



**2002-03**

**QUARTERLY FINANCIAL  
RESULTS REPORT**

DECEMBER 2002

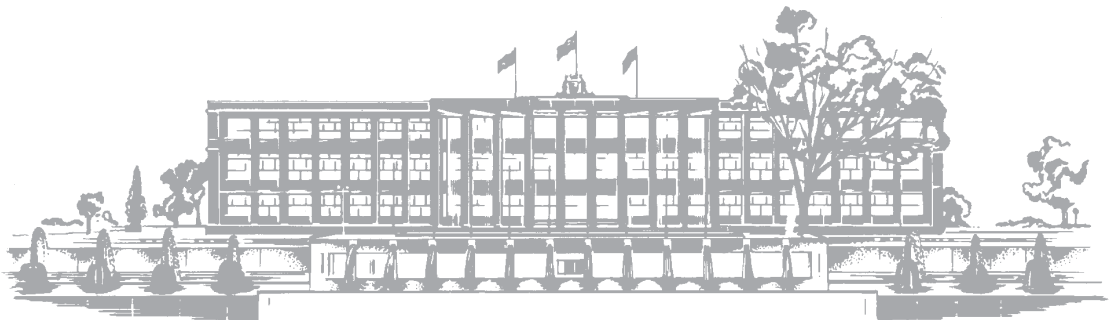




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2002–03 Quarterly Financial Results Report  
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An electronic copy of this report may be obtained at <http://www.dtf.wa.gov.au>

ISSN 1444-9110 (print)  
ISSN 1447-9370 (on-line)



**2002-03  
QUARTERLY FINANCIAL RESULTS REPORT  
SIX MONTHS ENDING 31 DECEMBER 2002**

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# Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Government's financial results for the six months to 31 December 2002. It includes comparative results for the following periods and sectors:

- general government sector operating and cash flow statements for the month of December 2002 and December 2001;
- full financial statements for the general government and total public sectors for the three months and six months to 31 December 2002 and to 31 December 2001; and
- full financial statements for the general government and total public sectors for the full year to 30 June 2002 and projections to 30 June 2003.

The focus of the last three State budgets has been the government finance statistics (GFS) operating result for the general government sector. The GFS presentation in this report can be compared directly with the format of the budget.

An Australian Accounting Standards (AAS) compliant series of results is also presented. Appendix 4 includes interim financial statements for the total public sector that are prepared in accordance with accounting standard AASB 1029: *Interim Financial Reporting*. Unlike the *Government of Western Australia Consolidated Financial Statements* (CFS), which are prepared annually in accordance with accounting standard AAS 31: *Financial Reporting by Governments*, this QFRR is not audited.

The 2001-02 annual results appearing in this document are consistent with the final public sector agency financial statements used to prepare the 2001-02 CFS, which was released on 24 February 2003. These results update those reported in the (unaudited) 2001-02 *Government Financial Results Report* released on 25 September 2002. A brief reconciliation between the two sets of results is provided at Appendix 3.

Projections for 2002-03 are consistent with those appearing in the 2002-03 *Government Mid-year Financial Projections Statement*, released on 20 December 2002.

# Overview

## Summary

The general government and total public sectors recorded substantial operating surpluses in the first half of 2002-03. These surpluses are similar in magnitude to those recorded in the same period the previous year, and the results for the first six months of 2002-03 are broadly consistent with the outcomes projected in the 2002-03 *Government Mid-year Financial Projections Statement*.

The State's balance sheet also remains in a strong position, with net worth growing consistently during the first half of 2002-03.

## General Government Sector

The general government sector recorded a \$315.6 million net operating surplus for the six months to 31 December 2002. This compares with a \$399.9 million surplus for the same period the previous year.

Revenue in the six months to 31 December 2002 totalled \$5,939.3 million, which is 52.4% of the estimated annual revenue for 2002-03 (as per the 2002-03 *Government Mid-year Financial Projections Statement*), and \$225.1 million (or 3.9%) higher than the first six months of 2001-02. This increase primarily reflects higher taxation revenue (up \$135.0 million) and higher revenue from the sale of goods and services (up \$105.8 million).

The increase in taxation revenue is primarily the result of:

- a \$50.6 million increase in payroll tax;
- a \$38.9 million increase in land tax; and
- a \$30.2 million increase in motor vehicle taxes.

These increases primarily reflect the introduction of new tax rate scales from 1 January 2002 (in the case of payroll tax) and 1 July 2002 (in the case of land tax and stamp duty on motor vehicle licence transfers).



The increase in sale of goods and services revenue is mainly attributable to proceeds from the winding up of the previous motor vehicle fleet leasing arrangements, a reclassification of regulatory fees from 'other' revenue to goods and services revenue, and an under-recording of goods and services revenue in the first six months of 2001-02 (which was subsequently corrected in the second half of the year).

Partially offsetting these increases was a \$22.5 million reduction in income from public corporations, primarily reflecting the impact of reduced water consumption on the profitability of the Water Corporation.

Expenses in the six months to 31 December 2002 totalled \$5,623.7 million, which is 49.8% of the annual estimate (as per the 2002-03 *Government Mid-year Financial Projections Statement*), and \$309.5 million (or 5.8%) higher than for the same period in 2001-02. This increase is largely attributable to:

- higher salaries (up \$151.0 million), mainly in the health and education sectors;
- a \$135.7 million increase in 'other' gross operating expenses, largely reflecting the additional funding provided to the health sector in the 2002-03 Budget and a 'carry over' of agencies' expenses from 2001-02 (reflecting timing issues across a wide range of agency activities); and
- a \$48.8 million increase in depreciation and amortisation, largely reflecting a substantial revaluation of the State's road network at the end of 2001-02.

Partially offsetting these expenditure increases was a \$59.7 million reduction in recurrent transfers, largely reflecting a reduction in the value of grants claimed under the First Home Owner Grant scheme.

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## SUMMARY OF GENERAL GOVERNMENT FINANCES SIX MONTHS TO 31 DECEMBER 2002

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
Net operating balance	174.2	315.6	52.9	239.3	399.9	196.7
Net worth		36,506.3	35,621.6		32,683.0	36,009.2
Increase in cash balances	122.4	-191.1	-146.0	222.7	-363.8	-253.4
<i>Memorandum items</i>						
Net lending	150.1	271.1	-159.6	107.4	197.2	-26.7
Net debt		666.9	864.9		643.5	472.0
GFS cash surplus	200.4	-133.6	-263.9	179.3	-225.8	-31.2

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

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Net worth of the general government sector has increased by \$497.1 million in the six months to 31 December 2002. This is primarily attributable to the increase in the value of the sector's land and other fixed asset holdings (up \$163.2 million), receivables for goods and services and equity holdings in public corporations.

## Total Public Sector

The total public sector recorded a GFS net operating surplus of \$417.9 million for the first half of 2002-03, similar to the surplus recorded for the same period a year earlier.

This outcome reflects the operating surplus of the general government sector discussed above (\$315.6 million), and surpluses in the public corporations sectors.

