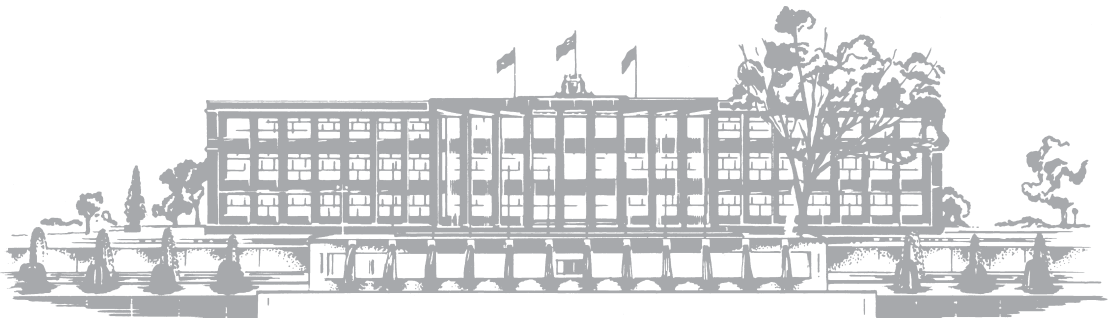




2007-08

QUARTERLY FINANCIAL  
RESULTS REPORT

DECEMBER 2007



2007–08 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)

2007-08

**QUARTERLY FINANCIAL RESULTS REPORT**  
**Six Months Ended 31 December 2007**

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# Foreword

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

Care should be exercised in extrapolating the likely outcome for the 2007-08 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, revenue is typically stronger in the first half of the financial year, with full-year land tax revenue usually recognised in the first or second quarters (when land tax assessments are issued), while expenses typically accelerate in the latter months of the financial year as programs with a 30 June completion date come to conclusion. The timing of grant revenue (from the Commonwealth) and grant payments can also be volatile, making comparisons between monthly and quarterly reporting periods difficult.

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

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

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

The 2006-07 annual results appearing in this document are consistent with the audited *Annual Report on State Finances* for the year ended 30 June 2007 (released on 26 September 2007), while the annual GFS estimates for 2007-08 are those published in the 2007-08 *Government Mid-year Financial Projections Statement* (mid-year review), released on 27 December 2007.

## CHAPTER 1

# Overview

## Summary

Strong public sector financial outcomes were recorded in the second quarter of 2007-08, with the general government and public corporation sectors recording operating surpluses for the six months to 31 December 2007.

This reflects the continuing strength of the Western Australian economy, which underpinned strong growth in general government revenue in the first half of 2007-08.

Operating surpluses are continuing to fund record high levels of fixed asset spending (i.e. capital investment), which was up \$206 million (or 10.5%) in the first half of 2007-08 compared to the same period the previous year.

Total public sector net worth increased by \$2.3 billion over the six months to 31 December 2007, to stand at \$78.0 billion. This reflects the impact of operating surpluses across the public sector. Net debt at 31 December 2007 remained at record lows, and was down \$397 million on the \$3.0 billion outcome at 30 June 2007.

## General Government Sector

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

The general government sector recorded a \$1,370 million operating surplus for the six months to 31 December 2007, \$208 million higher than the surplus for the same period in 2006-07.

### Revenue

Revenue in the six months to 31 December 2007 totalled \$9,423 million. This represents 50.9% of the full-year estimate for 2007-08, and is \$890 million (or 10.4%) higher than the same period in 2006-07. This reflects:

- higher taxation revenue (up \$580 million), mainly due to:
  - higher conveyance duty revenue (up \$209 million), reflecting higher property prices and a number of significant assessments issued on non-residential transfers;
  - higher payroll tax (up \$176 million), reflecting continued wages and employment growth across the economy;
  - higher land tax and Metropolitan Region Improvement Tax revenue (up \$117 million and \$39 million respectively), due to the earlier issuance of 2007-08 land tax assessments<sup>1</sup>;
  - higher receipts from motor vehicle taxes (up \$32 million), reflecting the continuing strength of vehicle sales and registrations activity; and
  - higher stamp duty on insurance (up \$25 million), due to the increased number of households and businesses taking up insurance;

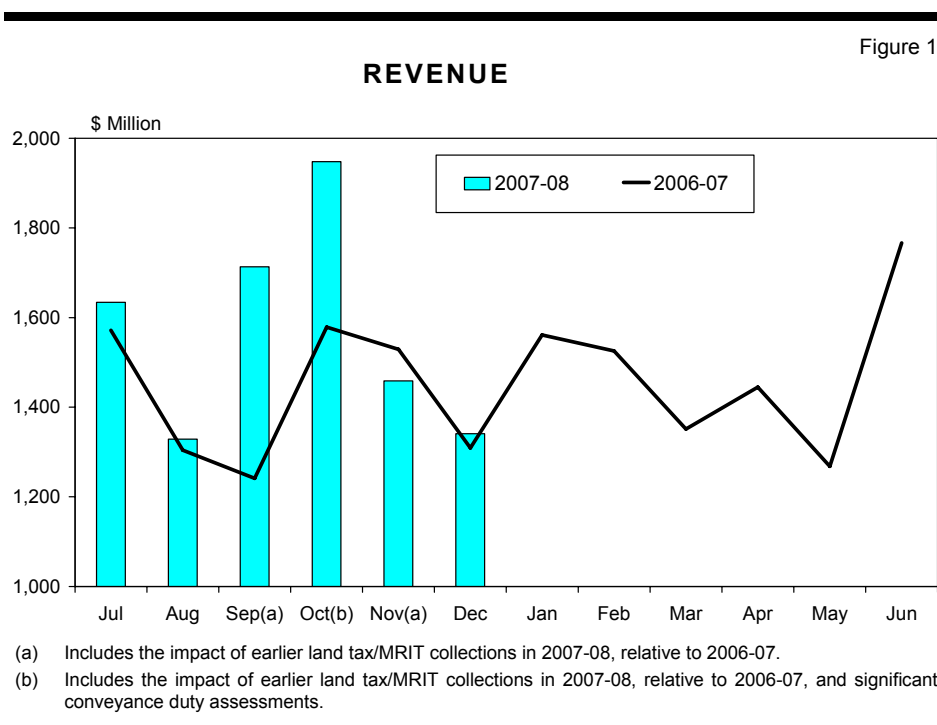
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<sup>1</sup> Land tax assessments are usually issued during the September quarter each year. However, assessments for 2006-07 were issued between November 2006 and February 2007.



- higher Commonwealth grants (up \$139 million), mainly due to higher specific purpose grants, with increased funding for public health (up \$27 million) and non-government schools (up \$17 million), the timing of road grants (up \$25 million), and increases in North West Shelf petroleum royalties (up \$29 million, largely due to higher oil prices);
- higher sales of goods and services (up \$88 million), reflecting increases in the volume and demand for goods and services across the sector, particularly for products and services provided by health, education, and law and order agencies;
- higher revenue from public corporations (up \$53 million), mainly due to the timing of the final dividend declaration for 2006-07 by Synergy and a higher final dividend declaration for 2006-07 by the Water Corporation<sup>2</sup>; and
- higher royalty income (up \$47 million), reflecting higher commodity prices and production volumes, particularly for nickel, iron ore and diamonds.

