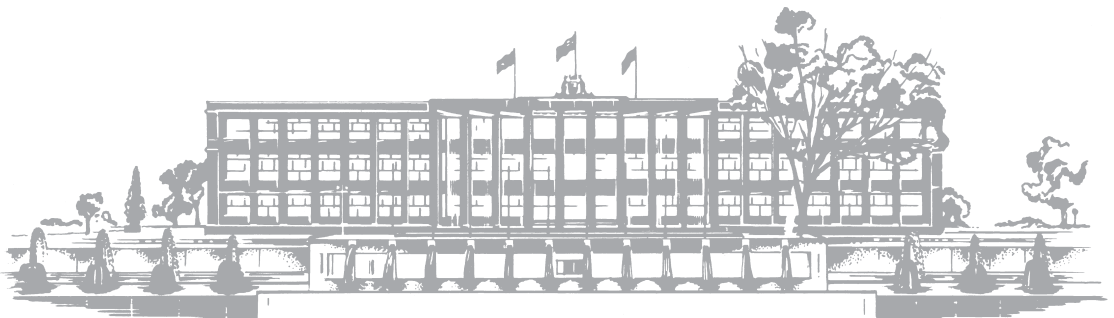




2006-07

QUARTERLY FINANCIAL  
RESULTS REPORT

MARCH 2007



2006–07 Quarterly Financial Results Report  
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2006-07

**QUARTERLY FINANCIAL RESULTS REPORT**  
**Nine Months Ended 31 March 2007**

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# Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Western Australian public sector's financial results for the nine months to 31 March 2007.

Care should be exercised in extrapolating the likely outcome for the 2006-07 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, revenue is typically stronger in the first half of the financial year, with full-year land tax revenue usually recognised in the first or second quarters (when land tax assessments are issued), while expenses typically accelerate in the latter months of the financial year as programs with a 30 June completion date come to conclusion. The timing of grant revenue (from the Commonwealth) and grant payments can also be quite 'lumpy', making comparisons between monthly and quarterly reporting periods difficult.

The focus of the State budget is the Government Finance Statistics (GFS) net operating balance for the general government sector. The GFS presentation in this report can be compared directly with the format of the budget.

In addition to the GFS presentation that is the focus of this QFRR, a series compliant with Australian Accounting Standards (AAS) is presented in Appendix 3, which includes interim financial statements for the total public sector prepared in accordance with accounting standard AASB 134: *Interim Financial Reporting*, and whole-of-government statements in accordance with AAS 31: *Financial Reporting by Governments*. Information presented in this QFRR is not audited.

Appendix 4: *Public Ledger* includes summary information on the Consolidated Account, Treasurer's Special Purpose Accounts and Treasurer's Advance<sup>1</sup>.

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<sup>1</sup> The *Financial Management Act 2006* (FMA) replaced the *Financial Administration and Audit Act 1985* from 1 February 2007. This is the first QFRR which reports the Public Ledger in the format supported by the FMA.

*Forward*

The 2005-06 annual results appearing in this document are consistent with the audited *Annual Report on State Finances* for the year ended 30 June 2006 (released on 27 September 2006), and the estimated actuals for 2006-07 are consistent with those published in the 2007-08 Budget, released 10 May 2007.

# Overview

## Summary

The Western Australian public sector recorded strong financial results in the March quarter of 2006-07. Operating surpluses were recorded by all sectors of government during the nine months to 31 March 2007.

Whilst slightly lower than the exceptional growth recorded in 2005-06, general government revenue growth has remained strong in the first three quarters of 2006-07, with the impact of the State's strong economy continuing to underpin growth in taxation and royalty revenue.

Total public sector net worth increased by \$3.8 billion over the nine months to 31 March 2007, reflecting continued operating surplus outcomes. Net debt at 31 March 2007 was a low \$2.7 billion.

With high levels of infrastructure spending by the Western Australian public sector, spending on fixed assets totalled almost \$3.0 billion for the first nine months of 2006-07, up a substantial \$644 million or nearly 28% on the same period the previous year.

## General Government Sector

The general government sector is the focus of the Government's headline measure of budget performance (the general government net operating balance). This sector is responsible for the collection of central revenue such as taxation, mining royalties and Commonwealth grants, and for the provision of key services to the community such as health, education and law and order.

The general government sector recorded a \$1,729 million operating surplus for the nine months to 31 March 2007, \$222 million higher than the surplus for the same period in 2005-06.

### Revenue

Revenue in the nine months to 31 March 2007 totalled \$12,971 million, representing 75% of the estimated actual for 2006-07. This was \$1,173 million (or 9.9%) higher than the same period in 2005-06, reflecting:

- higher taxation (up \$458 million), mainly due to:
  - higher payroll tax (up \$189 million), reflecting continued wages and employment growth across the economy (particularly in mining and related sectors);
  - higher conveyance duty (up \$134 million), due to stronger property market prices over the last year;
  - higher land tax (up \$74 million), reflecting growth in property values and an increased number of properties assessed;
  - higher motor vehicle taxes (up \$69 million), reflecting continued high levels of vehicle sales and registrations; and
  - lower mortgage duty revenue (down \$36 million), following halving of the mortgage duty rates from 1 July 2006 (announced in the 2006-07 Budget);



- higher Commonwealth grants (up \$308 million), mainly due to:
  - higher GST grants (up \$93 million) due to an increase in national collections and a revised Commonwealth monthly payment profile for 2006-07;
  - higher North West Shelf petroleum royalties (up \$55 million), reflecting higher production volumes and prices in 2006-07; and
  - higher specific purpose grants, including increased funding for the Auslink Bilateral Agreement (up \$70 million), health (up \$48 million), non-government schools (up \$43 million), government schools (up \$38 million), and agriculture (up \$21 million), partially offset by lower competition reform funding (down \$57 million) following the Commonwealth's decision to cease these payments from 1 July 2006;
- higher royalty income (up \$230 million), reflecting higher commodity prices and production volumes, particularly for iron ore, nickel, gold and alumina;
- higher sales of goods and services (up \$103 million), reflecting increases in the volume and demand for goods and services across the sector, particularly in health and education;
- higher 'other' revenue (up \$78 million), primarily due to an increase in the Public Transport Authority's Capital User Charge (CUC);
- lower revenue from public corporations (down \$58 million), primarily due to lower interim dividend declarations by the energy corporations<sup>2</sup>; and
- higher interest income (up \$54 million), due to higher cash holdings and the upward movement of interest rates over the past year.

The rate of revenue growth for the first nine months of 2006-07 (9.9%) has slowed in comparison to the 12.2% growth recorded in the same period in 2005-06. This primarily reflects lower growth in taxation revenue (particularly conveyance duty) and Commonwealth grants.

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<sup>2</sup> In March 2006 a one-off final dividend was declared by Western Power, prior to the disaggregation of the corporation from 1 April 2006. The new electricity entities have yet to finalise dividends for the current year.

## Expenses

Expenses in the nine months to 31 March 2007 totalled \$11,242 million, representing around 73% of the estimated actual for 2006-07. This was \$952 million (or 9.3%) higher than the same period in 2005-06, reflecting:

- higher salaries (up \$390 million), mainly due to:
  - higher pay rates for general public servants, following the July 2006 Public Service General Agreement;
  - higher employee numbers and pay rates in the health sector (up \$144 million), as a result of general demand, mental health strategies and other health initiatives impacting hospital staff numbers;
  - the impact of enterprise bargaining agreements and initiatives to boost teaching staff numbers in the education sector (up \$99 million); and
  - the impact of enterprise bargaining agreements and employee numbers in the law and order sector (up \$56 million), including the effect of initiatives undertaken in response to the Mahoney Inquiry into the justice system;
- higher current transfers (up \$304 million), mainly due to:
  - higher appropriation funding to the Public Transport Authority for increases in rail and bus service costs as part of the Metropolitan and Regional Passenger Services, and for the increased CUC noted earlier; and
  - the on-passing of higher specific purpose payments from the Commonwealth, particularly for various health and education programs;
- higher services and contract expenses (up \$196 million), mainly due to higher recurrent construction and maintenance expenditure for the education, health and law and order sectors, and the implementation of Mahoney Inquiry initiatives relating to prison service and court security;
- higher superannuation (up \$59 million), reflecting the increase in salaries discussed above and the timing of these expenses last year;

- higher capital transfers (up \$54 million), mainly due to:
  - conversion of the \$88 million loan, to a capital grant, originally provided in October 2004 to the purchasers of the Dampier to Bunbury Natural Gas Pipeline, as initial pipeline expansion commitments have been met; and
  - lower expenditure on the First Home Owner Grant scheme (down \$28 million), due to a slowing of activity in the first home buyer sector of the housing market;
- higher depreciation and amortisation expense (up \$29 million), as a result of higher asset values following 2005-06 outcomes; and
- lower 'other' gross operating expenses (down \$53 million), reflecting changes in timing of purchases by general government agencies.

Expense growth for the nine months ending 31 March 2007 (9.3%) compares to the 10.6% full-year projection in the 2007-08 Budget. As noted in the *Foreword* to this report, agency spending typically accelerates in the June quarter, although as noted in the 2007-08 Budget Paper No. 3, there remains a risk that actual expenses for the 2006-07 year will fall short of the estimated actual published in the budget.

