



2011-12

Quarterly Financial Results Report

March 2012



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**QUARTERLY FINANCIAL RESULTS REPORT
Nine Months Ended 31 March 2012**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the nine months to 31 March 2012.

Care should be exercised in extrapolating the likely outcome for the 2011-12 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, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The focus of the State Budget is the general government sector net operating balance. The presentation in this report is consistent with that used in the original State Budget (released 19 May 2011), and with the estimated outturn published in the 2012-13 Budget Papers (released on 17 May 2012).

The financial statements in this report have been prepared in accordance with applicable Australian Accounting Standards including AASB 134: *Interim Financial Reporting* and AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

This report also includes Appendix 3: *Public Ledger* which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance.

Information presented in this QFRR is not audited.

Overview

Summary

The Western Australian public sector recorded strong financial outcomes for the nine months to 31 March 2012. These results are consistent with the revised full-year estimates published in the 2012-13 Budget (released on 17 May 2012).

The general government sector recorded an operating surplus of \$888 million for the nine months to 31 March 2012, \$258 million lower than the \$1,146 million surplus reported for the same period in 2010-11.

General government revenue in the first nine months of 2011-12 grew by \$1,100 million (or 6.2%), compared with the same period last year. This outcome is mainly driven by higher iron ore royalty income, higher payroll tax collections, and the one-off revenue impact from the transfer of the functions and assets of the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board into government¹.

General government expenses grew by \$1,358 million (or 8.2%), mainly reflecting higher agency operating costs and growth in salary costs, partially offset by lower current and capital transfers.

Total public sector net worth increased by \$1.1 billion over the nine months to 31 March 2012, to stand at \$113.3 billion. This outcome largely reflects the increase in holdings of physical assets and inventories, partially offset by an increase in the value of unfunded superannuation liabilities (due mainly to the valuation effect of volatility in financial markets), and increases in borrowings in support of the State's infrastructure spending program.

Total public sector net debt was \$13.4 billion at 31 March 2012, \$1.3 billion higher than the \$12.0 billion recorded at 30 June 2011.

¹ These external Boards were wound up with the Department of Commerce assuming these roles from 1 July 2011 as part of the State Government's commitment to reduce the number of statutory boards and committees. Abolition of the boards will result in a more streamlined operating structure with a single regulator across a number of operational areas, and better integration with generalist laws such as the Australian Consumer Law. The assets transferred to the general government sector include moneys held in trust and funds supporting the regulation of the real estate and settlement agent industries in Western Australia.

General Government Sector

The general government sector recorded an operating surplus of \$888 million for the nine months to 31 March 2012, \$258 million lower than the \$1,146 million surplus reported for the same period in 2010-11.

SUMMARY OF GENERAL GOVERNMENT FINANCES Western Australia

Table 1

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	115	888	484	40	1,146	1,604
Net worth		113,292	113,955		111,905	112,203
Increase in cash balances	593	-330	-325	93	-476	72
<i>Memorandum items</i>						
Net lending	-374	-864	-2,051	-388	-115	-264
Net debt		1,462	2,699		-16	236
Cash position	-177	-921	-1,847	-249	-370	-397

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Revenue

Revenue for the nine months to 31 March 2012 totalled \$18,887 million, up \$1,100 million (or 6.2%) on the same period in 2010-11. This growth primarily reflects:

- higher royalty income (up \$528 million), largely due to higher production volumes and average prices for iron ore, partially offset by the effect of a stronger Australian dollar throughout the last twelve months;
- higher Commonwealth grants (up \$123 million), mainly due to the combined effect of:
 - lower funding for the education and training sector (down \$319 million) and for non-government schools (down \$216 million) mainly due to the winding down of Commonwealth stimulus funding;
 - higher on-passed grants to the health sector (up \$233 million), mainly due to the *Hospital and Health Fund* (up \$69 million), the *National Healthcare Agreement* (up \$63 million), and other agreements between the Commonwealth and Western Australia (up a combined \$81 million);
 - higher GST grants (up \$216 million), reflecting a combination of a higher national GST pool and Western Australia's larger share of the GST pool in 2011-12 (relative to the same period last year)²; and
 - higher funding for rail and roadwork projects under the Commonwealth's *Nation Building Program* (up \$207 million);

² As a result of the Commonwealth Grants Commission process for distributing national GST collections between the States and Territories, Western Australia will receive 72% of its population share of the pool of collections in 2011-12. This is up on the 68% share applying in 2010-11 and will reduce to a record low 55% share in 2012-13.

- higher revenue from taxation (up \$161 million), as result of the net effect of:
 - higher payroll tax collections (up \$355 million), due to stronger labour market conditions and wage growth across the State economy;
 - higher motor vehicle licence collections (up \$32 million), mainly attributable to an increase in vehicle licence fees and growth in the number of registered vehicles;
 - higher land tax (up \$28 million), due to increases in land valuations and the number of assessments;
 - higher insurance duty (up \$24 million), mainly due to growth in insurance premiums (in response to recent natural disasters), and growth in the State's economy and population; and
 - a one-off contribution from Rio Tinto and BHP Billiton (down \$350 million) received last financial year (2010-11) in response to changes to State Agreement Acts³; and
- higher 'other revenue' (up \$122 million), primarily due to the transfer of the functions and assets of the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board to the Department of Commerce (see footnote earlier in this chapter).

Expenses

Expenses for the nine months to 31 March 2012 totalled \$18,000 million, up \$1,358 million (or 8.2%) on the same period in 2010-11. The outcome primarily reflects:

- higher 'services and contracts' and 'other gross operating' expenses (up \$1,147 million), reflecting:
 - higher non-government sector grants (up \$825 million), with \$102 million of the increase mainly for growth funding and indexation under the Government's not-for-profit initiative announced in the 2011-12 Budget, \$66 million (of a total \$87 million full-year cost) related to a 15% increase to eligible contracts under the same initiative, and a \$657 million reclassification of spending previously reported as current transfers in prior years;
 - higher health sector payments (up \$129 million), mainly due to higher patient support costs and private sector contract expenses for the Joondalup Health Campus and the Peel Health Campus; and
 - higher education sector expenses (up \$28 million), mainly due to increased school maintenance costs;
- higher salaries (up \$623 million or 9.6%), due to increases in pay rates and staff numbers (with the health, education and police sectors accounting for around 74% of the total increase in salaries costs); and

³ In June 2010, the State Government announced in an agreement with major iron ore producers to reform a number of State Agreement Acts. The Government announced in December 2010 that Rio Tinto's and BHP Billiton's combined \$350 million contribution related to these reforms will be used to fund construction of the New Children's Hospital.

- lower current and capital transfers (down \$531 million), due largely to:
 - the reclassification of services purchased from non-government organisations (down \$657 million, noted above);
 - lower non-government school grants (down \$216 million), mainly due to the end of Commonwealth stimulus initiatives;
 - higher subsidies paid to Synergy (up \$161 million), for below-cost electricity tariff support and provision of other non-commercial services;
 - higher funding for Indigenous and community housing programs (up \$111 million);
 - higher grant payments under the *Western Australian Natural Disaster Relief and Recovery Arrangement* (up \$67 million), reflecting claims associated with declared disasters in Western Australia; and
 - higher *Royalties for Regions* payments from the *Country Local Government Fund* (up \$47 million), due to timing differences and higher budget allocations this year.

Balance Sheet

The net worth of the general government sector increased by \$1.1 billion in the nine months to 31 March 2012, to stand at \$113.3 billion. This increase is primarily attributable to the net impact of:

- a \$2.2 billion increase in holdings of land and physical assets, reflecting infrastructure spending;
- a \$1.2 billion increase in the value of the general government sector's ownership interest in the public corporation sectors, due mainly to the public non-financial corporations sector recording an operating surplus for the nine months to 2011-12;
- an increase of \$1.3 billion in borrowings, supporting the higher infrastructure spending noted above; and
- a \$1.1 billion increase in unfunded superannuation liabilities (due to a very low discount rate used to value these liabilities, reflecting the effect of volatile global financial market conditions on bond rates)⁴.

