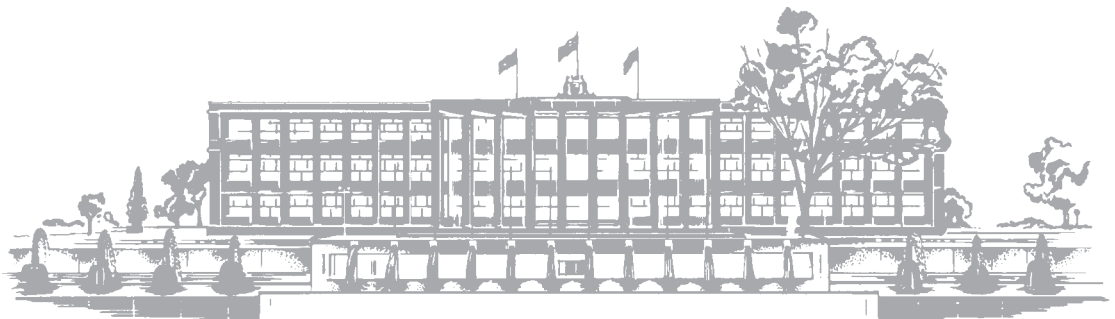




2004-05

QUARTERLY FINANCIAL
RESULTS REPORT

DECEMBER 2004



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2004-05

**QUARTERLY FINANCIAL RESULTS REPORT
Six Months Ended 31 December 2004**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Western Australian public sector's financial results for the six months to 31 December 2004.

Care should be exercised in extrapolating the likely outcome for the 2004-05 year based on the quarterly results to date, particularly in light of seasonal and other timing factors that impact the State's finances.

The focus of the State budget is the government finance statistics (GFS) operating balance for the general government sector. The GFS presentation in this report can be compared directly with the format of the budget.

In addition to the GFS presentation that is the focus of this QFRR, an Australian Accounting Standards (AAS) compliant series of results is also presented in Appendix 3, which includes interim financial statements for the total public sector prepared in accordance with accounting standard AASB 1029: *Interim Financial Reporting*. Unlike the *Government of Western Australia Consolidated Financial Statements* (CFS), which are prepared annually in accordance with accounting standard AAS 31: *Financial Reporting by Governments*, this QFRR is not audited.

The 2003-04 annual results appearing in this report are consistent with the audited CFS for the year ended 30 June 2004, released on 2 November 2004, while the annual estimates for 2004-05 are consistent with those appearing in the 2004-05 *Pre-Election Financial Projections Statement* (PFPS) released on 2 February 2005.

Overview

Summary

The Western Australian public sector recorded a strong financial result in the first six months of 2004-05, with both the general government and total public sectors recording larger operating surpluses than for the same period the previous year.

The State's balance sheet remains strong with total public sector net worth increasing by \$1.6 billion over the six months to 31 December 2004, and net debt decreasing by \$333 million to stand at \$3.9 billion.

General Government Sector

The general government sector is the focus of the Government's 'headline' measure of budget performance (the general government net operating balance). This sector is responsible for the collection of central revenue such as taxation, mining royalties and Commonwealth grants, and for the provision of key services to the community such as health, education, and law and order.

For the first six months of 2004-05, the general government sector recorded an \$851 million operating surplus. This compares with a \$674 million surplus for the same period the previous year.

It should be noted that this result does not reflect the full impact of the tax relief package announced in October 2004 (which didn't fully come into effect until 1 January 2005), nor does it reflect the impact of expense decisions for the remainder of 2004-05 announced in the mid-year review and PFPS.

Revenue

Revenue for the six months to 31 December 2004 totalled \$7,247 million. This represents 53.4% of the annual estimate for 2004-05 published in the PFPS, and is \$731 million (or 11.2%) higher than the same period the previous year.

The increase in revenue for the first six months of 2004-05 (relative to the same period in 2003-04) primarily reflects:

- higher Commonwealth grants (up \$475 million), reflecting a number of factors:
 - higher GST grants (up \$270 million) due to an increase in the national pool of GST revenue and Western Australia's share of that revenue;
 - higher North West Shelf petroleum royalties (up \$51 million), mainly reflecting higher oil prices and production levels;
 - increased funding for health, education and roads (up \$49 million) and non-government schools (up \$32 million);
 - higher housing grants (up \$23 million) due to an increase in funding for the community construction/maintenance program and Remote Area Essential Services Program; and
 - higher competition payments (up \$17 million) following the recommendations of the National Competition Council;
- higher taxation revenue (up \$105 million), largely due to:
 - increased payroll tax (up \$56 million) due to aggregate growth in wages and employment combined with compositional changes in employment; and
 - higher land tax and Metropolitan Region Improvement Tax revenue (up \$39 million), reflecting the impact of growth in land valuations as well as the number of taxable properties;

- higher ‘other’ revenue (up \$84 million), largely due to the transfer of Crown land vested with Edith Cowan University to the State, for sale back to the university (which has an offsetting expense effect – see below), and timing differences associated with capital user charge revenue received from the Public Transport Authority; and
- higher royalty income (up \$52 million), with increased iron ore and petroleum royalties as a result of higher prices and production levels.

Expenses

Expenses for the six months to 31 December 2004 totalled \$6,396 million. This represents 48.9% of the annual estimate for 2004-05 published in the PFPS, and is \$554 million (or 9.5%) higher than the same period the previous year. The increase primarily reflects:

- higher current and capital transfers (up \$300 million), largely due to the timing of appropriation funding to the Public Transport Authority, a grant payment to Edith Cowan University for the purchase of Crown land (as noted above), and the on-passing of higher housing and non-government school grants from the Commonwealth;
- higher salaries (up \$194 million), reflecting backdated pay increases for general public servants and education assistants, and higher pay rates and employee numbers in the health and education sectors;
- higher services and contracts expenses (up \$40 million), primarily due to increased roadworks expenditure for new road infrastructure;
- higher ‘other’ gross operating expenses (up \$23 million), due mainly to increases in patient support costs in the health sector as a result of a general increase in drug costs and the implementation of Government initiatives such as the Winter Demand Strategy; and
- higher superannuation expenses (up \$14 million), reflecting the flow-on impact of the increase in salaries discussed above.

