



2012-13

Quarterly Financial Results Report

March 2013



2012-13

QUARTERLY FINANCIAL RESULTS REPORT

MARCH 2013

2012-13 Quarterly Financial Results Report
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An electronic copy of this report may be obtained at <http://www.treasury.wa.gov.au>
ISSN 1444-8548 (print)
ISSN 1447-9370 (on-line)

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**QUARTERLY FINANCIAL RESULTS REPORT
Nine Months Ended 31 March 2013**

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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 2013.

Care should be exercised in extrapolating the likely outcome for the 2012-13 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 to that used in the original State Budget (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 includes Appendix 3: *Public Ledger* which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance.

This report also includes Appendix 4: *Special Purpose Accounts* which details movements in balances for Special Purpose Accounts established for the delivery of key Government policy outcomes.


Information presented in this QFRR is not audited.

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 2013 and of the balance sheets of these reporting entities at 31 March 2013. 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



ROY PICARDO
ASSISTANT DIRECTOR
FINANCIAL REPORTING

27 May 2013

Overview

Summary

The general government sector recorded an operating surplus of \$115 million for the nine months to 31 March 2013, \$773 million lower than the \$888 million surplus reported for the same period in 2011-12.

- General government revenue in the first nine months of 2012-13 was \$73 million (or 0.4%) lower compared with the same period last year. This is primarily driven by lower Commonwealth grants (down \$491 million), due mainly to lower GST grants (down \$449 million), and lower royalty income (down \$395 million). Partially offsetting this, taxation revenue increased (up \$855 million), due to higher payroll tax and transfer duty.
- General government expenses grew by \$699 million (or 3.9%), reflecting growth in salaries costs (up 5.9%) and higher agency operating costs across the sector. This relatively low increase (expense growth in the first nine months of 2011-12 was 8.2% higher than the same period in 2010-11) indicates that savings measures introduced by the State Government, including efficiency dividends and initiatives aimed at directly controlling salaries growth, are having some effect in limiting expenditure growth.

Total public sector net worth increased by \$1.9 billion over the nine months to 31 March 2013, to stand at \$113.4 billion. Total public sector net debt stood at \$16.9 billion at 31 March 2013, \$2.4 billion higher than the \$14.5 billion recorded at 30 June 2012. This is in line with the projected growth in net debt reported in the *2012-13 Pre-election Financial Projections Statement*.

General Government Sector

The general government sector recorded an operating surplus of \$115 million for the nine months to 31 March 2013. This compares with the \$888 million surplus reported for the same period in 2011-12.

Table 1

SUMMARY OF GENERAL GOVERNMENT FINANCES
Western Australia

	2012-13			2011-12		
	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	-123	115	241	115	888	649
Net worth		113,413	115,526		113,292	111,475
Increase in cash balances	44	-1,684	-476	593	-330	1,378
<i>Memorandum items</i>						
Net lending	-606	-1,379	-1,624	-374	-864	-1,717
Net debt		4,504	4,791		1,462	2,050
Cash surplus/-deficit	-449	-1,883	-1,888	-177	-921	-1,221

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

Revenue

Revenue for the nine months to 31 March 2013 totalled \$18,814 million, \$73 million (or 0.4%) lower than the same period in 2011-12. This decrease primarily reflects the net effect of:

- higher revenue from taxation (up \$855 million), which is largely due to:
 - higher payroll tax collections (up \$312 million), as a result of an increase in wages and higher levels of employment across the State economy;
 - higher transfer duty (up \$223 million), primarily due to higher prices and transactions associated with an increased level of property market activity;
 - higher motor vehicle licence fees and duty (up \$82 million), mainly due to licence fee increases, growth in the number of registered vehicles and growth in vehicles transferred;
 - higher landholder duty (up \$80 million), due to an increase in large value transactions;
 - higher insurance duty (up \$56 million), as a result of increases in insurance premiums and a growing population; and
 - higher loan guarantee fees (up \$52 million), attributable to higher agency borrowings and the impact of moving Government Trading Enterprises to higher loan guarantee fee rates as detailed in the 2012-13 Budget;

- lower royalty income (down \$395 million), primarily due to lower iron ore prices, partially offset by a lower exchange rate, higher iron ore volumes and the higher iron ore ‘fines’ royalty rate applying from this year¹;
- lower current grants and subsidies (down \$266 million), due largely to:
 - lower GST grants (down \$449 million), reflecting the impact of Western Australia’s lower share of national GST collections (5.9% in 2012-13, compared to 7.5% in 2011-12);
 - higher North West Shelf petroleum grants (up \$101 million), due to higher prices for domestic gas and LNG, and higher volumes for crude oil and LNG, partially offset by lower condensate prices and lower production volumes for domestic gas and condensate;
 - higher funding for non-government schools (up \$43 million), mainly driven by higher student enrolments and indexation (supplementation) rates; and
 - higher funding for the education sector (up \$37 million), mainly due to funding for the *National Schools* program and the *Early Childhood Education and Care* program;
- lower capital grants revenue from the Commonwealth (down \$225 million), mainly attributable to lower health sector grants (down \$124 million), including the timing of funding for the Midland Health Campus Project, and lower school related grants (down \$64 million) as economic stimulus projects wind down;
- lower ‘other revenue’ (down \$112 million), primarily due to the one-off transfer of functions and assets of the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board to the Department of Commerce in 2011-12²; and
- higher sales of goods and services (up \$56 million), mainly due to an increase in services provided by Main Roads.

Expenses

Expenses for the nine months to 31 March 2013 totalled \$18,699 million, up \$699 million (or 3.9%) on the same period in 2011-12. This relatively low increase is a result of the combined impact of:

- higher salaries (up \$419 million, or 5.9%), mainly due to higher pay rates across the health, education, and law and order sectors (accounting for 71.2% of the total increase). This growth is lower than the 9.6% recorded for the same period in 2011-12, reflecting to an extent corrective saving measures introduced by the State Government;
- higher ‘other gross operating expenses’ (up \$236 million), mainly due to higher health and disability sector spending for the not-for-profit sector (up \$215 million mainly attributable to higher State funding for the sector as part of reforms included in the 2011-12 Budget);

¹ An increase in the royalty rate applying to iron ore ‘fines’ production to match the iron ore ‘lump’ rate was announced in the 2011-12 Budget, to be phased in over two years commencing 1 July 2012.

² These external Boards were wound up with the Department of Commerce assuming their roles from 1 July 2011. The assets transferred to the general government sector included moneys held in trust and funds supporting the regulation of the real estate and settlement agent industries in Western Australia. Changes to the Boards are a consequence of legislative change under the *Acts Amendments (Fair Trading) Act 2010* (which gave effect to national uniform Australian consumer law and a standard set of investigative powers under Western Australian consumer protection legislation).

- lower current and capital transfers (down \$137 million), mainly due to:
 - lower subsidies paid to the Public Transport Authority (down \$109 million), reflecting changes in depreciation funding arrangements announced in the 2012-13 Budget;
 - lower funding for the community housing program (down \$39 million);
 - higher on-passed grants to local governments for road funding (up \$31 million);
 - lower ex-gratia payments under the *Redress WA Scheme* (down \$30 million); and
 - higher on-passed non-government school grants (up \$26 million), due to the combined effect of higher student enrolments and indexation and the winding down of Commonwealth economic stimulus projects; and
- higher interest expenses (up \$56 million), primarily due to higher levels of Consolidated Account borrowings in support of agency infrastructure spending.