General government sector net debt totaled \$1.5 billion during the first nine months to 31 March 2012. This outcome is consistent with the 2012-13 State Budget projection of higher net debt as a result of the State's infrastructure spending program.

⁴ Long term government bond rates are used by the State's actuary in year-end valuations of unfunded superannuation liabilities. Bond rates have declined significantly over the last year, reflecting international financial market conditions. A decrease in the bond rate means that unfunded liabilities increase in value (and vice versa). The quarterly impact of these changes is estimated by Treasury.

Cash Flow

A cash deficit of \$921 million was recorded for the nine months ended 31 March 2012. This was \$551 million higher than the cash deficit recorded in the same period last year and included the impact on cash of the operating statement issues noted above, and higher spending on infrastructure.

Net cash infrastructure outflows (i.e. gross spending less sales of used assets) totalled \$2.3 billion, \$396 million higher than the same period in 2010-11. This mainly reflects spending on health infrastructure, including works on the Queen Elizabeth II Medical Centre Central Plant Facility, the Fiona Stanley Hospital, the New Children's Hospital and the Albany Regional Resource Centre.

Total Public Sector⁵

The total public sector recorded an operating surplus of \$1,067 million for the nine months to 31 March 2012. This is \$501 million lower than the surplus recorded in the same period in 2010-11, with operating surpluses recorded in the general government and public non-financial corporations sector.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

Table 2

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	197	1,067	283	63	1,568	1,234
Net worth		113,292	113,955		111,905	112,203
Increase in cash balances	417	282	-507	337	-388	-510
<i>Memorandum items</i>						
Net lending	-225	-1,671	-3,097	-667	-1,220	-2,245
Net debt		13,374	15,169		11,028	12,026
Cash position	-370	-1,370	-3,150	-597	-1,244	-2,029

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Operating Statement

The total public sector operating surplus for the first nine months of 2011-12 includes the net impact of:

- the \$888 million operating surplus for the general government sector discussed earlier;
- a public non-financial corporations sector operating surplus of \$586 million, \$211 million higher than the surplus recorded by the sector for the same period in 2010-11. This result is primarily due to an improved result reported for the Housing Authority driven by lower asset transfers to community housing organisations and higher National Partnership revenue from the Commonwealth; and
- an operating deficit of \$67 million for the public financial corporations sector, a \$314 million turnaround on the surplus recorded in the same period in 2010-11. The deficit is mainly due to lower net investment income and an increase in year-to-date claims expenses following an actuarial assessment for the Insurance Commission of Western Australia.

⁵ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed in the previous section), the public non-financial corporations sector (which includes 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).

Balance Sheet

The value of the total public sector balance sheet is identical to that of the general government sector in terms of net worth discussed earlier. This is because the net worth of the public corporations is recognised as an investment asset of the general government sector.

Total public sector net debt increased by \$1.3 billion during the first nine months of 2011-12, to stand at \$13.4 billion at 31 March 2012. This compares with the \$15.2 billion forecast for 30 June 2012 (reflected in the 17 May 2012 State Budget). The increase in net debt supports the State's significant infrastructure investment program (which is projected to be \$6.9 billion in 2011-12).

Cash Flow

The total public sector recorded a cash deficit of \$1.4 billion for the nine months to 31 March 2012. This compares with a \$1.2 billion deficit recorded for the same period in 2010-11. This reflects the cash impact of the lower operating surplus outlined above, and net cash outflows for infrastructure spending of \$4.0 billion for the nine months to 31 March 2012.

Infrastructure spending for the nine months to 31 March 2012 was \$159 million lower than the same period in 2010-11. This is mainly due to the completion of Stage 1 of the Southern Seawater Desalination Plant earlier in the financial year, and a decline in the Community Housing Building program following the cessation of Commonwealth stimulus funding, partly offset by the increase in general government sector spending on infrastructure noted earlier in this report.

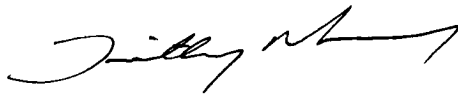
Interim Financial Statements

Statement of Responsibility


The following Interim Financial Statements and accompanying notes for the general government sector and the whole-of-government have been prepared by the Department of Treasury from information provided by agencies.

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the nine months ended 31 March 2012 and of the balance sheets of these reporting entities at 31 March 2012. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2005*.

Differences between accounting and economic aggregates are detailed in the notes as Convergence Differences, consistent with the requirements of AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.



TIMOTHY MARNEY
UNDER TREASURER



MAGDALENA WITTEK
A/ASSISTANT DIRECTOR
FINANCIAL REPORTING

25 May 2012

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT
For the nine months ended 31 March 2012

	Note	2011-12			2010-11		Actual ^(b) \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,591	5,410	6,956	1,366	5,249	6,763
Current grants and subsidies		2,357	6,728	8,600	2,103	6,136	8,003
Capital grants		203	593	884	242	1,061	1,336
Sales of goods and services		492	1,433	1,841	415	1,311	1,754
Interest Income		73	226	302	79	242	321
Dividends from other sectors		79	294	723	138	199	687
Tax equivalent income		107	266	411	47	300	379
Royalty income		1,115	3,476	4,493	1,012	2,948	4,213
Other		93	463	539	111	341	454
Total	2	6,111	18,887	24,749	5,513	17,787	23,909
EXPENSES							
Salaries		2,377	7,112	9,437	2,162	6,489	8,829
Superannuation							
Concurrent costs		205	655	897	205	617	841
Superannuation interest cost		99	233	250	94	299	317
Other employee costs		94	291	410	85	250	367
Depreciation and amortisation		237	708	1,011	224	652	896
Services and contracts		437	1,258	1,721	430	1,209	1,501
Other gross operating expenses		1,033	3,310	4,540	700	2,211	3,723
Other interest		92	266	354	73	215	297
Current transfers	3	1,325	3,833	5,111	1,409	4,156	4,928
Capital transfers	3	96	333	534	93	542	606
Total		5,996	18,000	24,266	5,473	16,642	22,306
NET OPERATING BALANCE	4	115	888	484	40	1,146	1,604
<i>Other economic flows</i>							
Net gains on assets/liabilities		1	11	31	16	23	18
Net actuarial gains - superannuation		392	-1,111	-1,571	-	-	-112
Provision for doubtful debts		2	-	-3	1	-2	-25
All other		-	-	-	-	-	-
Total other economic flows		395	-1,100	-1,543	17	21	-119
OPERATING RESULT		510	-213	-1,060	56	1,167	1,485
<i>All other movements in equity</i>							
Revaluations		325	1,005	2,542	489	1,149	2,499
Gains recognised directly in equity		1	-12	-1	-	-6	-4
Changes in accounting policy/correction of prior period errors		-151	-380	-804	-34	-52	-28
Change in net worth of the public corporations sectors		257	687	1,074	691	1,803	408
All other		-	-	-	-	-	-
Total all other movements in equity		432	1,301	2,811	1,147	2,894	2,874
TOTAL CHANGE IN NET WORTH		942	1,088	1,751	1,203	4,061	4,359
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	115	888	484	40	1,146	1,604
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		734	2,397	3,578	694	2,017	2,870
Changes in inventories		5	9	5	-1	1	-4
Other movement in non-financial assets		-1	151	134	2	7	55
<i>less:</i>							
Sales of non-financial assets		12	97	173	44	113	158
Depreciation		237	708	1,011	224	652	896
Total net acquisition of non-financial assets		489	1,752	2,534	428	1,260	1,867
NET LENDING/-BORROWING	4	-374	-864	-2,051	-388	-115	-264