Table 1

**SUMMARY OF GENERAL GOVERNMENT FINANCES
SIX MONTHS TO 31 DECEMBER 2004**

Western Australia

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
Net operating balance	519	851	498	483	674	799
Net worth		45,378	45,768		39,372	43,754
Increase in cash balances	341	-314	-771	232	-86	152
<i>Memorandum items</i>						
Net lending	422	695	27	389	550	570
Net debt		-434	-160		155	-291
Cash surplus	530	229	-2	281	70	554

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Balance Sheet

Net worth of the general government sector increased \$1.6 billion in the six months to 31 December 2004 to stand at \$45.4 billion. This is primarily attributable to increases in equity holdings in public corporations (up \$732 million), higher other non-equity investments (up \$359 million), due primarily to an increase in accounts receivable (reflecting seasonal behaviour), and lower borrowings, mainly due to the retirement of \$481 million in general government debt in August 2004.

Total Public Sector

The total public sector represents the consolidation of the general government sector (discussed in the previous section), the public non-financial corporations sector (comprising entities such as Western Power, the Water Corporation and the Public Transport Authority) and the public financial corporations sector (comprising entities such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

Operating Statement

An operating surplus of \$1,157 million was recorded by the total public sector for the first six months of 2004-05, up from the \$896 million surplus recorded for the same period the previous year.

This result reflects the operating surplus of the general government sector discussed earlier (\$851 million), and smaller operating surpluses in the public corporations sectors.

The public non-financial corporations sector recorded a \$63 million operating surplus for the six months ended 31 December 2004, similar to the \$60 million surplus recorded for the same period the previous year.

The public financial corporations sector recorded an operating surplus of \$243 million for the first six months of 2004-05, compared to the surplus of \$163 million recorded for the same period the previous year. This result mainly reflects improvements in the net return on investments by the Insurance Commission of Western Australia.

Table 2

**SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
SIX MONTHS TO 31 DECEMBER 2004**

Western Australia

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
Net operating balance	572	1,157	814	576	896	1,178
Net worth		45,378	45,768		39,372	43,754
Increase in cash balances	438	324	-850	209	499	348
<i>Memorandum items</i>						
Net lending	369	637	-718	330	383	90
Net debt		3,861	5,307		4,366	4,194
Cash surplus	250	258	-1,128	120	160	143

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Balance Sheet

Under GFS standards, the net worth of the general government sector includes the net worth of the public corporations sectors as an equity asset. Therefore, total public sector net worth is identical to that of the general government sector (discussed previously).

Net debt of the total public sector fell by \$333 million in the first six months of 2004-05 to stand at \$3.9 billion at 31 December 2004. The more favourable net debt outcome mainly reflects the increase in revenue discussed earlier, partly offset by higher capital spending in the first six months of 2004-05 relative to the same period the previous year.

APPENDIX 1

Government Finance Statistics

The tables in this appendix satisfy Uniform Presentation Framework (UPF) formats for the core statements of the general government and total public sectors, although the UPF does not require presentation of quarterly statistics.

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Table 1.1

GENERAL GOVERNMENT Operating Statement

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
REVENUE						
Taxation	1,084	2,383	3,982	1,174	2,278	4,122
Current grants and subsidies	1,705	3,137	6,328	1,442	2,708	5,583
Capital grants	97	183	381	77	137	295
Sales of goods and services	192	462	918	215	484	941
Interest income	33	68	146	33	62	128
Revenue from public corporations						
Dividends	132	239	436	113	214	448
Tax equivalent payments	145	214	259	137	208	310
Royalty income	185	364	780	155	312	654
Other	66	197	336	63	113	272
Total	3,639	7,247	13,565	3,409	6,516	12,753
EXPENSES						
Gross operating expenses						
Salaries	1,291	2,560	5,075	1,193	2,366	4,787
Depreciation and amortisation	132	264	561	147	292	546
Superannuation	124	246	496	123	232	458
Services and contracts ^(c)	319	606	1,459	316	566	1,216
Other gross operating expenses	381	819	1,733	337	796	1,637
Nominal superannuation interest	72	144	295	63	139	283
Other interest	34	85	180	42	81	165
Other property expenses	-	-	-	-	-	-
Current transfers	663	1,406	2,769	621	1,183	2,440
Capital transfers	103	266	499	83	189	421
Total	3,120	6,396	13,068	2,926	5,842	11,954
NET OPERATING BALANCE	519	851	498	483	674	799
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	255	481	1,260	260	462	992
Sales of non-financial assets	-28	-121	-289	-20	-47	-166
less depreciation	132	264	561	147	292	546
plus change in inventories	1	2	3	1	-	-4
plus other movements in non-financial assets	-	58	58	-	-	-47
Total	97	156	470	94	124	229
NET LENDING/BORROWING	422	695	27	389	550	570

Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)

NET OPERATING BALANCE	519	851	498	483	674	799
less provisions for doubtful debts	-	-	1	-	-	-5
plus net gains on assets (including derivatives)	-1	27	90	5	9	-149
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	-	-	66
plus all other adjustments	413	410	-	24	51	-
AAS OPERATING RESULT	931	1,288	587	511	733	588

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

(c) Gross operating expenses – other has been disaggregated into 'Services and contracts' and 'Other gross operating expenses' from July 2004. Comparatives have been restated to reflect this new reporting classification.

