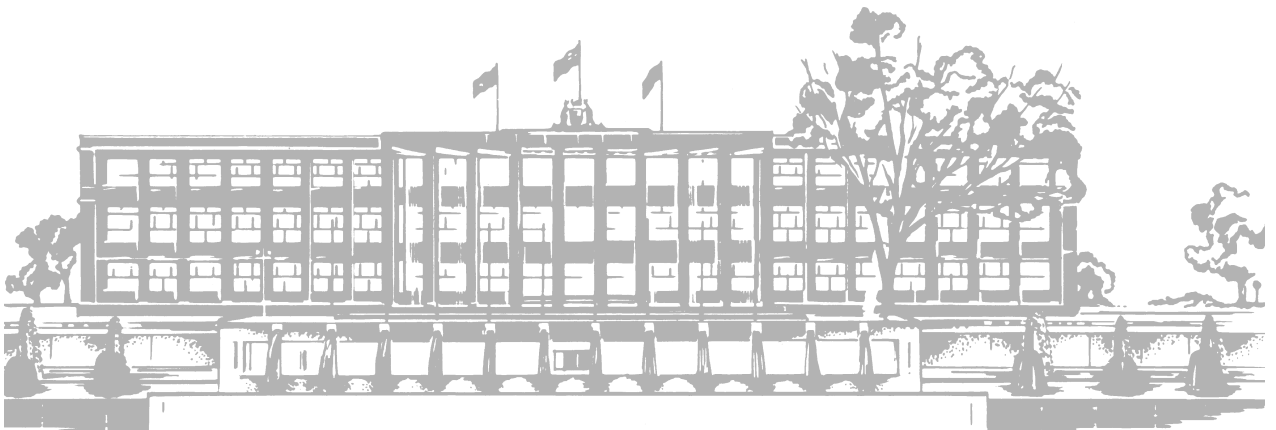




2001 – 02
GOVERNMENT FINANCIAL
RESULTS REPORT

SEPTEMBER 2002



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2001-02

GOVERNMENT FINANCIAL RESULTS REPORT

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Foreword

This Government Financial Results Report (GFRR) provides the State's public sector financial results for 2001-02, and outlines material differences between these results and the financial projections contained in the 2001-02 Budget (delivered on 13 September 2001).

The following information is contained in this report:

- the actual outturn for 2000-01;
- the 2001-02 Budget estimates for 2001-02;
- the 2001-02 estimated outturn as projected in the 2002-03 Budget (delivered on 16 May 2002);
- the (unaudited) actual outturn for 2001-02 (which is the focus of this report);
- monthly results for the general government sector for June 2002 (completing the 2001-02 monthly general government reporting series); and
- quarterly results for June 2002 on a government finance statistics (GFS) basis, completing the quarterly GFS series for 2001-02.

Notes on Presentation of Public Sector Finances

This GFRR is a statutory requirement of the *Government Financial Responsibility Act 2000*. It is in the same format as the past three Budgets, reflecting the Australian Bureau of Statistics' accrual GFS standards.

The use of the GFS standards reflects a decision by all Australian Governments to adopt the accrual GFS methodology for the purpose of the Uniform Presentation Framework (UPF) of public finances. The UPF format was agreed to by the Australian Loan Council in March 2000.

The data in this report have been sourced from the accounts of State public sector entities controlled by the Government of Western Australia. The data underlying this report have not been audited, reflecting its early release and its basis in statistical rather than accounting standards. In this regard, the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, due for release later this year, will be consistent with Australian Accounting Standard 31: *Financial Reporting by Government* and will be audited before release.

J L LANGOULANT
UNDER TREASURER

24 September 2002

CHAPTER 1

Summary

The results for 2001-02 are slightly stronger than estimated when the Budget for the year was framed in September 2001 and also as reflected in the estimated outturn figures presented in the 2002-03 Budget in May 2002.

The general government sector net operating surplus – the budget ‘bottom-line’ – was \$208.9 million, \$157.4 million higher than the 2001-02 Budget estimate of \$51.6 million (as estimated in September 2001).

This improvement is predominantly the result of higher than budgeted revenue (up \$308.4 million), with the main contributors being taxation (due to strong collections of property market-related stamp duties) and Commonwealth grants (largely related to the Commonwealth Government’s First Home Owner Grant (FHOG) scheme).

Expenses were also higher, up \$151.0 million compared with the 2001-02 Budget estimate. A large part of this increase is attributable to one-off expenses that were also matched by corresponding rises in revenue, such as the temporary extension of the FHOG scheme for new homes and changed accounting arrangements for the State’s car fleet. Excluding these factors, expenses were \$66.6 million more than budgeted, totalling \$10,728.5 million in 2001-02, which represents growth of just 2.9% on 2000-01.

The outcome is very consistent with the estimated outturn for the year presented in the 2002-03 Budget Papers. Small variations in revenue (up \$51.7 million) and expenses (down \$38.7 million) contributed to the \$90.3 million improvement in the operating surplus position that has occurred since the estimated outturn.

The following table summarises the financial results for the general government sector.

Table 1

GENERAL GOVERNMENT SECTOR
Summary Financial Statements

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual \$m	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	
<u>OPERATING STATEMENT</u>					
Revenue	10,596.5	10,713.5	10,970.2	11,021.9	308.4
Expenses	10,429.4	10,661.8	10,851.6	10,812.9	151.0
Net Operating Balance	167.1	51.6	118.6	208.9	157.4
<u>BALANCE SHEET</u>					
Assets	42,106.3	43,463.5	42,604.8	45,086.0	1,622.5
Liabilities	9,902.0	9,846.0	9,809.4	9,871.3	25.3
Net Worth	32,204.3	33,617.4	32,795.4	35,214.7	1,597.3
<u>CASH FLOW STATEMENT</u>					
Change in net cash held	397.4	-272.7	-523.2	-232.3	40.3
GFS Cash Surplus	-128.3	-380.3	-380.0	-0.7	379.6
<i>Memorandum Item: Net Debt</i>	458.5	925.9	993.1	530.9	-394.9

Note: Columns may not add due to rounding

The State's balance sheet has also improved compared with the original budget estimate. General government net worth at 30 June 2002 was \$35.2 billion, \$1.6 billion higher than anticipated in the 2001-02 Budget. This reflects the higher operating result outlined above, and increases in the value of the State's fixed assets (particularly land, roads and buildings).

The general government sector recorded a minor cash deficit of \$0.7 million in 2001-02, compared with the budget-time estimate of a \$380.3 million deficit. This is the lowest general government cash deficit recorded since 1996-97, and reflects both the improved operating result and lower than expected capital spending.

General government net debt at 30 June 2002 was \$530.9 million, down \$394.9 million on the budget estimate of \$925.9 million. This outcome is largely a result of delays and deferrals of capital spending by agencies including the Department of Planning and Infrastructure and Main Roads. It is expected that the deferred capital spending from 2001-02 will be undertaken in 2002-03.

CHAPTER 2

Financial Strategy and Targets

Introduction

This chapter discusses the extent to which the 2001-02 actual results met the financial targets specified in the 2001-02 Budget financial strategy.

The Government's financial targets form the basis for its medium term financial planning framework. The specific targets for 2001-02 were to:

- maintain or increase the net worth of the public sector;
- achieve an operating surplus for the general government sector;
- retain Western Australia's triple-A credit rating, represented by the following two specific targets:
 - maintain the net debt to revenue ratio for the total non-financial public sector¹ at or below 45%; and
 - ensure that real per capita expenses for the general government sector do not increase; and
- maintain Western Australia's tax competitiveness.

The following table summarises the extent to which actual results for 2001-02 meet the financial targets set down in the 2001-02 Budget.

¹ Comprises the general government and public non-financial corporations sectors.

Table 2

COMPLIANCE WITH FINANCIAL TARGETS

	2001-02	
	Budget Estimate	Actual
FINANCIAL TARGET		
Net worth be maintained or increased	Yes	Yes
General government net operating result be in surplus	Yes	Yes
Triple-A credit rating be maintained via:		
- Net debt as a share of revenue at or below 45% ^(a)	Yes	Yes
- No increase in real per capita general government operating expenses	Yes	Yes
Tax competitiveness be maintained ^(b)	Yes	Yes

(a) Net debt at 30 June as a share of operating revenue for the total non-financial public sector.

(b) Western Australia's tax competitiveness ranking, expressed in terms of general government taxation revenue per capita.

The following discussion relates to the five specific targets of the Government.

Performance against Financial Targets

Net Worth: Net worth of the total public sector be maintained or increased

Net worth comprises total assets (both financial and non-financial) less total liabilities. It provides a comprehensive picture of a government's overall financial position. Positive net worth indicates that there are more assets at the disposal of the public sector than the liabilities it must satisfy in the future.

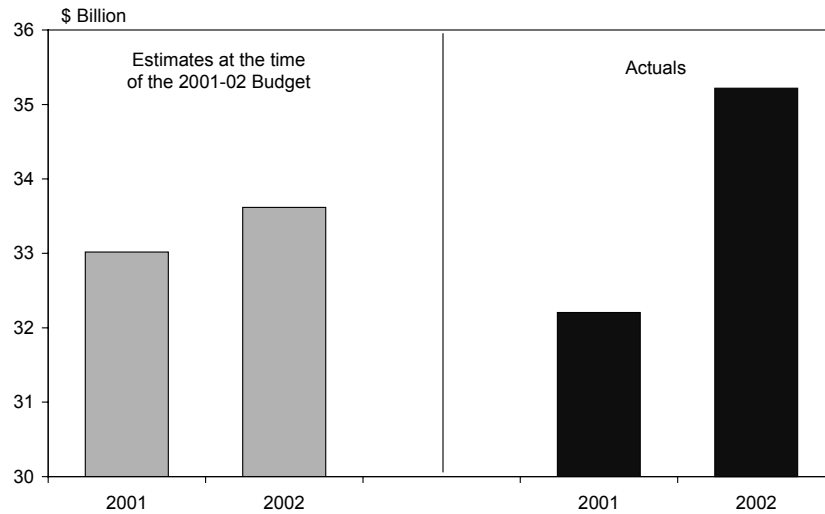
At the time of the 2001-02 Budget, this target was expected to be met in the budget year (2001-02), with net worth rising by \$599.0 million, from an estimated \$33.0 billion at 30 June 2001 to \$33.6 billion at 30 June 2002.

The 2001-02 results indicate that this target was achieved.

Net worth rose by a strong \$3.0 billion in 2001-02, from an actual outturn at 30 June 2001 of \$32.2 billion to \$35.2 billion at 30 June 2002. Total assets rose by \$3.0 billion, underpinned by a \$2.8 billion rise in the public sector's holdings of non-financial assets, such as land, roads and buildings (primarily reflecting upward revaluations of existing assets). Liabilities declined by a modest \$30.7 million, with increases in deposits held and other employee entitlements and provisions (up \$150.3 million) offset by a \$70.2 million decline in borrowings and other liabilities.

Figure 1

NET WORTH AT 30 JUNE
Total Public Sector



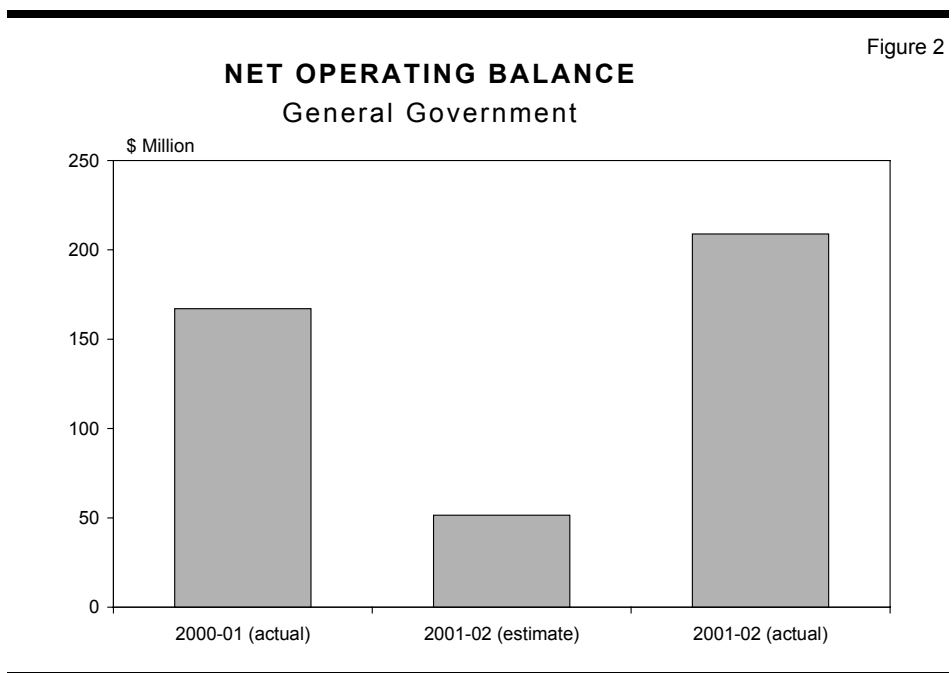
Operating Result: Achieve a Net Operating Surplus for the General Government Sector

The net operating result is the excess of revenue over expenses and is the principal budget 'bottom-line'. It excludes expenditure on the acquisition of capital assets but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation).

By including all accruing costs, the net operating result encompasses the full costs of providing government services, making it a good measure of the sustainability of the Government's operations over time.

At the time of the 2001-02 Budget, this target was expected to be met in the budget year, with an estimated general government net operating surplus of \$51.6 million.

The 2001-02 results indicate that this target was achieved, with an operating surplus of \$208.9 million recorded, up \$157.4 million on the budget estimate. The reasons for the higher than expected surplus are outlined in Chapter 3: *Financial Results*.