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET
As at 31 March 2012

	Note	2011-12		2010-11	
		31 Mar \$m	Estimated Outturn ^(a) \$m	31 Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		772	734	614	698
Advances paid		695	684	713	694
Investments, loans and placements	5	4,731	4,375	4,226	4,713
Receivables	6	2,642	2,185	2,176	2,413
Investment property		9	9	-	9
Shares and other equity					
Investments in other public sector entities - equity method		43,569	43,955	44,278	42,882
Investments in other public sector entities - direct injections		5,363	5,372	4,674	4,899
Investments in other entities		-	-	-	-
Other financial assets		-	-	-	-
Total financial assets		57,780	57,315	56,682	56,307
<i>Non-financial assets</i>					
Land		39,638	40,023	38,928	39,038
Property, plant and equipment		35,931	38,073	32,385	34,366
Biological assets	2	2	2	2	2
Inventories					
Land inventories		99	100	104	102
Other inventories		72	69	69	64
Intangibles		484	401	428	447
Non-current assets held for sale		51	36	55	52
Other		228	166	189	218
Total non-financial assets		76,505	78,871	72,161	74,288
TOTAL ASSETS		134,285	136,185	128,842	130,594
LIABILITIES					
Deposits held		442	249	298	384
Advances received		468	454	482	468
Borrowings	7	6,838	7,877	4,846	5,577
Unfunded superannuation		8,362	8,733	7,238	7,306
Other employee benefits		2,558	2,635	2,221	2,512
Payables		805	603	509	575
Other liabilities		1,521	1,679	1,344	1,569
TOTAL LIABILITIES		20,994	22,231	16,937	18,391
NET ASSETS		113,292	113,955	111,905	112,203
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		10,216	10,123	10,495	10,833
Other reserves		103,076	103,832	101,410	101,371
NET WORTH	4	113,292	113,955	111,905	112,203
MEMORANDUM ITEMS					
<i>Net financial worth</i>		36,786	35,084	39,745	37,916
<i>Net financial liabilities</i>		12,145	14,244	9,207	9,865
<i>Net debt</i>					
Gross debt liabilities		7,748	8,580	5,626	6,429
less: liquid financial assets		6,198	5,793	5,553	6,105
less: convergence differences impacting net debt		88	88	88	88
Net debt		1,462	2,699	-16	236

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2012

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2011</i>	10,833	101,371	112,203
Net Operating Balance	888	-	888
Revaluations	-	1,005	1,005
Change in net worth of the other sectors	-	687	687
All other	-1,504	13	-1,492
Balance as at 31 March 2012	10,216	103,076	113,292

For the nine months ended 31 March 2011

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2010</i>	9,367	98,478	107,844
Net Operating Balance	1,146	-	1,146
Revaluations	-	1,149	1,149
Change in net worth of the other sectors	-	1,803	1,803
All other	-17	-20	-37
Balance as at 31 March 2011	10,495	101,410	111,905

Note: Columns/rows may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT
For the nine months ended 31 March 2012

	Note	2011-12			2010-11		
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received							
Taxes received		1,595	5,138	6,965	1,396	5,035	6,662
Grants and subsidies received		2,584	7,280	9,418	2,345	7,171	9,372
Receipts from sales of goods and services		478	1,482	1,901	497	1,364	1,808
Interest receipts		66	207	295	77	221	316
Dividends and tax equivalents		165	632	1,163	127	445	1,067
Other		1,472	4,732	5,984	1,430	4,237	5,638
Total cash received		6,361	19,472	25,726	5,873	18,473	24,863
Cash paid							
Wages, salaries and supplements, and superannuation		-2,718	-7,930	-10,595	-2,577	-7,443	-9,853
Payments for goods and services		-1,544	-5,126	-6,709	-1,173	-3,952	-5,793
Interest paid		-84	-242	-330	-72	-200	-302
Grants and subsidies paid		-1,191	-3,757	-5,265	-1,305	-4,301	-5,219
Dividends and tax equivalents		-	-	-	-	-	-
Other		-278	-1,037	-1,270	-344	-1,043	-1,381
Total cash paid		-5,815	-18,092	-24,168	-5,471	-16,939	-22,547
NET CASH FLOWS FROM OPERATING ACTIVITIES		545	1,379	1,558	401	1,534	2,316
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-734	-2,397	-3,578	-694	-2,017	-2,870
Sales of non-financial assets		12	97	173	44	113	158
Total cash flows from investments in non-financial assets		-722	-2,300	-3,405	-650	-1,904	-2,712
<i>Cash flows from investments in financial assets</i>							
Cash received							
For policy purposes		2	4	-	3	12	14
For liquidity purposes		-	-	-	-	37	85
Cash paid							
For policy purposes		-73	-470	-685	-113	-611	-780
For liquidity purposes		-4	-5	-7	-	-2	-5
Total cash flows from investments in financial assets		-76	-471	-692	-110	-564	-687
NET CASH FLOWS FROM INVESTING ACTIVITIES		-798	-2,771	-4,097	-761	-2,468	-3,399
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash received							
Advances received		-	-	14	-	-	14
Borrowings		1,053	1,333	2,428	534	580	1,298
Deposits received		-	-	-	-	-	-
Other financing receipts		7	22	32	8	23	32
Total cash received		1,061	1,355	2,475	542	603	1,344
Cash paid							
Advances paid		-	-	-14	-	-	-14
Borrowings repaid		-203	-241	-148	-48	-71	-93
Deposits paid		-	-	-	-	-	-
Other financing payments		-12	-52	-98	-42	-73	-81
Total cash paid		-215	-293	-260	-89	-144	-188
NET CASH FLOWS FROM FINANCING ACTIVITIES		846	1,062	2,214	453	459	1,155
Net increase in cash and cash equivalents		593	-330	-325	93	-476	72
Cash and cash equivalents at the beginning of the period		4,496	5,418	5,418	4,777	5,346	5,346
Cash and cash equivalents at the end of the period		5,089	5,089	5,094	4,871	4,871	5,418
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		545	1,379	1,558	401	1,534	2,316
Net cash flows from investing in non-financial assets		-722	-2,300	-3,405	-650	-1,904	-2,712
Cash surplus/deficit	4	-177	-921	-1,847	-249	-370	-397

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 Annual Report on State Finances, released 22 September 2011.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT
For the nine months ended 31 March 2012

	Note	2011-12			2010-11		Actual ^(b) \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,511	5,168	6,639	1,303	5,030	6,463
Current grants and subsidies		2,357	6,728	8,600	2,103	6,136	8,003
Capital grants		203	593	884	242	1,061	1,336
Sales of goods and services		4,625	13,257	17,019	3,318	10,562	15,595
Interest Income		218	696	1,092	257	732	970
Royalty income		1,115	3,476	4,493	1,012	2,948	4,213
Other		155	699	973	185	633	892
Total	2	10,186	30,617	39,699	8,420	27,104	37,472
EXPENSES							
Salaries		2,656	7,948	10,525	2,417	7,249	9,841
Superannuation							
Concurrent costs		231	734	1,000	229	690	938
Superannuation interest cost		99	233	250	94	299	317
Other employee costs		63	204	270	59	176	269
Depreciation and amortisation		688	1,988	2,577	608	1,821	2,435
Services and contracts		630	1,859	2,432	557	1,612	2,234
Other gross operating expenses		4,255	12,437	16,492	2,758	8,649	14,387
Other interest		376	1,182	1,729	378	1,125	1,510
Current transfers	3	925	2,700	3,484	1,119	3,315	3,524
Capital transfers	3	67	263	659	139	599	783
Total		9,989	29,549	39,416	8,357	25,536	36,238
NET OPERATING BALANCE	4	197	1,067	283	63	1,568	1,234
<i>Other economic flows</i>							
Gains on net assets		38	117	152	30	132	252
Net actuarial gains - superannuation		398	-1,128	-1,571	-	-	-135
Provision for doubtful debts		-3	-12	-20	-6	-18	-51
All other		-	-	-	-	-	-
Total other economic flows		433	-1,022	-1,438	24	114	67
OPERATING RESULT		630	45	-1,155	87	1,682	1,301
<i>All other movements in equity</i>							
Revaluations		446	1,056	3,336	1,140	1,907	2,510
Gains recognised directly in equity		20	496	-46	17	352	387
Changes in accounting policy/correction of prior period errors		-154	-509	-384	-41	120	161
All other		-	-	-	-	-	-
Total all other movements in equity		311	1,043	2,906	1,116	2,379	3,058
TOTAL CHANGE IN NET WORTH		942	1,088	1,751	1,203	4,061	4,359
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	197	1,067	283	63	1,568	1,234
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,390	4,500	6,852	1,411	4,659	6,482
Changes in inventories		-151	531	348	89	425	348
Other movement in non-financial assets		-8	159	-86	-11	-34	-271
<i>less:</i>							
Sales of non-financial assets		122	463	1,158	152	441	646
Depreciation		688	1,988	2,577	608	1,821	2,435
Total net acquisition of non-financial assets		422	2,738	3,380	730	2,787	3,479
NET LENDING/-BORROWING	4	-225	-1,671	-3,097	-667	-1,220	-2,245