The following chart shows December 2007 revenue collections relative to monthly revenue recorded through 2006-07.



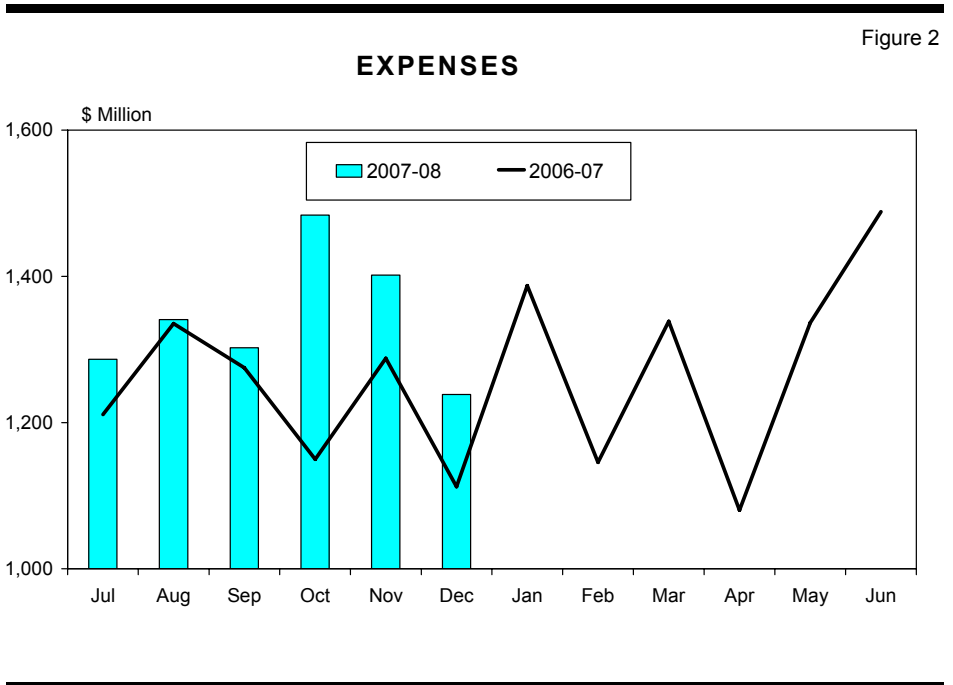
<sup>2</sup> Final dividends declared by the Water Corporation vary according to trends in profitability and the magnitude of any interim dividends declared through the year. Synergy's final dividend for 2006-07 (recorded in November 2007) was based on a full year's operations. The final dividend for 2005-06 was based on the first three months of operations, which commenced on 1 April 2006.

## Expenses

Expenses in the six months to 31 December 2007 totalled \$8,053 million, or 48.3% of the full-year estimate for 2007-08. This was \$682 million (or 9.3%) higher than the same period in 2006-07, reflecting:

- higher salaries (up \$268 million), mainly due to:
  - higher pay rates for general public servants;
  - higher pay rates and employee numbers in the health sector (up \$107 million), as a result of general demand, mental health strategies and other health initiatives impacting hospital staff numbers;
  - the impact of enterprise bargaining agreements and employee numbers in the law and order sector (up \$52 million); and
  - higher teaching and non-teaching staff numbers and pay rates in the education sector (up \$36 million);
- higher services and contract expenses (up \$164 million), due mainly to higher recurrent construction and maintenance expenditure in the education and health sectors, together with higher levels of expensed road construction activity by Main Roads;
- higher 'other' gross operating expenses (up \$102 million), which generally reflect changes in the timing of purchases, with education sector costs and increased pharmaceutical costs in the health sector significant in this movement;
- higher current and capital transfers (up \$95 million), largely reflecting the timing of Community Service Obligation payments to the Water Corporation and Land Authority (up \$28 million), the on-passing of Commonwealth grants to non-government schools (up \$17 million), First Home Owner Grant payments (up \$12 million), and Commonwealth housing grants on-passed to the Housing Authority (up \$14 million).

Figure 2 shows general government expenses in the first half of 2007-08, relative to monthly expenses in 2006-07.



**SUMMARY OF GENERAL GOVERNMENT FINANCES  
SIX MONTHS TO 31 DECEMBER 2007**

Western Australia

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
Net operating balance	624	1,370	1,831	867	1,162	2,303
Net worth		78,023	80,169		60,641	75,709
Increase in cash balances	459	444	-135	197	-815	74
<i>Memorandum items</i>						
Net lending	411	954	477	683	852	1,527
Net debt		-3,201	-2,424		-1,936	-2,716
Cash surplus	553	669	305	262	375	1,460

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Consistent with final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

## Balance Sheet

The net worth of the general government sector increased by \$2.3 billion in the six months to 31 December 2007, to stand at \$78.0 billion. This increase is primarily attributable to:

- increases in the value of the sector's equity holdings in public corporations (up \$858 million), mainly reflecting operating surpluses in, and equity injections to, the public corporations sector;
- higher land and fixed asset holdings (up \$716 million), reflecting construction activity as part of the State's Capital Works Program, particularly by Main Roads and the health and education sectors; and
- higher investments, loans and placements (up \$396 million), primarily due to increased cash holdings resulting from recent surpluses.

The general government sector continued to be net debt-free during the first six months of 2007-08, with financial assets exceeding borrowings and other debt liabilities by \$3.2 billion at 31 December 2007.

## **Cash Flow**

A cash surplus of \$669 million was recorded for the six months ended 31 December 2007 (compared with a \$375 million cash surplus in the same period in 2006-07). The impact of the factors described earlier on cash operating receipts and payments was partially offset by higher fixed asset spending in the first six months of 2007-08.

In this regard, capital investment (i.e. purchases of non-financial assets) increased by \$217 million (or 30.9%), relative to the same period in 2006-07, mainly reflecting increased spending on road infrastructure (particularly the New Perth-Bunbury Highway and the Karratha-Tom Price Link Road).

## **Total Public Sector**

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

### **Operating Statement**

An operating surplus of \$1,761 million was recorded by the total public sector for the first six months of 2007-08, up \$111 million on the surplus recorded for the same period in 2006-07. This includes the \$1,370 million operating result for the general government sector (discussed above).

The PNC sector recorded an operating surplus of \$270 million for the six months ended 31 December 2007, down \$22 million from the surplus recorded for the same period the previous year. This mainly reflects higher services and contract expenses for the Public Transport Authority compared to the first six months of 2006-07, in particular the start-up costs for the opening and operation of the new Perth to Mandurah passenger rail line and the Eastern Goldfields Railway re-sleepering project.

