



D E P A R T M E N T O F
T R E A S U R Y A N D F I N A N C E

MONTHLY
REPORT OF
**GENERAL
GOVERNMENT
FINANCES**

Statement for the Month Ended
30 April 2003

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

APRIL 2003

Operating Statement

The general government sector recorded a \$561 million net operating surplus for the ten months to 30 April 2003. This compares with a net operating surplus of \$694 million recorded in the same period the previous year. Consistent with previous years, expenses are expected to pick up in the last two months of 2002-03, resulting in an estimated operating surplus for the year of \$178 million.

Revenue recorded in the ten months to 30 April 2003 totalled \$9,834 million, which is up \$250 million or 2.6% on the same period the previous year. When adjusted for changes in the timing of Commonwealth grants (for example, GST grants received quarterly in advance in April 2002), revenue growth to 30 April 2003 is 4.6%, which is consistent with the rate of growth estimated for 2002-03 in the 2003-04 Budget (4.5%). Revenue variations between these periods primarily reflect:

- higher taxation revenue (up \$250 million or 9.8%), primarily a result of the introduction of new tax scales from 1 January 2002 (for payroll tax) and 1 July 2002 (for land tax, conveyance duty and stamp duty on motor vehicle license transfers);
- higher sale of goods and services revenue (up \$79 million or 10.9%), largely due to additional revenue from the sale of the State's vehicle fleet, higher revenue in the health sector, and an under-recording of revenue in the first nine months of 2001-02 (relating to classification issues which were subsequently addressed in the remaining months of 2001-02);
- lower Commonwealth grants (down \$62 million or 1.3%), largely due to the timing of the receipt of GST grants which were received quarterly in advance in April 2002; and
- lower revenue from public corporations (down \$26 million or 4.5%), primarily reflecting the impact of water restrictions on the profitability of the Water Corporation.

Expenses for the ten months to 30 April 2003 totalled \$9,273 million, which is \$383 million or 4.3% higher than the same period the prior year. This rate of expense growth is broadly in line with that estimated for 2002-03 in the 2003-04 Budget (4.7%). Expense variations between these periods mainly reflect:

- higher salaries costs (up \$244 million or 7.1%), mainly as a result of increased salaries in the health and education sectors;
- higher 'other' gross operating expenses (up \$108 million or 5.1%), largely due to higher expenses in the health sector associated with patient support costs and new remuneration rates for visiting medical practitioners, increased expenses in the education sector reflecting the education to community (e2c) strategy, and a 'carry over' of agency expenses from 2001-02;
- higher depreciation and amortisation expenses (up \$80 million or 20.1%), largely reflecting a substantial revaluation of the State's road network at the end of 2001-02 and a reclassification of the amortisation of the State's car fleet; and
- lower current and capital transfers (down \$62 million or 2.8%), due primarily to lower grants under the First Home Owner Scheme.

Cash Flow Statement

A net cash inflow from operating activities of \$645 million was recorded for the ten months ended 30 April 2003. Combined with net capital investment of \$548 million, this resulted in a government finance statistics (GFS) cash surplus of \$97 million for the ten months to 30 April 2003. This compares with a cash deficit for the same period last year of \$82 million.

GENERAL GOVERNMENT

Operating Statement

	2002-03				2001-02		
	Month of March \$m	Month of April \$m	Ten Months to 30 April \$m	Estimated Actual ^(a) \$m	Month of April \$m	Ten Months to 30 April \$m	Annual Actual ^(b) \$m
REVENUE							
Taxation	242	259	2,810	3,255	235	2,560	2,945
Current grants and subsidies	475	527	4,586	5,396	584	4,639	5,253
Capital grants	10	16	241	290	1	250	267
Sales of goods and services	78	70	801	946	121	722	905
Interest income	8	9	90	104	7	96	122
Revenue from public corporations							
- Dividends	21	52	330	389	75	354	406
- Tax equivalent payments	2	18	227	230	15	229	237
Royalty income	78	53	553	679	75	534	636
Other	21	17	196	238	13	200	264
<i>Total</i>	935	1,021	9,834	11,527	1,126	9,584	11,035
EXPENSES							
Gross operating expenses							
- Salaries	363	380	3,672	4,397	365	3,428	4,209
- Depreciation & amortisation	44	54	479	614	40	399	568
- Superannuation	32	28	331	405	31	303	375
- Other	236	200	2,213	2,814	221	2,105	2,660
Nominal superannuation interest	23	27	234	277	23	231	278
Other interest	15	14	157	215	18	175	214
Current transfers	176	160	1,928	2,383	161	1,993	2,277
Capital transfers	9	-	259	245	1	256	257
<i>Total</i>	838	863	9,273	11,349	860	8,890	10,838
NET OPERATING BALANCE	96	158	561	178	266	694	197