**SUMMARY OF GENERAL GOVERNMENT FINANCES**  
**NINE MONTHS TO 31 MARCH 2007**  
 Western Australia

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
Net operating balance	567	1,729	1,853	465	1,507	2,265
Net worth		61,763	62,128		53,106	57,941
Increase in cash balances	703	-112	-452	655	798	1,587
<i>Memorandum items</i>						
Net lending	381	1,233	1,053	367	1,354	1,846
Net debt		-2,471	-2,183		-1,940	-2,737
Cash surplus	775	1,150	1,030	698	1,402	2,301

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 *Annual Report on State Finances*, released 27 September 2006.

## Balance Sheet

The net worth of the general government sector increased by \$3.8 billion in the nine months to 31 March 2007 to stand at \$61.8 billion.

This increase is primarily attributable to:

- increases in the value of the sector's equity holdings in public corporations (up \$2.9 billion), largely due to:
  - the repayment of New MetroRail borrowings held by the Public Transport Authority<sup>3</sup>; and
  - the impact of September quarter revaluations of Housing Authority assets as a result of the amalgamation of the State Housing Commission and the Government Employees Housing Authority;

<sup>3</sup> Surplus Consolidated Account cash from 2005-06 was appropriated for the full non-debt funding of the New MetroRail project as part of the 2006-07 Budget. Around \$913 million was used to repay existing borrowings in September 2006.

- higher land and fixed asset holdings (up \$1.0 billion), reflecting higher land values and construction activity as part of the State's record Capital Works Program;
- higher 'other' non-equity assets (up \$266 million), primarily due to an increase in accounts receivable for State taxes; and
- lower investments, loans and placements (down \$429 million), due largely to the transfer of Consolidated Account cash to repay borrowings for the New MetroRail project, as noted above.

All remaining Consolidated Account debt (\$49 million) was repaid in September 2006, leaving the Account debt-free for the first time.

At 31 March 2007, the general government sector was in a negative net debt (i.e. net asset) position of \$2.5 billion.

### **Cash Flow**

Net cash inflows from operating activities totalled \$2,100 million for the nine months ended 31 March 2007 (up \$119 million on the same period a year earlier). Net cash outflows for capital investment (i.e. investment in non-financial assets) increased to \$950 million (up \$370 million from the same period in 2005-06). Accordingly, a cash surplus of \$1,150 million was recorded for the first nine months of 2006-07, compared with a \$1,402 million cash surplus for the previous year.

The significant increase in fixed asset spending (up \$351 million or 48%) mainly reflects:

- an additional \$152 million on building and upgrades to schools and TAFE colleges; and
- an extra \$149 million on construction activity by Main Roads, including Auslink and other road projects such as the Karratha-Tom Price Highway, the Dunham river bridge and works on the Eyre Highway.

## **Total Public Sector**

The total public sector consolidates the general government sector (discussed in the previous section), the public non-financial corporations sector (comprising entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority) and the public financial corporations sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

### **Operating Statement**

An operating surplus of \$2,521 million was recorded by the total public sector for the first nine months of 2006-07, up \$222 million on the surplus recorded for the same period in 2005-06.

The public non-financial corporations sector recorded an operating surplus of \$537 million for the nine months ended 31 March 2007, up \$152 million from the same period the previous year. This primarily reflects higher appropriation revenue and lower interest expense for the Public Transport Authority, higher revenue for the Water Corporation and higher volumes of land sales by the Western Australian Land Authority and the Housing Authority.

The public financial corporations sector recorded an operating surplus of \$255 million for the nine months ended 31 March 2007, down \$151 million from the \$406 million surplus recorded for the same period the previous year. This is largely due to higher insurance claims expenses for the Insurance Commission of Western Australia and lower interest revenue by the Western Australian Treasury Corporation (mainly due to the impact of lower borrowings on-lent to client agencies and the Consolidated Account, and the repayment of New MetroRail debt discussed earlier).

Table 2

**SUMMARY OF TOTAL PUBLIC SECTOR FINANCES  
NINE MONTHS TO 31 MARCH 2007**  
Western Australia

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
Net operating balance	871	2,521	1,949	721	2,299	2,610
Net worth		61,763	62,128		53,106	57,941
Increase in cash balances	994	1,341	-490	627	914	735
<i>Memorandum items</i>						
Net lending	212	1,117	-275	308	1,030	636
Net debt		2,736	4,208		2,948	3,179
Cash surplus	568	678	-626	441	856	1,064

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 *Annual Report on State Finances*, released 27 September 2006.

## Balance Sheet

Under GFS standards, the net worth of the general government sector includes the net worth of the public corporations sectors as an equity asset. Thus, total public sector net worth is identical to that of the general government sector (discussed earlier).

Net debt of the total public sector fell by \$443 million in the first nine months of 2006-07 to stand at \$2.7 billion at 31 March 2007. This continues the low level of net debt recorded at the end of 2005-06, and reflects the strong operating surplus outcomes across all sectors of government, particularly the general government sector.

## **Cash Flow**

A cash surplus of \$678 million was recorded for the nine months to 31 March 2007, down \$178 million compared to the same period the previous year.

Higher net capital investment outflows during the year-to-date more than offset a stronger net cash flow from operating activities. The increase in infrastructure spending (up \$644 million or around 28%) primarily reflects:

- higher fixed asset spending for the general government sector noted above (up \$351 million);
- higher spending on electricity-related projects and public sector dwellings; and
- lower spending on the New MetroRail project as this project moves toward completion (with total capital works spending by the Public Transport Authority down \$64 million).



## APPENDIX 1

# Government Finance Statistics

The tables in this appendix satisfy Uniform Presentation Framework (UPF) formats for the core statements of the general government and total public sectors, although the UPF does not require presentation of quarterly statistics.

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Table 1.1

**GENERAL GOVERNMENT**  
**Operating Statement**

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>						
Taxation	1,395	4,377	5,622	1,172	3,919	5,195
Current grants and subsidies	1,913	5,464	7,131	1,778	5,222	6,890
Capital grants	113	314	431	105	248	375
Sales of goods and services	324	913	1,141	292	810	1,115
Interest income	59	174	219	46	120	170
Revenue from public corporations						
Dividends	25	69	445	68	158	534
Tax equivalent payments	80	232	316	39	201	304
Royalty income	381	1,073	1,555	297	843	1,184
Other	149	354	418	102	276	440
<i>Total</i>	<b>4,438</b>	<b>12,971</b>	<b>17,278</b>	<b>3,899</b>	<b>11,798</b>	<b>16,207</b>
<b>EXPENSES</b>						
Gross operating expenses						
Salaries	1,525	4,534	6,098	1,376	4,144	5,694
Depreciation and amortisation	152	455	662	142	426	591
Superannuation	149	442	594	118	383	557
Services and contracts	405	1,154	1,842	321	958	1,367
Other gross operating expenses	424	1,315	1,890	426	1,368	1,876
Nominal superannuation interest	61	214	275	76	228	242
Other interest	24	79	122	28	93	120
Other property expenses	-	-	-	-	-	-
Current transfers	943	2,661	3,393	805	2,357	3,007
Capital transfers	189	388	548	143	334	487
<i>Total</i>	<b>3,871</b>	<b>11,242</b>	<b>15,425</b>	<b>3,434</b>	<b>10,290</b>	<b>13,942</b>
<b>NET OPERATING BALANCE</b>	<b>567</b>	<b>1,729</b>	<b>1,853</b>	<b>465</b>	<b>1,507</b>	<b>2,265</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	377	1,078	1,686	283	707	1,161
Sales of non-financial assets	-37	-129	-226	-41	-147	-203
less depreciation	152	455	662	142	426	591
plus change in inventories	-1	1	-	-	2	-
plus other movements in non-financial assets	-	1	3	-3	-3	51
<i>Total</i>	<b>186</b>	<b>496</b>	<b>800</b>	<b>97</b>	<b>154</b>	<b>419</b>
<b>NET LENDING/BORROWING</b>	<b>381</b>	<b>1,233</b>	<b>1,053</b>	<b>367</b>	<b>1,354</b>	<b>1,846</b>
<b>Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)</b>						
<b>NET OPERATING BALANCE</b>	<b>567</b>	<b>1,729</b>	<b>1,853</b>	<b>465</b>	<b>1,507</b>	<b>2,265</b>
less provisions for doubtful debts	-	-	1	-	-	18
plus net gains on assets (including derivatives)	-11	25	51	15	37	6
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	36	-	-	-335
plus all other adjustments	69	61	-33	2	-	328
<b>AAS OPERATING RESULT</b>	<b>625</b>	<b>1,814</b>	<b>1,834</b>	<b>482</b>	<b>1,545</b>	<b>2,916</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 Annual Report on State Finances, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 1.2