The PFC sector recorded an operating surplus of \$121 million for the six months ended 31 December 2007, down \$75 million from the surplus recorded in the same period last year. This largely reflects lower revenue reported by the Insurance Commission of Western Australia due to lower returns on investments, including the impact of the recent share market downturn, and lower interest revenue reported by RiskCover.

Table 2

**SUMMARY OF TOTAL PUBLIC SECTOR FINANCES  
SIX MONTHS TO 31 DECEMBER 2007**

Western Australia

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
Net operating balance	690	1,761	1,885	1,085	1,650	2,772
Net worth		78,023	80,169		60,641	75,709
Increase in cash balances	101	482	-131	111	347	1,304
<i>Memorandum items</i>						
Net lending	-44	-336	-1,322	635	905	977
Net debt		2,587	5,163		3,066	2,984
Cash surplus	314	505	-1,852	-83	110	426

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Consistent with final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

## Balance Sheet

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

Net debt of the total public sector declined \$397 million relative to 30 June 2007, to stand at \$2.6 billion at 31 December 2007. This continues the record low level of net debt recorded at the end of 2006-07, and reflects the strong surplus outcomes across all sectors of government, particularly the general government sector.

## **Cash Flow**

A cash surplus of \$505 million was recorded for the six months ended 31 December 2007 (compared with a \$110 million surplus for the same period in 2006-07). This reflects a net cash inflow from operating activities of \$2,199 million and a net cash outflow for fixed asset investment of \$1,694 million.

Higher infrastructure spending (up \$206 million, or 10.5%) was mainly due to general government sector road spending (noted above), and higher spending on public housing (up \$82 million).



## APPENDIX 1

# Government Finance Statistics

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

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Table 1.1

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

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>						
Taxation	1,713	3,561	6,368	1,596	2,981	5,718
Current grants and subsidies	1,936	3,690	7,362	1,845	3,551	7,155
Capital grants	105	201	471	108	201	448
Sales of goods and services	348	678	1,260	270	590	1,229
Interest income	74	143	254	52	115	246
Revenue from public corporations						
Dividends	47	96	485	20	44	421
Tax equivalent payments	83	153	318	68	152	311
Royalty income	358	739	1,668	351	692	1,468
Other	83	162	329	105	206	453
<i>Total</i>	<i>4,747</i>	<i>9,423</i>	<i>18,516</i>	<i>4,417</i>	<i>8,533</i>	<i>17,451</i>
<b>EXPENSES</b>						
Gross operating expenses						
Salaries	1,694	3,277	6,688	1,527	3,009	6,182
Depreciation and amortisation	170	341	741	154	303	672
Superannuation	164	318	648	149	293	602
Services and contracts	499	913	1,988	398	749	1,663
Other gross operating expenses	519	994	2,056	322	892	1,822
Nominal superannuation interest	75	145	316	76	153	289
Other interest	26	51	113	25	55	112
Current transfers	869	1,791	3,598	792	1,718	3,392
Capital transfers	107	222	536	107	200	413
<i>Total</i>	<i>4,124</i>	<i>8,053</i>	<i>16,685</i>	<i>3,550</i>	<i>7,371</i>	<i>15,147</i>
<b>NET OPERATING BALANCE</b>	<b>624</b>	<b>1,370</b>	<b>1,831</b>	<b>867</b>	<b>1,162</b>	<b>2,303</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	504	919	2,385	387	702	1,610
Sales of non-financial assets	-120	-163	-213	-50	-92	-169
less depreciation	170	341	741	154	303	672
plus change in inventories	-2	1	-	1	2	1
plus other movements in non-financial assets	-	-	-78	-	-	7
<i>Total</i>	<i>212</i>	<i>416</i>	<i>1,354</i>	<i>184</i>	<i>310</i>	<i>777</i>
<b>NET LENDING/BORROWING</b>	<b>411</b>	<b>954</b>	<b>477</b>	<b>683</b>	<b>852</b>	<b>1,527</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>624</b>	<b>1,370</b>	<b>1,831</b>	<b>867</b>	<b>1,162</b>	<b>2,303</b>
less provisions for doubtful debts	-	-	-	-	-	27
plus net gains on assets (including derivatives)	78	73	253	26	36	-2
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	-	-	51
plus all other adjustments	-19	-32	-68	-7	-8	-50
<b>AAS OPERATING RESULT</b>	<b>683</b>	<b>1,411</b>	<b>2,015</b>	<b>886</b>	<b>1,189</b>	<b>2,173</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding.

Table 1.2

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

	2007-08		2006-07	
	31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	31 Dec \$m	Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	486	402	398	394
Advances paid	832	829	907	840
Investments, loans and placements	3,683	3,184	2,625	3,287
Other non-equity assets	1,498	1,436	1,463	1,295
Equity	29,411	30,477	24,218	28,553
<i>Total</i>	<i>35,910</i>	<i>36,327</i>	<i>29,611</i>	<i>34,370</i>
<i>Non-Financial assets</i>				
Land and fixed assets	51,995	54,023	40,938	51,279
Other non-financial assets	285	282	208	295
<i>Total</i>	<i>52,280</i>	<i>54,306</i>	<i>41,146</i>	<i>51,574</i>
<b>TOTAL ASSETS</b>	<b>88,190</b>	<b>90,633</b>	<b>70,758</b>	<b>85,944</b>
<b>LIABILITIES</b>				
Deposits held	381	303	450	286
Advances received	523	510	536	523
Borrowings	896	1,178	1,008	996
Unfunded superannuation liabilities	5,503	5,364	5,471	5,498
Other employee entitlements and provisions	1,645	1,743	1,533	1,636
Non-equity liabilities	1,219	1,366	1,118	1,297
<b>TOTAL LIABILITIES</b>	<b>10,167</b>	<b>10,464</b>	<b>10,117</b>	<b>10,235</b>
<b>NET WORTH</b>	<b>78,023</b>	<b>80,169</b>	<b>60,641</b>	<b>75,709</b>
<i>Memorandum Item: Net Debt</i>	-3,201	-2,424	-1,936	-2,716
<b>Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET WORTH</b>	<b>78,023</b>	<b>80,169</b>	<b>60,641</b>	<b>75,709</b>
<i>less</i> equity (net worth) of PNFC and PFC sectors	26,757	27,516	21,938	26,104
<i>less</i> provision for doubtful debts	-	-	-	27
<i>less</i> all other adjustments	-152	-121	-226	-182
<b>AAS NET ASSETS</b>	<b>51,417</b>	<b>52,773</b>	<b>38,928</b>	<b>49,759</b>

(a) Estimate published in the 2007-08 Government Mid-year Financial Projections Statement, released 27 December 2007.

(b) Final audited data contained in the 2006-07 Annual Report on State Finances, released 26 September 2007.

Note: Columns may not add due to rounding.