Balance Sheet

The net worth of the general government sector increased by \$1.9 billion (or 1.7%) over the first nine months of the financial year, to stand at \$113.4 billion at 31 March 2013. This increase is mainly due to the net impact of:

- a \$2.1 billion increase in holdings of land and physical assets, as a result of infrastructure spending;
- a \$1.6 billion increase in the value of equity in the public corporations sectors, due mainly to an increase in asset revaluations and operating surpluses recorded by these sectors; and
- lower investments, loans and placements and cash and deposits (down \$1.7 billion), reflecting the use of these funds for infrastructure spending.

General government sector net debt totalled \$4.5 billion at 31 March 2013 (up \$2.4 billion), reflecting higher borrowings and lower liquid investments used to fund the State's infrastructure spending program.

Cash Flow

A cash deficit of \$1.9 billion was recorded for the nine months ended 31 March 2013. This was a \$962 million increase on the cash deficit recorded in the same period last year, and reflects the impact of the cash equivalent operating statement issues detailed above.

Infrastructure spending totalled \$2.3 billion, \$117 million lower than the same period in 2011-12. This reflects lower spending on health infrastructure, including the Fiona Stanley Hospital and the central plant facility for the Queen Elizabeth II Medical Centre, as well as the winding down of Commonwealth schools stimulus spending, partially offset by higher spending on roadwork projects by Main Roads.

Total Public Sector³

The total public sector recorded an operating surplus of \$181 million for the nine months to 31 March 2013. This is \$886 million lower than the surplus recorded in the same period in 2011-12.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

Table 2

	2012-13			2011-12		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m
Net operating balance	-65	181	-405	197	1,067	466
Net worth		113,413	115,526		113,292	111,475
Increase in cash balances	312	-2,219	-2,669	417	282	3,379
<i>Memorandum items</i>						
Net lending	-331	-2,318	-3,245	-225	-1,671	-2,872
Net debt		16,875	18,263		13,374	14,523
Cash surplus/-deficit	-737	-2,663	-3,525	-370	-1,370	-2,240

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

Operating Statement

The total public sector operating surplus for the first nine months of 2012-13 reflects the combined impact of:

- the \$115 million operating surplus for the general government sector;
- a public non-financial corporations sector operating surplus of \$355 million, \$231 million lower than the surplus recorded by the sector for the same period in 2011-12. The largest component of this outcome reflects the 2012-13 Budget decision to cease funding the Public Transport Authority's non-cash depreciation costs; and
- an operating surplus of \$64 million for the public financial corporations sector, a turnaround of \$131 million on the operating deficit recorded in the same period in 2011-12. This increase is the result of higher net investment income and lower claims expenses for 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 sector is recognised as an investment asset of the general government sector.

³ 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).

Total public sector net debt increased by \$2.4 billion during the first nine months of 2012-13, to stand at \$16.9 billion at 31 March 2013. The increase in net debt supports the State's significant infrastructure investment program (which is projected to be \$7.3 billion for the full year in 2012-13).

Cash Flow

The total public sector recorded a cash deficit of \$2.7 billion for the nine months to 31 March 2013. This compares with a \$1.4 billion deficit recorded for the same period in 2011-2012.

Infrastructure spending for the nine months to 31 March 2013 was \$560 million higher than the same period in 2011-12. This is mainly due to spending on expansion of the Southern Seawater Desalination Plant and a range of electricity projects (including regulated transmission and distribution projects), partly offset by the decrease in general government sector spending on infrastructure noted earlier in this report.

APPENDIX 1

Interim Financial Statements

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Introduction

Financial information presented in this appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, including AASB 134: *Interim Financial Reporting*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements under section 14A(3) of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2012-13 State Budget Papers released on 17 May 2012, facilitating comparisons between estimates and outturns.

These financial statements (Operating Statement, Balance Sheet and Cash Flow Statement) also comply with Uniform Presentation Framework (UPF) disclosure requirements by reporting the finances of the general government sector and the total public sector. Other UPF disclosure requirements are included in the notes to the financial statements, and in Appendix 2 of this report.

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT
For the nine months ended 31 March 2013

	Note	2012-13			2011-12		
		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
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,791	6,265	8,200	1,591	5,410	7,173
Current grants and subsidies		2,263	6,462	8,154	2,357	6,728	8,678
Capital grants		182	368	689	203	593	1,082
Sales of goods and services		517	1,489	2,030	492	1,433	1,929
Interest Income		57	193	282	73	226	304
Dividends from other sectors		115	309	820	79	294	704
Tax equivalent income		124	297	398	107	266	381
Royalty income		1,006	3,081	4,488	1,115	3,476	4,343
Other		116	351	417	93	463	627
Total	2	6,170	18,814	25,477	6,111	18,887	25,220
EXPENSES							
Salaries		2,524	7,531	9,883	2,377	7,112	9,605
Superannuation							
Concurrent costs		237	713	936	205	655	913
Superannuation interest cost		83	229	313	99	233	317
Other employee costs		109	321	443	94	291	419
Depreciation and amortisation		253	743	1,064	237	708	990
Services and contracts		454	1,266	1,864	437	1,258	1,728
Other gross operating expenses		1,087	3,546	4,934	1,033	3,310	4,656
Other interest		106	322	401	92	266	371
Current transfers	3	1,321	3,666	4,929	1,325	3,833	5,053
Capital transfers	3	118	363	469	96	333	520
Total		6,293	18,699	25,236	5,996	18,000	24,571
NET OPERATING BALANCE	4	-123	115	241	115	888	649
<i>Other economic flows</i>							
Net gains on assets/liabilities		21	27	3	1	11	92
Net actuarial gains - superannuation		182	176	-6	392	-1,111	-1,676
Provision for doubtful debts		-1	-2	-2	2	-	-26
Total other economic flows		202	201	-6	395	-1,100	-1,611
OPERATING RESULT		79	316	235	510	-213	-962
<i>All other movements in equity</i>							
Revaluations		212	607	2,110	325	1,005	-4
Gains recognised directly in equity		-	-5	-1	1	-12	-7
Changes in accounting policy/correction of prior period errors		-102	-138	-693	-151	-380	-263
Change in net worth of the public corporations sectors		674	1,158	2,399	257	687	508
Total all other movements in equity		784	1,622	3,816	432	1,301	234
TOTAL CHANGE IN NET WORTH		862	1,938	4,051	942	1,088	-728
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	-123	115	241	115	888	649
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		762	2,280	3,192	734	2,397	3,358
Changes in inventories		-1	10	-2	5	9	-
Other movement in non-financial assets		8	51	1	-1	151	183
<i>less:</i>							
Sales of non-financial assets		32	104	262	12	97	184
Depreciation		253	743	1,064	237	708	990
Total net acquisition of non-financial assets		483	1,494	1,865	489	1,752	2,366
NET LENDING/-BORROWING	4	-606	-1,379	-1,624	-374	-864	-1,717