**GENERAL GOVERNMENT**  
Balance Sheet at End of Period

	2006-07		2005-06	
	31 March \$m	Estimated Actual <sup>(a)</sup> \$m	31 March \$m	Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	507	393	421	378
Advances paid	815	721	904	910
Investments, loans and placements	2,950	2,828	2,600	3,380
Other non-equity assets	1,383	1,245	1,038	1,117
Equity	24,778	24,632	21,666	21,870
<i>Total</i>	<i>30,433</i>	<i>29,817</i>	<i>26,630</i>	<i>27,655</i>
<i>Non-Financial assets</i>				
Land and fixed assets	41,210	42,150	36,163	40,187
Other non-financial assets	229	280	167	211
<i>Total</i>	<i>41,439</i>	<i>42,430</i>	<i>36,329</i>	<i>40,398</i>
<b>TOTAL ASSETS</b>	<b>71,872</b>	<b>72,247</b>	<b>62,959</b>	<b>68,053</b>
<b>LIABILITIES</b>				
Deposits held	266	297	377	369
Advances received	536	523	549	536
Borrowings	998	939	1,060	1,026
Unfunded superannuation liabilities	5,463	5,513	5,645	5,459
Other employee entitlements and provisions	1,637	1,616	1,489	1,551
Non-equity liabilities	1,208	1,232	733	1,171
<b>TOTAL LIABILITIES</b>	<b>10,109</b>	<b>10,119</b>	<b>9,853</b>	<b>10,112</b>
<b>NET WORTH</b>	<b>61,763</b>	<b>62,128</b>	<b>53,106</b>	<b>57,941</b>
<b>MEMORANDUM ITEM: NET DEBT</b>	<b>-2,471</b>	<b>-2,183</b>	<b>-1,940</b>	<b>-2,737</b>
<b>Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET WORTH</b>	<b>61,763</b>	<b>62,128</b>	<b>53,106</b>	<b>57,941</b>
<i>less</i> equity (net worth) of PNFC and PFC sectors	22,429	22,055	20,685	20,830
<i>less</i> provision for doubtful debts	-	1	-	18
<i>less</i> all other adjustments	-295	-289	88	-235
<b>AAS NET ASSETS</b>	<b>39,629</b>	<b>40,361</b>	<b>32,333</b>	<b>37,328</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 Annual Report on State Finances, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 1.3

**GENERAL GOVERNMENT**  
**Cash Flow Statement**

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>						
Taxes received	1,475	4,144	5,653	1,355	3,756	5,119
Receipts from sales of goods and services	377	1,013	1,166	291	871	1,194
Grants and subsidies received	2,003	5,747	7,528	1,881	5,463	7,583
Other receipts	875	2,366	3,428	666	2,073	3,094
<i>Total</i>	<i>4,730</i>	<i>13,270</i>	<i>17,774</i>	<i>4,193</i>	<i>12,162</i>	<i>16,990</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>						
Payments for goods and services	-2,463	-7,712	-10,587	-2,238	-7,075	-9,538
Grants and subsidies paid	-913	-2,690	-3,613	-816	-2,416	-3,207
Interest paid	-22	-72	-119	-21	-78	-122
Other payments	-218	-695	-966	-178	-611	-864
<i>Total</i>	<i>-3,615</i>	<i>-11,169</i>	<i>-15,284</i>	<i>-3,253</i>	<i>-10,181</i>	<i>-13,730</i>
<b>Net Cash Flow from Operating Activities</b>	<b>1,114</b>	<b>2,100</b>	<b>2,490</b>	<b>940</b>	<b>1,981</b>	<b>3,260</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	-377	-1,078	-1,686	-283	-727	-1,161
Sales of non-financial assets	37	129	226	41	147	203
<i>Total</i>	<i>-339</i>	<i>-950</i>	<i>-1,460</i>	<i>-242</i>	<i>-580</i>	<i>-958</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>						
Policy purposes	-72	-1,308	-1,399	-	-432	-488
Liquidity purposes	1	29	-	-3	36	74
<i>Total</i>	<i>-71</i>	<i>-1,279</i>	<i>-1,399</i>	<i>-3</i>	<i>-396</i>	<i>-415</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-410</b>	<b>-2,228</b>	<b>-2,859</b>	<b>-245</b>	<b>-976</b>	<b>-1,373</b>
<b>FINANCING ACTIVITIES</b>						
Advances received (net)	-	-4	-	-	-1	-1
Borrowings (net)	-16	-29	-86	-44	-215	-286
Deposits received (net)	4	-	-	3	-	-
Distributions paid	-	-	-	-	-	-
Other financing	11	50	2	2	10	-12
<i>Total</i>	<i>-1</i>	<i>16</i>	<i>-83</i>	<i>-39</i>	<i>-207</i>	<i>-300</i>
<i>Opening cash balance</i>	<i>3,647</i>	<i>4,462</i>	<i>4,462</i>	<i>3,018</i>	<i>2,875</i>	<i>2,875</i>
<b>NET INCREASE IN CASH HELD</b>	<b>703</b>	<b>-112</b>	<b>-452</b>	<b>655</b>	<b>798</b>	<b>1,587</b>
<i>Closing cash balance</i>	<i>4,350</i>	<i>4,350</i>	<i>4,009</i>	<i>3,673</i>	<i>3,673</i>	<i>4,462</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	<i>775</i>	<i>1,150</i>	<i>1,030</i>	<i>698</i>	<i>1,402</i>	<i>2,301</i>
Surplus	775	1,150	1,030	698	1,402	2,301

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 Annual Report on State Finances, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 1.4

## GENERAL GOVERNMENT Taxation Revenue

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	394	1,192	1,595	344	1,003	1,355
Property taxes						
<i>Land tax</i>	84	386	391	1	312	313
Conveyances and transfers	488	1,498	1,969	463	1,364	1,906
Mortgages	28	89	120	43	125	173
Other stamp duties	6	24	24	8	24	33
<i>Total stamp duties on financial and capital transactions</i>	522	1,611	2,113	514	1,513	2,113
Debits Tax	-	-	-	-	8	8
<i>Total financial institutions taxes</i>	-	-	-	-	8	8
Metropolitan Region Improvement Tax	28	66	71	-	54	53
Emergency Services Levy	28	127	139	21	123	130
Loan guarantee fees	5	11	14	3	10	13
<i>Total other property taxes</i>	62	204	224	24	187	197
Taxes on provision of goods and services						
Lotteries Commission	26	79	106	25	76	102
less rebates	-6	-18	-23	-6	-16	-22
Video lottery terminals	-	-	1	-	-	-
Casino Tax	19	53	65	14	44	59
less rebates	-10	-27	-34	-7	-22	-30
TAB betting tax	18	54	64	15	48	64
less rebates	-7	-22	-30	-7	-21	-27
<i>Total taxes on gambling</i>	40	120	149	35	109	146
Stamp duty on insurance policies	80	237	312	73	227	296
Other	5	19	23	1	22	30
<i>Total taxes on insurance</i>	85	256	335	74	249	326
Taxes on use of goods and performance of activities						
Stamp duty on vehicle licences	101	290	385	82	249	342
Permits - oversize vehicles and loads	1	2	3	1	2	3
Motor vehicle recording fee	8	23	32	7	22	30
Motor vehicle registrations	99	292	396	89	266	361
<i>Total motor vehicle taxes</i>	208	608	816	179	539	736
<b>Total Taxation</b>	<b>1,395</b>	<b>4,377</b>	<b>5,622</b>	<b>1,172</b>	<b>3,919</b>	<b>5,195</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 *Annual Report on State Finances*, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 1.5

**TOTAL PUBLIC SECTOR**  
**Operating Statement**

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Annual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>						
Taxation	1,345	4,233	5,440	1,134	3,777	5,001
Current grants and subsidies	1,913	5,464	7,131	1,778	5,222	6,890
Capital grants	113	314	431	105	248	375
Sales of goods and services	2,200	6,293	7,518	2,111	5,783	7,864
Interest income	141	444	641	145	428	527
Royalty income	381	1,073	1,555	297	843	1,184
Other	178	520	581	153	491	732
<i>Total</i>	<b>6,271</b>	<b>18,341</b>	<b>23,296</b>	<b>5,724</b>	<b>16,791</b>	<b>22,575</b>
<b>EXPENSES</b>						
Gross operating expenses						
Salaries	1,679	5,007	6,761	1,520	4,557	6,265
Depreciation and amortisation	338	1,007	1,412	311	914	1,280
Superannuation	159	487	659	132	423	608
Services and contracts	447	1,374	2,052	449	1,319	1,872
Other gross operating expenses	1,637	4,767	6,202	1,598	4,354	6,157
Nominal superannuation interest	61	214	275	76	228	242
Other interest	191	605	895	191	569	792
Other property expenses	-	-	-	-	-	-
Current transfers	745	2,094	2,697	657	1,921	2,419
Capital transfers	142	265	395	69	208	330
<i>Total</i>	<b>5,400</b>	<b>15,820</b>	<b>21,347</b>	<b>5,004</b>	<b>14,492</b>	<b>19,965</b>
<b>NET OPERATING BALANCE</b>	<b>871</b>	<b>2,521</b>	<b>1,949</b>	<b>721</b>	<b>2,299</b>	<b>2,610</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	1,005	2,966	4,447	761	2,322	3,562
Sales of non-financial assets	-147	-526	-907	-69	-392	-724
<i>less</i> depreciation	338	1,007	1,412	311	914	1,280
<i>plus</i> change in inventories	143	-17	100	37	262	374
<i>plus</i> other movements in non-financial assets	-3	-12	-4	-6	-8	42
<i>Total</i>	<b>659</b>	<b>1,404</b>	<b>2,224</b>	<b>413</b>	<b>1,269</b>	<b>1,975</b>
<b>NET LENDING/BORROWING</b>	<b>212</b>	<b>1,117</b>	<b>-275</b>	<b>308</b>	<b>1,030</b>	<b>636</b>
<b>Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)</b>						
<b>NET OPERATING BALANCE</b>	<b>871</b>	<b>2,521</b>	<b>1,949</b>	<b>721</b>	<b>2,299</b>	<b>2,610</b>
<i>less</i> provisions for doubtful debts	2	5	5	3	1	19
<i>plus</i> net gains on assets (including derivatives)	22	133	271	31	74	14
<i>plus</i> capitalised interest	3	13	-	2	5	9
<i>less</i> revaluation of superannuation liabilities	-	-	36	-	-	-322
<i>plus</i> all other adjustments	69	61	-33	-	-	329
<b>AAS OPERATING RESULT</b>	<b>963</b>	<b>2,722</b>	<b>2,146</b>	<b>751</b>	<b>2,378</b>	<b>3,264</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 Annual Report on State Finances, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 1.6

