



DEPARTMENT OF
TREASURY AND FINANCE

MONTHLY
REPORT OF
**GENERAL
GOVERNMENT
FINANCES**

Statement for the Month Ended
31 August 2002

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

AUGUST 2002

Operating Statement

A net operating surplus of \$27.5 million was recorded by the general government sector in the month of August 2002. This compares with a net operating deficit of \$89.9 million in August 2001 and a net operating deficit of \$24.6 million in July 2002.

Revenue recorded in August 2002 totalled \$955.5 million, down from \$1,001.3 million in July 2002. Relative to July 2002:

- current and capital Commonwealth funding was \$38.8 million lower, largely reflecting the timing of goods and services tax related grants;
- taxation revenue was \$11.2 million lower, with reductions in insurance, gambling and motor vehicle taxes more than offsetting increases in payroll tax and stamp duties on financial and capital transactions;
- royalty income was \$16.2 million lower, mainly due to timing factors; and
- revenue from all other sources was \$20.4 million higher, mainly due to higher goods and services revenue.

Expenses in August 2002 totalled \$928.0 million, \$97.9 million lower than July 2002. Relative to July 2002, the major variances occurred in the following areas:

- current transfers were down \$70.9 million, due to lower grant and community service obligation expenses;
- capital transfers decreased by \$47.3 million, reflecting the funding provided in July 2002 for the Perth Convention and Exhibition Centre;
- "other" gross operating expenses increased by \$20.7 million, reflecting fluctuations in the timing of agencies' purchases of goods and services; and
- salaries were down \$11.9 million across the sector.

Cash Flow Statement

A \$94.6 million net cash outflow resulted from operating activities in August 2002. Combined with investment in non-financial assets of \$37.8 million (net), this resulted in a government finance statistics (GFS) cash deficit of \$132.5 million for the month of August 2002. Cash balances declined by \$114.0 million in August 2002, following an \$81.3 million decline in July 2002.

Two Months Ending 31 August 2002

The cumulative net operating surplus totalled \$2.9 million for the first two months of 2002-03, compared with a \$55.7 million surplus for the same period last year. Revenue and expenses were higher by \$97.2 million and \$150.0 million respectively compared with the first two months of 2001-02.

A GFS cash deficit of \$195.9 million was recorded for the two months to 31 August 2002, broadly similar to the deficit recorded for the same period last year.

GENERAL GOVERNMENT
Operating Statement

	2002-03			2001-02		
	Month of Aug \$m	Two Months to 31 Aug \$m	Budget Estimate ^(a) \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Actual ^(b) \$m
REVENUE						
Taxation	241.4	493.9	3,193.7	213.4	438.2	2,941.0
Current grants and subsidies	472.2	978.4	5,170.0	416.8	972.8	5,280.1
Capital grants	19.3	43.4	291.7	32.8	57.1	268.8
Sales of goods and services	98.8	183.9	919.3	43.2	99.8	881.7
Interest income	8.9	16.9	108.6	10.0	19.8	122.0
Revenue from public corporations						
- Dividends	32.1	63.3	379.3	41.9	70.3	407.6
- Tax equivalent payments	18.8	37.5	227.7	21.0	41.9	241.0
Royalty income	33.3	82.7	654.9	27.2	84.3	635.9
Other	30.8	56.6	218.1	33.5	75.4	243.8
Total	955.5	1,956.8	11,163.5	840.0	1,859.6	11,021.9
EXPENSES						
Gross operating expenses						
- Salaries	363.5	738.8	4,320.0	352.4	680.9	4,182.9
- Depreciation & amortisation	44.5	83.0	533.5	39.2	78.3	518.2
- Superannuation	34.3	61.9	395.8	36.3	65.1	389.6
- Other	239.2	457.7	2,698.3	248.3	448.5	2,712.8
Nominal superannuation interest	23.4	46.9	281.2	22.9	45.7	277.6
Other interest	15.3	31.9	247.3	16.4	33.7	218.0
Current transfers	184.3	439.6	2,313.0	191.0	404.7	2,238.0
Capital transfers	23.4	94.2	255.1	23.4	46.9	275.8
Total	928.0	1,953.9	11,044.4	929.8	1,803.9	10,812.9
NET OPERATING BALANCE	27.5	2.9	119.1	-89.9	55.7	208.9

(a) Estimate for 2002-03 published in the 2002-03 Budget, released 16 May 2002.

