



2016-17

QUARTERLY FINANCIAL RESULTS REPORT



September 2016



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Quarterly Financial Results Report

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2016-17 Quarterly Financial Results Report
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2016-17

Quarterly Financial Results Report

Three Months Ended 30 September 2016

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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 2016.

Care should be exercised in extrapolating the likely outcome for the 2016-17 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 2016-17 State Budget (presented to the Legislative Assembly on 12 May 2016).

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 2016 and of the balance sheets of these reporting entities at 30 September 2016. 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

25 November 2016

Overview

Summary

The general government sector recorded an operating deficit of \$514 million for the first three months to 30 September 2016. This compares to a \$1,146 million deficit reported for the same period in 2015-16, with timing issues the key driver in the lower quarterly deficit relative to the same period last year.

- General government revenue in the first three months of 2016-17 was \$6.9 billion, \$1 billion (or 16.8%) higher than the same period last year. This substantial increase is mainly due to the earlier issuing of assessment notices for land tax and Metropolitan Regional Improvement Tax (MRIT) in this year (together accounting for \$837 million of the higher quarterly outcome), higher Commonwealth grants (up \$112 million, mainly due to increased health funding), and higher sales of goods and services (up \$55 million, primarily due to increased Pharmaceutical Benefits Scheme recoveries). These increases were partly offset by lower collections of payroll tax and stamp duty on property transactions.
- General government expenses grew by \$360 million (or 5.1%), reflecting higher 'other' gross operating expenses across the sector (up \$125 million) and higher services and contract expenses (up \$103 million). Importantly, salary costs remain contained, increasing by \$50 million (or 1.8%), reflecting the success of the Government's wages policy and other workforce management initiatives. While 5.1% quarterly growth is higher than the 3.7% full-year forecast increase included in the 2016-17 Budget, it is comparable with the 5.3% first quarter expense outcome reported in the same period last year (with full-year growth of just 2.4% in 2015-16).

Total public sector net worth increased by an estimated \$1.1 billion in the first three months of 2016-17, to stand at \$116 billion. Total public sector net debt was \$28 billion at 30 September 2016, this compares with the \$27.3 billion recorded at 30 June 2016 (up \$665 million).

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating deficit of \$514 million for the three months to 30 September 2016, \$633 million lower than the operating deficit reported in the same period last year. This outcome largely reflects timing issues, particularly for land tax and MRIT.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2016-17		2015-16	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	-514	-3,914	-1,146	-2,021
Net worth	115,958	115,954	120,834	114,866
Movement in cash balances	1,004	-1,159	1,301	333
<i>Memorandum items</i>				
Net lending	-646	-4,753	-1,306	-3,064
Net debt	15,733	20,393	11,294	13,717
Cash surplus/-deficit	-1,421	-4,684	-1,771	-3,664

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

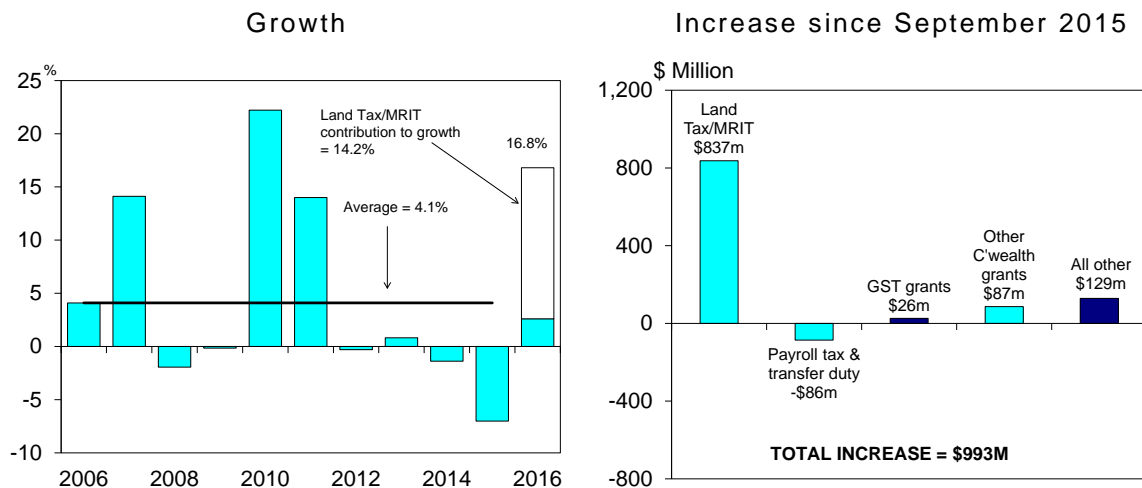
(b) Consistent with final audited data contained in the 2015-16 Annual Report on State Finances, released on 22 September 2016.

Revenue

Revenue for the three months to 30 September 2016 totalled \$6.9 billion, \$993 million (or 16.8%) higher than the same period in 2015-16. Excluding the impact of the earlier issuance of land tax and MRIT assessments this year, revenue increased by 2.6% on the same quarter last year.

GENERAL GOVERNMENT REVENUE

Figure 1

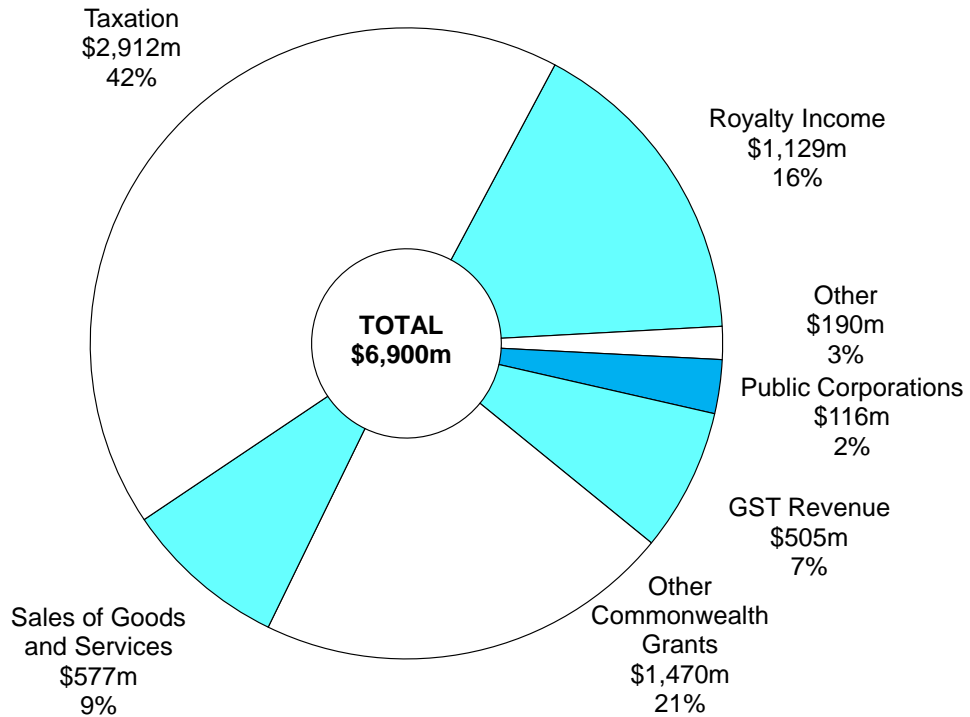


The higher September quarter revenue outcome primarily reflects the impact of:

- higher tax collections (up \$795 million), mainly due to the combined effect of:
 - higher land tax and MRIT (up a total \$837 million), due to the earlier issuing of assessment notices this year;
 - lower payroll tax (down \$58 million), due to weaker conditions in the State’s labour market (with a decline in full-time employment, partly offset by a rise in part-time hiring), and lower employment in mining and related sectors which account for a large portion of the tax base;
 - lower transfer duty (down \$55 million), with a softening in residential property transactions and prices;
 - higher landholder duty (up \$28 million), largely due to the timing and number of high value commercial transactions; and
 - higher insurance duty (up \$27 million), following targeted compliance activity in regard to under-declared insurance premiums;
- higher grants and subsidies from the Commonwealth (up \$112 million), primarily due to the net combination of:
 - higher health funding (up \$116 million), reflecting higher levels of hospital activity;
 - lower capital grants for Housing and Main Roads (down by a total \$52 million), mainly due to reduced funding in both the Remote Indigenous Housing grants and the Nation Building Road Program;
 - lower North West Shelf petroleum grants (down \$42 million), due to the impact of a higher \$US/\$A exchange rate, lower prices for LNG, condensate and LPG, and lower production volumes for oil and domestic gas. This was partially offset by higher prices for domestic gas, higher volumes for LNG, condensate and LPG, and lower allowable deductions on production activity;
 - higher funding for the disability services sector (up \$30 million), with an increase in funding for the National Disability Insurance Scheme supporting the continuation of the ‘My Way Sites’ and ‘Pay Equity for the Social and Community Sector’ trials;
 - higher GST grants (up \$26 million), primarily driven by the growth in national GST collections; and
 - higher local government general purpose funding (up \$21 million), largely reflecting the timing of grants received from the Commonwealth; and
- higher sales of goods and services (up \$55 million), mainly due to an increase in the recovery of Pharmaceutical Benefits Scheme costs by WA Health.