**TOTAL PUBLIC SECTOR**  
Balance Sheet at End of Period

	2006-07		2005-06	
	31 March \$m	Estimated Actual <sup>(a)</sup> \$m	31 March \$m	Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	828	747	618	702
Advances paid	1,587	1,441	2,098	2,025
Investments, loans and placements	8,686	7,015	7,866	7,606
Other non-equity assets	2,900	2,519	2,413	2,495
Equity	1,287	1,228	1,157	1,124
<i>Total</i>	<i>15,288</i>	<i>12,951</i>	<i>14,152</i>	<i>13,952</i>
<i>Non-Financial assets</i>				
Land and fixed assets	72,879	74,906	64,183	69,913
Other non-financial assets	526	749	442	478
<i>Total</i>	<i>73,405</i>	<i>75,655</i>	<i>64,624</i>	<i>70,392</i>
<b>TOTAL ASSETS</b>	<b>88,693</b>	<b>88,605</b>	<b>78,777</b>	<b>84,344</b>
<b>LIABILITIES</b>				
Deposits held	117	191	177	195
Advances received	536	523	549	536
Borrowings	13,184	12,698	12,805	12,782
Unfunded superannuation liabilities	5,617	5,673	5,754	5,622
Other employee entitlements and provisions	2,174	2,120	1,871	2,080
Non-equity liabilities	5,302	5,273	4,515	5,189
<b>TOTAL LIABILITIES</b>	<b>26,929</b>	<b>26,478</b>	<b>25,671</b>	<b>26,403</b>
<b>NET WORTH</b>	<b>61,763</b>	<b>62,128</b>	<b>53,106</b>	<b>57,941</b>
<i>Memorandum Item: Net Debt</i>	<i>2,736</i>	<i>4,208</i>	<i>2,948</i>	<i>3,179</i>
<b>Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET WORTH</b>	<b>61,763</b>	<b>62,128</b>	<b>53,106</b>	<b>57,941</b>
<i>less</i> provision for doubtful debts	5	5	1	19
<i>less</i> all other adjustments	-295	-289	-	-235
<b>AAS NET ASSETS</b>	<b>62,053</b>	<b>62,412</b>	<b>53,018</b>	<b>58,156</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 *Annual Report on State Finances*, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 1.7

**TOTAL PUBLIC SECTOR**  
**Cash Flow Statement**

	2006-07			2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual <sup>(a)</sup> \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>						
Taxes received	1,434	4,047	5,437	1,328	3,654	4,890
Receipts from sales of goods and services	2,068	6,483	7,871	1,898	5,759	7,916
Grants and subsidies received	2,003	5,747	7,528	1,881	5,463	7,583
Other receipts	939	2,755	3,617	746	2,333	3,191
<i>Total</i>	<i>6,444</i>	<i>19,032</i>	<i>24,453</i>	<i>5,853</i>	<i>17,209</i>	<i>23,580</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>						
Payments for goods and services	-3,801	-12,049	-16,065	-3,606	-10,915	-14,900
Grants and subsidies paid	-768	-2,157	-2,845	-714	-2,010	-2,527
Interest paid	-52	-398	-867	-71	-408	-698
Other payments	-397	-1,309	-1,762	-328	-1,090	-1,552
<i>Total</i>	<i>-5,018</i>	<i>-15,914</i>	<i>-21,539</i>	<i>-4,720</i>	<i>-14,423</i>	<i>-19,677</i>
<b>Net Cash Flow from Operating Activities</b>	<b>1,426</b>	<b>3,118</b>	<b>2,914</b>	<b>1,134</b>	<b>2,786</b>	<b>3,903</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	-1,005	-2,966	-4,447	-761	-2,322	-3,562
Sales of non-financial assets	147	526	907	69	392	724
<i>Total</i>	<i>-858</i>	<i>-2,440</i>	<i>-3,540</i>	<i>-692</i>	<i>-1,929</i>	<i>-2,838</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>						
Policy purposes	-	-	-	-	-	-
Liquidity purposes	238	259	212	22	-74	163
<i>Total</i>	<i>238</i>	<i>259</i>	<i>212</i>	<i>22</i>	<i>-74</i>	<i>163</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-620</b>	<b>-2,180</b>	<b>-3,328</b>	<b>-670</b>	<b>-2,003</b>	<b>-2,676</b>
<b>FINANCING ACTIVITIES</b>						
Advances received (net)	-	-4	-13	-	-1	-14
Borrowings (net)	172	356	-69	128	-21	-556
Deposits received (net)	4	-	-	3	-	-
Distributions paid	-	-	-	-	-	-
Other financing	11	52	6	33	153	77
<i>Total</i>	<i>188</i>	<i>403</i>	<i>-76</i>	<i>164</i>	<i>131</i>	<i>-492</i>
<i>Opening cash balance</i>	<i>6,532</i>	<i>6,185</i>	<i>6,185</i>	<i>5,736</i>	<i>5,450</i>	<i>5,450</i>
<b>NET INCREASE IN CASH HELD</b>	<b>994</b>	<b>1,341</b>	<b>-490</b>	<b>627</b>	<b>914</b>	<b>735</b>
<i>Closing cash balance</i>	<i>7,526</i>	<i>7,526</i>	<i>5,695</i>	<i>6,363</i>	<i>6,363</i>	<i>6,185</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	<i>568</i>	<i>678</i>	<i>-626</i>	<i>441</i>	<i>856</i>	<i>1,064</i>
Surplus	568	678	-626	441	856	1,064

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 Annual Report on State Finances, released 27 September 2006.

Note: Columns may not add due to rounding.



## **General Government Monthly Financial Results – March 2007**

This appendix provides a summary of the Western Australian general government sector's finances for the month of March 2007. Care should be taken in interpreting monthly results, which can vary significantly from month to month due to various seasonal and other timing factors.

### **Operating Statement**

The general government sector recorded an operating surplus of \$13 million for the month of March 2007, the same result as recorded in March 2006.

Revenue in March 2007 totalled \$1,351 million, \$156 million higher than the same month the previous year. The increase primarily reflects:

- higher 'other' revenue (up \$41 million), largely due to an increase in the Public Transport Authority's (PTA's) Capital User Charge (reflecting the higher net asset position of that agency) and higher private sector contributions to the Department of Agriculture and Food;
- higher revenue from public corporations (up \$39 million), due to increases in tax equivalent revenue from the energy corporations (up \$22 million) and Water Corporation (up \$20 million);
- higher royalty income (up \$38 million), reflecting higher prices and volumes for iron ore;
- higher taxation revenue (up \$20 million), mainly due to higher payroll tax collections (up \$20 million), due to wages and employment growth;
- higher Commonwealth grants (up \$8 million), primarily due to higher GST grants and agricultural funding; and

- higher sales of goods and services (up \$7 million), reflecting increases in the volume and demand for goods and services across the sector.

Expenses for the month of March 2007 totalled \$1,338 million, up \$156 million from March 2006. This increase largely reflects:

- higher current and capital transfers (up \$114 million), mainly due to the conversion to a capital grant of the October 2004 \$88 million loan made to the purchasers of the Dampier to Bunbury Natural Gas Pipeline (the grant recognises completion of initial expansion works required by this arrangement at the time of the sale), and higher appropriation funding to the PTA;
- higher salaries (up \$36 million), mainly reflecting higher pay rates and employee numbers in the health, education and law and order sectors (which account for 80% of the total increase in salaries);
- higher services and contract expenses (up \$29 million), primarily due to higher recurrent construction and maintenance expenditure for the education and law and order sectors; and
- lower 'other' gross operating expenses (down \$21 million), reflecting changes in timing of purchases by general government agencies.

