



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 October 2002

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

OCTOBER 2002

Operating Statement

A net operating surplus of \$76.3 million was recorded by the general government sector in October 2002. This compares with a net operating surplus of \$138.6 million in September 2002 and a net operating surplus of \$123.0 million in October 2001.

Revenue recorded in October 2002 totalled \$1,132.1 million, up \$105.3 million from September 2002. Revenue variations between these periods primarily reflect:

- higher Commonwealth grants (up \$244.6 million). This is mainly due to timing factors related to GST grants, grants for on-passing to non-government schools and North West Shelf petroleum royalties (which are received as a Commonwealth grant);
- lower taxation revenue (down \$188.3 million), due mainly to the annual issuance of land tax and Metropolitan Region Improvement Tax assessments (and the recording of associated revenues) in September; and
- higher sales of goods and services (up \$53.8 million), in part due to lower than expected revenue in September.

Expenses in October 2002 totalled \$1,055.8 million, \$167.5 million higher than September 2002. Relative to September 2002, the major variances occurred in the following areas:

- higher current transfers (up \$68.9 million), due mainly to the timing of grants for on-passing to non-government schools;
- higher "other" gross operating expenses (up \$35.9 million), largely due to lower than expected services and contracts expense in September;
- higher monthly salaries costs (up \$26.4 million); and
- higher capital transfers (up \$20.9 million).

Cash Flow Statement

A \$234.4 million net cash inflow resulted from operating activities in October 2002. Combined with investment in non-financial assets of \$93.7 million (net), this resulted in a government finance statistics (GFS) cash surplus of \$140.6 million for the month of October 2002. Cash balances increased by \$157.9 million in October 2002, following a \$108.4 million decline in September 2002.

Four Months Ending 31 October 2002

A cumulative net operating surplus of \$217.7 million was recorded for the first four months of 2002-03, compared with a \$283.6 million surplus for the same period last year. Revenue and expenses were higher by \$274.9 million and \$340.8 million respectively compared with the first four months of 2001-02.

A GFS cash deficit of \$193.3 million was recorded for the four months to 31 October 2002, broadly similar to the deficit recorded for the same period last year.

GENERAL GOVERNMENT
Operating Statement

	2002-03				2001-02		
	Month of Sept \$m	Month of Oct \$m	Four Months to 31 Oct \$m	Annual Estimate ^(a) \$m	Month of Oct \$m	Four Months to 31 Oct \$m	Actual ^(b) \$m
REVENUE							
Taxation	484.4	296.1	1,274.4	3,179.2	265.1	1,118.3	2,941.0
Current grants and subsidies	315.4	546.9	1,840.8	5,365.8	598.9	1,838.4	5,280.1
Capital grants	25.1	38.2	106.7	305.7	6.3	68.9	268.8
Sales of goods and services	60.8	114.5	359.2	914.3	66.0	233.7	881.7
Interest income	10.3	6.5	33.7	103.5	17.0	49.0	122.0
Revenue from public corporations							
- Dividends	26.4	36.6	126.3	373.8	28.2	140.1	407.6
- Tax equivalent payments	25.2	11.7	74.4	225.1	23.1	81.0	241.0
Royalty income	71.3	61.2	215.3	672.1	51.8	210.5	635.9
Other	7.9	20.4	84.9	205.7	6.3	100.9	243.8
Total	1,026.8	1,132.1	4,115.7	11,345.3	1,062.6	3,840.8	11,021.9
EXPENSES							
Gross operating expenses							
- Salaries	358.3	384.7	1,481.8	4,383.1	367.1	1,379.7	4,182.9
- Depreciation & amortisation	49.5	63.8	196.3	618.1	55.0	165.1	518.2
- Superannuation	37.1	33.0	131.9	400.5	55.5	159.5	389.6
- Other	224.3	260.2	942.2	2,785.4	194.8	866.8	2,712.8
Nominal superannuation interest	23.4	23.4	93.7	276.2	22.9	91.5	277.6
Other interest	13.6	18.9	64.3	253.1	6.2	59.9	218.0
Current transfers	171.7	240.6	851.9	2,321.2	232.3	767.0	2,238.0
Capital transfers	10.4	31.3	135.9	254.7	5.8	67.7	275.8
Total	888.3	1,055.8	3,898.0	11,292.4	939.6	3,557.2	10,812.9
NET OPERATING BALANCE	138.6	76.3	217.7	52.9	123.0	283.6	208.9

