	18	-(a)
Payments	-	-
<b>Closing Balance</b>	<b>39</b>	<b>20</b>

(a) Amount below \$500,000.  
Note: Columns may not add due to rounding.

## Forrestfield-Airport Link Account

This SPA was established in May 2016 to support the construction of the Forrestfield-Airport Link.

Receipts in the nine months to 31 March 2018 reflect interest earned on the account balance (\$3.1 million). Payments from the account (\$212.5 million) were in support of the design and construction contract (\$189.3 million), project management costs (\$10.4 million), utilities and services (\$10.2 million), land acquisition (\$1.5 million) and other project works (\$1 million).

<b>FORRESTFIELD-AIRPORT LINK ACCOUNT</b>			Table 4.2
At 31 March			
	2018 \$m	2017 \$m	
<i>Balance at 1 July</i>	219	-	
Receipts	3	495	
Payments	213	140	
<b>Closing Balance</b>	<b>10</b>	<b>355</b>	

Note: Columns may not add due to rounding.

## METRONET Account

This SPA was established to support the planning and construction of METRONET projects.

Receipts totalling \$12.2 million for the nine months ending 31 March 2018 represent the general government sector equity contribution for METRONET projects. Payments of \$11.8 million have been made by the Public Transport Authority and METRONET Office to progress the planning and delivery of the METRONET program.

<b>METRONET ACCOUNT</b>			Table 4.3
At 31 March			
	2018 \$m	2017 \$m	
<i>Balance at 1 July</i>	-	-	
Receipts	12	-	
Payments	12	-	
<b>Closing Balance</b>	<b>-(a)</b>	<b>-</b>	

(a) Amount below \$500,000.  
Note: Columns may not add due to rounding.

## Metropolitan Region Improvement Account

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

Receipts for the nine months to the end of March 2018 mainly reflect MRIT collections (\$71.8 million), proceeds from the sale of land and buildings (\$1.7 million), rental revenue (\$4.3 million), interest revenue (\$5.4 million) and the refund of GST payments from the Australian Taxation Office (\$2.3 million). Payments from the account were for associated service delivery costs (\$20.3 million), the acquisition of land and buildings (\$25.4 million), progress on a range of smaller infrastructure works (\$0.8 million), and a grant to the Department of Transport for refinement of its Strategic Transport Evaluation Model (\$0.3 million).

<b>METROPOLITAN REGION IMPROVEMENT ACCOUNT</b>		
At 31 March		
	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	348	293
Receipts	86	92
Payments	47	28
<b>Closing Balance</b>	<b>387</b>	<b>357</b>

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 reflect levy contributions by mining operators (\$28.9 million) and interest earnings (\$1 million). Payments of \$0.4 million were made for administration costs.

<b>MINING REHABILITATION FUND</b>		
At 31 March		
	2018 \$m	2017 \$m
<i>Balance at 1 July<sup>(a)</sup></i>	92	63
Receipts	30	29
Payments	- <sup>(b)</sup>	1
<b>Closing Balance</b>	<b>122</b>	<b>91</b>

(a) The closing balance of \$92 million at 30 June 2017 (opening balance at 1 July) has been restated from the \$91 million reported in the 2016-17 *Annual Report on State Finances*. The restatement incorporates a minor movement in receipts and payments finalised for the then Department of Mines and Petroleum's annual report for 2016-17.

(b) Amount below \$500,000.

Note: Columns may not add due to rounding.

## Municipal and Essential Services Account

This SPA was established in 2015 to administer Commonwealth funds of \$90 million, following the withdrawal of the Commonwealth from the provision of municipal and essential services to remote Aboriginal communities at the end of June 2015.

Payments of \$34.8 million were for the delivery of existing municipal and essential services at a range of remote communities.

<b>MUNICIPAL AND ESSENTIAL SERVICES ACCOUNT</b>			Table 4.6
At 31 March			
	2018 \$m	2017 \$m	
<i>Balance at 1 July</i>	42	63	
Receipts	-	-	
Payments	35	16	
<b>Closing Balance</b>	<b>7</b>	<b>47</b>	

Note: Columns may not add due to rounding.

