



2017-18

**QUARTERLY
FINANCIAL
RESULTS REPORT**

SEPTEMBER 2017



2017-18

Quarterly Financial Results Report

September 2017

2017-18 Quarterly Financial Results Report
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2017-18

Quarterly Financial Results Report

Three Months Ended 30 September 2017

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 2017.

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 State Budget (presented to the Legislative Assembly on 7 September 2017).

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

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

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

Information presented in this QFRR is not audited.

Statement of Responsibility

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

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the three months ended 30 September 2017 and of the balance sheets of these reporting entities at 30 September 2017. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2005*.

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



MICHAEL COURT
ACTING UNDER TREASURER



MAGDALENA WITTEK
MANAGER
FINANCIAL REPORTING

27 November 2017

Overview

Summary

The general government sector recorded an operating deficit of \$669 million for the three months to 30 September 2017, compared to a \$514 million deficit reported for the same period in 2016-17.

- General government revenue for the three months of 2017-18 was \$200 million (or 2.9%) lower than the same period last year. This is primarily driven by lower land tax and Metropolitan Regional Improvement Tax collections (down \$765 million), with assessments issued later this year. This was partially offset by higher dividend income (up \$254 million), higher royalty income (up \$163 million) and higher Commonwealth grants (up \$141 million), detailed later in this report.
- General government expenses were \$44 million (or 0.6%) lower compared with the three months to 30 September 2016. This largely reflects lower current transfers (down \$139 million), including lower operating subsidies for Synergy, the Water Corporation and the Public Transport Authority, and lower on-passed local government grants. Salaries expenditure was \$93 million higher than the same time last year, primarily due to employee costs in the health sector, and the impact of recent Machinery of Government changes¹.
- Total public sector net debt was \$32.4 billion at 30 September 2017 (\$483 million higher than the \$32 billion outcome recorded at 30 June 2017).

¹ 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 were public non-financial corporation functions in 2016-17) were transferred to the new Department of Communities and Department 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 corporation. 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 corporation 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 \$669 million for the three months to 30 September 2017. This compares with a \$514 million operating deficit reported for the same period in 2016-17.

Table 1

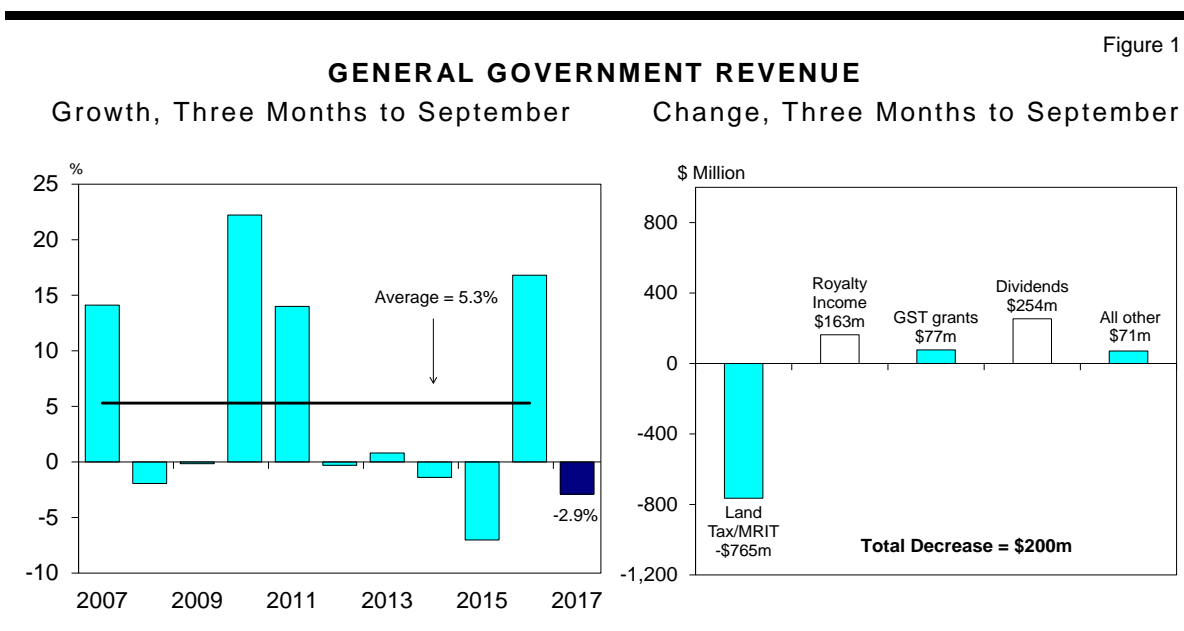
SUMMARY OF GENERAL GOVERNMENT FINANCES
Western Australia

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	-669	-2,340	-514	-2,474
Net worth	109,758	108,863	115,958	110,189
Movement in cash balances	1,234	-278	1,004	66
<i>Memorandum items</i>				
Net lending	-859	-4,021	-646	-3,592
Net debt	20,025	24,105	15,733	18,820
Cash surplus/-deficit	-1,244	-3,665	-1,421	-3,751

(a) Consistent with the 2017-18 Budget estimate released on 7 September 2017.
 (b) Consistent with final audited data contained in the 2016-17 Annual Report on State Finances, released 22 September 2017.

Revenue

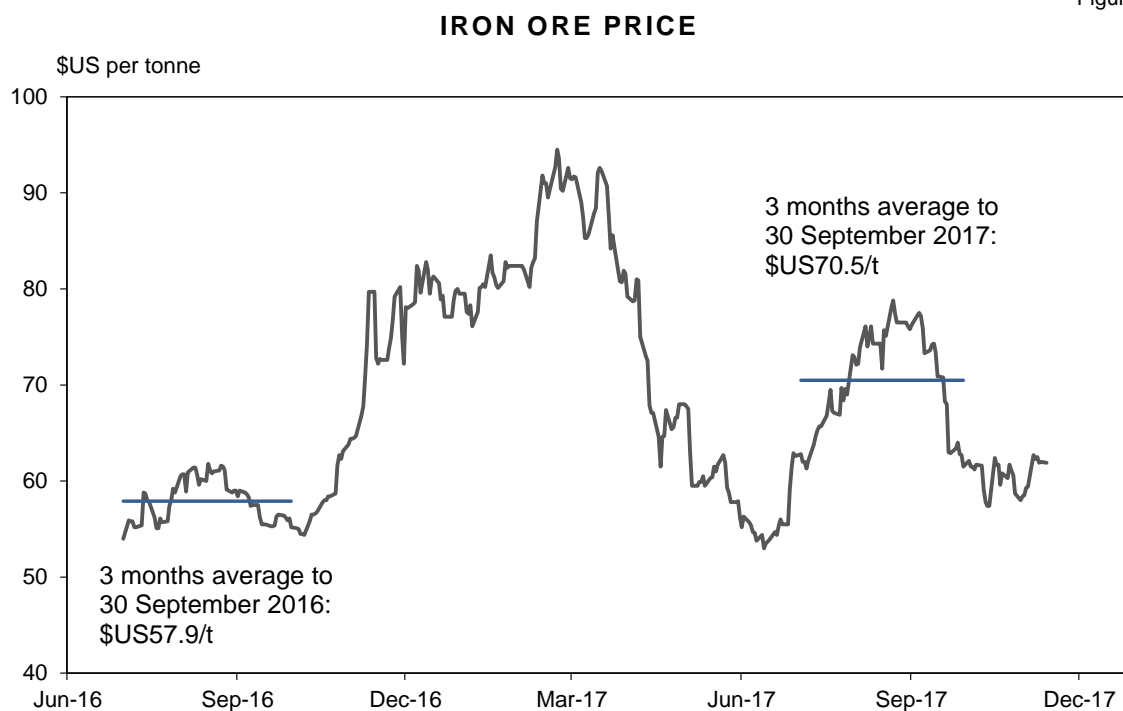
Revenue for the three months to 30 September 2017 totalled \$6,700 million, \$200 million (or 2.9%) lower than the same period last year.