Figure 2

GENERAL GOVERNMENT REVENUE (a)
Three months to 30 September 2016



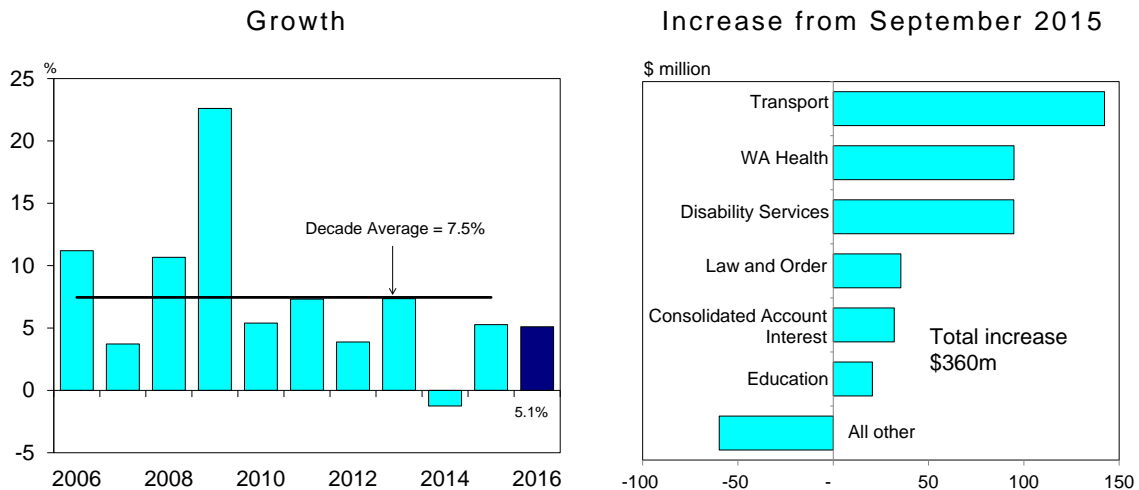
(a) Segments may not add due to rounding.

Expenses

Expenses for the three months to 30 September 2016 totalled \$7,413 million, up \$360 million (or 5.1%) compared to the same period in 2015-16.

Figure 3

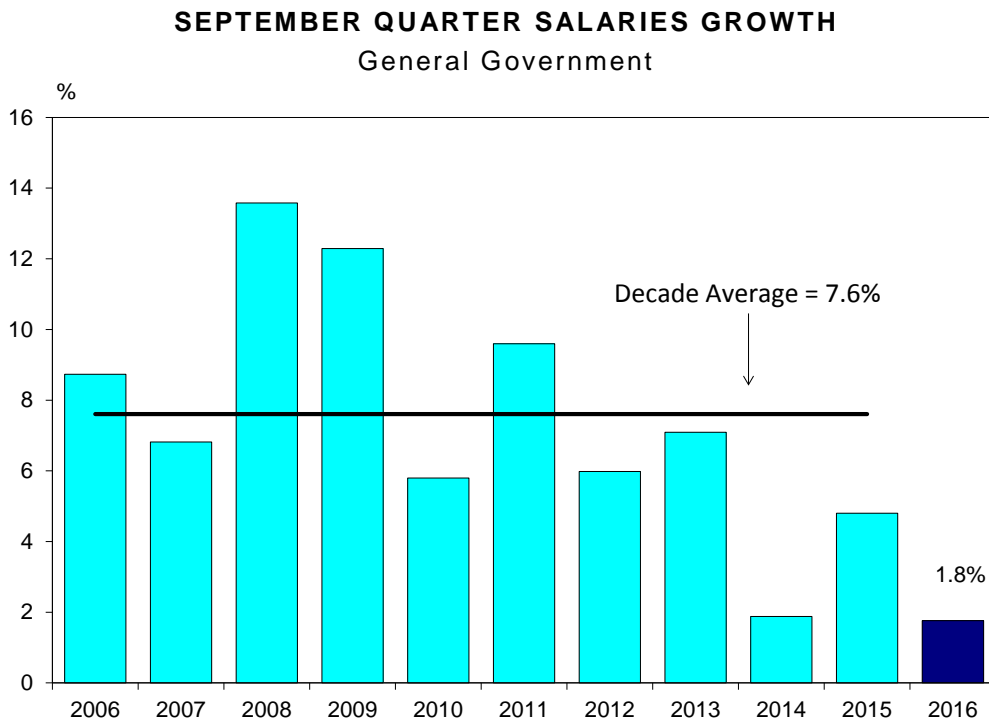
GENERAL GOVERNMENT EXPENSES



Higher recurrent spending in the first three months of the year was due to:

- higher ‘other’ gross operating expenses (up \$125 million, or 8.4%), primarily reflecting the net effect of:
 - higher spending for the not-for-profit sector (up \$50 million), mainly due to payments for the new Rockingham Sub-Acute Mental Health Facility, and indexation for contracts in the disability services sector;
 - higher patient support costs (up \$41 million), due to an increase in the supply of high-cost antiviral drugs, particularly four new drugs associated with Hepatitis C treatment which became available on the Pharmaceutical Benefits Scheme in the latter half of 2015-16;
 - lower school spending (down \$25 million), mainly due to lower workers’ compensation insurance premiums;
 - higher repairs and maintenance expenses (up \$17 million), mainly for equipment in the health sector; and
 - higher accommodation operating lease payments (up \$13 million), largely due to relocation costs for the Department of the Attorney General from premises in Westralia Square to the new David Malcolm Justice Centre;
- higher services and contracts (up \$103 million, or 22%), due mainly to increases in costs for services purchased from private health providers (reflecting the operation of the new St John of God Midland Health Campus and costs at the existing Joondalup Campus), and increased road maintenance costs;
- higher current transfers (up \$84 million, or 6.8%), due to a combination of:
 - higher operating subsidies (up \$83 million), mainly due to a revised subsidy payment profile in line with the Public Transport Authority’s expected full-year operating costs for 2016-17;
 - higher on-passed local government grants (up \$21 million), reflecting the timing of the associated funding from the Commonwealth (noted earlier); and
 - lower appropriation to the Housing Authority (down \$24 million), due to a ‘once-off’ payment for the provision of essential and municipal services to remote Aboriginal communities in the September quarter last year;
- higher salaries (up \$50 million, or 1.8%), due to growth in staff numbers and wage increases in Enterprise Bargaining Agreements in the education and the law and order sector, partially offset by lower salaries in the health sector following the closure of Swan District Hospital, the flow-on impact of the general government sector recruitment freeze during the second half of 2015-16, and other measures aimed at limiting growth in staff costs; and

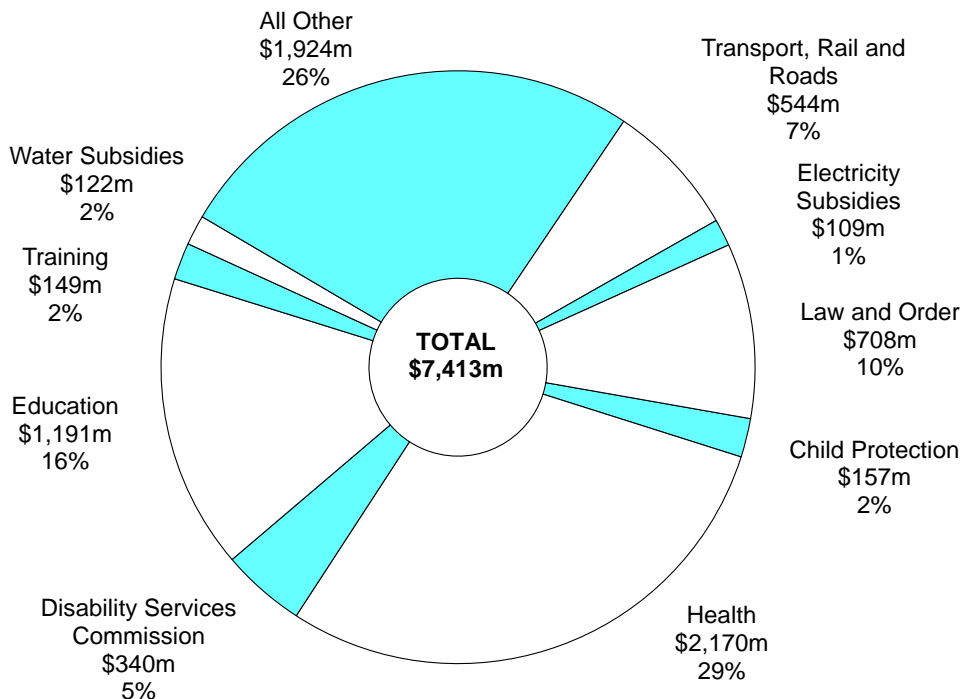
Figure 4



- lower capital transfers (down \$19 million), primarily due to lower Commonwealth funding for Remote Indigenous Housing noted earlier.

Figure 5

GENERAL GOVERNMENT EXPENSES ^(a) Three Months to 30 September 2016



(a) Segments may not add due to rounding.

Balance Sheet

The net worth of the general government sector increased by an estimated \$1.1 billion in the first three months of 2016-17, to stand at an estimated \$116 billion at 30 September 2016¹.