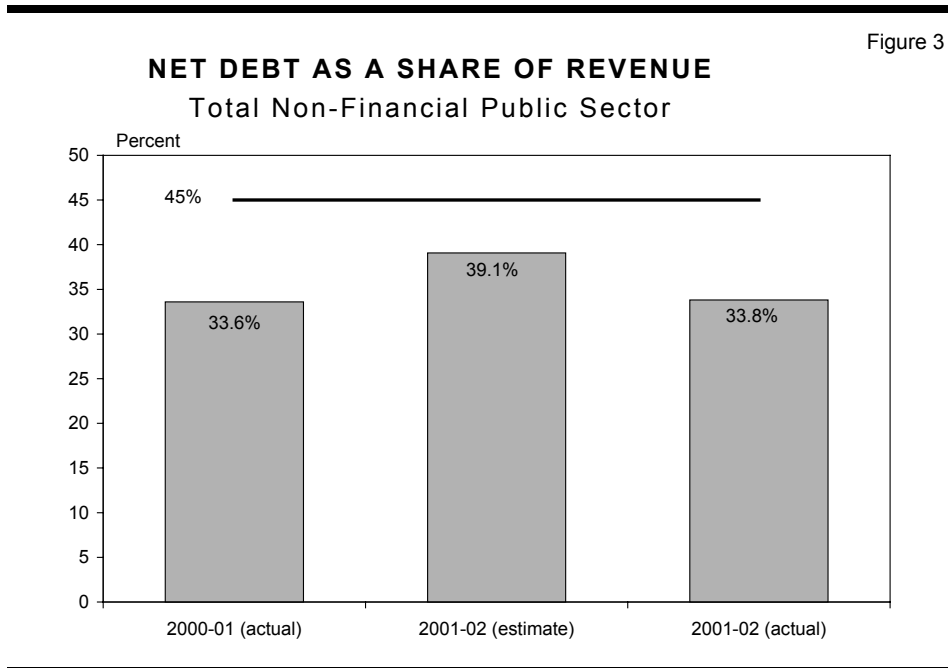


Retain Triple-A Credit Rating – Net Debt: Maintain Net Debt to Revenue for the Total Non-Financial Public Sector at or below 45 Percent

This is the Government's target to manage net debt levels. Together with the real per capita expenses target, it gives effect to the objective of maintaining the State's triple-A credit rating.

At the time of the 2001-02 Budget, this target was forecast to be met in the budget year, with a net debt to revenue ratio of 39.1%. The 2001-02 results indicate that this target was met, with a ratio of 33.8%.

A combination of higher than expected revenue and lower net debt were the reasons behind the lower ratio. Contributing factors to the revenue and debt outcomes are discussed in Chapter 3: *Financial Results*.

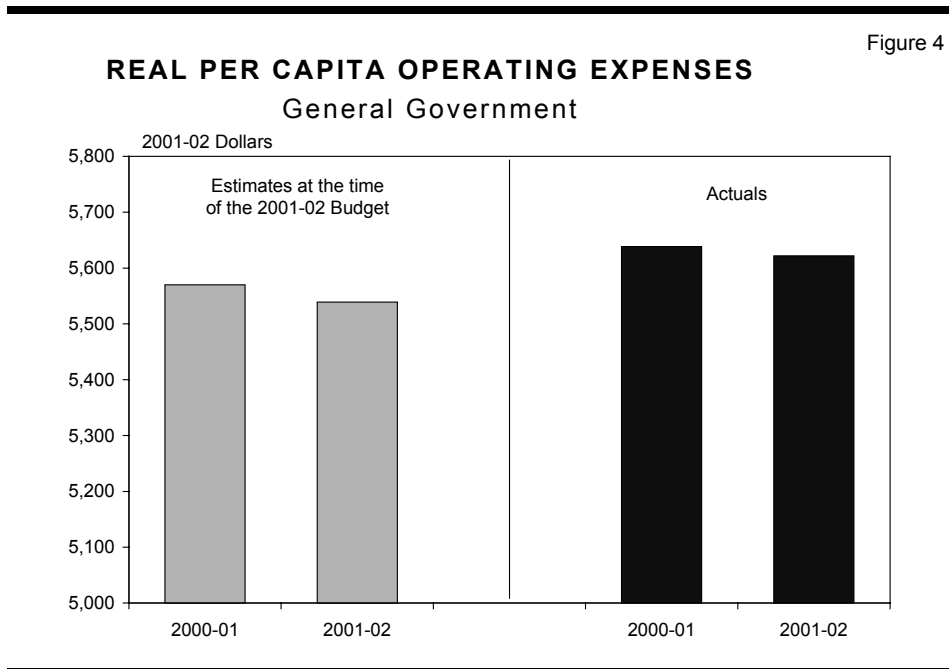


Retain Triple-A Credit Rating – Operating Expenses: Real Per Capita Expenses for the General Government Sector to not Increase

This target is aimed at capping expense growth. It allows agencies to increase expenses up to, but not exceeding, the combined growth in population and inflation². In this environment, improved service provision arises through improved efficiency and productivity.

The general government sector is the sector over which the Government has the most policy control and is therefore the appropriate scope of the target.

The 2001-02 results indicate that this target was met. Although expenses rose by 3.7% in 2001-02 (consistent with the 2001-02 Budget projection of 3.8% expense growth), population and inflation growth combined to restrict real per capita expenses to below the level of 2000-01.



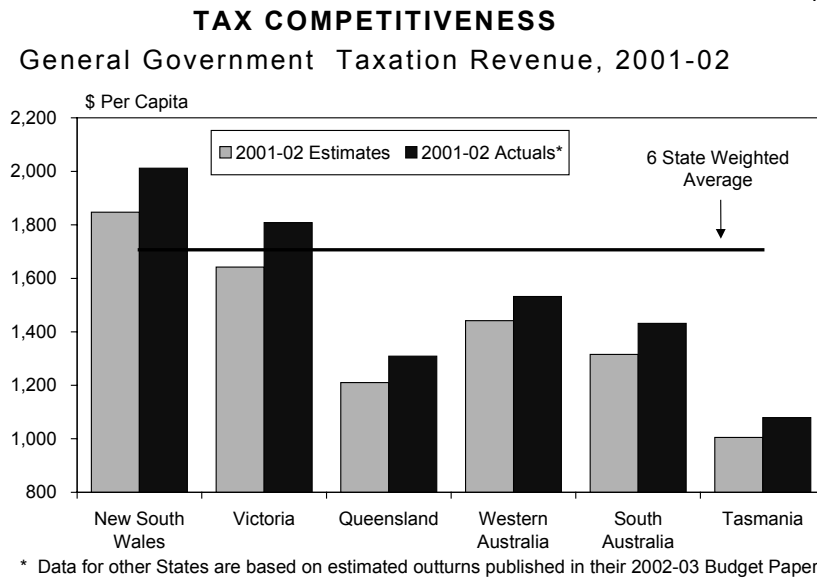
²Inflation as measured by growth in the implicit price deflator (IPD). The IPD is a measure of the total price of Western Australian production (gross State product) and, as such, is the widest measure of prices in the Western Australian economy.

Tax Competitiveness: Maintain Western Australia's Tax Competitiveness

The Government recognises the importance of taxation levels in providing an incentive and a competitive advantage to Western Australian business. Reflecting this, the Government aims to maintain Western Australia's tax competitiveness, as measured by our interstate ranking in terms of taxation revenue per capita.

At the time of the 2001-02 Budget, Western Australia was estimated to be the fourth lowest taxing State in terms of taxation revenue per capita in 2001-02. The final results for 2001-02 indicate that this ranking is unchanged. Accordingly, this target is met.

Figure 5



CHAPTER 3

Financial Results

Introduction

This chapter presents the 2001-02 actual results and compares them with the financial projections contained in the 2001-02 Budget Papers.

The 2001-02 general government net operating surplus was \$208.9 million – \$157.4 million higher than estimated in the 2001-02 Budget, largely because of higher than expected revenue collections.

The total public sector also recorded a higher than budgeted net operating surplus, underpinned by stronger operating results in both the general government and public non-financial corporations sectors.

Total public sector net debt at 30 June 2002 was \$4,530.2 million, \$655.9 million lower than the 2001-02 Budget estimate. This reflects the improved operating results noted above, and delays and deferrals in capital spending across the public sector.

The following sections outline the material differences between the budget forecasts and actual results for key public sector aggregates.

Results Compared to Estimates

General Government

Operating Statement

In 2001-02, the general government sector recorded an operating surplus of \$208.9 million – a \$157.4 million improvement on the 2001-02 Budget estimate. The improvement was largely a result of higher than expected revenue, with collections in 2001-02 amounting to \$11,021.9 million, a 4.0% increase on 2000-01. This was \$308.4 million higher than expected at the time of the 2001-02 Budget, but close to the estimated outturn published in the recent 2002-03 Budget (\$10,970.2 million).

The main factors behind the variation in revenue (compared with the 2001-02 Budget estimate) were:

- Taxation revenue was \$165.5 million higher than expected, reflecting:
 - a \$132.1 million higher outcome for stamp duties on financial and capital transactions, with the bulk of this (\$127.4 million) relating to property conveyances and transfers, reflecting stronger than expected activity in the residential property market plus a number of large one-off commercial property transactions;
 - the introduction of the HIH levy on workers' compensation premiums (\$26.6 million);
 - increased stamp duty on insurance (\$17.2 million), reflecting strong growth in premiums following the collapse of HIH and the 11 September 2001 terrorist attacks; and
 - higher revenue from motor vehicles taxes (up \$17.1 million), due to stronger than expected motor vehicle licence transfer activity.

These increases were partially offset by:

- the decision not to proceed with the Premium Land Tax, which reduced land tax revenue by an estimated \$12.1 million in 2001-02; and
- lower payroll tax (\$11.5 million), reflecting slightly weaker than expected employment growth.

2001-02 Government Financial Results Report

- Current grants and subsidies (which consist solely of grants from the Commonwealth) were \$123.1 million higher than expected, reflecting:
 - a \$46.4 million net increase in Budget Balancing Assistance (BBA) and GST grants from the Commonwealth. GST grants were \$123.7 million lower than expected but these were more than offset by BBA being \$170.1 million higher than budgeted (largely reflecting higher than expected expenditures under the FHOG scheme); and
 - a \$76.3 million increase in Specific Purpose Payments (SPPs), reflecting increases in Education and Health, as well as a \$39.6 million increase in the SPP for the temporary extension of the FHOG for new homes. Partially offsetting these rises, North West Shelf petroleum royalties (which are collected by the Commonwealth and passed to the State as a SPP) were \$44.6 million lower than expected.
- Lower than expected capital grants revenue (\$18.2 million), largely reflecting the timing of road project funding from the Commonwealth.
- Sales of goods and services revenue was higher by \$30.0 million. This was across a broad range of general government sector agencies.
- A \$14.0 million decline in interest income, largely due to the timing of cash flows and lower interest rates.
- A \$6.2 million decline in revenue from public corporations, with dividends down \$14.3 million (stemming from lower payments from the Water Corporation due to the impact of water restrictions, partly offset by higher payments from Western Power), and Tax Equivalent Regime income up \$8.1 million.
- Royalty income (excluding North West Shelf petroleum royalties which, as noted above, are classified as a Commonwealth grant) was \$8.0 million lower than expected, with sustained weak international conditions and low commodity prices contributing to lower than expected iron ore royalties (\$33.0 million) and nickel royalties (\$6.5 million). These reductions were partly offset by increases in gold and diamond royalties of \$11.7 million and \$11.6 million respectively.
- Other revenue was \$36.1 million higher than budgeted, due mainly to an increase in fines revenue (up \$22.2 million).

A significant one-off stamp duty assessment of \$40.4 million relating to Westralia Airports Corporation was included in the expected outturn for 2001-02 published in the recent 2002-03 Budget. However, the Commissioner of State Revenue subsequently allowed an objection in respect of this matter, resulting in the cancellation of the stamp duty assessment. This decision is reflected in the taxation results for 2001-02 contained in this report (Appendix 3: *Westralia Airports Corporation Stamp Duty Assessment* provides further detail).

Table 3

GENERAL GOVERNMENT
Operating Statement

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual \$m	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	
REVENUE					
Taxation	2,891.6	2,775.5	2,965.4	2,941.0	165.5
Current grants and subsidies	4,781.2	5,157.0	5,214.2	5,280.1	123.1
Capital grants	276.9	287.0	272.7	268.8	-18.2
Sales of goods and services	863.3	851.7	896.0	881.7	30.0
Interest income	141.9	136.0	117.8	122.0	-14.0
Revenue from public corporations					
Dividends	400.0	421.9	411.0	407.6	-14.3
Tax equivalent payments	366.4	232.8	220.0	241.0	8.1
Royalty income	685.6	643.9	639.5	635.9	-8.0
Other	189.7	207.7	233.5	243.8	36.1
<i>Total</i>	<i>10,596.5</i>	<i>10,713.5</i>	<i>10,970.2</i>	<i>11,021.9</i>	<i>308.4</i>
EXPENSES					
Gross operating expenses					
Salaries	3,953.3	4,034.7	4,135.1	4,182.9	148.2
Depreciation and amortisation	452.0	496.0	499.6	518.2	22.3
Superannuation	358.7	364.3	364.3	389.6	25.3
Other	2,809.8	2,667.3	2,709.1	2,712.8	45.5
Nominal superannuation interest	304.1	274.4	277.6	277.6	3.2
Other interest	239.5	252.7	226.3	218.0	-34.7
Current transfers	2,048.9	2,331.8	2,411.2	2,238.0	-93.8
Capital transfers	263.1	240.8	228.5	275.8	35.1
<i>Total</i>	<i>10,429.4</i>	<i>10,661.9</i>	<i>10,851.6</i>	<i>10,812.9</i>	<i>151.0</i>
NET OPERATING BALANCE	167.1	51.6	118.6	208.9	157.4

Note: Columns may not add due to rounding

Total operating expenses for the general government sector were \$10,812.9 million in 2001-02, 1.4% higher than the \$10,661.9 million estimated in the 2001-02 Budget. This represents growth of 3.7% from 2000-01, in line with estimated growth in the 2001-02 Budget.