The lower revenue outcome for the September quarter primarily reflects the net impact of:

- lower tax collections (down \$807 million, or 27.7%), largely due to:
 - lower land tax and Metropolitan Regional Improvement Tax collections (down \$765 million) due to later issuing of assessment notices for 2017-18, following the later than usual presentation of the 2017-18 Budget (in September 2017);
 - lower payroll tax (down \$35 million), reflecting the soft labour market conditions in the mining and construction sectors that are the largest contributors to payroll tax;
 - lower landholder duty (down \$32 million), mainly due to the impact of a large one-off commercial landholder transaction in the September quarter last year (these transactions tend to be significant in magnitude and random in terms of timing); and
 - higher transfer duty (up \$21 million), following a large one-off commercial transfer duty in the September quarter 2017;
- higher dividend income (up \$254 million), mainly due to the timing of the declaration of Western Power's dividends for 2016-17;
- higher royalty income (up \$163 million, or 14.5%), mainly due to iron ore prices and volumes, partially offset by a higher \$US/\$A exchange rate relative to the same period in 2016-17:
 - the benchmark iron ore price averaged \$US70.5 per tonne in the three months to 30 September 2017, which was 21.8% higher than the average price in the same period in 2016-17 (\$US57.9 per tonne);
 - iron ore export volumes in the three months to September 2017 were 3.3% higher than the same period last year; and
 - the \$US/\$A exchange rate averaged US79 cents in the three months to September 2017, which is 4.1% higher than the average for the corresponding period a year earlier (US75.8 cents); and

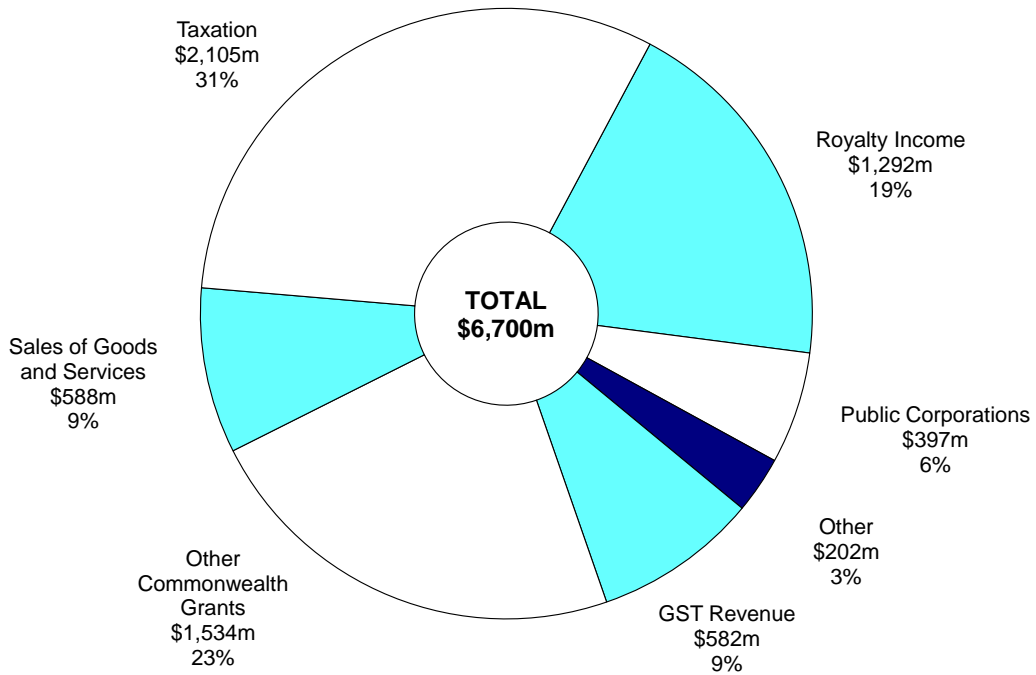
Figure 2



- higher recurrent and capital grants from the Commonwealth (up \$141 million, or 7.1%), primarily due to the combination of:
 - higher GST grants (up \$77 million), due to an increase in the pool of national GST collections, and Western Australia receiving a slightly larger share of national collections in 2017-18 (34.4%) compared with 2016-17 (30.3%); and
 - higher tied grants for transport (up \$62 million), mainly funding for roads under the Commonwealth’s Infrastructure Investment Program.

Figure 3

GENERAL GOVERNMENT REVENUE^(a)
 Three months to 30 September 2017



(a) Segments may not add due to rounding.

Expenses

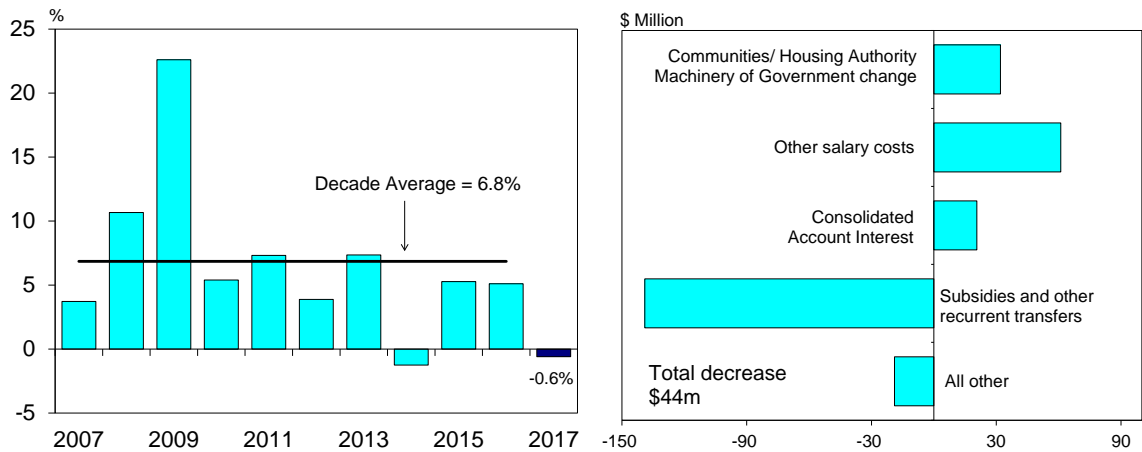
Expenses for the three months to 30 September 2017 totalled \$7,369 million, down \$44 million (or 0.6%) on the same period in 2016-17.

Figure 4

GENERAL GOVERNMENT EXPENSES

Growth, Three Months to September

Change, Three Months to September

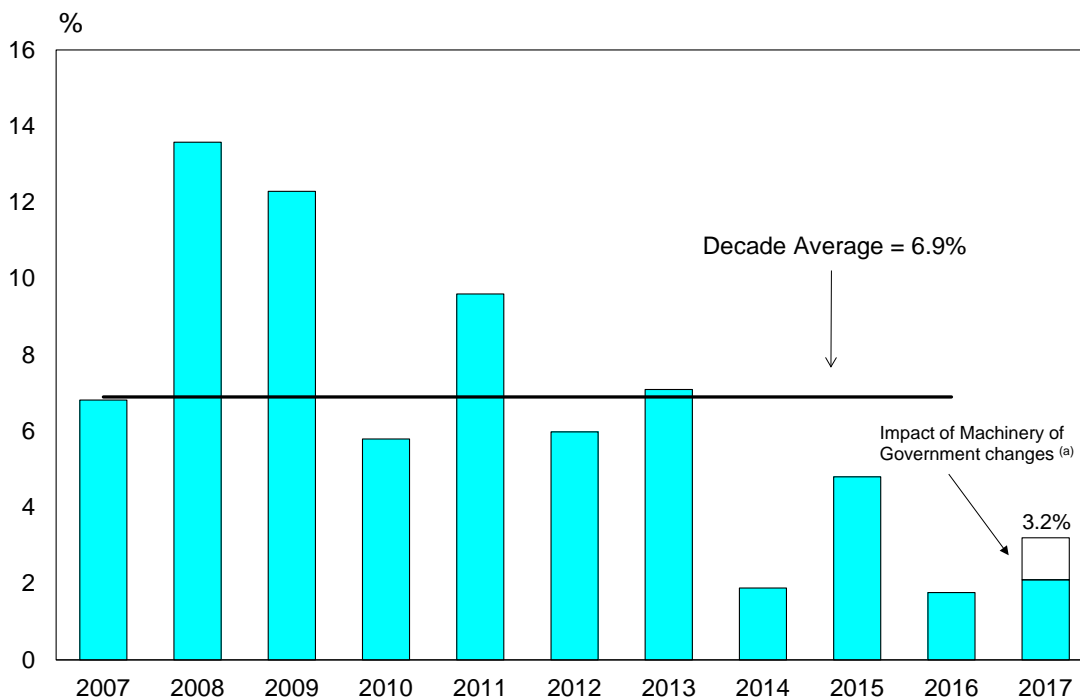


The spending contraction for the three months to 30 September 2017 compared with the same period last year is mainly due to the net effect of:

- lower current transfers (down \$139 million, or 10.5%) including:
 - a lower operating subsidy for Synergy (down \$38 million), reflecting the impact of increases in electricity prices applying from 1 July 2017;
 - a lower operating subsidy for Water Corporation (down \$31 million), mainly reflecting the impact of an adjustment for overpayment in 2016-17;
 - a lower operating subsidy for Public Transport Authority (down \$23 million), mainly due to movements in the timing of the Authority’s operating costs; and
 - lower on-passed local government grants (down \$23 million), reflecting the timing of the associated funding from the Commonwealth; and
- higher salaries (up \$93 million, or 3.2%), primarily due to:
 - growth in staff numbers and wages increases in industrial agreements in WA Health (up \$45 million); and
 - the impact of recent Machinery of Government changes on the Department of Communities (see earlier footnote).