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.6

TOTAL PUBLIC SECTOR BALANCE SHEET
As at 31 March 2012

	Note	2011-12		2010-11	
		31 Mar \$m	Estimated Outturn ^(a) \$m	31 Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,499	1,396	1,326	1,338
Advances paid		3,745	4,760	4,230	4,152
Investments, loans and placements	5	13,274	10,454	12,531	11,783
Receivables	6	3,896	3,667	3,227	3,750
Investment property		541	588	499	533
Equity - investments in other entities		1,316	1,284	1,249	1,214
Other financial assets		33	52	57	52
Total financial assets		24,304	22,202	23,119	22,821
<i>Non-financial assets</i>					
Land		53,895	54,365	53,192	53,125
Property, plant and equipment		80,865	83,412	76,468	78,415
Biological assets		347	337	349	335
Inventories					
Land inventories		1,807	2,020	1,666	1,728
Other inventories		3,982	3,799	3,527	3,451
Intangibles		912	690	780	827
Non-current assets held for sale		93	64	81	81
Other		324	381	402	355
Total non-financial assets		142,226	145,068	136,467	138,316
TOTAL ASSETS		166,531	167,270	159,586	161,138
LIABILITIES					
Deposits held		181	66	6	229
Advances received		468	454	482	468
Borrowings	7	31,330	31,347	28,715	28,690
Unfunded superannuation		8,498	8,849	7,354	7,442
Other employee benefits		2,915	3,009	2,557	2,876
Payables		5,178	4,820	4,308	4,533
Other liabilities		4,667	4,771	4,258	4,696
TOTAL LIABILITIES		53,239	53,316	47,681	48,934
NET ASSETS		113,292	113,955	111,905	112,203
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		30,769	30,376	31,084	30,755
Other reserves		82,523	83,579	80,822	81,449
NET WORTH	4	113,292	113,955	111,905	112,203
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-28,935	-31,114	-24,561	-26,113
<i>Net financial liabilities</i>		30,251	32,398	25,810	27,327
<i>Net debt</i>					
Gross debt liabilities		31,980	31,867	29,203	29,387
less: liquid financial assets		18,518	16,610	18,087	17,273
less: convergence differences impacting net debt		88	88	88	88
Net debt		13,374	15,169	11,028	12,026

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 Annual Report on State Finances, released 22 September 2011.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2012

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2011</i>	30,755	81,449	112,203
Net Operating Balance	1,067	-	1,067
Revaluations	-	1,056	1,056
All other	-1,053	17	-1,036
Balance as at 31 March 2012	30,769	82,523	113,292

For the nine months ended 31 March 2011

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2010</i>	28,958	78,887	107,844
Net Operating Balance	1,568	-	1,568
Revaluations	-	1,907	1,907
All other	558	28	586
Balance as at 31 March 2011	31,084	80,822	111,905

Note: Columns/rows may not add due to rounding.

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT
For the nine months ended 31 March 2012

	Note	2011-12			2010-11		Actual ^(b) \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		1,543	4,968	6,597	1,348	4,868	6,311
Grants and subsidies received		2,584	7,280	9,418	2,345	7,171	9,372
Receipts from sales of goods and services		4,321	13,531	17,196	3,207	10,676	15,851
Interest receipts		224	703	1,110	236	699	955
Other receipts		1,680	5,483	6,885	1,636	4,967	6,693
Total cash received		10,351	31,965	41,207	8,772	28,381	39,182
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,020	-8,869	-11,830	-2,858	-8,289	-10,965
Payments for goods and services		-4,439	-13,913	-17,823	-2,829	-10,219	-16,045
Interest paid		-307	-1,064	-1,716	-327	-970	-1,389
Grants and subsidies paid		-929	-2,684	-3,662	-1,201	-3,657	-3,905
Other payments		-757	-2,768	-3,631	-894	-2,271	-3,070
Total cash paid		-9,452	-29,298	-38,662	-8,109	-25,406	-35,374
NET CASH FLOWS FROM OPERATING ACTIVITIES		899	2,667	2,544	663	2,974	3,808
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,390	-4,500	-6,852	-1,411	-4,659	-6,482
Sales of non-financial assets		122	463	1,158	152	441	646
Total cash flows from investments in non-financial assets		-1,269	-4,037	-5,695	-1,260	-4,218	-5,836
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		2	4	-	3	7	9
For liquidity purposes		1,725	5,252	1,230	1,305	3,405	5,129
<i>Cash paid</i>							
For policy purposes		-1	-4	-	-3	-7	-8
For liquidity purposes		-2,383	-5,153	-2,029	-2,117	-5,452	-6,186
Total cash flows from investments in financial assets		-658	99	-799	-811	-2,047	-1,057
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,927	-3,938	-6,494	-2,071	-6,266	-6,893
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	-	-	-	-
Borrowings		6,700	17,787	23,695	7,652	20,101	25,697
Deposits received		-	-	-	-	-	-
Other financing receipts		16	36	57	9	36	70
Total cash received		6,716	17,823	23,752	7,661	20,138	25,767
<i>Cash paid</i>							
Advances paid		-	-	-14	-	-	-14
Borrowings repaid		-5,251	-16,193	-20,174	-5,857	-17,109	-23,033
Deposits paid		-	-	-	-	-	-
Other financing payments		-20	-77	-122	-58	-126	-144
Total cash paid		-5,271	-16,270	-20,310	-5,916	-17,235	-23,191
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,445	1,553	3,442	1,745	2,903	2,576
Net increase in cash and cash equivalents		417	282	-507	337	-388	-510
Cash and cash equivalents at the beginning of the period		8,467	8,602	8,602	8,387	9,112	9,112
Cash and cash equivalents at the end of the period		8,884	8,884	8,095	8,724	8,724	8,602
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		899	2,667	2,544	663	2,974	3,808
Net cash flows from investing in non-financial assets		-1,269	-4,037	-5,695	-1,260	-4,218	-5,836
Cash surplus/-deficit	4	-370	-1,370	-3,150	-597	-1,244	-2,029

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements constitute general purpose financial statements for the whole-of-government and the general government sectors. The whole-of-government sector is also known as the total public sector.

The financial statements are a requirement of the *Government Financial Responsibility Act 2000*.

(b) The Reporting Entity

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

The total public sector includes the general government sector and the public corporations sector (which seek to recover the majority of costs of their operations through user charges and other revenue sources).

The general government sector consists of those agencies and Crown entities that provide services that are predominantly funded from central revenue.

(c) Basis of Preparation

The financial statements for the nine months ended 31 March 2012 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the 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 2011, presented in Appendix 1 of the 2010-11 *Annual Report on State Finances* (ARSF) released on 22 September 2011. The accounting policies adopted in this publication are consistent with those outlined in the 2010-11 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2010-11 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/rows may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not subject to audit.

NOTE 2: OPERATING REVENUE

A detailed dissection of general government and total public sector operating revenue is included in Appendix 2: *Operating Revenue*.

NOTE 3: TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include grants, subsidies, donations, transfers of assets free of charge, etc.

The following tables provide detail of current and capital transfer expenses of the general government sector and total public sector.