For the six months to 31 December 2002, the public non-financial corporations sector recorded a surplus of \$55.6 million, similar to the \$48.3 million surplus recorded in the same period the previous year. The current year includes an expense of \$82.2 million representing the value of the net assets transferred out of the sector as a result of the merger of the Grain Pool of Western Australia with Cooperative Bulk Handling. Offsetting this expense was increased revenues for Western Power and the Totalisator Agency Board.

The public financial corporations sector recorded a surplus of \$46.6 million in the six months to 31 December 2002, up on the surplus recorded in the same period the previous year. This outcome reflects improvements in the net return on investments and borrowings undertaken by this sector, and the decrease in insurance claims expenses for the first half of 2002-03 relative to the same period the previous year.

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### SUMMARY OF TOTAL PUBLIC SECTOR FINANCES SIX MONTHS TO 31 DECEMBER 2002

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
Net operating balance	123.9	417.9	237.4	315.3	465.5	377.2
Net worth		36,509.3	35,618.1		32,681.0	36,016.8
Increase in cash balances	178.3	-341.9	-31.7	231.1	-1,198.8	-513.8
<i>Memorandum items</i>						
Net lending	526.7	60.1	-698.8	-89.6	-318.1	-80.6
Net debt		4,464.5	5,393.1		4,532.6	4,490.8
GFS cash surplus	549.8	34.4	-906.9	306.5	-142.2	-143.0

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

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Under GFS standards, the State's total public sector net worth is equivalent to general government net worth, as the net worth of the public corporations is included as assets of general government<sup>1</sup>.

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<sup>1</sup> Minor consolidation differences may result in small discrepancies between the net worth aggregate calculated for the two sectors.

## APPENDIX 1

### **Government Finance Statistics**

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

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Table 1.1

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

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>REVENUE</b>						
Taxation	802.3	1,780.7	3,179.2	792.5	1,645.7	2,945.0
Current grants and subsidies	1,353.1	2,647.0	5,365.8	1,404.1	2,643.6	5,252.9
Capital grants	88.5	157.0	305.7	102.1	164.7	267.1
Sales of goods and services	231.5	476.1	914.3	202.5	370.3	905.4
Interest income	28.7	55.9	103.5	29.5	61.6	121.6
Revenue from public corporations						
Dividends	105.3	195.0	373.8	94.5	206.4	405.6
Tax equivalent payments	106.2	168.9	225.1	122.1	180.0	237.0
Royalty income	174.7	328.8	672.1	156.9	315.6	635.9
Other	65.5	129.9	205.7	31.7	126.3	264.4
<b>Total</b>	<b>2,955.7</b>	<b>5,939.3</b>	<b>11,345.3</b>	<b>2,935.9</b>	<b>5,714.2</b>	<b>11,034.9</b>
<b>EXPENSES</b>						
Gross operating expenses						
Salaries	1,108.8	2,205.9	4,383.1	1,042.3	2,054.9	4,208.7
Depreciation and amortisation	149.2	281.7	618.1	122.8	232.9	568.4
Superannuation	100.9	199.8	400.5	76.5	180.4	375.5
Other gross operating expenses	672.2	1,354.2	2,785.4	546.4	1,218.5	2,659.9
Nominal superannuation interest	70.3	140.6	276.2	70.2	138.8	277.6
Other interest	52.6	98.0	253.1	51.6	105.3	214.0
Other property expenses	-	-	-	-	-	-
Current transfers	538.0	1,149.3	2,321.2	674.2	1,209.0	2,276.7
Capital transfers	89.5	194.1	254.7	112.6	174.5	257.5
<b>Total</b>	<b>2,781.5</b>	<b>5,623.7</b>	<b>11,292.4</b>	<b>2,696.6</b>	<b>5,314.2</b>	<b>10,838.2</b>
<b>NET OPERATING BALANCE</b>	<b>174.2</b>	<b>315.6</b>	<b>52.9</b>	<b>239.3</b>	<b>399.9</b>	<b>196.7</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>						
Gross fixed capital formation	167.8	325.7	856.5	198.7	387.0	832.6
less depreciation	149.2	281.7	618.1	122.8	232.9	568.4
plus change in inventories	1.1	0.4	-0.7	1.2	2.7	2.6
plus other movements in non-financial assets	4.4	0.1	-25.2	54.8	45.8	-43.5
<b>Total</b>	<b>24.1</b>	<b>44.5</b>	<b>212.5</b>	<b>131.9</b>	<b>202.7</b>	<b>223.3</b>
<b>NET LENDING/BORROWING</b>	<b>150.1</b>	<b>271.1</b>	<b>-159.6</b>	<b>107.4</b>	<b>197.2</b>	<b>-26.7</b>
<b>Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)</b>						
<b>NET OPERATING BALANCE</b>	<b>174.2</b>	<b>315.6</b>	<b>52.9</b>	<b>239.3</b>	<b>399.9</b>	<b>196.7</b>
less provisions for doubtful debts	0.1	0.1	0.2	-	0.1	3.1
plus net gains on assets (including derivatives)	-2.8	-	60.2	10.3	9.3	-8.0
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	-	63.5	41.9
plus all other adjustments	-0.1	-0.1	-	5.5	-2.0	-
<b>AAS OPERATING RESULT</b>	<b>171.2</b>	<b>315.5</b>	<b>112.8</b>	<b>255.1</b>	<b>343.8</b>	<b>143.7</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

Table 1.2

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

	2002-03		2001-02	
	31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	289.0	235.0	226.2	299.5
Advances paid	870.7	863.5	884.9	874.4
Investments, loans and placements	1,181.0	1,299.8	1,451.4	1,356.0
Other non-equity assets	1,015.4	713.8	1,198.3	737.1
Equity	16,031.3	15,945.8	15,290.2	15,867.1
<b>Total</b>	<b>19,387.5</b>	<b>19,057.9</b>	<b>19,051.0</b>	<b>19,134.1</b>
<i>Non-Financial assets</i>				
Land and fixed assets	26,938.5	26,563.0	23,680.9	26,775.3
Other non-financial assets	3.0	37.0	8.0	11.2
<b>Total</b>	<b>26,941.5</b>	<b>26,600.0</b>	<b>23,688.9</b>	<b>26,786.5</b>
<b>TOTAL ASSETS</b>	<b>46,329.0</b>	<b>45,657.9</b>	<b>42,739.9</b>	<b>45,920.7</b>
<b>LIABILITIES</b>				
Deposits held	361.2	319.1	294.4	297.6
Advances received	593.2	580.8	605.4	593.2
Borrowings	2,053.2	2,363.3	2,306.3	2,111.1
Unfunded superannuation liabilities	5,241.0	5,203.3	5,258.0	5,236.0
Other employee entitlements and provisions	1,119.4	1,120.9	1,072.4	1,128.2
Non-equity liabilities	454.7	448.8	520.5	545.4
<b>TOTAL LIABILITIES</b>	<b>9,822.6</b>	<b>10,036.2</b>	<b>10,056.9</b>	<b>9,911.5</b>
<b>NET WORTH</b>	<b>36,506.3</b>	<b>35,621.6</b>	<b>32,683.0</b>	<b>36,009.2</b>
<i>Memorandum Item: Net Debt</i>	666.9	864.9	643.5	472.0

