



DEPARTMENT OF
TREASURY AND FINANCE

**MONTHLY
REPORT OF
GENERAL
GOVERNMENT
FINANCES**

Statement for the Month Ended
31 July 2003

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

JULY 2003

Operating Statement

The general government sector recorded a \$108 million operating surplus for the month of July 2003, compared with an operating deficit of \$25 million for the same month last year. The improvement primarily reflects increased revenue, although expenses were marginally lower as well.

Revenue for the month of July 2003 totalled \$1,127 million, up \$126 million or 12.6% on the same month the previous year. This increase is mainly due to:

- a \$67 million increase in taxation revenue, primarily reflecting higher property market-related stamp duty revenue, increased payroll tax revenue (reflecting wages and employment growth) and increased revenue from motor vehicle taxes (reflecting increased vehicle registrations); and
- higher current and capital grants from the Commonwealth (up \$64 million), due largely to higher GST grants (reflecting a combination of increased collections and a revised monthly payment schedule for 2003-04).

Expenses in July 2003 totalled \$1,019 million, \$7 million lower than the same period the previous year. Expense variations between these periods mainly reflect:

- lower current and capital transfers (down \$33 million), primarily reflecting the pattern of funding for the Perth Convention and Exhibition Centre project;
- higher salaries (up \$29 million), primarily in the education and health sectors, reflecting pay increases and the impact of Industrial Relations Commission rulings and Government initiatives (e.g. to reduce classroom sizes) implemented during 2002-03; and
- lower 'other' gross operating expenses (down \$17 million), reflecting a carryover of expenses from 2001-02 to 2002-03 which increased expenses in July 2002.

Cash Flow Statement

A net cash outflow from operating activities of \$19 million was recorded for the month of July 2003, with cash payments exceeding receipts due, in part, to the payment (in July 2003) of expenses accrued in 2002-03. Combined with net capital investment of \$96 million, this resulted in a government finance statistics (GFS) cash deficit of \$115 million, compared with a deficit of \$64 million in July 2002.

GENERAL GOVERNMENT
Operating Statement

	2003-04		2002-03	
	Month of July \$m	Budget Estimate ^(a) \$m	Month of July \$m	Actual ^(b) \$m
REVENUE				
Taxation	320	3,543	253	3,388
Current grants and subsidies	581	5,386	506	5,464
Capital grants	13	278	24	287
Sales of goods and services	83	930	85	1,002
Interest income	9	95	8	107
Revenue from public corporations				
Dividends	35	428	31	390
Tax equivalent payments	19	228	19	239
Royalty income	49	650	50	685
Other	18	235	26	236
<i>Total</i>	<i>1,127</i>	<i>11,774</i>	<i>1,001</i>	<i>11,798</i>
EXPENSES				
Gross operating expenses				
Salaries	404	4,615	375	4,490
Depreciation and amortisation	45	615	38	598
Superannuation	38	418	28	442
Other	202	2,837	219	2,925
Nominal superannuation interest	23	277	23	277
Other interest	14	214	17	197
Current transfers	237	2,438	255	2,286
Capital transfers	56	276	71	333
<i>Total</i>	<i>1,019</i>	<i>11,691</i>	<i>1,026</i>	<i>11,548</i>
NET OPERATING BALANCE	108	83	-25	250

(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	Budget Estimate ^(a) \$m	Month of July \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES				
Taxes received	294	3,544	209	3,339
Receipts from sales of goods and services	84	943	153	956
Grants and subsidies received	600	5,672	536	5,801
Other receipts	163	2,117	187	2,156
<i>Total</i>	<i>1,141</i>	<i>12,277</i>	<i>1,084</i>	<i>12,251</i>
PAYMENTS FOR OPERATING ACTIVITIES				
Payments for goods and services	-828	-8,029	-671	-7,920
Grants and subsidies paid	-251	-2,608	-303	-2,417
Interest paid	-26	-213	-30	-195
Other payments	-56	-771	-60	-772
<i>Total</i>	<i>-1,159</i>	<i>-11,621</i>	<i>-1,065</i>	<i>-11,304</i>
Net Cash Flow from Operating Activities	-19	655	20	947
INVESTMENT IN NON-FINANCIAL ASSETS				
Purchase of non-financial assets	-104	-979	-88	-795
Sales of non-financial assets	8	172	5	118
<i>Total</i>	<i>-96</i>	<i>-807</i>	<i>-83</i>	<i>-677</i>
INVESTMENT IN FINANCIAL ASSETS				
Policy purposes	-	-74	-10	-107
Liquidity purposes	2	17	5	48
<i>Total</i>	<i>2</i>	<i>-57</i>	<i>-5</i>	<i>-59</i>
Net Cash Flow from Investing Activities	-95	-864	-88	-735
FINANCING ACTIVITIES				
Advances received (net)	-	-8	-	-
Borrowings (net)	90	237	-12	17
Deposits received (net)	9	-	-8	-9
Other financing	-2	-21	7	-65
<i>Total</i>	<i>97</i>	<i>208</i>	<i>-13</i>	<i>-57</i>
Opening cash balance	1,056	779	935	913
NET INCREASE IN CASH HELD	-16	-1	-81	155
Closing cash balance	1,040	778	853	1,068
<i>Net cash from operating activities and investments in non-financial assets</i>	<i>-115</i>	<i>-152</i>	<i>-64</i>	<i>270</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
GFS Cash Surplus	-115	-152	-64	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	Budget Estimate ^(a) \$m	Month of July \$m	Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE				
<i>Payroll tax</i>	97	1,060	80	1,003
TAXES ON PROPERTY				
Land tax	-	277	-	260
Stamp duties on financial and capital transactions	107	969	69	978
Financial institutions transaction taxes	8	96	8	97
Other	5	129	1	49
<i>Total</i>	120	1,471	77	1,384
TAXES ON PROVISION OF GOODS AND SERVICES				
Taxes on gambling	9	119	12	119
Taxes on insurance	35	330	34	308
<i>Total</i>	44	449	46	427
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES				
<i>Motor vehicle taxes</i>	59	563	49	574
Total Taxes	320	3,543	253	3,388

(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.

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
Sonya Monterosso	Distribution enquiries	(08) 9222 9224
Facsimile		(08) 9222 9338

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