TRANSFER EXPENSES (a)

	General Government			2010-11		
	2011-12		Estimated Outturn ^(b)	2010-11		Actual ^(c)
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>CURRENT TRANSFERS</i>						
Local Government	52	212	468	30	112	246
Local Government on-passing	29	125	153	28	120	149
Private and Not-for-profit sector	300	1,096	1,481	555	1,827	1,779
Private and Not-for-profit sector on-passing	390	815	770	362	765	776
Other sectors of Government	554	1,585	2,239	434	1,332	1,979
Total Current Transfers	1,325	3,833	5,111	1,409	4,155	4,928
<i>CAPITAL TRANSFERS</i>						
Local Government	12	33	139	13	31	57
Local Government on-passing	19	82	101	18	79	98
Private and Not-for-profit sector	32	87	131	19	90	126
Private and Not-for-profit sector on-passing	4	36	40	24	302	230
Other sectors of Government	29	95	123	18	40	96
Total Capital Transfers	96	333	534	93	542	606
	Total Public Sector			2010-11		
	2011-12		Estimated Outturn ^(b)	2010-11		Actual ^(c)
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>CURRENT TRANSFERS</i>						
Local Government	52	212	468	30	113	247
Local Government on-passing	29	125	153	28	120	149
Private and Not-for-profit sector	447	1,537	2,077	694	2,300	2,319
Private and Not-for-profit sector on-passing	393	815	770	362	765	776
Other sectors of Government	3	10	15	5	17	33
Total Current Transfers	924	2,700	3,484	1,119	3,315	3,524
<i>CAPITAL TRANSFERS</i>						
Local Government	12	34	141	13	32	59
Local Government on-passing	19	82	101	18	79	98
Private and Not-for-profit sector	32	111	378	83	186	396
Private and Not-for-profit sector on-passing	4	36	40	24	302	230
Other sectors of Government	-	-	-	-	-	-
Total Capital Transfers	67	263	659	139	599	783

(a) Includes grants, subsidies and other transfer expenses.

(b) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(c) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved (e.g. the recognition of a doubtful debts provision is excluded from GFS net worth), a convergence difference arises.

The following tables detail convergence differences reflected in the March 2012 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Operating Balance

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<i>General government</i>						
AASB1049 net operating balance	115	888	484	40	1,146	1,604
Plus GFS revenue adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	-	-
GFS net operating balance	115	888	484	40	1,146	1,604
<i>Total public sector</i>						
AASB1049 net operating balance	197	1,067	283	63	1,568	1,234
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments						
Capitalised interest	6	32	45	13	42	55
Total GFS expense adjustments	6	32	45	13	42	55
Total GFS adjustments to AASB 1049 net operating balance	-6	-32	-45	-13	-42	-55
GFS net operating balance	191	1,035	238	50	1,526	1,179

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Lending/- Borrowing

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<i>General government</i>						
AASB1049 net lending/-borrowing	-374	-864	-2,051	-388	-115	-264
Plus Net operating balance convergence differences (noted above)	-	-	-	-	-	-
GFS net lending/-borrowing	-374	-864	-2,051	-388	-115	-264
<i>Total public sector</i>						
AASB1049 net lending/-borrowing	-225	-1,671	-3,097	-667	-1,220	-2,245
Plus Net operating balance convergence differences (noted above)	-6	-32	-45	-13	-42	-55
GFS net lending/-borrowing	-231	-1,703	-3,142	-680	-1,261	-2,300

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Worth

	2012		2011	
	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>				
AASB1049 net worth	113,292	113,955	111,905	112,203
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	190	189	185	191
Impact on public corporations net worth	23	29	25	24
Total GFS net worth adjustments	301	306	229	303
GFS net worth	113,524	114,261	112,135	112,506
<u>Total public sector</u>				
AASB1049 net worth	113,292	113,955	111,905	112,203
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	213	218	210	215
Total GFS net worth adjustments	232	306	161	303
GFS net worth	113,524	114,261	112,135	112,506

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Cash Surplus/-Deficit

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>						
AASB1049 cash surplus/-deficit	-177	-921	-1,847	-249	-370	-397
Less Acquisitions under finance leases and similar arrangements	-1	2	-	3	7	41
GFS cash surplus/-deficit	-176	-923	-1,847	-252	-377	-437
<u>Total public sector</u>						
AASB1049 cash surplus/-deficit	-370	-1,370	-3,150	-597	-1,244	-2,029
Less Acquisitions under finance leases and similar arrangements	-2	66	71	3	7	41
GFS cash surplus/-deficit	-368	-1,435	-3,222	-600	-1,251	-2,070

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government				
	2011-12		2010-11	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,711	4,359	4,160	4,695
Government securities	8	8	56	8
Total	4,720	4,367	4,217	4,703
<i>Loans and advances</i>				
Loans	9	8	9	9
Financial Assets held for trading/available for sale	2	-	-	-
Total	11	8	10	9
Total	4,731	4,375	4,226	4,713
Total Public Sector				
	2011-12		2010-11	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	10,893	8,598	10,543	9,692
Government securities	8	133	182	150
Total	10,901	8,732	10,726	9,842
<i>Loans and advances</i>				
Loans	2,031	1,409	1,516	1,588
Financial Assets held for trading/available for sale	341	314	289	354
Total	2,372	1,722	1,805	1,941
Total	13,274	10,454	12,531	11,783

NOTE 6: RECEIVABLES

General Government				
	2011-12		2010-11	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	2,831	2,358	2,362	2,604
Provision for impairment of receivables	-190	-173	-185	-191
Total	2,642	2,185	2,176	2,413
Total Public Sector				
	2011-12		2010-11	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	4,109	3,877	3,437	3,965
Provision for impairment of receivables	-213	-210	-210	-215
Total	3,896	3,667	3,227	3,750

NOTE 7: BORROWINGS

General Government				
	2011-12		2010-11	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	-	-	-	-
Finance leases	306	436	276	308
Borrowings	6,532	7,439	4,569	5,267
Total	6,838	7,877	4,846	5,577
Total Public Sector				
	2011-12		2010-11	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	4	7	6	7
Finance leases	1,002	1,040	922	952
Borrowings	30,325	30,299	27,787	27,731
Total	31,330	31,347	28,715	28,690

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 32, Composition of Sectors in the 2010-11 *Annual Report on State Finances*. Changes since that date include:

- with effect from 1 July 2011, the operations and net assets of the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board, which were previously external to government, have been incorporated into the Department of Commerce. Changes to the Boards are a consequence of legislative change under the *Acts Amendments (Fair Trading) Act 2010* (which give effect to national uniform Australian consumer law and a standard set of investigative powers under Western Australian consumer protection legislation);
- with effect from 1 July 2011, the Department of Treasury and Finance has disaggregated to become the Department of Treasury and the Department of Finance;
- with effect from 14 October 2011, the designation of Pilbara TAFE has been altered to Pilbara Institute;
- with effect from 14 October 2011, the designation of Kimberley TAFE has been altered to Kimberley Training Institute;
- with effect from 7 December 2011, the Agricultural Practices Board ceased to exist following the repeal of the *Agricultural Practices (Disputes) Act 1995*;
- the School Curriculum and Standards Authority was established on 1 January 2012 and the Curriculum Council was abolished; and
- the Metropolitan Redevelopment Authority was created effective from 1 January 2012, and amalgamated the operations of the Armadale Redevelopment Authority, the East Perth Redevelopment Authority, the Midland Redevelopment Authority and the Subiaco Redevelopment Authority.

NOTE 9: CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the release of the 2010-11 *Annual Report on State Finances*.

Operating Revenue

The tables below detail operating revenue of the general government and total public sectors. They provide detailed revenue information consistent with the operating statements presented in Appendix 1: *Interim Financial Statements*.

The total public sector consolidates internal transfers between the general government sector and agencies in the public corporation sectors.

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These collections are not shown in the total public sector taxation revenue data which is thus smaller than the general government taxation revenue aggregate.

