



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  
**31 January 2003**

# MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

## JANUARY 2003

### *Operating Statement*

A net operating deficit of \$119.9 million was recorded by the general government sector in January 2003. This compares with a net operating surplus of \$88.3 million in December 2002 and a net operating deficit of \$40.1 million in January 2002.

Revenue recorded in January 2003 totalled \$953.3 million, up \$0.6 million from December 2002. Revenue variations between these periods primarily result from:

- higher Commonwealth grants (up \$84.3 million). This is primarily due to timing factors related to the receipt of grants for on-passing to non-government schools and local government. Partially offsetting this was a reduction in offshore petroleum royalties (classified as a Commonwealth grant), reflecting the quarterly collection in December 2002;
- lower revenue from public corporations (down \$59.8 million) largely due to the timing of revenue collections by the Water Corporation; and
- lower royalty income (down \$14.6 million) largely due to the quarterly collection of iron ore royalties being recorded in December 2002.

Expenses in January 2003 totalled \$1,073.2 million, \$208.8 million higher than December 2002. Relative to December 2002, the major variances occurred in the following areas:

- higher current transfers (up \$168.7 million), largely reflecting the on-passing of Commonwealth grants to non-government schools and local government as discussed above;
- higher 'other' gross operating expenses (up \$21.1 million), largely due to lower spending in December 2002 in the lead-up to the holiday season; and
- higher salaries costs (up \$14.6 million).

### *Cash Flow Statement*

A cash deficit of \$183.4 million was recorded in January 2003, comprising a net cash outflow from operating activities of \$127.1 million and a net cash outflow from capital investment of \$56.3 million. Cash balances decreased by \$117.7 million in January 2003.

### *Seven Months Ending 31 January 2003*

A cumulative net operating surplus of \$195.7 million was recorded for the first seven months of 2002-03, compared with a \$359.8 million surplus for the same period the previous year. Revenue and expenses were higher by \$125.3 million (or 1.9%) and \$289.4 million (or 4.5%) respectively compared with the same period the prior year.

A cash deficit of \$317.0 million was recorded for the seven months ending 31 January 2003, compared with a cash deficit for the same period last year of \$374.1 million. This variance is primarily the result of reduced investment in non-financial assets during the current year (down \$84.8 million).

**GENERAL GOVERNMENT**  
Operating Statement

	2002-03				2001-02		
	Month of Dec \$m	Month of Jan \$m	Seven Months to 31 Jan \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Jan \$m	Seven Months to 31 Jan \$m	Annual Actual <sup>(b)</sup> \$m
<b>REVENUE</b>							
Taxation	255.6	256.7	2,037.3	3,179.2	231.1	1,876.8	2,945.0
Current grants and subsidies	351.7	427.5	3,074.5	5,365.8	546.4	3,189.9	5,252.9
Capital grants	32.0	40.5	197.6	305.7	37.5	202.1	267.1
Sales of goods and services	86.3	92.7	568.8	914.3	100.7	471.0	905.4
Interest income	11.6	7.4	63.3	103.5	6.4	68.0	121.6
Revenue from public corporations							
- Dividends	42.7	30.8	225.8	373.8	41.6	248.1	405.6
- Tax equivalent payments	65.8	17.9	186.8	225.1	13.0	193.1	237.0
Royalty income	76.5	61.9	390.7	672.1	61.7	377.3	635.9
Other	30.4	17.8	147.8	205.7	14.8	141.1	264.4
<b>Total</b>	<b>952.7</b>	<b>953.3</b>	<b>6,892.6</b>	<b>11,345.3</b>	<b>1,053.2</b>	<b>6,767.3</b>	<b>11,034.9</b>
<b>EXPENSES</b>							
Gross operating expenses							
- Salaries	366.4	381.0	2,586.9	4,383.1	359.9	2,414.8	4,208.7
- Depreciation & amortisation	49.5	50.9	332.6	618.1	48.4	281.3	568.4
- Superannuation	34.9	36.5	236.3	400.5	30.6	211.0	375.5
- Other	179.1	200.2	1,554.4	2,785.4	284.7	1,503.1	2,659.9
Nominal superannuation interest	23.4	20.5	161.1	276.2	23.1	161.9	277.6
Other interest	20.6	15.7	113.7	253.1	17.4	122.7	214.0
Current transfers	158.8	327.5	1,476.9	2,321.2	296.9	1,505.9	2,276.7
Capital transfers	31.7	40.9	235.0	254.7	32.4	206.9	257.5
<b>Total</b>	<b>864.4</b>	<b>1,073.2</b>	<b>6,696.9</b>	<b>11,292.4</b>	<b>1,093.3</b>	<b>6,407.5</b>	<b>10,838.2</b>
<b>NET OPERATING BALANCE</b>	<b>88.3</b>	<b>-119.9</b>	<b>195.7</b>	<b>52.9</b>	<b>-40.1</b>	<b>359.8</b>	<b>196.7</b>

(a) Estimate for 2002-03 published in the 2002-03 Government Mid-Year Financial Projections Statement, released 20 December 2002.