Note: Columns may not add due to rounding.

GENERAL GOVERNMENT
Balance Sheet at End of Period

	2004-05		2003-04	
	31 Dec \$m	Annual Estimate ^(a) \$m	31 Dec \$m	Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	334	400	337	414
Advances paid	933	944	862	853
Investments, loans and placements	1,637	869	1,508	1,702
Other non-equity assets	1,285	920	1,102	926
Equity	19,005	18,986	16,738	18,273
<i>Total</i>	<i>23,194</i>	<i>22,119</i>	<i>20,546</i>	<i>22,168</i>
<i>Non-Financial assets</i>				
Land and fixed assets	31,884	33,147	28,570	31,621
Other non-financial assets	107	66	28	83
<i>Total</i>	<i>31,991</i>	<i>33,213</i>	<i>28,598</i>	<i>31,704</i>
TOTAL ASSETS	55,185	55,332	49,144	53,871
LIABILITIES				
Deposits held	542	266	468	309
Advances received	561	556	576	561
Borrowings	1,367	1,232	1,818	1,807
Unfunded superannuation liabilities	5,491	5,478	5,297	5,490
Other employee entitlements and provisions	1,276	1,308	1,199	1,344
Non-equity liabilities	570	725	415	606
TOTAL LIABILITIES	9,807	9,564	9,772	10,117
NET WORTH	45,378	45,768	39,372	43,754
<i>Memorandum Item: Net Debt</i>	<i>-434</i>	<i>-160</i>	<i>155</i>	<i>-291</i>

Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)

NET WORTH	45,378	45,768	39,372	43,754
less equity (net worth) of PNFC and PFC sectors	18,495	18,430	16,426	17,847
less all other adjustments	-	-	-	-
AAS NET ASSETS	26,883	27,338	22,946	25,907

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	1,279	2,236	3,988	1,192	2,104	4,047
Receipts from sales of goods and services	247	500	950	231	467	968
Grants and subsidies received	1,799	3,317	6,697	1,504	2,838	5,829
Other receipts	610	1,088	2,378	562	968	2,224
<i>Total</i>	3,935	7,141	14,014	3,489	6,377	13,068
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-2,198	-4,533	-9,042	-2,078	-4,204	-8,238
Grants and subsidies paid	-768	-1,540	-3,057	-712	-1,283	-2,589
Interest paid	-28	-80	-174	-33	-73	-171
Other payments	-184	-399	-772	-144	-332	-691
<i>Total</i>	-3,178	-6,552	-13,046	-2,968	-5,892	-11,688
Net Cash Flow from Operating Activities	757	589	968	521	485	1,380
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-255	-481	-1,260	-260	-462	-992
Sales of non-financial assets	28	121	289	20	47	166
<i>Total</i>	-227	-360	-970	-241	-415	-826
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-38	-84	-115	-8	-19	-122
Liquidity purposes	-147	-143	15	18	-89	-80
<i>Total</i>	-186	-227	-99	10	-108	-202
Net Cash Flow from Investing Activities	-413	-588	-1,070	-231	-523	-1,028
FINANCING ACTIVITIES						
Advances received (net)	-	-	-	-5	-5	-8
Borrowings (net)	-17	-316	-569	-46	-46	-158
Deposits received (net)	-	-1	-	-1	12	-2
Distributions paid	-	-	-	-	-	-
Other financing	13	1	-101	-6	-9	-32
<i>Total</i>	-4	-316	-669	-59	-47	-199
<i>Opening cash balance</i>	2,035	2,690	2,690	738	1,056	2,538
NET INCREASE IN CASH HELD	340	-314	-771	232	-86	152
<i>Closing cash balance</i>	2,375	2,375	1,918	970	970	2,690
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	530	229	-2	281	70	554
<i>less finance leases and similar arrangements</i>	-	-	-	-	-	-
Surplus	530	229	-2	281	70	554

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

GENERAL GOVERNMENT
Taxation Revenue

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	313	624	1,183	281	568	1,139
Property taxes						
<i>Land tax</i>	22	306	310	170	271	280
Conveyances and transfers	348	625	1,047	333	639	1,207
Mortgages	37	67	121	29	58	115
Other stamp duties	7	20	31	20	34	53
<i>Total stamp duties on financial and capital transactions</i>	393	712	1,200	382	730	1,375
Debits Tax	23	48	96	26	49	97
<i>Total financial institutions taxes</i>	23	48	96	26	49	97
Metropolitan Region Improvement Tax	10	47	48	25	43	44
Emergency Services Levy	54	104	118	16	63	75
Loan guarantee fees	3	5	11	3	5	10
<i>Total other property taxes</i>	67	156	177	44	112	129
Taxes on provision of goods and services						
Lotteries Commission	24	48	96	23	49	95
less rebates	-5	-10	-20	-5	-10	-20
Video lottery terminals	-	-	1	-	-	-
Casino Tax	12	24	45	13	24	47
less rebates	-6	-13	-25	-7	-12	-24
TAB betting tax	15	29	53	14	26	56
less rebates	-6	-11	-24	-6	-11	-22
<i>Total taxes on gambling</i>	34	66	126	32	65	132
Contribution to fire brigades	-	-	-	15	31	31
Stamp duty on insurance policies	64	146	256	66	138	279
Other	2	17	21	3	6	19
<i>Total taxes on insurance</i>	66	163	276	84	174	328
Taxes on use of goods and performance of activities						
Stamp duty on vehicle licences	75	134	259	67	130	273
Permits - oversize vehicles and loads	1	1	2	-	1	3
Motor vehicle recording fee	11	22	37	11	23	45
Motor vehicle registrations	81	152	317	78	156	320
<i>Total motor vehicle taxes</i>	166	309	614	156	309	641
Total Taxation	1,084	2,383	3,982	1,174	2,278	4,122