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	765	2,296	3,032	629	1,936	2,628
Property taxes						
<i>Land tax</i>	6	550	542	8	523	521
Transfer Duty	300	889	1,232	267	868	1,226
Landholder Duty	16	43	45	5	37	47
<i>Total duty on transfers</i>	317	932	1,277	272	904	1,273
Other stamp duties	-	-	-	-	-	-
Metropolitan Region Improvement Tax	-	84	84	-	78	78
Emergency Services Levy	56	202	216	53	187	205
Loan guarantee fees	6	17	28	2	14	23
<i>Total other property taxes</i>	61	304	328	53	279	306
Taxes on provision of goods and services						
Lotteries Commission	35	104	134	28	95	126
Video lottery terminals	-	-	1	-	-	-
Casino Tax	29	84	115	22	69	90
Betting tax	9	27	36	8	26	34
Other	-	-	-	-	20	20
<i>Total taxes on gambling</i>	72	215	286	58	209	270
Insurance Duty	114	358	472	110	335	442
Other	5	17	21	5	21	26
<i>Total taxes on insurance</i>	118	375	494	114	356	468
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	89	263	357	83	251	338
Permits - Oversize Vehicles and Loads	1	4	5	1	3	6
Motor Vehicle recording fee	11	34	47	11	33	45
Motor Vehicle registrations	150	439	589	136	407	557
<i>Total motor vehicle taxes</i>	252	739	998	232	693	946
Other taxes on use of goods and performance of activities	-	-	-	-	350	350
Total Taxation	1,591	5,410	6,956	1,366	5,249	6,763
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	889	2,684	3,454	802	2,469	3,158
North West Shelf grants	225	694	927	228	703	933
Compensation for Commonwealth crude oil excise arrangements	17	56	51	17	40	61
Grants through the State						
Schools assistance – non-government schools	390	815	770	362	765	776
Local government financial assistance grants	29	125	153	28	120	148
Local government roads	19	82	101	18	79	98
First Home Owners' Boost	-	1	1	3	28	29
Other	-	-	25	-	-	-
National Specific Purpose Payment Agreement Grants						
National Healthcare	325	985	1,308	307	922	1,224
National Schools	94	284	377	162	265	357
National Agreement for Skills and Workforce Development	35	104	138	72	101	135
National Disability Services	27	82	110	60	71	94
National Affordable Housing	32	97	129	84	95	127
Other Grants/National Partnerships						
Health	157	344	463	103	268	473
Housing	-	1	15	-52	-	6
Transport	30	46	70	2	23	84
Other	87	327	507	-92	185	300
Total Current Grants and Subsidies	2,357	6,728	8,600	2,103	6,136	8,003

GENERAL GOVERNMENT
Operating Revenue

Table 2.1 (cont.)

	2011-12			2010-11		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CAPITAL GRANTS						
Grants through the State						
Schools assistance – non-government schools	4	36	40	116	302	230
Nation Building and Jobs Plan						
Schools	-	40	40	76	427	437
Housing	10	10	20	30	90	155
Other Grants/National Partnerships						
Housing	26	88	110	39	48	101
Transport	-44	239	404	10	55	174
Other	207	179	269	-29	139	238
Total Capital Grants	202	593	884	242	1,061	1,336
SALES OF GOODS AND SERVICES	492	1,433	1,841	415	1,311	1,754
INTEREST INCOME	73	226	302	79	242	321
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	79	294	723	138	199	687
Tax Equivalent Regime	107	266	411	47	300	379
Total Revenue from Public Corporations	186	560	1,134	185	499	1,066
ROYALTY INCOME	1,115	3,476	4,493	1,012	2,948	4,213
OTHER						
Lease Rentals	24	70	80	22	64	83
Fines	39	119	169	32	99	133
Revenue not elsewhere counted	30	274	290	57	178	238
Total Other	93	463	539	111	341	454
GRAND TOTAL	6,111	18,887	24,748	5,513	17,787	23,909

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2011-12			2010-11		Actual ^(b) \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	747	2,241	2,961	613	1,886	2,560
Property taxes						
<i>Land tax</i>	-7	514	493	-1	491	477
Transfer Duty	300	889	1,232	267	868	1,226
Landholder Duty	16	43	45	5	37	47
<i>Total duty on transfers</i>	317	932	1,277	272	904	1,273
Other stamp duties	-	-	-	-	-	1
Metropolitan Region Improvement Tax	-	84	84	-	78	78
Emergency Services Levy	56	198	216	51	184	201
Loan guarantee fees	-	-	1	1	1	1
<i>Total other property taxes</i>	56	283	300	52	263	281
Taxes on provision of goods and services						
Lotteries Commission	-	-	-	-	-	-
Video lottery terminals	-	-	1	-	-	-
Casino Tax	29	84	115	22	69	90
Betting tax	-	-	-	-	-	-
Other	-	-	-	-	20	20
<i>Total taxes on gambling</i>	29	85	116	22	89	110
Insurance Duty	114	358	472	110	335	442
Other	5	17	21	5	21	26
<i>Total taxes on insurance</i>	118	375	494	114	356	468
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	89	263	357	83	251	338
Permits - Oversize Vehicles and Loads	1	4	5	1	3	6
Motor Vehicle recording fee	11	34	47	11	33	45
Motor Vehicle registrations	150	439	589	136	407	557
<i>Total motor vehicle taxes</i>	252	739	998	232	693	946
Other taxes on use of goods and performance of activities	-	-	-	-	350	350
Total Taxation	1,511	5,168	6,639	1,303	5,030	6,463
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	889	2,684	3,454	802	2,469	3,158
North West Shelf grants	225	694	927	228	703	933
Compensation for Commonwealth crude oil excise arrangements	17	56	51	17	40	61
Grants through the State						
Schools assistance – non-government schools	390	815	770	362	765	776
Local government financial assistance grants	29	125	153	28	120	148
Local government roads	19	82	101	18	79	98
First Home Owners' Boost	-	1	1	3	28	29
Other	-	-	25	-	-	-
National Specific Purpose Payment Agreement Grants						
National Healthcare	325	985	1,308	307	922	1,224
National Schools	94	284	377	162	265	357
National Agreement for Skills and Workforce Development	35	104	138	72	101	135
National Disability Services	27	82	110	60	71	94
National Affordable Housing	32	97	129	84	95	127
Other Grants/National Partnerships						
Health	157	344	463	103	268	473
Housing	-	1	15	-52	-	6
Transport	29	46	70	2	23	84
Other	87	327	507	-92	185	300
Total Current Grants and Subsidies	2,357	6,728	8,600	2,103	6,136	8,003

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2011-12			2010-11		Actual ^(b) \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
CAPITAL GRANTS						
Grants through the State						
Schools assistance – non-government schools	4	36	40	116	302	230
Nation Building and Jobs Plan						
Schools	-	40	40	76	427	437
Housing	10	10	20	30	90	155
Other Grants/National Partnerships						
Housing	26	88	110	39	48	101
Transport	-44	239	404	10	55	174
Other	207	180	269	-29	139	238
Total Capital Grants	203	593	884	242	1,061	1,336
SALES OF GOODS AND SERVICES	4,625	13,257	17,019	3,318	10,562	15,595
INTEREST INCOME	218	696	1,092	257	732	970
ROYALTY INCOME	1,115	3,476	4,493	1,012	2,948	4,213
OTHER						
Lease Rentals	24	70	80	22	64	83
Fines	40	122	169	32	101	136
Revenue not elsewhere counted	91	508	724	131	468	673
Total Other	155	699	973	185	633	892
GRAND TOTAL	10,185	30,617	39,699	8,420	27,104	37,472

(a) Consistent with the revised outturn published in the 2012-13 Budget, released 17 May 2012.

(b) Consistent with final audited data contained in the 2010-11 *Annual Report on State Finances*, released 22 September 2011.

Note: Columns may not add due to rounding.

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.

Table 3.1 shows that the aggregate balance of the Public Ledger at 31 March 2012 increased by \$1 million compared with 31 March 2011. While the Consolidated Account deficit increased by \$1,066 million, and the Treasurer's Advance Account increased by \$41 million, these balances were offset by an increase of \$1,108 million in the Treasurer's Special Purpose Accounts.

PUBLIC LEDGER BALANCES AT 31 MARCH			Table 3.1
	2012	2011	
	\$m	\$m	
THE PUBLIC LEDGER			
Consolidated Account ^(a)	-7,462	-6,396	
Treasurer's Special Purpose Accounts	8,191	7,083	
Treasurer's Advance Account – Net Advances	-48	-7	
Total	681	680	

(a) The balance of the Consolidated Account at 31 March 2012 includes non-cash appropriations of \$6,187 million (31 March 2011: \$5,409 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.