The higher estimated net worth outcome reflects the net impact of:

- a \$4.9 billion increase in general government sector assets, including:
 - an increase in the value of equity in public corporations (up \$2.1 billion), attributable to increases in the estimated value of physical assets and operating surpluses recorded by these sectors;
 - a \$1.7 billion increase in investments, loans and placements, mainly due to higher cash investments held by the Public Bank Account to support spending on the State's Asset Investment Program;
 - an increase in receivables (up \$646 million), mainly for land tax and MRIT assessments issued in September (discussed earlier); and
 - a \$412 million net increase in all other general government sector assets (including movements in cash and deposits, land and property, plant and equipment, etc.);
- a \$3.8 billion increase in liabilities, including:
 - a \$3.3 billion increase in Consolidated Account borrowings (in support of capital appropriations for infrastructure spending and an operating cash shortfall driven by the continuing weakness in revenue);
 - a \$562 million increase in deposits held on behalf of other sectors, mainly due to Commonwealth funding held for the Forrestfield-Airport Link (matched by a cash asset in the balance sheet of the public non-financial corporations sector, included in the equity asset noted above; and
 - an \$84 million net decrease in all other general government sector liabilities, mainly reflecting the net movements in payables and other employee benefits.

General government net debt totalled \$15.7 billion as at 30 September 2016, \$2 billion higher than at 30 June 2016. This increase primarily reflects the increase in the Consolidated Account borrowings (noted above and in Appendix 3: *Public Ledger*), partially offset by the abovementioned increase in liquid investments, loans and placements.

¹ 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.

Cash Flow

A cash deficit of \$1.4 billion was recorded for the three months to 30 September 2016, compared to a \$1.8 billion deficit for the same period in 2015-16. This outcome reflects:

- a net cash deficit from operating activities of \$963 million, compared with a \$1,283 million reported for the same period last year, largely due to the cash impact of the accrual operating activities discussed earlier; and
- \$480 million in infrastructure spending, \$28 million (or 5.5%) lower than the same period in 2015-16. Lower infrastructure spending includes reduced investment by Main Roads (following the completion of the Gateway WA project), and by the Western Australian Planning Commission (as a result of the acquisition of land in the regional areas for parks and recreation in 2015-16).

Total Public Sector

Operating Statement

The total public sector recorded an operating deficit of \$192 million for the three months to 30 September 2016. This is \$556 million lower than the operating deficit recorded in the same period in 2015-16 and mainly reflects the general government outcome discussed earlier.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

Table 2

	2016-17		2015-16	
	Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	-192	-4,237	-748	-2,559
Net worth	115,958	115,954	120,834	114,866
Movement in cash balances	330	-587	1,671	2,706
<i>Memorandum items</i>				
Net lending	-491	-5,871	-878	-4,935
Net debt	28,012	33,838	25,230	27,347
Cash surplus/-deficit	-1,300	-5,526	-1,646	-4,731

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

The total public sector operating deficit for the three months to 30 September 2016 incorporates:

- the \$514 million operating deficit for the general government sector discussed earlier;
- a \$62 million operating surplus for the public non-financial corporations sector, broadly in line with the surplus recorded in the same period in 2015-16; and

- an operating surplus of \$271 million for the public financial corporations sector, \$51 million lower than the surplus recorded in the same period in 2015-16, mainly due to the effect of higher debt servicing costs associated with increased borrowing by the Western Australian Treasury Corporation.

Table 3

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2016-17		2015-16	
	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	-514	-3,914	-1,146	-2,021
Public non-financial corporations sector	62	577	76	892
Public financial corporations sector	271	202	322	72
<i>less</i>				
General government dividend revenue	11	984	-	1,415
Public non-financial corporations dividend revenue ^(c)	-	117	-	87
Total public sector net operating balance	-192	-4,237	-748	-2,559

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

(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 \$665 million during the first three months of 2016-17 to stand at \$28 billion².

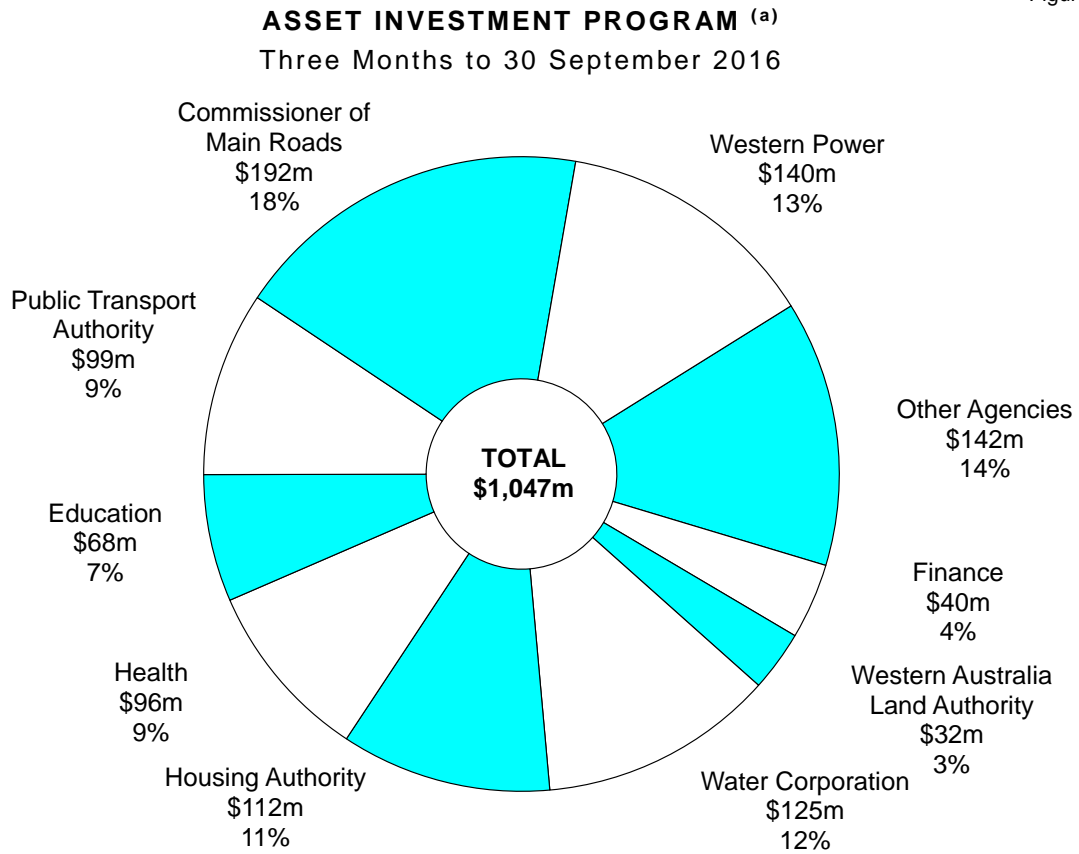
Cash Flow

A cash deficit of \$1.3 billion was recorded for the three months to 30 September 2016, \$346 million lower than the \$1.6 billion deficit recorded for the same period in 2015-16. This outcome includes an operating cash shortfall of \$420 million (the cash flow equivalent of the operating statement movements discussed earlier), and an \$879 million net cash deficit on infrastructure spending.

² This outcome does not include the divestment of \$1.35 billion in gross debt and associated loan assets for Keystart that was announced in September 2016. This divestment, which forms part of the Government's asset sales program, is expected to be brought to book in the December quarter outcomes and is net-debt neutral.

Infrastructure investment was \$118 million lower than the same period in 2015-16, mainly due to the completion and/or timing of general government sector projects results discussed earlier, and lower spending by Western Power due to a general decline in major capital works projects (reflecting softening customer demand and market conditions, and the completion of work required under the Distribution Wood Pole Management project).

Figure 6



(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 16 of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2016-17 State Budget Papers released on 12 May 2016, 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	2016-17		2015-16	
		Three Months to 30 Sept \$m	Budget Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
RESULTS FROM TRANSACTIONS					
REVENUE					
Taxation		2,912	8,927	2,117	9,069
Current grants and subsidies		1,960	7,687	1,795	7,407
Capital grants		15	779	68	895
Sales of goods and services		577	2,227	522	2,155
Interest Income		51	167	44	192
Revenue from public corporations					
Dividends from other sectors		11	984	-	1,415
Tax equivalent income		105	499	116	631
Royalty income		1,129	3,842	1,122	4,126
Other		139	568	123	594
Total	2	6,900	25,681	5,907	26,485
EXPENSES					
Salaries		2,887	11,819	2,837	11,383
Superannuation					
Concurrent costs		286	1,170	279	1,167
Superannuation interest cost		38	200	49	218
Other employee costs		80	401	91	370
Depreciation and amortisation		327	1,477	331	1,359
Services and contracts		572	2,356	469	2,195
Other gross operating expenses		1,624	5,549	1,499	5,518
Other interest		183	778	148	664
Current transfers	3	1,320	5,311	1,236	5,164
Capital transfers	3	96	535	115	469
Total		7,413	29,596	7,053	28,506
NET OPERATING BALANCE	4	-514	-3,914	-1,146	-2,021
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		-6	7	-2	-148
Net actuarial gains/-loss - superannuation		-80	-154	-448	-589
Provision for doubtful debts		3	-4	-1	-54
Changes in accounting policy/adjustments of prior periods		48	-	-88	110
Total other economic flows		-36	-151	-539	-679
OPERATING RESULT		-549	-4,066	-1,685	-2,700
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		71	739	566	-2,549
Gains recognised directly in equity		-7	-	-6	8
Change in net worth of the public corporations sectors		1,577	359	659	-1,192
All other		-	-	-	-
Total all other movements in equity		1,641	1,097	1,220	-3,733
TOTAL CHANGE IN NET WORTH	4	1,092	-2,968	-465	-6,433
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-514	-3,914	-1,146	-2,021
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		480	2,484	508	2,475
Changes in inventories		2	-3	2	15
Other movement in non-financial assets		-	40	-	15
<i>less:</i>					
Sales of non-financial assets		22	207	19	102
Depreciation		327	1,477	331	1,359
Total net acquisition of non-financial assets		133	839	160	1,043
NET LENDING/-BORROWING	4	-646	-4,753	-1,306	-3,064

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 Annual Report on State Finances, released on 22 September 2016.

