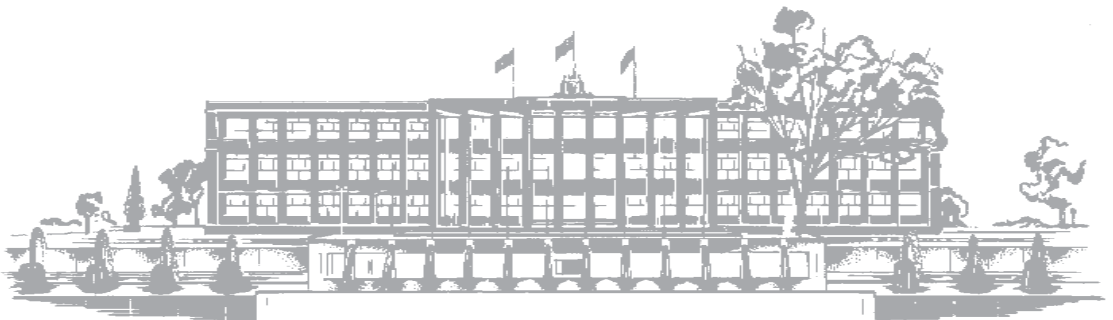




2003-04

QUARTERLY FINANCIAL
RESULTS REPORT

MARCH 2004



2003–04 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)

2003-04

**QUARTERLY FINANCIAL RESULTS REPORT
Nine Months Ended 31 March 2004**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Western Australian public sector's financial results for the nine months to 31 March 2004.

Care should be exercised in extrapolating the likely outcome for the 2003-04 year based on the quarterly results to date, reflecting seasonal and other timing factors that impact the State's finances. For instance, the State's annual land tax revenue is recognised in the first half of the financial year (reflecting the timing of assessments issued by the Office of State Revenue), while expenditure (both recurrent and capital) by public sector agencies typically accelerates towards the end of the year.

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

In addition to the GFS presentation that is the focus of this QFRR, an Australian Accounting Standards (AAS) compliant series of results is also presented in Appendix 3, which includes interim financial statements for the total public sector 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 2002-03 annual results appearing in this report are consistent with the audited CFS for the year ended 30 June 2003, released on 11 December 2003, while the annual estimates for 2003-04 are consistent with those appearing in the 2004-05 Budget, released on 6 May 2004.

CHAPTER 1

Overview

Summary

Both the general government and total public sectors recorded strong operating surpluses for the nine months to 31 March 2004, reflecting solid growth in revenue and moderate growth in expenses.

In the general government sector, revenue growth in the first nine months of 2003-04 has been driven primarily by taxation revenue, with strong growth in the domestic economy boosting stamp duties on financial and capital transactions (predominantly stamp duty on property conveyances), payroll tax and motor vehicle taxes.

General government expense growth in the nine months to 31 March 2004 is mainly due to increased staffing costs in key agencies such as Health, Education and Training, Police and Justice, and structural issues associated with the creation of the Public Transport Authority on 1 July 2003. Consistent with previous years, expense growth is expected to pick up in the last quarter of 2003-04 as annual spending programs are concluded by 30 June.

The State's balance sheet also remains in a strong position, with total public sector net worth (i.e. the excess of the State's assets over its liabilities) increasing by \$1.9 billion over the first nine months of 2003-04, and net debt standing at \$4.2 billion at 31 March 2004, down \$218 million from the same time the previous year.

General Government Sector

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

For the nine months to 31 March 2004, the general government sector recorded a \$732 million operating surplus, compared with a surplus of \$403 million for the same period the previous year.

Revenue

Revenue totalled \$9,491 million in the first nine months of 2003-04, which is \$678 million (or 7.7%) higher than the first nine months of 2002-03. This revenue is 77.4% of the estimated outturn for 2003-04 published in the 2004-05 Budget.

The increase in revenue in the first nine months of 2003-04 (relative to the same period last year) primarily reflects:

- higher taxation revenue (up \$599 million), largely due to:
 - higher stamp duties on financial and capital transactions (up \$337 million), mainly reflecting a continued high level of residential property market activity, and increased revenue from large one-off commercial property transactions;
 - higher payroll tax (up \$103 million), due to aggregate wages and employment growth, compositional changes in wages and employment and the payroll tax and contractor's amnesty;
 - the July 2003 introduction of the Emergency Services Levy, resulting in higher 'other' taxes on property (up \$78 million);
 - increased motor vehicle taxes (up \$47 million), reflecting continued strong growth in motor vehicle sales; and

- a higher stamp duty rate on insurance policies (from 8% to 10%) from 1 July 2003 resulting in increased taxes on insurance (up \$15 million);
- increased profitability of the State's larger utilities, leading to higher revenue from public corporations (up \$85 million);
- higher Commonwealth grants (up \$27 million), reflecting a number of largely offsetting factors such as:
 - increased GST grants (up \$98 million), as the Commonwealth expected to collect more GST revenue in 2003-04 and thus revised its payment schedule to Western Australia at the beginning of the financial year;
 - reduced petroleum royalties from the North West Shelf (down \$71 million) due to a higher \$A/\$US exchange rate and reduced crude oil production levels;
 - increased funding for non-government schools (up \$52 million);
 - lower competition payments (down \$29 million) resulting from the National Competition Council's evaluation of the pace of National Competition Policy reform;
 - lower housing-related grants (down \$26 million), due to a delay in the receipt of grant payments compared to the same period the previous year;
 - the completion of the Australian Marine Complex and cessation of the associated funding in 2002-03 (down \$23 million); and
 - increased Australian Health Care Agreement grants (up \$19 million), due to changed indexation arrangements;
- lower revenue from the sale of goods and services (down \$45 million), mainly due to the transfer of bus and ferry-related revenue from the general government sector to the public non-financial corporations sector with the creation of the Public Transport Authority; and

- reduced income from royalties (down \$16 million), with a higher \$A/\$US exchange rate (which reduces royalty revenue¹) more than offsetting higher commodity prices and export volumes.