(a) Estimate for 2002-03 published in the 2002-03 Government Mid-Year Financial Projections Statement, released 20 December 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 Sept \$m	Month of Oct \$m	Four Months to 31 Oct \$m	Annual Estimate ^(a) \$m	Month of Oct \$m	Four Months to 31 Oct \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES							
Taxes received	209.4	346.4	973.9	3,183.4	235.4	806.9	2,973.9
Receipts from sales of goods and services	52.2	107.7	433.4	910.2	115.3	407.4	871.9
Grants and subsidies received	341.3	584.6	1,948.8	5,645.5	584.9	1,911.7	5,555.3
Other receipts	116.1	281.5	688.7	2,165.6	257.3	663.9	2,151.6
Total	719.1	1,320.2	4,044.7	11,904.7	1,192.9	3,790.0	11,552.6
PAYMENTS FOR OPERATING ACTIVITIES							
Payments for goods & services	-587.0	-716.6	-2,747.0	-7,780.5	-617.7	-2,672.3	-7,397.1
Grants and subsidies paid	-154.0	-247.1	-872.9	-2,519.3	-231.8	-767.1	-2,317.1
Interest paid	-4.9	-37.2	-77.3	-248.6	-29.4	-75.5	-223.3
Other payments	-78.9	-85.0	-293.8	-785.2	-79.4	-263.2	-855.5
Total	-824.7	-1,085.9	-3,991.0	-11,333.6	-958.3	-3,778.1	-10,793.0
Net Cash Flow from Operating Activities	-105.6	234.4	53.8	571.1	234.6	11.9	759.6
INVESTMENT IN NON-FINANCIAL ASSETS							
Purchase of non-financial assets	-34.5	-104.0	-270.0	-958.7	-84.2	-281.6	-860.2
Sales of non-financial assets	2.0	10.3	22.9	123.8	2.5	17.7	100.0
Total	-32.5	-93.7	-247.1	-834.9	-81.7	-263.9	-760.2
INVESTMENT IN FINANCIAL ASSETS							
Policy purposes	0.1	-15.2	-26.3	-116.8	3.6	3.6	-92.9
Liquidity purposes	2.8	-2.7	10.6	50.3	-10.7	6.7	-11.5
Total	2.9	-17.9	-15.7	-66.5	-7.0	10.3	-104.4
Net Cash Flow from Investing Activities	-29.6	-111.6	-262.8	-901.4	-88.7	-253.6	-864.6
FINANCING ACTIVITIES							
Advances received (net)	-	-	-	-	-2.5	-12.9	-421.2
Borrowings (net)	40.8	25.6	48.1	228.6	213.6	118.5	443.0
Deposits received (net)	-8.1	-1.8	-	-	1.6	-84.0	-91.9
Other financing	-5.9	11.4	5.4	-44.2	-13.6	-21.3	-57.1
Total	26.8	35.2	53.5	184.3	199.1	0.4	-127.2
Opening cash balance	729.4	621.1	934.5	934.5	580.3	1,166.8	1,166.8
NET INCREASE IN CASH HELD	-108.4	157.9	-155.5	-146.0	345.1	-241.4	-232.3
Closing cash balance	621.1	779.0	779.0	788.5	925.3	925.3	934.5
Net cash from operating activities and investments in non-financial assets	-138.0	140.6	-193.3	-263.9	153.0	-252.0	-0.7
less finance leases and similar arrangements	-	-	-	-	-	-	-
GFS Cash Surplus	-138.0	140.6	-193.3	-263.9	153.0	-252.0	-0.7

(a) Estimate for 2002-03 published in the 2002-03 Government Mid-Year Financial Projections Statement, released 20 December 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 Sept \$m	Month of Oct \$m	Four Months to 31 Oct \$m	Annual Estimate ^(a) \$m	Month of Oct \$m	Four Months to 31 Oct \$m	Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE							
<i>Payroll tax</i>	79.9	88.2	333.7	991.6	72.2	293.4	898.8
TAXES ON PROPERTY							
Land tax	224.6	21.7	246.4	266.5	22.4	203.3	225.7
Stamp duties on financial and capital transactions	60.1	78.2	285.2	799.0	67.0	241.6	788.4
Financial institutions transaction taxes	8.0	7.7	31.7	97.5	7.4	44.7	112.2
Other	32.1	7.7	41.4	50.8	9.0	34.4	47.4
<i>Total</i>	324.8	115.3	604.7	1,213.8	105.8	524.0	1,173.7
TAXES ON PROVISION OF GOODS AND SERVICES							
Taxes on gambling	12.2	8.5	40.4	116.6	4.8	32.9	109.5
Taxes on insurance	20.1	37.0	114.0	317.7	41.6	107.7	266.8
<i>Total</i>	32.3	45.5	154.4	434.3	46.5	140.6	376.3
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES							
<i>Motor vehicle taxes</i>	47.5	47.2	181.6	539.5	40.7	160.3	492.9
Total Taxes	484.4	296.1	1,274.4	3,179.2	265.1	1,118.3	2,941.0

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

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

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