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

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 2013

	Note	2012-13		2011-12	
		31 Mar \$m	Estimated Outturn ^(a) \$m	31 Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		631	574	772	840
Advances paid		679	662	695	675
Investments, loans and placements	5	4,668	5,909	4,731	6,200
Receivables	6	2,678	2,621	2,642	2,488
Investment property		8	8	9	8
Shares and other equity					
Investments in other public sector entities - equity method		44,547	45,788	43,569	43,389
Investments in other public sector entities - direct injections		5,978	6,060	5,363	5,544
Investments in other entities		10	10	-	10
Other financial assets		-	-	-	-
Total financial assets		59,199	61,632	57,780	59,153
<i>Non-financial assets</i>					
Land		38,157	38,185	39,638	37,599
Property, plant and equipment		39,386	41,108	35,931	37,849
Biological assets		2	2	2	2
Inventories					
Land inventories		89	93	99	95
Other inventories		74	62	72	63
Intangibles		490	461	484	511
Non-current assets held for sale		73	86	51	91
Other		250	142	228	213
Total non-financial assets		78,520	80,140	76,505	76,423
TOTAL ASSETS		137,719	141,771	134,285	135,577
LIABILITIES					
Deposits held		495	454	442	528
Advances received		454	439	468	454
Borrowings	7	9,621	11,131	6,838	8,871
Unfunded superannuation		8,687	8,816	8,362	8,937
Other employee benefits		2,746	2,827	2,558	2,797
Payables		699	936	805	885
Other liabilities		1,603	1,643	1,521	1,630
TOTAL LIABILITIES		24,305	26,245	20,994	24,101
NET ASSETS		113,413	115,526	113,292	111,475
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		9,813	10,897	10,233	9,547
Other reserves		103,600	104,629	103,058	101,928
NET WORTH	4	113,413	115,526	113,292	111,475
MEMORANDUM ITEMS					
<i>Net financial worth</i>		34,894	35,387	36,786	35,052
<i>Net financial liabilities</i>		15,631	16,461	12,145	13,881
<i>Net debt</i>					
Gross debt liabilities		10,570	12,024	7,748	9,853
less: liquid financial assets		5,978	7,145	6,198	7,715
less: convergence differences impacting net debt		88	88	88	88
Net debt		4,504	4,791	1,462	2,050

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

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 2013

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2012</i>	9,547	101,928	111,475
Net Operating Balance	115	-	115
Revaluations	-	607	607
Change in net worth of the other sectors	-	1,158	1,158
All other	151	-92	58
Balance as at 31 March 2013	9,813	103,600	113,413

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
Equity reclassification	17	-17	-
All other	-1,504	13	-1,492
Balance as at 31 March 2012	10,233	103,058	113,292

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT
For the nine months ended 31 March 2013

	Note	2012-13			2011-12		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		1,853	5,969	8,209	1,595	5,138	7,091
Grants and subsidies received		2,448	6,681	8,836	2,584	7,280	9,831
Receipts from sales of goods and services		572	1,576	2,059	478	1,482	1,983
Interest receipts		49	180	274	66	207	299
Dividends and tax equivalents		193	643	1,169	165	632	1,127
Other		1,437	4,442	5,784	1,472	4,732	6,101
<i>Total cash received</i>		6,552	19,490	26,332	6,361	19,472	26,433
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-2,988	-8,554	-11,221	-2,718	-7,930	-10,635
Payments for goods and services		-1,548	-5,549	-7,157	-1,544	-5,126	-6,815
Interest paid		-103	-310	-367	-84	-242	-353
Grants and subsidies paid		-1,285	-3,671	-5,229	-1,191	-3,757	-5,289
Other		-348	-1,113	-1,317	-278	-1,037	-1,388
<i>Total cash paid</i>		-6,272	-19,197	-25,290	-5,815	-18,092	-24,480
NET CASH FLOWS FROM OPERATING ACTIVITIES		280	293	1,042	545	1,379	1,953
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-762	-2,280	-3,192	-734	-2,397	-3,358
Sales of non-financial assets		32	104	262	12	97	184
<i>Total cash flows from investments in non-financial assets</i>		-729	-2,176	-2,931	-722	-2,300	-3,174
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		3	8	-	2	4	6
For liquidity purposes		-	-	-	-	-	1
<i>Cash paid</i>							
For policy purposes		-187	-488	-763	-73	-470	-669
For liquidity purposes		-11	-11	-58	-4	-5	-6
<i>Total cash flows from investments in financial assets</i>		-195	-490	-821	-76	-471	-668
NET CASH FLOWS FROM INVESTING ACTIVITIES		-924	-2,666	-3,751	-798	-2,771	-3,842
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	15	-	-	14
Borrowings		758	1,003	2,394	1,053	1,333	3,416
Deposits received		-	-	-	-	-	-
Other financing receipts		7	27	40	7	22	32
<i>Total cash received</i>		765	1,031	2,449	1,061	1,355	3,463
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-14
Borrowings repaid		-59	-281	-129	-203	-241	-95
Deposits paid		-	-	-	-	-	-
Other financing payments		-18	-60	-73	-12	-52	-86
<i>Total cash paid</i>		-77	-342	-216	-215	-293	-196
NET CASH FLOWS FROM FINANCING ACTIVITIES		689	689	2,233	846	1,062	3,267
Net increase in cash and cash equivalents		44	-1,684	-476	593	-330	1,378
Cash and cash equivalents at the beginning of the year		5,068	6,796	6,796	4,496	5,418	5,418
Cash and cash equivalents at the end of the year		5,112	5,112	6,320	5,089	5,089	6,796
KEY FISCAL AGGREGATES							
Net cash flow s from operating activities		280	293	1,042	545	1,379	1,953
Net cash flow s from investing in non-financial assets		-729	-2,176	-2,931	-722	-2,300	-3,174
Cash surplus/-deficit	4	-449	-1,883	-1,888	-177	-921	-1,221

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

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 2013

	Note	2012-13			2011-12		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		1,683	5,953	7,792	1,511	5,168	6,850
Current grants and subsidies		2,263	6,462	8,154	2,357	6,728	8,678
Capital grants		182	368	689	203	593	1,082
Sales of goods and services		4,618	12,974	18,527	4,625	13,257	17,867
Interest Income		156	506	881	218	696	924
Royalty income		1,006	3,081	4,488	1,115	3,476	4,343
Other		196	616	771	155	699	954
Total	2	10,104	29,960	41,302	10,186	30,617	40,699
EXPENSES							
Salaries		2,821	8,414	11,049	2,656	7,948	10,671
Superannuation							
Concurrent costs		265	797	1,046	231	734	1,014
Superannuation interest cost		83	229	313	99	233	317
Other employee costs		73	217	274	63	204	305
Depreciation and amortisation		704	2,108	2,874	688	1,988	2,702
Services and contracts		645	1,891	2,688	630	1,859	2,579
Other gross operating expenses		4,139	11,828	17,761	4,255	12,437	17,204
Other interest		367	1,211	1,566	376	1,182	1,587
Current transfers	3	984	2,793	3,518	925	2,700	3,470
Capital transfers	3	88	291	617	67	263	384
Total		10,169	29,779	41,707	9,989	29,549	40,233
NET OPERATING BALANCE	4	-65	181	-405	197	1,067	466
<i>Other economic flows</i>							
Gains on net assets		99	414	137	38	117	89
Net actuarial gains - superannuation		185	178	-6	398	-1,128	-1,737
Provision for doubtful debts		-4	-11	-19	-3	-12	-43
Total other economic flows		279	581	111	433	-1,022	-1,692
OPERATING RESULT		214	762	-294	630	45	-1,226
<i>All other movements in equity</i>							
Revaluations		616	785	4,766	446	1,056	332
Gains recognised directly in equity		121	582	-44	20	496	545
Changes in accounting policy/correction of prior period errors		-88	-191	-378	-154	-509	-379
Total all other movements in equity		648	1,176	4,345	311	1,043	498
TOTAL CHANGE IN NET WORTH		862	1,938	4,051	942	1,088	-728
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	-65	181	-405	197	1,067	466
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,656	5,060	7,324	1,390	4,500	6,782
Changes in inventories		-505	5	117	-151	531	-8
Other movement in non-financial assets		27	112	-226	-8	159	158
<i>less:</i>							
Sales of non-financial assets		209	571	1,501	122	463	892
Depreciation		704	2,108	2,874	688	1,988	2,702
Total net acquisition of non-financial assets		266	2,499	2,840	422	2,738	3,338
NET LENDING/-BORROWING	4	-331	-2,318	-3,245	-225	-1,671	-2,872