**Reconciliation of GFS net worth to net assets obtained in accordance with  
Australian Accounting Standards (AAS)**

<b>NET WORTH</b>	<b>36,506.3</b>	<b>35,621.6</b>	<b>32,683.0</b>	<b>36,009.2</b>
<i>less</i> equity (net worth) of PFC and PNFC sectors	15,854.8	15,534.1	15,234.2	15,711.7
<i>less</i> all other adjustments	-2.9	-	-	-4.5
<b>AAS NET ASSETS</b>	<b>20,654.4</b>	<b>20,087.5</b>	<b>17,448.9</b>	<b>20,301.9</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

Table 1.3

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

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>						
Taxes received	1,031.8	1,659.2	3,183.4	747.5	1,466.0	2,968.2
Receipts from sales of goods and services	162.2	487.8	910.2	295.1	440.2	891.3
Grants and subsidies received	1,445.3	2,809.5	5,645.5	1,473.6	2,800.4	5,530.7
Other receipts	584.7	991.8	2,165.6	528.4	935.1	2,116.2
<i>Total</i>	<b>3,223.9</b>	<b>5,948.4</b>	<b>11,904.7</b>	<b>3,044.6</b>	<b>5,641.7</b>	<b>11,506.4</b>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>						
Payments for goods and services	-1,974.0	-4,004.4	-7,780.5	-1,684.7	-3,739.3	-7,376.1
Grants and subsidies paid	-646.0	-1,271.8	-2,519.3	-737.4	-1,272.7	-2,294.6
Interest paid	-49.4	-89.5	-248.6	-36.2	-82.3	-220.1
Other payments	-182.7	-391.4	-785.2	-203.9	-387.7	-855.5
<i>Total</i>	<b>-2,852.1</b>	<b>-5,757.2</b>	<b>-11,333.6</b>	<b>-2,662.2</b>	<b>-5,482.0</b>	<b>-10,745.9</b>
<b>Net Cash Flow from Operating Activities</b>	<b>371.8</b>	<b>191.2</b>	<b>571.1</b>	<b>382.4</b>	<b>159.6</b>	<b>760.5</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	-197.0	-362.9	-958.7	-223.1	-420.5	-894.1
Sales of non-financial assets	25.5	38.1	123.8	20.0	35.1	102.4
<i>Total</i>	<b>-171.4</b>	<b>-324.7</b>	<b>-834.9</b>	<b>-203.2</b>	<b>-385.4</b>	<b>-791.6</b>
<b>INVESTMENT IN FINANCIAL ASSETS</b>						
Policy purposes	2.4	-8.7	-116.8	6.8	6.7	-93.3
Liquidity purposes	-24.7	-11.4	50.3	-80.9	-63.6	-11.5
<i>Total</i>	<b>-22.3</b>	<b>-20.2</b>	<b>-66.5</b>	<b>-74.2</b>	<b>-56.9</b>	<b>-104.7</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-193.7</b>	<b>-344.9</b>	<b>-901.4</b>	<b>-277.3</b>	<b>-442.3</b>	<b>-896.4</b>
<b>FINANCING ACTIVITIES</b>						
Advances received (net)	-	-	-	-21.1	-31.6	-13.4
Borrowings (net)	-62.0	-39.6	228.6	163.4	68.3	12.7
Deposits received (net)	-4.0	-2.2	-	-13.1	-98.8	-91.9
Distributions paid	-	-	-	-	-	-
Other financing	10.4	4.4	-44.2	-11.5	-19.2	-24.9
<i>Total</i>	<b>-55.7</b>	<b>-37.3</b>	<b>184.3</b>	<b>117.6</b>	<b>-81.2</b>	<b>-117.5</b>
<i>Opening cash balance</i>	571.6	913.4	934.5	580.3	1,166.8	1,166.8
<b>NET INCREASE IN CASH HELD</b>	<b>122.4</b>	<b>-191.1</b>	<b>-146.0</b>	<b>222.7</b>	<b>-363.8</b>	<b>-253.4</b>
<i>Closing cash balance</i>	693.9	722.3	788.5	803.0	803.0	913.4
<i>Net cash from operating activities and investments in non-financial assets and distributions paid</i>	200.4	-133.6	-263.9	179.3	-225.8	-31.2
<i>less finance leases and similar arrangements</i>	-	-	-	-	-	-
Surplus	200.4	-133.6	-263.9	179.3	-225.8	-31.2

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

Table 1.4

**GENERAL GOVERNMENT**  
Taxation Revenue

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE</b>						
<i>Payroll tax</i>	246.9	492.4	991.6	220.6	441.8	900.1
<b>TAXES ON PROPERTY</b>						
Land tax	35.5	260.3	266.5	40.5	221.4	225.7
Stamp duties on financial and capital transactions	244.1	451.1	799.0	266.2	440.8	786.9
Financial institutions transaction taxes	24.1	48.2	97.5	27.2	64.5	112.2
Other	10.6	44.3	50.8	17.0	42.4	47.4
<i>Total</i>	314.3	803.8	1,213.8	350.8	769.1	1,172.2
<b>TAXES ON PROVISION OF GOODS AND SERVICES</b>						
Taxes on gambling	28.4	60.3	116.6	23.9	52.0	112.9
Taxes on insurance	77.2	154.1	317.7	77.0	143.1	266.8
<i>Total</i>	105.6	214.5	434.3	100.9	195.1	379.7
<b>TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES</b>						
<i>Motor vehicle taxes</i>	135.5	269.9	539.5	120.1	239.7	492.9
<b>TOTAL TAXES</b>	<b>802.3</b>	<b>1,780.7</b>	<b>3,179.2</b>	<b>792.5</b>	<b>1,645.7</b>	<b>2,945.0</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.