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.5

TOTAL PUBLIC SECTOR Operating Statement

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
REVENUE						
Taxation	1,031	2,287	3,823	1,134	2,194	3,950
Current grants and subsidies	1,705	3,137	6,328	1,442	2,708	5,583
Capital grants	97	183	381	77	137	295
Sales of goods and services	1,739	3,358	6,340	1,577	3,136	6,488
Interest income	163	308	556	158	286	580
Royalty income	185	364	780	155	312	654
Other	113	299	524	130	237	518
<i>Total</i>	5,033	9,936	18,732	4,672	9,010	18,069
EXPENSES						
Gross operating expenses						
Salaries	1,414	2,810	5,596	1,314	2,603	5,286
Depreciation and amortisation	290	580	1,204	300	593	1,177
Superannuation	123	270	547	136	257	508
Services and contracts ^(c)	425	793	1,780	410	720	1,551
Other gross operating expenses	1,337	2,456	5,096	1,162	2,263	5,005
Nominal superannuation interest	72	144	295	63	139	283
Other interest	209	432	762	215	415	836
Other property expenses	-	-	-	-	-	-
Current transfers	526	1,103	2,281	437	986	1,988
Capital transfers	64	192	357	58	137	257
<i>Total</i>	4,460	8,779	17,918	4,097	8,113	16,890
NET OPERATING BALANCE	572	1,157	814	576	896	1,178
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	660	1,301	3,400	618	1,103	2,502
Sales of non-financial assets	-127	-346	-769	-100	-227	-607
less depreciation	290	580	1,204	300	593	1,177
plus change in inventories	-38	89	47	27	230	387
plus other movements in non-financial assets	-1	56	58	-	-	-16
<i>Total</i>	203	520	1,532	245	513	1,088
NET LENDING/BORROWING	369	637	-718	330	383	90
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)						
NET OPERATING BALANCE	572	1,157	814	576	896	1,178
less provisions for doubtful debts	2	4	9	2	4	1
plus net gains on assets (including derivatives)	40	90	182	24	31	-61
plus capitalised interest	1	2	-	1	3	6
less revaluation of superannuation liabilities	-	-	-	-	-	63
plus all other adjustments	432	403	-19	25	53	38
AAS OPERATING RESULT	1,043	1,648	968	624	979	1,098

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

(c) Gross operating expenses – other has been disaggregated into 'Services and contracts' and 'Other gross operating expenses' from July 2004. Comparatives have been restated to reflect this new reporting classification.

Note: Columns may not add due to rounding.

Table 1.6

TOTAL PUBLIC SECTOR
Balance Sheet at End of Period

	2004-05		2003-04	
	31 Dec \$m	Annual Estimate ^(a) \$m	31 Dec \$m	Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	510	530	477	538
Advances paid	2,042	2,016	1,778	1,773
Investments, loans and placements	6,775	5,540	6,120	6,421
Other non-equity assets	2,019	1,863	1,995	1,737
Equity	1,006	963	786	904
<i>Total</i>	<i>12,352</i>	<i>10,911</i>	<i>11,155</i>	<i>11,373</i>
<i>Non-Financial assets</i>				
Land and fixed assets	57,027	59,236	51,540	56,107
Other non-financial assets	317	241	175	298
<i>Total</i>	<i>57,344</i>	<i>59,477</i>	<i>51,715</i>	<i>56,405</i>
TOTAL ASSETS	69,696	70,389	62,870	67,777
LIABILITIES				
Deposits held	144	148	138	136
Advances received	561	556	576	561
Borrowings	12,484	12,689	12,026	12,229
Unfunded superannuation liabilities	5,688	5,665	5,576	5,694
Other employee entitlements and provisions	1,465	1,492	1,369	1,545
Non-equity liabilities	3,976	4,070	3,812	3,858
TOTAL LIABILITIES	24,318	24,621	23,498	24,023
NET WORTH	45,378	45,768	39,372	43,754
<i>Memorandum Item: Net Debt</i>	3,861	5,307	4,366	4,194
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)				
NET WORTH	45,378	45,768	39,372	43,754
<i>less all other adjustments</i>	-	-	-	-
AAS NET ASSETS	45,378	45,768	39,372	43,754

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.7

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2004-05			2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	1,240	2,168	3,793	1,165	2,050	3,840
Receipts from sales of goods and services	1,595	3,425	6,422	1,512	3,271	6,492
Grants and subsidies received	1,799	3,317	6,697	1,504	2,838	5,829
Other receipts	614	1,299	2,356	541	1,115	2,368
<i>Total</i>	5,247	10,209	19,269	4,722	9,275	18,529
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-3,341	-6,655	-13,268	-3,133	-6,223	-12,273
Grants and subsidies paid	-512	-1,181	-2,490	-440	-1,032	-2,080
Interest paid	-245	-429	-752	-234	-392	-828
Other payments	-365	-730	-1,255	-275	-589	-1,311
<i>Total</i>	-4,464	-8,996	-17,765	-4,082	-8,236	-16,492
Net Cash Flow from Operating Activities	783	1,214	1,503	640	1,039	2,037
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-660	-1,301	-3,400	-619	-1,106	-2,502
Sales of non-financial assets	127	346	769	100	227	607
<i>Total</i>	-533	-955	-2,631	-519	-878	-1,894
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-	-	-	4	8	15
Liquidity purposes	-212	-279	-211	124	86	-111
<i>Total</i>	-212	-279	-210	128	94	-96
Net Cash Flow from Investing Activities	-745	-1,234	-2,841	-391	-785	-1,991
FINANCING ACTIVITIES						
Advances received (net)	-	-	-12	-5	-6	-20
Borrowings (net)	347	295	501	-48	202	313
Deposits received (net)	-	-1	-	-1	12	-2
Distributions paid	-	-	-	-	-	-
Other financing	54	51	-	15	36	10
<i>Total</i>	401	345	489	-39	245	301
<i>Opening cash balance</i>	5,812	5,927	5,927	4,810	4,521	5,579
NET INCREASE IN CASH HELD	438	324	-850	209	499	348
<i>Closing cash balance</i>	6,251	6,251	5,077	5,020	5,020	5,927
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	250	258	-1,128	120	160	143
<i>less finance leases and similar arrangements</i>	-	-	-	-	-	-
Surplus	250	258	-1,128	120	160	143