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

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 2013

	Note	2012-13		2011-12	
		31 Mar \$m	Estimated Outturn ^(a) \$m	31 Mar \$m	Actual ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,701	1,451	1,499	1,606
Advances paid		3,488	5,222	3,745	3,630
Investments, loans and placements	5	13,575	15,571	13,274	18,575
Receivables	6	4,199	4,327	3,896	4,255
Investment property		555	586	541	545
Equity - investments in other entities		1,359	1,422	1,316	1,236
Other financial assets		19	39	33	39
<i>Total financial assets</i>		24,896	28,619	24,304	29,886
<i>Non-financial assets</i>					
Land		52,870	54,494	53,895	51,869
Property, plant and equipment		86,442	88,780	80,865	83,926
Biological assets		336	331	347	335
Inventories					
Land inventories		1,994	2,106	1,807	1,831
Other inventories		3,448	3,559	3,982	3,443
Intangibles		974	847	912	943
Non-current assets held for sale		104	105	93	110
Other		386	318	324	391
<i>Total non-financial assets</i>		146,553	150,540	142,226	142,847
TOTAL ASSETS		171,450	179,159	166,531	172,733
LIABILITIES					
Deposits held		180	190	181	192
Advances received		454	439	468	454
Borrowings	7	35,094	39,966	31,330	37,776
Unfunded superannuation		8,825	8,942	8,498	9,097
Other employee benefits		3,136	3,233	2,915	3,203
Payables		5,032	5,110	5,178	5,032
Other liabilities		5,316	5,753	4,667	5,503
TOTAL LIABILITIES		58,036	63,633	53,239	61,258
NET ASSETS		113,413	115,526	113,292	111,475
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		30,757	30,324	30,787	29,629
Other reserves		82,657	85,202	82,504	81,846
NET WORTH	4	113,413	115,526	113,292	111,475
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-33,140	-35,014	-28,935	-31,372
<i>Net financial liabilities</i>		34,499	36,436	30,251	32,608
<i>Net debt</i>					
Gross debt liabilities		35,727	40,595	31,980	38,422
less: liquid financial assets		18,764	22,244	18,518	23,811
less: convergence differences impacting net debt		88	88	88	88
<i>Net debt</i>		16,875	18,263	13,374	14,523

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

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 2013

	Accumulated surplus/deficit \$m	Reserves \$m	Total Equity \$m
<i>Balance as at 1 July 2012</i>	29,629	81,846	111,475
Net Operating Balance	181	-	181
Revaluations	-	785	785
All other	946	25	972
Balance as at 31 March 2013	30,757	82,657	113,413

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
Equity reclassification	19	-19	-
All other	-1,053	17	-1,036
Balance as at 31 March 2012	30,787	82,504	113,292

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 2013

	2012-13			2011-12		Actual ^(b) \$m	
	Note	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		1,775	5,745	7,750	1,543	4,968	6,709
Grants and subsidies received		2,448	6,681	8,836	2,584	7,280	9,831
Receipts from sales of goods and services		4,446	12,993	18,412	4,321	13,531	18,061
Interest receipts		178	608	951	224	703	920
Other receipts		1,741	5,515	6,984	1,680	5,483	7,093
<i>Total cash received</i>		10,588	31,542	42,933	10,351	31,965	42,613
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,319	-9,541	-12,555	-3,020	-8,869	-11,845
Payments for goods and services		-4,147	-12,987	-18,768	-4,439	-13,913	-18,351
Interest paid		-385	-1,299	-1,532	-307	-1,064	-1,485
Grants and subsidies paid		-1,008	-2,762	-3,705	-929	-2,684	-3,568
Other payments		-1,017	-3,126	-4,075	-757	-2,768	-3,715
<i>Total cash paid</i>		-9,877	-29,716	-40,635	-9,452	-29,298	-38,963
NET CASH FLOWS FROM OPERATING ACTIVITIES		711	1,827	2,298	899	2,667	3,650
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,656	-5,060	-7,324	-1,390	-4,500	-6,782
Sales of non-financial assets		209	571	1,501	122	463	892
<i>Total cash flows from investments in non-financial assets</i>		-1,447	-4,490	-5,823	-1,269	-4,037	-5,890
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		3	8	-	2	4	6
For liquidity purposes		1,452	5,436	1,242	1,725	5,252	6,288
<i>Cash paid</i>							
For policy purposes		-3	-9	-	-1	-4	-6
For liquidity purposes		-1,298	-4,315	-5,221	-2,383	-5,153	-6,518
<i>Total cash flows from investments in financial assets</i>		154	1,120	-3,979	-658	99	-230
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,293	-3,370	-9,801	-1,927	-3,938	-6,120
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	-	-	-	-
Borrowings		5,596	19,494	30,572	6,700	17,787	27,171
Deposits received		-	-	-	-	-	-
Other financing receipts		18	43	82	16	36	52
<i>Total cash received</i>		5,615	19,537	30,653	6,716	17,823	27,224
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-14
Borrowings repaid		-4,689	-20,127	-25,739	-5,251	-16,193	-21,252
Deposits paid		-	-	-	-	-	-
Other financing payments		-31	-85	-65	-20	-77	-108
<i>Total cash paid</i>		-4,720	-20,213	-25,819	-5,271	-16,270	-21,374
NET CASH FLOWS FROM FINANCING ACTIVITIES		895	-676	4,835	1,445	1,553	5,849
Net increase in cash and cash equivalents		312	-2,219	-2,669	417	282	3,379
Cash and cash equivalents at the beginning of the year		9,450	11,981	11,981	8,467	8,602	8,602
Cash and cash equivalents at the end of the year		9,762	9,762	9,312	8,884	8,884	11,981
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		711	1,827	2,298	899	2,667	3,650
Net cash flows from investing in non-financial assets		-1,447	-4,490	-5,823	-1,269	-4,037	-5,890
Cash surplus/-deficit	4	-737	-2,663	-3,525	-370	-1,370	-2,240

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

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

NOTES TO THE INTERIM 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 2013 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 2012, presented in Appendix 1 of the 2011-12 *Annual Report on State Finances* (ARSF) released on 26 September 2012. The accounting policies adopted in this publication are consistent with those outlined in the 2011-12 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 2011-12 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 sector 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						
	2012-13			2011-12		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local Government	74	199	318	52	212	450
Local Government on-passing	19	139	162	29	125	154
Private and Not-for-profit sector	299	1,076	1,554	300	1,096	1,407
Private and Not-for-profit sector on-passing	412	858	817	390	815	831
Other sectors of Government	517	1,394	2,078	554	1,585	2,211
Total Current Transfers	1,321	3,666	4,929	1,325	3,833	5,053
<i>CAPITAL TRANSFERS</i>						
Local Government	26	59	85	12	33	64
Local Government on-passing	12	89	105	19	82	101
Private and Not-for-profit sector	34	102	147	32	87	123
Private and Not-for-profit sector on-passing	10	18	25	4	36	40
Other sectors of Government	36	95	107	29	95	192
Total Capital Transfers	118	363	469	96	333	520
Total Public Sector						
	2012-13			2011-12		
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local Government	74	199	318	52	212	450
Local Government on-passing	19	139	162	29	125	154
Private and Not-for-profit sector	476	1,589	2,211	450	1,537	2,018
Private and Not-for-profit sector on-passing	412	858	817	390	815	831
Other sectors of Government	3	9	11	3	10	17
Total Current Transfers	984	2,793	3,518	925	2,700	3,470
<i>CAPITAL TRANSFERS</i>						
Local Government	27	60	85	12	33	69
Local Government on-passing	12	89	105	19	82	101
Private and Not-for-profit sector	39	124	402	32	111	173
Private and Not-for-profit sector on-passing	10	18	25	4	36	40
Other sectors of Government	-	-	-	-	-	-
Total Capital Transfers	88	291	617	67	263	384

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

(b) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(c) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

Note: Columns may not add due to rounding.

