



DEPARTMENT OF  
TREASURY AND FINANCE

**MONTHLY  
REPORT OF  
GENERAL  
GOVERNMENT  
FINANCES**

Statement for the Month Ended  
**31 August 2003**

# MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

## AUGUST 2003

### *Operating Statement*

The general government sector recorded a \$23 million operating surplus for the month of August 2003, similar to the surplus recorded for the same month last year.

Revenue in August 2003 totalled \$985 million, up \$29 million (or 3.0%) relative to August 2002. This increase primarily reflects:

- a \$116 million increase in taxation revenue, mainly due to the continuing strength in the property market boosting stamp duties on financial and capital transactions (up \$50 million), the recognition of revenue from the new Emergency Services Levy (\$31 million) and increased payroll tax revenue (up \$16 million); and
- a \$74 million decrease in Commonwealth grants (current and capital). This is largely due to a revised monthly payment schedule for GST grants (resulting in higher grants in July and lower grants in August 2003 relative to the previous year), and cessation of funding for the Jervoise Bay development.

Expenses in August 2003 were \$962 million, \$34 million (or 3.7%) higher than August 2002. Expense variations between these periods mainly reflect:

- a \$20 million increase in 'other' gross operating expenses across a broad range of general government agencies (this expense category incorporates many of the costs incidental to the day-to-day operations of agencies, such as purchases of consumables, contracted labour, etc); and
- a \$12 million increase in salaries, primarily in the education and health sectors, reflecting pay increases and the impact of Industrial Relations Commission rulings and Government initiatives on employee numbers.

### *Cash Flow Statement*

A \$27 million net cash outflow resulted from operating activities in August 2003. Combined with net capital expenditure (i.e. investment in non-financial assets) of \$66 million, this resulted in a cash deficit of \$93 million in August 2003 (compared with a deficit of \$133 million in August 2002).

### *Two Months Ending 31 August 2003*

A cumulative operating surplus of \$131 million was recorded for the first two months of 2003-04, compared with a cumulative surplus of \$3 million for the same period last year. Revenue and expenses were higher by \$155 million (or 7.9%) and \$27 million (or 1.4%) respectively compared with the first two months of 2002-03, with increased taxation revenue (particularly property market-related stamp duties, payroll tax and motor vehicle taxes) the major contributor to the increase in revenue, and increased salaries the main contributor to the increase in expenses.

**GENERAL GOVERNMENT**  
Operating Statement

	2003-04				2002-03		
	Month of July \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Budget Estimate <sup>(a)</sup> \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>							
Taxation	320	357	677	3,543	241	494	3,388
Current grants and subsidies	581	380	961	5,386	472	978	5,464
Capital grants	13	37	50	278	19	43	287
Sales of goods and services	83	87	170	930	99	184	1,002
Interest income	9	10	19	95	9	17	107
Revenue from public corporations							
Dividends	35	35	70	428	32	63	390
Tax equivalent payments	19	19	38	228	19	38	239
Royalty income	49	37	86	650	33	83	685
Other	18	23	41	235	31	57	236
<b>Total</b>	<b>1,127</b>	<b>985</b>	<b>2,112</b>	<b>11,774</b>	<b>956</b>	<b>1,957</b>	<b>11,798</b>
<b>EXPENSES</b>							
Gross operating expenses							
Salaries	404	376	779	4,615	364	739	4,490
Depreciation and amortisation	45	49	93	615	45	83	598
Superannuation	38	38	77	418	34	62	442
Other	202	259	462	2,837	239	458	2,925
Nominal superannuation interest	23	23	46	277	23	47	277
Other interest	14	14	28	214	15	32	197
Current transfers	237	169	406	2,438	184	440	2,286
Capital transfers	56	34	90	276	23	94	333
<b>Total</b>	<b>1,019</b>	<b>962</b>	<b>1,981</b>	<b>11,691</b>	<b>928</b>	<b>1,954</b>	<b>11,548</b>
<b>NET OPERATING BALANCE</b>	<b>108</b>	<b>23</b>	<b>131</b>	<b>83</b>	<b>28</b>	<b>3</b>	<b>250</b>

(a) Estimate for 2003-04 published in the 2003-04 Budget, released 8 May 2003.

(b) Consistent with the 2002-03 Government Financial Results Report, released 23 September 2003.  
Columns may not add due to rounding.