THREE MONTHS TO 30 SEPTEMBER SALARIES GROWTH
General Government

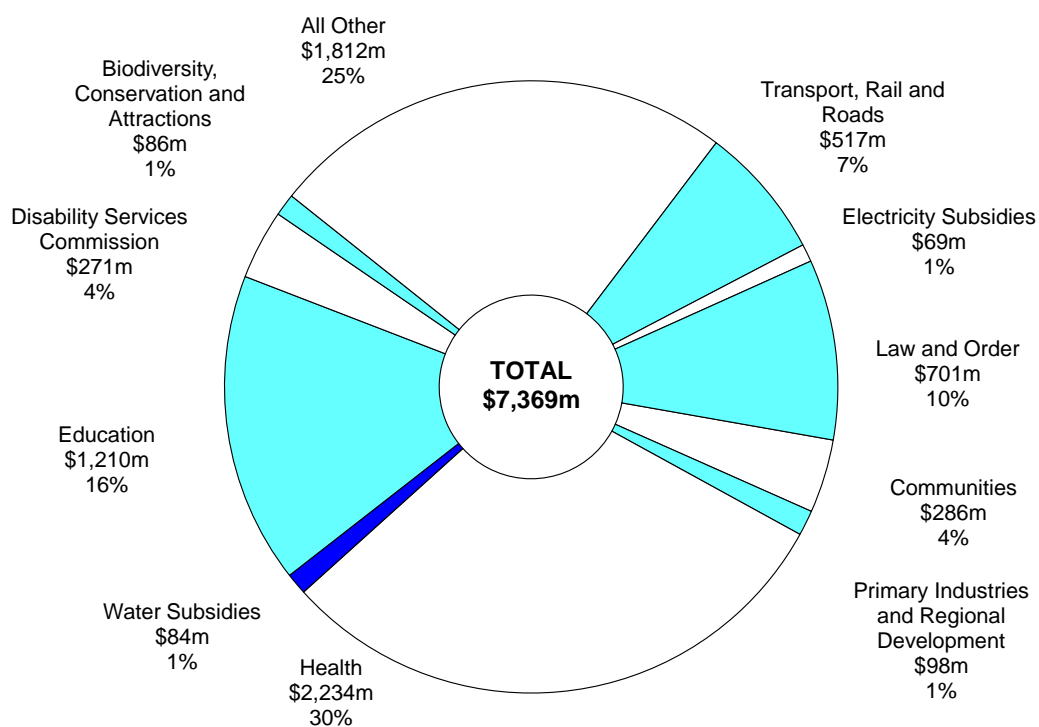
Figure 5



(a) Following Machinery of Government changes which took effect from 1 July 2017, staff previously employed by the Housing Authority and Rottnest 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, which streamlines the delivery of related services, results in a one-off increase to salary costs in 2017-18.

Figure 6

GENERAL GOVERNMENT EXPENSES^(a)
 Three months to 30 September 2017



(a) Segments may not add due to rounding.

Balance Sheet

General government sector net worth decreased by an estimated \$431 million during the three months to 30 September 2017, to stand at \$109.8 billion². This lower estimated net worth outcome mainly reflects:

- an increase in Consolidated Account borrowings (up \$2.5 billion); and
- higher liquid assets and receivables (up \$1.1 billion and \$329 million respectively), mainly due to timing of cash receipts and payments through the Public Bank Account.

Cash Flow

A cash deficit of \$1.2 billion was recorded for the three months to 30 September 2017, a \$176 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 \$741 million (down from the \$963 million cash operating deficit reported for the same period last year, reflecting the impact on cash of the operating deficit outcome discussed earlier); and

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

- \$520 million in infrastructure spending (\$41 million higher than the amount reported for the same period last year), mainly due to spending on the Telethon Kids Institute, the Southern Inland Health Initiative (District Health Campuses, Small Hospitals and Nursing Posts), and the Karratha Health Campus.

Total Public Sector

Operating Statement

The total public sector recorded an operating deficit of \$596 million for the three months to 30 September 2017. This is \$404 million higher than the operating deficit recorded in the same period in 2016-17, mainly due to Western Power dividend declarations in the September 2017 quarter.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES				
Western Australia				
	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	-596	-3,146	-192	-2,744
Net worth	109,758	108,863	115,958	110,189
Movement in cash balances	1,450	-755	330	-927
<i>Memorandum items</i>				
Net lending	-1,292	-5,162	-491	-3,829
Net debt	32,447	37,810	28,012	31,964
Cash surplus/-deficit	-909	-4,682	-1,300	-4,675

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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 three months to 30 September 2017 incorporates:

- the \$669 million operating deficit for the general government sector outlined earlier;
- an operating surplus of \$25 million for the public non-financial corporations sector, broadly in line with the surplus recorded in the same period in 2016-17; and
- an operating surplus of \$313 million for the public financial corporations sector, \$42 million higher than the surplus recorded in the same period in 2016-17, mainly due to a decrease in interest expense associated with downward interest rate movements on borrowings for the Western Australian Treasury Corporation.

Table 3

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net Operating Balance				
General government sector	-669	-2,340	-514	-2,474
Public non-financial corporations sector	25	573	62	480
Public financial corporations sector	313	345	271	164
<i>less</i>				
General government dividend revenue	265	1,649	11	837
Public non-financial corporations dividend revenue ^(c)	-	75	-	78
Total public sector net operating balance	-596	-3,146	-192	-2,744

(a) Consistent with the 2017-18 Budget estimate released on 7 September 2017.

(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 \$483 million during the three months to 30 September 2017 to stand at \$32.4 billion. The largest component of net debt is held as gross borrowing. General government sector borrowings held by the Consolidated Account increased by \$2.5 billion during the quarter, to total \$24.8 billion at 30 September 2017 (see Appendix 3: Public Ledger). Partly offsetting the higher Consolidated Account borrowings was lower Western Australian Treasury Corporation debt, reflecting the timing of maturing loan instruments and agency pre-borrowing activity prior to 30 June 2017.

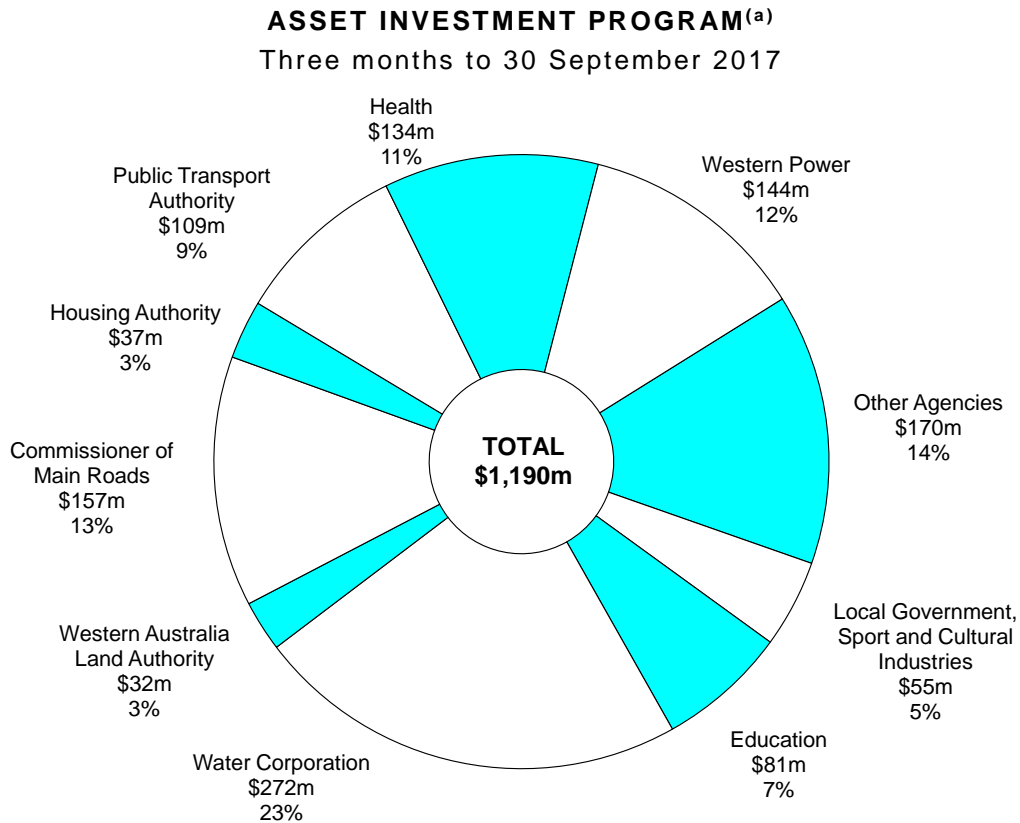
Cash Flow

A cash deficit of \$909 million was recorded for the three months to 30 September 2017. This compares with a \$1.3 billion cash deficit recorded for the same period in 2016-17. The lower cash deficit outcome includes the impact of a \$138 million operating cash surplus³. The net cash deficit on infrastructure spending in the September quarter was \$1 billion.