Table 1.5

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

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>REVENUE</b>						
Taxation	761.1	1,701.6	3,042.2	748.2	1,562.8	2,801.9
Current grants and subsidies	1,353.1	2,647.0	5,365.8	1,404.1	2,643.6	5,253.0
Capital grants	88.5	157.0	305.7	102.1	164.7	267.1
Sales of goods and services	1,793.9	3,210.8	5,970.1	1,630.6	2,907.5	5,883.0
Interest income	163.1	312.4	568.9	429.6	551.6	486.5
Royalty income	174.7	328.8	672.1	156.9	315.6	635.9
Other	111.4	223.6	290.3	32.3	200.2	424.3
<i>Total</i>	<b>4,446.0</b>	<b>8,575.3</b>	<b>16,215.1</b>	<b>4,504.0</b>	<b>8,345.9</b>	<b>15,751.7</b>
<b>EXPENSES</b>						
Gross operating expenses						
Salaries	1,216.0	2,421.0	4,816.7	1,139.9	2,252.5	4,606.0
Depreciation and amortisation	299.6	574.9	1,215.4	266.4	516.4	1,141.4
Superannuation	110.9	226.2	445.3	89.1	207.1	422.9
Other	1,815.1	3,189.1	6,172.0	1,479.8	2,958.7	6,081.5
Nominal superannuation interest	70.3	140.6	276.2	70.2	138.8	277.6
Other interest	218.9	423.5	851.0	484.9	669.7	745.4
Other property expenses	-	-	-	-	-	-
Current transfers	466.6	979.1	1,980.3	591.6	1,036.4	1,932.3
Capital transfers	124.9	203.1	220.6	66.6	100.9	167.5
<i>Total</i>	<b>4,322.1</b>	<b>8,157.4</b>	<b>15,977.7</b>	<b>4,188.6</b>	<b>7,880.4</b>	<b>15,374.6</b>
<b>NET OPERATING BALANCE</b>	<b>123.9</b>	<b>417.9</b>	<b>237.4</b>	<b>315.3</b>	<b>465.5</b>	<b>377.2</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>						
Gross fixed capital formation	326.8	708.5	2,028.6	400.6	776.1	1,683.5
less depreciation	299.5	574.7	1,215.1	266.3	516.2	1,141.1
plus change in inventories	-414.2	273.9	233.6	233.9	518.2	36.3
plus other movements in non-financial assets	-16.0	-49.9	-110.9	36.7	5.5	-121.0
<i>Total</i>	<b>-402.8</b>	<b>357.8</b>	<b>936.2</b>	<b>404.9</b>	<b>783.6</b>	<b>457.8</b>
<b>NET LENDING/BORROWING</b>	<b>526.7</b>	<b>60.1</b>	<b>-698.8</b>	<b>-89.6</b>	<b>-318.1</b>	<b>-80.6</b>
<b>Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)</b>						
<b>NET OPERATING BALANCE</b>	<b>123.9</b>	<b>417.9</b>	<b>237.4</b>	<b>315.3</b>	<b>465.5</b>	<b>377.2</b>
less provisions for doubtful debts	1.5	3.1	0.7	0.8	1.3	10.7
plus net gains on assets (including derivatives)	-52.1	-54.0	113.5	-32.1	-32.8	-33.1
plus capitalised interest	-	-	-	-	-	14.0
less revaluation of superannuation liabilities	-	-	-	-	63.5	55.6
plus all other adjustments	-	-	-0.1	4.0	-3.5	11.2
<b>AAS OPERATING RESULT</b>	<b>70.3</b>	<b>360.8</b>	<b>364.8</b>	<b>286.5</b>	<b>364.4</b>	<b>291.8</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

Table 1.6

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

	2002-03		2001-02	
	31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	381.5	367.1	384.7	380.2
Advances paid	1,874.6	2,108.2	2,001.1	1,934.4
Investments, loans and placements	4,991.1	5,317.4	4,678.6	5,155.4
Other non-equity assets	1,819.6	1,521.2	1,871.2	1,338.9
Equity	601.2	637.4	652.5	613.9
<i>Total</i>	<b>9,668.0</b>	<b>9,951.3</b>	<b>9,588.0</b>	<b>9,444.8</b>
<i>Non-Financial assets</i>				
Land and fixed assets	48,814.0	48,819.7	44,961.6	48,577.3
Other non-financial assets	124.2	58.4	80.5	33.1
<i>Total</i>	<b>48,938.2</b>	<b>48,878.1</b>	<b>45,042.1</b>	<b>48,610.5</b>
<b>TOTAL ASSETS</b>	<b>58,606.2</b>	<b>58,829.4</b>	<b>54,630.1</b>	<b>58,055.3</b>
<b>LIABILITIES</b>				
Deposits held	81.7	196.6	11.4	115.7
Advances received	593.2	580.8	605.4	593.2
Borrowings	11,036.8	12,408.4	10,980.2	11,273.9
Unfunded superannuation liabilities	5,524.6	5,482.6	5,541.7	5,527.9
Other employee entitlements and provisions	1,264.1	1,264.2	1,190.4	1,273.9
Non-equity liabilities	3,596.5	3,278.7	3,620.1	3,253.9
<b>TOTAL LIABILITIES</b>	<b>22,096.9</b>	<b>23,211.3</b>	<b>21,949.1</b>	<b>22,038.57</b>
<b>NET WORTH</b>	<b>36,509.3</b>	<b>35,618.1</b>	<b>32,681.0</b>	<b>36,016.8</b>
<i>Memorandum Item: Net Debt</i>	4,464.5	5,393.1	4,532.6	4,490.8
<b>Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET WORTH</b>	<b>36,509.3</b>	<b>33,618.1</b>	<b>32,681.0</b>	<b>36,016.8</b>
<i>less all other adjustments</i>	3.1	-3.6	-2.0	10.7
<b>AAS NET ASSETS</b>	<b>36,506.2</b>	<b>35,621.6</b>	<b>32,683.0</b>	<b>36,006.0</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

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

Table 1.7

	2002-03			2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>						
Taxes received	996.9	1,599.4	3,021.9	718.0	1,412.8	2,826.7
Receipts from sales of goods and services	1,635.1	3,467.5	5,921.9	1,625.6	3,206.1	6,023.5
Grants and subsidies received	1,445.3	2,809.5	5,645.5	1,473.6	2,800.4	5,530.8
Other receipts	591.3	1,160.3	2,135.6	573.1	1,090.7	2,154.1
<i>Total</i>	<b>4,668.6</b>	<b>9,036.7</b>	<b>16,724.9</b>	<b>4,390.3</b>	<b>8,509.9</b>	<b>16,535.0</b>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>						
Payments for goods and services	-2,854.8	-6,155.0	-11,701.2	-2,692.4	-5,866.8	-11,239.1
Grants and subsidies paid	-465.7	-1,033.6	-2,041.6	-558.7	-1,029.5	-1,826.1
Interest paid	-240.6	-421.3	-800.2	-156.4	-403.2	-768.4
Other payments	-165.4	-652.6	-1,085.1	-271.6	-577.8	-1,246.3
<i>Total</i>	<b>-3,726.5</b>	<b>-8,262.5</b>	<b>-15,628.2</b>	<b>-3,679.1</b>	<b>-7,877.3</b>	<b>-15,079.9</b>
<b>Net Cash Flow from Operating Activities</b>	<b>942.1</b>	<b>774.2</b>	<b>1,096.7</b>	<b>711.2</b>	<b>632.6</b>	<b>1,455.1</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	-496.5	-928.6	-2,477.6	-482.0	-933.8	-2,009.7
Sales of non-financial assets	104.2	188.9	474.0	76.9	159.3	411.4
<i>Total</i>	<b>-392.3</b>	<b>-739.7</b>	<b>-2,003.6</b>	<b>-405.1</b>	<b>-774.5</b>	<b>-1,598.3</b>
<b>INVESTMENT IN FINANCIAL ASSETS</b>						
Policy purposes	3.9	7.8	15.2	8.1	8.0	16.2
Liquidity purposes	-75.8	-193.0	-211.0	-343.1	-262.2	-72.8
<i>Total</i>	<b>-71.9</b>	<b>-185.2</b>	<b>-195.8</b>	<b>-335.1</b>	<b>-254.2</b>	<b>-56.6</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-464.2</b>	<b>-924.9</b>	<b>-2,199.4</b>	<b>-740.1</b>	<b>-1,028.7</b>	<b>-1,654.9</b>
<b>FINANCING ACTIVITIES</b>						
Advances received (net)	-	-	-13.1	-21.1	-16.4	-24.7
Borrowings (net)	-297.4	-196.0	872.9	291.4	-692.7	218.2
Deposits received (net)	-4.0	-2.2	-	-13.1	-98.8	-91.9
Distributions paid	-	-	-	0.3	-0.3	0.2
Other financing	1.9	7.0	211.3	2.6	5.4	20.6
<i>Total</i>	<b>-299.6</b>	<b>-191.1</b>	<b>1,071.1</b>	<b>260.0</b>	<b>-802.8</b>	<b>-314.0</b>
<i>Opening cash balance</i>	2,892.4	3,942.1	3,978.3	3,028.1	4,458.1	4,455.9
<b>NET INCREASE IN CASH HELD</b>	<b>178.3</b>	<b>-341.9</b>	<b>-31.7</b>	<b>231.1</b>	<b>-1,198.8</b>	<b>-513.8</b>
<i>Closing cash balance</i>	3,070.7	3,600.2	3,946.6	3,259.2	3,259.2	3,942.1
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>						
	549.8	34.4	-906.9	306.5	-142.2	-143.0
Surplus	549.8	34.4	-906.9	306.5	-142.2	-143.0