**GENERAL GOVERNMENT**  
Cash Flow Statement

	2003-04				2002-03		
	Month of July \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Budget Estimate <sup>(a)</sup> \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>							
Taxes received	294	293	587	3,544	209	418	3,339
Receipts from sales of goods and services	84	69	153	943	121	273	956
Grants and subsidies received	600	409	1,009	5,672	487	1,023	5,801
Other receipts	163	100	263	2,117	104	291	2,156
<b>Total</b>	<b>1,141</b>	<b>871</b>	<b>2,011</b>	<b>12,277</b>	<b>921</b>	<b>2,005</b>	<b>12,251</b>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>							
Payments for goods and services	-828	-665	-1,493	-8,029	-773	-1,443	-7,920
Grants and subsidies paid	-251	-178	-428	-2,608	-168	-472	-2,417
Interest paid	-26	-4	-30	-213	-5	-35	-195
Other payments	-56	-50	-106	-771	-70	-130	-772
<b>Total</b>	<b>-1,159</b>	<b>-897</b>	<b>-2,057</b>	<b>-11,621</b>	<b>-1,016</b>	<b>-2,080</b>	<b>-11,304</b>
<b>Net Cash Flow from Operating Activities</b>	<b>-19</b>	<b>-27</b>	<b>-45</b>	<b>655</b>	<b>-95</b>	<b>-75</b>	<b>947</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>							
Purchase of non-financial assets	-104	-72	-177	-979	-43	-131	-795
Sales of non-financial assets	8	6	14	172	6	11	118
<b>Total</b>	<b>-96</b>	<b>-66</b>	<b>-163</b>	<b>-807</b>	<b>-38</b>	<b>-121</b>	<b>-677</b>
<b>INVESTMENT IN FINANCIAL ASSETS</b>							
Policy purposes	-	-16	-16	-74	-1	-11	-107
Liquidity purposes	2	-80	-78	17	5	10	48
<b>Total</b>	<b>2</b>	<b>-96</b>	<b>-94</b>	<b>-57</b>	<b>4</b>	<b>-1</b>	<b>-59</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-95</b>	<b>-162</b>	<b>-256</b>	<b>-864</b>	<b>-34</b>	<b>-122</b>	<b>-735</b>
<b>FINANCING ACTIVITIES</b>							
Advances received (net)	-	-	-	-8	-	-	-
Borrowings (net)	90	-78	13	237	-7	-18	17
Deposits received (net)	9	-1	8	-	18	10	-9
Other financing	-2	-2	-4	-21	3	-	-65
<b>Total</b>	<b>97</b>	<b>-81</b>	<b>17</b>	<b>208</b>	<b>14</b>	<b>-8</b>	<b>-57</b>
Opening cash balance	1,056	1,040	1,056	779	844	935	913
<b>NET INCREASE IN CASH HELD</b>	<b>-16</b>	<b>-269</b>	<b>-285</b>	<b>-1</b>	<b>-114</b>	<b>-205</b>	<b>155</b>
Closing cash balance	1,040	771	771	778	729	729	1,068
<i>Net cash from operating activities and investments in non-financial assets less finance leases and similar arrangements</i>	<i>-115</i>	<i>-93</i>	<i>-208</i>	<i>-152</i>	<i>-133</i>	<i>-196</i>	<i>270</i>
GFS Cash Surplus	-115	-93	-208	-152	-133	-196	270

(a) Estimate for 2003-04 published in the 2003-04 Budget, released 8 May 2003.

(b) Consistent with the 2002-03 Government Financial Results Report, released 23 September 2003. Columns may not add due to rounding.

## GENERAL GOVERNMENT

### Taxation Revenue

	2003-04				2002-03		
	Month of July \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Budget Estimate <sup>(a)</sup> \$m	Month of Aug \$m	Two Months to 31 Aug \$m	Actual <sup>(b)</sup> \$m
<b>TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE</b>							
<i>Payroll tax</i>	97	101	198	1,060	85	166	1,003
<b>TAXES ON PROPERTY</b>							
Land tax	-	-	-	277	-	-	260
Stamp duties on financial and capital transactions	107	128	235	969	78	147	978
Financial institutions transaction taxes	8	8	16	96	9	16	97
Other	5	32	37	129	1	2	49
<i>Total</i>	120	168	288	1,471	87	165	1,384
<b>TAXES ON PROVISION OF GOODS AND SERVICES</b>							
Taxes on gambling	9	14	23	119	8	20	119
Taxes on insurance	35	30	65	330	23	57	308
<i>Total</i>	44	44	88	449	31	77	427
<b>TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES</b>							
<i>Motor vehicle taxes</i>	59	45	104	563	38	87	574
<b>Total Taxes</b>	<b>320</b>	<b>357</b>	<b>677</b>	<b>3,543</b>	<b>241</b>	<b>494</b>	<b>3,388</b>

(a) Estimate for 2003-04 published in the 2003-04 Budget, released 8 May 2003.

(b) Consistent with the 2002-03 Government Financial Results Report, released 23 September 2003. Columns may not add due to rounding.

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