



DEPARTMENT OF
TREASURY AND FINANCE

MONTHLY
REPORT OF
**GENERAL
GOVERNMENT
FINANCES**

Statement for the Month Ended
30 April 2004

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

APRIL 2004

Introduction

This report provides a summary of the Western Australian general government sector's finances for the month of April 2004. The general government sector is responsible for the delivery of key community services such as health, education and law and order, and for the collection of central revenue such as Commonwealth grants, taxation and mining royalties. It is the focus of the Government's 'headline' budget measure (the general government net operating balance). Care should be taken in interpreting monthly results, which can vary significantly from month to month due to various seasonal and other timing factors.

Operating Statement

The general government sector recorded an operating surplus of \$257 million for the month of April 2004, up \$99 million compared to April 2003.

Revenue totalled \$1,164 million in April 2004, up \$143 million (or 14.0%) from April 2003. The increase in monthly revenue is primarily due to:

- higher Commonwealth grants (up \$52 million), mainly reflecting a revised payment profile for GST grants in 2003-04;
- higher taxation revenue (up \$39 million), reflecting increases in stamp duties on financial and capital transactions (up \$25 million), payroll tax (up \$17 million) and taxes on gambling (up \$6 million), partly offset by a decrease in taxes on insurance (down \$11 million);
- higher 'other' revenue (up \$38 million), reflecting the first-time accrual in April 2004 of capital user charge revenue from the Public Transport Authority (a public non-financial corporation); and
- increased royalties (up \$20 million), mainly due to increased nickel and iron ore royalties as a result of higher volumes and prices.

Expenses totalled \$907 million in April 2004, up \$44 million (or 5.1%) from April 2003. This increase largely reflects:

- higher 'other' gross operating expenses (up \$27 million), reflecting fluctuations in the timing of agencies' purchases of goods and services, including services and contracts associated with agencies' capital works programs; and
- higher salaries (up \$13 million), primarily reflecting higher pay rates and increased full-time employee levels in the health sector.

Cash Flow Statement

A cash surplus of \$176 million was recorded in April 2004 (compared with a \$154 million surplus in April 2003), reflecting a net cash inflow from operating activities of \$245 million and a net cash outflow from capital investment of \$69 million.

Ten Months Ending 30 April 2004

A cumulative operating surplus of \$989 million was recorded for the first ten months of 2003-04, compared with a cumulative surplus of \$561 million for the same period the previous year. Both revenue and expenses were higher, by \$820 million (or 8.3%) and \$393 million (or 4.2%) respectively. The increase in revenue primarily reflects increased taxation revenue, with continued strength in the domestic economy boosting stamp duties on financial and capital transactions (predominantly conveyance duty), payroll tax and motor vehicle taxes. The increase in expenses is primarily a result of higher staffing costs in key service delivery agencies such as Health, Education and Training, Police and Justice.

GENERAL GOVERNMENT Operating Statement

	2003-04				2002-03		
	Month of Mar \$m	Month of Apr \$m	Ten Months to 30 Apr \$m	Annual Estimate ^(a) \$m	Month of Apr \$m	Ten Months to 30 Apr \$m	Actual \$m
REVENUE							
Taxation	295	298	3,449	3,884	259	2,810	3,387
Current grants and subsidies	542	579	4,698	5,436	527	4,586	5,464
Capital grants	10	16	207	291	16	241	287
Sales of goods and services	92	68	753	912	70	801	990
Interest income	12	11	107	116	9	90	107
Revenue from public corporations							
Dividends	22	43	357	426	52	330	390
Tax equivalent payments	9	22	279	257	18	227	239
Royalty income	82	73	557	657	53	553	685
Other	37	55	248	287	17	196	222
<i>Total</i>	<i>1,101</i>	<i>1,164</i>	<i>10,654</i>	<i>12,266</i>	<i>1,021</i>	<i>9,834</i>	<i>11,771</i>
EXPENSES							
Gross operating expenses							
Salaries	411	393	3,918	4,701	380	3,672	4,486
Depreciation and amortisation	47	48	481	604	54	479	603
Superannuation	40	37	382	458	28	331	436
Other	235	227	2,245	2,953	200	2,213	2,931
Nominal superannuation interest	24	24	233	283	27	234	277
Other interest	14	15	140	186	14	157	195
Current transfers	140	138	1,982	2,504	160	1,928	2,287
Capital transfers	12	24	286	371	-	259	303
<i>Total</i>	<i>922</i>	<i>907</i>	<i>9,666</i>	<i>12,060</i>	<i>863</i>	<i>9,273</i>	<i>11,518</i>
NET OPERATING BALANCE	179	257	989	207	158	561	254

(a) Estimate published in the 2004-05 Budget, released 6 May 2004.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Cash Flow Statement