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 2013 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Operating Balance

	2012-13			2011-12		
	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 net operating balance	-123	115	241	115	888	649
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	-	-
GFS net operating balance	-123	115	241	115	888	649
<u>Total public sector</u>						
AASB1049 net operating balance	-65	181	-405	197	1,067	466
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Capitalised interest	6	19	42	6	32	37
Total GFS expense adjustments	6	19	42	6	32	37
Total GFS adjustments to AASB 1049 net operating balance	-6	-19	-42	-6	-32	-37
GFS net operating balance	-71	162	-447	191	1,035	429

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Lending/-Borrowing

	2012-13			2011-12		
	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 net lending/-borrowing	-606	-1,379	-1,624	-374	-864	-1,717
Plus Net operating balance convergence differences	-	-	-	-	-	-
GFS net lending/-borrowing	-606	-1,379	-1,624	-374	-864	-1,717
<u>Total public sector</u>						
AASB1049 net lending/-borrowing	-331	-2,318	-3,245	-225	-1,671	-2,872
Plus Net operating balance convergence differences	-6	-19	-42	-6	-32	-37
GFS net lending/-borrowing	-337	-2,337	-3,287	-231	-1,703	-2,909

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Net Worth

	2012-13		2011-12	
	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>				
AASB1049 net worth	113,413	115,526	113,292	111,475
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	202	202	190	202
Impact on public corporations net worth	25	21	23	22
Total GFS net worth adjustments	315	311	301	312
GFS net worth	113,729	115,837	113,592	111,787
<u>Total public sector</u>				
AASB1049 net worth	113,413	115,526	113,292	111,475
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	227	223	213	223
Total GFS net worth adjustments	315	311	301	312
GFS net worth	113,729	115,837	113,592	111,787

AASB 1049 TO GFS CONVERGENCE DIFFERENCES Cash Surplus/-Deficit

	2012-13			2011-12		
	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	-449	-1,883	-1,888	-177	-921	-1,221
<i>Less</i> Acquisitions under finance leases and similar arrangements						
	4	33	-	-1	2	19
GFS cash surplus/-deficit	-453	-1,915	-1,888	-176	-923	-1,239
<u>Total public sector</u>						
AASB1049 cash surplus/-deficit	-737	-2,663	-3,525	-370	-1,370	-2,240
<i>Less</i> Acquisitions under finance leases and similar arrangements						
	4	33	1	-2	66	82
GFS cash surplus/-deficit	-741	-2,696	-3,526	-368	-1,435	-2,322

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government				
	2012-13		2011-12	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,652	5,881	4,711	6,171
Government securities	7	7	8	7
Total	4,659	5,888	4,720	6,178
<i>Loans and advances</i>				
Loans	8	8	9	9
Financial Assets held for trading/available for sale	1	13	2	13
Total	9	21	11	22
Total	4,668	5,909	4,731	6,200
Total Public Sector				
	2012-13		2011-12	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
<i>Investments</i>				
Term deposits	10,595	11,629	10,893	13,981
Government securities	375	7	8	7
Total	10,970	11,636	10,901	13,988
<i>Loans and advances</i>				
Loans	2,325	3,417	2,031	4,061
Financial Assets held for trading/available for sale	280	519	341	525
Total	2,605	3,935	2,372	4,586
Total	13,575	15,571	13,274	18,575

NOTE 6: RECEIVABLES

General Government				
	2012-13		2011-12	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	2,881	2,823	2,831	2,689
Provision for impairment of receivables	-202	-202	-190	-202
Total	2,678	2,621	2,642	2,488
Total Public Sector				
	2012-13		2011-12	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	4,426	4,550	4,109	4,478
Provision for impairment of receivables	-227	-223	-213	-223
Total	4,199	4,327	3,896	4,255

NOTE 7: BORROWINGS

 General Government

	2012-13		2011-12	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	-	17	-	17
Finance leases	347	314	306	321
Borrowings	9,274	10,800	6,532	8,533
Total	9,621	11,131	6,838	8,871

 Total Public Sector

	2012-13		2011-12	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	2	21	4	17
Finance leases	1,025	989	1,002	1,013
Borrowings	34,067	38,957	30,325	36,746
Total	35,094	39,966	31,330	37,776

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 32, Composition of Sectors in the 2011-12 *Annual Report on State Finances*. Changes since that date include:

- the Goldfields Institute of Technology which was created on 1 July 2012; and
 - the Department of Fire and Emergency Services which was established on 1 November 2012, replacing the Fire and Emergency Services Authority.
-

NOTE 9: CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the release of the 2011-12 *Annual Report on State Finances*.

APPENDIX 2

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 corporations 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 internal collections are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the general government taxation revenue aggregate.

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2012-13			2011-12		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						
<i>Payroll tax</i>	820	2,608	3,584	765	2,296	3,096
Property taxes						
<i>Land tax</i>	5	563	569	6	550	552
Transfer Duty	387	1,112	1,486	300	889	1,261
Landholder Duty	10	123	138	16	43	101
<i>Total duty on transfers</i>	397	1,236	1,624	317	932	1,362
Other stamp duties	-	5	5	-	-	-
Metropolitan Region Improvement Tax	-	85	86	-	84	84
Emergency Services Levy	64	217	231	56	202	220
Loan guarantee fees	29	69	105	6	17	25
<i>Total other property taxes</i>	92	376	428	61	304	329
Taxes on provision of goods and services						
Lotteries Commission	32	113	141	35	104	140
Video lottery terminals	-	-	1	-	-	-
Casino Tax	26	86	125	29	84	108
Betting tax	10	31	37	9	27	38
Other	-	-	-	-	-	19
<i>Total taxes on gambling</i>	68	230	303	72	215	305
Insurance Duty	128	414	558	114	358	487
Other	5	16	22	5	17	22
<i>Total taxes on insurance</i>	133	430	580	118	375	509
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	100	301	416	89	263	367
Permits - Oversize Vehicles and Loads	1	3	5	1	4	7
Motor Vehicle recording fee	12	35	46	11	34	46
Motor Vehicle registrations	162	482	646	150	439	599
<i>Total motor vehicle taxes</i>	275	821	1,113	252	739	1,019
Total Taxation	1,791	6,265	8,200	1,591	5,410	7,173

GENERAL GOVERNMENT Operating Revenue

Table 2.1 (cont.)