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

General Government Monthly Financial Results - December 2004

This appendix provides a summary of the Western Australian general government sector's finances for the month of December 2004. Care should be taken in interpreting monthly results, which can vary significantly from month to month due to various seasonal and other timing factors.

Operating Statement

The general government sector recorded an operating surplus of \$86 million for the month of December 2004, compared with a \$39 million operating deficit recorded for December 2003.

Revenue for December 2004 totalled \$1,162 million, up \$111 million (or 10.6%) from the same month the previous year. The variation between the two periods primarily reflects:

- higher Commonwealth grants (up \$94 million), reflecting a revised GST payment profile in 2004-05, timing differences associated with the receipt of education grants, and higher petroleum royalties from the North West Shelf due to higher oil prices and production levels;
- higher revenue from public corporations (up \$26 million), primarily reflecting increased profitability of the Water Corporation; and
- increased royalty income (up \$14 million) primarily as a result of higher iron ore prices and production.

Expenses in the month of December 2004 totalled \$1,076 million, down \$13 million (or 1.2%) compared to December 2003. This decrease primarily reflects lower current and capital transfers (down \$55 million) due to the timing of appropriations to the Public Transport Authority, partially offset by higher salaries (up \$39 million) reflecting higher pay rates and employee numbers in the health and education sectors.

Cash Flow Statement

A \$12 million net cash inflow resulted from operating activities in the month of December 2004. Combined with net capital expenditure (i.e. investments in non-financial assets) of \$92 million, this resulted in a cash deficit of \$80 million in December 2004 (compared with a \$142 million cash deficit in December 2003).

Table 2.1

GENERAL GOVERNMENT
Operating Statement

	2004-05			2003-04	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate ^(a) \$m	Month of Dec \$m	Actual ^(b) \$m
REVENUE					
Taxation	342	325	3,982	321	4,122
Current grants and subsidies	487	444	6,328	350	5,583
Capital grants	50	26	381	26	295
Sales of goods and services	61	58	918	88	941
Interest income	12	12	146	13	128
Revenue from public corporations					
Dividends	35	68	436	44	448
Tax equivalent payments	20	116	259	114	310
Royalty income	20	94	780	80	654
Other	26	20	336	15	272
<i>Total</i>	<i>1,053</i>	<i>1,162</i>	<i>13,565</i>	<i>1,051</i>	<i>12,753</i>
EXPENSES					
Gross operating expenses					
Salaries	419	466	5,075	427	4,787
Depreciation and amortisation	44	44	561	50	546
Superannuation	41	44	496	56	458
Services and contracts ^(c)	71	128	1,459	109	1,216
Other	126	131	1,733	143	1,637
Nominal superannuation interest	24	24	295	6	283
Other interest	12	11	180	13	165
Other property expenses	-	-	-	-	-
Current transfers	154	207	2,769	229	2,440
Capital transfers	47	22	499	55	421
<i>Total</i>	<i>937</i>	<i>1,076</i>	<i>13,068</i>	<i>1,089</i>	<i>11,954</i>
NET OPERATING BALANCE	116	86	498	-39	799

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

(c) Gross operating expenses – other has been disaggregated into 'Services and contracts' and 'Other' from July 2004. Comparatives have been restated to reflect this new reporting classification.

Note: Columns may not add due to rounding.

Table 2.2

GENERAL GOVERNMENT
Cash Flow Statement

	2004-05			2003-04	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate ^(a) \$m	Month of Dec \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	470	368	3,988	385	4,047
Receipts from sales of goods and services	71	96	950	88	968
Grants and subsidies received	537	463	6,697	368	5,829
Other receipts	110	256	2,378	227	2,224
<i>Total</i>	<i>1,188</i>	<i>1,182</i>	<i>14,014</i>	<i>1,068</i>	<i>13,068</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-671	-787	-9,042	-709	-8,238
Grants and subsidies paid	-138	-319	-3,057	-378	-2,589
Interest paid	-5	-8	-174	-7	-171
Other payments	-70	-57	-772	-57	-691
<i>Total</i>	<i>-884</i>	<i>-1,170</i>	<i>-13,046</i>	<i>-1,151</i>	<i>-11,688</i>
Net Cash Flow from Operating Activities	304	12	968	-83	1,380
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-84	-96	-1,260	-58	-992
Sales of non-financial assets	15	4	289	-2	166
<i>Total</i>	<i>-69</i>	<i>-92</i>	<i>-970</i>	<i>-60</i>	<i>-826</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	15	-14	-115	-8	-122
Liquidity purposes	-40	-20	15	13	-80
<i>Total</i>	<i>-25</i>	<i>-33</i>	<i>-99</i>	<i>5</i>	<i>-202</i>
Net Cash Flow from Investing Activities	-94	-125	-1,070	-54	-1,028
FINANCING ACTIVITIES					
Advances received (net)	-	-	-	-	-8
Borrowings (net)	32	9	-569	-63	-158
Deposits received (net)	-7	6	-	12	-2
Distributions paid	-	-	-	-	-
Other financing	7	-7	-101	-3	-32
<i>Total</i>	<i>31</i>	<i>7</i>	<i>-669</i>	<i>-55</i>	<i>-199</i>
<i>Opening cash balance</i>	<i>2,239</i>	<i>2,481</i>	<i>2,690</i>	<i>1,162</i>	<i>2,538</i>
NET INCREASE IN CASH HELD	242	-106	-771	-192	152
<i>Closing cash balance</i>	<i>2,481</i>	<i>2,375</i>	<i>1,918</i>	<i>970</i>	<i>2,690</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>235</i>	<i>-80</i>	<i>-2</i>	<i>-142</i>	<i>554</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	235	-80	-2	-142	554