If one-off expense increases such as the temporary extension of the FHOG scheme for new homes and changed accounting arrangements for the State's car fleet³ are excluded (both of which are matched by offsetting revenue), then expenses were only \$66.6 million higher than forecast in the 2001-02 Budget. This represents growth of just 2.9% from 2000-01 – the lowest growth in expenses since 1994-95.

Salary costs in 2001-02 were \$148.2 million higher than budgeted, due mainly to a large increase in Health (\$101.3 million), reflecting the final outcome for various Enterprise Bargaining Agreements, employment of additional clinical staff in nursing and medical support, and the full impact of redundancy schemes, including the Government's voluntary severance scheme. Department of Justice salaries were also higher than estimated (by \$14.8 million). These increases in salaries resulted in higher concurrent superannuation expenses (up \$25.3 million relative to budget).

Depreciation expenses were \$22.3 million higher than estimated, due largely to an upward revaluation of the State's road network.

Other gross operating expenses (which includes a wide variety of items incidental to the day-to-day operations of agencies, such as consumables, advertising and travel) were \$45.5 million (or 1.7%) above the budget forecast. The main factors behind this were increased expenses for Health, as well as increased expenses for the Tourism Commission in response to the collapse of Ansett and the 11 September 2001 terrorist attacks.

Partly offsetting the above increases were:

- lower than expected debt servicing costs (interest expenses), down \$34.7 million reflecting lower total public sector borrowings; and
- lower current and capital transfers, down a net \$58.7 million (or 2.3%) relative to the budget estimate. Changes to the current and capital nature of road grants to local government account for the change in the capital transfers item. Also, some expenses originally projected to be current transfers were provided through contract services and classified as other gross operating expenses.

Balance Sheet

General government sector net worth, including equity in public corporations, was \$35.2 billion at 30 June 2002. This is \$1.6 billion higher than anticipated in the 2001-02 Budget, and \$3.0 billion higher than at 30 June 2001.

³ As part of the winding up of the previous vehicle leasing arrangement, the State acquired the right to revenue from the sale of the leased vehicles. The cost of purchasing this right is amortised over the life of the arrangement, which has an expense impact. In the 2001-02 Budget, the revenue stream and the amortised expense were netted off against one another. However, in the 2002-03 Budget, it was decided that the proper accounting treatment is to show the *gross* revenue and expense impacts, which resulted in both expenses and revenue increasing by around \$50 million in 2001-02 relative to the 2001-02 Budget estimates.

Assets were a substantial \$1.6 billion higher than expected, while liabilities were just \$25.3 million higher. The main factor underpinning the rise in assets was a \$1.5 billion increase in land and other fixed assets, primarily reflecting upward revaluations of land, roads and buildings.

Financial assets were \$210.0 million higher than budgeted. Increases in cash and deposits (\$151.8 million) and investments, loans and placements (\$112.3 million) reflect unspent resources that were earmarked for capital investment. Other non-equity assets, largely accounts receivable, were \$86.8 million higher than projected, reflecting the expected timing of cash flows. Partially offsetting these increases was a \$148.1 million decline in the general government sector's equity holdings in public corporations. This was largely due to lower land valuations in the public non-financial corporations sector relative to the 2001-02 Budget estimates.

Total liabilities were close to that budgeted, at \$9.9 billion at 30 June 2002. Borrowings were down \$218.8 million, with movements in all other liabilities generally offsetting this change.

At 30 June 2002, net debt of the general government sector was \$530.9 million, which is \$394.9 million less than forecast in the 2001-02 Budget. This primarily reflects the impact on the balance sheet of the improvement in operating outcomes and capital spending. A more detailed discussion of net debt outcomes is contained in the *Net Debt* section later in the chapter.

Cash Flow Statement

The general government sector recorded a minor cash deficit of \$0.7 million in 2001-02, which compares with the budget-time estimate of a \$380.3 million deficit. The significant turnaround reflects both the improved operating result and lower than expected capital spending.

Net cash flows from operating activities (ie. current operations) were in surplus by \$759.6 million, up \$164.0 million compared with the original budget estimate. Higher receipts along with lower payments, relative to budget, contributed to this result. Movements in receipts and payments relative to the 2001-02 Budget generally follow their counterparts on the operating statement, with differences attributable to the timing of cash transactions.

Investment in non-financial assets (ie. the acquisition of fixed assets or capital spending) totalled \$860.2 million in 2001-02, compared with the 2001-02 Budget estimate of \$1,112.7 million. This result primarily reflects delays in scheduled works for some agencies with large capital works programs, such as:

- Main Roads (\$117.6 million lower than budget), reflecting the impact of weather conditions on road building, unforeseen complications in the construction process (eg. sub-surface obstacle clearance) and delays in finalising road building contracts;

- Industry and Technology (\$53.1 million lower than budget), due mainly to slower than expected progress on the Australian Marine Complex - Cockburn Sound project (previously known as the Jervoise Bay project), reflecting construction delays and lower than expected claims from the project proponents; and
- the Western Australian Planning Commission (\$26.4 million lower than budget), with the outcome of legal proceedings affecting the timing of land purchases.

The deferred spending is expected to be undertaken in 2002-03.

Total Public Sector

Summary

The total public sector consolidates the general government, public non-financial corporations (PNFC) and public financial corporations (PFC) sectors.

The following table provides summary outcomes of the total public sector's financial statements.

Table 4

TOTAL PUBLIC SECTOR Summary Financial Statements

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual \$m	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	
<u>OPERATING STATEMENT</u>					
Revenue	15,802.5	15,645.3	16,013.5	15,829.3	184.0
Expenses	15,359.3	15,412.7	15,657.8	15,426.9	14.2
Net Operating Balance	443.3	232.7	355.7	402.5	169.8
<u>BALANCE SHEET</u>					
Assets	54,612.8	57,684.4	57,095.0	57,184.9	-499.5
Liabilities	22,408.1	24,067.0	24,299.6	21,966.7	-2,100.3
Net Worth	32,204.8	33,617.4	32,795.4	35,218.2	1,600.8
<u>CASH FLOW STATEMENT</u>					
Change in net cash held	-52.4	-159.0	-477.0	-477.7	-318.7
GFS Cash Surplus	-661.1	-598.6	-635.2	-116.5	482.1
<i>Memorandum Item: Net Debt</i>	4,381.1	5,186.1	5,272.1	4,530.2	-655.9

Note: Columns may not add due to rounding

Net Operating Balance

The total public sector recorded a \$402.5 million net operating surplus in 2001-02. This represents a \$169.8 million improvement on the surplus forecast in the 2001-02 Budget. The result is underpinned by surpluses in all three sectors of government.

In this regard, the PNFC sector recorded a \$145.8 million surplus in 2001-02, up \$13.9 million compared with the 2001-02 Budget estimate. Revenue was down \$57.4 million on that budgeted (primarily reflecting lower outcomes for sales of goods and services by the Forest Products Commission, Gold Corporation, Western Power and the Water Corporation), while expenses were \$71.3 million lower than expected.

The PFC sector recorded a net operating surplus of \$47.8 million in 2001-02, similar to the original budget projection of \$49.3 million. Returns on financial investments, particularly for the Insurance Commission of Western Australia and the Western Australian Treasury Corporation, contributed to lower goods and services and interest revenue, although a one-off revenue from the settlement of a court proceeding related to the former Bond Corporation delivered an additional \$26.7 million. On the expenses side, lower interest rates and borrowings on-lent to agencies resulted in lower debt servicing costs.

Balance Sheet

The net worth of the general government sector (discussed earlier) includes the net worth of the PNFC and PFC sectors (as equity assets). Accordingly, the total public sector's net worth is identical to that of the general government sector.

Cash Flow Statement

The PNFC sector recorded a cash deficit of \$100.5 million in 2001-02, an improvement on the \$292.9 million deficit projected in the 2001-02 Budget. This includes the cash impact from improved operating outcomes together with lower than expected capital spending.

Investment in non-financial assets by the PNFC sector totalled \$1,108.3 million in 2001-02, broadly similar to the 2000-01 outturn but \$165.4 million less than projected in the 2001-02 Budget. The major contributors to this result include:

- the Water Corporation (\$70.9 million lower than budget), partly reflecting deferred timing of new works for the Kwinana Water re-use and Western Power Extension (Collie) projects due to the Corporation's overall response to drought conditions;
- the Western Australian Government Railways Commission (\$36.1 million lower than budget), due to project delays mainly on the Perth Urban Rail Development;

- the Fremantle Port Authority (\$26.2 million lower than budget), with a range of projects subject to schedule changes and construction delays (notably, land acquisition for the Outer Harbour Bulk Handling Business project (\$13.4 million), the Fremantle Water Front Project (\$3.4 million) and a range of smaller delays in port infrastructure and expansion, and other projects);
- deferral of an expected \$22.0 million for the development of the Burrup Peninsula common-user infrastructure, due to delays in commitment to commence by the project proponents; and
- the Western Australian Land Authority (\$12.0 million lower than budget), largely resulting from a delay in the expected timing of land purchases at Noalimba.

It is expected that this deferred spending will be undertaken in 2002-03.

Net Debt

Total Public Sector Net Debt

At 30 June 2002, total public sector net debt was \$4.5 billion. This is significantly lower than the 2001-02 Budget estimate (\$5.2 billion). This lower outcome can be attributed to:

- the overall improvement in the net operating balance of the general government sector and, to a lesser extent, that of the public non-financial corporations; and
- lower than projected capital investment in the general government and public corporations sectors (due to deferral of some spending from 2001-02 to 2002-03).

Net Debt to Revenue Ratio⁴

As outlined in Chapter 2: *Financial Strategy and Targets*, this ratio forms one of the Government's key financial targets, and is an indicator of the affordability of public sector net debt.

The ratio for 2001-02 was 33.8%, down a significant 5.3 percentage points from the 2001-02 Budget projection (39.1%). While the improvement in revenue (particularly in the general government sector) contributed to this outcome, the lower than expected level of net debt was the major factor.

The 33.8% ratio for 2001-02 is very similar to the ratio for 2000-01 (33.6%), and much lower than the outcomes recorded in the mid-1990s.

⁴ For the total non-financial public sector.

Loan Council Allocations

The Australian Loan Council oversees State, Territory and Commonwealth governments' public sector borrowings using a system of Loan Council Allocations (LCAs). LCAs are based on net borrowings, as indicated by a government's deficit⁵ position.

The State's LCA outcome has moved from an estimated \$510.4 million deficit position in the 2001-02 Budget to a \$212.0 million surplus outcome.

This \$722.4 million turnaround is primarily due to improved operating performance and lower than expected capital spending. These factors, discussed in the preceding sections of this chapter, are reflected in the \$573.9 million improvement in the total non-financial public sector LCA deficit, which ended the year at \$88.6 million.

The remaining \$148.6 million improvement in the LCA memorandum items is principally due to changes in the level of public sector home lending, with the level of borrowing expected to fund on-lending to homebuyers significantly lower than budget.

⁵ For the purposes of LCAs, deficits are positive and surpluses are negative.

APPENDIX 1

Uniform Presentation of Public Sector Finances – Statistical Tables

This Appendix contains details of variations between 2001-02 Budget estimates and actuals for various sectors within the total public sector under the accrual GFS framework. The tables in this section also satisfy Uniform Presentation Framework (UPF) requirements.

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Table 1.1

GENERAL GOVERNMENT**Operating Statement**

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual	Budget Estimate	Estimated Outturn	Actual	
	\$m	\$m (a)	\$m (b)	\$m (c)	
REVENUE					
Taxation	2,891.6	2,775.5	2,965.4	2,941.0	165.5
Current grants and subsidies	4,781.2	5,157.0	5,214.2	5,280.1	123.1
Capital grants	276.9	287.0	272.7	268.8	-18.2
Sales of goods and services	863.3	851.7	896.0	881.7	30.0
Interest income	141.9	136.0	117.8	122.0	-14.0
Revenue from public corporations					
Dividends	400.0	421.9	411.0	407.6	-14.3
Tax equivalent payments	366.4	232.8	220.0	241.0	8.1
Royalty income	685.6	643.9	639.5	635.9	-8.0
Other	189.7	207.7	233.5	243.8	36.1
<i>Total</i>	<i>10,596.5</i>	<i>10,713.5</i>	<i>10,970.2</i>	<i>11,021.9</i>	<i>308.4</i>
EXPENSES					
Gross operating expenses					
Salaries	3,953.3	4,034.7	4,135.1	4,182.9	148.2
Depreciation and amortisation	452.0	496.0	499.6	518.2	22.3
Superannuation	358.7	364.3	364.3	389.6	25.3
Other	2,809.8	2,667.3	2,709.1	2,712.8	45.5
Nominal superannuation interest	304.1	274.4	277.6	277.6	3.2
Other interest	239.5	252.7	226.3	218.0	-34.7
Other property expenses	-	-	-	-	-
Current transfers	2,048.9	2,331.8	2,411.2	2,238.0	-93.8
Capital transfers	263.1	240.8	228.5	275.8	35.1
<i>Total</i>	<i>10,429.4</i>	<i>10,661.9</i>	<i>10,851.6</i>	<i>10,812.9</i>	<i>151.0</i>
NET OPERATING BALANCE	167.1	51.6	118.6	208.9	157.4
NET ACQUISITION OF NON-FINANCIAL ASSETS					
Gross fixed capital formation	1,034.7	979.1	627.0	701.4	-277.7
<i>less</i> depreciation	452.0	496.0	499.6	518.2	22.3
<i>plus</i> change in inventories	-5.9	-1.8	-2.2	2.5	4.4
<i>plus</i> other movements in non-financial assets	10.2	-44.2	-16.0	65.5	109.8
<i>Total</i>	<i>587.0</i>	<i>437.1</i>	<i>109.2</i>	<i>251.2</i>	<i>-185.9</i>
NET LENDING/BORROWING	-419.9	-385.5	9.4	-42.3	343.2
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)					
NET OPERATING BALANCE	167.1	51.6	118.6	208.9	157.4
<i>less</i> provisions for doubtful debts	26.4	-0.6	0.2	3.1	3.7
<i>plus</i> net gains on assets (including derivatives)	709.6	90.6	107.2	129.3	38.7
<i>plus</i> capitalised interest	-	-	-	-	-
<i>less</i> revaluation of superannuation liabilities	70.1	60.4	63.5	12.1	-48.3
<i>plus</i> all other adjustments	-20.3	-	-	1.6	1.7
AAS OPERATING RESULT	760.0	82.3	162.0	324.7	242.3
Note: Columns may not add due to rounding					