	2012-13			2011-12		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	
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	727	2,235	2,961	889	2,684	3,454
North West Shelf grants	251	795	928	225	694	925
Compensation for Commonwealth crude oil excise arrangements	16	48	51	17	56	75
<i>Grants through the State</i>						
Schools assistance – non-government schools	412	858	817	390	815	831
Local government financial assistance grants	19	139	162	29	125	154
Local government roads	12	89	105	19	82	101
First Home Owners' Boost	-	-	-	-	1	1
Other	-	-	25	-	-	-
<i>National Health Reform^(c)</i>	323	978	1,395	-	-	-
<i>National Specific Purpose Payment Agreement Grants</i>						
Healthcare ^(c)	-	-	-	325	985	1,312
Schools	99	302	401	94	284	378
Skills and Workforce Development	37	110	145	35	104	139
Disability Services	32	95	126	27	82	110
Affordable Housing	34	101	134	32	97	129
<i>Other Grants/National Partnerships</i>						
Health	148	318	399	165	369	505
Housing	-	-	14	-	1	2
Transport	19	61	70	30	47	68
Other	135	332	420	78	300	493
Total Current Grants and Subsidies	2,263	6,462	8,154	2,357	6,728	8,678
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	10	18	25	4	36	40
<i>Nation Building and Jobs Plan</i>						
Schools	-	-	-	-	40	40
Housing	-	-	-	10	10	20
<i>National Partnerships/Other Grants</i>						
Housing	31	92	82	26	90	181
Transport	128	241	485	85	239	505
Other	12	17	98	78	177	296
Total Capital Grants	182	368	689	203	593	1,082
SALES OF GOODS AND SERVICES	517	1,489	2,030	492	1,433	1,929
INTEREST INCOME	57	193	282	73	226	304
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	115	309	820	79	294	704
Tax Equivalent Regime	124	297	398	107	266	381
Total Revenue from Public Corporations	239	606	1,218	186	560	1,085
ROYALTY INCOME	1,006	3,081	4,488	1,115	3,476	4,343
OTHER						
Lease Rentals	24	71	82	24	70	91
Fines	37	117	174	39	119	159
Revenue not else here counted	54	162	161	30	274	377
Total Other	116	351	417	93	463	627
GRAND TOTAL	6,170	18,814	25,477	6,111	18,887	25,220

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

(c) New Health Reform arrangements commenced on 1 July 2012.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2012-13			2011-12		
	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>	799	2,549	3,503	747	2,241	3,022
Property taxes						
<i>Land tax</i>	-8	525	522	-7	514	509
Transfer Duty	387	1,112	1,486	300	889	1,261
Landholder Duty	10	123	138	16	43	101
<i>Total duty on transfers</i>	397	1,236	1,624	317	932	1,362
Other stamp duties	-	5	5	-	-	-
Metropolitan Region Improvement Tax	-	85	86	-	84	84
Emergency Services Levy	60	213	231	56	198	216
Loan guarantee fees	1	2	3	-	1	1
<i>Total other property taxes</i>	60	305	326	56	283	301
Taxes on provision of goods and services						
Lotteries Commission	-	-	-	-	-	-
Video lottery terminals	-	-	1	-	-	-
Casino Tax	26	86	125	29	84	108
Betting tax	-	-	-	-	-	-
Other	-	-	-	-	-	19
<i>Total taxes on gambling</i>	26	87	126	29	85	127
Insurance Duty	128	414	558	114	358	487
Other	5	16	22	5	17	22
<i>Total taxes on insurance</i>	133	430	580	118	375	509
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	100	301	416	89	263	367
Permits - Oversize Vehicles and Loads	1	3	5	1	4	7
Motor Vehicle recording fee	12	35	46	11	34	46
Motor Vehicle registrations	162	482	646	150	439	599
<i>Total motor vehicle taxes</i>	275	821	1,113	252	739	1,019
Total Taxation	1,683	5,953	7,792	1,511	5,168	6,850

**TOTAL PUBLIC SECTOR
Operating Revenue**

Table 2.2 (cont.)

	2012-13			2011-12		Actual ^(b)
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	727	2,235	2,961	889	2,684	3,454
North West Shelf grants	251	795	928	225	694	925
Compensation for Commonwealth crude oil excise arrangements	16	48	51	17	56	75
<i>Grants through the State</i>						
Schools assistance – non-government schools	412	858	817	390	815	831
Local government financial assistance grants	19	139	162	29	125	154
Local government roads	12	89	105	19	82	101
First Home Owners' Boost	-	-	-	-	1	1
Other	-	-	25	-	-	-
<i>National Health Reform^(c)</i>	323	978	1,395	-	-	-
<i>National Specific Purpose Payment Agreement Grants</i>						
Healthcare ^(c)	-	-	-	325	985	1,312
Schools	99	302	401	94	284	378
Skills and Workforce Development	37	110	145	35	104	139
Disability Services	32	95	126	27	82	110
Affordable Housing	34	101	134	32	97	129
<i>Other Grants/National Partnerships</i>						
Health	148	318	399	165	369	505
Housing	-	-	14	-	1	2
Transport	19	61	70	30	47	68
Other	135	332	420	78	300	493
Total Current Grants and Subsidies	2,263	6,462	8,154	2,357	6,728	8,678
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	10	18	25	4	36	40
<i>Nation Building and Jobs Plan</i>						
Schools	-	-	-	-	40	40
Housing	-	-	-	10	10	20
<i>National Partnerships/Other Grants</i>						
Housing	31	92	82	26	90	181
Transport	128	241	485	85	239	505
Other	12	17	98	78	177	296
Total Capital Grants	182	368	689	203	593	1,082
SALES OF GOODS AND SERVICES	4,618	12,974	18,527	4,625	13,257	17,867
INTEREST INCOME	156	506	881	218	696	924
ROYALTY INCOME	1,006	3,081	4,488	1,115	3,476	4,343
OTHER						
Lease Rentals	24	71	82	24	70	91
Fines	38	120	174	40	122	160
Revenue not else here counted	133	425	515	91	508	704
Total Other	196	616	771	155	699	954
GRAND TOTAL	10,104	29,960	41,302	10,186	30,617	40,699

(a) Consistent with the revised outturn published in the 2012-13 *Pre-election Financial Projections Statement*, released 7 February 2013.

(b) Consistent with final audited data contained in the 2011-12 *Annual Report on State Finances*, released 26 September 2012.

(c) New Health Reform arrangements commenced on 1 July 2012.

Note: Columns may not add due to rounding.

APPENDIX 3

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 2013 decreased by \$356 million compared with 31 March 2012. This decrease mainly reflects the net impact of a \$1,034 million increase in the Consolidated Account deficit, and an increase of \$704 million in the Treasurer's Special Purpose Accounts.

PUBLIC LEDGER BALANCES AT 31 MARCH		
	2012-13	2011-12
	\$m	\$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-8,496	-7,462
Treasurer's Special Purpose Accounts	8,895	8,191
Treasurer's Advance Account – Net Advances	-74	-48
TOTAL	325	681

(a) The balance of the Consolidated Account at 31 March 2013 includes non-cash appropriations of \$7,026 million (31 March 2012: \$6,187 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.

Note: Columns may not add due to rounding.

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 \$8,496 million at 31 March 2013. This included \$7,026 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 \$1,470 million at 31 March 2013, compared with an accumulated cash deficit of \$1,275 million at 31 March 2012. 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

	2012-13 \$m	2011-12 \$m
REVENUE		
<i>Operating Activities</i>		
Taxation	5,078	4,345
Commonwealth Grants	3,283	4,595
Government Enterprises	654	634
Revenue from other agencies	3,888	4,271
Other	212	179
<i>Total Operating Activities</i>	13,115	14,024
<i>Financing Activities</i>		
Repayments of Recoverable Advances	4	8
Transfers from:		
Public Bank Account Interest Earned Account	80	80
Bankwest Pension Trust	1	2
Other Receipts	1	2
Borrowings	750	1,295
<i>Total Financing Activities</i>	836	1,387
TOTAL REVENUE	13,951	15,411
EXPENDITURE		
<i>Recurrent</i>		
Authorised by Other Statutes	1,428	1,157
Appropriation Act (No. 1)	12,964	13,746
Recurrent Expenditure under the Treasurer's Advance	-	24
<i>Total Recurrent Expenditure</i>	14,392	14,927
<i>Investing Activities</i>		
Authorised by Other Statutes	54	67
Appropriation Act (No. 2)	1,917	2,474
Investing Expenditure under the Treasurer's Advance	-	19
<i>Total Investing Activities</i>	1,971	2,560
<i>Financing Activities</i>		
Loan repayments	-	-
Other financing	1	2
<i>Total Financing Activities</i>	1	2
TOTAL EXPENDITURE	16,364	17,489
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,413	-2,078
Consolidated Account Balance		
Opening balance at 1 July	-6,083	-5,385
Closing balance at 31 March	-8,496	-7,462
Of which:		
Appropriations payable	-7,026	-6,187
Cash balance at 31 March	-1,470	-1,275