Expenses

Expenses in the nine months to 31 March 2004 totalled \$8,759 million, an increase of \$349 million (or 4.1%) relative to the same period the previous year. This increase primarily reflects:

- higher salaries (up \$231 million), mainly due to higher pay rates and increased full time employee levels in the education and health sectors (up a total of \$167 million), increased pay rates under the Enterprise Bargaining Agreement for sworn police officers (up \$18 million) and increased prison staffing costs (up \$10 million). The remaining increase is spread across a large number of general government agencies;
- higher current transfers (up \$76 million), mainly due to the transfer of bus and ferry services (and associated funding) to the Public Transport Authority and the on-passing of increased non-government school grants from the Commonwealth;
- higher superannuation expenses (up \$43 million), largely reflecting the increase in salaries discussed above;
- lower interest expenses (down \$19 million), with the transfer of bus and ferry-related debt from the general government sector to the public non-financial corporations sector (upon creation of the Public Transport Authority) reducing general government interest expenses; and
- slightly higher depreciation (up \$8 million) and ‘other’ gross operating expenses (up \$5 million) across a range of general government sector agencies.

Expenses in the first nine months of 2003-04 represent 72.6% of the estimated outturn for 2003-04 published in the 2004-05 Budget. Consistent with previous years’ experience, expenses are expected to accelerate in the last quarter of 2003-04 as annual spending programs are concluded.

¹ As most of the State’s minerals are sold under contracts denominated in \$US, a rise in the \$A/\$US exchange rate reduces the \$A returns to the producer and the royalty payment to the State, other things equal.

Table 1

**SUMMARY OF GENERAL GOVERNMENT FINANCES
NINE MONTHS TO 31 MARCH 2004**

Western Australia

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
Net operating balance	58	732	207	87	403	254
Net worth		39,881	39,758		36,752	38,024
<i>Memorandum items</i>						
Net lending	54	604	69	75	346	130
Net debt		62	583		642	396
Cash surplus	138	208	32	77	-57	259

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Balance Sheet

Net worth of the general government sector increased by \$1.9 billion in the nine months to 31 March 2004 to stand at \$39.9 billion. This is primarily attributable to increases in the value of the sector's equity holdings in public corporations (up \$838 million) and receivables for goods and services (up \$343 million), as well as lower borrowings (down \$291 million).

General government net debt at 31 March 2004 was \$62 million, down significantly from the same time a year earlier (\$642 million). This more favourable net debt outcome reflects reduced borrowings following the transfer of bus and ferry-related debt from the general government sector to the Public Transport Authority, and increased financial asset holdings.

Total Public Sector

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

Operating Statement

A net operating surplus of \$1,156 million was recorded by the total public sector for the first nine months of 2003-04. This compares with a surplus of \$619 million recorded for the same period the previous year.

This strong result reflects the operating surplus of the general government sector discussed earlier (\$732 million), and smaller surpluses in the public corporations sectors.

The public non-financial corporations sector recorded a \$250 million operating surplus for the nine months ended 31 March 2004, compared to a \$160 million surplus recorded for the same period the previous year. The improvement mainly reflects the cessation of the Grain Pool of Western Australia (which recorded a \$74 million loss in the first nine months of 2002-03), and increased profitability of Western Power.

The public financial corporations sector recorded an operating surplus of \$175 million for the first nine months of 2003-04, which is \$118 million higher than the \$57 million surplus recorded in the same period the previous year. The improved result mainly reflects an increase in investment returns by the Insurance Commission of Western Australia.

Table 2

**SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
NINE MONTHS TO 31 MARCH 2004**

Western Australia

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
Net operating balance	260	1,156	564	201	619	373
Net worth		39,881	39,758		36,752	38,024
<i>Memorandum items</i>						
Net lending	114	434	-181	70	130	76
Net debt		4,222	5,086		4,440	4,497
Cash surplus	79	239	-604	40	74	30

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Balance Sheet

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

Net debt of the total public sector stood at \$4.2 billion at 31 March 2004, down \$218 million from the same time a year earlier, with increased borrowings and other debt liabilities more than offset by an increase in financial asset holdings. Net debt is projected to increase in the last quarter of 2003-04, as agencies' capital works spending (and associated borrowings) accelerate in the last three months of the year.