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

## APPENDIX 2

### **General Government Monthly Financial Results – December 2002**

A net operating surplus of \$88.3 million was recorded by the general government sector for the month of December 2002. This compares with a net operating surplus of \$9.6 million in November 2002 and a net operating surplus of \$100.6 million in December 2001.

Revenue for the month of December 2002 totalled \$952.7 million, up from \$870.9 million in November 2002. This increase is largely attributable to:

- higher revenue from sales of goods and services (up \$60.4 million), largely due to November 2002 being a lower than usual month for revenue collection;
- higher revenue from dividends and tax equivalent payments (up \$53.8 million) resulting from the timing of revenues collected by the Water Corporation. This will even out in the second half of the year; and
- higher royalty income (up \$39.4 million) due to the quarterly collection of iron ore royalties.

These increases in revenue were partially offset by an \$89.0 million reduction in Commonwealth grants, primarily reflecting timing factors related to grants for on-passing to non-government schools.

Total expenses for the month of December 2002 of \$864.4 million were consistent with the previous month. There was a reduction of \$53.8 million in other gross operating expenses which is consistent with the trend of lower expenditure during the holiday season. This reduction was offset by relatively modest increases across the remaining expense categories.

A cash deficit of \$93.5 million was recorded for the month of December 2002, comprising a net cash outflow from operating activities of \$60.1 million and a net cash outflow from capital investment of \$33.4 million. Cash balances decreased by \$130.6 million in December 2002.

Table 2.1

**GENERAL GOVERNMENT**  
Operating Statement

	2002-03			2001-02	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>REVENUE</b>					
Taxation	250.6	255.6	3,179.2	298.6	2,945.0
Current grants and subsidies	454.4	351.7	5,365.8	315.6	5,252.9
Capital grants	18.3	32.0	305.7	81.9	267.1
Sales of goods and services	25.9	86.3	914.3	72.2	905.4
Interest income	10.6	11.6	103.5	5.3	121.6
Revenue from public corporations					
Dividends	26.0	42.7	373.8	30.6	405.6
Tax equivalent payments	28.7	65.8	225.1	77.2	237.0
Royalty income	37.0	76.5	672.1	73.2	635.9
Other	19.4	30.4	205.7	6.0	264.4
<i>Total</i>	<b>870.9</b>	<b>952.7</b>	<b>11,345.3</b>	<b>960.6</b>	<b>11,034.9</b>
<b>EXPENSES</b>					
Gross operating expenses					
Salaries	357.8	366.4	4,383.1	335.3	4,208.7
Depreciation and amortisation	35.9	49.5	618.1	27.6	568.4
Superannuation	33.0	34.9	400.5	29.2	375.5
Other	232.9	179.1	2,785.4	109.3	2,659.9
Nominal superannuation interest	23.4	23.4	276.2	24.5	277.6
Other interest	13.1	20.6	253.1	31.2	214.0
Other property expenses	-	-	-	-	-
Current transfers	138.7	158.8	2,321.2	212.4	2,276.7
Capital transfers	26.5	31.7	254.7	90.5	275.5
<i>Total</i>	<b>861.3</b>	<b>864.4</b>	<b>11,292.4</b>	<b>860.0</b>	<b>10,838.2</b>
<b>NET OPERATING BALANCE</b>	<b>9.6</b>	<b>88.3</b>	<b>52.9</b>	<b>100.6</b>	<b>196.7</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

Table 2.2

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

	2002-03			2001-02	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>					
Taxes received	357.2	328.2	3,183.4	219.6	2,968.2
Receipts from sales of goods and services	35.8	18.7	910.2	89.6	871.3
Grants and subsidies received	449.5	411.2	5,645.5	381.0	5,530.7
Other receipts	82.3	220.8	2,165.6	167.0	2,116.6
<i>Total</i>	<i>924.8</i>	<i>978.9</i>	<i>11,904.7</i>	<i>857.1</i>	<i>11,506.7</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>					
Payments for goods and services	-584.8	-672.6	-7,780.5	-553.8	-7,371.7
Grants and subsidies paid	-103.5	-295.5	-2,519.3	-298.6	-2,294.6
Interest paid	-2.7	-9.5	-248.6	-	-220.1
Other payments	-36.3	-61.4	-785.2	-55.4	-859.8
<i>Total</i>	<i>-727.3</i>	<i>-1,039.0</i>	<i>-11,333.6</i>	<i>-907.8</i>	<i>-10,746.3</i>
<b>Net Cash Flow from Operating Activities</b>	<b>197.5</b>	<b>-60.1</b>	<b>571.1</b>	<b>-50.6</b>	<b>760.5</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>					
Purchase of non-financial assets	-56.4	-36.6	-958.7	-61.6	-894.1
Sales of non-financial assets	12.1	3.2	123.8	14.4	102.4
<i>Total</i>	<i>-44.3</i>	<i>-33.4</i>	<i>-834.9</i>	<i>-47.2</i>	<i>-791.6</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>					
Policy purposes	17.3	0.3	-116.8	3.7	-93.3
Liquidity purposes	-12.2	-9.8	50.3	-31.2	-11.5
<i>Total</i>	<i>5.1</i>	<i>-9.5</i>	<i>-66.5</i>	<i>-27.5</i>	<i>-104.7</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-39.2</b>	<b>-42.9</b>	<b>-901.4</b>	<b>-74.7</b>	<b>-896.4</b>
<b>FINANCING ACTIVITIES</b>					
Advances received (net)	-	-	-	1.1	-13.4
Borrowings (net)	-64.7	-22.9	228.6	82.7	12.7
Deposits received (net)	-4.8	2.6	-	2.9	-91.9
Distributions paid	-	-	-	-	-
Other financing	6.2	-7.3	-44.2	-6.6	-24.9
<i>Total</i>	<i>-63.3</i>	<i>-27.5</i>	<i>184.3</i>	<i>80.2</i>	<i>-117.5</i>
<i>Opening cash balance</i>	<i>757.9</i>	<i>852.9</i>	<i>934.5</i>	<i>848.2</i>	<i>1,166.8</i>
<b>NET INCREASE IN CASH HELD</b>	<b>95.0</b>	<b>-130.6</b>	<b>-146.0</b>	<b>-45.2</b>	<b>-253.4</b>
<i>Closing cash balance</i>	<i>852.9</i>	<i>722.3</i>	<i>788.5</i>	<i>803.0</i>	<i>913.4</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	<i>153.3</i>	<i>-93.5</i>	<i>-263.9</i>	<i>-97.8</i>	<i>-31.2</i>
Surplus	153.3	-93.5	-263.9	-97.8	-31.2