## Perth Children's Hospital Account

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

The Hospital achieved practical completion in April 2017 and is scheduled to be fully open in June 2018. Payments of \$27 million in the nine months to March 2018 were for residual construction costs. Project closure arrangements for the hospital are expected to be finalised in 2019 to accommodate the 24 month defect liability period, with any remaining funds in the account to be returned to the Consolidated Account at that time.

<b>PERTH CHILDREN'S HOSPITAL ACCOUNT</b>			Table 4.7
At 31 March			
	2018 \$m	2017 \$m	
<i>Balance at 1 July</i>	40	122	
Receipts	-	-	
Payments	27	53	
<b>Closing Balance</b>	<b>13</b>	<b>69</b>	

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* (the Act) to set aside funds to be used to encourage a balanced transport system for gaining 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.

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### PERTH PARKING LICENSING ACCOUNT

At 31 March

Table 4.8

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	23	11
Receipts	56	55
Payments	20	38
<b>Closing Balance</b>	<b>59</b>	<b>28</b>

Note: Columns may not add due to rounding.

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## 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.

Funds drawn from the account over the nine months to 31 March 2018 totalled \$183 million for procurement and works. Once closure on the project occurs, any residual funds will be returned to the Consolidated Account.

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### PERTH STADIUM ACCOUNT

At 31 March

Table 4.9

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	96	36
Receipts	122	370
Payments	183	233
<b>Closing Balance</b>	<b>34</b>	<b>173</b>

Note: Columns may not add due to rounding.

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## Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect prescribed penalties (\$74.5 million), other funds collected under the *Road Traffic (Administration) Act 2008* (\$3 million), and interest revenue earned on the account balance (\$1.1 million).

Projects funded from the Account are focused on achieving reductions in serious road trauma as part of the Government's Towards Zero Strategy for 2008 to 2020. The majority of the \$61.3 million drawn from the account in the nine months to the 31 March 2018 were for initiatives to reduce:

- run-off crashes on regional roads by applying treatments such as shoulder sealing and audible edge lines (\$26.2 million);
- excess and inappropriate speed crashes (\$15.4 million);
- serious crashes at metropolitan intersections (\$5.4 million);
- the ongoing operational cost of the Road Safety Commission (\$6.6 million); and
- a range of smaller road safety initiatives and support programs.

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### ROAD TRAUMA TRUST ACCOUNT At 31 March

Table 4.10

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	57	95
Receipts	79	84
Payments	61	83
<b>Closing Balance</b>	<b>74</b>	<b>96</b>

Note: Columns may not add due to rounding.

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## 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 2017-18 reflect the initial draw down of moneys appropriated by the Parliament (\$402.9 million), interest revenue earned on the account balance (\$13.1 million), and unused funds from associated projects returned by agencies (\$5.7 million).

A total of \$565.9 million was disbursed from the account to support regional initiatives.

**ROYALTIES FOR REGIONS FUND**  
At 31 March

Table 4.11

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	1,000	870
Receipts	422	408
Payments	566	432
<b>Closing Balance</b>	<b>856</b>	<b>845</b>

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. A draw down of \$464,000 relates to funding for the Kimberley School Project Unit.

**ROYALITES FOR REGIONS REGIONAL REFORM FUND**  
At 31 March

Table 4.12

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	100	100
Receipts	-	-
Payments	- (a)	-
<b>Closing Balance</b>	<b>99</b>	<b>100</b>

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

## Royalties for Regions Southern Inland Health Initiative

This SPA was established to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*. Funding is provided by the Royalties for Regions Fund for initiatives to improve healthcare across the southern part of the State.

Payments from the SPA totalled \$117.6 million to the end of March 2018, including payments for the Hospital Investment Program (\$59.2million), Small Hospital and Nursing Post Refurbishment Program (\$23.1 million), the Medical Workforce Investment Program (\$19 million), the Primary Health Centres Demonstration Program (\$8.4 million), the Residential Aged and Dementia Care Program (\$5 million) and the Telehealth Investment Program (\$3 million).

Table 4.13

**ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE**

At 31 March

	2018 \$m	2017 \$m
<i>Balance at 1 July<sup>(a)</sup></i>	56	156
Receipts	75	10
Payments	118	47
<b>Closing Balance</b>	<b>13</b>	<b>119</b>

(a) The closing balance of \$56 million at 30 June 2017 (opening balance at 1 July) has been restated from the \$57 million reported in the 2016-17 *Annual Report on State Finances*. The restatement incorporates a correction to the rounding of the closing balance, which revises the closing value at 30 June 2017.