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at 30 June

	2001	2002			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
ASSETS					
<i>Financial assets</i>					
Cash and deposits	180.2	149.0	183.7	300.8	151.8
Advances paid	862.0	866.7	864.7	873.9	7.2
Investments, loans and placements	1,570.9	1,206.0	993.7	1,318.2	112.3
Other non-equity assets	759.4	661.2	770.5	748.0	86.8
Equity	15,208.5	15,717.1	15,663.9	15,568.9	-148.1
<i>Total</i>	18,581.1	18,599.9	18,476.4	18,809.8	210.0
<i>Non-Financial assets</i>					
Land and fixed assets	23,469.5	24,736.2	24,062.8	26,218.9	1,482.7
Other non-financial assets	55.8	127.4	65.6	57.3	-70.1
<i>Total</i>	23,525.2	24,863.6	24,128.4	26,276.2	1,412.6
TOTAL ASSETS	42,106.3	43,463.5	42,604.8	45,086.0	1,622.5
LIABILITIES					
Deposits held	222.0	176.3	227.0	271.9	95.6
Advances received	620.4	593.2	593.3	592.9	-0.4
Borrowings	2,229.3	2,377.9	2,214.8	2,159.1	-218.8
Unfunded superannuation liabilities	5,192.9	5,216.1	5,246.9	5,222.0	5.9
Other employee entitlements and provisions	1,055.3	1,026.9	1,104.2	1,155.6	128.7
Non-equity liabilities	582.2	455.6	423.1	469.8	14.2
TOTAL LIABILITIES	9,902.0	9,846.0	9,809.4	9,871.3	25.3
NET WORTH	32,204.3	33,617.4	32,795.4	35,214.7	1,597.3
<i>Memorandum Item: Net Debt</i>	458.5	925.9	993.1	530.9	-394.9
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)					
NET WORTH	32,204.3	33,617.4	32,795.4	35,214.7	1,597.3
<i>less equity (net worth) of PFC sector</i>	15,153.3	15,717.2	15,471.8	15,411.2	-306.0
<i>less all other adjustments</i>	-	-	-	-	-
AAS NET ASSETS	17,051.0	17,900.2	17,323.6	19,803.5	1,903.3
Note: Columns may not add due to rounding					

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual	Budget Estimate	Estimated Outturn	Actual	
	\$m	\$m (a)	\$m (b)	\$m (c)	
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	2,809.3	2,850.1	3,010.4	2,973.9	123.7
Receipts from sales of goods and services	972.8	876.6	793.3	871.9	-4.7
Grants and subsidies received	5,113.0	5,444.5	5,493.8	5,555.3	110.8
Other receipts	2,318.8	2,160.6	2,206.9	2,151.6	-9.0
<i>Total</i>	<i>11,213.9</i>	<i>11,331.8</i>	<i>11,504.4</i>	<i>11,552.6</i>	<i>220.8</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-7,130.8	-7,299.3	-7,387.7	-7,397.1	-97.8
Grants and subsidies paid	-2,308.1	-2,503.5	-2,450.2	-2,317.1	186.5
Interest paid	-241.4	-257.3	-226.5	-223.3	34.0
Other payments	-623.1	-676.1	-857.5	-855.5	-179.4
<i>Total</i>	<i>-10,303.4</i>	<i>-10,736.2</i>	<i>-10,921.8</i>	<i>-10,793.0</i>	<i>-56.8</i>
Net Cash Flow from Operating Activities	910.5	595.6	582.6	759.6	164.0
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-1,109.6	-1,112.7	-1,072.0	-860.2	252.5
Sales of non-financial assets	70.8	136.9	109.4	100.0	-36.9
<i>Total</i>	<i>-1,038.9</i>	<i>-975.8</i>	<i>-962.6</i>	<i>-760.2</i>	<i>215.6</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	443.5	-99.2	-120.0	-92.9	6.3
Liquidity purposes	-75.9	51.2	55.4	-11.5	-62.7
<i>Total</i>	<i>367.6</i>	<i>-47.9</i>	<i>-64.6</i>	<i>-104.4</i>	<i>-56.5</i>
Net Cash Flow from Investing Activities	-671.2	-1,023.8	-1,027.2	-864.6	159.1
FINANCING ACTIVITIES					
Advances received (net)	-116.2	81.0	-16.8	-421.2	-502.3
Borrowings (net)	278.2	129.3	-0.6	443.0	313.7
Deposits received (net)	32.4	-14.2	-14.2	-91.9	-77.8
Distributions paid	-	-	-	-	-
Other financing	-36.4	-40.6	-47.1	-57.1	-16.5
<i>Total</i>	<i>158.1</i>	<i>155.5</i>	<i>-78.6</i>	<i>-127.2</i>	<i>-282.8</i>
<i>Opening cash balance</i>	<i>769.4</i>	<i>1,138.0</i>	<i>1,166.8</i>	<i>1,166.8</i>	<i>28.8</i>
NET INCREASE IN CASH HELD ^(a)	397.4	-272.7	-523.2	-232.3	40.3
<i>Closing cash balance</i>	<i>1,166.8</i>	<i>865.4</i>	<i>643.6</i>	<i>934.5</i>	<i>69.1</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>					
	-128.3	-380.3	-380.0	-0.7	379.6
	-	-	-	-	-
Surplus	-128.3	-380.3	-380.0	-0.7	379.6

(a) The GFS concept of net increase in cash held is identical to the AAS 31 concept of net increase in cash held.

Note: Columns may not add due to rounding

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual \$m	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	
REVENUE					
Current grants and subsidies	457.9	499.1	494.9	476.4	-22.8
Capital grants	109.6	108.7	115.4	123.8	15.1
Sales of goods and services	5,269.9	5,006.6	5,050.3	4,850.6	-156.0
Interest income	119.9	76.4	78.9	103.1	26.7
Other	185.2	90.7	92.7	170.2	79.5
<i>Total</i>	<i>6,142.4</i>	<i>5,781.5</i>	<i>5,832.3</i>	<i>5,724.1</i>	<i>-57.4</i>
EXPENSES					
Gross operating expenses					
Salaries	411.0	418.0	408.0	383.2	-34.9
Depreciation and amortisation	557.6	584.6	583.9	570.4	-14.2
Superannuation	46.4	39.3	48.3	45.3	6.0
Other gross operating expenses	3,671.9	3,372.2	3,463.6	3,326.3	-45.9
Nominal superannuation interest	-	-	-	-	-
Other interest	461.1	389.8	385.4	402.9	13.1
Other property expenses	752.8	638.2	613.4	633.4	-4.8
Current transfers	203.3	207.6	204.8	194.0	-13.6
Capital transfers	7.6	-	-	22.9	22.9
<i>Total</i>	<i>6,111.8</i>	<i>5,649.7</i>	<i>5,707.4</i>	<i>5,578.4</i>	<i>-71.3</i>
NET OPERATING BALANCE	30.6	131.8	124.9	145.8	13.9
NET ACQUISITION OF NON-FINANCIAL ASSETS					
Gross fixed capital formation	1,000.4	1,082.8	1,051.4	846.8	-236.0
<i>less</i> depreciation	<i>557.4</i>	<i>584.6</i>	<i>583.9</i>	<i>570.1</i>	<i>-14.5</i>
<i>plus</i> change in inventories	<i>-4.0</i>	<i>104.4</i>	<i>-28.5</i>	<i>-55.4</i>	<i>-159.8</i>
<i>plus</i> other movements in non-financial assets	<i>-105.7</i>	<i>-37.2</i>	<i>-118.5</i>	<i>-80.3</i>	<i>-43.1</i>
<i>Total</i>	<i>333.4</i>	<i>565.4</i>	<i>320.5</i>	<i>141.0</i>	<i>-424.5</i>
NET LENDING/BORROWING	-302.8	-433.6	-195.7	4.8	438.4
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)					
NET OPERATING BALANCE	30.6	131.8	124.9	145.8	13.9
<i>less</i> provisions for doubtful debts	<i>0.6</i>	<i>-</i>	<i>-</i>	<i>7.4</i>	<i>7.4</i>
<i>plus</i> net gains on assets (including derivatives)	<i>-467.1</i>	<i>66.9</i>	<i>59.5</i>	<i>36.2</i>	<i>-30.7</i>
<i>plus</i> capitalised interest	<i>-</i>	<i>-</i>	<i>-</i>	<i>14.0</i>	<i>14.0</i>
<i>less</i> revaluation of superannuation liabilities	<i>19.6</i>	<i>-</i>	<i>-</i>	<i>23.4</i>	<i>23.4</i>
<i>plus</i> all other adjustments	<i>4.8</i>	<i>-</i>	<i>-</i>	<i>9.6</i>	<i>9.6</i>
AAS OPERATING RESULT	-452.0	198.7	184.4	174.7	-24.0

Note: Columns may not add due to rounding

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2001	2002			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
ASSETS					
<i>Financial assets</i>					
Cash and deposits	194.9	187.7	172.7	276.3	88.6
Advances paid	212.4	202.4	200.3	185.5	-16.9
Investments, loans and placements	1,112.5	1,098.7	1,077.2	1,203.6	104.9
Other non-equity assets	676.6	728.0	626.2	576.2	-151.8
Equity	6.9	1.1	0.9	8.1	7.0
Total	2,203.3	2,217.9	2,077.2	2,249.7	31.8
<i>Non-Financial assets</i>					
Land and fixed assets	20,574.3	21,469.1	21,352.6	21,095.0	-374.1
Other non-financial assets	21.2	4.7	11.5	23.1	18.4
Total	20,595.4	21,473.8	21,364.1	21,118.1	-355.7
TOTAL ASSETS	22,798.7	23,691.7	23,441.3	23,367.8	-324.0
LIABILITIES					
Deposits held	-	0.5	-	-	-0.5
Advances received	596.4	585.1	585.1	585.0	-
Borrowings	5,530.2	5,809.6	5,810.0	5,693.0	-116.6
Unfunded superannuation liabilities	269.0	253.7	263.0	276.0	22.3
Other employee entitlements and provisions	227.7	210.1	205.2	230.5	20.4
Non-equity liabilities	1,170.5	1,203.0	1,120.5	1,177.8	-25.2
TOTAL LIABILITIES	7,793.7	8,062.0	7,983.8	7,962.4	-99.7
Shares and other contributed capital ⁽¹⁾	55.8	-	192.2	165.3	-
NET WORTH	14,949.2	15,629.7	15,265.2	15,240.0	-389.6
<i>Memorandum Item: Net Debt</i>	4,606.8	4,906.4	4,945.0	4,612.6	-293.8
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)					
NET WORTH	14,949.2	15,629.7	15,265.2	15,240.0	-389.6
<i>plus</i> shares and other contributed capital	55.8	n.app.	192.2	165.3	n.app.
<i>less</i> all other adjustments	-	-	-	-	-
AAS NET ASSETS	15,005.0	15,629.7	15,457.4	15,405.4	-224.3
(1) Not separately identified in the 2001-02 Budget. In that publication, this aggregate was included in net worth. The change in format of disclosure here is consistent with Australian Bureau of Statistics standards.					
Note: Columns may not add due to rounding					

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual	Budget Estimate	Estimated Outturn	Actual	
	\$m	\$m (a)	\$m (b)	\$m (c)	
RECEIPTS FROM OPERATING ACTIVITIES					
Receipts from sales of goods and services	5,287.2	4,875.8	4,951.4	4,943.0	67.2
Grants and subsidies received	572.0	624.9	629.5	600.7	-24.2
Other receipts	424.7	369.9	389.3	470.9	101.0
<i>Total</i>	6,283.9	5,870.5	5,970.2	6,014.6	144.0
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-4,094.7	-3,736.8	-3,757.8	-3,680.3	56.4
Grants and subsidies paid	-101.9	-46.4	-107.8	-130.6	-84.2
Interest paid	-466.6	-422.9	-420.8	-356.1	66.8
Other payments	-524.2	-386.6	-498.0	-522.0	-135.4
<i>Total</i>	-5,187.4	-4,592.7	-4,784.4	-4,689.0	-96.3
Net Cash Flow from Operating Activities	1,096.5	1,277.8	1,185.8	1,325.6	47.7
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-1,184.2	-1,273.7	-1,267.2	-1,108.3	165.4
Sales of non-financial assets	283.4	343.9	334.3	308.2	-35.7
<i>Total</i>	-900.8	-929.8	-932.9	-800.1	129.8
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	1,022.7	-	-	-	-
Liquidity purposes	7.8	-55.5	-42.5	-30.1	25.4
<i>Total</i>	1,030.4	-55.5	-42.5	-30.1	25.4
Net Cash Flow from Investing Activities	129.6	-985.3	-975.4	-830.2	155.2
FINANCING ACTIVITIES					
Advances received (net)	-13.6	-11.3	-11.3	-0.4	10.9
Borrowings (net)	-448.4	301.0	303.1	67.4	-233.7
Deposits received (net)	-	-	-	-	-
Distributions paid	-851.4	-640.9	-629.6	-625.9	14.9
Other financing	51.4	173.2	176.8	147.0	-26.3
<i>Total</i>	-1,262.1	-177.9	-161.0	-412.0	-234.1
<i>Opening cash balance</i>	411.4	512.3	375.4	375.4	-136.8
NET INCREASE IN CASH HELD ^(a)	-36.0	114.6	49.5	83.4	-31.2
<i>Closing cash balance</i>	375.4	626.9	424.9	458.8	-168.0
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	-655.8	-292.9	-376.7	-100.5	192.4
<i>less finance leases and similar arrangements</i>	-	-	-	-	-
Surplus	-655.8	-292.9	-376.7	-100.5	192.4

(a) The GFS concept of net increase in cash held is identical to the AAS 31 concept of net increase in cash held.