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

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>						
Taxes received	1,951	3,364	6,397	1,351	2,668	5,675
Receipts from sales of goods and services	344	703	1,297	300	636	1,280
Grants and subsidies received	2,025	3,860	7,765	1,953	3,744	7,550
Other receipts	924	1,722	3,743	790	1,491	3,542
<i>Total</i>	<i>5,244</i>	<i>9,648</i>	<i>19,202</i>	<i>4,394</i>	<i>8,540</i>	<i>18,046</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>						
Payments for goods and services	-3,013	-5,797	-11,727	-2,620	-5,249	-10,541
Grants and subsidies paid	-1,000	-1,850	-3,810	-924	-1,777	-3,526
Interest paid	-27	-53	-116	-25	-51	-112
Other payments	-266	-524	-1,071	-225	-477	-966
<i>Total</i>	<i>-4,306</i>	<i>-8,223</i>	<i>16,724</i>	<i>-3,795</i>	<i>-7,554</i>	<i>-15,145</i>
<b>Net Cash Flow from Operating Activities</b>	<b>937</b>	<b>1,425</b>	<b>2,477</b>	<b>599</b>	<b>986</b>	<b>2,901</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	-504	-919	-2,385	-387	-702	-1,610
Sales of non-financial assets	120	163	213	50	92	169
<i>Total</i>	<i>-384</i>	<i>-757</i>	<i>-2,172</i>	<i>-337</i>	<i>-610</i>	<i>-1,441</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>						
Policy purposes	-106	-206	-379	-122	-1,236	-1,405
Liquidity purposes	30	31	-9	27	28	31
<i>Total</i>	<i>-77</i>	<i>-175</i>	<i>-388</i>	<i>-94</i>	<i>-1,208</i>	<i>-1,374</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-461</b>	<b>-932</b>	<b>-2,560</b>	<b>-432</b>	<b>-1,818</b>	<b>-2,815</b>
<b>FINANCING ACTIVITIES</b>						
Advances received (net)	-3	-3	-	-	-4	-4
Borrowings (net)	-43	-79	-35	23	-13	-24
Deposits received (net)	-	-	-	-	-4	-
Other financing	28	32	-17	6	39	16
<i>Total</i>	<i>-17</i>	<i>-50</i>	<i>-52</i>	<i>30</i>	<i>18</i>	<i>-12</i>
<i>Opening cash balance</i>	<i>4,520</i>	<i>4,535</i>	<i>4,535</i>	<i>3,450</i>	<i>4,462</i>	<i>4,462</i>
<b>NET INCREASE IN CASH HELD</b>	<b>459</b>	<b>444</b>	<b>-135</b>	<b>197</b>	<b>-815</b>	<b>74</b>
<i>Closing cash balance</i>	<i>4,979</i>	<i>4,979</i>	<i>4,401</i>	<i>3,647</i>	<i>3,647</i>	<i>4,535</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	<i>553</i>	<i>669</i>	<i>305</i>	<i>262</i>	<i>375</i>	<i>1,460</i>
Surplus	553	669	305	262	375	1,460

(a) Estimate published in the 2007-08 Government Mid-year Financial Projections Statement, released 27 December 2007.

(b) Final audited data contained in the 2006-07 Annual Report on State Finances, released 26 September 2007.

Note: Columns may not add due to rounding.

Table 1.4

**GENERAL GOVERNMENT**  
**Taxation Revenue**

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	492	973	1,958	398	797	1,607
Property taxes						
<i>Land tax</i>	89	419	420	302	302	386
Conveyances and transfers	682	1,218	2,225	469	1,009	2,037
Mortgages	29	58	116	26	62	121
Other stamp duties	-	1	1	8	18	26
<i>Total stamp duties on financial and capital transactions</i>	710	1,277	2,342	503	1,089	2,184
Metropolitan Region						
Improvement Tax	39	77	78	38	38	65
Emergency Services Levy	35	102	150	30	99	137
Loan guarantee fees	3	7	16	3	6	14
<i>Total other property taxes</i>	77	186	244	71	143	217
Taxes on provision of goods and services						
Lotteries Commission	28	56	111	27	53	112
less rebates	-6	-12	-25	-6	-12	-24
Video lottery terminals	-	-	1	-	-	-
Casino Tax	20	40	78	19	34	77
less rebates	-11	-21	-42	-8	-17	-40
TAB betting tax	6	19	55	20	36	69
less rebates	-1	-4	-6	-8	-15	-30
<i>Total taxes on gambling</i>	36	78	172	45	80	164
Stamp duty on insurance policies	87	182	341	69	157	308
Other	8	14	27	9	14	27
<i>Total taxes on insurance</i>	95	196	368	78	171	335
Taxes on use of goods and performance of activities						
Stamp duty on vehicle licences	97	197	395	97	190	393
Permits - oversize vehicles and loads	1	2	5	1	1	4
Motor vehicle recording fee	8	17	34	8	15	32
Motor vehicle registrations	108	216	430	94	193	396
<i>Total motor vehicle taxes</i>	214	432	864	199	400	825
<b>Total Taxation</b>	<b>1,713</b>	<b>3,561</b>	<b>6,368</b>	<b>1,596</b>	<b>2,981</b>	<b>5,718</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding.

Table 1.5

### TOTAL PUBLIC SECTOR Operating Statement

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>						
Taxation	1,664	3,463	6,167	1,540	2,887	5,519
Current grants and subsidies	1,936	3,690	7,362	1,845	3,551	7,155
Capital grants	105	201	471	108	201	448
Sales of goods and services	2,270	4,379	8,446	2,041	4,093	8,323
Interest income	146	336	649	136	303	602
Royalty income	358	739	1,668	351	692	1,468
Other	188	357	757	173	342	738
<i>Total</i>	<i>6,669</i>	<i>13,165</i>	<i>25,520</i>	<i>6,195</i>	<i>12,070</i>	<i>24,253</i>
<b>EXPENSES</b>						
Gross operating expenses						
Salaries	1,882	3,642	7,465	1,689	3,329	6,820
Depreciation and amortisation	372	748	1,603	342	668	1,418
Superannuation	183	354	723	168	328	664
Services and contracts	618	1,128	2,233	489	927	2,023
Other gross operating expenses	1,833	3,339	7,025	1,454	3,130	6,492
Nominal superannuation interest	75	145	316	76	153	289
Other interest	240	459	921	209	414	817
Other property expenses	-	-	1	-	-	-
Current transfers	693	1,435	2,880	620	1,349	2,699
Capital transfers	80	154	469	62	123	260
<i>Total</i>	<i>5,978</i>	<i>11,404</i>	<i>23,635</i>	<i>5,109</i>	<i>10,421</i>	<i>21,481</i>
<b>NET OPERATING BALANCE</b>	<b>690</b>	<b>1,761</b>	<b>1,885</b>	<b>1,085</b>	<b>1,650</b>	<b>2,772</b>
<b>NET ACQUISITION OF</b>						
<b>NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	1,147	2,167	5,662	994	1,961	4,169
Sales of non-financial assets	-264	-474	-994	-204	-379	-859
less depreciation	372	748	1,603	342	668	1,418
plus change in inventories	237	1,166	218	6	-159	-98
plus other movements in non-financial assets	-14	-14	-78	-5	-10	1
<i>Total</i>	<i>734</i>	<i>2,098</i>	<i>3,206</i>	<i>450</i>	<i>745</i>	<i>1,794</i>
<b>NET LENDING/BORROWING</b>	<b>-44</b>	<b>-336</b>	<b>-1,322</b>	<b>635</b>	<b>905</b>	<b>977</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>690</b>	<b>1,761</b>	<b>1,885</b>	<b>1,085</b>	<b>1,650</b>	<b>2,772</b>
less provisions for doubtful debts	2	3	8	2	3	35
plus net gains on assets (including derivatives)	101	143	510	69	111	238
plus capitalised interest	14	14	-	5	10	-
less revaluation of superannuation liabilities	-	-	-	-	-	72
plus all other adjustments	-19	-32	-68	-7	-8	-50
<b>AAS OPERATING RESULT</b>	<b>784</b>	<b>1,883</b>	<b>2,318</b>	<b>1,151</b>	<b>1,759</b>	<b>2,852</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding.