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Cash Flow Statement

	2002-03				2001-02		
	Month of March \$m	Month of April \$m	Ten Months to 30 April \$m	Estimated Actual ^(a) \$m	Month of April \$m	Ten Months to 30 April \$m	Annual Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES							
Taxes received	258	260	2,721	3,257	235	2,401	2,968
Receipts from sales of goods and services	84	75	798	908	63	694	891
Grants and subsidies received	483	543	4,833	5,656	569	4,884	5,531
Other receipts	114	148	1,544	2,149	234	1,666	2,116
<i>Total</i>	940	1,026	9,896	11,970	1,101	9,645	11,506
PAYMENTS FOR OPERATING ACTIVITIES							
Payments for goods & services	-593	-640	-6,545	-7,779	-586	-6,153	-7,376
Grants and subsidies paid	-130	-93	-1,955	-2,492	-130	-1,973	-2,294
Interest paid	-6	-32	-156	-211	-50	-188	-220
Other payments	-48	-40	-595	-782	-75	-711	-855
<i>Total</i>	-777	-805	-9,251	-11,264	-841	-9,025	-10,746
<i>Net Cash Flow from Operating Activities</i>	163	221	645	706	260	620	760
INVESTMENT IN NON-FINANCIAL ASSETS							
Purchase of non-financial assets	-62	-77	-633	-859	-155	-781	-894
Sales of non-financial assets	21	10	85	118	15	80	102
<i>Total</i>	-41	-67	-548	-741	-140	-701	-792
INVESTMENT IN FINANCIAL ASSETS							
Policy purposes	-11	-15	-56	-116	-5	-8	-93
Liquidity purposes	-11	5	-7	42	14	-11	-11
<i>Total</i>	-22	-10	-63	-74	9	-19	-105
<i>Net Cash Flow from Investing Activities</i>	-64	-77	-611	-815	-131	-720	-896
FINANCING ACTIVITIES							
Advances received (net)	-	-	-	-	-9	-41	-13
Borrowings (net)	10	-58	-52	1	-35	-95	13
Deposits received (net)	4	-14	-2	-	-8	-92	-92
Other financing	5	-6	3	-27	-40	-60	-25
<i>Total</i>	19	-78	-51	-26	-92	-287	-117
Opening cash balance	713	831	913	913	742	1,167	1,167
NET INCREASE IN CASH HELD	118	65	-17	-135	37	-388	-253
Closing cash balance	831	896	896	779	779	779	913
Net cash from operating activities and investment in non-financial assets and distributions paid	122	154	97	-35	121	-82	-31
<i>less</i> finance leases and similar arrangements	-	-	-	-	-	-	-
GFS cash surplus/(deficit)	122	154	97	-35	121	-82	-31

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Taxation Revenue

	2002-03				2001-02		
	Month of March \$m	Month of April \$m	Ten Months to 30 April \$m	Estimated Actual ^(a) \$m	Month of April \$m	Ten Months to 30 April \$m	Annual Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE							
<i>Payroll tax</i>	83	78	826	996	76	742	900
TAXES ON PROPERTY							
Land tax	1	1	262	265	-	229	226
Stamp duties on financial and capital transactions	79	77	765	870	62	716	787
Financial institutions transaction taxes	8	8	81	96	8	96	112
Other	1	1	47	50	1	46	48
<i>Total</i>	89	87	1,156	1,282	71	1,086	1,172
TAXES ON PROVISION OF GOODS AND SERVICES							
Taxes on gambling	8	10	97	114	10	90	113
Taxes on insurance	20	36	267	318	32	236	267
<i>Total</i>	28	46	364	432	42	326	380
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES							
<i>Motor vehicle taxes</i>	43	47	465	545	46	406	493
Total Taxes	242	259	2,810	3,255	235	2,560	2,945

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Columns may not add due to rounding.

Further information or enquiries related to this report may be obtained from the following officers:

Michael Barnes	Director, Fiscal Strategy	(08) 9222 9134
Graham Thompson	A/Assistant Director (Financial Reporting)	(08) 9222 9327
Sonya Monterosso	Distribution Enquiries	(08) 9222 9224
Facsimile		(08) 9222 9338

This report and other Department of Treasury and Finance (DTF) publications are available on the Internet (DTF's home page is at <http://www.dtf.wa.gov.au>).

ISSN 1444-4224