³ The key difference between the accrual operating deficit discussed earlier, and the cash operating surplus is non-cash depreciation costs.

This included infrastructure investment totalling \$1.2 billion, \$143 million higher than the same period in 2016-17. In addition to the general government sector investment discussed earlier, the higher infrastructure outcome included spending by the Water Corporation on the Millstream to Greenbushes Link, partially offset by lower expenditure by the Housing Authority due to the completion of some social housing projects.

Figure 7



(a) Segments may not add due to rounding.

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 State Budget Papers presented to the Legislative Assembly on 7 September 2017, facilitating comparisons between estimates and outturns.

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

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT

	Note	2017-18		2016-17	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
RESULTS FROM TRANSACTIONS					
REVENUE					
Taxation		2,105	8,577	2,912	8,573
Current grants and subsidies		2,058	8,255	1,960	8,091
Capital grants		58	968	15	513
Sales of goods and services		588	2,445	577	2,293
Interest Income		39	189	51	196
Revenue from public corporations					
Dividends from other sectors		265	1,649	11	837
Tax equivalent income		133	572	105	534
Royalty income		1,292	5,211	1,129	5,272
Other		162	590	139	604
Total	2	6,700	28,457	6,900	26,913
EXPENSES					
Salaries		2,980	12,431	2,887	11,610
Superannuation					
Concurrent costs		300	1,254	286	1,166
Superannuation interest cost		50	201	38	156
Other employee costs		96	373	80	358
Depreciation and amortisation		321	1,475	327	1,320
Services and contracts		571	2,389	572	2,393
Other gross operating expenses		1,576	6,039	1,624	5,772
Other interest		204	894	183	783
Current transfers	3	1,181	5,237	1,320	5,280
Capital transfers	3	89	505	96	549
Total		7,369	30,797	7,413	29,387
NET OPERATING BALANCE	4	-669	-2,340	-514	-2,474
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		10	-8	-6	-193
Net actuarial gains/-loss - superannuation		110	-115	-80	659
Provision for doubtful debts		-21	-13	3	-41
Changes in accounting policy/adjustments of prior periods		42	-	48	143
Total other economic flows		141	-136	-36	568
OPERATING RESULT		-528	-2,477	-549	-1,905
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		73	1,133	71	-3,042
Gains recognised directly in equity		-6	-	-7	15
Change in net worth of the public corporations sectors		30	-397	1,577	254
All other		-	-	-	-
Total all other movements in equity		97	735	1,641	-2,772
TOTAL CHANGE IN NET WORTH	4	-431	-1,741	1,092	-4,677
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-669	-2,340	-514	-2,474
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		520	2,865	480	2,341
Changes in inventories		3	-1	2	-11
Other movement in non-financial assets		4	469	-	240
<i>less:</i>					
Sales of non-financial assets		17	177	22	132
Depreciation		321	1,475	327	1,320
Total net acquisition of non-financial assets		190	1,681	133	1,119
NET LENDING/-BORROWING	4	-859	-4,021	-646	-3,592

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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.

GENERAL GOVERNMENT BALANCE SHEET

Table 1.2

	Note	For the period ending			
		30 Sept	30 June	30 Sept	30 June
		2017	2018 ^(a)	2016	2017 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,261	707	966	778
Advances paid		707	731	726	717
Investments, loans and placements	5	4,920	3,312	5,707	4,278
Receivables	6	3,428	2,946	3,567	3,099
Shares and other equity					
Investments in other public sector entities - equity method		47,938	46,872	49,231	47,909
Investments in other public sector entities - direct injections		8,966	9,319	8,717	9,019
Investments in other entities		49	47	51	51
Other financial assets		8	8	8	8
Total financial assets		67,277	63,942	68,973	65,859
<i>Non-financial assets</i>					
Land		37,278	37,558	38,627	37,269
Property, plant and equipment		42,775	47,481	43,353	42,640
Biological assets		4	2	4	8
Inventories					
Land inventories		98	120	113	98
Other inventories		76	82	86	73
Intangibles		663	643	649	680
Assets classified as held for sale		91	33	27	111
Investment property		7	8	8	7
Other		729	457	579	665
Total non-financial assets		81,720	86,383	83,445	81,551
TOTAL ASSETS		148,997	150,325	152,418	147,410
LIABILITIES					
Deposits held		483	428	1,080	646
Advances received		376	360	392	376
Borrowings	7	26,053	28,067	21,661	23,572
Unfunded superannuation		6,869	6,962	7,963	7,043
Other employee benefits		3,175	3,017	3,131	2,911
Payables		936	1,275	893	1,294
Other liabilities		1,346	1,354	1,340	1,380
TOTAL LIABILITIES		39,239	41,463	36,459	37,221
NET ASSETS		109,758	108,863	115,958	110,189
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		6,051	6,608	7,900	6,553
Other reserves		103,707	102,254	108,059	103,636
NET WORTH	4	109,758	108,863	115,958	110,189
MEMORANDUM ITEMS					
<i>Net financial worth</i>		28,038	22,479	32,513	28,638
<i>Net financial liabilities</i>		28,867	33,712	25,435	28,290
<i>Net debt</i>					
Gross debt liabilities		26,912	28,855	23,132	24,594
less: liquid financial assets		6,888	4,750	7,399	5,773
less: convergence differences impacting net debt		-	-	-	-
Net debt		20,025	24,105	15,733	18,820

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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 three months ended 30 September 2017

	Asset Revaluation Surplus \$m	investments in other sector entities \$m	Accumulated net gain on equity Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2017</i>	55,727	47,909	6,553	110,189
Operating result	-	-	-528	-528
Other movements in equity	73	30	-6	97
All other	-32	-	32	-
<i>Total change in net worth</i>	41	30	-502	-431
Balance at 30 September 2017	55,769	47,938	6,051	109,758

For the three months ended 30 September 2016

	Asset Revaluation Surplus \$m	investments in other sector entities \$m	Accumulated net gain on equity Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2016</i>	58,752	47,654	8,460	114,866
Operating result	-	-	-549	-549
Other movements in equity	71	1,577	-7	1,641
All other	4	-	-4	-
<i>Total change in net worth</i>	75	1,577	-561	1,092
Balance at 30 September 2016	58,827	49,231	7,900	115,958