Table 1.6

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

	2007-08		2006-07	
	31 Dec \$m	Annual Estimate <sup>(a)</sup> \$m	31 Dec \$m	Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	817	832	664	805
Advances paid	1,611	1,599	1,760	1,567
Investments, loans and placements	9,695	8,186	8,182	8,567
Other non-equity assets	3,474	2,716	3,086	2,772
Equity	1,356	1,425	1,245	1,350
<i>Total</i>	<i>16,953</i>	<i>14,758</i>	<i>14,936</i>	<i>15,060</i>
<i>Non-Financial assets</i>				
Land and fixed assets	89,193	93,956	71,827	87,313
Other non-financial assets	654	610	494	621
<i>Total</i>	<i>89,848</i>	<i>94,567</i>	<i>72,321</i>	<i>87,934</i>
<b>TOTAL ASSETS</b>	<b>106,801</b>	<b>109,325</b>	<b>87,258</b>	<b>102,994</b>
<b>LIABILITIES</b>				
Deposits held	115	118	198	126
Advances received	523	510	536	523
Borrowings	14,073	15,152	12,937	13,274
Unfunded superannuation liabilities	5,639	5,525	5,636	5,664
Other employee entitlements and provisions	2,260	2,285	2,070	2,275
Non-equity liabilities	6,168	5,565	5,239	5,425
<b>TOTAL LIABILITIES</b>	<b>28,778</b>	<b>29,155</b>	<b>26,617</b>	<b>27,285</b>
<b>NET WORTH</b>	<b>78,023</b>	<b>80,169</b>	<b>60,641</b>	<b>75,709</b>
<i>Memorandum Item: Net Debt</i>	<i>2,587</i>	<i>5,163</i>	<i>3,066</i>	<i>2,984</i>
<b>Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET WORTH</b>	<b>78,023</b>	<b>80,169</b>	<b>60,641</b>	<b>75,709</b>
<i>less</i> provision for doubtful debts	3	8	3	35
<i>less</i> all other adjustments	-152	-120	-226	-182
<b>AAS NET ASSETS</b>	<b>78,172</b>	<b>80,281</b>	<b>60,863</b>	<b>75,856</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding.

Table 1.7

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

	2007-08			2006-07		
	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	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>						
Taxes received	1,919	3,300	6,161	1,320	2,612	5,396
Receipts from sales of goods and services	2,432	4,875	8,547	2,027	4,415	8,510
Grants and subsidies received	2,025	3,860	7,765	1,953	3,744	7,550
Other receipts	1,030	2,040	3,925	908	1,816	3,725
<i>Total</i>	<i>7,406</i>	<i>14,075</i>	<i>26,398</i>	<i>6,207</i>	<i>12,588</i>	<i>25,180</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>						
Payments for goods and services	-4,733	-9,026	-17,757	-4,198	-8,248	-16,258
Grants and subsidies paid	-733	-1,501	-3,106	-639	-1,390	-2,756
Interest paid	-272	-365	-901	-234	-346	-662
Other payments	-471	-985	-1,817	-428	-912	-1,769
<i>Total</i>	<i>-6,210</i>	<i>-11,876</i>	<i>-23,582</i>	<i>-5,499</i>	<i>-10,896</i>	<i>-21,444</i>
<b>Net Cash Flow from Operating Activities</b>	<b>1,197</b>	<b>2,199</b>	<b>2,816</b>	<b>708</b>	<b>1,692</b>	<b>3,735</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>						
Purchase of non-financial assets	-1,147	-2,167	-5,662	-994	-1,961	-4,169
Sales of non-financial assets	264	474	994	204	379	859
<i>Total</i>	<i>-883</i>	<i>-1,694</i>	<i>-4,668</i>	<i>-791</i>	<i>-1,582</i>	<i>-3,310</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>						
Policy purposes	-1	-1	-	-	-	-
Liquidity purposes	-473	-425	-42	-199	21	341
<i>Total</i>	<i>-474</i>	<i>-427</i>	<i>-42</i>	<i>-199</i>	<i>21</i>	<i>341</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-1,356</b>	<b>-2,120</b>	<b>-4,710</b>	<b>-990</b>	<b>-1,561</b>	<b>-2,968</b>
<b>FINANCING ACTIVITIES</b>						
Advances received (net)	-3	-3	-13	-	-4	-17
Borrowings (net)	260	400	1,801	382	183	550
Deposits received (net)	-	-	-	-	-4	-
Distributions paid	-	-	-	-	-	-
Other financing	4	6	-25	10	41	5
<i>Total</i>	<i>260</i>	<i>403</i>	<i>1,763</i>	<i>392</i>	<i>216</i>	<i>537</i>
<i>Opening cash balance</i>	<i>7,870</i>	<i>7,489</i>	<i>7,489</i>	<i>6,421</i>	<i>6,185</i>	<i>6,185</i>
<b>NET INCREASE IN CASH HELD</b>	<b>101</b>	<b>482</b>	<b>-131</b>	<b>111</b>	<b>347</b>	<b>1,304</b>
<i>Closing cash balance</i>	<i>7,971</i>	<i>7,971</i>	<i>7,358</i>	<i>6,532</i>	<i>6,532</i>	<i>7,489</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	<i>314</i>	<i>505</i>	<i>-1,852</i>	<i>-83</i>	<i>110</i>	<i>426</i>
Surplus	314	505	-1,852	-83	110	426

(a) Estimate published in the 2007-08 Government Mid-year Financial Projections Statement, released 27 December 2007.

(b) Final audited data contained in the 2006-07 Annual Report on State Finances, released 26 September 2007.