Note: Columns may not add due to rounding

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2000-01	2001-02			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
REVENUE					
Taxation	2,756.4	2,610.6	2,799.0	2,784.3	173.7
Current grants and subsidies	4,781.2	5,157.0	5,214.2	5,280.1	123.1
Capital grants	276.9	287.0	272.7	268.8	-18.2
Sales of goods and services	5,997.3	5,742.7	5,840.6	5,634.7	-112.5
Interest income	225.2	180.3	163.1	188.6	8.3
Royalty income	685.6	643.9	639.5	635.9	-8.0
Other	348.9	301.5	330.6	416.6	115.0
<i>Total</i>	<i>15,071.4</i>	<i>14,923.0</i>	<i>15,259.8</i>	<i>15,209.0</i>	<i>286.0</i>
EXPENSES					
Gross operating expenses					
Salaries	4,364.3	4,452.8	4,543.1	4,566.1	113.3
Depreciation and amortisation	1,009.6	1,080.6	1,083.5	1,088.6	8.1
Superannuation	405.1	403.6	412.5	434.9	31.3
Other gross operating expenses	6,259.6	5,797.2	5,937.1	5,815.5	18.4
Nominal superannuation interest	304.1	274.4	277.6	277.6	3.2
Other interest	664.1	610.4	578.1	584.4	-26.1
Other property expenses	-	-	-	-	-
Current transfers	1,715.1	1,988.7	2,071.7	1,912.8	-75.9
Capital transfers	151.7	132.0	113.0	174.5	42.5
<i>Total</i>	<i>14,873.7</i>	<i>14,739.6</i>	<i>15,016.8</i>	<i>14,854.3</i>	<i>114.7</i>
NET OPERATING BALANCE	197.6	183.4	243.0	354.7	171.3
NET ACQUISITION OF NON-FINANCIAL ASSETS					
Gross fixed capital formation	2,035.0	2,061.9	1,678.4	1,548.2	-513.7
less depreciation	1,009.4	1,080.6	1,083.5	1,088.4	7.8
plus change in inventories	-9.9	102.6	-30.7	-52.9	-155.4
plus other movements in non-financial assets	-95.4	-81.4	-134.5	-14.8	66.7
<i>Total</i>	<i>920.4</i>	<i>1,002.5</i>	<i>429.7</i>	<i>392.2</i>	<i>-610.3</i>
NET LENDING/BORROWING	-722.7	-819.1	-186.7	-37.5	781.6
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)					
NET OPERATING BALANCE	197.6	183.4	243.0	354.7	171.3
less provisions for doubtful debts	26.9	-0.6	0.2	10.6	11.2
plus net gains on assets (including derivatives)	242.5	157.4	166.7	165.5	8.0
plus capitalised interest	-	-	-	14.0	14.0
less revaluation of superannuation liabilities	89.7	60.4	63.5	35.5	-24.9
plus all other adjustments	-15.5	-	0.4	11.2	11.2
AAS OPERATING RESULT	308.0	281.0	346.5	499.3	218.3

Note: Columns may not add due to rounding

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2001	2002			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
ASSETS					
<i>Financial assets</i>					
Cash and deposits	263.6	252.1	267.8	394.7	142.6
Advances paid	478.0	484.0	479.8	474.4	-9.6
Investments, loans and placements	2,682.8	2,303.5	2,070.8	2,521.4	218.0
Other non-equity assets	1,234.4	1,201.3	1,207.0	1,118.4	-83.0
Equity	210.9	88.6	207.3	179.0	90.5
<i>Total</i>	<i>4,869.7</i>	<i>4,329.4</i>	<i>4,232.8</i>	<i>4,688.0</i>	<i>358.5</i>
<i>Non-Financial assets</i>					
Land and fixed assets	44,043.7	46,205.3	45,415.4	47,313.9	1,108.6
Other non-financial assets	76.9	132.2	77.1	80.4	-51.7
<i>Total</i>	<i>44,120.7</i>	<i>46,337.4</i>	<i>45,492.5</i>	<i>47,394.3</i>	<i>1,056.8</i>
TOTAL ASSETS	48,990.4	50,666.9	49,725.2	52,082.2	1,415.3
LIABILITIES					
Deposits held	110.5	91.7	138.5	89.4	-2.2
Advances received	620.4	593.2	593.3	592.9	-0.4
Borrowings	7,758.9	8,186.9	8,024.8	7,851.8	-335.1
Unfunded superannuation liabilities	5,461.9	5,469.8	5,509.9	5,498.0	28.2
Other employee entitlements and provisions	1,175.9	1,150.8	1,236.8	1,296.2	145.3
Non-equity liabilities	1,658.2	1,558.1	1,426.7	1,535.9	-22.2
TOTAL LIABILITIES	16,785.7	17,050.5	16,929.9	16,864.1	-186.3
NET WORTH	32,204.7	33,616.4	32,795.3	35,218.1	1,601.6
<i>Memorandum Item: Net Debt</i>	<i>5,065.3</i>	<i>5,832.2</i>	<i>5,938.1</i>	<i>5,143.5</i>	<i>-688.7</i>
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)					
NET WORTH	32,204.7	33,616.4	32,795.3	35,218.1	1,601.6
<i>less equity (net worth) of PFC sector</i>	<i>204.1</i>	<i>87.5</i>	<i>206.6</i>	<i>171.2</i>	<i>83.7</i>
<i>less all other adjustments</i>	<i>0.5</i>	<i>-1.0</i>	<i>-0.2</i>	<i>3.4</i>	<i>4.4</i>
AAS NET ASSETS	32,000.2	33,529.9	32,588.9	35,043.6	1,513.6
Note: Columns may not add due to rounding					

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2000-01	2001-02			
	Actual	Budget	Estimated	Actual	Variation
	\$m	Estimate	Outturn	\$m	on Budget
		(a)	(b)	(c)	(c) - (a)
		\$m	\$m	\$m	\$m
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	2,623.2	2,730.0	2,765.4	2,820.5	90.5
Receipts from sales of goods and services	6,120.4	5,640.2	5,723.0	5,695.1	54.9
Grants and subsidies received	5,113.0	5,451.5	5,499.5	5,555.6	104.1
Other receipts	1,848.9	1,829.3	1,922.0	1,947.7	118.4
<i>Total</i>	<i>15,705.5</i>	<i>15,651.0</i>	<i>15,909.9</i>	<i>16,018.9</i>	<i>367.9</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-11,076.4	-10,914.6	-11,114.5	-10,948.5	-33.9
Grants and subsidies paid	-1,838.1	-1,932.4	-1,934.2	-1,847.2	85.2
Interest paid	-673.2	-648.4	-614.0	-543.4	105.0
Other payments	-958.2	-940.5	-1,108.3	-1,221.2	-280.8
<i>Total</i>	<i>-14,546.0</i>	<i>-14,435.9</i>	<i>-14,771.1</i>	<i>-14,560.4</i>	<i>-124.5</i>
Net Cash Flow from Operating Activities	1,159.5	1,215.1	1,138.8	1,458.5	243.4
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-2,293.8	-2,386.4	-2,339.2	-1,968.5	417.9
Sales of non-financial assets	354.2	480.8	443.7	408.2	-72.6
<i>Total</i>	<i>-1,939.7</i>	<i>-1,905.6</i>	<i>-1,895.5</i>	<i>-1,560.3</i>	<i>345.3</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	1,466.2	11.1	11.1	12.6	1.5
Liquidity purposes	-68.1	-4.3	12.9	-41.6	-37.3
<i>Total</i>	<i>1,398.1</i>	<i>6.8</i>	<i>24.0</i>	<i>-29.1</i>	<i>-35.9</i>
Net Cash Flow from Investing Activities	-541.6	-1,898.8	-1,871.5	-1,589.4	309.5
FINANCING ACTIVITIES					
Advances received (net)	-129.8	69.8	-28.1	-432.5	-502.3
Borrowings (net)	-170.2	430.3	302.6	521.3	91.0
Deposits received (net)	32.4	-14.2	-14.2	-91.9	-77.8
Distributions paid	-3.9	17.0	-	0.7	-16.3
Other financing	15.0	22.7	-1.4	-15.6	-38.3
<i>Total</i>	<i>-256.4</i>	<i>525.6</i>	<i>258.9</i>	<i>-18.1</i>	<i>-543.7</i>
<i>Opening cash balance</i>	<i>1,521.1</i>	<i>1,989.7</i>	<i>1,882.6</i>	<i>1,882.6</i>	<i>-107.1</i>
NET INCREASE IN CASH HELD ^(a)	361.4	-158.1	-473.7	-148.9	9.1
<i>Closing cash balance</i>	<i>1,882.6</i>	<i>1,831.6</i>	<i>1,408.8</i>	<i>1,733.7</i>	<i>-97.9</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>					
	-784.1	-673.5	-756.7	-101.1	572.4
	-	-	-	-	-
Surplus	-784.1	-673.5	-756.7	-101.1	572.4

(a) The GFS concept of net increase in cash held is identical to the AAS 31 concept of net increase in cash held.

Note: Columns may not add due to rounding

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2000-01	2001-02			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
REVENUE					
Current grants and subsidies	-	-	-	-	-
Capital grants	2.0	-	-	-	-
Sales of goods and services	513.4	537.3	463.6	407.9	-129.4
Interest income	958.4	884.9	964.9	849.0	-35.9
Other	7.7	-	1.9	26.0	26.0
<i>Total</i>	<i>1,481.6</i>	<i>1,422.2</i>	<i>1,430.4</i>	<i>1,283.0</i>	<i>-139.3</i>
EXPENSES					
Gross operating expenses					
Salaries	17.7	18.6	18.7	18.0	-0.6
Depreciation and amortisation	2.4	3.0	3.0	3.1	0.1
Superannuation	3.4	1.4	2.5	2.4	1.0
Other gross operating expenses	441.5	530.5	503.0	493.8	-36.7
Nominal superannuation interest	-	-	-	-	-
Other interest	756.7	801.1	771.2	700.7	-100.4
Other property expenses	9.8	16.1	17.1	15.2	-0.9
Current transfers	4.4	2.3	2.4	2.1	-0.1
Capital transfers	-	-	-	-	-
<i>Total</i>	<i>1,236.0</i>	<i>1,372.9</i>	<i>1,317.8</i>	<i>1,235.2</i>	<i>-137.7</i>
NET OPERATING BALANCE	245.6	49.3	112.7	47.8	-1.5
NET ACQUISITION OF NON-FINANCIAL ASSETS					
Gross fixed capital formation	5.7	4.0	4.7	4.3	0.3
less depreciation	2.4	3.0	3.0	3.1	0.1
plus change in inventories	-	-	-	-	-
plus other movements in non-financial assets	-	-	-	-	-
<i>Total</i>	<i>3.3</i>	<i>1.0</i>	<i>1.8</i>	<i>1.2</i>	<i>0.2</i>
NET LENDING/BORROWING	242.3	48.3	110.9	46.5	-1.8
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)					
NET OPERATING BALANCE	245.6	49.3	112.7	47.8	-1.5
less provisions for doubtful debts	0.1	-	0.2	0.2	0.2
plus net gains on assets (including derivatives)	-15.4	-	-	-64.4	-64.4
plus capitalised interest	-	-	-	-	-
less revaluation of superannuation liabilities	-0.4	-	-	1.0	1.0
plus all other adjustments	-	-	-	-	-
AAS OPERATING RESULT	230.6	49.3	112.5	-17.8	-67.1

Note: Columns may not add due to rounding

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2001	2002			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
ASSETS					
<i>Financial assets</i>					
Cash and deposits	24.8	8.7	28.1	17.0	8.3
Advances paid	1,515.1	1,952.8	1,952.8	1,463.0	-489.9
Investments, loans and placements	11,511.5	12,746.6	12,896.8	11,241.5	-1,505.1
Other non-equity assets	463.8	354.9	459.3	472.8	117.9
Equity	637.5	631.4	677.4	605.8	-25.5
Total	14,152.7	15,694.4	16,014.3	13,800.1	-1,894.3
<i>Non-Financial assets</i>					
Land and fixed assets	290.5	326.7	304.1	301.9	-24.8
Other non-financial assets	-	-	-	-	-
Total	290.5	326.7	304.1	301.9	-24.8
TOTAL ASSETS	14,443.2	16,021.1	16,318.5	14,101.9	-1,919.1
LIABILITIES					
Deposits held	-	-	-	1.3	1.3
Advances received	3.5	3.4	3.4	3.4	-
Borrowings	12,363.8	14,058.5	14,208.3	12,103.3	-1,955.2
Unfunded superannuation liabilities	16.0	14.0	16.0	17.0	3.0
Other employee entitlements and provisions	6.6	6.1	5.7	7.2	1.1
Non-equity liabilities	1,849.3	1,851.5	1,878.5	1,798.5	-53.0
TOTAL LIABILITIES	14,239.1	15,933.6	16,111.9	13,930.8	-2,002.8
Shares and other contributed capital	-	-	-	-	-
NET WORTH	204.1	87.5	206.6	171.2	83.7
<i>Memorandum Item: Net Debt</i>	-684.2	-646.2	-666.0	-613.3	32.8
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)					
NET WORTH	204.1	87.5	206.6	171.2	83.7
plus shares and other contributed capital	-	-	-	-	-
less all other adjustments	-	-	-	-	-
AAS NET ASSETS	204.1	87.5	206.6	171.2	83.7
Note: Columns may not add due to rounding					