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			
		30 Sept 2016 \$m	30 June 2017 ^(a) \$m	30 Sept 2015 \$m	30 June 2016 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		966	852	859	820
Advances paid		726	712	697	711
Investments, loans and placements	5	5,707	2,620	4,674	4,042
Receivables	6	3,567	2,560	2,753	2,921
Shares and other equity					
Investments in other public sector entities - equity method		49,231	49,403	49,505	47,654
Investments in other public sector entities - direct injections		8,717	9,058	7,559	8,180
Investments in other entities		51	38	43	48
Other financial assets		8	-	-	8
Total financial assets		68,973	65,241	66,091	64,384
<i>Non-financial assets</i>					
Land		38,627	39,232	39,147	38,551
Property, plant and equipment		43,353	47,629	45,205	43,256
Biological assets		4	-	2	4
Inventories					
Land inventories		113	93	105	113
Other inventories		86	80	71	84
Intangibles		649	612	610	650
Assets classified as held for sale		27	29	29	32
Investment property		8	-	9	8
Other		579	719	352	484
Total non-financial assets		83,445	88,396	85,529	83,182
TOTAL ASSETS		152,418	153,637	151,620	147,566
LIABILITIES					
Deposits held		1,080	835	333	518
Advances received		392	376	407	392
Borrowings	7	21,661	23,366	16,871	18,379
Unfunded superannuation		7,963	7,772	7,911	7,939
Other employee benefits		3,131	3,023	3,110	2,892
Payables		893	1,076	884	1,228
Other liabilities		1,340	1,234	1,268	1,352
TOTAL LIABILITIES		36,459	37,682	30,786	32,700
NET ASSETS		115,958	115,954	120,834	114,866
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		7,900	7,494	9,312	8,460
Other reserves		108,059	108,460	111,522	106,406
NET WORTH	4	115,958	115,954	120,834	114,866
MEMORANDUM ITEMS					
<i>Net financial worth</i>		32,513	27,559	35,305	31,684
<i>Net financial liabilities</i>		25,435	30,902	21,759	24,150
<i>Net debt</i>					
Gross debt liabilities		23,132	24,577	17,612	19,289
less: liquid financial assets		7,399	4,184	6,230	5,572
less: convergence differences impacting net debt		-	-	88	-
Net debt		15,733	20,393	11,294	13,717

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

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 2016

	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	-	-	-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

For the three months ended 30 September 2015

	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 2015</i>	61,441	48,846	11,012	121,299
Operating result	-	-	-1,685	-1,685
Other movements in equity	566	659	-6	1,220
All other	9	-	-9	-
<i>Total change in net worth</i>	576	659	-1,700	-465
Balance at 30 September 2015	62,017	49,505	9,312	120,834

Note: Columns may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

	Note	2016-17		2015-16	
		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		1,999	8,941	2,089	9,130
Grants and subsidies received		1,959	8,437	1,824	8,310
Receipts from sales of goods and services		612	2,239	525	2,294
Interest receipts		51	159	40	187
Dividends and tax equivalents		163	1,562	149	2,087
Other		1,720	5,711	1,542	5,922
<i>Total cash received</i>		6,504	27,050	6,169	27,929
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,033	-13,437	-3,452	-13,374
Payments for goods and services		-2,584	-8,190	-2,297	-8,083
Interest paid		-169	-737	-132	-631
Grants and subsidies paid		-1,240	-5,654	-1,143	-5,485
Dividends and tax equivalents		-	-	-	-
Other		-442	-1,439	-427	-1,648
<i>Total cash paid</i>		-7,468	-29,456	-7,451	-29,221
NET CASH FLOWS FROM OPERATING ACTIVITIES		-963	-2,406	-1,283	-1,291
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-480	-2,484	-508	-2,475
Sales of non-financial assets		22	207	19	102
<i>Total cash flows from investments in non-financial assets</i>		-457	-2,278	-489	-2,373
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		3	10	3	140
For liquidity purposes		1	35	-	101
<i>Cash paid</i>					
For policy purposes		-564	-962	-127	-798
For liquidity purposes		-8	-	-18	-136
<i>Total cash flows from investments in financial assets</i>		-567	-917	-142	-694
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,025	-3,195	-631	-3,067
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		4	16	5	16
Borrowings		3,325	5,033	3,315	5,194
Deposits received		-	-	-	-
Other financing receipts		7	41	410	41
<i>Total cash received</i>		3,337	5,090	3,730	5,250
<i>Cash paid</i>					
Advances paid		-4	-16	-	-16
Borrowings repaid		-12	-166	-23	-97
Deposits paid		-	-	-	-
Other financing payments		-328	-466	-492	-447
<i>Total cash paid</i>		-344	-648	-515	-560
NET CASH FLOWS FROM FINANCING ACTIVITIES		2,993	4,442	3,214	4,691
Net increase in cash and cash equivalents		1,004	-1,159	1,301	333
Cash and cash equivalents at the beginning of the year		4,773	5,019	4,440	4,440
Cash and cash equivalents at the end of the year		5,777	3,860	5,741	4,773
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		-963	-2,406	-1,283	-1,291
Net cash flows from investing in non-financial assets		-457	-2,278	-489	-2,373
Cash surplus/-deficit	4	-1,421	-4,684	-1,771	-3,664

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

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	2016-17		2015-16	
		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		2,786	8,406	2,000	8,560
Current grants and subsidies		1,960	7,687	1,795	7,407
Capital grants		15	779	68	895
Sales of goods and services		5,349	19,496	5,386	21,583
Interest Income		127	584	111	635
Royalty income		1,129	3,842	1,122	4,126
Other		245	1,029	251	1,110
Total	2	11,611	41,824	10,733	44,316
EXPENSES					
Salaries		3,197	13,086	3,164	12,627
Superannuation					
Concurrent costs		316	1,296	311	1,296
Superannuation interest cost		38	200	49	218
Other employee costs		64	259	71	257
Depreciation and amortisation		954	3,605	897	3,354
Services and contracts		795	3,253	696	3,179
Other gross operating expenses		4,970	18,356	4,935	20,279
Other interest		434	1,733	385	1,643
Other property expenses		-	-	-	-
Current transfers	3	965	3,947	915	3,683
Capital transfers	3	69	326	57	340
Total		11,803	46,060	11,480	46,875
NET OPERATING BALANCE	4	-192	-4,237	-748	-2,559
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		164	170	-144	-131
Net actuarial gains/-loss - superannuation		-81	-154	-453	-610
Provision for doubtful debts		1	-21	-6	-68
Changes in accounting policy/adjustment of prior periods		172	-	325	-743
Total other economic flows		257	-5	-278	-1,552
OPERATING RESULT		65	-4,242	-1,026	-4,111
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		179	1,328	-307	-4,176
Gains recognised directly in equity		847	-55	868	1,854
All other		-	-	-	-
Total all other movements in equity		1,027	1,274	561	-2,322
TOTAL CHANGE IN NET WORTH	4	1,092	-2,968	-465	-6,433
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE	4	-192	-4,237	-748	-2,559
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,047	5,862	1,165	5,237
Changes in inventories		329	251	-62	1,024
Other movement in non-financial assets		45	195	52	171
<i>less:</i>					
Sales of non-financial assets		168	1,070	127	701
Depreciation		954	3,605	897	3,354
Total net acquisition of non-financial assets		299	1,634	131	2,376
NET LENDING/-BORROWING	4	-491	-5,871	-878	-4,935

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

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 2016 \$m	30 June 2017 ^(a) \$m	30 Sept 2015 \$m	30 June 2016 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		2,204	1,646	1,673	1,873
Advances paid		4,741	4,723	4,489	4,729
Investments, loans and placements	5	16,351	13,650	13,649	18,322
Receivables	6	4,522	3,626	3,776	4,140
Equity - investments in other entities		1,531	1,917	1,631	1,544
Other financial assets		15	7	8	18
Total financial assets		29,364	25,567	25,227	30,626
<i>Non-financial assets</i>					
Land		53,442	54,480	54,431	53,233
Property, plant and equipment		98,478	103,317	99,272	97,324
Biological assets		334	319	316	334
Inventories					
Land inventories		2,054	2,182	2,308	2,172
Other inventories		4,830	4,356	3,415	4,501
Intangibles		1,105	1,051	1,125	1,097
Assets classified as held for sale		28	65	880	147
Investment property		298	457	59	297
Other		764	884	571	634
Total non-financial assets		161,333	167,112	162,377	159,740
TOTAL ASSETS		190,697	192,680	187,604	190,366
LIABILITIES					
Deposits held		32	56	67	27
Advances received		392	376	407	392
Borrowings	7	50,885	53,424	44,655	51,852
Unfunded superannuation		8,089	7,805	8,046	8,068
Other employee benefits		3,567	3,474	3,547	3,345
Payables		6,456	6,202	5,308	6,370
Other liabilities		5,316	5,388	4,739	5,446
TOTAL LIABILITIES		74,739	76,726	66,770	75,499
NET ASSETS		115,958	115,954	120,834	114,866
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		30,331	28,362	31,476	29,555
Other reserves		85,627	87,592	89,358	85,312
NET WORTH	4	115,958	115,954	120,834	114,866
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-45,375	-51,158	-41,543	-44,873
<i>Net financial liabilities</i>		46,905	53,075	43,174	46,417
<i>Net debt</i>					
Gross debt liabilities		51,309	53,856	45,130	52,271
less: liquid financial assets		23,297	20,018	19,812	24,924
less: convergence differences impacting net debt		-	-	88	-
Net debt		28,012	33,838	25,230	27,347

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 Annual Report on State Finances, released on 22 September 2016.