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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GENERAL GOVERNMENT Operating Statement

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
REVENUE						
Taxation	872	3,150	3,884	771	2,551	3,387
Current grants and subsidies	1,411	4,119	5,436	1,411	4,058	5,464
Capital grants	54	191	291	68	225	287
Sales of goods and services	202	686	912	255	731	990
Interest income	33	96	116	24	80	107
Revenue from public corporations						
Dividends	101	315	426	82	278	390
Tax equivalent payments	49	257	257	40	209	239
Royalty income	172	484	657	172	500	685
Other	80	193	287	50	180	222
Total	2,975	9,491	12,266	2,873	8,813	11,771
EXPENSES						
Gross operating expenses						
Salaries	1,158	3,524	4,701	1,087	3,293	4,486
Depreciation and amortisation	140	432	604	143	424	603
Superannuation	113	345	458	103	302	436
Other gross operating expenses	657	2,018	2,953	658	2,013	2,931
Nominal superannuation interest	71	209	283	67	207	277
Other interest	44	124	186	45	143	195
Other property expenses	-	-	-	-	-	-
Current transfers	661	1,844	2,504	619	1,768	2,287
Capital transfers	73	261	371	65	260	303
Total	2,917	8,759	12,060	2,786	8,410	11,518
NET OPERATING BALANCE	58	732	207	87	403	254
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	197	659	917	194	557	794
Sales of non-financial assets	-51	-98	-176	-38	-76	-74
less depreciation	140	432	604	143	424	603
plus change in inventories	-3	-2	-	-1	-1	7
plus other movements in non-financial assets	1	1	-	-	1	-
Total	4	127	137	12	57	124
NET LENDING/BORROWING	54	604	69	75	346	130
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)						
NET OPERATING BALANCE	58	732	207	87	403	254
less provisions for doubtful debts	-	-	-	-	-	-19
plus net gains on assets (including derivatives)	8	17	28	-11	-7	39
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	-	-	47
plus all other adjustments	23	74	-	-	-	-
AAS OPERATING RESULT	89	823	234	76	396	265

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at End of Period

	2003-04		2002-03	
	31 March \$m	Estimated Actual ^(a) \$m	31 March \$m	Annual Actual \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	376	294	337	301
Advances paid	862	866	870	867
Investments, loans and placements	1,499	1,146	1,187	1,440
Other non-equity assets	1,105	752	1,021	762
Equity	17,172	17,382	16,245	16,333
<i>Total</i>	<i>21,013</i>	<i>20,439</i>	<i>19,660</i>	<i>19,703</i>
<i>Non-Financial assets</i>				
Land and fixed assets	28,746	29,397	26,965	28,463
Other non-financial assets	7	69	26	4
<i>Total</i>	<i>28,753</i>	<i>29,466</i>	<i>26,991</i>	<i>28,467</i>
TOTAL ASSETS	49,767	49,905	46,652	48,170
LIABILITIES				
Deposits held	395	289	344	300
Advances received	573	561	593	581
Borrowings	1,831	2,038	2,098	2,122
Unfunded superannuation liabilities	5,389	5,383	5,242	5,315
Other employee entitlements and provisions	1,217	1,289	1,070	1,225
Non-equity liabilities	481	586	552	602
TOTAL LIABILITIES	9,886	10,147	9,899	10,146
NET WORTH	39,881	39,758	36,752	38,024
<i>Memorandum Item: Net Debt</i>	<i>62</i>	<i>583</i>	<i>642</i>	<i>396</i>
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)				
NET WORTH	39,881	39,758	36,752	38,024
<i>less equity (net worth) of PNFC and PFC sectors</i>	<i>16,805</i>	<i>16,494</i>	<i>16,027</i>	<i>16,045</i>
<i>less all other adjustments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
AAS NET ASSETS	23,076	23,264	20,725	21,979

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

GENERAL GOVERNMENT
Cash Flow Statement

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	947	3,051	3,888	802	2,461	3,339
Receipts from sales of goods and services	251	717	924	235	723	999
Grants and subsidies received	1,472	4,310	5,677	1,481	4,290	5,794
Other receipts	431	1,398	2,173	404	1,396	2,154
<i>Total</i>	3,100	9,477	12,662	2,921	8,870	12,286
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-1,973	-6,177	-8,269	-1,900	-5,905	-7,925
Grants and subsidies paid	-641	-1,924	-2,734	-590	-1,862	-2,417
Interest paid	-36	-109	-190	-35	-124	-193
Other payments	-166	-498	-696	-164	-555	-772
<i>Total</i>	-2,816	-8,708	-11,889	-2,689	-8,446	-11,308
Net Cash Flow from Operating Activities	284	769	773	233	424	978
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-197	-659	-917	-194	-557	-794
Sales of non-financial assets	51	98	176	38	76	74
<i>Total</i>	-146	-561	-742	-156	-481	-720
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-51	-70	-122	-32	-40	-107
Liquidity purposes	3	-86	23	-	-12	48
<i>Total</i>	-48	-156	-99	-32	-52	-59
Net Cash Flow from Investing Activities	-194	-717	-841	-188	-533	-778
FINANCING ACTIVITIES						
Advances received (net)	-3	-8	-8	-	-	-
Borrowings (net)	32	-14	16	46	6	17
Deposits received (net)	-11	1	-	14	12	-9
Distributions paid	-	-	-	-	-	-
Other financing	-11	-20	-37	4	9	-65
<i>Total</i>	7	-41	-29	64	27	-57
<i>Opening cash balance</i>	970	1,056	1,056	694	913	913
NET INCREASE IN CASH HELD	96	11	-97	109	-83	143
<i>Closing cash balance</i>	1,066	1,066	959	803	831	1,056
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	138	208	32	77	-57	259
Surplus	138	208	32	77	-57	259