### **Cash Flow Statement**

A net cash inflow from operating activities of \$381 million was recorded in March 2007, compared with a \$200 million inflow in March 2006. Combined with net capital expenditure (i.e. investment in non-financial assets) of \$129 million, this resulted in a cash surplus of \$252 million in March 2007, \$118 million higher than the surplus recorded in March 2006.

Table 2.1

**GENERAL GOVERNMENT**  
Operating Statement

	2006-07			2005-06	
	Month of Feb \$m	Month of March \$m	Estimated Actual <sup>(a)</sup> \$m	Month of March \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>					
Taxation	494	434	5,622	413	5,195
Current grants and subsidies	799	423	7,131	414	6,890
Capital grants	41	47	431	47	375
Sales of goods and services	93	116	1,141	109	1,115
Interest income	18	21	219	18	170
Revenue from public corporations					
Dividends	-	13	445	9	534
Tax equivalent payments	22	17	316	-18	304
Royalty income	20	217	1,555	179	1,184
Other	38	65	418	24	440
<i>Total</i>	<i>1,525</i>	<i>1,351</i>	<i>17,278</i>	<i>1,195</i>	<i>16,207</i>
<b>EXPENSES</b>					
Gross operating expenses					
Salaries	479	531	6,098	495	5,694
Depreciation and amortisation	54	49	662	48	591
Superannuation	42	52	594	46	557
Services and contracts	122	148	1,842	118	1,367
Other	116	170	1,890	191	1,876
Nominal superannuation interest	20	20	275	25	242
Other interest	6	8	122	10	120
Current transfers	263	242	3,393	190	3,007
Capital transfers	44	120	548	58	487
<i>Total</i>	<i>1,146</i>	<i>1,338</i>	<i>15,425</i>	<i>1,182</i>	<i>13,942</i>
<b>NET OPERATING BALANCE</b>	<b>380</b>	<b>13</b>	<b>1,853</b>	<b>13</b>	<b>2,265</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 *Annual Report on State Finances*, released 27 September 2006.

Note: Columns may not add due to rounding.

**GENERAL GOVERNMENT**  
Cash Flow Statement

	2006-07			2005-06	
	Month of Feb \$m	Month of March \$m	Estimated Actual <sup>(a)</sup> \$m	Month of March \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>					
Taxes received	422	519	5,653	439	5,119
Receipts from sales of goods and services	105	138	1,166	120	1,194
Grants and subsidies received	846	456	7,528	460	7,583
Other receipts	127	430	3,428	316	3,094
<i>Total</i>	<i>1,502</i>	<i>1,543</i>	<i>17,774</i>	<i>1,335</i>	<i>16,990</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>					
Payments for goods and services	-803	-824	-10,587	-849	-9,538
Grants and subsidies paid	-234	-242	-3,613	-204	-3,207
Interest paid	-5	-3	-119	-5	-122
Other payments	-64	-92	-966	-78	-864
<i>Total</i>	<i>-1,106</i>	<i>-1,162</i>	<i>-15,284</i>	<i>-1,135</i>	<i>-13,730</i>
<b>Net Cash Flow from Operating Activities</b>	<b>395</b>	<b>381</b>	<b>2,490</b>	<b>200</b>	<b>3,260</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>					
Purchase of non-financial assets	-111	-136	-1,686	-79	-1,161
Sales of non-financial assets	11	7	226	13	203
<i>Total</i>	<i>-100</i>	<i>-129</i>	<i>-1,460</i>	<i>-66</i>	<i>-958</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>					
Policy purposes	-18	-17	-1,399	5	-488
Liquidity purposes	-	-	-	-3	74
<i>Total</i>	<i>-18</i>	<i>-17</i>	<i>-1,399</i>	<i>1</i>	<i>-415</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-118</b>	<b>-146</b>	<b>-2,859</b>	<b>-65</b>	<b>-1,373</b>
<b>FINANCING ACTIVITIES</b>					
Advances received (net)	-	-	-	-	-1
Borrowings (net)	-152	207	-86	-25	-286
Deposits received (net)	-	-1	-	1	-
Other financing	3	6	2	-1	-12
<i>Total</i>	<i>-149</i>	<i>212</i>	<i>-83</i>	<i>-24</i>	<i>-300</i>
<i>Opening cash balance</i>	<i>3,774</i>	<i>3,902</i>	<i>4,462</i>	<i>3,557</i>	<i>2,875</i>
<b>NET INCREASE IN CASH HELD</b>	<b>128</b>	<b>448</b>	<b>-452</b>	<b>110</b>	<b>1,587</b>
<i>Closing cash balance</i>	<i>3,902</i>	<i>4,350</i>	<i>4,009</i>	<i>3,668</i>	<i>4,462</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>295</i>	<i>252</i>	<i>1,030</i>	<i>134</i>	<i>2,301</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Surplus</b>	<b>295</b>	<b>252</b>	<b>1,030</b>	<b>134</b>	<b>2,301</b>

(a) Estimated actual published in the 2007 Budget, released 10 March 2007.

(b) Consistent with final audited data contained in the 2005-06 Annual Report on State Finances, released 27 September 2006.

Note: Columns may not add due to rounding.

Table 2.3

## GENERAL GOVERNMENT Taxation Revenue

	2006-07			2005-06	
	Month of Feb \$m	Month of March \$m	Estimated Actual <sup>(a)</sup> \$m	Month of March \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>					
Taxes on employers' payroll and labour force					
<i>Payroll tax</i>	130	132	1,595	111	1,355
Property taxes					
<i>Land tax</i>	51	-2	391	-2	313
Conveyances and transfers	155	176	1,969	178	1,906
Mortgages	9	10	120	16	173
Other stamp duties	2	-	24	2	33
<i>Total stamp duties on financial and capital transactions</i>	165	186	2,113	196	2,113
Debits Tax	-	-	-	-	8
<i>Total financial institutions taxes</i>	-	-	-	-	8
Metropolitan Region Improvement Tax	13	-1	71	-	53
Emergency Services Levy	28	-	139	1	130
Loan guarantee fees	1	1	14	1	13
<i>Total other property taxes</i>	42	-	224	2	197
Taxes on provision of goods and services					
Lotteries Commission	9	9	106	8	102
less rebates	-2	-2	-23	-2	-22
Video lottery terminals	-	-	1	-	-
Casino Tax	7	6	65	5	59
less rebates	-3	-4	-34	-2	-30
TAB betting tax	5	7	64	11	64
less rebates	-3	-2	-30	-3	-27
<i>Total taxes on gambling</i>	13	14	149	17	146
Stamp duty on insurance policies	25	27	312	23	296
Other	2	1	23	-2	30
<i>Total taxes on insurance</i>	27	29	335	21	326
Taxes on use of goods and performance of activities					
Stamp duty on vehicle licences	33	36	385	33	342
Permits - oversize vehicles and loads	-	-	3	-	3
Motor vehicle recording fee	2	3	32	3	30
Motor vehicle registrations	30	35	396	32	361
<i>Total motor vehicle taxes</i>	65	74	816	68	736
<b>Total Taxation</b>	<b>494</b>	<b>434</b>	<b>5,622</b>	<b>413</b>	<b>5,195</b>

(a) Estimated actual published in the 2007-08 Budget, released 10 May 2007.

(b) Consistent with final audited data contained in the 2005-06 *Annual Report on State Finances*, released 27 September 2006.

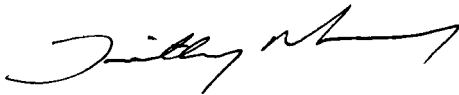
Note: Columns may not add due to rounding.

# Interim Consolidated Financial Statements

## Statement of Responsibility

The following Interim Consolidated Financial Statements and accompanying notes for the Government of Western Australia have been prepared by the Department of Treasury and Finance from information provided by agencies.

In our opinion, the statements are a true and fair presentation of the income statement and cash flows of the Government for the nine months ended 31 March 2007 and the balance sheet of the Government as at 31 March 2007. The statements have been prepared in accordance with applicable accounting standards (AAS and AASB), including AASB 134: *Interim Financial Reporting*, UIG Interpretations, and other mandatory professional requirements.



TIMOTHY MARNEY  
UNDER TREASURER



ROY PICARDO  
ASSISTANT DIRECTOR  
FINANCIAL REPORTING

30 May 2007

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Table 3.1

**CONSOLIDATED INCOME STATEMENT**  
For the nine months ended 31 March 2007

	2006-07		2005-06			
	Note	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
<b>REVENUE</b>						
Taxation	2	1,327	4,141	1,122	3,665	4,891
Territorial revenue		575	1,648	479	1,369	1,878
Regulatory fees and fines		109	374	105	376	486
Sale of goods and services	3	1,877	5,436	1,745	4,802	6,881
Grants and subsidies	4	1,871	5,331	1,756	5,096	7,089
Interest revenue		141	444	146	428	527
Other revenue		499	1,433	465	1,337	1,787
<b>TOTAL REVENUE</b>		<b>6,399</b>	<b>18,807</b>	<b>5,817</b>	<b>17,072</b>	<b>23,540</b>
<b>EXPENSES</b>						
Supplies and services		623	2,011	732	1,764	3,217
Employee benefits		1,926	5,838	1,773	5,347	6,986
Finance costs		188	592	189	564	783
Depreciation, amortisation and impairment		339	1,007	311	914	1,287
Grants and subsidies		830	2,350	746	2,206	2,846
Other expenses	5	1,530	4,287	1,315	3,899	5,158
<b>TOTAL EXPENSES</b>		<b>5,436</b>	<b>16,085</b>	<b>5,066</b>	<b>14,694</b>	<b>20,277</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>963</b>	<b>2,722</b>	<b>751</b>	<b>2,378</b>	<b>3,264</b>

The accompanying notes form part of these financial statements.