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 2012, a \$704 million increase in aggregate TSPA balances at 31 March 2013 mainly reflects:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$839 million);
- the establishment of the Western Australian Future Fund in November 2012 using 'seed capital' sourced from the Royalties for Regions Fund (\$303 million);
- a decrease in the Royalties for Regions Fund (down \$245 million), mainly due to differences in the timing of royalty receipts paid to the account and payments for approved projects, and the transfer of 'seed capital' to the Western Australian Future Fund;
- the draw down of cash reserves set aside for construction of the Fiona Stanley Hospital (down \$226 million) as work on the project proceeds;
- a \$100 million balance for The New Perth Stadium Account, transferred in July 2012 using surplus Consolidated Account cash from 2010-11;
- a net decrease for the New Children's Hospital Account balance (down \$95 million), with \$70 million in surplus Consolidated Account cash from 2010-11 credited to the account during the September 2012 quarter, which was more than offset by draw downs for construction costs over the first nine months of 2012-13; and
- an increase in the balances of Other Special Purpose Accounts (up \$28 million), including accumulated interest on Public Bank Account balances yet to be transferred to interest earning accounts.

Details of key Special Purpose Accounts are disclosed in Appendix 4: *Special Purpose Accounts*.

Table 3.3

TREASURER'S SPECIAL PURPOSE ACCOUNTS

At 31 March

	2012-13 \$m	2011-12 \$m
Agency Holding Accounts	7,026	6,187
Fiona Stanley Hospital Construction Account	163	389
Royalties for Regions Fund	487	732
Western Australian Future Fund	303	-
New Children's Hospital Account	348	443
The New Perth Stadium Account	100	-
Other Special Purpose Accounts	468	440
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 MARCH	8,895	8,191

Note: Columns may not add due to rounding.

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 \$651.5 million is authorised under section 29 of the FMA for the year ended 30 June 2013, compared with a total of \$577.1 million authorised limit applying at the same time last year.

Of the \$651.5 million authorised limit, \$73.6 million was held in the form of net recoverable advances at 31 March 2013 (see Table 3.4).

Table 3.4

TREASURER'S ADVANCE AT 31 MARCH

	2012-13 \$m	2011-12 \$m
AUTHORISED LIMIT	651.5	577.1
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>73.8</i>	<i>91.0</i>
Comprising:		
Net recoverable advances as at 31 March (see below)	73.6	47.8
Excesses and New Items		
- recurrent	0.2	24.1
- capital	-	19.1
NET RECOVERABLE ADVANCES		
Building Farm Business Grants	4.0	-
Building Management and Works	50.0	20.0
Electoral Boundaries Distribution	0.2	1.1
Gas Review Board	-	0.9
Mining Rehabilitation Fund	0.3	-
Suitors Fund	1.8	1.8
Sundry Debtors	0.4	0.1
Sport and Recreation	1.8	1.9
Strategic Projects	10.0	20.0
Teacher Registration Board	0.3	-
Transport	2.0	2.0
WA Museum	2.8	-
TOTAL RECOVERABLE TREASURER'S ADVANCES	73.6	47.8

Transfers, Excesses and New Items

Table 3.5 outlines transfers of appropriation 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).

Table 3.5

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

	Treasurer's Advance					Draw n against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Parliamentary Commissioner for Administrative Investigations</i>						
Item 4: Delivery of Services	7.2	0.3	-	-	7.5	-
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	171.9	2.4	-	-	174.3	-
<i>Fisheries</i>						
Item 16: Administered Grants, Subsidies and Other Transfer Payments	2.4	-2.4	-	0.2	0.2	0.2
<i>Western Australian Electoral Commission</i>						
Item 17: Delivery of Services	23.2	0.1	-	-	23.3	-
<i>Regional Development and Lands</i>						
Item 18: Delivery of Services	34.9	3.3	-	-	38.2	-
<i>Treasury</i>						
Item 37: Department of Finance	26.2	-6.5	-	-	19.7	-
<i>Attorney General</i>						
Item 49: Delivery of Services	240.7	-	-	7.9	248.6	-
<i>Commissioner for Children and Young People</i>						
Item 54: Delivery of Services	2.8	-(b)	-	-	2.8	-
<i>Office of the Information Commissioner</i>						
Item 55: Delivery of Services	1.7	0.1	-	-	1.8	-
<i>Education</i>						
Item 57: Delivery of Services	3,414.4	-2.5	-	-	3,411.9	-
<i>School Curriculum and Standards Authority</i>						
Item 60: Delivery of Services	28.6	3.5	-	-	32.1	-
<i>Small Business Development Corporation</i>						
Item 65: Delivery of Services	11.8	0.2	-	-	12.0	-
<i>Western Australian Sports Centre Trust</i>						
Item 71: Delivery of Services	33.5	0.8	-	-	34.3	-
<i>Racing, Gaming and Liquor</i>						
Item 73: Administered Grants, Subsidies and Other Transfer Payments	106.0	-	-	5.4	111.4	-
<i>Training and Workforce Development</i>						
Item 82: Delivery of Services	472.0	-1.0	-	-	471.0	-
<i>Transport</i>						
Item 84: Delivery of Services	143.2	1.8	-	-	145.0	-
Total Recurrent		-	-	13.5		0.2

(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

	Treasurer's Advance					Draw n against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Capital Appropriations						
<i>Parliamentary Commissioner for Administrative Investigations</i>						
New item: Capital Appropriation	-	0.3	-	-	0.3	-
<i>Treasury</i>						
Item 119: Department of Finance	11.7	-3.5	-	-	8.2	-
<i>Regional Development and Lands</i>						
New item: Capital Appropriation	-	0.4	-	-	0.4	-
<i>Attorney General</i>						
Item 133: Capital Appropriation	50.5	-	-	17.1	67.6	-
<i>Small Business Development Corporation</i>						
Item 139: Capital Appropriation	0.1	0.1	-	-	0.2	-
<i>Western Australian Sports Centre Trust</i>						
Item 142: Capital Appropriation	1.6	1.3	-	-	2.9	-
<i>Transport</i>						
Item 151: Capital Appropriation	18.2	1.4	-	-	19.6	-
Total Capital		-		17.1		-
TOTAL				30.6		0.2

(a) Authorised under section 25 of the FMA.