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 2016

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
	<i>Balance at 1 July 2016</i>	85,312	
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

For the three months ended 30 September 2015

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

Note: Columns may not add due to rounding.

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

	Note	2016-17		2015-16	
		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		1,917	8,318	2,012	8,556
Grants and subsidies received		1,959	8,437	1,824	8,310
Receipts from sales of goods and services		5,484	19,942	5,720	21,979
Interest receipts		166	642	156	667
Other receipts		2,089	6,482	1,967	7,156
<i>Total cash received</i>		11,615	43,821	11,679	46,668
<i>Cash paid</i>					
Wages, salaries and supplements, and superannuation		-3,394	-14,912	-3,856	-14,834
Payments for goods and services		-5,958	-19,924	-5,953	-22,112
Interest paid		-552	-1,695	-459	-1,940
Grants and subsidies paid		-994	-4,066	-898	-3,711
Other payments		-1,137	-3,958	-1,121	-4,266
<i>Total cash paid</i>		-12,035	-44,555	-12,288	-46,863
NET CASH FLOWS FROM OPERATING ACTIVITIES		-420	-733	-609	-195
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash flows from investments in non-financial assets</i>					
Purchase of non-financial assets		-1,047	-5,862	-1,165	-5,237
Sales of non-financial assets		168	1,070	127	701
<i>Total cash flows from investments in non-financial assets</i>		-879	-4,793	-1,038	-4,536
<i>Cash flows from investments in financial assets</i>					
<i>Cash received</i>					
For policy purposes		3	10	3	140
For liquidity purposes		973	7,246	1,371	4,850
<i>Cash paid</i>					
For policy purposes		-1	-10	-2	-16
For liquidity purposes		-1,378	-7,398	-1,063	-4,457
<i>Total cash flows from investments in financial assets</i>		-403	-152	308	516
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,283	-4,944	-729	-4,020
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash received</i>					
Advances received		-	-	5	-
Borrowings		4,039	17,475	3,909	18,612
Deposits received		-	-	-	-
Other financing receipts		10	35	413	49
<i>Total cash received</i>		4,049	17,510	4,327	18,660
<i>Cash paid</i>					
Advances paid		-4	-16	-	-16
Borrowings repaid		-1,689	-11,972	-825	-11,333
Deposits paid		-	-	-	-
Other financing payments		-323	-432	-493	-391
<i>Total cash paid</i>		-2,015	-12,419	-1,318	-11,740
NET CASH FLOWS FROM FINANCING ACTIVITIES		2,033	5,091	3,009	6,921
Net increase in cash and cash equivalents		330	-587	1,671	2,706
Cash and cash equivalents at the beginning of the year		11,946	10,519	9,239	9,239
Cash and cash equivalents at the end of the year		12,276	9,932	10,911	11,946
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		-420	-733	-609	-195
Net cash flows from investing in non-financial assets		-879	-4,793	-1,038	-4,536
Cash surplus/-deficit	4	-1,300	-5,526	-1,646	-4,731

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

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 2016 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 2016, presented in Appendix 1 of the 2015-16 *Annual Report on State Finances* (ARSF) released on 22 September 2016. The accounting policies adopted in this publication are consistent with those outlined in the 2015-16 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 2015-16 ARSF.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, columns/rows may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

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

NOTE 3: TRANSFER EXPENSES

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

TRANSFER EXPENSES (a)

General Government				
	2016-17		2015-16	
	Three Months to 30 Sept \$m	Budget Estimate ^(b) \$m	Three Months to 30 Sept \$m	Actual ^(c) \$m
CURRENT TRANSFERS				
Local Government	82	206	90	413
Local Government on-passing	43	177	21	85
Private and Not-for-profit sector	369	1,560	364	1,319
Private and Not-for-profit sector on-passing	288	1,191	269	1,110
Other sectors of Government	539	2,177	492	2,237
Total Current Transfers	1,320	5,311	1,236	5,164
CAPITAL TRANSFERS				
Local Government	14	107	5	88
Local Government on-passing	27	108	13	54
Private and Not-for-profit sector	26	92	32	111
Private and Not-for-profit sector on-passing	-	17	4	15
Other sectors of Government	29	211	60	200
Total Capital Transfers	96	535	115	469
Total Public Sector				
	2016-17		2015-16	
	Three Months to 30 Sept \$m	Budget Estimate ^(b) \$m	Three Months to 30 Sept \$m	Actual ^(c) \$m
CURRENT TRANSFERS				
Local Government	82	206	95	419
Local Government on-passing	43	177	21	85
Private and Not-for-profit sector	547	2,345	525	2,044
Private and Not-for-profit sector on-passing	288	1,191	269	1,110
Other sectors of Government	5	29	6	25
Total Current Transfers	965	3,947	915	3,683
CAPITAL TRANSFERS				
Local Government	14	107	5	89
Local Government on-passing	27	108	13	54
Private and Not-for-profit sector	28	94	34	182
Private and Not-for-profit sector on-passing	-	17	4	15
Other sectors of Government	-	-	-	-
Total Capital Transfers	69	326	57	340

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

(b) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(c) Consistent with final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

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 2016 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

 Net Operating Balance ^(a)

	2016-17		2015-16	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB1049 net operating balance	-514	-3,914	-1,146	-2,021
Plus GFS revenue adjustments				
Total GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	88
Total GFS expense adjustments	-	-	-	88
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-88
GFS net operating balance	-514	-3,914	-1,146	-2,109
<i>Total public sector</i>				
AASB1049 net operating balance	-192	-4,237	-748	-2,559
Plus GFS revenue adjustments				
Total GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Capitalised interest	4	19	9	31
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	88
Total GFS expense adjustments	4	19	9	119
Total GFS adjustments to AASB 1049 net operating balance	-4	-19	-9	-119
GFS net operating balance	-195	-4,255	-756	-2,678

(a) The September 2015 Quarterly Financial Results Report included an amount of \$499 million relating to prepaid road grants, based on the then advice from the Australian Bureau of Statistics (ABS) for GFS purposes. This prepayment was included as a GFS/AASB 1049 convergence difference, with the prepayment unwinding as the grant was spent on specific projects. However, on revised advice received in January 2016 from the ABS, the prepaid grant is no longer required to be accrued for GFS purposes, as where possible the ABS would prefer to align (conceptually) the GFS treatment with the AASB 1049 treatment.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/-Borrowing ^(a)

	2016-17		2015-16	
	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 lending/-borrowing	-646	-4,753	-1,306	-3,064
Plus Net operating balance convergence differences (noted above)	-	-	-	-88
GFS net lending/-borrowing	-646	-4,753	-1,306	-3,152
<i><u>Total public sector</u></i>				
AASB1049 net lending/-borrowing	-491	-5,871	-878	-4,935
Plus Net operating balance convergence differences (noted above)	-4	-19	-9	-119
GFS net lending/-borrowing	-495	-5,890	-887	-5,054

(a) See footnote to operating balance convergence difference.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Worth ^(a)

	2016-17		2015-16	
	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 worth	115,958	115,954	120,834	114,866
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	88	-
Provision for doubtful debts				
General government sector	260	235	236	263
Impact on public corporations net worth	33	18	29	31
<i>Total GFS net worth adjustments</i>	<i>293</i>	<i>253</i>	<i>353</i>	<i>293</i>
GFS net worth	116,251	116,207	121,187	115,160
<i><u>Total public sector</u></i>				
AASB1049 net worth	115,958	115,954	120,834	114,866
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	88	-
Provision for doubtful debts	293	253	265	293
<i>Total GFS net worth adjustments</i>	<i>293</i>	<i>253</i>	<i>353</i>	<i>293</i>
GFS net worth	116,251	116,207	121,187	115,160

(a) See footnote to operating balance convergence difference.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Change in Net Worth ^(a)

	2016-17		2015-16	
	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	1,092	-2,968	-465	-6,433
Plus change in:				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-88
Provision for doubtful debts				
General government sector	-3	-	-	27
Impact on public corporations net worth	2	-	4	6
Total GFS change in net worth adjustments	-1	-	4	-55
GFS change in net worth	1,091	-2,968	-461	-6,488
<u>Total public sector</u>				
AASB 1049 change in net worth	1,092	-2,968	-465	-6,433
Plus change in:				
Dampier to Bunbury Natural Gas Pipeline loan asset	-	-	-	-88
Provision for doubtful debts	-1	-	4	33
Total GFS change in net worth adjustments	-1	-	4	-55
GFS change in net worth	1,091	-2,968	-461	-6,488