(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 Dec \$m	Month of Jan \$m	Seven Months to 31 Jan \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Jan \$m	Seven Months to 31 Jan \$m	Annual Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>							
Taxes received	328.2	286.0	1,945.3	3,183.4	265.7	1,732.4	2,968.2
Receipts from sales of goods and services	18.7	80.1	567.9	910.2	42.4	481.9	891.3
Grants and subsidies received	411.2	457.6	3,267.1	5,645.5	582.4	3,382.8	5,530.7
Other receipts	220.8	183.9	1,175.7	2,165.6	222.7	1,157.8	2,116.2
<b>Total</b>	<b>978.9</b>	<b>1,007.7</b>	<b>6,956.0</b>	<b>11,904.7</b>	<b>1,113.2</b>	<b>6,754.9</b>	<b>11,506.4</b>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>							
Payments for goods & services	-672.6	-737.2	-4,741.6	-7,780.5	-737.9	-4,477.2	-7,376.1
Grants and subsidies paid	-295.5	-322.8	-1,594.6	-2,519.3	-289.6	-1,562.4	-2,294.6
Interest paid	-9.5	-25.6	-115.2	-248.6	-49.3	-131.7	-220.1
Other payments	-61.4	-49.2	-440.6	-785.2	-104.8	-492.5	-855.5
<b>Total</b>	<b>-1039.0</b>	<b>-1,134.8</b>	<b>-6,892.0</b>	<b>-11,333.6</b>	<b>-1,181.6</b>	<b>-6,663.7</b>	<b>-10,745.9</b>
<b>Net Cash Flow from Operating Activities</b>	<b>-60.1</b>	<b>-127.1</b>	<b>64.1</b>	<b>571.1</b>	<b>-68.4</b>	<b>91.2</b>	<b>760.5</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>							
Purchase of non-financial assets	-36.6	-60.6	-423.4	-958.7	-87.7	-508.2	-894.1
Sales of non-financial assets	3.2	4.2	42.4	123.8	7.8	42.9	102.4
<b>Total</b>	<b>-33.4</b>	<b>-56.3</b>	<b>-381.1</b>	<b>-834.9</b>	<b>-79.9</b>	<b>-465.3</b>	<b>-791.6</b>
<b>INVESTMENT IN FINANCIAL ASSETS</b>							
Policy purposes	0.3	-20.0	-28.7	-116.8	0.2	6.9	-93.3
Liquidity purposes	-9.8	8.9	-2.5	50.3	12.9	-50.6	-11.5
<b>Total</b>	<b>-9.5</b>	<b>-11.1</b>	<b>-31.2</b>	<b>-66.5</b>	<b>13.2</b>	<b>-43.7</b>	<b>-104.7</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-42.9</b>	<b>-67.4</b>	<b>-412.3</b>	<b>-901.4</b>	<b>-66.7</b>	<b>-509.0</b>	<b>-896.4</b>
<b>FINANCING ACTIVITIES</b>							
Advances received (net)	-	-	-	-	-8.4	-40.0	-13.4
Borrowings (net)	-22.9	80.0	40.4	228.6	-147.3	-79.0	12.7
Deposits received (net)	2.6	-0.9	-3.1	-	2.2	-96.6	-91.9
Other financing	-7.3	-2.3	2.1	-44.2	-4.9	-24.0	-24.9
<b>Total</b>	<b>-27.5</b>	<b>76.8</b>	<b>39.5</b>	<b>184.3</b>	<b>-158.4</b>	<b>-239.6</b>	<b>-117.5</b>
Opening cash balance	852.9	722.3	913.4	934.5	803.0	1,166.8	1,166.8
<b>NET INCREASE IN CASH HELD</b>	<b>-130.6</b>	<b>-117.7</b>	<b>-308.8</b>	<b>-146.0</b>	<b>-293.6</b>	<b>-657.4</b>	<b>-253.4</b>
Closing cash balance	722.3	604.6	604.6	788.5	509.4	509.4	913.4
Net cash from operating activities and investments in non-financial assets	-93.5	-183.4	-317.0	-263.9	-148.3	-374.1	-31.2
less finance leases and similar arrangements	-	-	-	-	-	-	-
<b>GFS Cash Surplus</b>	<b>-93.5</b>	<b>-183.4</b>	<b>-317.0</b>	<b>-263.9</b>	<b>-148.3</b>	<b>-374.1</b>	<b>-31.2</b>

(a) Estimate for 2002-03 published in the 2002-03 Government Mid-Year Financial Projections Statement, released 20 December 2002.

(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 Dec \$m	Month of Jan \$m	Seven Months to 31 Jan \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Jan \$m	Seven Months to 31 Jan \$m	Annual Actual <sup>(b)</sup> \$m
<b>TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE</b>							
<i>Payroll tax</i>	80.5	87.2	579.7	991.6	74.4	516.2	900.1
<b>TAXES ON PROPERTY</b>							
Land tax	8.8	-0.4 <sup>(c)</sup>	259.9	266.5	0.1	221.5	225.7
Stamp duties on financial and capital transactions	79.9	71.6	522.7	799.0	61.7	502.5	786.9
Financial institutions transaction taxes	7.9	8.4	56.5	97.5	8.1	72.6	112.2
Other	1.2	0.6	44.8	50.8	0.7	43.1	47.4
<i>Total</i>	97.6	80.2	884.0	1,213.8	70.6	839.6	1,172.2
<b>TAXES ON PROVISION OF GOODS AND SERVICES</b>							
Taxes on gambling	11.1	7.3	67.6	116.6	14.2	66.2	112.9
Taxes on insurance	20.1	37.2	191.3	317.7	29.4	172.5	266.8
<i>Total</i>	31.2	44.5	259.0	434.3	43.6	238.7	379.7
<b>TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES</b>							
<i>Motor vehicle taxes</i>	46.3	44.7	314.7	539.5	42.6	282.3	492.9
<b>Total Taxes</b>	<b>255.6</b>	<b>256.7</b>	<b>2,037.3</b>	<b>3,179.2</b>	<b>231.1</b>	<b>1,876.8</b>	<b>2,945.0</b>

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(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.

(c) This reduction reflects discounts allowed on early payment of land tax assessments.  
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

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