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

Table 2.3

**GENERAL GOVERNMENT**  
Taxation Revenue

	2002-03			2001-02	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Dec \$m	Annual Actual <sup>(b)</sup> \$m
<b>TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE</b>					
<i>Payroll tax</i>	78.3	80.5	991.6	74.8	900.1
<b>TAXES ON PROPERTY</b>					
Land tax	5.1	8.8	266.5	5.6	225.7
Stamp duties on financial and capital transactions	86.0	79.9	799.0	139.0	786.9
Financial institutions transaction taxes	8.6	7.9	97.5	11.2	112.2
Other	1.7	1.2	50.8	1.2	47.4
<i>Total</i>	101.4	97.6	1,213.8	157.0	1,172.2
<b>TAXES ON PROVISION OF GOODS AND SERVICES</b>					
Taxes on gambling	8.9	11.1	116.6	9.4	112.9
Taxes on insurance	20.0	20.1	317.7	17.6	266.8
<i>Total</i>	28.9	31.2	434.3	27.0	379.7
<b>TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES</b>					
<i>Motor vehicle taxes</i>	42.0	46.3	539.5	39.8	492.9
<b>TOTAL TAXES</b>	<b>250.6</b>	<b>255.6</b>	<b>3,179.2</b>	<b>298.6</b>	<b>2,945.0</b>

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

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Note: Columns may not add due to rounding.

## APPENDIX 3

### 2001-02 Final Outcome

The *Government Financial Results Report* (GFRR) for 2001-02 was released on 25 September 2002, in line with the *Government Financial Responsibility Act* requirement that an outcome report for public sector finances covering the financial year just ended be released no later than 30 September.

As indicated in the GFRR, the data underlying that report was not audited, reflecting its early release and its basis in statistical rather than accounting standards. As a result of the finalisation of the audit process, some adjustments were made which impact on the classification and recognition of financial aggregates in agencies' accounts.

Comparative data for 2001-02, both on a government finance statistics (GFS) and accounting basis, have been revised in this publication to reflect the final audited outcomes contained in the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released on 24 February 2003.

The following table briefly reconciles the general government GFRR operating result to the final outcome for 2001-02.

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#### RECONCILIATION OF 2001-02 RESULTS REPORT TO FINAL OUTCOME

##### General Government Net Operating Balance

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<i>2001-02 Government Financial Results Report</i>	
<b>GFS Net Operating Balance</b>	<b>208.9</b>
less provisions for doubtful debts	3.1
plus net gains on assets (including derivatives)	129.3
plus capitalised interest	-
less revaluation of superannuation liabilities	12.1
plus all other adjustments	1.6
<b>AAS Operating Result</b>	<b>324.7</b>
<i>Variances:</i>	
Land Administration (asset recognition)	-116.4
Education (mainly final audited employee related expenses)	-28.4
Net change in superannuation liabilities (final actuarial valuation)	-28.0
Culture and the Arts (treatment of asset transfers)	-10.5
All other	2.3
<i>Total</i>	<i>-181.0</i>
<i>Government of Western Australia Consolidated Financial Statements</i>	
<b>AAS Operating Result</b>	<b>143.7</b>
plus provisions for doubtful debts	3.1
less net gains on assets (including derivatives)	-8.0
less capitalised interest	-
plus revaluation of superannuation liabilities	41.9
less all other adjustments	-
<b>GFS Net Operating Balance</b>	<b>196.7</b>

Columns may not add due to rounding.

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## APPENDIX 4

**Interim Consolidated Financial Statements****Statement of Responsibility**

The following interim consolidated financial statements and accompanying notes for the Government of Western Australia have been prepared by the Department of Treasury and Finance from information provided by agencies.

In our opinion, the statements fairly present the financial performance and cash flows of the Government for the six months ended 31 December 2002 and the financial position of the Government as at 31 December 2002, in accordance with applicable accounting standards (AAS and AASB), including AASB 1029: *Interim Financial Reporting*, and other mandatory professional requirements.




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JL LANGOULANT  
UNDER TREASURER




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GRAHAM THOMPSON CA  
A/ASSISTANT DIRECTOR  
FINANCIAL REPORTING

19 March 2003

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Table 4.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
PERFORMANCE**

For the six months ended 31 December 2002

	2002-03		2001-02			
	Note	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
<b>REVENUE FROM ORDINARY ACTIVITIES</b>						
Taxation	2	772	1,728	782	1,624	2,886
Territorial revenue		287	569	259	544	1,059
Regulatory fees and fines		81	175	89	159	322
Sale of goods and services	3	1,507	2,724	1,319	2,478	4,986
Grants and subsidies	4	1,356	2,628	1,391	2,619	5,221
Interest revenue		140	267	129	227	399
Other revenue	6	314	499	277	460	1,000
<b>Total revenue from ordinary activities</b>		<b>4,457</b>	<b>8,590</b>	<b>4,246</b>	<b>8,111</b>	<b>15,873</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>						
Supplies and services		606	1,002	252	910	1,709
Salaries, wages and other entitlements		1,261	2,504	1,194	2,346	4,789
Superannuation		180	366	138	411	756
Borrowing costs		219	424	184	380	731
Depreciation and amortisation		300	575	266	516	1,155
Grants and subsidies		539	1,152	672	1,185	2,152
Other expenses	5,6	1,281	2,206	1,254	1,999	4,289
<b>Total expenses from ordinary activities</b>		<b>4,386</b>	<b>8,229</b>	<b>3,960</b>	<b>7,747</b>	<b>15,581</b>
<b>NET RESULT</b>		<b>71</b>	<b>361</b>	<b>286</b>	<b>364</b>	<b>292</b>
Increase (decrease) in asset revaluation reserve		80	140	38	115	3,510
<b>TOTAL CHANGES IN EQUITY</b>		<b>151</b>	<b>501</b>	<b>324</b>	<b>479</b>	<b>3,802</b>

The accompanying notes form part of these financial statements.