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT
Taxation Revenue

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE						
<i>Payroll tax</i>	282	851	1,128	258	748	1,004
TAXES ON PROPERTY						
Land tax	7	278	277	1	261	260
Stamp duties on financial and capital transactions	295	1,025	1,242	237	688	978
Financial institutions transaction taxes	24	72	96	25	73	97
Other	12	124	128	2	46	49
<i>Total</i>	337	1,499	1,743	264	1,068	1,384
TAXES ON PROVISION OF GOODS AND SERVICES						
Taxes on gambling	25	91	121	26	87	119
Taxes on insurance	72	246	310	77	231	307
<i>Total</i>	97	336	431	103	318	426
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES						
<i>Motor vehicle taxes</i>	155	464	582	147	417	574
TOTAL TAXES	872	3,150	3,884	771	2,551	3,387

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

TOTAL PUBLIC SECTOR Operating Statement

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
REVENUE						
Taxation	838	3,031	3,733	733	2,435	3,225
Current grants and subsidies	1,411	4,119	5,436	1,411	4,058	5,464
Capital grants	54	191	291	68	225	288
Sales of goods and services	1,519	4,655	6,031	1,626	4,841	5,944
Interest income	140	427	479	96	408	539
Royalty income	172	484	657	172	500	685
Other	136	373	404	96	310	425
<i>Total</i>	4,271	13,280	17,031	4,202	12,777	16,570
EXPENSES						
Gross operating expenses						
Salaries	1,281	3,884	5,162	1,193	3,614	4,928
Depreciation and amortisation	292	885	1,232	288	862	1,205
Superannuation	125	382	503	116	342	480
Other gross operating expenses	1,460	4,443	6,318	1,566	4,755	6,278
Nominal superannuation interest	71	209	283	67	207	277
Other interest	196	612	703	206	630	825
Other property expenses	-	-	-	-	-	-
Current transfers	531	1,517	2,025	526	1,505	1,939
Capital transfers	55	192	242	39	242	266
<i>Total</i>	4,011	12,124	16,467	4,000	12,158	16,197
NET OPERATING BALANCE	260	1,156	564	201	619	373
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	536	1,642	2,579	479	1,408	2,094
Sales of non-financial assets	-140	-367	-618	-116	-304	-442
less depreciation	292	885	1,232	288	862	1,204
plus change in inventories	43	335	16	56	330	-63
plus other movements in non-financial assets	-1	-3	-	-	-81	-88
<i>Total</i>	146	722	745	132	490	296
NET LENDING/BORROWING	114	434	-181	70	130	76
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)						
NET OPERATING BALANCE	260	1,156	564	201	619	373
less provisions for doubtful debts	1	5	3	2	5	-12
plus net gains on assets (including derivatives)	21	52	86	22	-28	160
plus capitalised interest	1	4	-	-	-	6
less revaluation of superannuation liabilities	-	-	-	-	-	48
plus all other adjustments	25	79	-	6	2	-7
AAS OPERATING RESULT	306	1,286	647	227	588	496

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

Table 1.6

TOTAL PUBLIC SECTOR
Balance Sheet at End of Period

	2003-04		2002-03	
	31 March \$m	Estimated Actual ^(a) \$m	31 March \$m	Annual Actual \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	562	412	434	439
Advances paid	1,772	1,891	1,833	1,800
Investments, loans and placements	6,295	6,351	5,200	5,840
Other non-equity assets	1,739	1,556	1,568	1,557
Equity	877	761	568	704
<i>Total</i>	<i>11,244</i>	<i>10,970</i>	<i>9,602</i>	<i>10,341</i>
<i>Non-Financial assets</i>				
Land and fixed assets	51,956	52,975	49,037	50,702
Other non-financial assets	168	245	155	148
<i>Total</i>	<i>52,124</i>	<i>53,220</i>	<i>49,192</i>	<i>50,850</i>
TOTAL ASSETS	63,369	64,190	58,794	61,191
LIABILITIES				
Deposits held	139	118	97	120
Advances received	573	561	593	581
Borrowings	12,138	13,061	11,215	11,875
Unfunded superannuation liabilities	5,590	5,591	5,526	5,591
Other employee entitlements and provisions	1,400	1,458	1,217	1,387
Non-equity liabilities	3,647	3,642	3,393	3,613
TOTAL LIABILITIES	23,487	24,432	22,041	23,167
NET WORTH	39,881	39,758	36,752	38,024
<i>Memorandum Item: Net Debt</i>	<i>4,222</i>	<i>5,086</i>	<i>4,440</i>	<i>4,497</i>
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)				
NET WORTH	39,881	39,758	36,752	38,024
<i>less all other adjustments</i>	<i>-</i>	<i>-</i>	<i>-1</i>	<i>2</i>
AAS NET ASSETS	39,881	39,758	36,753	38,026