Consolidated Account

The *Constitution Act 1889* 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 \$7,462 million at 31 March 2012. This included \$6,187 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 an accumulated cash deficit of \$1,275 million at 31 March 2012, compared with an accumulated cash deficit of \$987 million at 31 March 2011.

Cash balances vary significantly through the year, depending on the timing of receipts into, and payments from, the Account.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS
For the nine months ended 31 March

	2012	2011
	\$m	\$m
REVENUE		
<i>Operating Activities</i>		
Taxation	4,345	3,925
Commonwealth Grants	4,595	4,754
Government Enterprises	634	448
Revenue from other agencies	4,271	4,068
Other	179	207
<i>Total Operating Activities</i>	14,024	13,402
<i>Financing Activities</i>		
Repayments of Recoverable Advances	8	6
Transfers from:		
Public Bank Account Interest Earned Account	80	50
Bankwest Pension Trust	2	2
Other Receipts	2	1
Borrowings	1,295	513
<i>Total Financing Activities</i>	1,387	572
TOTAL REVENUE	15,411	13,974
EXPENDITURE		
<i>Recurrent</i>		
Authorised by Other Statutes	1,157	1,128
Appropriation Act (No. 1)	13,746	12,566
Recurrent Expenditure under the Treasurer's Advance	24	12
<i>Total Recurrent Expenditure</i>	14,927	13,706
<i>Investing Activities</i>		
Authorised by Other Statutes	67	78
Appropriation Act (No. 2)	2,474	2,119
Investing Expenditure under the Treasurer's Advance	19	1
<i>Total Investing Activities</i>	2,560	2,198
<i>Financing Activities</i>		
Loan repayments	-	-
Other financing	2	1
<i>Total Financing Activities</i>	2	1
TOTAL EXPENDITURE	17,489	15,905
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,078	-1,931
Consolidated Account Balance		
Opening balance at 1 July	-5,385	-4,465
Closing balance at 31 March	-7,462	-6,396
Of which:		
Appropriations payable	-6,187	-5,409
Cash balance at 31 March	-1,275	-987

Note: Columns may not add due to rounding.

Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPAs) 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.

Relative to 31 March 2011, a \$1,108 million increase in aggregate TSPA balances at 31 March 2012 mainly reflects:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$778 million);
- the draw down of cash reserves set aside for construction of the Fiona Stanley Hospital (\$518 million) as work on the project proceeds;
- a \$443 million balance in the New Children's Hospital Account, established this year using higher than expected royalty income collected during 2009-10 and 2010-11¹; and
- an increase in *Royalties for Regions* balances (up \$394 million), mainly due to differences in the timing of royalty receipts paid to the account and payments for approved projects.

TREASURER'S SPECIAL PURPOSE ACCOUNTS

Table 3.3

At 31 March

	2012	2011
	\$m	\$m
Agency Holding Accounts	6,187	5,409
Fiona Stanley Hospital Construction Account	389	907
Royalties for Regions Special Purpose Account	732	338
New Children's Hospital Account	443	-
Other Special Purpose Accounts	440	429
TREASURER'S SPECIAL PURPOSE ACCOUNTS	8,191	7,083

¹ A total of \$505 million has been appropriated to this account for construction of the hospital. Amounts totalling \$62 million have been drawn to date for planning and initial site works.

Treasurer's Advance

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

A limit of \$577.1 million is authorised under section 29 of the FMA for the year ended 30 June 2012, compared with a total of \$555.5 million authorised limit applying at the same time last year.

Of the \$577.1 million authorised limit, \$47.8 million was held in the form of net recoverable advances (see Table 3.4) and \$43.2 million against increases in recurrent and capital appropriations (see Table 3.5) applying at 31 March 2012.

TREASURER'S ADVANCE AT 31 MARCH			Table 3.4
	2012	2011	
	\$m	\$m	
AUTHORISED LIMIT	577.1	555.5	
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>91.0</i>	<i>19.7</i>	
Comprising:			
Net recoverable advances as at 31 March (see below)	47.8	7.4	
Excesses and New Items (see Table 3.5)			
- recurrent	24.1	11.7	
- capital	19.1	0.6	
NET RECOVERABLE ADVANCES			
Department of Water	-	-(a)	
Building Management and Works	20.0	-	
Electoral Boundaries Distribution	1.1	0.5	
Energy Smart Government Program	-	0.5	
Gas Review Board	0.9	0.5	
Local Government Elections	-	0.3	
Programmed Building Maintenance	-	0.1	
Sport and Recreation	1.9	1.9	
Strategic Projects Office	20.0	-	
Suitors Fund	1.8	1.5	
Sundry Debtors	0.1	-	
Transport	2.0	2.0	
TOTAL RECOVERABLE TREASURER'S ADVANCES	47.8	7.4	

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

Transfers, Excesses and New Items

Table 3.5 outlines transfers of appropriations between agencies, authorised under section 25 of the FMA (and which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer (under the authority of section 27 of the FMA).

TRANSFERS, EXCESSES AND NEW ITEMS						
For the nine months to 31 March 2012						
		Treasurer's Advance				Drawn against Treasurer's Advance to date
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	162.3	-(b)	-	-	162.3	-
<i>State Development</i>						
Item 9: Delivery of Services	116.4	-1.5	-	-	114.9	-
<i>WA Health</i>						
Item 11: Delivery of Services	878.0	-7.3	-	-	870.7	-
<i>Western Australian Tourism Commission</i>						
Item 13: Delivery of Services	65.2	-(b)	-	-	65.2	-
<i>Mines and Petroleum</i>						
Item 14: Delivery of Services	76.5	-(b)	-	-	76.5	-
<i>Fisheries</i>						
Item 16: Delivery of Services	39.4	-(b)	-	-	39.4	-
<i>Regional Development and Lands</i>						
Item 18: Delivery of Services	22.9	1.7	-	-	24.6	-
<i>Gascoyne Development Commission</i>						
Item 19: Delivery of Services	1.5	-(b)	-	-	1.5	-
<i>Goldfields-Esperance Development Commission</i>						
Item 20: Delivery of Services	1.7	-(b)	-	-	1.7	-
<i>Kimberley Development Commission</i>						
Item 22: Delivery of Services	2.3	-(b)	-	-	2.3	-
<i>Mid West Development Commission</i>						
Item 23: Delivery of Services	1.6	-(b)	-	-	1.6	-
<i>Pilbara Development Commission</i>						
Item 25: Delivery of Services	3.3	-(b)	-	-	3.3	-
<i>Western Australian Land Information Authority</i>						
Item 28: Delivery of Services	31.4	0.1	-	-	31.5	-
<i>Treasury</i>						
Item 29: Delivery of Services	75.1	-39.7	-	-	35.4	-
Item 36: Sustainable Funding and Contracting with the Not-for-Profit-Sector	87.8	-86.4	-	-	1.4	-
Item 40: Provision for District Allowances	11.9	-9.4	-	-	2.5	-

(a) Authorised under section 25 of the FMA.

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

Table 3.5 (cont.)