(a) See footnote to operating balance convergence difference.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Cash Surplus/-Deficit

	2016-17		2015-16	
	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	-1,421	-4,684	-1,771	-3,664
Less Acquisitions under finance leases and similar arrangements	-	79	-	-
GFS cash surplus/-deficit	-1,421	-4,763	-1,771	-3,664
<u>Total public sector</u>				
AASB1049 cash surplus/-deficit	-1,300	-5,526	-1,646	-4,731
Less Acquisitions under finance leases and similar arrangements	-	79	-	-
GFS cash surplus/-deficit	-1,300	-5,605	-1,647	-4,731

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2016-17		2015-16	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	5,674	2,601	4,659	4,008
Government securities	4	5	5	4
Total	5,678	2,606	4,663	4,013
<i>Loans and advances</i>				
Loans	28	14	10	29
Financial Assets held for trading/available for sale	-	-	-	-
Total	29	14	10	29
Total	5,707	2,620	4,674	4,042

Total Public Sector

	2016-17		2015-16	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	12,197	10,017	10,311	11,153
Government securities	454	5	5	404
Total	12,651	10,022	10,316	11,556
<i>Loans and advances</i>				
Loans	3,118	3,623	2,849	6,051
Financial Assets held for trading/available for sale	582	5	484	714
Total	3,701	3,628	3,333	6,765
Total	16,351	13,650	13,649	18,322

NOTE 6: RECEIVABLES

General Government

	2016-17		2015-16	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	3,826	2,795	2,990	3,184
Provision for impairment of receivables	-260	-235	-236	-263
Total	3,567	2,560	2,753	2,921

Total Public Sector

	2016-17		2015-16	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	4,814	3,879	4,041	4,433
Provision for impairment of receivables	-293	-253	-265	-293
Total	4,522	3,626	3,776	4,140

NOTE 7: BORROWINGS

 General Government

	2016-17		2015-16	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	1	-	288	-
Finance leases	545	808	585	560
Borrowings	21,115	22,559	15,997	17,819
Total	21,661	23,366	16,871	18,379

 Total Public Sector

	2016-17		2015-16	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	1	-	290	-
Finance leases	1,389	1,624	1,463	1,414
Borrowings	49,495	51,801	42,901	50,438
Total	50,885	53,424	44,655	51,852

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 34: *Composition of Sectors* in the 2015-16 *Annual Report on State Finances*.

NOTE 9: CONTINGENT LIABILITIES

There have been no material changes to the contingent liabilities that were disclosed in Note 30 of the 2015-16 *Annual Report on State Finances*.

Operating Revenue

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

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

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

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2016-17		2015-16	
	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>	888	3,536	946	3,502
Property taxes				
<i>Land tax</i>	773	896	11	948
Transfer Duty	281	1,387	336	1,338
Landholder Duty	57	101	29	419
<i>Total duty on transfers</i>	338	1,489	365	1,756
Metropolitan Region Improvement Tax	75	98	1	98
Perth Parking Levy	48	58	49	57
Emergency Services Levy	128	323	119	307
Loan guarantee fees	35	150	26	134
<i>Total other property taxes</i>	287	629	195	596
Taxes on provision of goods and services				
Lotteries Commission	42	170	40	163
Video lottery terminals	-	1	-	-
Casino Tax	15	68	15	65
Betting tax	10	45	11	42
<i>Total taxes on gambling</i>	67	283	66	270
Insurance Duty	186	656	159	592
Other	5	20	7	24
<i>Total taxes on insurance</i>	191	676	166	615
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	85	350	85	346
Permits - Oversize Vehicles and Loads	3	8	3	7
Motor Vehicle recording fee	14	56	15	60
Motor Vehicle registrations	220	907	219	874
<i>Total motor vehicle taxes</i>	322	1,321	322	1,286
<i>Mining Rehabilitation Levy</i>	28	27	28	28
<i>Landfill Levy</i>	17	70	18	69
Total Taxation	2,912	8,927	2,117	9,069
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	505	2,035	479	1,881
North West Shelf grants	133	457	175	616
Compensation for Commonw ealth crude oil excise arrangements	7	25	8	29
<i>Grants through the State</i>				
Schools assistance – non-government schools	288	1,191	269	1,110
Local government financial assistance grants	43	177	21	85
Local government roads	27	108	13	54
<i>National Specific Purpose Payment Agreement Grants</i>				
National Skills and Workforce Development	40	163	41	157
National Disability Services	38	152	38	147
National Affordable Housing	37	148	41	143
<i>Students First</i>	142	604	128	558
<i>National Health Reform</i>	545	1,956	429	1,844
<i>National Partnerships/Other Grants</i>				
Health	86	308	93	422
Housing	5	15	0	16
Transport	5	77	14	69
Other	59	272	46	275
Total Current Grants and Subsidies	1,960	7,687	1,795	7,407

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2016-17		2015-16	
	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	-	17	4	15
<i>National Partnerships/Other Grants</i>				
Housing	15	131	51	163
Transport	-	596	12	698
Other	-	36	-	18
Total Capital Grants	15	779	68	895
SALES OF GOODS AND SERVICES	577	2,227	522	2,155
INTEREST INCOME	51	167	44	192
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	11	984	-	1,415
Tax Equivalent Regime	105	499	116	631
Total Revenue from Public Corporations	116	1,483	116	2,047
ROYALTY INCOME	1,129	3,842	1,122	4,126
OTHER				
Lease Rentals	27	93	21	92
Fines	46	199	50	206
Revenue not elsew here counted	66	276	52	297
Total Other	139	568	123	594
GRAND TOTAL	6,900	25,681	5,907	26,485

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

Note: Columns may not add due to rounding.

Table 2.2

TOTAL PUBLIC SECTOR
Operating Revenue

	2016-17		2015-16	
	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>	865	3,446	922	3,406
Property taxes				
<i>Land tax</i>	754	823	-7	870
Transfer Duty	281	1,387	336	1,338
Landholder Duty	57	101	29	419
<i>Total duty on transfers</i>	338	1,489	365	1,756
Metropolitan Region Improvement Tax	75	98	1	98
Perth Parking Levy	48	58	49	57
Emergency Services Levy	128	320	119	304
Loan guarantee fees	3	9	1	6
<i>Total other property taxes</i>	255	485	170	465
Taxes on provision of goods and services				
Video lottery terminals	-	1	-	-
Casino Tax	15	68	15	64
<i>Total taxes on gambling</i>	15	69	15	65
Insurance Duty	186	656	159	592
Other	5	20	7	24
<i>Total taxes on insurance</i>	191	676	166	615
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	85	350	85	346
Permits - Oversize Vehicles and Loads	3	8	3	7
Motor Vehicle recording fee	14	56	15	60
Motor Vehicle registrations	220	907	219	874
<i>Total motor vehicle taxes</i>	322	1,321	322	1,286
Mining Rehabilitation Levy	28	27	28	28
Landfill Levy	17	70	18	69
Total Taxation	2,786	8,406	2,000	8,560
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	505	2,035	479	1,881
North West Shelf grants	133	457	175	616
Compensation for Common wealth crude oil excise arrangements	7	25	8	29
<i>Grants through the State</i>				
Schools assistance – non-government schools	288	1,191	269	1,110
Local government financial assistance grants	43	177	21	85
Local government roads	27	108	13	54
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	40	163	41	157
National Disability Services	38	152	38	147
National Affordable Housing	37	148	41	143
<i>Students First</i>	142	604	128	558
<i>National Health Reform</i>	545	1,956	429	1,844
<i>National Partnerships\Other Grants</i>				
Health	86	308	93	422
Housing	5	15	0	16
Transport	5	77	14	69
Other	59	272	46	275
Total Current Grants and Subsidies	1,960	7,687	1,795	7,407

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2016-17		2015-16	
	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	-	17	4	15
<i>National Partnerships/Other Grants</i>				
Housing	15	131	51	163
Transport	-	596	12	698
Other	-	36	-	18
Total Capital Grants	15	779	68	895
SALES OF GOODS AND SERVICES	5,349	19,496	5,386	21,583
INTEREST INCOME	127	584	111	635
ROYALTY INCOME	1,129	3,842	1,122	4,126
OTHER				
Lease Rentals	27	93	21	92
Fines	47	199	52	206
Revenue not elsew here counted	172	737	178	813
Total Other	245	1,029	251	1,110
GRAND TOTAL	11,611	41,824	10,733	44,316

(a) Consistent with the 2016-17 Budget estimates released on 12 May 2016.

(b) Consistent with the final audited data contained in the 2015-16 *Annual Report on State Finances*, released on 22 September 2016.

Note: Columns may not add due to rounding.

Public Ledger

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

Table 3.1 shows that the aggregate balance of the Public Ledger at 30 September 2016 was in a \$7 million deficit position, a \$403 million turnaround on the deficit position at 30 September 2015. This reflects a \$549 million increase in the accrual deficit of the Consolidated Account, a \$960 million increase in TSPA balances and a higher draw against the Treasurer's Advance during the first three months of 2016-17.