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2000-01		2001-02		
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
RECEIPTS FROM OPERATING ACTIVITIES					
Receipts from sales of goods and services	566.6	509.5	498.3	498.0	-11.5
Grants and subsidies received	2.0	-	-	-	-
Other receipts	898.6	929.9	931.3	807.0	-123.0
Total	1,467.1	1,439.5	1,429.7	1,305.0	-134.5
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-456.7	-503.3	-472.5	-497.8	5.5
Grants and subsidies paid	-	-	-1.6	-	-
Interest paid	-795.9	-794.5	-766.5	-742.6	51.9
Other payments	-72.5	-45.8	-44.8	-60.7	-14.8
Total	-1,325.1	-1,343.6	-1,285.4	-1,301.0	42.6
Net Cash Flow from Operating Activities	142.0	95.8	144.3	4.0	-91.9
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-6.2	-4.0	-4.7	-5.2	-1.2
Sales of non-financial assets	0.5	-	-	0.9	0.9
Total	-5.7	-4.0	-4.7	-4.3	-0.3
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	-	-	-	-	-
Liquidity purposes	-159.0	-177.6	-232.5	-24.1	153.5
Total	-159.0	-177.6	-232.5	-24.1	153.5
Net Cash Flow from Investing Activities	-164.7	-181.5	-237.3	-28.4	153.2
FINANCING ACTIVITIES					
Advances received (net)	-	-	-	-	-
Borrowings (net)	-378.4	101.8	107.8	-289.1	-391.0
Deposits received (net)	-	-	-	-	-
Distributions paid	-13.3	-17.0	-18.0	-15.1	1.9
Other financing	0.5	-	-	-0.1	-0.1
Total	-391.2	84.8	89.7	-304.4	-389.1
<i>Opening cash balance</i>	3,329.7	3,337.4	2,915.8	2,915.8	-421.6
NET INCREASE IN CASH HELD ^(a)	-413.9	-0.9	-3.3	-328.7	-327.8
<i>Closing cash balance</i>	2,915.8	3,336.5	2,912.6	2,587.1	-749.4
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	123.0	74.9	121.5	-15.4	-90.3
<i>Less finance leases and similar arrangements</i>	-	-	-	-	-
Surplus	123.0	74.9	121.5	-15.4	-90.3

(a) The GFS concept of net increase in cash held is identical to the AAS 31 concept of net increase in cash held.

Note: Columns may not add due to rounding

Table 1.13

TOTAL PUBLIC SECTOR
Operating Statement

	2000-01	2001-02			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
REVENUE					
Taxation	2,755.0	2,608.8	2,797.2	2,783.1	174.3
Current grants and subsidies	4,781.2	5,157.0	5,214.2	5,280.1	123.1
Capital grants	276.9	287.0	272.7	268.8	-18.2
Sales of goods and services	6,412.9	6,169.1	6,191.3	5,938.2	-230.9
Interest income	555.1	492.7	585.4	497.9	5.3
Royalty income	685.6	643.9	639.5	635.9	-8.0
Other	335.8	287.0	313.0	425.4	138.4
<i>Total</i>	<i>15,802.5</i>	<i>15,645.3</i>	<i>16,013.5</i>	<i>15,829.3</i>	<i>184.0</i>
EXPENSES					
Gross operating expenses					
Salaries	4,382.0	4,471.4	4,561.8	4,584.0	112.7
Depreciation and amortisation	1,012.0	1,083.6	1,086.5	1,091.7	8.1
Superannuation	408.5	405.0	415.0	437.3	32.3
Other gross operating expenses	6,595.6	6,218.7	6,325.2	6,206.2	-12.4
Nominal superannuation interest	304.1	274.4	277.6	277.6	3.2
Other interest	792.2	838.9	806.7	745.4	-93.6
Other property expenses	-	-	-	-	-
Current transfers	1,715.0	1,988.7	2,071.9	1,910.2	-78.5
Capital transfers	149.7	132.0	113.0	174.5	42.5
<i>Total</i>	<i>15,359.3</i>	<i>15,412.7</i>	<i>15,657.8</i>	<i>15,426.9</i>	<i>14.2</i>
NET OPERATING BALANCE	443.3	232.7	355.7	402.5	169.8
NET ACQUISITION OF NON-FINANCIAL ASSETS					
Gross fixed capital formation	2,040.7	2,065.9	1,683.1	1,552.5	-513.4
less depreciation	1,011.7	1,083.6	1,086.5	1,091.4	7.9
plus change in inventories	-9.9	102.6	-30.7	-52.9	-155.4
plus other movements in non-financial assets	-95.4	-81.4	-134.5	-14.8	66.7
<i>Total</i>	<i>923.7</i>	<i>1,003.5</i>	<i>431.5</i>	<i>393.4</i>	<i>-610.1</i>
NET LENDING/BORROWING	-480.4	-770.8	-75.9	9.0	779.8
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)					
NET OPERATING BALANCE	443.3	232.7	355.7	402.5	169.8
less provisions for doubtful debts	27.0	-0.6	0.4	10.7	11.3
plus net gains on assets (including derivatives)	227.1	157.4	166.7	101.1	-56.4
plus capitalised interest	-	-	-	14.0	14.0
less revaluation of superannuation liabilities	89.3	60.4	63.5	36.5	-23.9
plus all other adjustments	-15.5	-	0.4	11.2	11.2
AAS OPERATING RESULT	538.6	330.3	459.0	481.5	151.2

Note: Columns may not add due to rounding

Table 1.14

TOTAL PUBLIC SECTOR
Balance Sheet at 30 June

	2001	2002			Variation on Budget \$m (c) - (a)
	Actual	Budget Estimate	Estimated Outturn	Actual	
	\$m	\$m (a)	\$m (b)	\$m (c)	
ASSETS					
<i>Financial assets</i>					
Cash and deposits	286.2	259.1	295.6	410.0	150.9
Advances paid	1,989.6	2,433.4	2,429.3	1,933.9	-499.5
Investments, loans and placements	5,804.8	6,236.7	6,300.4	5,155.7	-1,081.0
Other non-equity assets	1,476.6	1,458.7	1,595.0	1,375.3	-83.4
Equity	644.4	632.4	678.2	613.9	-18.6
<i>Total</i>	<i>10,201.6</i>	<i>11,020.3</i>	<i>11,298.5</i>	<i>9,488.8</i>	<i>-1,531.5</i>
<i>Non-Financial assets</i>					
Land and fixed assets	44,334.3	46,532.0	45,719.5	47,615.7	1,083.8
Other non-financial assets	76.9	132.2	77.1	80.4	-51.7
<i>Total</i>	<i>44,411.2</i>	<i>46,664.1</i>	<i>45,796.6</i>	<i>47,696.2</i>	<i>1,032.0</i>
TOTAL ASSETS	54,612.8	57,684.4	57,095.0	57,184.9	-499.5
LIABILITIES					
Deposits held	108.2	90.0	138.2	89.1	-0.9
Advances received	620.4	593.2	593.3	592.9	-0.4
Borrowings	11,733.1	13,432.0	13,565.9	11,347.9	-2,084.2
Unfunded superannuation liabilities	5,477.9	5,483.8	5,525.9	5,515.0	31.2
Other employee entitlements and provisions	1,176.1	1,157.0	1,236.2	1,301.6	144.6
Non-equity liabilities	3,292.3	3,311.0	3,240.1	3,120.4	-190.6
TOTAL LIABILITIES	22,408.1	24,067.0	24,299.6	21,966.7	-2,100.3
NET WORTH	32,204.8	33,617.4	32,795.4	35,218.2	1,600.8
<i>Memorandum Item: Net Debt</i>	<i>4,381.1</i>	<i>5,186.1</i>	<i>5,272.1</i>	<i>4,530.2</i>	<i>-655.9</i>
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)					
NET WORTH	32,204.8	33,616.4	32,795.4	35,218.2	1,601.8
<i>less all other adjustments</i>	<i>0.5</i>	<i>-1.0</i>	<i>-</i>	<i>3.5</i>	<i>4.5</i>
AAS NET ASSETS	32,204.3	33,617.4	32,795.5	35,214.8	1,597.3
Note: Columns may not add due to rounding					

Table 1.15

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2000-01	2001-02			
	Actual	Budget	Estimated	Actual	Variation
	\$m	Estimate \$m (a)	Outturn \$m (b)	\$m (c)	on Budget \$m (c) - (a)
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	2,621.5	2,728.4	2,763.9	2,818.3	89.9
Receipts from sales of goods and services	6,532.4	6,039.0	6,108.4	6,082.3	43.3
Grants and subsidies received	5,113.0	5,451.5	5,499.5	5,555.6	104.1
Other receipts	2,084.6	2,140.8	2,222.7	2,196.2	55.4
<i>Total</i>	<i>16,351.5</i>	<i>16,359.7</i>	<i>16,594.4</i>	<i>16,652.3</i>	<i>292.6</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-11,377.9	-11,306.7	-11,473.7	-11,334.8	-28.1
Grants and subsidies paid	-1,833.6	-1,932.4	-1,935.8	-1,844.6	87.8
Interest paid	-834.8	-834.8	-800.7	-776.0	58.7
Other payments	-1,017.1	-974.8	-1,119.2	-1,249.5	-274.7
<i>Total</i>	<i>-15,063.4</i>	<i>-15,048.7</i>	<i>-15,329.3</i>	<i>-15,204.9</i>	<i>-156.2</i>
Net Cash Flow from Operating Activities	1,288.1	1,311.0	1,265.1	1,447.4	136.4
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-2,300.0	-2,390.4	-2,343.9	-1,973.7	416.7
Sales of non-financial assets	354.7	480.8	443.7	409.1	-71.7
<i>Total</i>	<i>-1,945.3</i>	<i>-1,909.6</i>	<i>-1,900.3</i>	<i>-1,564.6</i>	<i>345.0</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	1,463.2	11.1	11.1	12.5	1.5
Liquidity purposes	-227.1	-181.8	-219.6	-65.7	116.2
<i>Total</i>	<i>1,236.1</i>	<i>-170.8</i>	<i>-208.5</i>	<i>-53.1</i>	<i>117.6</i>
Net Cash Flow from Investing Activities	-709.2	-2,080.4	-2,108.8	-1,617.7	462.6
FINANCING ACTIVITIES					
Advances received (net)	-126.9	69.8	-27.4	-431.9	-501.6
Borrowings (net)	-548.6	532.1	409.7	231.5	-300.6
Deposits received (net)	32.4	-14.2	-14.2	-91.9	-77.8
Distributions paid	-3.9	-	-	0.7	0.7
Other financing	15.5	22.7	-1.4	-15.7	-38.4
<i>Total</i>	<i>-631.3</i>	<i>610.4</i>	<i>366.7</i>	<i>-307.3</i>	<i>-917.8</i>
<i>Opening cash balance</i>	<i>4,508.3</i>	<i>4,984.6</i>	<i>4,455.9</i>	<i>4,455.9</i>	<i>-528.6</i>
NET INCREASE IN CASH HELD ^(a)	-52.4	-159.0	-477.0	-477.7	-318.7
<i>Closing cash balance</i>	<i>4,455.9</i>	<i>4,825.6</i>	<i>3,978.9</i>	<i>3,978.3</i>	<i>-847.3</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>					
	-661.1	-598.6	-635.2	-116.5	482.1
Surplus	-661.1	-598.6	-635.2	-116.5	482.1

(a) The GFS concept of net increase in cash held is identical to the AAS 31 concept of net increase in cash held.