Note: Columns may not add due to rounding.



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

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

### **Operating Statement**

The general government sector recorded an operating surplus of \$103 million for the month of December 2007, compared with a \$197 million surplus recorded in December 2006.

Revenue in December 2007 totalled \$1,341 million, \$32 million higher than the same month the previous year. The increase primarily reflects:

- higher taxation revenue (up \$26 million), primarily due to higher payroll tax collections, due to wages and employment growth;
- higher tax equivalent revenue from public corporations (up \$23 million), mainly due to a change in tax instalment arrangements for the Water Corporation;
- higher interest income (up \$14 million), due to increased cash balances and higher interest rates; and
- lower Commonwealth grants (down \$35 million), primarily due to the timing of a range of tied grants, partially offset by an increase in North West Shelf petroleum royalties.

Expenses for the month of December 2007 totalled \$1,238 million, up \$126 million from December 2006. This increase largely reflects:

- higher salaries (up \$55 million), mainly reflecting higher pay rates and employee numbers in the health and law and order sectors;
- higher services and contract expenses (up \$48 million), primarily due to higher recurrent construction and maintenance expenditure in the education and health sectors; and
- higher current transfers (up \$16 million), reflecting similar factors outlined in the quarterly overview earlier in this publication.

### **Cash Flow Statement**

A cash surplus of \$39 million was recorded in December 2007, compared to the \$58 million cash surplus recorded in December 2006.

This reflects a decrease in net cash inflows from operating activities, with higher payments for operating activities (up \$95 million compared with December 2006) partially offset by higher receipts (up \$64 million). These movements reflect similar factors to those discussed above for the operating statement.

Higher spending on fixed assets (up \$50 million, mainly due to increased road works), was more than offset by higher sales of fixed assets, particularly land sales by the Meat Industry Authority.

Table 2.1

**GENERAL GOVERNMENT**  
Operating Statement

	2007-08			2006-07	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Dec \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>					
Taxation	525	475	6,368	449	5,718
Current grants and subsidies	653	409	7,362	451	7,155
Capital grants	42	35	471	28	448
Sales of goods and services	106	109	1,260	101	1,229
Interest income	23	31	254	17	246
Revenue from public corporations					
Dividends	22	25	485	19	421
Tax equivalent payments	32	24	318	1	311
Royalty income	32	211	1,668	213	1,468
Other	25	23	329	31	453
<i>Total</i>	<i>1,459</i>	<i>1,341</i>	<i>18,516</i>	<i>1,309</i>	<i>17,451</i>
<b>EXPENSES</b>					
Gross operating expenses					
Salaries	573	551	6,688	496	6,182
Depreciation and amortisation	59	55	741	52	672
Superannuation	56	53	648	48	602
Services and contracts	164	167	1,988	119	1,663
Other	203	125	2,056	124	1,822
Nominal superannuation interest	23	29	316	25	289
Other interest	7	9	113	8	112
Current transfers	270	223	3,598	207	3,392
Capital transfers	47	27	536	32	413
<i>Total</i>	<i>1,402</i>	<i>1,238</i>	<i>16,685</i>	<i>1,112</i>	<i>15,147</i>
<b>NET OPERATING BALANCE</b>	<b>57</b>	<b>103</b>	<b>1,831</b>	<b>197</b>	<b>2,303</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Consistent with final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding

## GENERAL GOVERNMENT

### Cash Flow Statement

	2007-08			2006-07	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Dec \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>					
Taxes received	847	595	6,397	544	5,675
Receipts from sales of goods and services	123	99	1,297	107	1,280
Grants and subsidies received	718	429	7,765	484	7,550
Other receipts	127	399	3,743	323	3,542
<i>Total</i>	<i>1,815</i>	<i>1,522</i>	<i>19,202</i>	<i>1,458</i>	<i>18,046</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>					
Payments for goods and services	-1,066	-911	-11,727	-864	-10,541
Grants and subsidies paid	-231	-384	-3,810	-362	-3,526
Interest paid	-5	-4	-116	-1	-112
Other payments	-65	-96	-1,071	-73	-966
<i>Total</i>	<i>-1,367</i>	<i>-1,395</i>	<i>-16,724</i>	<i>-1,300</i>	<i>-15,145</i>
<b>Net Cash Flow from Operating Activities</b>	<b>448</b>	<b>126</b>	<b>2,477</b>	<b>158</b>	<b>2,901</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>					
Purchase of non-financial assets	-180	-174	-2,385	-124	-1,610
Sales of non-financial assets	19	86	213	24	169
<i>Total</i>	<i>-160</i>	<i>-88</i>	<i>-2,172</i>	<i>-100</i>	<i>-1,441</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>					
Policy purposes	-34	-34	-379	-22	-1,405
Liquidity purposes	-	3	-9	-1	31
<i>Total</i>	<i>-34</i>	<i>-30</i>	<i>-388</i>	<i>-23</i>	<i>-1,374</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-194</b>	<b>-118</b>	<b>-2,560</b>	<b>-122</b>	<b>-2,815</b>
<b>FINANCING ACTIVITIES</b>					
Advances received (net)	-	-	-	-	-4
Borrowings (net)	94	-97	-35	37	-24
Deposits received (net)	-	-	-	-3	-
Other financing	20	10	-17	2	16
<i>Total</i>	<i>114</i>	<i>-87</i>	<i>-52</i>	<i>36</i>	<i>-12</i>
<i>Opening cash balance</i>	<i>4,691</i>	<i>5,058</i>	<i>4,535</i>	<i>3,576</i>	<i>4,462</i>
<b>NET INCREASE IN CASH HELD</b>	<b>367</b>	<b>-79</b>	<b>-135</b>	<b>72</b>	<b>74</b>
<i>Closing cash balance</i>	<i>5,058</i>	<i>4,979</i>	<i>4,401</i>	<i>3,647</i>	<i>4,535</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>288</i>	<i>39</i>	<i>305</i>	<i>58</i>	<i>1,460</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Surplus</b>	<b>288</b>	<b>39</b>	<b>305</b>	<b>58</b>	<b>1,460</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Consistent with final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding.