PUBLIC LEDGER BALANCES AT 30 SEPTEMBER			
	2016	2015	Variance
	\$m	\$m	\$m
THE PUBLIC LEDGER			
Consolidated Account ^(a)	-12,589	-12,040	-549
Treasurer's Special Purpose Accounts	12,601	11,641	960
Treasurer's Advance Account – Net Advances and Overdraw n Trusts ^(b)	-19	-11	-8
TOTAL	-7	-410	403
Agency Special Purpose Accounts	5,983	5,335	648
TOTAL PUBLIC BANK ACCOUNT INVESTMENTS	5,976	4,925	1,051

(a) The balance of the Consolidated Account at 30 September 2016 includes non-cash appropriations of \$10,109 million (30 September 2015: \$9,124 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the Treasurer's Special Purpose Accounts balance. The cash/non-cash balances have been restated for the quarter ending 30 September 2015 (see footnote to Table 3.2).

(b) Treasurer's Advance Account - the September 2015 amount has been restated to include \$3.4 million in overdrawn Special Purpose Accounts administered by agencies.

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

Information on individual agencies' Special Purpose Accounts, which form the remainder of the Public Bank Account after the Public Ledger, can be found in the annual reports of those agencies.

Consolidated Account

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

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

The Consolidated Account accrual deficit at 30 September 2016 was \$12,589 million, an increase of \$549 million on the accumulated deficit at 30 September 2015. This included \$10,109 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 \$2,480 million at 30 September 2016. This compares with a \$2,916 million deficit cash balance at 30 September 2015 (following restatement of the cash/non-cash balances last year, detailed in the footnote to Table 3.2).

Consolidated Account borrowings increased by \$3.3 billion in the 2016-17 September quarter, representing 65% of the total \$5.1 billion planned to be drawn during 2016-17. Centrally held borrowings totalled \$20.5 billion at 30 September 2016 (compared with \$15.4 billion at 30 September 2015), and remained below the \$21.8 billion cumulative limit approved by the *Loan Act 2015* and preceding Loan Acts. The Loan Bill 2016 passed through Parliament on 20 October 2016. The new Act increases the approved cumulative limit on centrally held borrowings to \$23.5 billion.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS
For the three months ended 30 September

	2016 \$m	2015 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	1,516	1,637	-121
Commonwealth Grants	643	629	15
Government Enterprises	165	139	26
Revenue from other agencies	1,501	1,320	181
Other	93	85	8
<i>Total Operating Activities</i>	3,919	3,810	109
<i>Financing Activities</i>			
Repayments of Recoverable Advances	2	2	-
Transfers from:			
Bankwest Pension Trust	_(a)	_(a)	_(a)
Other Receipts	7	15	-8
Borrowings	3,300	3,285	15
<i>Total Financing Activities</i>	3,308	3,302	7
TOTAL REVENUE	7,227	7,111	116
EXPENDITURE			
<i>Recurrent</i>			
Authorised by Other Statutes	748	645	102
Appropriation Act (No. 1)	5,225	5,382	-157
Recurrent Expenditure under the Treasurer's Advance	4	1	3
<i>Total Recurrent Expenditure</i>	5,977	6,028	-51
<i>Investing Activities</i>			
Authorised by Other Statutes	92	94	-2
Appropriation Act (No. 2)	1,087	338	749
Investing Expenditure under the Treasurer's Advance	-	-	-
<i>Total Investing Activities</i>	1,179	432	747
<i>Financing Activities</i>			
Loan repayments	-	-	-
Other financing	7	15	-8
<i>Total Financing Activities</i>	7	15	-8
TOTAL EXPENDITURE	7,162	6,475	688
NET MOVEMENT (REVENUE LESS EXPENDITURE)	65	637	-572
Consolidated Account Balance			
Opening balance at 1 July	-12,654	-12,677	23
Closing balance at 30 September	-12,589	-12,040	-549
Of which ^(b) :			
Appropriations payable	-10,109	-9,124	-985
Cash balance at 30 September	-2,480	-2,916	436

(a) Amount less than \$0.5 million.

(b) The cash/non-cash balances shown in the 30 September 2015 outcome in the 2015-16 September *Quarterly Financial Results Report* incorrectly allocated \$440 million in non-cash appropriations to the closing cash balance (leaving an equivalent discrepancy between the balance of Agency Holding Accounts shown in Table 3.3 and the non-cash closing balance for the Consolidated Account in Table 3.2 in the September 2015 report). These balances have been corrected and restated in this report.

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 2015, a \$960 million increase in aggregate TSPA balances at 30 September 2016 mainly reflects:

- higher Holding Account balances for (non-cash) accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$985 million);
- an increase in the balance of the Perth Stadium Account (up \$332 million), reflecting the net impact of procurement and works spending relating to the stadium, sports precinct and transport infrastructure, and the timing of appropriation contributions this year;
- a decrease in the Perth Children's Hospital Account balance (down \$131 million), following the draw down of payments associated with the achievement of construction milestones;
- an increase in the balance of the Western Australian Future Fund, due to appropriation of 1% of forecast annual royalty receipts for 2016-17 (\$38 million) and interest earnings on the balance of the Fund (\$43 million);
- a net decrease in the Royalties for Regions Fund (down \$21 million), reflecting the timing of appropriation payments to the Fund, offset by the impact of lower disbursement of funds supporting spending on Royalties for Regions initiatives during the quarter, and the return of unused moneys to the Fund by agencies; and
- a decrease in the balance of agency accounts that hold cash for the cost of an extra pay period every 11 years (down \$321 million following 27th pay draw downs during the last 12 months).

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

TREASURER'S SPECIAL PURPOSE ACCOUNTS
At 30 September

Table 3.3

	2016	2015	Variance
	\$m	\$m	\$m
Agency Holding Accounts	10,109	9,124	985
Western Australian Future Fund	1,098	1,016	82
Royalties for Regions Fund	741	762	-21
Perth Stadium Account	350	19	332
Perth Children's Hospital Account	90	221	-131
Fiona Stanley Hospital Construction Account	20	20	-
Agency 27th Pay Accounts	-	321	-321
Other Treasurer's Special Purpose Accounts	193	159	34
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER	12,601	11,641	960

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

Treasurer's Advance

The Treasurer's Advance allows for repayable advances to agencies for working capital purposes (known as 'net recoverable advances'), overdrawn agency bank 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 \$632.4 million is authorised under section 29 of the FMA for the year ended 30 June 2017, compared with a total of \$645.2 million authorised limit applying at the same time last year. The lower limit this year reflects lower capital appropriations for 2015-16 compared to 2014-15 (the applicable years for calculations of the annual limits in 2016-17 and 2015-16 respectively).

Of the \$632.4 million authorised limit, \$27.7 million was drawn down in the three months to the end of September, comprising:

- \$10.8 million as approved overdrawn Special Purpose Accounts at 30 September 2016 and a further \$8.8 million held in the form of net recoverable advances (see Table 3.4); and
- \$8.1 million for excesses and new items (see Table 3.5).

Table 3.4

TREASURER'S ADVANCE AT 30 SEPTEMBER

	2016	2015	Variance
	\$m	\$m	\$m
AUTHORISED LIMIT	632.4	645.2	-12.8
<i>Total Drawn Against Treasurer's Advance Account</i>	27.7	11.8	15.9
Comprising:			
Net recoverable advances as at 30 September (see below)	8.8	7.8	1.0
Overdrawn Special Purpose Accounts ^(a)	10.8	3.4	7.4
Excesses and New Items			
- recurrent	7.3	0.7	6.6
- capital	0.8	-	0.8
NET RECOVERABLE ADVANCES			
Mining Rehabilitation Fund	5.3	4.5	0.8
Sport and Recreation	1.1	1.2	-0.1
Suitors Fund	2.0	2.0	-
WA Energy Disputes Arbitrator	0.1	-	0.1
Sundry Debtors	0.2	_(b)	0.2
TOTAL RECOVERABLE TREASURER'S ADVANCES	8.8	7.8	1.0

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

(b) Amount less than \$0.5 million.

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.

In the September 2016 quarter, appropriation transfers included:

- \$0.2 million from the Mental Health Commission to the Department of the Premier and Cabinet to develop a communications plan for the Western Australian Meth Strategy; and
- \$0.5 million from the Department of Treasury to the Department of Local Government and Communities for the Chinese New Year 2017 Activation Project.

Approved excesses and new items during the three months to 30 September 2016 included:

- a new item (\$5.3 million) to facilitate the winding up of the WA Bell Companies Administrator Authority's operations following the High Court of Australia's ruling in May 2016 that the *Bell Group Companies (Finalisation of Matters and Distribution of Proceeds) Act 2015* is invalid;
- an excess of \$2.0 million to the Department of Commerce for an ex gratia payment for damage caused by subsidence (as a result of a sink hole) at two residential properties in Mullaloo, and the associated costs for demolition of buildings and remediation of the land; and

- an excess of \$0.8 million to the Registrar, Western Australian Industrial Relations Commission to undertake planned fit out works to reconfigure and consolidate the Commission's office space.

Of these approved increases, \$3.9 million had been drawn by 30 September 2016.