Table 4.2

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2002

	Note	2002-03	2001-02	
		31 Dec \$m	31 Dec \$m	30 June \$m
<b>CURRENT ASSETS</b>				
Cash assets		381	383	380
Other financial assets – Investments	7	4,472	4,054	4,606
Inventories		446	735	504
Receivables	8	1,560	1,550	1,113
Other financial assets – Loans and advances	9	17	13	28
Other assets		102	251	166
<i>Total current assets</i>		<i>6,978</i>	<i>6,986</i>	<i>6,797</i>
<b>NON-CURRENT ASSETS</b>				
Other financial assets – Investments	7	483	549	453
Inventories		257	269	261
Receivables	8	161	135	146
Other financial assets – Loans and advances	9	2,766	2,856	2,784
Land		15,676	13,337	15,630
Buildings		8,334	8,118	8,329
Infrastructure		20,165	18,766	20,007
Plant, equipment and other		3,458	3,363	3,253
Timber and infrastructure		278	273	300
Other assets		27	50	27
<i>Total non-current assets</i>		<i>51,605</i>	<i>47,716</i>	<i>51,190</i>
<b>TOTAL ASSETS</b>		<b>58,583</b>	<b>54,702</b>	<b>57,987</b>
<b>CURRENT LIABILITIES</b>				
Payables		609	514	532
Interest bearing liabilities	10	4,338	889	4,062
Provisions – Employee entitlements		1,203	1,165	1,172
Other liabilities		1,213	1,540	1,433
<i>Total current liabilities</i>		<i>7,363</i>	<i>4,108</i>	<i>7,199</i>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing liabilities	10	7,827	10,934	7,871
Provisions – Employee entitlements		5,485	5,440	5,501
Other liabilities		1,401	1,537	1,410
<i>Total non-current liabilities</i>		<i>14,713</i>	<i>17,911</i>	<i>14,782</i>
<b>TOTAL LIABILITIES</b>		<b>22,076</b>	<b>22,019</b>	<b>21,981</b>
<b>NET ASSETS</b>		<b>36,507</b>	<b>32,683</b>	<b>36,006</b>
<b>EQUITY</b>				
Accumulated surplus		12,821	5,092	12,460
Asset revaluation reserve		23,686	27,591	23,546
<b>TOTAL EQUITY</b>		<b>36,507</b>	<b>32,683</b>	<b>36,006</b>

The accompanying notes form part of these financial statements.

Table 4.3

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 31 December 2002

	2002-03		2001-02			
	Note	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts						
Taxation		862	1,576	790	1,578	2,949
Territorial revenue		294	576	269	553	1,065
Regulatory fees and fines		68	168	70	140	285
Sale of goods and services		1,792	2,866	1,231	2,454	4,908
Grants and subsidies received		1,361	2,633	1,388	2,606	5,219
Interest received		47	78	9	41	148
GST receipts from taxation authority		153	296	135	245	490
Other receipts		272	486	303	516	577
Payments						
Salaries, wages and other entitlements		(1,214)	(2,521)	(1,112)	(2,320)	(4,634)
Superannuation paid		(168)	(364)	(130)	(345)	(703)
Borrowing cost paid		(39)	(52)	(11)	(21)	(81)
Grants and subsidies paid		(492)	(1,179)	(666)	(1,170)	(2,146)
GST payments to taxation authority		(29)	(57)	(5)	(40)	(725)
Contract services paid		(443)	(764)	(374)	(748)	(1,473)
Other payments		(1,430)	(2,819)	(1,171)	(2,745)	(4,406)
<i>Net cash flows from operating activities</i>		<i>1,034</i>	<i>923</i>	<i>726</i>	<i>744</i>	<i>1,706</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of non-current physical assets						
		64	126	59	123	402
Purchase of non-current physical assets		(435)	(818)	(419)	(822)	(1,727)
Proceeds from sale of investments		66	97	101	217	336
Purchase of investments		(60)	(127)	(168)	(279)	(461)
Other receipts		11	20	11	21	39
Other payments		(13)	(18)	(19)	(28)	(47)
<i>Net cash flows from investing activities</i>		<i>(367)</i>	<i>(720)</i>	<i>(435)</i>	<i>(768)</i>	<i>(1,458)</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings						
		68	550	1	349	599
Repayment of borrowings		(546)	(546)	(32)	(181)	(576)
Other proceeds		26	49	28	45	85
Other repayments		-	(8)	(8)	(21)	(43)
<i>Net cash flows from financing activities</i>		<i>(452)</i>	<i>45</i>	<i>(11)</i>	<i>192</i>	<i>65</i>
<b>NET CASH FLOWS FROM FINANCIAL CORPORATIONS</b>	<b>11</b>	<b>(36)</b>	<b>(589)</b>	<b>(45)</b>	<b>(1,357)</b>	<b>(826)</b>
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>						
		<i>179</i>	<i>(341)</i>	<i>236</i>	<i>(1,189)</i>	<i>(513)</i>
OPENING CASH BALANCE						
		3,461	3,955	3,043	4,468	4,468
Effects of exchange rate changes on cash						
		-	-	-	-	-
<b>CLOSING CASH BALANCE</b>						
		<b>3,640</b>	<b>3,614</b>	<b>3,279</b>	<b>3,279</b>	<b>3,955</b>

The accompanying notes form part of these financial statements.

## **Notes to the Condensed Consolidated Financial Statements for the Six Months Ended 31 December 2002**

### **Statement of significant accounting policies**

#### (a) Accounting standards

This general purpose financial report has been prepared in accordance with applicable accounting standards, and other authoritative pronouncements of the Australian Accounting Standards Board and the Urgent Issues Group Consensus Views.

It is intended that this interim financial report be read in conjunction with the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002 (CFS). In the interest of timeliness and cost considerations, this financial report does not include notes of the type normally included in the CFS.

#### (b) The reporting entity

The reporting entity is the Government of Western Australia and includes entities controlled by the Government. These entities are referred to as agencies in this financial report.

The Interim Consolidated Financial Report includes the assets, liabilities, equities, revenue, expenses and the cash flows of the Government, including those of agencies controlled by the Government.

#### (c) Basis of accounting

The Interim Consolidated Financial Report has been prepared to comply with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and the Urgent Issues Group Consensus Views.

The statements have been prepared using the full accrual basis of accounting, which recognises the effects of transactions and events when they occur.

The accounting policies used to prepare these financial statements are consistent with those used in the previous year.

#### (d) Specific accounting policies

The specific accounting policies of the Government of Western Australia were described in Note 1, Statement of Significant Accounting Policies in the CFS for the year ended 30 June 2002. There have been no changes in those specific accounting policies since that date.

#### (e) Unaudited data

This Interim Consolidated Financial Report was not subject to audit.

## (f) Comparative figures

Comparative figures are for the same period in the previous financial year (which have not been audited) and for the most recent annual reporting period (which have been audited). Where changes in presentation have occurred during the year, the previous year's comparatives have been adjusted to reflect the changes.