Table 2.3

**GENERAL GOVERNMENT**  
Taxation Revenue

	2007-08			2006-07	
	Month of Nov \$m	Month of Dec \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Dec \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>					
Taxes on employers' payroll and labour force					
<i>Payroll tax</i>	157	162	1,958	136	1,607
Property taxes					
<i>Land tax</i>	10	8	420	22	386
Conveyances and transfers	201	179	2,225	155	2,037
Mortgages	11	9	116	9	121
Other stamp duties	-	-	1	3	26
<i>Total stamp duties on financial and capital transactions</i>	212	188	2,342	167	2,184
Metropolitan Region					
Improvement Tax	3	-	78	8	65
Emergency Services Levy	22	1	150	5	137
Loan guarantee fees	1	1	16	-	14
<i>Total other property taxes</i>	26	2	244	14	217
Taxes on provision of goods and services					
Lotteries Commission	9	9	111	10	112
less rebates	-2	-2	-25	-2	-24
Video lottery terminals	-	-	1	-	-
Casino Tax	7	6	78	6	77
less rebates	-4	-4	-42	-3	-40
TAB betting tax	3	3	55	9	69
less rebates	-	-	-6	-3	-30
<i>Total taxes on gambling</i>	13	12	172	18	164
Stamp duty on insurance policies	26	35	341	21	308
Other	2	4	27	5	27
<i>Total taxes on insurance</i>	28	39	368	26	335
Taxes on use of goods and performance of activities					
Stamp duty on vehicle licences	38	26	395	33	393
Permits - oversize vehicles and loads	1	-	5	-	4
Motor vehicle recording fee	3	3	34	2	32
Motor vehicle registrations	36	35	430	30	396
<i>Total motor vehicle taxes</i>	78	64	864	66	825
<b>Total Taxation</b>	<b>525</b>	<b>475</b>	<b>6,368</b>	<b>449</b>	<b>5,718</b>

(a) Estimate published in the 2007-08 *Government Mid-year Financial Projections Statement*, released 27 December 2007.

(b) Consistent with final audited data contained in the 2006-07 *Annual Report on State Finances*, released 26 September 2007.

Note: Columns may not add due to rounding.

# Interim Consolidated Financial Statements

## Statement of Responsibility

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

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



TIMOTHY MARNEY  
UNDER TREASURER



ROY PICARDO  
ASSISTANT DIRECTOR  
FINANCIAL REPORTING

26 February 2008

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Table 3.1

**CONSOLIDATED INCOME STATEMENT**  
For the six months ended 31 December 2007

	2007-08		2006-07			
	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>INCOME</b>						
Taxation	2	1,643	3,389	1,527	2,814	5,449
Territorial revenue		572	1,148	532	1,073	2,204
Regulatory fees and fines		137	309	116	265	477
Sale of goods and services	3	2,057	3,888	1,912	3,559	7,495
Grants and subsidies	4	1,863	3,543	1,814	3,460	7,020
Interest revenue		146	336	136	303	602
Other revenue		485	942	359	934	1,911
<b>TOTAL INCOME</b>		<b>6,903</b>	<b>13,555</b>	<b>6,395</b>	<b>12,407</b>	<b>25,158</b>
<b>EXPENSES</b>						
Supplies and services		814	1,431	447	1,388	2,855
Employee benefits		2,194	4,237	1,991	3,912	8,044
Finance costs		226	445	204	404	817
Depreciation, amortisation and impairment		372	748	342	668	1,423
Grants and subsidies		808	1,655	701	1,520	3,067
Other expenses	5	1,705	3,157	1,560	2,757	6,100
<b>TOTAL EXPENSES</b>		<b>6,119</b>	<b>11,672</b>	<b>5,245</b>	<b>10,648</b>	<b>22,306</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>784</b>	<b>1,883</b>	<b>1,151</b>	<b>1,759</b>	<b>2,852</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**

As at 31 December 2007

	Note	2007-08	2006-07	
		31 Dec \$m	31 Dec \$m	30 June \$m
<b>CURRENT ASSETS</b>				
Cash & cash equivalents		817	664	805
Inventories		1,138	811	1,004
Receivables	6	3,745	3,008	2,731
Other financial assets	7	9,132	7,788	8,668
Biological assets		60	62	60
Non-current assets classified as held for sale		75	59	172
Other non-financial assets/Investment Properties		141	131	72
<b>Total current assets</b>		<b>15,108</b>	<b>12,523</b>	<b>13,511</b>
<b>NON-CURRENT ASSETS</b>				
Inventories		894	857	783
Receivables	6	321	257	301
Land		37,984	26,436	37,434
Buildings		14,347	11,790	14,354
Infrastructure		26,410	24,265	25,880
Plant, equipment and other		7,778	7,139	7,172
Biological assets		279	310	273
Intangible assets		318	226	322
Other financial assets	7	2,832	2,927	2,425
Other non-financial assets/Investment Properties		432	338	406
<b>Total non-current assets</b>		<b>91,596</b>	<b>74,546</b>	<b>89,350</b>
<b>TOTAL ASSETS</b>		<b>106,704</b>	<b>87,069</b>	<b>102,861</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,618	1,143	996
Borrowings	8	6,261	5,522	5,652
Provisions		1,578	1,442	1,592
Other liabilities		1,670	1,283	1,661
<b>Total current liabilities</b>		<b>11,128</b>	<b>9,390</b>	<b>9,902</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	8	9,326	8,799	9,032
Provisions		6,319	6,259	6,339
Other liabilities		1,760	1,757	1,733
<b>Total non-current liabilities</b>		<b>17,406</b>	<b>16,815</b>	<b>17,104</b>
<b>TOTAL LIABILITIES</b>		<b>28,533</b>	<b>26,206</b>	<b>27,006</b>
<b>NET ASSETS</b>		<b>78,172</b>	<b>60,863</b>	<b>75,856</b>
<b>EQUITY</b>				
Accumulated funds		27,995	24,677	25,784
Reserves		50,177	36,186	50,072
<b>TOTAL EQUITY</b>		<b>78,172</b>	<b>60,863</b>	<b>75,856</b>

The accompanying notes form part of these financial statements.



Table 3.3

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2007

	2007-08		2006-07	
	31 Dec \$m		31 Dec \$m	30 June \$m
<b>Balance of Equity at the start of the period</b>	<b>75,856</b>		<b>58,156</b>	<b>58,156</b>
<b>RESERVES</b>				
Balance at start of the period	50,072		36,382	36,382
Changes in accounting policy/correction of prior period errors	(173)		(340)	(410)
<b>Restated balance at start of period</b>	<b>49,899</b>		<b>36,042</b>	<b>35,972</b>
Gains/(losses) from asset revaluation and other	278		144	14,100
<b>Balance at end of the period</b>	<b>50,177</b>		<b>36,186</b>	<b>50,072</b>
<b>ACCUMULATED FUNDS</b>				
Balance at start of the period	25,784		21,774	21,774
Change in accounting policy/correction of prior period errors	(369)		742	860
<b>Restated balance at start of period</b>	<b>25,415</b>		<b>22,516</b>	<b>22,634</b>
Surplus/(deficit) for the period	1,883		1,759	2,852
Gain/(losses) recognised directly in equity	697		402	297
<b>Balance at end of period</b>	<b>27,995</b>		<b>24,677</b>	<b>25,784</b>
<b>BALANCE OF EQUITY AT END OF PERIOD</b>				
	<b>78,172</b>		<b>60,863</b>	<b>75,856</b>
Total income and expense for the period	2,858		2,305	17,250

The accompanying notes form part of these financial statements.