TRANSFERS, EXCESSES AND NEW ITEMS
For the nine months to 31 March 2012

	Treasurer's Advance					Drawn against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Attorney General</i>						
Item 50: Delivery of Services	249.2	0.6	-	-	249.8	-
<i>Education</i>						
Item 58: Delivery of Services	3,265.0	2.1	-	-	3,267.1	-
<i>Country High School Hostels Authority</i>						
Item 62: Delivery of Services	5.8	-(b)	-	-	5.8	-
<i>Finance</i>						
Item 63: Delivery of Services	183.1	40.1	-	-	223.2	-
<i>Commerce</i>						
Item 65: Delivery of Services	139.2	(a)	-	-	139.2	-
<i>Western Australia Police</i>						
Item 68: Delivery of Services	1,111.5	-0.5	-	-	1,111.0	-
<i>Fire and Emergency Services Authority</i>						
Item 69: Delivery of Services	21.6	0.1	-	-	21.7	-
<i>Sport and Recreation</i>						
Item 70: Delivery of Services	42.2	-(b)	-	-	42.2	-
<i>Western Australian Sports Centre Trust</i>						
Item 72: Delivery of Services	18.3	-	-	4.5	22.8	-
<i>Planning</i>						
Item 75: Delivery of Services	40.3	-1.2	-	-	39.1	-
<i>Culture and the Arts</i>						
Item 77: Delivery of Services	76.1	-(b)	-	-	76.1	-
<i>Training and Workforce Development</i>						
Item 84: Delivery of Services	469.6	2.2	-	-	471.8	-
<i>Indigenous Affairs</i>						
Item 85: Delivery of Services	35.8	0.7	-	-	36.5	-
<i>Transport</i>						
Item 86: Delivery of Services	131.9	1.1	-	-	133.0	-
<i>Commissioner of Main Roads</i>						
Item 88: Delivery of Services	216.3	0.2	-	-	216.5	-
<i>Public Transport Authority</i>						
Item 89: Delivery of Services	810.8	-(b)	-	-	810.8	-
<i>Housing Authority</i>						
Item 90: Delivery of Services	103.1	1.4	-	-	104.5	-
<i>Child Protection</i>						
Item 91: Delivery of Services	440.0	9.2	-	-	449.2	-
<i>Communities</i>						
Item 92: Delivery of Services	97.4	2.2	-	30.0	129.6	24.1
<i>Local Government</i>						
Item 94: Delivery of Services	20.7	-(b)	-	-	20.7	-
<i>Agriculture and Food</i>						
Item 97: Delivery of Services	153.5	0.1	-	-	153.6	-

(a) Authorised under section 25 of the FMA.

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

TRANSFERS, EXCESSES AND NEW ITEMS
For the nine months to 31 March 2012

Table 3.5 (cont.)

	Treasurer's Advance					Drawn against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Corrective Services</i>						
Item 99: Delivery of Services	635.3	4.8	-	-	640.1	-
<i>Environment and Conservation</i>						
Item 101: Delivery of Services	205.9	0.4	-	-	206.3	-
<i>Water</i>						
Item 106: Delivery of Services	74.1	-(b)	-	-	74.1	-
<i>Mental Health Commission</i>						
Item 108: Delivery of Services	527.7	33.0	-	-	560.7	-
<i>Disability Services Commission</i>						
Item 109: Delivery of Services	486.7	45.4	-	-	532.1	-
Total Recurrent		-	-	34.5		24.1
Capital Appropriations						
<i>Governor's Establishment</i>						
New item: Capital Appropriation	-	-	0.8	-	0.8	0.8
<i>WA Health</i>						
Item: 112 Capital Appropriation	507.5	-0.2	-	-	507.3	-
<i>Treasury</i>						
Item 117: Capital Appropriation	5.7	-5.4	-	-	0.3	-
<i>Finance</i>						
Item 136: Capital Appropriation	144.1	5.4	-	-	149.5	-
<i>Western Australian Sports Centre Trust</i>						
Item 141: Capital Appropriation	92.9	-	-	63.5	156.4	18.3
<i>Planning</i>						
Item 142: Capital Appropriation	6.9	-4.0	-	-	2.9	-
<i>Transport</i>						
Item 148: Capital Appropriation	9	4.0	-	-	13.0	-
<i>Mental Health Commission</i>						
New Item: Capital Appropriation	-	0.2	-	-	0.2	-
<i>Housing Authority</i>						
Item 151: Capital Appropriation	169.5	2.0	-	-	171.5	-
<i>Child Protection</i>						
Item 152: Capital Appropriation	11.8	-2.0	-	-	9.8	-
Total Capital		-	0.8	63.5		19.1
TOTAL		-	0.8	98.0		43.2

(a) Authorised under section 25 of the FMA.

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

Transfers of appropriations between agencies were for the following purposes:

- \$82.5 million from the Department of Treasury to various agencies (see Table 3.6) supporting the State Government's 2011-12 Budget initiative for sustainable funding and contracting with the not-for-profit sector;

Table 3.6

**SUSTAINABLE FUNDING AND CONTRACTING
WITH THE NOT-FOR-PROFIT SECTOR**

For the nine months to 31 March 2012

Item	Agency	Transfer from Appropriation
		\$m
11	Health	15.8
50	Attorney General	0.4
58	Education	1.6
68	Western Australian Police	0.1
84	Training and Workforce Development	1.2
85	Indigenous Affairs	0.7
90	Housing Authority	1.4
91	Child Protection	8.6
92	Communities	2.2
94	Local Government	_(a)
99	Corrective Services	2.3
108	Mental Health Commission	6.7
109	Disability Services Commission	45.4
	Total	86.4

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

- \$45.1 million (including both recurrent and capital appropriations) from the Department of Treasury to the Department of Finance for the transfer of the corporate service functions and information technology projects following disaggregation of the Department of Treasury and Finance from 1 July 2011;
- \$26.3 million (recurrent appropriation) and \$0.2 million (capital appropriation) from WA Health to the Mental Health Commission for the provision of alcohol and other drug services;
- \$2.0 million from the Department of Child Protection to the Housing Authority capital costs of the Acute Overnight Homeless Shelter;
- \$1.5 million from the Department of State Development to the Department of Regional Development and Lands for the transfer of the Ord environmental infrastructure function;
- \$1.5 million from Western Australia Police to the Department of Corrective Services for transfer of the regional juvenile offender transport function;
- \$0.5 million from the Department of Health to the Department of Finance for the management of Sunset Hospital (following decommissioning of the facility and transfer of the building between these Departments);
- \$0.2 million from the Department of Planning to the Department of Regional Development and Lands for the Ministerial Support and Escalations function;
- \$0.1 million from the Department of Education to the Disability Services Commission for the funding and facilitation of services by Rocky Bay Inc. and Therapy Focus Inc.;
- \$0.1 million from the Department of Treasury to the Western Australian Land Information Authority following the transfer of a procurement support officer; and

- \$9.4 million from the Department of Treasury to various agencies for the provision for District Allowance payments (see Table 3.7).

Table 3.7

PROVISION DISTRICT ALLOWANCE

Item	Agency	Transfer from Appropriation
		\$m
5	Premier and Cabinet	_(a)
11	Health	3.7
13	WA Tourism Commission	_(a)
14	Mines and Petroleum	_(a)
16	Fisheries	0.1
18	Regional Development and Lands	_(a)
19	Gascoyne Development Commission	_(a)
20	Goldfields-Esperance Development Commission	_(a)
22	Kimberley Development Commission	_(a)
23	Mid West Development Commission	_(a)
25	Pilbara Development Commission	_(a)
50	Attorney General	0.2
58	Education	0.7
62	Country High School Hostels Authority	_(a)
63	Finance	_(a)
65	Commerce	_(a)
68	WA Police	0.9
69	Fire and Emergency Services Authority	0.1
70	Sport and Recreation	_(a)
75	Planning	_(a)
77	Culture and the Arts	_(a)
84	Training and Workforce Development and TAFE Colleges	1.0
85	Indigenous Affairs	_(a)
86	Transport	0.1
88	Commissioner of Main Roads	0.2
89	Public Transport Authority	_(a)
91	Child Protection	0.6
92	Communities	_(a)
97	Agriculture and Food	0.1
99	Corrective Services	1.0
101	Environment and Conservation	0.4
106	Water	_(a)
109	Disability Services Commission	_(a)
Total		9.4

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

Approved new items and excesses were for the following items.

Western Australian Sports Centre Trust

Item 72: **Net amount appropriated to deliver services** (\$4.5 million), mainly for additional payments to the venue operator of Perth Arena and the transfer of Champion Lakes Regatta Centre from the Armadale Redevelopment Authority.

Item 141: **Capital Appropriation** (\$63.5 million) for the settlement of contractual claims for the Perth Arena project.

Communities

Item 92: **Net amount appropriated to deliver services** (\$30.0 million) for higher than anticipated numbers of severe claims under the Redress WA Scheme.

Governor's Establishment

New Item: **Capital Appropriation** (\$0.8 million) for upgrades to the Government House Supper Room as part of preparations for the Commonwealth Heads of Government Meeting held in October 2011.