	2003-04				2002-03		
	Month of Mar \$m	Month of Apr \$m	Ten Months to 30 Apr \$m	Annual Estimate ^(a) \$m	Month of Apr \$m	Ten Months to 30 Apr \$m	Actual \$m
RECEIPTS FROM OPERATING ACTIVITIES							
Taxes received	309	295	3,347	3,888	260	2,721	3,339
Receipts from sales of goods and services	116	65	782	924	75	798	999
Grants and subsidies received	553	593	4,903	5,677	543	4,833	5,794
Other receipts	148	184	1,582	2,173	148	1,544	2,154
<i>Total</i>	<i>1,127</i>	<i>1,136</i>	<i>10,613</i>	<i>12,662</i>	<i>1,026</i>	<i>9,896</i>	<i>12,286</i>
PAYMENTS FOR OPERATING ACTIVITIES							
Payments for goods and services	-637	-681	-6,858	-8,269	-640	-6,545	-7,925
Grants and subsidies paid	-116	-138	-2,063	-2,734	-93	-1,955	-2,417
Interest paid	-6	-26	-135	-190	-32	-156	-193
Other payments	-73	-46	-544	-696	-40	-595	-772
<i>Total</i>	<i>-832</i>	<i>-891</i>	<i>-9,599</i>	<i>-11,889</i>	<i>-805</i>	<i>-9,251</i>	<i>-11,308</i>
Net Cash Flow from Operating Activities	295	245	1,014	773	221	645	978
INVESTMENT IN NON-FINANCIAL ASSETS							
Purchase of non-financial assets	-49	-82	-741	-917	-77	-633	-794
Sales of non-financial assets	16	13	111	176	10	85	74
<i>Total</i>	<i>-32</i>	<i>-69</i>	<i>-630</i>	<i>-742</i>	<i>-67</i>	<i>-548</i>	<i>-720</i>
INVESTMENT IN FINANCIAL ASSETS							
Policy purposes	-5	-	-71	-122	-15	-56	-107
Liquidity purposes	-2	3	-83	23	5	-7	48
<i>Total</i>	<i>-7</i>	<i>3</i>	<i>-154</i>	<i>-99</i>	<i>-10</i>	<i>-63</i>	<i>-59</i>
Net Cash Flow from Investing Activities	-39	-66	-784	-841	-77	-611	-778
FINANCING ACTIVITIES							
Advances received (net)	-	-	-8	-8	-	-	-
Borrowings (net)	50	-33	-47	16	-58	-52	17
Deposits received (net)	-6	-8	-7	-	-14	-2	-9
Other financing	-8	6	-14	-37	-6	3	-65
<i>Total</i>	<i>35</i>	<i>-35</i>	<i>-76</i>	<i>-29</i>	<i>-78</i>	<i>-51</i>	<i>-57</i>
<i>Opening cash balance</i>	<i>775</i>	<i>1,066</i>	<i>1,056</i>	<i>1,056</i>	<i>831</i>	<i>913</i>	<i>913</i>
NET INCREASE IN CASH HELD	292	144	154	-97	65	-17	143
<i>Closing cash balance</i>	<i>1,066</i>	<i>1,210</i>	<i>1,210</i>	<i>959</i>	<i>896</i>	<i>896</i>	<i>1,056</i>
<i>Net cash from operating activities and investments in non-financial assets</i>	<i>263</i>	<i>176</i>	<i>384</i>	<i>32</i>	<i>154</i>	<i>97</i>	<i>259</i>
<i>Less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Cash Surplus	263	176	384	32	154	97	259

(a) Estimate published in the 2004-05 Budget, released 6 May 2004.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Taxation Revenue

	2003-04				2002-03		
	Month of Mar \$m	Month of Apr \$m	Ten Months to 30 Apr \$m	Annual Estimate ^(a) \$m	Month of Apr \$m	Ten Months to 30 Apr \$m	Actual \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE							
<i>Payroll tax</i>	89	95	946	1,128	78	826	1,004
TAXES ON PROPERTY							
Land tax	1	1	279	277	1	262	260
Stamp duties on financial and capital transactions	105	102	1,127	1,242	77	765	978
Financial institutions transaction taxes	7	9	81	96	8	81	97
Other	1	1	125	128	1	47	49
<i>Total</i>	114	113	1,612	1,743	87	1,156	1,383
TAXES ON PROVISION OF GOODS AND SERVICES							
Taxes on gambling	5	16	106	121	10	97	119
Taxes on insurance	28	25	271	310	36	267	307
<i>Total</i>	33	41	377	431	46	364	426
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES							
<i>Motor vehicle taxes</i>	59	50	514	582	47	465	574
Total Taxes	295	298	3,449	3,884	259	2,810	3,387

(a) Estimate published in the 2004-05 Budget, released 6 May 2004.

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

Valerie Jayasinghe Assistant Director
(State Financial Reporting) (08) 9222 9327

Isabel Altieri Acting Manager
(State Financial Reporting) (08) 9222 9381

ISSN 1444-4224