Table 3.2

**CONSOLIDATED BALANCE SHEET**

As at 31 March 2007

	Note	2006-07	2005-06	
		31 March \$m	31 March \$m	30 June \$m
<b>CURRENT ASSETS</b>				
Cash & cash equivalents		829	618	702
Inventories		1,005	858	990
Receivables	6	2,848	2,143	2,412
Other financial assets	7	8,433	7,428	7,243
Biological assets		62	35	62
Non-current assets classified as held for sale		60	20	71
Other non-financial assets		105	138	96
<b>Total current assets</b>		<b>13,342</b>	<b>11,240</b>	<b>11,576</b>
<b>NON-CURRENT ASSETS</b>				
Inventories		872	796	766
Receivables	6	264	247	293
Land		26,584	22,888	26,125
Buildings		11,881	10,770	11,167
Infrastructure		24,377	22,909	23,970
Plant, equipment and other		7,593	5,511	6,357
Biological assets		312	315	306
Intangible assets		242	156	212
Other financial assets	7	2,837	3,695	3,289
Other non-financial assets		376	75	80
<b>Total non-current assets</b>		<b>75,338</b>	<b>67,362</b>	<b>72,566</b>
<b>TOTAL ASSETS</b>		<b>88,680</b>	<b>78,602</b>	<b>84,142</b>
<b>CURRENT LIABILITIES</b>				
Payables		972	748	1,156
Borrowings	8	5,715	5,639	5,270
Provisions		1,546	1,698	1,429
Other liabilities		1,522	1,316	1,371
<b>Total current liabilities</b>		<b>9,755</b>	<b>9,401</b>	<b>9,226</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	8	8,952	8,740	8,902
Provisions		6,237	6,123	6,267
Other liabilities		1,683	1,521	1,591
<b>Total non-current liabilities</b>		<b>16,872</b>	<b>16,384</b>	<b>16,760</b>
<b>TOTAL LIABILITIES</b>		<b>26,627</b>	<b>25,785</b>	<b>25,986</b>
<b>NET ASSETS</b>		<b>62,053</b>	<b>52,817</b>	<b>58,156</b>
<b>EQUITY</b>				
Accumulated funds		25,226	20,933	21,774
Reserves		36,827	31,884	36,382
<b>TOTAL EQUITY</b>		<b>62,053</b>	<b>52,817</b>	<b>58,156</b>

The accompanying notes form part of these financial statements.



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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Table 3.3

For the nine months ended 31 March 2007

	2006-07	2005-06	
	31 March \$m	31 March \$m	30 June \$m
<b>Balance of Equity at the start of the period</b>	<b>58,156</b>	<b>49,535</b>	<b>49,535</b>
<b>RESERVES</b>			
Balance at start of the period	36,382	31,699	31,699
Changes in accounting policy (transfer to accumulated funds)	(340)	(534)	(534)
<b>Restated balance at start of period</b>	<b>36,042</b>	<b>31,165</b>	<b>31,164</b>
Gains from asset revaluation and other	785	719	5,219
<b>Balance at end of the period</b>	<b>36,827</b>	<b>31,884</b>	<b>36,382</b>
<b>ACCUMULATED FUNDS</b>			
Balance at start of the period	21,774	17,836	17,836
Net adjustment on adoption of AASB 132, AASB 139, and AASB 1023	-	(103)	(103)
Change in accounting policy (transfer from reserves)	308	534	534
<b>Restated balance at start of period</b>	<b>22,082</b>	<b>18,267</b>	<b>18,268</b>
Surplus/(deficit) for the period	2,722	2,378	3,264
Gain/(losses) recognised directly in equity	422	288	242
<b>Balance at end of period</b>	<b>25,226</b>	<b>20,933</b>	<b>21,774</b>
<b>BALANCE OF EQUITY AT END OF PERIOD</b>	<b>62,053</b>	<b>52,817</b>	<b>58,156</b>
Total income and expense for the period	3,929	3,384	8,725

The accompanying notes form part of these financial statements.

Table 3.4

**CONSOLIDATED CASH FLOW STATEMENT**

For the nine months ended 31 March 2007

	2006-07		2005-06			
	Note	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<i>Receipts</i>						
Taxation		1,404	3,930	1,298	3,541	4,766
Territorial revenue		575	1,648	479	1,369	1,800
Regulatory fees and fines		125	381	119	366	479
Sale of goods and services		1,720	5,462	1,601	4,819	6,681
Grants and subsidies received		1,867	5,319	1,750	5,087	7,079
Interest received		62	191	46	125	182
GST receipts on sales		96	369	112	320	472
GST receipts from taxation authority		178	547	141	452	639
Other receipts		293	884	223	736	1,057
<i>Payments</i>						
Salaries, wages and other benefits		(1,579)	(4,996)	(1,462)	(4,538)	(6,213)
Superannuation paid		(237)	(692)	(208)	(646)	(879)
Borrowing cost paid		(13)	(46)	(10)	(20)	(52)
Grants and subsidies paid		(829)	(2,362)	(780)	(2,241)	(2,825)
GST payments on purchases		(268)	(874)	(223)	(706)	(1,032)
GST payments to taxation authority		(43)	(112)	(25)	(74)	(117)
Contract services paid		(409)	(1,371)	(420)	(1,331)	(1,738)
Other payments		(1,564)	(4,873)	(1,416)	(4,178)	(5,797)
<b>Net cash flows from operating activities</b>		<b>1,378</b>	<b>3,405</b>	<b>1,225</b>	<b>3,081</b>	<b>4,502</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of non-current physical assets		39	161	58	185	266
Purchase of non-current physical assets		(934)	(2,795)	(739)	(2,185)	(3,355)
Proceeds from sale of investments		11	126	33	169	261
Purchase of investments		38	(78)	(21)	(107)	(223)
Other receipts		(7)	26	(89)	(73)	(2)
Other payments		(3)	(48)	(11)	(36)	(63)
<b>Net cash flows used in investing activities</b>		<b>(856)</b>	<b>(2,608)</b>	<b>(768)</b>	<b>(2,046)</b>	<b>(3,117)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings		-	-	-	-	-
Repayment of borrowings		-	-	-	-	(14)
Other proceeds		26	152	5	185	153
Other repayments		(6)	(27)	(9)	(23)	(65)
<b>Net cash flows from financing activities</b>		<b>20</b>	<b>124</b>	<b>(4)</b>	<b>162</b>	<b>75</b>
NET CASH FLOWS/(OUTFLOWS) FROM PUBLIC FINANCIAL CORPORATIONS	9	452	421	173	(338)	(726)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>994</b>	<b>1,343</b>	<b>625</b>	<b>859</b>	<b>734</b>
CASH ASSETS AT THE BEGINNING OF THE PERIOD		5,343	4,995	4,494	4,261	4,261
<b>CASH ASSETS AT THE END OF THE PERIOD</b>		<b>6,338</b>	<b>6,338</b>	<b>5,120</b>	<b>5,120</b>	<b>4,995</b>

The accompanying notes form part of these financial statements.

## Notes to the Condensed Consolidated Financial Statements for the Nine Months Ended 31 March 2007

### 1. Statement of significant accounting policies

#### (a) *The reporting entity*

The reporting entity is the *Government of Western Australia* (the public sector) and includes entities under its control.

#### (b) *Basis of Preparation*

This general purpose financial report for the nine months ended 31 March 2007 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting*, AAS 31: *Financial Reporting by Government*, UIG Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2006, presented in Appendix 5 of the 2005-06 *Annual Report on State Finances* (ARSF) released on 27 September 2006. The accounting policies adopted in this publication are consistent with those outlined in the 2005-06 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 4: *Summary of Significant Accounting Policies* in Appendix 5 of the 2005-06 ARSF.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, columns may not add due to rounding.

#### (c) *Unaudited data*

The Interim Consolidated Financial Statements are not subject to audit.

*(d) Comparative figures*

Some comparative figures in the Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for March 2006 have been restated to reflect classification changes (resulting from the adoption of Australian equivalents to International Financial Reporting Standards) which were finalised subsequent to publication of the March 2006 *Quarterly Financial Results Report*.