Note: Columns may not add due to rounding

Table 1.16

OPERATING REVENUE
General Government

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual \$m	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	
TAXATION					
Taxes on employer's payroll and labour force					
<i>Payroll tax</i>	832.6	910.4	900.5	898.8	-11.5
Property taxes					
<i>Land tax</i>	220.7	238.6	226.5	225.7	-12.9
Conveyances and transfers	549.2	520.0	670.3	647.4	127.4
Mortgages	74.7	78.5	85.5	85.2	6.7
Other stamp duties	96.9	57.9	56.9	55.1	-2.8
<i>Total stamp duties on financial and capital transactions</i>	720.8	656.4	812.8	787.7	131.3
Financial Institutions Duty	138.0	12.5	15.8	15.8	3.3
Debits Tax	99.8	99.5	97.5	96.4	-3.1
<i>Total financial institutions taxes</i>	237.8	112.0	113.3	112.2	0.2
Metropolitan Region Improvement Tax	36.1	39.0	39.0	37.8	-1.2
Loan guarantee fees	8.5	8.4	9.4	9.6	1.2
<i>Total other property taxes</i>	44.6	47.4	48.4	47.4	-
Taxes on provision of goods and services					
<i>Statutory contribution</i>	-	-	-	-	-
Lotteries Commission	89.3	85.2	88.9	88.4	3.2
less rebates	-15.4	-16.6	-16.9	-16.9	-0.3
Video lottery terminals	0.5	0.5	0.5	0.5	-
Casino Tax	42.2	46.0	44.0	43.7	-2.2
less rebates	-23.6	-25.8	-26.2	-27.6	-1.8
TAB betting tax	42.7	44.0	44.0	40.8	-3.2
less rebates	-14.8	-19.2	-19.5	-19.4	-0.2
Other gambling	0.1	0.1	0.1	0.1	-
<i>Total taxes on gambling</i>	121.0	114.1	114.8	109.5	-4.6
Insurance companies contribution to fire brigades	62.4	61.7	63.9	63.9	2.4
Stamp duty on insurance policies	155.9	159.0	179.0	176.2	17.2
Other	-	-	28.0	26.6	26.6
<i>Total taxes on insurance</i>	218.3	220.7	270.9	266.8	46.2
Taxes on use of goods and performance of activities					
Stamp duty on Vehicle Licences	161.1	170.5	173.0	180.7	10.2
Permits – Oversize Vehicles and Loads	1.8	1.6	1.6	1.8	0.2
Motor Vehicle recording fee	36.7	36.6	38.5	38.3	1.7
Motor Vehicle registrations	253.8	267.2	265.2	272.1	4.9
<i>Total motor vehicle taxes</i>	453.5	475.9	478.3	492.1	16.9
Franchise fee safety net arrangements:					
Petroleum	22.1	-	-	-	-
Tobacco	7.2	-	-	-	-
Liquor	13.1	-	-	-	-
<i>Total franchise fees</i>	42.3	-	-	-	-
Total Taxation	2,891.6	2,775.5	2,965.4	2,941.0	165.5

Table 1.16 (cont.)

OPERATING REVENUE
General Government

	2000-01	2001-02			
	Actual	Budget Estimate	Estimated Outturn	Actual	Variation on Budget
	\$m	\$m (a)	\$m (b)	\$m (c)	\$m (c) - (a)
CURRENT GRANTS AND SUBSIDIES					
<i>General Purpose Grants</i>					
Goods and Services Tax Revenue:					
Grants	2,374.6	2,641.8	2,562.1	2518.1	-123.7
Budget balancing assistance	213.0	181.4	312.1	351.5	170.1
Competition Reform	45.5	70.6	71.1	71.1	0.5
<i>Specific Purpose Grants to the State</i>					
Australian Health Care Agreement	585.7	644.2	660.8	659.4	15.2
Other health	170.6	188.5	197.3	211.5	23.0
Schools assistance – government schools	176.0	169.9	169.9	186.9	17.0
Vocational training	74.7	89.3	85.1	86.7	-2.6
Roads	30.3	49.2	43.1	55.5	6.3
Other	158.5	203.5	193.6	190.5	-13.1
<i>Specific Purpose Grants through the State</i>					
Schools assistance – non-government schools	326.7	333.0	333.0	357.1	24.1
Local government grants	89.2	92.8	92.8	99.2	6.4
Local government roads	63.0	65.5	65.5	70.2	4.8
First Home Owner Grants – Extension	-	12.4	48.0	52.0	39.6
<i>Other grants</i>					
North West Shelf royalties	473.5	415.0	380.0	370.4	-44.6
Total Current Grants and Subsidies	4,781.2	5,157.0	5,214.2	5,280.1	123.1
CAPITAL GRANTS					
<i>Specific Purpose Grants to the State</i>					
Roads	44.8	58.5	44.0	40.6	-17.8
Schools assistance – government schools	22.6	22.9	22.9	24.1	1.2
Vocational training	15.4	18.9	16.7	16.7	-2.2
Other	182.0	177.7	180.2	177.8	-
<i>Specific Purpose Grants through the State</i>					
Schools assistance – non-government schools	12.1	9.0	9.0	9.7	0.7
Total Capital Grants	276.9	287.0	272.7	268.8	-18.2
SALE OF GOODS AND SERVICES					
Department of Conservation	97.0	34.9	37.0	42.8	7.9
Department of Consumer and Employment Protection	16.6	10.8	15.6	17.8	7.0
Department of Culture and the Arts	4.2	11.9	13.2	17.7	5.8
Department of Education	76.8	73.9	73.9	90.5	16.6
Department of Fisheries	17.0	19.7	19.7	21.1	1.4
Department of Health	156.6	132.4	136.0	152.2	19.8
Department of Mineral and Petroleum Resources	11.3	13.3	14.0	15.4	2.1
Department of Training	11.6	12.5	12.8	12.5	-
TAFE colleges	73.3	68.9	78.6	71.1	2.2
Main Roads	17.8	18.3	14.3	10.9	-7.4
All others	381.1	455.1	481.0	429.8	-25.3
Total Sale of Goods and Services	863.3	851.7	896.0	881.7	30.0

Table 1.16 (cont.)

OPERATING REVENUE
General Government

	2000-01	2001-02			Variation on Budget \$m (c) - (a)
	Actual \$m	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	
INTEREST INCOME	141.9	136.0	117.8	122.0	-14.0
REVENUE FROM PUBLIC CORPORATIONS					
Dividends	400.0	421.9	411.0	407.6	-14.3
Tax Equivalent Regime	366.4	232.8	220.0	241.0	8.1
Total Revenue from Public Corporations	766.5	654.7	630.9	648.5	-6.2
ROYALTY INCOME					
Revenue from Territorial	700.6	658.5	654.2	651.1	-7.4
less petroleum and other refunds	-14.9	-14.6	-14.7	-15.2	-0.6
Total Royalty Income	685.6	643.9	639.5	635.9	-8.0
OTHER					
Lease rentals	35.7	38.2	35.5	37.2	-1.0
Fines	72.7	63.1	94.9	85.3	22.2
Revenue not elsewhere counted	81.2	106.4	103.1	121.4	15.0
Total Other	189.7	207.7	233.5	243.8	36.1
GRAND TOTAL	10,596.5	10,713.5	10,970.2	11,021.9	308.4

Note: Columns may not add due to rounding.

LOAN COUNCIL ALLOCATIONS
Western Australia

Table 1.17

	2001-02			
	Budget Estimate \$m (a)	Estimated Outturn \$m (b)	Actual \$m (c)	Variation on Budget \$m (c) - (a)
General Government deficit	380.3	380.0	0.7	-379.6
Public Non-financial Corporations' net financing requirement	292.9	376.7	100.5	-192.4
Net Capital Advances	11.1	11.1	12.6	1.5
<i>Total non-financial public sector deficit</i>	<i>662.4</i>	<i>745.6</i>	<i>88.6</i>	<i>-573.9</i>
<i>Memorandum Items ⁽¹⁾</i>	<i>-152.0</i>	<i>209.0</i>	<i>-300.5</i>	<i>-148.6</i>
Loan Council Allocation	510.4	954.6	-212.0	-722.4

(1) Memorandum items are used to adjust the ABS deficit/surplus to include in LCAs certain transactions (eg. operating leases) that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. Where appropriate, they are also used to deduct from the deficit/surplus certain transactions that Loan Council has agreed should not be included in LCAs (eg. the funding of more than emerging costs under public superannuation schemes).

Note: Columns may not add due to rounding.

APPENDIX 2

Monthly and Quarterly Financial Results – June 2001-02

Monthly operating and cash flow statements for the general government sector, and quarterly general purpose financial statements for the general government and total public sectors, were introduced in 2000-01.

The quarterly series is a requirement of the *Government Financial Responsibility Act 2000*. Audited, consolidated accounting data for 2001-02 will be published in the *Consolidated Financial Statements* later this year.

Monthly and quarterly data published through the year are based on unaudited agency data. June monthly and quarterly data:

- are subject to year-end reclassifications by agencies submitting source data;
- contain re-estimates of year-end accruals, which may differ from accruals calculated through the year; and
- benefit from the improved accuracy of audit quality accounts.

Accordingly, monthly and quarterly outcomes for June 2002 may include one-off movements in accrual items relative to previous reports, to move them into line with final outcomes.

General Government

Month of June 2002

A net operating deficit of \$444.9 million was recorded for the last month of 2001-02.

Revenue totalled \$635.7 million, significantly lower than average monthly income recorded through the year. Contributing to the lower monthly revenue was the withdrawal of the stamp duty assessment (and related penalty) relating to Westralia Airports Corporation. Also detracting from monthly income was year-end adjustments to GST grants from the Commonwealth, arising from revised population and other parameters. Sale of goods and services revenue was strong in June, but within the range of past monthly variations. All other revenue aggregates displayed monthly patterns consistent with performance through the year.

Expenses totalled \$1,080.6 million, somewhat above the monthly spending trend through the rest of the year. However, this increase is similar to the pattern in previous years, with higher year-end spending reflecting late purchases of goods and services and the impact of year-end accruals recognised in agencies. An additional factor for June 2002 was the impact of the Government's enhanced voluntary redundancy program, announced in the 2002-03 Budget, on the sector's salaries.

A cash surplus on operating activities of \$114.0 million was recorded for June 2002. This includes the collection of cash for revenue earned in earlier periods. In line with operating expenses, payments for operating activities were higher than the monthly average through the year, reflecting the higher year-end spending of agencies.

Fixed asset investment in the month totalled \$49.8 million, bringing to \$860.2 million the total amount of fixed asset investment in 2001-02.

Three Months to 30 June 2002

The sector recorded a \$218.9 million net operating deficit in the three months to 30 June 2002, broadly similar to the June 2001 quarterly result.

Revenue of \$2,566.4 million was 23.3% of the annual outcome. June quarter expenses were 25.8% of the full year amount, reflecting the higher year-end spending noted for the month of June and in the May 2002 monthly report.

Net cash from operations was in surplus by \$441.4 million, while capital spending totalled \$275.8 million. These outcomes reflect similar factors to those noted above for the monthly outcome, and are consistent with performance in the same quarter a year earlier.

Cash balances increased by \$192.2 million during the quarter, ending the year with a \$934.5 million balance.

Total Public Sector

Three Months to 30 June 2002

The total public sector recorded a \$253.8 million net operating deficit in the three months to 30 June 2002.

2001-02 Government Financial Results Report

For public non-financial corporations, higher spending in the last quarter of the year, similar to the general government agency performance, accounts for the quarter's weaker result. For the public financial corporations sector, end of year adjustment of returns on financial assets in weaker investment markets, particularly for the Insurance Commission of Western Australia, resulted in a low outcome for June revenue.

A cash deficit of \$106.5 million for the total public sector for the three months to 30 June 2002 reflects capital spending in the quarter (\$648.4 million) more than offsetting cash from operations (\$410.6 million).

The following tables 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). They complete the monthly and quarterly government finance statistics series for the 2001-02 year.

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Table 2.1

GENERAL GOVERNMENT
Operating Statement

	2001-02			2000-01		
	Month of June \$m	Three Months to June \$m	Actual \$m	Month of June \$m	Three Months to June \$m	Actual \$m
REVENUE						
Taxation	138.9	616.1	2,941.0	222.0	680.7	2,891.6
Current grants and subsidies	254.5	1,227.1	5,280.1	318.5	1,159.2	4,781.2
Capital grants	9.4	19.7	268.8	95.5	134.7	276.9
Sales of goods and services	116.1	279.6	881.7	-11.5	223.0	863.3
Interest income	15.1	33.4	122.0	25.2	37.2	141.9
Revenue from public corporations						
Dividends	19.8	129.3	407.6	48.6	119.0	400.0
Tax equivalent payments	0.6	27.6	241.0	30.2	56.8	366.4
Royalty income	67.8	177.0	635.9	129.5	252.3	685.6
Other	13.6	56.6	243.8	-1.4	39.2	189.6
<i>Total</i>	<i>635.7</i>	<i>2,566.4</i>	<i>11,021.9</i>	<i>856.5</i>	<i>2,702.1</i>	<i>10,596.5</i>
EXPENSES						
Gross operating expenses						
Salaries	401.4	1,119.8	4,182.9	429.6	1,030.1	3,953.3
Depreciation and amortisation	82.1	159.5	518.2	52.8	124.8	452.0
Superannuation	53.3	117.4	389.6	70.6	114.5	358.7
Other	360.2	829.0	2,712.8	308.1	952.2	2,809.8
Nominal superannuation interest	26.1	69.4	277.6	26.9	76.0	304.1
Other interest	20.5	61.0	218.0	36.6	62.9	239.5
Other property expenses	-	-	-	-	-	-
Current transfers	120.5	407.5	2,238.0	138.1	447.4	2,048.9
Capital transfers	16.5	21.7	275.8	64.8	84.2	263.1
<i>Total</i>	<i>1,080.6</i>	<i>2,785.3</i>	<i>10,812.9</i>	<i>1,127.4</i>	<i>2,892.2</i>	<i>10,429.4</i>
NET OPERATING BALANCE	-444.9	-218.9	208.9	-271.0	-190.1	167.1
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Gross fixed capital formation	-	172.7	701.4	-	319.0	1,034.7
<i>less</i> depreciation	-	159.5	518.2	-	124.8	452.0
<i>plus</i> change in inventories	-	-4.0	2.5	-	-10.1	-5.9
<i>plus</i> other movements in non-financial assets	-	10.0	65.5	-	-6.7	10.2
<i>Total</i>	-	19.2	251.2	-	177.4	587.0
NET LENDING/BORROWING	-	-238.0	-42.3	-	-367.5	-419.9
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)						
NET OPERATING BALANCE	-	-218.9	208.9	-	-190.1	167.1
<i>less</i> provisions for doubtful debts	-	3.1	3.1	-	26.4	26.4
<i>plus</i> net gains on assets (including derivatives)	-	69.7	129.3	-	271.7	709.6
<i>plus</i> capitalised interest	-	-	-	-	-	-
<i>less</i> revaluation of superannuation liabilities	-	-51.4	12.1	-	70.1	70.1
<i>plus</i> all other adjustments	-	-8.1	1.6	-	-11.8	-20.3
AAS OPERATING RESULT	-	-109.0	324.7	-	-26.7	760.0