Table 3.5

TRANSFERS, EXCESSES AND NEW ITEMS
For the three months to 30 September 2016

	Treasurer's Advance					Drawn against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	169.6	0.2	-	-	169.8	-
<i>Treasury</i>						
Item 56: Administered Grants, Subsidies and Other Transfer Payments	26.1	-0.5	-	-	25.6	-
<i>Commerce</i>						
Item 81: Administered Grants, Subsidies and Other Transfer Payments	7.6	-	-	2.0	9.6	-
<i>Local Government and Communities</i>						
Item 107: Delivery of Services	99.8	0.5	-	-	100.3	-
<i>Mental Health Commission</i>						
Item 115: Delivery of Services	668.7	-0.2	-	-	668.5	-
<i>Treasury</i>						
New Item: Bell Group Administration Wind Up and Associated Costs	-	-	5.3	-	5.3	3.9
Total Recurrent		-	5.3	2.0		3.9
Capital Appropriations						
<i>Registrar Western Australian Industrial Relations Commission</i>						
Item 151: Capital Appropriation	1.3	-	-	0.8	2.1	-
Total Capital		-	-	0.8		-
TOTAL		-	5.3	2.8		3.9

(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 a statute (e.g. the Fiona Stanley Hospital Construction Account and the Royalties for Regions Fund). Accounts established by statute are governed by the relevant provisions of the statute, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outline the purpose of the account.

This appendix details balances at 30 September 2016 for a number of key SPAs established to deliver specific Government policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs in existence at 30 September 2016. 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.

Essential and Municipal Services Account

This SPA was established in 2015 to administer \$90 million in Commonwealth funds, 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 in the three months to 30 September 2016 were for the delivery of essential and municipal services at a range of remote communities (\$4.5 million), and for the supply of diesel to power stand-alone electricity generators in remote communities (\$1.1 million).

Table 4.1

ESSENTIAL AND MUNICIPAL SERVICES ACCOUNT
At 30 September

	2016	2015
	\$m	\$m
<i>Balance at 1 July</i>	63	-
Receipts	-	-
Payments	6	-
Closing Balance	57	-

Note: Columns may not add due to rounding.

Fiona Stanley Hospital Construction Account

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

The 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 in 2016-17, with any remaining unspent funds on closure of the account returning to the Consolidated Account at that time. No funds were drawn from the account during the September quarter.

Table 4.2

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT
At 30 September

	2016	2015
	\$m	\$m
<i>Balance at 1 July</i>	20	20
Receipts	- (a)	- (a)
Payments	-	-
Closing Balance	20	20

(a) Amount less than \$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 three months to September reflect the transfer of the Commonwealth's contribution of \$490 million (received in late 2015-16 and paid to the Consolidated Account at that time) to the new SPA. Payments from the account (\$29.5 million) were primarily for design work, procurement of major equipment, and site establishment under the design and construct contract.

FORRESTFIELD-AIRPORT LINK ACCOUNT

Table 4.3

At 30 September

	2016	2015
	\$m	\$m
<i>Balance at 1 July</i>	-	-
Receipts	490	-
Payments	29	-
Closing Balance	461	-

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

This account was established in December 1959 under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme. Receipts are sourced from Metropolitan Region Improvement Tax (MRIT) collections.

Receipts for the three months to the end of September 2016 mainly reflect MRIT revenue (\$25 million), rental and interest revenue (\$3.5 million), proceeds from the sale of land and buildings (\$2.5 million), the refund (by the Australian Taxation Office) of GST payments on purchases (\$1.7 million), and the recoup of costs associated with the settlement of an arbitrated claim (\$0.9 million). Payments from the account were for service delivery expenses (\$5.1 million), the acquisition of land and buildings (\$2.2 million), and to progress a range of smaller infrastructure and works (\$0.7 million).

METROPOLITAN REGION IMPROVEMENT FUND

Table 4.4

At 30 September

	2016	2015
	\$m	\$m
<i>Balance at 1 July</i>	293	262
Receipts	34	11
Payments	9	7
Closing Balance	318	266

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 first three months of 2016-17 reflect contributions to the fund by mining operators (\$27.7 million). A total of \$0.2 million was drawn from the fund for administration costs.

Table 4.5

MINING REHABILITATION FUND
At 30 September

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	63	35
Receipts	28	28
Payments	-(a)	-
Closing Balance	91	63

(a) Amount below \$500,000.

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.

WA Health drew \$32 million for construction work during the three months to 30 September 2016. Project closure arrangements for the hospital are expected to be finalised in 2018-19 which accommodates a 24 month defect liability period, with any remaining funds in the account to be returned to the Consolidated Account at that time.

Table 4.6

PERTH CHILDREN'S HOSPITAL ACCOUNT
At 30 September

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	122	187
Receipts	-	44
Payments	32	10
Closing Balance	90	221

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*. Money credited to the account (\$48 million in the three months to 30 September 2016) reflects licence fees, penalties and money appropriated by Parliament for the purposes of the Act.

During the same period, \$4 million was drawn to support the Central Area Transit bus system and the Free Transit Zone in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access and other transport system initiatives.

PERTH PARKING LICENSING ACCOUNT
At 30 September

Table 4.7

	2016	2015
	\$m	\$m
<i>Balance at 1 July</i>	11	13
Receipts	48	49
Payments	4	4
Closing Balance	55	58

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. All infrastructure is expected to be completed by the end of 2017 for the stadium to be ready for operation by the start of the 2018 AFL season. Construction will utilise all available funds in the SPA.

During the three months to September 2016, receipts of \$370 million reflect appropriation funding approved in the 2016-17 Budget. Funds drawn from the account over this period totalled \$56 million for procurement and works relating to the stadium, sports precinct and transport infrastructure.

PERTH STADIUM ACCOUNT
At 30 September

Table 4.8

	2016	2015
	\$m	\$m
<i>Balance at 1 July</i>	36	121
Receipts	370	-
Payments	56	102
Closing Balance	350	19

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect collections from prescribed penalties received during the year, other funds collected under the *Road Traffic (Administration) Act 2008*, and interest revenue earned on the account balance.

Road safety projects funded from the Account are focused on achieving reductions in serious road trauma as part of the Government's Towards Zero Strategy for 2008 to 2020. The majority of the funds drawn from the account during the September quarter were for initiatives to reduce:

- inappropriate and excessive speed (\$2 million);
- single vehicle run off crashes on regional roads by applying treatments such as shoulder sealing and audible edge lines (\$1.1 million); and
- serious crashes at metropolitan intersections (\$0.4 million).

Funds were also used for the Community Education campaigns (\$1.3 million), informing and mobilising actions to improve road safety outcomes (\$1.0 million), the ongoing operational cost of the Road Safety Commission (\$0.7 million) and the Impaired Driving Crashes Program (\$0.2 million).

ROAD TRAUMA TRUST ACCOUNT
At 30 September

Table 4.9

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	95	94
Receipts	25	30
Payments	7	3
Closing Balance	113	121

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. The balance held in the Fund at any time cannot exceed \$1 billion.

Receipts during the September quarter reflect interest revenue earned on the account balance (\$5 million), and unused funds from associated projects returned to the Fund by agencies (\$23 million). A total of \$157 million was disbursed to agencies to support infrastructure, business and economic development and other regional initiatives outlined in the 2016-17 Budget.

ROYALTIES FOR REGIONS FUND
At 30 September

Table 4.10

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	870	1,000
Receipts	28	9
Payments	157	247
Closing Balance	741	762

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was established following the 2015-16 Budget and will fund strategic reform initiatives in regional Western Australia. The account is to receive a total of \$150 million from the Royalties for Regions Fund. Reform initiatives supported by this funding are yet to be determined.

Table 4.11

ROYALTIES FOR REGIONS REGIONAL REFORM FUND
At 30 September

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	100	50
Receipts	-	-
Payments	-	-
Closing Balance	100	50

Note: Columns may not add due to rounding.

Royalties for Regions Southern Inland Health Initiative

This SPA was established in June 2012 to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*. 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 \$10.3 million for the three months to the end of September 2016, including payments for the District Medical Workforce Investment Program (\$7.7 million), the District Hospital Investment Program (\$1.1 million), the Telehealth Investment Program (\$0.9 million) and the Residential Aged and Dementia Care Program (\$0.6 million).

Table 4.12

ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE
At 30 September

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	156	219
Receipts	-	-
Payments	10	9
Closing Balance	146	209

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the landfill levy. The purpose of the Account is to fund programs and other initiatives related to the management, reduction, reuse, recycling, monitoring and measurement of waste.

Receipts from fees paid into the account for the three months to the end of September 2016 totalled almost \$4.5 million. Drawdowns of \$2 million over the same period were used for a range of programs including the Household Hazardous Waste Program, Waste Wise Schools, Garage Sale Trail and other waste management initiatives, and services provided by the Department of Environment Regulation.

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT
At 30 September

Table 4.13

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	31	21
Receipts	4	7
Payments	2	2
Closing Balance	33	25

Note: Columns may not add due to rounding.

Western Australian Future Fund

The Western Australian Future Fund was established in November 2012 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.

The Future Fund received \$933 million in 'seed capital' from the Royalties for Regions Fund over the period 2012-13 to 2015-16. From 2016-17 onwards, a minimum of 1% of the State's annual royalty revenue will be paid into the Fund. Receipts of \$54 million in the September quarter included the Consolidated Account's annual contribution equivalent to 1% of annual forecast royalty collections (\$38.4 million) and interest receipts (\$15.4 million).

WESTERN AUSTRALIAN FUTURE FUND
At 30 September

Table 4.14

	2016 \$m	2015 \$m
<i>Balance at 1 July</i>	1,044	879
Receipts	54	137
Payments	-	-
Closing Balance	1,098	1,016

Note: Columns may not add due to rounding.