**NOTE 2. TAXATION REVENUE**

	2002-03		2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Stamp duty	354	670	355	620	1,144
Payroll tax	234	476	219	437	883
Motor vehicles' and drivers licences	73	151	74	151	301
Financial transactions taxes	24	48	26	64	112
Gambling taxes and licences	43	85	42	84	167
Land tax	29	250	37	215	214
Other taxes and licences	15	49	29	53	65
<b>Total</b>	<b>772</b>	<b>1,728</b>	<b>782</b>	<b>1,624</b>	<b>2,886</b>

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

	2002-03		2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Revenue from sale of goods	919	1,575	985	1,864	2,802
Revenue from the provision of services	588	1,149	334	614	2,184
<b>Total</b>	<b>1,507</b>	<b>2,724</b>	<b>1,319</b>	<b>2,478</b>	<b>4,986</b>

**NOTE 4. GRANTS AND SUBSIDIES REVENUE**

	2002-03		2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Commonwealth grants	1,356	2,580	1,364	2,519	5,146
Other grants and subsidies	0	48	27	100	75
<b>Total</b>	<b>1,356</b>	<b>2,628</b>	<b>1,391</b>	<b>2,619</b>	<b>5,221</b>

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**NOTE 5. OTHER EXPENSES**

	2002-03		2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Betting dividend payouts	218	412	201	378	764
Health sector specific expenses	158	301	132	253	539
Education sector specific expenses	52	133	43	124	270
Insurance claims expenses	105	186	126	206	400
Other expenses	748	1,174	752	1,038	2,316
<b>Total</b>	<b>1,281</b>	<b>2,206</b>	<b>1,254</b>	<b>1,999</b>	<b>4,289</b>

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**NOTE 6. INDIVIDUALLY SIGNIFICANT ITEMS**

	2002-03		2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Other Revenues					
Recovery of investments previously written off <sup>(a)</sup>	-	-	-	-	27
Other Expenses					
HIH Insurance claims provisions <sup>(b)</sup>	-	-	-	-	(51)
Infrastructure assets retired/replaced <sup>(c)</sup>	-	-	-	-	67
Decommissioned assets <sup>(d)</sup>	-	-	-	-	27
Net assets transferred out <sup>(e)</sup>	82	82	-	-	-

## (a) Recovery of investments previously written off

This relates to amounts recovered and recoverable by the Insurance Commission of Western Australia from the liquidators of Southern Equities Corporation Ltd (in liquidation), Spedley Securities Limited (in liquidation) and Rothwells Limited.

## (b) HIH Insurance claims provision

This relates to the estimated claim payments provided for under the Employees' Indemnity Supplementation Fund as a consequence of HIH Insurance being placed into provisional liquidation. An actuarial assessment at 30 June 2002 has resulted in a \$51 million reduction in the estimated claim payments.

## (c) Infrastructure assets retired/replaced

This relates to infrastructure assets of Main Roads replaced or retired during the year that have been expensed at their carrying amounts.

## (d) Decommissioned assets

Various assets of the Water Corporation were written off and expensed during the year.

## (e) Net assets transferred out

This relates to the value of net assets transferred out as part of the merger of the Grain Pool of Western Australia with Cooperative Bulk Handling to form a new private sector entity.

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**NOTE 7. OTHER FINANCIAL ASSETS - INVESTMENTS**

	2002-03	2001-02	
	31 Dec \$m	31 Dec \$m	Actual \$m
Listed shares	594	653	607
Property	296	286	293
Other investments (cash deposits and government securities)	4,065	3,664	4,159
<b>Total</b>	<b>4,955</b>	<b>4,603</b>	<b>5,059</b>

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**NOTE 8. RECEIVABLES**

	2002-03	2001-02	
	31 Dec \$m	31 Dec \$m	Actual \$m
Gross accounts receivable	1,845	1,333	1,383
Provision for doubtful debts	(124)	(113)	(124)
<b>Total</b>	<b>1,721</b>	<b>1,220</b>	<b>1,259</b>

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**NOTE 9. OTHER FINANCIAL ASSETS – LOANS AND ADVANCES**

	2002-03	2001-02	
	31 Dec \$m	31 Dec \$m	Actual \$m
Homebuyers	1,580	1,700	1,635
Non government schools	233	235	237
Terminating building societies	12	17	14
Government Employees Superannuation Board	619	627	619
Others	339	290	307
<b>Total</b>	<b>2,783</b>	<b>2,869</b>	<b>2,812</b>

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**NOTE 10. INTEREST BEARING LIABILITIES**

	2002-03	2001-02	
	31 Dec \$m	31 Dec \$m	Actual \$m
Bank overdrafts	1	134	2
Finance leases	99	100	104
Liability to the Commonwealth Government	593	604	592
Commercial paper and medium term notes	320	575	425
Domestic and foreign borrowings	10,753	10,397	10,464
<i>Borrowings at face value</i>	<i>11,766</i>	<i>11,810</i>	<i>11,587</i>
Unamortised net discounts	399	13	346
<b>Borrowings at historic capital value</b>	<b>12,165</b>	<b>11,823</b>	<b>11,933</b>

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**NOTE 11. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS**

	2002-03		2001-02		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Twelve Months to 30 June \$m
Cash flows from operating activities					
Interest received	83	159	98	139	270
Premiums received	82	171	75	151	303
Other receipts	41	107	38	76	118
GST receipts from taxation authority	6	8	5	7	13
Salaries, wages and other entitlements paid	(4)	(9)	(4)	(9)	(18)
Superannuation paid	(1)	(1)	-	(1)	(2)
Borrowing costs paid	(202)	(369)	(150)	(389)	(688)
Claims paid	(86)	(178)	(115)	(181)	(363)
Other payments	(54)	(76)	(21)	(58)	(113)
GST payments to taxation authority	(9)	(29)	(9)	(27)	(44)
<b>Net cash flows from operating activities</b>	<b>(144)</b>	<b>(217)</b>	<b>(83)</b>	<b>(292)</b>	<b>(524)</b>
Cash flows from investing activities					
Purchase of non-current physical assets	(2)	(3)	-	(1)	(5)
Proceeds from sale of non-current physical assets	-	-	-	-	-
Proceeds from sale of investments	527	985	484	975	2,960
Purchase of investments	(584)	(1,150)	(745)	(1,156)	(2,983)
<b>Net cash flows from investing activities</b>	<b>(59)</b>	<b>(168)</b>	<b>(261)</b>	<b>(181)</b>	<b>(28)</b>
Cash flows from financing activities					
Proceeds from borrowings	5,692	9,549	4,366	8,247	20,330
Repayment of borrowings	(5,525)	(9,753)	(4,067)	(9,131)	(20,604)
<b>Net cash flows from financing activities</b>	<b>167</b>	<b>(204)</b>	<b>299</b>	<b>(884)</b>	<b>(274)</b>
<b>Net cash flows from public financial corporations</b>	<b>(36)</b>	<b>(589)</b>	<b>(45)</b>	<b>(1,357)</b>	<b>(826)</b>

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

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### **NOTE 12. DETAILS OF AGENCIES CONSOLIDATED**

The agencies included in these financial statements were detailed in Note 35, Composition of Sectors in the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002. Changes since that date are:

- Department of Transport was amalgamated into Department for Planning and Infrastructure on 1 July 2002. This was in line with recommendations in the Machinery of Government Taskforce report released on 21 June 2001 which identified the need to reduce the number of government departments.

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### **NOTE 13. CONTINGENT LIABILITIES**

There have been no changes in contingent liabilities since the issue of the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002.

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