Note: Columns may not add due to rounding

Table 2.2

GENERAL GOVERNMENT
Cash Flow Statement

	2001-02			2000-01		
	Month of June \$m	Three Months to June \$m	Actual \$m	Month of June \$m	Three Months to June \$m	Actual \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	237.2	808.4	2,973.9	233.0	707.1	2,809.3
Receipts from sales of goods and services	122.7	240.0	871.9	111.3	274.7	972.8
Grants and subsidies received	269.5	1,240.9	5,555.3	474.8	1,290.9	5,113.0
Other receipts	416.3	719.5	2,151.6	349.9	786.7	2,318.8
<i>Total</i>	<i>1,045.8</i>	<i>3,008.7</i>	<i>11,552.6</i>	<i>1,168.9</i>	<i>3,059.4</i>	<i>11,213.9</i>
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-617.5	-1,788.7	-7,397.1	-672.6	-1,757.2	-7,130.8
Grants and subsidies paid	-215.5	-474.1	-2,317.1	-346.8	-564.4	-2,308.1
Interest paid	-26.9	-84.6	-223.3	-26.8	-82.9	-241.4
Other payments	-71.8	-220.0	-855.5	29.0	-199.4	-623.1
<i>Total</i>	<i>-931.8</i>	<i>-2,567.4</i>	<i>-10,793.0</i>	<i>-1,017.3</i>	<i>-2,603.9</i>	<i>-10,303.4</i>
Net Cash Flow from Operating Activities	114.0	441.4	759.6	151.7	455.5	910.5
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-49.8	-275.8	-860.2	-174.5	-381.4	-1,109.6
Sales of non-financial assets	13.4	36.0	100.0	16.8	40.2	70.8
<i>Total</i>	<i>-36.3</i>	<i>-239.9</i>	<i>-760.2</i>	<i>-157.8</i>	<i>-341.2</i>	<i>-1,038.9</i>
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-41.8	-90.0	-92.9	23.4	20.0	443.5
Liquidity purposes	-2.9	13.3	-11.5	-73.4	-68.2	-75.9
<i>Total</i>	<i>-44.6</i>	<i>-76.8</i>	<i>-104.4</i>	<i>-50.0</i>	<i>-48.2</i>	<i>367.6</i>
Net Cash Flow from Investing Activities	-81.0	-316.7	-864.6	-207.7	-389.4	-671.2
FINANCING ACTIVITIES						
Advances received (net)	-397.2	-388.9	-421.2	3.6	1.1	-116.2
Borrowings (net)	391.4	502.6	443.0	201.1	161.5	278.2
Deposits received (net)	3.7	-8.6	-91.9	32.4	-37.0	32.4
Distributions paid	-	-	-	-	-	-
Other financing	-24.9	-37.5	-57.1	-47.7	-18.4	-36.4
<i>Total</i>	<i>-27.1</i>	<i>67.5</i>	<i>-127.2</i>	<i>189.4</i>	<i>107.1</i>	<i>158.1</i>
<i>Opening cash balance</i>	<i>928.5</i>	<i>742.3</i>	<i>1,166.8</i>	<i>1,033.4</i>	<i>993.6</i>	<i>769.4</i>
NET INCREASE IN CASH HELD	6.0	192.2	-232.3	133.4	173.2	397.4
<i>Closing cash balance</i>	<i>934.5</i>	<i>934.5</i>	<i>934.5</i>	<i>1,166.8</i>	<i>1,166.8</i>	<i>1,166.8</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>77.7</i>	<i>201.5</i>	<i>-0.7</i>	<i>-6.1</i>	<i>114.4</i>	<i>-128.3</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	77.7	201.5	-0.7	-6.1	114.4	-128.3

Note: Columns may not add due to rounding

TOTAL PUBLIC SECTOR
Operating Statement

Table 2.3

	2001-02		2000-01	
	Three Months to June \$m	Actual \$m	Three Months to June \$m	Actual \$m
REVENUE				
Taxation	585.1	2,783.1	683.5	2,755.0
Current grants and subsidies	1,227.1	5,280.1	1,159.2	4,781.2
Capital grants	19.7	268.8	134.7	276.9
Sales of goods and services	1,657.3	5,938.2	1,577.5	6,412.9
Interest income	-56.9	497.9	97.5	555.1
Royalty income	177.0	635.9	252.3	685.6
Other	147.1	425.4	78.0	335.8
<i>Total</i>	<i>3,756.4</i>	<i>15,829.3</i>	<i>3,982.6</i>	<i>15,802.5</i>
EXPENSES				
Gross operating expenses				
Salaries	1,222.3	4,584.0	1,129.0	4,382.0
Depreciation and amortisation	310.9	1,091.7	270.8	1,012.0
Superannuation	123.9	437.3	126.9	408.5
Other gross operating expenses	1,883.0	6,206.2	1,908.2	6,595.6
Nominal superannuation interest	69.4	277.6	76.0	304.1
Other interest	22.0	745.4	148.0	792.2
Other property expenses	-	-	-	-
Current transfers	364.2	1,910.2	356.0	1,715.0
Capital transfers	14.7	174.5	50.3	149.7
<i>Total</i>	<i>4,010.2</i>	<i>15,426.9</i>	<i>4,065.3</i>	<i>15,359.3</i>
NET OPERATING BALANCE	-253.8	402.5	-82.6	443.3
NET ACQUISITION OF NON-FINANCIAL ASSETS				
Gross fixed capital formation	496.3	1,552.5	665.9	2,040.7
<i>less</i> depreciation	<i>310.8</i>	<i>1,091.4</i>	<i>270.8</i>	<i>1,011.7</i>
<i>plus</i> change in inventories	<i>-580.1</i>	<i>-52.9</i>	<i>-417.8</i>	<i>-9.9</i>
<i>plus</i> other movements in non-financial assets	<i>-1.5</i>	<i>-14.8</i>	<i>-40.3</i>	<i>-95.4</i>
<i>Total</i>	<i>-396.1</i>	<i>393.4</i>	<i>-63.0</i>	<i>923.7</i>
NET LENDING/BORROWING	142.3	9.0	-19.6	-480.4
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)				
NET OPERATING BALANCE	-253.8	402.5	-82.6	443.3
<i>less</i> provisions for doubtful debts	<i>6.2</i>	<i>10.7</i>	<i>27.0</i>	<i>27.0</i>
<i>plus</i> net gains on assets (including derivatives)	<i>93.4</i>	<i>101.1</i>	<i>90.3</i>	<i>227.1</i>
<i>plus</i> capitalised interest	<i>14.0</i>	<i>14.0</i>	<i>-</i>	<i>-</i>
<i>less</i> revaluation of superannuation liabilities	<i>-27.0</i>	<i>36.5</i>	<i>85.2</i>	<i>89.3</i>
<i>plus</i> all other adjustments	<i>0.2</i>	<i>11.2</i>	<i>1.1</i>	<i>-15.5</i>
AAS OPERATING RESULT	-125.5	481.5	-103.4	538.6

Note: Columns may not add due to rounding

Table 2.4

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2001-02		2000-01	
	Three Months to June \$m	Actual \$m	Three Months to June \$m	Actual \$m
RECEIPTS FROM OPERATING ACTIVITIES				
Taxes received	731.1	2,818.3	598.6	2,621.5
Receipts from sales of goods and services	1,605.5	6,082.3	1,476.4	6,532.4
Grants and subsidies received	1,241.0	5,555.6	1,290.9	5,113.0
Other receipts	567.0	2,196.2	584.5	2,084.6
<i>Total</i>	<i>4,144.6</i>	<i>16,652.3</i>	<i>3,950.4</i>	<i>16,351.5</i>
PAYMENTS FOR OPERATING ACTIVITIES				
Payments for goods and services	-2,827.8	-11,334.8	-2,381.2	-11,377.9
Grants and subsidies paid	-338.7	-1,844.6	-347.0	-1,833.6
Interest paid	-200.9	-776.0	-193.2	-834.8
Other payments	-366.7	-1,249.5	-311.5	-1,017.1
<i>Total</i>	<i>-3,734.0</i>	<i>-15,204.9</i>	<i>-3,232.9</i>	<i>-15,063.4</i>
Net Cash Flow from Operating Activities	410.6	1,447.4	717.5	1,288.1
INVESTMENT IN NON-FINANCIAL ASSETS				
Purchase of non-financial assets	-648.4	-1,973.7	-723.8	-2,300.0
Sales of non-financial assets	131.1	409.1	128.9	354.7
<i>Total</i>	<i>-517.3</i>	<i>-1,564.6</i>	<i>-594.9</i>	<i>-1,945.3</i>
INVESTMENT IN FINANCIAL ASSETS				
Policy purposes	0.6	12.5	-0.7	1,463.2
Liquidity purposes	-20.4	-65.7	-250.3	-227.1
<i>Total</i>	<i>-19.8</i>	<i>-53.1</i>	<i>-250.9</i>	<i>1,236.1</i>
Net Cash Flow from Investing Activities	-537.0	-1,617.7	-845.8	-709.2
FINANCING ACTIVITIES				
Advances received (net)	-414.7	-431.9	-9.6	-126.9
Borrowings (net)	630.7	231.5	888.2	-548.6
Deposits received (net)	-8.6	-91.9	-37.0	32.4
Distributions paid	0.2	0.7	0.8	-3.9
Other financing	-29.2	-15.7	-0.6	15.5
<i>Total</i>	<i>178.3</i>	<i>-307.3</i>	<i>841.8</i>	<i>-631.3</i>
<i>Opening cash balance</i>	<i>3,928.6</i>	<i>4,458.1</i>	<i>3,744.5</i>	<i>4,510.5</i>
NET INCREASE IN CASH HELD	51.8	-477.7	713.5	-52.4
<i>Closing cash balance</i>	<i>3,980.4</i>	<i>3,980.4</i>	<i>4,458.1</i>	<i>4,458.1</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>-106.5</i>	<i>-116.5</i>	<i>123.4</i>	<i>-661.1</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	-106.5	-116.5	123.4	-661.1

Note: Columns may not add due to rounding

Table 2.5

GENERAL GOVERNMENT SECTOR
Taxation Revenue

	2001-02			2000-01		
	Month of June \$m	Three Months to June \$m	Actual \$m	Month of June \$m	Three Months to June \$m	Actual \$m
<i>TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE</i>						
Payroll taxes	76.8	232.7	898.8	68.8	210.4	832.6
<i>TAXES ON PROPERTY</i>						
Land taxes	-3.1	-3.0	225.7	-31.9	-30.4	220.7
Stamp duties on financial and capital transactions	-0.1	135.0	788.4	104.7	242.1	720.8
Financial institutions transaction taxes	8.2	24.2	112.2	17.7	59.7	237.8
Other	0.9	2.4	47.4	3.1	4.4	44.6
<i>Total</i>	<i>5.8</i>	<i>158.7</i>	<i>1,173.7</i>	<i>93.5</i>	<i>275.8</i>	<i>1,224.0</i>
<i>TAXES ON PROVISION OF GOODS AND SERVICES</i>						
Taxes on gambling	-0.4	29.7	109.5	6.3	24.1	120.9
Taxes on insurance	14.8	62.7	266.8	10.8	54.0	218.3
<i>Total</i>	<i>14.4</i>	<i>92.4</i>	<i>376.3</i>	<i>17.1</i>	<i>78.1</i>	<i>339.2</i>
<i>TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES</i>						
Motor vehicle taxes	42.5	133.5	492.9	42.5	116.3	453.5
Franchise fees	-	-	-	-	-	42.3
Other	-0.7	-1.3	-0.7	0.1	0.1	0.1
<i>Total</i>	<i>41.8</i>	<i>132.2</i>	<i>492.2</i>	<i>42.6</i>	<i>116.4</i>	<i>495.9</i>
TOTAL TAXES	138.9	616.1	2,941.0	222.0	680.7	2,891.6
Note: Columns may not add due to rounding						

APPENDIX 3

Westralia Airports Corporation Stamp Duty Assessment

Introduction

The 2002-03 Budget estimates included stamp duty revenue of \$40.4 million in 2001-02 in respect of an assessment issued to Westralia Airports Corporation in January 2002.

Shortly before finalisation of this *Government Financial Results Report* (GFRR), the Commissioner of State Revenue allowed an objection in respect of this matter, resulting in the cancellation of the stamp duty assessment. This decision is reflected in the taxation results for 2001-02 included in this report.

Accounting Treatment

The accounting policy for stamp duty requires the recognition of stamp duty revenue on receipt of cash where the stamp duty is self-assessed, or on the issue of an assessment where the duty is not determined on a self-assessment basis. This policy is outlined in the annual *Government of Western Australia Consolidated Financial Statements* (CFS), and has been in place since the CFS were first published in 1993-94.

On the basis of this policy, the stamp duty assessment in relation to Westralia Airports Corporation was recognised as revenue in 2001-02 (ie. the year in which the assessment was issued) in the 2002-03 Budget estimates. The alternative approach of recording the revenue on receipt of cash did not apply, as the stamp duty assessment was not determined on a self-assessment basis.

The Commissioner of State Revenue's recent decision to uphold the objection from Westralia Airports Corporation and, as a consequence, to cancel the associated assessment, constitutes an event occurring after reporting date under Accounting Standard AASB1002 – *Events Occurring After Reporting Date*. This is because the Commissioner's decision occurred after 30 June 2002 but prior to finalisation of this GFRR.

As the Commissioner's decision related to an objection which existed at 30 June 2002, AASB1002 requires the decision to be reflected in the financial report being completed (ie. this GFRR). Accordingly, the stamp duty revenue that was recognised (in 2001-02) in the 2002-03 Budget estimates has been removed from the 2001-02 results contained in this report.