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Cash Flow Statement

	2002-03			2001-02		
	Month of Aug \$m	Two Months to 31 Aug \$m	Budget Estimate ^(a) \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	209.4	418.0	3,322.2	180.8	373.8	2,973.9
Receipts from sales of goods and services	120.7	273.4	1,035.2	93.0	170.9	871.9
Grants and subsidies received	487.3	1,022.9	5,469.0	447.4	1,024.1	5,555.3
Other receipts	103.9	291.1	2,081.3	111.4	321.5	2,151.6
<i>Total</i>	<i>921.3</i>	<i>2,005.3</i>	<i>11,907.7</i>	<i>832.7</i>	<i>1,890.2</i>	<i>11,552.6</i>
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods & services	-772.7	-1,443.4	-7,794.3	-752.7	-1,408.1	-7,397.1
Grants and subsidies paid	-168.4	-471.8	-2,464.3	-184.6	-396.7	-2,317.1
Interest paid	-5.1	-35.3	-245.4	-11.8	-44.1	-223.3
Other payments	-69.8	-129.9	-736.7	-53.9	-98.2	-855.5
<i>Total</i>	<i>-1,015.9</i>	<i>-2,080.4</i>	<i>-11,240.8</i>	<i>-1,003.0</i>	<i>-1,947.1</i>	<i>-10,793.0</i>
Net Cash Flow from Operating Activities	-94.6	-75.1	666.9	-170.5	-56.9	759.6
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-43.8	-131.4	-889.6	-51.6	-135.4	-860.2
Sales of non-financial assets	6.0	10.6	127.5	7.3	10.5	100.0
<i>Total</i>	<i>-37.8</i>	<i>-120.9</i>	<i>-762.1</i>	<i>-44.2</i>	<i>-124.9</i>	<i>-760.2</i>
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-1.1	-11.2	-131.9	1.9	1.9	-92.9
Liquidity purposes	5.4	10.5	63.8	-9.2	-7.8	-11.5
<i>Total</i>	<i>4.3</i>	<i>-0.7</i>	<i>-68.0</i>	<i>-7.3</i>	<i>-5.9</i>	<i>-104.4</i>
Net Cash Flow from Investing Activities	-33.6	-121.6	-830.1	-51.5	-130.8	-864.6
FINANCING ACTIVITIES						
Advances received (net)	-	-	0.4	-	-	-421.2
Borrowings (net)	-6.6	-18.3	224.1	4.6	-68.1	443.0
Deposits received (net)	17.6	10.0	-	-14.9	-87.1	-91.9
Other financing	3.1	-0.1	-19.1	3.0	-2.4	-57.1
<i>Total</i>	<i>14.1</i>	<i>-8.4</i>	<i>205.5</i>	<i>-7.3</i>	<i>-157.6</i>	<i>-127.2</i>
Opening cash balance	843.5	934.5	643.6	1,043.7	1,159.7	1,166.8
NET INCREASE IN CASH HELD	-114.0	-205.0	42.3	-229.2	-345.2	-232.3
Closing cash balance	729.4	729.4	685.9	814.4	814.4	934.5
<i>Net cash from operating activities and investments in non-financial assets less finance leases and similar arrangements</i>	<i>-132.5</i>	<i>-195.9</i>	<i>-95.2</i>	<i>-214.7</i>	<i>-181.8</i>	<i>-0.7</i>
GFS Cash Surplus	-132.5	-195.9	-95.2	-214.7	-181.8	-0.7

(a) Estimate for 2002-03 published in the 2002-03 Budget, released 16 May 2002.

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Taxation Revenue

	2002-03			2001-02		
	Month of Aug \$m	Two Months to 31 Aug \$m	Budget Estimate ^(a) \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE						
<i>Payroll tax</i>	85.3	165.7	1,021.6	74.2	145.0	898.8
TAXES ON PROPERTY						
Land tax	0.1	0.2	266.5	0.0	0.0	225.7
Stamp duties on financial and capital transactions	77.8	146.9	799.2	57.0	112.2	787.7
Financial institutions transaction taxes	8.5	16.0	97.5	8.5	29.0	112.2
Other	0.8	1.6	50.8	0.6	1.0	47.4
<i>Total</i>	87.3	164.7	1,214.0	66.1	142.1	1,173.0
TAXES ON PROVISION OF GOODS AND SERVICES						
Taxes on gambling	7.7	19.7	117.3	14.7	21.0	109.5
Taxes on insurance	23.4	56.9	306.3	18.5	45.6	266.8
<i>Total</i>	31.1	76.6	423.6	33.2	66.6	376.3
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES						
<i>Motor vehicle taxes</i>	37.7	87.0	534.5	39.8	84.4	492.9
Total Taxes	241.4	493.9	3,193.7	213.4	438.2	2,941.0

(a) Estimate for 2002-03 published in the 2002-03 Budget, released 16 May 2002.

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.

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