**NOTE 2. TAXATION REVENUE**

	2006-07		2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Stamp duty	705	2,161	672	1,999	2,765
Payroll tax	383	1,157	332	968	1,306
Motor vehicle's and drivers' licences	110	325	99	297	403
Financial transactions taxes	-	-	-	8	8
Gambling taxes and licences	19	54	15	45	60
Land tax	81	373	4	294	291
Other taxes and licences	29	72	1	54	59
<b>Total</b>	<b>1,327</b>	<b>4,141</b>	<b>1,122</b>	<b>3,665</b>	<b>4,891</b>

**NOTE 3. SALE OF GOODS AND SERVICES**

	2006-07		2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Revenue from sale of goods	1,423	4,175	1,012	2,639	3,973
Revenue from the provision of services	455	1,262	733	2,163	2,908
<b>Total</b>	<b>1,877</b>	<b>5,436</b>	<b>1,745</b>	<b>4,802</b>	<b>6,881</b>

**NOTE 4. GRANTS AND SUBSIDIES**

	2006-07		2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Commonwealth grants	1,839	5,257	1,734	5,018	6,994
Other grants and subsidies	31	74	22	78	95
<b>Total</b>	<b>1,871</b>	<b>5,331</b>	<b>1,756</b>	<b>5,096</b>	<b>7,089</b>

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**NOTE 5. OTHER EXPENSES**


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	2006-07		2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Betting dividend payouts	311	928	262	817	1,099
Health sector specific expenses	205	592	175	537	744
Education sector specific expenses	92	234	82	227	313
Insurance claims expenses	139	401	115	315	421
Contract services expense	405	1,231	408	1,193	1,697
Other	378	900	272	809	885
<b>Total</b>	<b>1,530</b>	<b>4,287</b>	<b>1,315</b>	<b>3,899</b>	<b>5,158</b>

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**NOTE 6. RECEIVABLES**


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	2006-07	2005-06	
	31 March \$m	31 March \$m	30 June \$m
<i>Current</i>			
Accounts Receivable	2,965	2,232	2,527
Provision for impairment of receivables	(117)	(89)	(115)
<b>Total Current</b>	<b>2,848</b>	<b>2,143</b>	<b>2,412</b>
<i>Non-current</i>			
Accounts Receivable	264	250	294
Provision for impairment of receivables	-	(3)	(1)
<b>Total Non-current</b>	<b>264</b>	<b>247</b>	<b>293</b>

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**NOTE 7. OTHER FINANCIAL ASSETS –  
INVESTMENTS, LOANS AND ADVANCEMENTS**

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	2006-07	2005-06	
	31 March \$m	31 March \$m	30 June \$m
<b>Current</b>			
<i>Investments</i>			
Unlisted/Listed shares	1,107	1,026	968
Term deposits	7,046	6,151	5,792
Government securities	247	218	185
<b>Total</b>	<b>8,400</b>	<b>7,395</b>	<b>6,945</b>
<i>Loans and advances</i>			
Non-government schools	6	7	26
Other	28	26	272
<b>Total</b>	<b>34</b>	<b>33</b>	<b>298</b>
<b>Total current</b>	<b>8,433</b>	<b>7,428</b>	<b>7,243</b>
<b>Non-current</b>			
<i>Investments</i>			
Property	-	227	258
Government securities	172	238	240
Other investments	151	148	143
<b>Total</b>	<b>323</b>	<b>614</b>	<b>641</b>
<i>Loans and advances</i>			
Homebuyers	1,311	1,744	1,654
Non-government schools	227	232	218
Terminating building societies	-	2	-
GESB	529	550	550
Other	447	553	226
<b>Total</b>	<b>2,514</b>	<b>3,081</b>	<b>2,647</b>
<b>Total non-current</b>	<b>2,837</b>	<b>3,695</b>	<b>3,289</b>

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**NOTE 8. BORROWINGS**

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	2006-07	2005-06	
	31 March \$m	31 March \$m	30 June \$m
Bank overdrafts	78	26	9
Finance leases	14	18	23
Liability to the Commonwealth Government	13	13	13
Domestic and foreign borrowings	5,610	5,583	5,225
<b>Total Current</b>	<b>5,715</b>	<b>5,639</b>	<b>5,270</b>
Finance leases	393	64	390
Liability to the Commonwealth Government	523	536	523
Domestic and foreign borrowings	8,036	8,140	7,989
<b>Total Non-current</b>	<b>8,952</b>	<b>8,740</b>	<b>8,902</b>

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## NOTE 9. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS

	2006-07		2005-06		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Cash flows from operating activities					
Interest received	122	298	58	283	395
Premiums received	95	283	96	297	402
GST received on sales	10	40	10	42	53
GST received from taxation authority	6	24	7	23	31
Other receipts	25	96	28	91	118
Salaries, wages and other entitlements	(6)	(19)	(5)	(15)	(20)
Superannuation paid	(1)	(2)	(1)	(2)	(2)
Borrowing costs paid	(39)	(351)	(61)	(388)	(646)
Claims paid	(88)	(306)	(95)	(303)	(403)
GST payments on purchases	(6)	(22)	(7)	(24)	(33)
GST payments to taxation authority	(9)	(41)	(9)	(42)	(53)
Other payments	(9)	(61)	(26)	(97)	(127)
<b>Net cash flows used in operating activities</b>	<b>100</b>	<b>(61)</b>	<b>(4)</b>	<b>(134)</b>	<b>(286)</b>
Cash flows from investing activities					
Purchase of non-current physical assets	(1)	(2)	(1)	(2)	(5)
Proceeds from investments	1,182	2,932	365	1,191	3,347
Purchase of investments	(992)	(2,740)	(352)	(1,329)	(3,234)
<b>Net cash flows used in investing activities</b>	<b>189</b>	<b>189</b>	<b>12</b>	<b>(140)</b>	<b>108</b>
Cash flows from financing activities					
Proceeds from borrowings	2,616	8,579	7,107	10,362	12,391
Repayments of borrowings	(2,452)	(8,287)	(6,942)	(10,425)	(12,939)
<b>Net cash flows from financing activities</b>	<b>163</b>	<b>292</b>	<b>165</b>	<b>(63)</b>	<b>(548)</b>
<b>Net cash flows from public financial corporations</b>	<b>452</b>	<b>421</b>	<b>173</b>	<b>(338)</b>	<b>(726)</b>

In accordance with AAS31, the net cash flows of the public financial corporations sector are disclosed in the Consolidated Statement of Cash Flows separately to the other cash flows from operating, investing and financing activities of the general government and public non-financial corporations sectors.

## NOTE 10. DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 39, Composition of Sectors in the *Annual Report on State Finances* for the year ended 30 June 2006. Changes since that date are:

- The Department of Environment and the Department of Conservation and Land Management amalgamated on 1 July 2006. The designation of the new agency is the Department of Environment and Conservation.
- The Government Employees Housing Authority was merged with the State Housing Commission on 1 July 2006. The merged entity is designated as the Housing Authority.
- The Department of Land Information was abolished and replaced by the Western Australian Land Information Authority with effect from 1 January 2007.
- The Office of Shared Services has been amalgamated with the Department of Treasury and Finance with effect from 1 January 2007.

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**NOTE 11. CONTINGENT LIABILITIES**

There have been no material changes in contingent liabilities since the issue of the *Annual Report on State Finances* for the year ended 30 June 2006.

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## Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006* (FMA), includes those transactions and operations that are conducted through the Public Bank Account and maintained by the Treasurer. The Public Ledger comprises the Consolidated Account, the Treasurer's Advance Account and the Treasurer's Special Purpose Accounts.

Prior to the FMA, the Consolidated Account was known as the Consolidated Fund, while the Treasurer's Special Purpose Accounts were a subset of all the trust account balances, including agency trust accounts, managed through the Public Bank Account.

Table 4.1 shows that the aggregate balance of the Public Ledger at 31 March 2007 decreased by \$203 million compared with 31 March 2006. This primarily reflects a \$707 million increase in the Consolidated Account deficit, partly offset by a \$516 million increase in the Treasurer's Special Purpose Accounts.

Table 4.1

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**PUBLIC LEDGER BALANCES AT 31 MARCH**


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	2007 \$m	2006 \$m
<b>THE PUBLIC LEDGER</b>		
Consolidated Account <sup>(a)</sup>	(2,107)	(1,400)
Treasurer's Special Purpose Accounts	2,736	2,220
Treasurer's Advance Account – Net Advances	(46)	(34)
<b>Total</b>	<b>583</b>	<b>786</b>

(a) The balance of the Consolidated Account at 31 March 2007 includes non-cash appropriations of \$2,541 million (31 March 2006: \$2,052 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the Treasurer's Special Purpose Accounts balance.

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## Consolidated Account

The *Constitution Act* requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity, shall be credited to the Consolidated Account, and that payments out of the Account must be appropriated by Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it, and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by Parliament, with both the amount and the expressed purpose of the relevant appropriation clearly specified.

The Consolidated Account recorded an accumulated deficit of \$2,107 million at 31 March 2007. This included \$2,541 million in non-cash Holding Account balances for agencies, associated with accrual (non-cash) appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded a cash surplus of \$434 million at 31 March 2007, compared with a \$652 million positive cash balance a year earlier.

Cash balances vary significantly through the year, depending on the timing of both receipts and payments in the Account. A significant \$913 million was drawn down by the Public Transport Authority in September 2006 to repay all borrowings associated with the New MetroRail project, which is now debt-free. A further \$49 million in Consolidated Account borrowings was also repaid in September 2006, leaving the Consolidated Account debt-free for the first time.

