



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 July 2002

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

JULY 2002

Operating Statement

A net operating deficit of \$24.6 million was recorded by the general government sector in July 2002. This follows a net operating deficit of \$444.9 million in June 2002, and a net operating surplus of \$145.5 million in July 2001.

Revenue collected in July 2002 totalled \$1,001.3 million, down \$18.3 million on the same period last year.

At \$530.3 million, total (ie. current and capital) Commonwealth grants revenue was down \$50.0 million relative to July 2001, due to a change in the timing of GST revenue and lower budget balancing assistance. In this latter regard, as GST revenue (which is received monthly) increases over time, budget balancing assistance (which is received in the first month of each quarter) declines.

The decline in Commonwealth grants was partially offset by a \$27.8 million increase in taxation revenue relative to July 2001, with increases in stamp duties on financial and capital transactions (primarily conveyance duty), taxes on insurance and taxes on gambling the major contributors.

Expenses in July 2002 totalled \$1,025.9 million, \$151.8 million higher than July 2001. Relative to July 2001, the monthly result reflects higher outcomes for:

- capital transfers (an increase of \$47.3 million, mainly due to funding provided for the Perth Convention and Exhibition Centre);
- salaries (an increase of \$46.8 million, including a \$22.1 million increase relating to final outcomes for various Enterprise Bargaining Agreements in the Health sector); and
- current transfers (an increase of \$41.4 million, largely due to increases in community service obligation expenses and grants expenses).

Cash Flow Statement

A \$19.5 million net cash inflow resulted from operating activities in July 2002. Combined with investment in non-financial assets of \$83.0 million (net), this resulted in a government finance statistics (GFS) cash deficit of \$63.5 million for the month of July 2002. Cash balances declined by \$81.3 million in July 2002, following a \$116.0 million decline in July 2001.

GENERAL GOVERNMENT
Operating Statement

	2002-03		2001-02	
	Month of July \$m	Budget Estimate ^(a) \$m	Month of July \$m	Actual ^(b) \$m
REVENUE				
Taxation	252.6	3,193.7	224.8	2,941.0
Current grants and subsidies	506.2	5,170.0	556.0	5,280.1
Capital grants	24.1	291.7	24.3	268.8
Sales of goods and services	85.1	919.3	56.6	881.7
Interest income	8.0	108.6	9.8	122.0
Revenue from public corporations				
Dividends	31.3	379.3	28.4	407.6
Tax equivalent payments	18.7	227.7	20.9	241.0
Royalty income	49.5	654.9	57.1	635.9
Other	25.8	218.1	41.9	243.8
<i>Total</i>	<i>1,001.3</i>	<i>11,163.5</i>	<i>1,019.6</i>	<i>11,021.9</i>
EXPENSES				
Gross operating expenses				
Salaries	375.3	4,320.0	328.5	4,182.9
Depreciation and amortisation	38.4	533.5	39.1	518.2
Superannuation	27.6	395.8	28.8	389.6
Other	218.5	2,698.3	200.2	2,712.8
Nominal superannuation interest	23.4	281.2	22.9	277.6
Other interest	16.6	247.3	17.4	218.0
Current transfers	255.2	2,313.0	213.8	2,238.0
Capital transfers	70.8	255.1	23.5	275.8
<i>Total</i>	<i>1,025.9</i>	<i>11,044.4</i>	<i>874.1</i>	<i>10,812.9</i>
NET OPERATING BALANCE	-24.6	119.1	145.5	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 July \$m	Budget Estimate ^(a) \$m	Month of July \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES				
Taxes received	208.6	3,322.2	192.9	2,973.9
Receipts from sales of goods and services	152.7	1,035.2	77.8	871.9
Grants and subsidies received	535.5	5,469.0	576.7	5,555.3
Other receipts	187.1	2,081.3	210.1	2,151.6
<i>Total</i>	<i>1,084.0</i>	<i>11,907.7</i>	<i>1,057.6</i>	<i>11,552.6</i>
PAYMENTS FOR OPERATING ACTIVITIES				
Payments for goods and services	-670.8	-7,794.3	-655.4	-7,397.1
Grants and subsidies paid	-303.4	-2,464.3	-212.1	-2,317.1
Interest paid	-30.2	-245.4	-32.3	-223.3
Other payments	-60.1	-736.7	-44.3	-855.5
<i>Total</i>	<i>-1,064.5</i>	<i>-11,240.8</i>	<i>-944.1</i>	<i>-10,793.0</i>
Net Cash Flow from Operating Activities	19.5	666.9	113.6	759.6
INVESTMENT IN NON-FINANCIAL ASSETS				
Purchase of non-financial assets	-87.6	-889.6	-83.8	-860.2
Sales of non-financial assets	4.6	127.5	3.2	100.0
<i>Total</i>	<i>-83.0</i>	<i>-762.1</i>	<i>-80.6</i>	<i>-760.2</i>
INVESTMENT IN FINANCIAL ASSETS				
Policy purposes	-10.1	-131.9	-0.1	-92.9
Liquidity purposes	5.1	63.8	1.4	-11.5
<i>Total</i>	<i>-5.0</i>	<i>-68.0</i>	<i>1.4</i>	<i>-104.4</i>
Net Cash Flow from Investing Activities	-88.0	-830.1	-79.3	-864.6
FINANCING ACTIVITIES				
Advances received (net)	-	0.4	-	-421.2
Borrowings (net)	-11.7	224.1	-72.7	443.0
Deposits received (net)	-7.6	-	-72.2	-91.9
Other financing	6.5	-19.1	-5.4	-57.1
<i>Total</i>	<i>-12.8</i>	<i>205.5</i>	<i>-150.3</i>	<i>-127.2</i>
Opening cash balance	934.5	643.6	1,159.7	1,166.8
NET INCREASE IN CASH HELD	-81.3	42.3	-116.0	-232.3
Closing cash balance	853.2	685.9	1,043.7	934.5
<i>Net cash from operating activities and investments in non-financial assets</i>	<i>-63.5</i>	<i>-95.2</i>	<i>32.9</i>	<i>-0.7</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
GFS Cash Surplus	-63.5	-95.2	32.9	-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 July \$m	Budget Estimate ^(a) \$m	Month of July \$m	Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE				
<i>Payroll tax</i>	80.3	1,021.6	70.8	898.8
TAXES ON PROPERTY				
Land tax	0.1	266.5	-	225.7
Stamp duties on financial and capital transactions	69.0	799.2	55.2	788.4
Financial institutions transaction taxes	7.5	97.5	20.4	112.2
Other	0.8	50.8	0.4	47.4
<i>Total</i>	77.4	2,235.6	76.0	1,173.7
TAXES ON PROVISION OF GOODS AND SERVICES				
Taxes on gambling	12.0	117.3	6.3	109.5
Taxes on insurance	33.5	306.3	27.1	266.8
<i>Total</i>	45.5	423.6	33.4	376.3
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES				
<i>Motor vehicle taxes</i>	49.3	534.5	44.6	492.9
Other	-	-	-	-0.7
Total Taxes	252.6	3,193.7	224.8	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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