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

	Note	2017-18		2016-17	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received</i>					
Taxes received		1,953	8,591	1,999	8,432
Grants and subsidies received		2,133	9,247	1,959	8,529
Receipts from sales of goods and services		629	2,498	612	2,335
Interest receipts		32	182	51	193
Dividends and tax equivalents		138	2,246	163	1,484
Other		1,882	7,068	1,720	7,218
<i>Total cash received</i>		6,767	29,831	6,504	28,191
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,191	-14,163	-3,033	-13,141
Payments for goods and services		-2,532	-8,798	-2,584	-8,608
Interest paid		-194	-865	-169	-758
Grants and subsidies paid		-1,093	-5,411	-1,173	-5,389
Dividends and tax equivalents		-	-	-	-
Other		-499	-1,570	-509	-1,836
<i>Total cash paid</i>		-7,508	-30,808	-7,468	-29,732
NET CASH FLOWS FROM OPERATING ACTIVITIES		-741	-977	-963	-1,541
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-520	-2,865	-480	-2,341
Sales of non-financial assets		17	177	22	132
<i>Total cash flows from investments in non-financial assets</i>		-504	-2,688	-457	-2,210
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		2	10	3	14
For liquidity purposes		10	65	1	83
<i>Cash paid</i>					
For policy purposes		-40	-599	-564	-861
For liquidity purposes		-18	-14	-8	-46
<i>Total cash flows from investments in financial assets</i>		-47	-538	-567	-809
NET CASH FLOWS FROM INVESTING ACTIVITIES		-551	-3,225	-1,025	-3,018
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	16	4	16
Borrowings		2,522	4,392	3,325	5,166
Deposits received		-	-	-	-
Other financing receipts		106	132	7	46
<i>Total cash received</i>		2,628	4,540	3,337	5,227
<i>Cash paid</i>					
Advances paid		-	-16	-4	-16
Borrowings repaid		-21	-311	-12	-168
Deposits paid		-	-	-	-
Other financing payments		-81	-289	-328	-418
<i>Total cash paid</i>		-102	-616	-344	-602
NET CASH FLOWS FROM FINANCING ACTIVITIES		2,526	3,924	2,993	4,626
Net increase in cash and cash equivalents		1,234	-278	1,004	66
Cash and cash equivalents at the beginning of the year		4,839	4,415	4,773	4,773
Cash and cash equivalents at the end of the year		6,073	4,136	5,777	4,839
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		-741	-977	-963	-1,541
Net cash flows from investing in non-financial assets		-504	-2,688	-457	-2,210
Cash surplus/-deficit	4	-1,244	-3,665	-1,421	-3,751

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

	Note	2017-18		2016-17	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
<i>Results from Transactions</i>					
REVENUE					
Taxation		1,983	8,071	2,786	8,086
Current grants and subsidies		2,058	8,255	1,960	8,091
Capital grants		58	968	15	513
Sales of goods and services		5,152	22,926	5,349	20,633
Interest Income		136	565	127	597
Royalty income		1,292	5,211	1,129	5,272
Other		231	1,028	245	979
Total	2	10,911	47,025	11,611	44,172
EXPENSES					
Salaries		3,249	13,592	3,197	12,811
Superannuation					
Concurrent costs		328	1,371	316	1,287
Superannuation interest cost		50	201	38	156
Other employee costs		78	252	64	277
Depreciation and amortisation		856	3,706	954	3,399
Services and contracts		761	3,216	795	3,309
Other gross operating expenses		4,798	21,790	4,970	19,554
Other interest		383	1,756	434	1,714
Other property expenses		-	-	-	-
Current transfers	3	942	4,066	965	3,927
Capital transfers	3	62	221	69	482
Total		11,506	50,171	11,803	46,916
NET OPERATING BALANCE	4	-596	-3,146	-192	-2,744
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		60	154	164	187
Net actuarial gains/-loss - superannuation		113	-115	-81	638
Provision for doubtful debts		-26	-49	1	-102
Changes in accounting policy/adjustment of prior periods		-1,167	-	172	-1,008
Total other economic flows		-1,019	-11	257	-285
OPERATING RESULT		-1,615	-3,157	65	-3,030
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		-60	1,408	179	-2,803
Gains recognised directly in equity		1,244	8	847	1,155
All other		-	-	-	-
Total all other movements in equity		1,184	1,416	1,027	-1,648
TOTAL CHANGE IN NET WORTH	4	-431	-1,741	1,092	-4,677
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-596	-3,146	-192	-2,744
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,190	6,001	1,047	5,137
Changes in inventories		481	78	329	-449
Other movement in non-financial assets		24	633	45	371
<i>less:</i>					
Sales of non-financial assets		142	991	168	576
Depreciation		856	3,706	954	3,399
Total net acquisition of non-financial assets		697	2,015	299	1,085
NET LENDING/-BORROWING	4	-1,292	-5,162	-491	-3,829

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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.

TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

	Note	For the period ending			
		30 Sept 2017 \$m	30 June 2018 ^(a) \$m	30 Sept 2016 \$m	30 June 2017 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		2,709	1,632	2,204	2,136
Advances paid		3,852	4,373	4,741	3,710
Investments, loans and placements	5	16,537	17,501	16,351	18,613
Receivables	6	4,237	4,753	4,522	4,190
Equity - investments in other entities		1,660	1,882	1,531	2,101
Other financial assets		13	19	15	14
Total financial assets		29,008	30,160	29,364	30,764
<i>Non-financial assets</i>					
Land		50,877	51,153	53,442	50,870
Property, plant and equipment		98,506	102,755	98,478	98,534
Biological assets		330	327	334	334
Inventories					
Land inventories		2,074	2,254	2,054	2,065
Other inventories		4,534	4,162	4,830	4,052
Intangibles		1,105	1,073	1,105	1,119
Assets classified as held for sale		91	61	28	135
Investment property		263	371	298	262
Other		900	582	764	806
Total non-financial assets		158,680	162,740	161,333	158,178
TOTAL ASSETS		187,689	192,900	190,697	188,942
LIABILITIES					
Deposits held		15	31	32	26
Advances received		376	360	392	376
Borrowings	7	55,153	60,925	50,885	56,021
Unfunded superannuation		6,984	7,012	8,089	7,166
Other employee benefits		3,543	3,412	3,567	3,310
Payables		6,187	6,174	6,456	6,235
Other liabilities		5,671	6,124	5,316	5,619
TOTAL LIABILITIES		77,930	84,038	74,739	78,753
NET ASSETS		109,758	108,863	115,958	110,189
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		27,566	27,865	30,331	27,900
Other reserves		82,192	80,998	85,627	82,289
NET WORTH	4	109,758	108,863	115,958	110,189
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-48,922	-53,878	-45,375	-47,989
<i>Net financial liabilities</i>		50,583	55,760	46,905	50,089
<i>Net debt</i>					
Gross debt liabilities		55,544	61,316	51,309	56,423
less: liquid financial assets		23,098	23,506	23,297	24,459
less: convergence differences impacting net debt		-	-	-	-
Net debt		32,447	37,810	28,012	31,964

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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 three months ended 30 September 2017

	Asset		Total Equity
	Revaluation Surplus	Accumulated Surplus/deficit	
	\$m	\$m	\$m
<i>Balance at 1 July 2017</i>	82,289	27,900	110,189
Operating result	-	-1,615	-1,615
Other movements in equity	-60	1,244	1,184
All other	-37	37	-
<i>Total change in net worth</i>	-97	-334	-431
Balance at 30 September 2017	82,192	27,566	109,758

For the three months ended 30 September 2016

	Asset		Total Equity
	Revaluation Surplus	Accumulated Surplus/deficit	
	\$m	\$m	\$m
<i>Balance at 1 July 2016</i>	85,312	29,555	114,866
Operating result	-	65	65
Other movements in equity	179	847	1,027
All other	136	-136	-
<i>Total change in net worth</i>	316	776	1,092
Balance at 30 September 2016	85,627	30,331	115,958

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

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

Table 1.8

	2017-18		2016-17		
	Note	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received</i>					
Taxes received		1,890	7,984	1,917	7,939
Grants and subsidies received		2,133	9,247	1,959	8,529
Receipts from sales of goods and services		5,344	23,185	5,484	20,819
Interest receipts		133	619	166	609
Other receipts		2,327	7,880	2,089	8,355
<i>Total cash received</i>		11,827	48,915	11,615	46,252
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,485	-15,499	-3,394	-14,586
Payments for goods and services		-5,584	-23,382	-5,958	-21,342
Interest paid		-380	-1,738	-552	-2,068
Grants and subsidies paid		-884	-3,798	-901	-3,773
Other payments		-1,355	-4,169	-1,230	-4,596
<i>Total cash paid</i>		-11,688	-48,586	-12,035	-46,366
NET CASH FLOWS FROM OPERATING ACTIVITIES		138	328	-420	-114
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-1,190	-6,001	-1,047	-5,137
Sales of non-financial assets		142	991	168	576
<i>Total cash flows from investments in non-financial assets</i>		-1,047	-5,010	-879	-4,561
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		2	10	3	14
For liquidity purposes		2,030	6,487	973	6,136
<i>Cash paid</i>					
For policy purposes		-2	-10	-1	-13
For liquidity purposes		-1,916	-7,367	-1,378	-7,678
<i>Total cash flows from investments in financial assets</i>		115	-880	-403	-1,541
NET CASH FLOWS FROM INVESTING ACTIVITIES		-932	-5,890	-1,283	-6,102
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	-	-	-
Borrowings		6,354	27,344	4,039	16,150
Deposits received		-	-	-	-
Other financing receipts		10	37	10	45
<i>Total cash received</i>		6,364	27,381	4,049	16,195
<i>Cash paid</i>					
Advances paid		-	-16	-4	-16
Borrowings repaid		-4,042	-22,309	-1,689	-10,477
Deposits paid		-	-	-	-
Other financing payments		-78	-249	-323	-413
<i>Total cash paid</i>		-4,120	-22,574	-2,015	-10,906
NET CASH FLOWS FROM FINANCING ACTIVITIES		2,244	4,807	2,033	5,289
Net increase in cash and cash equivalents		1,450	-755	330	-927
Cash and cash equivalents at the beginning of the year		11,019	10,640	11,946	11,946
Cash and cash equivalents at the end of the year		12,469	9,886	12,276	11,019
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		138	328	-420	-114
Net cash flows from investing in non-financial assets		-1,047	-5,010	-879	-4,561
Cash surplus/-deficit	4	-909	-4,682	-1,300	-4,675

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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.