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2003-04			2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Estimated Actual ^(a) \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Annual Actual \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	908	2,958	3,704	775	2,374	3,151
Receipts from sales of goods and services	1,298	4,569	6,026	1,610	5,077	6,262
Grants and subsidies received	1,472	4,310	5,677	1,481	4,290	5,794
Other receipts	558	1,673	2,045	518	1,679	2,245
<i>Total</i>	4,236	13,510	17,451	4,383	13,420	17,452
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-2,744	-8,967	-12,086	-3,014	-9,169	-11,750
Grants and subsidies paid	-580	-1,612	-2,187	-549	-1,583	-1,981
Interest paid	-155	-547	-707	-174	-596	-813
Other payments	-282	-871	-1,115	-242	-895	-1,226
<i>Total</i>	-3,761	-11,997	-16,094	-3,980	-12,243	-15,771
Net Cash Flow from Operating Activities	475	1,514	1,357	403	1,178	1,681
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-536	-1,642	-2,579	-479	-1,408	-2,094
Sales of non-financial assets	140	367	618	116	304	442
<i>Total</i>	-396	-1,275	-1,960	-363	-1,103	-1,651
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	4	12	15	4	12	16
Liquidity purposes	-166	-80	-159	66	-127	-132
<i>Total</i>	-162	-68	-144	70	-116	-117
Net Cash Flow from Investing Activities	-558	-1,343	-2,104	-294	-1,219	-1,768
FINANCING ACTIVITIES						
Advances received (net)	-3	-8	-20	-	-	-11
Borrowings (net)	160	361	593	195	-1	660
Deposits received (net)	-11	1	-	14	12	-9
Distributions paid	-	-	-	-	-	-
Other financing	13	49	28	18	25	25
<i>Total</i>	159	403	600	227	36	665
<i>Opening cash balance</i>	5,020	4,521	4,521	3,071	3,942	3,942
NET INCREASE IN CASH HELD	75	574	-148	337	-5	579
<i>Closing cash balance</i>	5,095	5,095	4,373	3,407	3,937	4,521
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>						
	79	239	-604	40	74	30
Surplus	79	239	-604	40	74	30

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

General Government Monthly Financial Results March 2004

This appendix provides a summary of the Western Australian general government sector's finances for the month of March 2004. The general government sector is responsible for the delivery of key community services such as health and education and the collection of central revenue such as Commonwealth grants, taxation and mining royalties, and is the focus of the Government's 'headline' budget measure (the net operating balance). Care should be taken in interpreting monthly results, which can vary significantly from month to month due to various seasonal and other timing factors.

Operating Statement

The general government sector recorded an operating surplus of \$179 million for the month of March 2004, compared with a surplus of \$96 million in March 2003.

Revenue for the month of March 2004 totalled \$1,101 million, up \$166 million (or 17.8%) from March 2003. The variation in revenue between the two periods primarily reflects:

- an increase in Commonwealth grants (up \$67 million), largely due to timing factors in relation to GST grants and health sector grants, partially offset by lower North West Shelf petroleum royalties as a result of a higher \$A/\$US exchange rate and lower crude oil production levels;
- increased taxation revenue (up \$53 million), largely due to an increase in stamp duties on financial and capital transactions (up \$26 million), motor vehicle taxes (up \$16 million), taxes on insurance (up \$8 million) and payroll tax (up \$6 million);
- increased 'other' revenue (up \$16 million), due primarily to an increase in funding from external bodies in the education and agricultural sectors; and

- increased sales of goods and services revenue (up \$14 million), with timing differences in the receipt of school fees and charges resulting in increased revenue in March 2004 relative to March 2003, partially offset by the loss of bus and ferry-related revenue from the general government sector upon creation of the Public Transport Authority.

Expenses for the month of March 2004 totalled \$922 million, \$84 million (or 10.0%) higher than March 2003. This increase is primarily due to:

- higher salaries (up \$48 million), mainly due to higher pay rates and increased FTE levels in the education and health sectors;
- higher current and capital transfers (up \$26 million), mainly due to the transfer of bus and ferry services (and associated funding) from the general government sector to the Public Transport Authority, and the on-passing of increased grants to non-government schools (up \$6 million); and
- higher superannuation expenses (up \$8 million), largely reflecting the increase in salaries discussed above.

Cash Flow Statement

A \$295 million net cash inflow resulted from operating activities in the month of March 2004. Combined with net capital expenditure (i.e. investment in non-financial assets) of \$32 million, this resulted in a cash surplus of \$263 million for March 2004, compared with a \$122 million cash surplus in March 2003.

Table 2.1

GENERAL GOVERNMENT
Operating Statement

	2003-04			2002-03	
	Month of Feb \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Annual Actual \$m
REVENUE					
Taxation	279	295	3,884	242	3,387
Current grants and subsidies	361	542	5,436	475	5,464
Capital grants	33	10	291	10	287
Sales of goods and services	55	92	912	78	990
Interest income	10	12	116	8	107
Revenue from public corporations					
Dividends	53	22	426	21	390
Tax equivalent payments	20	9	257	2	239
Royalty income	29	82	657	78	685
Other	26	37	287	21	222
<i>Total</i>	<i>866</i>	<i>1,101</i>	<i>12,266</i>	<i>935</i>	<i>11,771</i>
EXPENSES					
Gross operating expenses					
Salaries	359	411	4,701	363	4,486
Depreciation and amortisation	47	47	604	44	603
Superannuation	35	40	458	32	436
Other	209	235	2,953	236	2,931
Nominal superannuation interest	24	24	283	23	277
Other interest	13	14	186	15	195
Other property expenses	-	-	-	-	-
Current transfers	133	140	2,504	116	2,287
Capital transfers	42	12	371	9	303
<i>Total</i>	<i>860</i>	<i>922</i>	<i>12,060</i>	<i>838</i>	<i>11,518</i>
NET OPERATING BALANCE	6	179	207	96	254