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

GENERAL GOVERNMENT
Taxation Revenue

	2004-05			2003-04	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate ^(a) \$m	Month of Dec \$m	Actual ^(b) \$m
TAXATION					
Taxes on employers' payroll and labour force					
<i>Payroll tax</i>	103	106	1,183	85	1,139
Property taxes					
<i>Land tax</i>	3	2	310	11	280
Conveyances and transfers	100	92	1,047	106	1,207
Mortgages	9	10	121	9	115
Other stamp duties	3	2	31	12	53
<i>Total stamp duties on financial and capital transactions</i>	112	104	1,200	127	1,375
Debits Tax	8	7	96	8	97
<i>Total financial institutions taxes</i>	8	7	96	8	97
Metropolitan Region					
Improvement Tax	1	-	48	-	44
Emergency Services Levy	16	9	118	-	75
Loan guarantee fees	1	1	11	1	10
<i>Total other property taxes</i>	18	9	177	1	129
Taxes on provision of goods and services					
Lotteries Commission	8	8	96	8	95
less rebates	-2	-2	-20	-2	-20
Video lottery terminals	-	-	1	-	-
Casino Tax	4	5	45	4	47
less rebates	-1	-2	-25	-3	-24
TAB betting tax	4	6	53	5	56
less rebates	-2	-2	-24	-2	-22
<i>Total taxes on gambling</i>	12	14	126	11	132
Contribution to fire brigades	-	-	-	-	31
Stamp duty on insurance policies	25	21	256	22	279
Other	2	-1	21	2	19
<i>Total taxes on insurance</i>	26	20	276	24	328
Taxes on use of goods and performance of activities					
Stamp duty on vehicle licences	27	29	259	21	273
Permits - oversize vehicles and loads	-	-	2	-	3
Motor vehicle recording fee	4	4	37	4	45
Motor vehicle registrations	28	31	317	28	320
<i>Total motor vehicle taxes</i>	59	63	614	53	641
Total Taxation	342	325	3,982	321	4,122

(a) Estimate published in the 2004-05 *Pre-Election Financial Projections Statement*, released 2 February 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Interim Consolidated Financial Statements

Statement of Responsibility

The following interim consolidated financial statements and accompanying notes for the Government of Western Australia have been prepared by the Department of Treasury and Finance from information provided by agencies.

In our opinion, the statements fairly present the financial performance and cash flows of the Government for the six months ended 31 December 2004 and the financial position of the Government as at 31 December 2004, in accordance with applicable accounting standards (AAS and AASB), including AASB 1029: *Interim Financial Reporting*, and other mandatory professional requirements.



COLIN MURPHY
ACTING UNDER TREASURER



VALERIE JAYASINGHE CA
ASSISTANT DIRECTOR
FINANCIAL REPORTING

23 March 2005

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Table 3.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
PERFORMANCE**

For the six months ended 31 December 2004

	2004-05			2003-04		
	Note	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
REVENUE FROM ORDINARY ACTIVITIES						
Taxation	2	1,011	2,238	1,137	2,168	3,966
Territorial revenue		334	632	261	527	1,079
Regulatory fees and fines		124	246	98	231	360
Sale of goods and services	3	1,409	2,820	1,287	2,526	5,489
Grants and subsidies	4	1,689	3,125	1,451	2,700	5,598
Interest revenue		135	250	133	242	477
Other revenue		421	893	426	869	1,591
Total revenues from ordinary activities		5,123	10,204	4,796	9,262	18,560
EXPENSES FROM ORDINARY ACTIVITIES						
Supplies and services		520	938	376	743	1,762
Employee benefits		1,451	2,886	1,346	2,684	5,455
Superannuation		195	414	199	396	854
Borrowing costs		208	430	214	413	831
Depreciation and amortisation		291	580	300	593	1,169
Grants and subsidies		617	1,354	534	1,183	2,345
Other expenses	5	798	1,954	1,203	2,273	5,046
Total expenses from ordinary activities		4,080	8,556	4,172	8,283	17,462
NET RESULT		1,043	1,648	624	979	1,098
Increase (decrease) in asset revaluation reserve		-330	-97	-94	369	4,547
Net initial adjustment on adoption of new accounting standards		-	-	-	-	-
Increase/(Decrease) in other reserves		-172	73	-	-	52
Other		-	-	-	-	31
Total revenue, expenses and valuation adjustments recognised directly in equity		-502	-24	-94	1,348	4,630
TOTAL CHANGES IN EQUITY		541	1,624	530	1,348	5,728

The accompanying notes form part of these financial statements.