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

(b) The Reporting Entity

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

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

(c) Basis of Preparation

The financial statements for the three months ended 30 September 2017 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^(a)

	General Government		Total Public Sector	
	2017-18	2016-17	2017-18	2016-17
	Three Months to 30 Sept \$m	Budget Estimate ^(b) \$m	Three Months to 30 Sept \$m	Actual ^(c) \$m
CURRENT TRANSFERS				
Local Government	74	310	82	278
Local Government on-passing	20	90	43	262
Private and Not-for-profit sector	371	1,603	369	1,422
Private and Not-for-profit sector on-passing	299	1,233	288	1,172
Other sectors of Government	417	2,000	539	2,147
Total Current Transfers	1,181	5,237	1,320	5,280
CAPITAL TRANSFERS				
Local Government	10	49	14	138
Local Government on-passing	14	56	27	163
Private and Not-for-profit sector	26	93	26	103
Private and Not-for-profit sector on-passing	4	18	-	16
Other sectors of Government	36	290	29	129
Total Capital Transfers	89	505	96	549

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

(b) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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.

NOTE 4: CONVERGENCE DIFFERENCES

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

The following tables detail convergence differences reflected in the September 2017 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Operating Balance

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i><u>General government</u></i>				
AASB1049 net operating balance	-669	-2,340	-514	-2,474
Plus GFS revenue adjustments				
Total GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Total GFS expense adjustments	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-
GFS net operating balance	-669	-2,340	-514	-2,474
<i><u>Total public sector</u></i>				
AASB1049 net operating balance	-596	-3,146	-192	-2,744
Plus GFS revenue adjustments				
Total GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Capitalised interest	-	19	4	1
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Total GFS expense adjustments	-	19	4	1
Total GFS adjustments to AASB 1049 net operating balance	-	-19	-4	-1
GFS net operating balance	-596	-3,165	-195	-2,745

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/-Borrowing

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 net lending/-borrowing	-859	-4,021	-646	-3,592
Plus Net operating balance convergence differences (noted above)	-	-	-	-
GFS net lending/-borrowing	-859	-4,021	-646	-3,592
<i>Total public sector</i>				
AASB1049 net lending/-borrowing	-1,292	-5,162	-491	-3,829
Plus Net operating balance convergence differences (noted above)	-	-19	-4	-1
GFS net lending/-borrowing	-1,292	-5,180	-495	-3,830

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Worth

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 net worth	109,758	108,863	115,958	110,189
<i>Plus</i>				
Provision for doubtful debts				
General government sector	286	257	260	266
Impact on public corporations net worth	86	29	33	84
Total GFS net worth adjustments	372	286	293	350
GFS net worth	110,130	109,149	116,251	110,539
<i>Total public sector</i>				
AASB1049 net worth	109,758	108,863	115,958	110,189
<i>Plus</i>				
Provision for doubtful debts	372	286	293	350
Total GFS net worth adjustments	372	286	293	350
GFS net worth	110,130	109,149	116,251	110,539

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Change in Net Worth

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB 1049 change in net worth	-431	-1,741	1,092	-4,677
Plus change in:				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Provision for doubtful debts				
General government sector	20	-3	-3	4
Impact on public corporations net worth	2	8	2	53
Total GFS change in net worth adjustments	22	5	-1	56
GFS change in net worth	-409	-1,737	1,091	-4,621
<u>Total public sector</u>				
AASB 1049 change in net worth	-431	-1,741	1,092	-4,677
Plus change in:				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-
Provision for doubtful debts	22	5	-1	56
Total GFS change in net worth adjustments	22	5	-1	56
GFS change in net worth	-409	-1,737	1,091	-4,621

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Cash Surplus/-Deficit

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 cash surplus/-deficit	-1,244	-3,665	-1,421	-3,751
Less Acquisitions under finance leases and similar arrangements	4	469	-	288
GFS cash surplus/-deficit	-1,249	-4,135	-1,421	-4,039
<u>Total public sector</u>				
AASB1049 cash surplus/-deficit	-909	-4,682	-1,300	-4,675
Less Acquisitions under finance leases and similar arrangements	4	469	-	288
GFS cash surplus/-deficit	-913	-5,151	-1,300	-4,963

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2017-18		2016-17	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,896	3,303	5,674	4,262
Government securities	4	4	4	4
Total	4,900	3,307	5,678	4,266
<i>Loans and advances</i>				
Loans	12	6	28	13
Financial Assets held for trading/available for sale	8	-	-	-
Total	20	6	29	13
Total	4,920	3,312	5,707	4,278

Total Public Sector

	2017-18		2016-17	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	12,664	11,027	12,197	11,902
Government securities	1,376	948	454	947
Total	14,040	11,974	12,651	12,849
<i>Loans and advances</i>				
Loans	2,052	4,984	3,118	5,195
Financial Assets held for trading/available for sale	445	543	582	569
Total	2,497	5,527	3,701	5,764
Total	16,537	17,501	16,351	18,613

NOTE 6: RECEIVABLES

General Government

	2017-18		2016-17	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	3,713	3,203	3,826	3,365
Provision for impairment of receivables	-286	-257	-260	-266
Total	3,428	2,946	3,567	3,099

Total Public Sector

	2017-18		2016-17	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	4,609	5,039	4,814	4,539
Provision for impairment of receivables	-372	-286	-293	-350
Total	4,237	4,753	4,522	4,190

NOTE 7: BORROWINGS

General Government				
	2017-18		2016-17	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	-	-	1	-
Finance leases	757	1,181	545	771
Borrowings	25,296	26,886	21,115	22,801
Total	26,053	28,067	21,661	23,572

Total Public Sector				
	2017-18		2016-17	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	107	-	1	-
Finance leases	1,563	1,966	1,389	1,589
Borrowings	53,483	58,959	49,495	54,431
Total	55,153	60,925	50,885	56,021

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 35: *Composition of Sectors* in the 2016-17 *Annual Report on State Finances*.

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;
- the Department of Community Services;
- the Department of Education;
- the Department of Jobs, Tourism, Science and Innovation;
- the Department of Justice;
- the Department of Local Government, Sport and Cultural Industries;
- the Department of Mines, Industry Regulation and Safety;
- the Department Planning, Lands and Heritage;
- the Department of Primary Industries and Regional Development;
- the Department of Water and Environmental Regulation; and
- Western Australia Police.

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED (CONT.)

The following change of functions also took effect from 1 July 2017:

- 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
- the Strategic Projects was transferred to the Department of Finance from the Department of Treasury.

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

There have been no other material changes in the contingent assets and liabilities of the State since the 2016-17 *Annual Report on State Finances* disclosure.