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

GENERAL GOVERNMENT
Cash Flow Statement

	2003-04			2002-03	
	Month of Feb \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Annual Actual \$m
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	292	309	3,888	258	3,339
Receipts from sales of goods and services	71	116	924	84	999
Grants and subsidies received	398	553	5,677	483	5,794
Other receipts	107	148	2,173	114	2,154
<i>Total</i>	<i>868</i>	<i>1,127</i>	<i>12,662</i>	<i>940</i>	<i>12,286</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-652	-637	-8,269	-593	-7,925
Grants and subsidies paid	-171	-116	-2,734	-130	-2,417
Interest paid	-4	-6	-190	-6	-193
Other payments	-46	-73	-696	-48	-772
<i>Total</i>	<i>-873</i>	<i>-832</i>	<i>-11,889</i>	<i>-777</i>	<i>-11,308</i>
Net Cash Flow from Operating Activities	-4	295	773	163	978
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-67	-49	-917	-62	-794
Sales of non-financial assets	18	16	176	21	74
<i>Total</i>	<i>-49</i>	<i>-32</i>	<i>-742</i>	<i>-41</i>	<i>-720</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	-	-5	-122	-11	-107
Liquidity purposes	2	-2	23	-11	48
<i>Total</i>	<i>2</i>	<i>-7</i>	<i>-99</i>	<i>-22</i>	<i>-59</i>
Net Cash Flow from Investing Activities	-47	-39	-841	-64	-778
FINANCING ACTIVITIES					
Advances received (net)	-3	-	-8	-	-
Borrowings (net)	-66	50	16	10	17
Deposits received (net)	5	-6	-	4	-9
Distributions paid	-	-	-	-	-
Other financing	-7	-8	-37	5	-65
<i>Total</i>	<i>-72</i>	<i>35</i>	<i>-29</i>	<i>19</i>	<i>-57</i>
<i>Opening cash balance</i>	<i>898</i>	<i>775</i>	<i>1,056</i>	<i>713</i>	<i>913</i>
NET INCREASE IN CASH HELD	-123	292	-97	118	143
<i>Closing cash balance</i>	<i>775</i>	<i>1,066</i>	<i>959</i>	<i>831</i>	<i>1,056</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>					
	-54	263	32	122	259
<i>less finance leases and similar arrangements</i>					
	-	-	-	-	-
Surplus	-54	263	32	122	259

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

Note: Columns may not add due to rounding.

Table 2.3

GENERAL GOVERNMENT
Taxation Revenue

	2003-04			2002-03	
	Month of Feb \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Annual Actual \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE					
<i>Payroll tax</i>	94	89	1,128	83	1,004
TAXES ON PROPERTY					
Land tax	3	1	277	1	260
Stamp duties on financial and capital transactions	88	105	1,242	79	978
Financial institutions transaction taxes	7	7	96	8	97
Other	9	1	128	1	49
<i>Total</i>	107	114	1,743	87	1,384
TAXES ON PROVISION OF GOODS AND SERVICES					
Taxes on gambling	10	5	121	8	119
Taxes on insurance	19	28	310	20	307
<i>Total</i>	29	33	431	28	426
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES					
<i>Motor vehicle taxes</i>	49	59	582	43	574
TOTAL TAXES	279	295	3,884	242	3,387

(a) Estimated actual published in the 2004-05 Budget, released 6 May 2004.

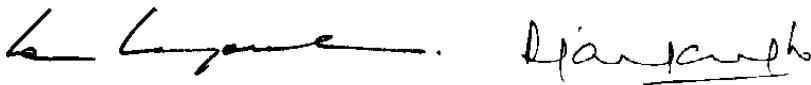
Note: Columns may not add due to rounding.

Interim Consolidated Financial Statements

Statement of Responsibility

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

In our opinion, the statements fairly present the financial performance and cash flows of the Government for the nine months ended 31 March 2004 and the financial position of the Government as at 31 March 2004, in accordance with applicable accounting standards (AAS and AASB), including AASB 1029: *Interim Financial Reporting*, and other mandatory professional requirements.



J L LANGOULANT
UNDER TREASURER

VALERIE JAYASINGHE CA
ASSISTANT DIRECTOR
FINANCIAL REPORTING

10 June 2004

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Table 3.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
PERFORMANCE**

For the nine months ended 31 March 2004

	2003-04		2002-03			
	Note	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
REVENUE FROM ORDINARY ACTIVITIES						
Taxation	2	860	3,028	750	2,478	3,287
Territorial revenue		266	793	307	876	1,178
Regulatory fees and fines		75	306	66	241	304
Sale of goods and services	3	1,261	3,787	1,380	4,104	5,528
Grants and subsidies	4	1,414	4,114	1,376	4,004	5,380
Interest revenue		112	354	73	340	447
Other revenue		397	1,265	251	750	1,447
Total revenues from ordinary activities		4,385	13,647	4,203	12,793	17,571
EXPENSES FROM ORDINARY ACTIVITIES						
Supplies and services		430	1,173	529	1,531	2,106
Employee benefits		1,318	4,002	1,230	3,734	5,108
Superannuation		196	591	182	548	804
Borrowing costs		195	608	205	629	819
Depreciation and amortisation		292	885	287	862	1,204
Grants and subsidies		609	1,792	587	1,739	2,222
Other expenses	5	1,038	3,311	956	3,162	4,812
Total expenses from ordinary activities		4,079	12,361	3,976	12,205	17,075
NET RESULT		306	1,286	227	588	496
Increase (decrease) in asset revaluation reserve		204	569	19	159	1,521
Net initial adjustment on adoption of new accounting standards		-	-	-	-	3
Total revenue, expenses and valuation adjustments recognised directly in equity		204	569	19	159	1,524
TOTAL CHANGES IN EQUITY		510	1,855	246	747	2,020

The accompanying notes form part of these financial statements.