Table 3.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2004

	2004-05		2003-04	
	Note	31 Dec \$m	31 Dec \$m	30 June \$m
CURRENT ASSETS				
Cash assets		510	477	538
Other financial assets – Investments	6	6,173	5,656	5,988
Inventories		546	474	575
Receivables	7	1,746	1,701	1,585
Other financial assets – Loans and advances	8	14	13	28
Other assets		138	134	70
<i>Total current assets</i>		9,128	8,455	8,784
NON-CURRENT ASSETS				
Other financial assets – Investments	6	729	582	618
Inventories		680	250	528
Receivables	7	311	201	254
Other financial assets – Loans and advances	8	3,105	2,668	2,654
Land		20,490	16,830	20,347
Buildings		8,813	8,600	8,624
Infrastructure		21,592	20,860	21,496
Plant, equipment and other		4,435	4,035	4,031
Timber		324	297	307
Other assets		21	24	71
<i>Total non-current assets</i>		60,501	54,347	58,930
TOTAL ASSETS		69,629	62,802	67,714
CURRENT LIABILITIES				
Payables		787	736	668
Interest bearing liabilities	9	4,864	5,664	4,824
Provisions – Employee benefits		1,474	1,315	1,581
Other liabilities		1,244	1,125	1,250
<i>Total current liabilities</i>		8,369	8,840	8,323
NON-CURRENT LIABILITIES				
Interest bearing liabilities	9	8,672	7,488	8,452
Provisions – Employee benefits		5,674	5,628	5,656
Other liabilities		1,536	1,474	1,529
<i>Total non-current liabilities</i>		15,881	14,590	15,637
TOTAL LIABILITIES		24,250	23,430	23,960
NET ASSETS		45,378	39,372	43,754
EQUITY				
Accumulated funds		16,303	13,938	14,655
Reserves		29,075	25,434	29,099
TOTAL EQUITY		45,378	39,372	43,754

The accompanying notes form part of these financial statements.

Table 3.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2004

	2004-05		2003-04			
	Note	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Taxation		1,217	2,149	1,166	2,040	3,882
Territorial revenue		334	632	250	518	1,074
Regulatory fees and fines		116	227	116	222	379
Sale of goods and services		1,273	2,800	1,108	2,549	5,311
Grants and subsidies received		1,677	3,117	1,444	2,700	5,546
Interest received		35	77	37	66	138
GST receipts on sales		119	227	93	170	460
GST receipts from taxation authority		125	269	113	243	498
Other receipts		209	518	231	442	867
Payments						
Salaries, wages and other benefits		(1,461)	(2,937)	(1,315)	(2,686)	(5,239)
Superannuation paid		(199)	(412)	(193)	(398)	(756)
Borrowing cost paid		(4)	(10)	(7)	(15)	(47)
Grants and subsidies paid		(590)	(1,344)	(517)	(1,160)	(2,334)
GST payments on purchases		(251)	(460)	(174)	(351)	(833)
GST payments to taxation authority		(27)	(62)	(31)	(61)	(138)
Contract services paid		(418)	(805)	(389)	(731)	(1,466)
Other payments		(1,176)	(2,359)	(1,123)	(2,199)	(4,561)
<i>Net cash flows from operating activities</i>		<i>981</i>	<i>1,628</i>	<i>809</i>	<i>1,349</i>	<i>2,780</i>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets						
		50	93	70	150	193
Purchase of non-current physical assets		(617)	(1,201)	(601)	(1,079)	(2,313)
Proceeds from sale of investments		55	86	170	276	538
Purchase of investments		(66)	(142)	(96)	(340)	(635)
Other receipts		11	21	11	20	56
Other payments		(96)	(101)	(7)	(15)	(35)
<i>Net cash flows used in investing activities</i>		<i>(664)</i>	<i>(1,244)</i>	<i>(452)</i>	<i>(988)</i>	<i>(2,196)</i>
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings						
		-	-	(30)	-	-
Repayment of borrowings		-	-	(6)	(6)	(24)
Other proceeds		36	262	33	60	110
Other repayments		(10)	(16)	(15)	(22)	(150)
<i>Net cash flows from financing activities</i>		<i>26</i>	<i>246</i>	<i>(18)</i>	<i>31</i>	<i>(64)</i>
NET CASH FLOWS/(OUTFLOWS) FROM PUBLIC FINANCIAL CORPORATIONS	10	97	(305)	(129)	107	(172)
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>		<i>210</i>	<i>324</i>	<i>209</i>	<i>499</i>	<i>348</i>
CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR		4,865	4,865	4,517	4,517	4,517
CASH ASSETS AT THE END OF THE FINANCIAL PERIOD		5,075	5,189	4,726	5,016	4,865

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements for the Six Months Ended 31 December 2004

Statement of significant accounting policies

(a) Accounting standards

This general purpose financial report has been prepared in accordance with applicable accounting standards, and other authoritative pronouncements of the Australian Accounting Standards Board and the Urgent Issues Group Consensus Views.

It is intended that this interim financial report be read in conjunction with the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2004 (CFS). In the interest of timeliness and cost considerations, this financial report does not include notes of the type normally included in the CFS.

(b) The reporting entity

The reporting entity is the Government of Western Australia and includes entities controlled by the Government. These entities are referred to as agencies in this financial report.

The Interim Consolidated Financial Statements include the assets, liabilities, equities, revenue, expenses and cash flows of the Government, including those of agencies controlled by the Government.

(c) Basis of accounting

The Interim Consolidated Financial Statements have been prepared to comply with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and the Urgent Issues Group Consensus Views.

The statements have been prepared using the full accrual basis of accounting, which recognises the effects of transactions and events when they occur.

The accounting policies used to prepare these financial statements are consistent with those used in the previous year.

(d) Specific accounting policies

The specific accounting policies of the Government of Western Australia were described in Note 1, Statement of Significant Accounting Policies in the CFS for the year ended 30 June 2004. There have been no changes in those specific accounting policies since that date.

(e) Unaudited data

These Interim Consolidated Financial Statements are not subject to audit.