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 30 Sept \$m	Budget Estimate (a) \$m	Three Months to 30 Sept \$m	Actual (b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	851	3,224	888	3,266
Property taxes				
<i>Land tax</i>	78	846	773	876
Transfer Duty	302	1,297	281	1,357
Landholder Duty	25	201	57	151
<i>Total duty on transfers</i>	328	1,498	338	1,508
Metropolitan Region Improvement Tax	6	95	75	96
Perth Parking Levy	51	58	48	56
Emergency Services Levy	115	337	128	325
Loan guarantee fees	36	146	35	140
<i>Total other property taxes</i>	208	635	287	617
Taxes on provision of goods and services				
Lotteries Commission	42	166	42	151
Video lottery terminals	-	1	-	-
Casino Tax	14	62	15	62
Betting tax	11	46	10	40
<i>Total taxes on gambling</i>	67	275	67	253
Insurance Duty	167	645	186	641
Other	5	20	5	20
<i>Total taxes on insurance</i>	172	665	191	661
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	87	348	85	344
Permits - Oversize Vehicles and Loads	2	8	3	6
Motor Vehicle recording fee	15	59	14	59
Motor Vehicle registrations	231	916	220	885
<i>Total motor vehicle taxes</i>	335	1,331	322	1,294
Mining Rehabilitation Levy	29	27	28	28
Landfill Levy	38	76	17	69
Total Taxation	2,105	8,577	2,912	8,573
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	582	2,229	505	1,944
North West Shelf grants	145	538	133	609
Compensation for Commonwealth crude oil excise arrangements	8	30	7	31
<i>Grants through the State</i>				
Schools assistance – non-government schools	299	1,233	288	1,172
Local government financial assistance grants	20	90	43	262
Local government roads	14	56	27	163
<i>National Specific Purpose Payment Agreement Grants</i>				
National Skills and Workforce Development	40	162	40	160
National Disability Services	39	167	38	148
National Affordable Housing	31	147	37	145
Students First	153	649	142	598
National Health Reform	531	2,120	545	2,089
<i>National Partnerships/Other Grants</i>				
Health	104	356	86	399
Housing	6	24	5	17
Transport	20	77	5	64
Disability Services	8	238	27	42
Other	58	140	33	247
Total Current Grants and Subsidies	2,058	8,255	1,960	8,091

GENERAL GOVERNMENT
Operating Revenue

Table 2.1 (cont.)

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CAPITAL GRANTS				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	18	-	16
<i>National Partnerships/Other Grants</i>				
Housing	-	179	15	51
Transport	48	750	-	425
Other	6	22	-	21
Total Capital Grants	58	968	15	513
SALES OF GOODS AND SERVICES	588	2,445	577	2,293
INTEREST INCOME	39	189	51	196
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	265	1,649	11	837
Tax Equivalent Regime	133	572	105	534
Total Revenue from Public Corporations	397	2,221	116	1,371
ROYALTY INCOME	1,292	5,211	1,129	5,272
OTHER				
Lease Rentals	29	98	27	99
Fines	47	207	46	199
Revenue not elsew here counted	86	285	66	305
Total Other	162	590	139	604
GRAND TOTAL	6,700	28,457	6,900	26,913

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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.

Table 2.2

TOTAL PUBLIC SECTOR
Operating Revenue

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate (a) \$m	Three Months to 30 Sept \$m	Actual (b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	832	3,140	865	3,173
Property taxes				
<i>Land tax</i>	61	777	754	807
Transfer Duty	302	1,297	281	1,357
Landholder Duty	25	201	57	151
<i>Total duty on transfers</i>	328	1,498	338	1,508
Metropolitan Region Improvement Tax	6	95	75	96
Perth Parking Levy	51	58	48	56
Emergency Services Levy	115	334	128	322
Loan guarantee fees	3	9	3	9
<i>Total other property taxes</i>	175	495	255	483
Taxes on provision of goods and services				
Video lottery terminals	-	1	-	-
Casino Tax	14	62	15	62
<i>Total taxes on gambling</i>	14	63	15	62
Insurance Duty	167	645	186	641
Other	5	20	5	20
<i>Total taxes on insurance</i>	172	665	191	661
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	87	348	85	344
Permits - Oversize Vehicles and Loads	2	8	3	6
Motor Vehicle recording fee	15	59	14	59
Motor Vehicle registrations	231	916	220	885
<i>Total motor vehicle taxes</i>	335	1,331	322	1,294
Mining Rehabilitation Levy	29	27	28	28
Landfill Levy	38	76	17	69
Total Taxation	1,983	8,071	2,786	8,086
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	582	2,229	505	1,944
North West Shelf grants	145	538	133	609
Compensation for Commonwealth crude oil excise arrangements	8	30	7	31
<i>Grants through the State</i>				
Schools assistance – non-government schools	299	1,233	288	1,172
Local government financial assistance grants	20	90	43	262
Local government roads	14	56	27	163
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	40	162	40	160
National Disability Services	39	167	38	148
National Affordable Housing	31	147	37	145
Students First	153	649	142	598
National Health Reform	531	2,120	545	2,089
<i>National Partnerships\Other Grants</i>				
Health	104	356	86	399
Housing	6	24	5	17
Transport	20	77	5	64
Disability Services	8	238	27	42
Other	58	140	33	247
Total Current Grants and Subsidies	2,058	8,255	1,960	8,091

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2017-18		2016-17	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CAPITAL GRANTS				
<i>Grants through the State</i>				
Schools assistance – non-government schools	4	18	-	16
<i>National Partnerships/Other Grants</i>				
Housing	-	179	15	51
Transport	48	750	-	425
Other	6	22	-	21
Total Capital Grants	58	968	15	513
SALES OF GOODS AND SERVICES	5,152	22,926	5,349	20,633
INTEREST INCOME	136	565	127	597
ROYALTY INCOME	1,292	5,211	1,129	5,272
OTHER				
Lease Rentals	29	98	27	99
Fines	48	207	47	200
Revenue not elsew here counted	154	723	172	680
Total Other	231	1,028	245	979
GRAND TOTAL	10,911	47,025	11,611	44,172

(a) Consistent with the 2017-18 Budget estimates released on 7 September 2017.

(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.

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.

Table 3.1

PUBLIC LEDGER BALANCES AT 30 SEPTEMBER			
	2017	2016	Variance
	\$m	\$m	\$m
THE PUBLIC LEDGER			
Consolidated Account ^(a)	-12,988	-12,589	-399
Treasurer's Special Purpose Accounts	13,303	12,601	702
Treasurer's Advance Account – Net Advances and Overdraw n Trusts	-23	-19	-4
TOTAL	292	-7	299
Agency Special Purpose Accounts	4,907	5,983	-1,076
TOTAL PUBLIC BANK ACCOUNT	5,199	5,976	-777

(a) The balance of the Consolidated Account at 30 September 2017 includes non-cash appropriations of \$10,826 million (30 September 2016: \$10,109 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 \$2,161 million at 30 September 2017 (compared with a deficit position of \$2,480 million at 30 September 2016).

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 30 September 2017 was \$12,988 million, an increase of \$399 million on the accumulated deficit at 30 September 2016. This included \$10,826 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 \$2,161 million at 30 September 2017. This compares with a \$2,480 million deficit cash balance at 30 September 2016.

Consolidated Account borrowings increased by \$2.5 billion in the September 2017 quarter. Centrally held borrowings totalled \$24.8 billion at 30 September 2017 (compared with \$20.5 billion at 30 September 2016), and remained below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding *Loan Acts*¹.

¹ 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 three months ended 30 September

	2017 \$m	2016 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	1,456	1,516	-60
Commonwealth Grants	755	643	112
Government Enterprises	143	165	-22
Revenue from other agencies	1,562	1,501	60
Other	199	93	106
<i>Total Operating Activities</i>	4,115	3,919	196
<i>Financing Activities</i>			
Repayments of Recoverable Advances	2	2	-
Transfers from:			
Bankwest Pension Trust	_(a)	_(a)	_(a)
Other Receipts	3	7	-3
Borrowings	2,500	3,300	-800
<i>Total Financing Activities</i>	2,505	3,308	-803
TOTAL REVENUE	6,620	7,227	-607
EXPENDITURE			
<i>Recurrent</i>			
Authorised by Other Statutes	647	748	-101
Appropriation Act (No. 1)	4,696	5,225	-529
Recurrent Expenditure under the Treasurer's Advance	-	4	-4
<i>Total Recurrent Expenditure</i>	5,343	5,977	-634
<i>Investing Activities</i>			
Authorised by Other Statutes	77	92	-15
Appropriation Act (No. 2)	260	1,087	-828
Investing Expenditure under the Treasurer's Advance	-	-	-
<i>Total Investing Activities</i>	337	1,179	-842
<i>Financing Activities</i>			
Loan repayments	-	-	-
Other financing	3	7	-3
<i>Total Financing Activities</i>	3	7	-3
TOTAL EXPENDITURE	5,683	7,162	-1,479
NET MOVEMENT (REVENUE LESS EXPENDITURE)	937	65	872
Consolidated Account Balance			
Opening balance at 1 July	-13,925	-12,654	-1,271
Closing balance at 30 September	-12,988	-12,589	-399
Of which:			
Appropriations payable	-10,826	-10,109	-717
Cash balance at 30 September	-2,161	-2,480	319

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

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

Treasurer's Special Purpose Accounts

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

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

Relative to 30 September 2016, aggregate TSPA balances were \$702 million higher at the end of September 2017, mainly reflecting:

- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$717 million);
- a net increase in the Royalties for Regions Fund (up \$177 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 (\$39 million);
- a net decrease in the Perth Children's Hospital Account balance (down \$50 million), reflecting payments associated with the hospital's residual construction activities;
- a decrease in the balance of the Perth Stadium Account (down \$328 million), representing the net impact of 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 \$45 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 30 September

	2017 \$m	2016 \$m	Variance \$m
Agency Holding Accounts	10,826	10,109	717
Western Australian Future Fund	1,189	1,098	91
Royalties for Regions Fund	918	741	177
Perth Children's Hospital Account	40	90	-50
Perth Stadium Account	22	350	-328
Fiona Stanley Hospital Construction Account	21	20	1
Agency 27th Pay Accounts	45	-	45
Other Treasurer's Special Purpose Accounts	243	193	50
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER	13,303	12,601	702

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.