Table 3.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2004

	Note	2003-04	2002-03	
		31 March \$m	31 March \$m	30 June \$m
CURRENT ASSETS				
Cash assets		562	433	440
Other financial assets – Investments	6	5,917	4,646	5,387
Inventories		502	502	426
Receivables	7	1,469	1,323	1,299
Other financial assets – Loans and advances	8	8	10	30
Other assets		89	108	93
<i>Total current assets</i>		<i>8,547</i>	<i>7,023</i>	<i>7,675</i>
NON-CURRENT ASSETS				
Other financial assets – Investments	6	595	506	484
Inventories		253	255	243
Receivables	7	218	161	187
Other financial assets – Loans and advances	8	2,666	2,711	2,674
Land		17,002	15,697	16,635
Buildings		8,635	8,301	8,432
Infrastructure		20,842	20,120	20,643
Plant, equipment and other		4,222	3,674	3,843
Timber		298	279	299
Other assets		23	35	24
<i>Total non-current assets</i>		<i>54,754</i>	<i>51,740</i>	<i>53,464</i>
TOTAL ASSETS		63,301	58,763	61,139
CURRENT LIABILITIES				
Payables		579	508	585
Interest bearing liabilities	9	5,667	4,316	5,873
Provisions – Employee benefits		1,347	1,202	1,406
Other liabilities		1,155	1,255	1,220
<i>Total current liabilities</i>		<i>8,748</i>	<i>8,281</i>	<i>9,084</i>
NON-CURRENT LIABILITIES				
Interest bearing liabilities	9	7,533	7,879	6,974
Provisions – Employee benefits		5,641	5,492	5,577
Other liabilities		1,497	1,359	1,478
<i>Total non-current liabilities</i>		<i>14,672</i>	<i>13,729</i>	<i>14,029</i>
TOTAL LIABILITIES		23,420	22,010	23,113
NET ASSETS		39,881	36,753	38,026
EQUITY				
Accumulated funds		14,245	13,048	12,959
Asset revaluation reserve		25,636	23,705	25,067
TOTAL EQUITY		39,881	36,753	38,026

The accompanying notes form part of these financial statements.

Table 3.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended 31 March 2004

	2003-04		2002-03			
	Note	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Taxation		931	2,970	740	2,316	3,082
Territorial revenue		275	793	306	882	1,175
Regulatory fees and fines		78	300	89	257	333
Sale of goods and services		1,017	3,566	1,347	4,213	5,582
Grants and subsidies received		1,407	4,107	1,385	4,018	5,424
Interest received		34	100	29	107	134
GST receipts on sales		85	254	76	237	350
GST receipts from taxation authority		110	353	108	404	512
Other receipts		155	597	205	530	736
Payments						
Salaries, wages and other benefits		(1,274)	(3,959)	(1,241)	(3,762)	(4,951)
Superannuation paid		(175)	(572)	(182)	(546)	(734)
Borrowing cost paid		(1)	(16)	(4)	(56)	(81)
Grants and subsidies paid		(642)	(1,802)	(600)	(1,779)	(2,238)
GST payments on purchases		(170)	(521)	(147)	(557)	(759)
GST payments to taxation authority		(33)	(94)	(29)	(86)	(120)
Contract services paid		(302)	(1,033)	(254)	(1,018)	(1,318)
Other payments		(930)	(3,129)	(1,277)	(3,686)	(4,931)
<i>Net cash flows from operating activities</i>		<i>564</i>	<i>1,913</i>	<i>551</i>	<i>1,474</i>	<i>2,196</i>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets						
		87	237	83	209	249
Purchase of non-current physical assets		(519)	(1,597)	(422)	(1,240)	(2,056)
Proceeds from sale of investments		62	338	69	166	328
Purchase of investments		(49)	(389)	(69)	(196)	(307)
Other receipts		10	30	11	31	40
Other payments		(4)	(19)	(42)	(60)	(35)
<i>Net cash flows used in investing activities</i>		<i>(413)</i>	<i>(1,401)</i>	<i>(370)</i>	<i>(1,090)</i>	<i>(1,781)</i>
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings						
		-	-	-	550	550
Repayment of borrowings		(5)	(12)	(5)	(551)	(561)
Other proceeds		36	96	91	140	127
Other repayments		30	8	(19)	(27)	(51)
<i>Net cash flows from financing activities</i>		<i>61</i>	<i>92</i>	<i>67</i>	<i>112</i>	<i>65</i>
NET CASH FLOWS/(OUTFLOWS) FROM PUBLIC FINANCIAL CORPORATIONS	10	(136)	(29)	86	(504)	82
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>		<i>76</i>	<i>575</i>	<i>334</i>	<i>(8)</i>	<i>562</i>
CASH ASSETS AT THE BEGINNING OF THE FINANCIAL PERIOD		5,016	4,517	3,640	3,955	3,955
CASH ASSETS AT THE END OF THE FINANCIAL PERIOD		5,092	5,092	3,974	3,947	4,517

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements for the Nine Months Ended 31 March 2004

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 2003 (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 Statements include the assets, liabilities, equities, revenue, expenses and cash flows of the Government, including those of agencies controlled by the Government.

(c) Basis of accounting

The Interim Consolidated Financial Statements have 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 2003. There have been no changes in those specific accounting policies since that date.