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

Transfers of appropriations between agencies were for the following purposes:

- The transfer to agencies of \$10.1 million (including both recurrent and capital appropriations) for agency transition costs relating to the decommissioning of shared services (these costs were provisioned in a central appropriation at the time of the 2012-13 Budget). Table 3.6 below details the allocation by agency for 2012-13 at 31 March 2013;

Table 3.6

**DECOMMISSIONING OF SHARED SERVICES
AGENCY TRANSITION COSTS**

Item	Agency	Transfer from Appropriation
		\$m
4	Parliamentary Commissioner for Administrative Investigations	0.3
17	Western Australian Electoral Commission	0.1
18	Regional Lands Development and Lands	3.3
54	Commissioner for Children and Young People	_(a)
55	Office of the Information Commissioner	0.1
65	Small Business Development Corporation	0.2
71	Western Australian Sports Centre Trust	0.8
84	Transport	1.8
139	Small Business Development Corporation	0.1
142	Western Australian Sports Centre Trust	1.3
151	Transport	1.4
New	Parliamentary Commissioner for Administrative Investigations	0.3
New	Regional Development and Lands	0.4
	Total	10.1

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

- \$2.4 million from the Department of Fisheries to the Department of Premier and Cabinet for the transfer of shark patrol funding;
- \$3.5 million from the Department of Education to the School Curriculum and Standards Authority for the transfer of responsibilities for State and national testing; and
- \$1.0 million from the Department of Training and Workforce Development to the Department of Education for the transfer of the function for Kindergarten to Year 12 (K-12) Curriculum and Development Services.

Approved excesses and new items were for the purposes outlined below.

Fisheries

Item 16: **Administered Grants, Subsidies and Other Transfer Payments** (\$0.2 million) for compensation payments in respect of marine reserves.

Attorney General

Item 49: **Net amount appropriated to deliver services** (\$7.9 million) primarily to address a shortfall in cash reserves to meet the Department's operational activities.

Item 133: **Capital Appropriation** (\$17.1 million) for a short fall in cash reserves for the Department's infrastructure program.

Racing, Gaming and Liquor

Item 73: **Administered Grants, Subsidies and Other Transfer Payments** (\$5.4 million) to meet costs associated with the construction of The New Perth Stadium.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* (FMA). All such accounts include a trust account statement outlining the purpose of the individual SPA. Some SPAs arise as a result of statute (e.g. the Fiona Stanley Hospital Construction Account and the Royalties for Regions Fund), while others are established administratively under the authority of the FMA.

This appendix details the year-to-date position of SPAs established to deliver key Government policy initiatives. This is not an exhaustive list of all SPAs, but it covers the major/material SPAs in existence at 31 March 2013. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated projections outlined elsewhere in this report.

Fiona Stanley Hospital Construction Account

This SPA was established in October 2007 to set aside funds to be used for the construction of the Fiona Stanley Hospital. The hospital is expected to reach practical completion in December 2013 and to commence operation in 2014. Construction will utilise all available funds in the SPA.

Receipts during the March quarter reflect \$125 million appropriated by Parliament and interest revenue earned on the account balances. Funds are drawn from the account and paid to WA Health as payments for construction work fall due.

Table 4.1

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT		
At 31 March		
	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	309	808
Receipts	133	28
Payments	279	447
CLOSING BALANCE	163	389

Note: Columns may not add due to rounding.

New Children's Hospital Account

This SPA was established in October 2010 to hold money for the construction and start up of the New Children's Hospital. The hospital is expected to be completed by mid-2015 and utilise all available funds in the SPA.

Receipts reflect moneys appropriated by Parliament, including \$100 million from the better than expected operating surplus for the 2009-10 financial year (paid into the account in 2011-12), \$70 million from the better than expected operating surplus for the 2010-11 financial year (paid into the account in July 2012), a one-off contribution of \$350 million funded from a joint payment to the State by BHP Billiton and Rio Tinto in relation to amendments to relevant State Agreements Acts and a one-off royalty back-payment of \$55 million (related to the Robe River Mesa J mine). Funds are drawn from the SPA and paid to WA Health as payments for construction work fall due.

Table 4.2

NEW CHILDREN'S HOSPITAL ACCOUNT At 31 March

	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	423	-
Receipts	70	505
Payments	145	63
CLOSING BALANCE	348	443

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 to set aside funds to be used to encourage a balanced transport system for gaining access to the Perth city area.

Receipts reflect money paid by way of application fees, license fees, penalties, money appropriated by Parliament and interest revenue earned on the account balances. Funds drawn from the account are spent on the Central Area Transit system, improving public transport access, enhancing the pedestrian environment and supporting bicycle access, and for administration of the *Perth Parking Management Act 1999*.

Table 4.3

PERTH PARKING LICENSING ACCOUNT At 31 March

	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	56	39
Receipts	33	31
Payments	12	11
CLOSING BALANCE	77	59

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established in July 2002 to provide for road safety initiatives.

Receipts reflect prescribed penalties paid during the period, other funds collected under the *Road Traffic Act 1974*, and interest revenue earned on the account balance. Key road safety initiatives funded from the account in 2012-13 include improvements to metropolitan intersections, vehicle run off treatments on regional roads, community education campaigns to reduce speeding, drink and drug driving, the electronic school zone sign project, neurotrauma research, strategic traffic enforcement and increasing breath and drug testing by Western Australia Police.

ROAD TRAUMA TRUST ACCOUNT		
At 31 March		
	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	43	3
Receipts	69	46
Payments	26	13
CLOSING BALANCE	87	35

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside 25% of the State's annual royalty income to fund investment in regional Western Australia.

Receipts during the nine months of 2012-13 reflect moneys appropriated by Parliament and interest revenue earned on the account balance. Funds were drawn during the nine months to 31 March 2013 to support infrastructure services, business and economic development, other regional initiatives outlined in the 2012-13 Budget, and 'seed capital' transferred to the Western Australian Future Fund.

ROYALTIES FOR REGIONS FUND		
At 31 March		
	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	687	670
Receipts	661	622
Payments	861	559
CLOSING BALANCE	487	732

Note: Columns may not add due to rounding.

Royalties for Regions Southern Inland Health Initiative

This SPA was established in June 2012 to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*.

Funds drawn from the SPA will be applied to support local hospitals and health facilities, provide additional resources, telehealth services and other related regional health services in the Great Southern, Mid-West, Goldfields, South-West and Wheatbelt regions.

Table 4.6

ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE
At 31 March

	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	226	-
Receipts	-	-
Payments	9	-
CLOSING BALANCE	218	-

Note: Columns may not add due to rounding.

The New Perth Stadium Account

This SPA was established in October 2011 to set aside funds to be used for the construction of The New Perth Stadium and associated transport infrastructure. The stadium is expected to be completed by 2018 and utilise all available funds in the SPA as part of the funding to support the construction.

Receipts reflect moneys appropriated by Parliament in the 2012-13 Budget, with \$100 million from the better than expected operating surplus for the 2010-11 financial year. Funds will be drawn from the SPA as payments for construction work fall due.

Table 4.7

THE NEW PERTH STADIUM ACCOUNT
At 31 March

	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	-	-
Receipts	100	-
Payments	-	-
CLOSING BALANCE	100	-

Note: Columns may not add due to rounding.

Western Australian Future Fund

The Western Australian Future Fund was established as a Treasurer's SPA following the passage of the *Western Australian Future Fund Act 2012* in November 2012. The Act provides for an accruing balance over 20 years to 2032, after which the annual interest earnings can be drawn down to fund economic or social infrastructure across Western Australia.

Around \$1 billion in 'seed capital' will be transferred from the Royalties for Regions Fund over the period 2012-13 to 2015-16. From 2016-17 onwards, a minimum of 1% of the State's annual royalty revenue will be paid into the Future Fund. Receipts reflect Royalty for Region 'seed capital' transfers approved by Parliament in November 2012, and interest revenue to 31 March 2013.

WESTERN AUSTRALIAN FUTURE FUND
At 31 March

Table 4.8

	2012-13	2011-12
	\$m	\$m
<i>Balance at 1 July</i>	-	-
Receipts	303	-
Payments	-	-
CLOSING BALANCE	303	-

Note: Columns may not add due to rounding.