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 and measurement of waste.

A total of \$9.4 million was spent to March 2018 on a range of programs, including the Household Hazardous Waste Program, the Keep Australia Beautiful Council, and other waste management initiatives and services.

Table 4.14

**WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT**

At 31 March

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	33	30
Receipts	14	14
Payments	9	10
<b>Closing Balance</b>	<b>38</b>	<b>34</b>

Note: Columns may not add due to rounding.

## Western Australian Future Fund

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

Receipts of \$79.9 million in the nine months to March included the Consolidated Account's annual contribution equivalent to 1% of annual forecast royalty revenue at the time of the 2017-18 Budget (\$52.1 million) and interest receipts (\$27.8 million).

Table 4.15

**WESTERN AUSTRALIAN FUTURE FUND**  
At 31 March

	2018 \$m	2017 \$m
<i>Balance at 1 July</i>	1,126	1,044
Receipts	80	73
Payments	-	-
<b>Closing Balance</b>	<b>1,205</b>	<b>1,117</b>

Note: Columns may not add due to rounding.



# General Government Salaries

## Introduction

Salaries represent the single largest component of general government sector expenses (40.9% in the first nine months of 2017-18).

General government salaries for the first nine months of 2017-18 grew by 4.1% to total \$9,058 million. Adjusting for Machinery of Government changes, noted in the Overview to this report and which increase general government salaries by \$101 million in the nine months to 31 March 2018, salaries grew by 2.9%

The following table summarises salaries outcomes for general government agencies for the nine months to 31 March 2018.

Table 5.1

## SALARIES COSTS

### General Government Sector

	2017-18			2016-17		Actual \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
WA Health	1,108	3,310	4,532	1,046	3,182	4,296
Education	850	2,553	3,448	827	2,523	3,309
Western Australia Police Force	236	677	902	228	658	883
Justice	170	501	660	169	493	638
Communities <sup>(a)</sup>	137	401	522	96	282	382
State Training Providers/TAFE Colleges	73	235	321	69	226	309
Primary Industries and Regional Development	52	139	191	42	131	179
Biodiversity Conservation and Attractions	49	138	188	45	126	171
Fire and Emergency Services	45	134	180	42	128	173
Mines, Industry Regulation and Safety <sup>(a)</sup>	34	112	162	39	117	156
Transport	30	92	125	29	88	119
Finance	29	79	109	25	77	102
Water and Environmental Regulation	23	68	93	23	66	89
Local Government, Sport and Cultural Industries <sup>(a)</sup>	24	68	93	21	66	89
Planning, Lands and Heritage	24	66	88	22	66	89
Premier and Cabinet	21	58	68	23	62	78
Land Information Authority	16	48	60	14	50	64
Commissioner of Main Roads	10	42	67	11	44	60
Training and Workforce Development	13	38	51	11	36	47
Western Australian Sports Centre Trust	18	33	32	5	15	20
Mental Health Commission	8	25	33	8	24	33
Treasury	8	24	33	8	23	29
Jobs, Tourism, Science and Innovation <sup>(a)</sup>	8	24	36	9	25	32
Legal Aid Commission of WA	8	23	32	7	22	29
Office of the Director of Public Prosecutions	8	21	29	7	20	27
Legislative Assembly	6	17	23	7	18	23
Public Sector Commission	4	13	17	4	12	17
Corruption and Crime Commission	4	11	16	3	12	16
Legislative Council	4	11	16	3	11	15
Office of the Auditor General	3	10	15	3	10	14
WorkCover WA Authority	3	10	13	3	10	13
Chemistry Centre (WA)	3	10	14	3	8	12
All other agencies (with annual salaries costs below \$10 million)	21	66	148	26	68	95
Provisions			-79			
<b>Total salaries</b>	<b>3,049</b>	<b>9,058</b>	<b>12,237</b>	<b>2,880</b>	<b>8,698</b>	<b>11,610</b>

(a) Machinery of Government changes commenced for these agencies on 1 July 2017. Data for 2016-17 has been estimated by Treasury for comparative purposes.

Note: Columns may not add due to rounding.