(e) Unaudited data

These Interim Consolidated Financial Statements are 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

	2003-04		2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Stamp duty	431	1,428	347	1,017	1,427
Payroll tax	272	823	247	723	969
Motor vehicles' and drivers' licences	88	258	91	242	330
Financial transactions taxes	24	72	25	73	97
Gambling taxes and licences	41	132	39	124	166
Land tax	2	265	-3 ^(a)	246	241
Other taxes and licences	2	50	4	53	57
Total	860	3,028	750	2,478	3,287

(a) This reduction reflects discounts allowed on early payment of land tax assessments

NOTE 3. SALE OF GOODS AND SERVICES

	2003-04		2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Revenue from sale of goods	735	2,030	792	2,367	3,200
Revenue from the provision of services	526	1,757	588	1,737	2,328
Total	1,261	3,787	1,380	4,104	5,528

NOTE 4. GRANTS AND SUBSIDIES

	2003-04		2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Commonwealth grants	1,388	4,056	1,376	3,956	5,330
Other grants and subsidies	26	58	-	48	50
Total	1,414	4,114	1,376	4,004	5,380

NOTE 5. OTHER EXPENSES

	2003-04		2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Betting dividend payouts	239	677	215	627	831
Health sector specific expenses	166	469	141	442	607
Education sector specific expenses	70	210	68	201	290
Insurance claims expenses	105	309	35	221	400
Contract services expense	355	1,106	354	952	1,260
Carrying amount of non-current assets disposed of	76	209	-	-	217
Other	27	331	143	719	1,207
Total	1,038	3,311	956	3,162	4,812

NOTE 6. OTHER FINANCIAL ASSETS - INVESTMENTS

	2003-04	2002-03	
	31 March \$m	31 March \$m	30 June \$m
Unlisted/Listed shares	871	568	697
Property	316	304	290
Other investments (cash deposits and government securities)	5,325	4,280	4,884
Total	6,512	5,152	5,871

NOTE 7. RECEIVABLES

	2003-04	2002-03	
	31 March \$m	31 March \$m	30 June \$m
Gross accounts receivable	1,687	1,608	1,592
Provision for doubtful debts	(105)	(124)	(106)
Total	1,582	1,484	1,486

NOTE 8. OTHER FINANCIAL ASSETS – LOANS AND ADVANCES

	2003-04	2002-03	
	31 March \$m	31 March \$m	30 June \$m
Homebuyers	1,478	1,541	1,500
Non-government schools	239	233	218
Terminating building societies	6	10	9
Government Employees Superannuation Board	589	607	602
Others	352	331	345
Total	2,664	2,721	2,674

NOTE 9. INTEREST BEARING LIABILITIES

	2003-04	2002-03	
	31 March \$m	31 March \$m	30 June \$m
Bank overdrafts	20	49	2
Finance leases	81	93	16
Liability to the Commonwealth Government	573	593	20
Commercial paper and medium term notes	-	300	20
Domestic and foreign borrowings	12,100	10,774	5,813
<i>Borrowings at face value</i>	<i>12,774</i>	<i>11,809</i>	<i>5,871</i>
Unamortised net discounts	426	386	2
Borrowings at historic capital value	13,200	12,195	5,873

NOTE 10. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS

	2003-04		2002-03		
	Three Months to 31 March \$m	Nine Months to 31 March \$m	Three Months to 31 March \$m	Nine Months to 31 March \$m	Twelve Months to 30 June \$m
Cash flows from operating activities					
Interest received	82	235	62	221	294
Premiums received	92	273	82	253	345
GST received on sales	9	41	9	39	48
GST received from taxation authority	5	37	3	11	14
Other receipts	11	57	10	87	138
Salaries, wages and other benefits paid	(5)	(14)	(5)	(14)	(18)
Superannuation paid	(1)	(2)	-	(1)	(2)
Borrowing costs	(154)	(531)	(172)	(541)	(735)
Claims paid	(81)	(252)	(78)	(256)	(331)
GST paid on purchases	(5)	(30)	(2)	(11)	(23)
GST paid to taxation authority	(9)	(42)	(8)	(37)	(46)
Other payments	(16)	(88)	(17)	(84)	(99)
Net cash flows used in operating activities	(71)	(315)	(116)	(333)	(415)
Cash flows from investing activities					
Purchase of non-current physical assets	(1)	(3)	(1)	(4)	(6)
Proceeds from investments	560	2,224	370	1,355	1,862
Purchase of investments	(746)	(2,257)	(311)	(1,461)	(2,023)
Net cash flows used in investing activities	(187)	(36)	59	(110)	(167)
Cash flows from financing activities					
Proceeds from borrowings	7,802	22,387	4,236	13,785	20,584
Repayments from borrowings	(7,679)	(22,065)	(4,093)	(13,846)	(19,920)
Net cash flows from financing activities	122	322	143	(61)	664
Net cash flows from public financial corporations	(136)	(29)	86	(504)	82

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

NOTE 11. DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 37, Composition of Sectors in the *Consolidated Financial Statements of the Government of Western Australia* for the year ended 30 June 2003. Changes since that date are:

Effective from 1 July 2003:

- Department of Land Administration has been renamed Department of Land Information;
- the Western Australian Government Railways Commission and Metropolitan (Perth) Passenger Transport Trust were abolished and their functions transferred to the newly created Public Transport Authority of Western Australia; and
- parts of the functions of the Department for Planning and Infrastructure have been transferred to the Public Transport Authority of Western Australia.

Effective from 1 August 2003:

- the Racecourse Development Trust has been abolished and its functions transferred to the newly created Racing and Wagering Western Australia.

NOTE 12. 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 2003.