Table 3.4

TREASURER'S ADVANCE AT 30 SEPTEMBER

	2017 \$m	2016 \$m	Variance \$m
AUTHORISED LIMIT	646.1	632.4	13.7
<i>Total Drawn Against Treasurer's Advance Account</i>	22.6	23.5	-0.9
Comprising:			
Net recoverable advances as at 30 September (see below)	8.1	8.8	-0.7
Overdraw n Special Purpose Accounts ^(a)	14.5	10.8	3.7
Excesses and New Items ^(b)			
- recurrent	-	3.9	-3.9
- capital	-	-	-
NET RECOVERABLE ADVANCES			
Mining Rehabilitation Fund	5.3	5.3	-
Sport and Recreation	-	1.1	-1.1
Suitors Fund	2.5	2.0	0.5
WA Energy Disputes Arbitrator	0.1	0.1	-
Sundry Debtors	0.2	0.2	-
TOTAL RECOVERABLE TREASURER'S ADVANCES	8.1	8.8	-0.7

(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) Excesses and new items for 30 September 2016 have been restated to reflect only amounts drawn against the Treasurer's Advance Account. The 30 September 2016 quarter incorrectly reported the approved total of excesses and new items, rather than actual draw downs.

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

Transfers, Excesses and New Items

There were no transfers, excesses or new items impacting appropriations in the first three months of 2017-18.

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 30 September 2017 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 30 September 2017. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

It is important to note that each dollar that is spent from these SPA balances will increase net debt (and reduce the operating balance if the spending is for recurrent purposes) by the same amount. In this way, these SPA balances are no different from other funding sources, including new borrowings.

Fiona Stanley Hospital Construction Account

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

The new facility 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. No funds have been drawn from the account during 2017-18.

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT
At 30 September

Table 4.1

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	20	20
Receipts	- (a)	- (a)
Payments	-	-
Closing Balance	21	20

(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 for the September 2017 quarter reflect the interest earned on the account balance (\$1.5 million). Payments from the account (\$47.9 million) were in support of the design and construction contract (\$43.6 million), project management costs (\$2.6 million), land acquisition (\$1 million) and other project works (\$0.8 million).

FORRESTFIELD-AIRPORT LINK ACCOUNT
At 30 September

Table 4.2

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	219	-
Receipts	2	490
Payments	48	29
Closing Balance	172	461

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Account

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

Receipts for the three months to the end of September 2017 mainly reflect MRIT revenue (\$24.5 million), interest revenue (\$1.8 million), proceeds from the sale of land and buildings (\$1.7 million), rental revenue (\$1.4 million), and the refund (by the Australian Taxation Office) of GST payments on purchases (\$1.2 million). Payments from the account were for associated service delivery expenses (\$7.9 million), the acquisition of land and buildings (\$1.8 million), and to progress a range of smaller infrastructure and works (\$0.4 million).

METROPOLITAN REGION IMPROVEMENT ACCOUNT

Table 4.3

At 30 September

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	348	293
Receipts	31	34
Payments	10	9
Closing Balance	369	318

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the September 2017 quarter levy collections.

MINING REHABILITATION FUND

Table 4.4

At 30 September

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i> ^(a)	92	63
Receipts	29	28
Payments	-	-
Closing Balance	121	91

(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 Department of Mines and Petroleum's annual report for 2016-17.

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 \$34.2 million were for the delivery of existing municipal and essential services at a range of remote communities.

MUNICIPAL AND ESSENTIAL SERVICES ACCOUNT

Table 4.5

At 30 September

	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	42	63
Receipts	-	-
Payments	35	6
Closing Balance	7	57

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. 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.

PERTH CHILDREN'S HOSPITAL ACCOUNT		
At 30 September		
	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	40	122
Receipts	-	-
Payments	-	32
Closing Balance	40	90

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established under the *Perth Parking Management Act 1999*. Money credited to the account reflects licence fees, penalties and money appropriated by Parliament for the purposes of the Act.

Funds drawn from the account were used to support the Central Area Transit bus system and 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, and for the administration of the Act.

PERTH PARKING LICENSING ACCOUNT		
At 30 September		
	2017	2016
	\$m	\$m
<i>Balance at 1 July</i>	23	11
Receipts	51	48
Payments	- (a)	4
Closing Balance	74	55

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

Perth Stadium Account

This SPA was established in October 2011 to hold funds in support of the construction of Perth Stadium and associated transport infrastructure. The stadium is expected to be operational in early 2018. Construction will utilise all available funds in the SPA.

Funds drawn from the account over the three months to 30 September 2017, totalled \$74 million for procurement and works.

PERTH STADIUM ACCOUNT			Table 4.8
At 30 September			
	2017	2016	
	\$m	\$m	
<i>Balance at 1 July</i>	96	36	
Receipts	-	370	
Payments	74	56	
Closing Balance	22	350	

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts for the September 2017 quarter mainly reflect collections from prescribed penalties paid during the year (\$23.6 million), other funds collected under the *Road Traffic (Administration) Act 2008* (\$2.9 million), and interest revenue earned on the account balance (\$0.4 million).

Projects funded from the Account were focused on achieving reductions in serious road trauma as part of the Towards Zero Strategy for 2008 to 2020. The majority of funds drawn from the account in the September 2017 quarter (\$5.3 million) were for initiatives to reduce:

- run-off crashes on regional roads by applying treatments such as shoulder sealing and audible edge-lines (\$3.8 million);
- serious crashes at metropolitan intersections (\$0.1 million);
- the ongoing operating costs of the Road Safety Commission (\$1.4 million); and
- a range of smaller road initiatives and support programs.

Table 4.9

ROAD TRAUMA TRUST ACCOUNT
At 30 September

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	57	95
Receipts	27	25
Payments	5	7
Closing Balance	79	113

Note: Columns may not add due to rounding.

Royalties for Regions Fund

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

Receipts during the September 2017 quarter reflect interest revenue earned on the account balance (\$4.7 million), and unused funds from associated projects returned by agencies (\$1.4 million). A total of \$87.6 million was disbursed from the account to support infrastructure, business and economic development and other regional initiatives funded by the Royalties for Regions program.

Table 4.10

ROYALTIES FOR REGIONS FUND
At 30 September

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	1,000	870
Receipts	6	28
Payments	88	157
Closing Balance	918	741

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. There were no draw downs in the September 2017 quarter.

ROYALTES FOR REGIONS REGIONAL REFORM FUND At 30 September

Table 4.11

	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	100	100
Receipts	-	-
Payments	-	-
Closing Balance	100	100

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 \$32.2 million to the end of September 2017, including payments for the Small Hospital and Nursing Post Refurbishment Program (\$23 million), the District Medical Workforce Investment Program (\$7.7 million), the Telehealth Investment Program (\$1.4 million), and the Residential Aged and Dementia Care Program (\$0.1 million).

ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE At 30 September

Table 4.12

	2017 \$m	2016 \$m
<i>Balance at 1 July</i> ^(a)	56	156
Receipts	-	-
Payments	32	10
Closing Balance	24	146

(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 by the Minister from the landfill levy. Drawings from the Account are to fund programs and other initiatives related to the management, reduction, reuse, recycling, monitoring and measurement of waste.

A total of \$4.5 million was allocated to the account in the September quarter. Draw downs were for administration costs.

Table 4.13

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT		
At 30 September		
	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	33	31
Receipts	5	4
Payments	3	2
Closing Balance	35	33

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 \$63.2 million in the September quarter included the Consolidated Account's annual contribution equivalent to 1% of annual forecast royalty revenue (\$52.1 million) and interest receipts (\$11.1 million).

Table 4.14

WESTERN AUSTRALIAN FUTURE FUND		
At 30 September		
	2017 \$m	2016 \$m
<i>Balance at 1 July</i>	1,126	1,044
Receipts	63	54
Payments	-	-
Closing Balance	1,189	1,098

Note: Columns may not add due to rounding.