(f) Comparative figures

Comparative figures are for the same period in the previous financial year (which have not been audited) and for the most recent annual reporting period (which have been audited). Where changes in presentation have occurred during the year, the previous year's comparatives have been adjusted to reflect the changes.

NOTE 2. TAXATION REVENUE

	2004-05		2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Stamp duty	531	992	514	997	1,926
Payroll tax	303	604	272	550	1,101
Motor vehicle's and drivers' licences	88	166	83	170	352
Financial transactions taxes	22	47	26	48	97
Gambling taxes and licences	44	89	48	91	178
Land tax	10	288	166	263	262
Other taxes and licences	12	52	28	49	50
Total	1,010	2,238	1,137	2,168	3,966

NOTE 3. SALE OF GOODS AND SERVICES

	2004-05		2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Revenue from sale of goods	729	1,506	393	1,295	2,931
Revenue from the provision of services	680	1,314	894	1,231	2,558
Total	1,409	2,820	1,287	2,526	5,489

NOTE 4. GRANTS AND SUBSIDIES

	2004-05		2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Commonwealth grants	1,671	3,089	1,434	2,668	5,521
Other grants and subsidies	18	36	17	32	77
Total	1,689	3,125	1,451	2,700	5,598

NOTE 5. OTHER EXPENSES

	2004-05		2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Betting dividend payouts	171	407	223	438	974
Health sector specific expenses	167	327	151	303	634
Education sector specific expenses	71	153	66	140	313
Insurance claims expenses	100	192	83	204	468
Contract services expense	387	720	434	751	1,385
Carrying amount of non-current assets disposed of	(10)	83	85	133	198
Other	(88)	72	161	303	1,074
Total	798	1,954	1,203	2,273	5,046

NOTE 6. OTHER FINANCIAL ASSETS - INVESTMENTS

	2004-05	2003-04	
	31 Dec \$m	31 Dec \$m	30 June \$m
Unlisted/Listed shares	1,005	778	899
Property	329	308	317
Other investments (cash deposits and government securities)	5,568	5,149	5,390
Total	6,902	6,235	6,606

NOTE 7. RECEIVABLES

	2004-05	2003-04	
	31 Dec \$m	31 Dec \$m	30 June \$m
Gross accounts receivable	2,152	1,902	1,939
Provision for doubtful debts	(95)	(107)	(100)
Total	2,057	1,795	1,839

NOTE 8. OTHER FINANCIAL ASSETS – LOANS AND ADVANCES

	2004-05	2003-04	
	31 Dec \$m	31 Dec \$m	30 June \$m
Homebuyers	1,682	1,484	1,478
Non government schools	357	237	242
Terminating building societies	5	8	6
Government Employees Superannuation Board	575	594	585
Others	501	354	371
Total	3,119	2,677	2,682

NOTE 9. INTEREST BEARING LIABILITIES

	2004-05	2003-04	
	31 Dec \$m	31 Dec \$m	30 June \$m
Bank overdrafts	71	1	1
Finance leases	72	84	78
Liability to the Commonwealth Government	561	576	561
Commercial paper and medium term notes	-	-	-
Domestic and foreign borrowings	12,415	12,057	12,205
<i>Borrowings at face value</i>	<i>13,120</i>	<i>12,718</i>	<i>12,845</i>
Unamortised net discounts	416	434	433
Borrowings at historic capital value	13,536	13,152	13,276

NOTE 10. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS

	2004-05		2003-04		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Cash flows from operating activities					
Interest received	82	200	78	153	295
Premiums received	91	185	89	182	372
GST received on sales	9	31	9	32	51
GST received from taxation authority	8	18	9	32	44
Other receipts	31	44	32	45	83
Salaries, wages and other benefits paid	(5)	(11)	(4)	(9)	(19)
Superannuation paid	-	(1)	(1)	(1)	(2)
Borrowing costs	(241)	(420)	(227)	(377)	(780)
Claims paid	(85)	(180)	(84)	(171)	(364)
GST paid on purchases	(6)	(18)	(7)	(25)	(37)
GST paid to taxation authority	(9)	(31)	(9)	(32)	(51)
Other payments	(51)	(82)	(42)	(72)	(121)
Net cash flows used in operating activities	(175)	(263)	(157)	(243)	(529)
Cash flows from investing activities					
Purchase of non-current physical assets	(1)	(1)	(1)	(1)	(3)
Proceeds from investments	597	1,368	1,245	1,664	3,126
Purchase of investments	(693)	(1,489)	(1,191)	(1,511)	(3,179)
Net cash flows used in investing activities	(96)	(122)	53	151	(56)
Cash flows from financing activities					
Proceeds from borrowings	5,236	10,938	7,382	14,585	29,084
Repayments from borrowings	(4,868)	(10,858)	(7,406)	(14,386)	(28,671)
Net cash flows from financing activities	368	80	(25)	199	413
Net cash flows from public financial corporations	97	(306)	(129)	107	(172)

In accordance with AAS31, the net cash flows of the public financial corporations sector are disclosed in the *Consolidated Statement of Cash Flows* separately to the other cash flows from operating, investing and financing activities of the general government and public non-financial corporations sectors.

NOTE 11. DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 36, Composition of Sectors in the *Consolidated Financial Statements of the Government of Western Australia* for the year ended 30 June 2004. Changes since that date are:

Effective from 1 July 2004:

The Department of Environmental Protection has become Department of Environment.

Effective from 21 December 2004:

Workers' Compensation and Rehabilitation Commission has been renamed WorkCover Western Australia Authority.

Central West College of TAFE has been renamed Central West TAFE

Kimberley College of TAFE has been renamed Kimberley TAFE

West Coast College of TAFE has been renamed West Coast TAFE

NOTE 12. CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the issue of the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2004.