The Consolidated Account is expected to be in a substantial positive cash balance by 30 June 2007.

Table 4.3

**CONSOLIDATED ACCOUNT TRANSACTIONS**

For the nine months ended 31 March

	2007 \$m	2006 \$m
<b>REVENUE</b>		
<i>Operating Activities</i>		
Taxation	3,688	3,334
Commonwealth Grants	2,988	2,967
Government Enterprises	300	457
Revenue from other agencies	2,818	2,446
Other	1,235	719
<i>Total Operating Activities</i>	<i>11,029</i>	<i>9,923</i>
<i>Financing Activities</i>		
Repayments of Recoverable Advances	10	11
Transfers from the Public Bank Account		
Interest Earned Account	52	-
Transfers from other accounts:		
Bankwest Pension Trust	2	2
Other Special Purpose accounts	4	1
<i>Total Financing Activities</i>	<i>68</i>	<i>14</i>
<b>TOTAL REVENUE</b>	<b>11,097</b>	<b>9,937</b>
<b>EXPENDITURE</b>		
<i>Recurrent</i>		
Authorised by Other Statutes	859	701
Appropriation Act (No. 1)	9,526	8,369
Unforeseen Expenditure under the Treasurer's Advance Authorisation Act	22	25
<i>Total Recurrent Expenditure</i>	<i>10,407</i>	<i>9,095</i>
<i>Investing Activities</i>		
Authorised by Other Statutes	37	39
Appropriation Act (No. 2)	1,936	832
Unforeseen Expenditure under the Treasurer's Advance Authorisation Act	-	-
<i>Total Investing Activities</i>	<i>1,973</i>	<i>871</i>
<i>Financing Activities</i>		
Capital repayments	49	244
Other financing	4	1
<i>Total Financing Activities</i>	<i>53</i>	<i>245</i>
<b>TOTAL EXPENDITURE</b>	<b>12,433</b>	<b>10,211</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>(1,336)</b>	<b>(274)</b>
<b>Consolidated Account Balance</b>		
Opening balance at 1 July	(771)	(1,126)
Closing balance at 31 March	(2,107)	(1,400)
Of which:		
Appropriations payable	(2,541)	(2,052)
Cash balance at 31 March	434	652

Note: Columns may not add due to rounding.

## Treasurer’s Special Purpose Accounts

The Treasurer’s Special Purpose Accounts (TSPA) consist of:

- any account established by the Treasurer as a TSPA for the purposes determined by the Treasurer;
- suspense accounts established for the purposes of section 26 of the FMA;
- any account established to hold money transferred under section 39(5) of the FMA;
- the Public Bank Account Interest Earned Account established for the purpose of holding money credited to that account under section 38(9) of the FMA pending its allocation and payment as required or permitted under the FMA or another written law;
- any account established under written law and determined by the Treasurer to be a TSPA; and
- any account established to hold other money and determined by the Treasurer to be a TSPA.

Table 4.4

### TREASURER’S SPECIAL PURPOSE ACCOUNTS AT 31 MARCH

	2007 \$m	2006 \$m
Agency Holding Accounts	2,541	2,052
Other Special Purpose Accounts	195	168
<b>TREASURER’S SPECIAL PURPOSE ACCOUNTS AT 31 MARCH</b>	<b>2,736</b>	<b>2,220</b>

## Treasurer's Advance

The Treasurer's Advance allows for short-term repayable advances to agencies for working capital purposes (known as 'net unrecouped advances') and the provision of supplementary appropriation funding for unforeseen and/or extraordinary events during the year (known as 'excesses and new items').

A total of \$365 million is authorised under section 29 of the FMA for the year ended 30 June 2007, compared with a \$500 million authorised limit<sup>4</sup> for the preceding year.

Of the \$365 million authorised limit for 2006-07, \$46.1 million was held at 31 March 2007 in the form of net unrecouped advances (see Table 4.5) and \$22.5 million against increases in recurrent and capital appropriations (see Table 4.6).

<b>TREASURER'S ADVANCE AT 31 MARCH</b>		
	2007 \$m	2006 \$m
<b>AUTHORISED LIMIT</b>	<b>365.0</b>	<b>300.0<sup>(a)</sup></b>
Total Drawn Against Treasurer's Advance authorisation	68.6	60.0
Comprising:		
Net unrecouped balances as at 31 March (see below)	46.1	34.5
Excesses and New Items (see Table 4.6)		
- recurrent	22.3	25.5
- capital	0.2	-
<b>NET UNRECOUPED BALANCES</b>		
Appeals Cost Board	1.1	1.0
Public Sector Standards Commissioner – CEO selection	0.5	0.3
Chemistry Centre Commercialisation	-	1.2
Electoral Distribution Commission	0.4	-
Energy Smart Government Program	2.9	3.0
Gas Review Board	0.5	2.0
Ministerial Air Service	6.1	-
Perry Lakes Redevelopment Project	2.6	-
Planning and Infrastructure	2.0	2.0
Works and Services	30.0	25.0
<b>TOTAL UNRECOUPED TREASURER'S ADVANCES</b>	<b>46.1</b>	<b>34.5</b>

(a) See footnote 4.

<sup>4</sup> The final limit for 2005-06 was \$500 million, comprising an initial limit of \$300 million established by the *Treasurer's Advance Authorisation Act 2005* and increased to \$500 million on 31 May 2006 by section 7 of the *Treasurer's Advance Authorisation Act 2006*.

## **Transfers, Excesses and New Items**

No transfers of appropriations between agencies, allowed under section 25 of the FMA (and which have no impact on the Treasurer's Advance), were recorded for the nine months to 31 March 2007.

Table 4.6 outlines excesses and/or new items approved by the Treasurer (under the authority of section 5(1)(a) of the *Treasurer's Advance Authorisation Act* and section 27 of the FMA).

Table 4.6

**TRANSFERS, EXCESSES AND NEW ITEMS**

For the nine months to 31 March 2007

	Budget \$m	Transfers <sup>(a)</sup> \$m	Treasurer's Advance		Revised Appropriation \$m	Drawn against Treasurer's Advance to date \$m
			New Items \$m	Excesses \$m		
<i>Treasury and Finance</i>						
Item 34: Refund of Past Years Revenue Collections – All Other	18.7	-	-	16.3	35.0	15.7
Item 36: Stamp Duty Rebate Scheme	1.0	-	-	4.7	5.7	2.5
<i>Rural Business Development Corporation</i>						
Item 50: Delivery of Services	1.7	-	-	2.6	4.3	1.5
<i>Heritage Council of Western Australia</i>						
Item 78: Delivery of Services	4.8	-	-	2.1	6.9	0.3
<i>Planning and Infrastructure</i>						
Item 81: Delivery of Services	182.1	-	-	6.2	188.3	-
<i>Fisheries</i>						
Item 113: Delivery of Services	26.1	-	-	0.2	26.3	-
<i>Peel Development Commission</i>						
Item 121: Delivery of Services	1.5	-	-	0.8	2.3	0.7
<i>South West Development Commission</i>						
Item 122: Delivery of Services	6.2	-	-	2.5	8.7	1.6
<i>Great Southern Development Commission</i>						
Item 173: Capital Contribution	-(b)	-	-	0.2	0.2	0.2
<b>TOTAL</b>			-	<b>35.6</b>		<b>22.5</b>

(a) Authorised under section 25 of the FMA.

(b) Amount less than \$50,000.

Further information for items with approved excesses is provided below.

*Treasury and Finance*

Item 34: **Refund of Past Years Revenue Collections – All Other** (\$16.3 million) for an increase in eligible refunds of stamp duty.

Item 36: **Stamp Duty Rebate Scheme** (\$4.7 million) for the reimbursement of stamp duty on transfers involving family residences indirectly owned through a company or trust.

*Rural Business Development Corporation*

Item 50: **Net amount appropriated to deliver services** (\$2.6 million) for the funding of an assistance package to assist farmers adversely affected by the dry season.

*Heritage Council of Western Australia*

Item 78: **Net amount appropriated to deliver services** (\$2.1 million) for conservation and restoration work at St Mary's Cathedral, and flood protection work on Maley's Bridge in Greenough Shire.

*Planning and Infrastructure*

Item 81: **Net amount appropriated to deliver services** (\$6.2 million) for the delivery of planning services and the engagement of additional town planners and Land Release Coordinators.

*Fisheries*

Item 113: **Net amount appropriated to deliver services** (\$0.2 million) to establish a unit for the purpose of preventing marine pest incursions.

*Peel Development Commission*

Item 121: **Net amount appropriated to deliver services** (\$0.8 million) for additional funding principally for the Pinjarra Sustainability Strategy.

*South West Development Commission*

Item 122: **Net amount appropriated to deliver services** (\$2.5 million) to assist the restoration of St Patrick's Cathedral, Bunbury, which was severely damaged by a tornado in May 2005.

*Great Southern Development Commission*

Item 173: **Capital contribution** (\$0.2 million) for funding of works associated with the Albany Entertainment Centre.