Table 3.4

**CONSOLIDATED CASH FLOW STATEMENT**

For the six months ended 31 December 2007

	2007-08		2006-07			
	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>						
<i>Receipts</i>						
Taxation		1,865	3,213	1,268	2,527	5,276
Territorial revenue		572	1,148	532	1,073	2,156
Regulatory fees and fines		163	304	139	256	484
Sale of goods and services		2,079	4,141	1,734	3,742	7,246
Grants and subsidies received		1,869	3,546	1,814	3,451	7,017
Interest received		88	161	62	129	266
GST receipts on sales		144	287	170	273	566
GST receipts from taxation authority		203	429	157	368	748
Other receipts		305	619	294	591	1,226
<i>Payments</i>						
Salaries, wages and other benefits	(1,948)	(3,697)	(1,783)	(3,416)	(6,826)	
Superannuation paid	(274)	(538)	(235)	(455)	(962)	
Finance cost paid	(20)	(39)	-	(33)	(80)	
Grants and subsidies paid	(819)	(1,675)	(699)	(1,533)	(3,027)	
GST payments on purchases	(324)	(655)	(322)	(607)	(1,222)	
GST payments to taxation authority	(44)	(86)	-	(70)	(127)	
Contract services paid	(635)	(1,184)	(503)	(962)	(1,926)	
Other payments	(1,792)	(3,472)	(1,642)	(3,308)	(6,466)	
<b>Net cash flows from operating activities</b>		<b>1,433</b>	<b>2,504</b>	<b>986</b>	<b>2,027</b>	<b>4,348</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of non-current physical assets		130	183	61	122	211
Purchase of non-current physical assets	(1,097)	(2,071)	(936)	(1,861)	(3,890)	
Proceeds from sale of investments		51	123	77	115	158
Purchase of investments	(15)	(139)	(97)	(117)	(153)	
Other receipts	(15)	(19)	31	33	17	
Other payments	(7)	(16)	(33)	(45)	(67)	
<b>Net cash flows used in investing activities</b>		<b>(953)</b>	<b>(1,939)</b>	<b>(898)</b>	<b>(1,753)</b>	<b>(3,724)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings	-	-	-	-	-	
Repayment of borrowings	-	-	(1)	-	(13)	
Other proceeds	5	31	60	126	142	
Other repayments	(19)	(24)	(11)	(21)	(64)	
<b>Net cash flows from financing activities</b>		<b>(15)</b>	<b>6</b>	<b>50</b>	<b>104</b>	<b>65</b>
NET CASH FLOWS/(OUTFLOWS) FROM PUBLIC FINANCIAL CORPORATIONS	9	(372)	(97)	(26)	(31)	614
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>93</b>	<b>474</b>	<b>113</b>	<b>348</b>	<b>1,304</b>
CASH ASSETS AT THE BEGINNING OF THE PERIOD		6,680	6,299	5,230	4,995	4,995
<b>CASH ASSETS AT THE END OF THE PERIOD</b>		<b>6,773</b>	<b>6,773</b>	<b>5,343</b>	<b>5,343</b>	<b>6,299</b>

The accompanying notes form part of these financial statements

## Notes to the Consolidated Financial Statements for the Six Months Ended 31 December 2007

### 1. Statement of significant accounting policies

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

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

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

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

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2007, presented in Appendix 6 of the 2006-07 *Annual Report on State Finances* (ARSF) released on 26 September 2007. The accounting policies adopted in this publication are consistent with those outlined in the 2006-07 ARSF, which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 6 of the 2006-07 ARSF.

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

#### (c) *Unaudited data*

The Interim Consolidated Financial Statements are not subject to audit.

*(d) Comparative figures*

Comparative information has been restated where necessary, in relation to the reclassification of investment properties in the Balance Sheet totalling \$259 million from other financial assets to other non-financial assets.

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**NOTE 2. TAXATION REVENUE**


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	2007-08		2006-07		
	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	903	1,674	685	1,456	2,927
Payroll tax	477	946	386	774	1,559
Motor vehicle's and drivers' licences	119	238	104	215	440
Gambling taxes and licences	20	41	19	35	77
Land tax	82	408	291	292	371
Other taxes and licences	43	82	42	42	76
<b>Total</b>	<b>1,643</b>	<b>3,389</b>	<b>1,527</b>	<b>2,814</b>	<b>5,449</b>

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


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	2007-08		2006-07		
	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	1,194	2,229	1,831	2,752	4,299
Revenue from the provision of services	862	1,659	81	807	3,196
<b>Total</b>	<b>2,057</b>	<b>3,888</b>	<b>1,912</b>	<b>3,559</b>	<b>7,495</b>

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**NOTE 4. GRANTS AND SUBSIDIES**


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	2007-08		2006-07		
	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	1,838	3,418	1,793	3,418	6,915
Other grants and subsidies	25	125	21	42	105
<b>Total</b>	<b>1,863</b>	<b>3,543</b>	<b>1,814</b>	<b>3,460</b>	<b>7,020</b>

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**NOTE 5. OTHER EXPENSES**


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	2007-08		2006-07		
	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	340	655	341	617	1,234
Health sector specific expenses	225	438	189	387	812
Education sector specific expenses	91	187	66	142	328
Insurance claims expenses	121	258	143	262	478
Contract services expense	572	1,035	438	827	1,841
Other	356	583	383	522	1,408
<b>Total</b>	<b>1,705</b>	<b>3,157</b>	<b>1,560</b>	<b>2,757</b>	<b>6,100</b>

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**NOTE 6. RECEIVABLES**


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	2007-08	2006-07	
	31 Dec \$m	31 Dec \$m	30 June \$m
<i>Current</i>			
Accounts Receivables	3,900	3,124	2,887
Provision for impairment of receivables	(155)	(116)	(156)
<b>Total Current</b>	<b>3,745</b>	<b>3,008</b>	<b>2,731</b>
<i>Non-current</i>			
Accounts Receivables	323	258	302
Provision for impairment of receivables	(1)	(1)	(1)
<b>Total Non-current</b>	<b>321</b>	<b>257</b>	<b>301</b>

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**NOTE 7. OTHER FINANCIAL ASSETS**


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	2007-08	2006-07	
	31 Dec \$m	31 Dec \$m	30 June \$m
<b>Current</b>			
<i>Investments</i>			
Unlisted/Listed shares	1,177	1,077	1,161
Term deposits	7,643	6,452	6,972
Government securities	249	217	248
<b>Total</b>	<b>9,069</b>	<b>7,746</b>	<b>8,381</b>
<i>Loans and advances</i>			
Non-government schools	20	12	26
Other	43	30	260
<b>Total</b>	<b>62</b>	<b>42</b>	<b>287</b>
<b>Total current</b>	<b>9,132</b>	<b>7,788</b>	<b>8,668</b>
<b>Non-current</b>			
<i>Investments</i>			
Government securities	155	204	172
Other investments	352	146	191
<b>Total</b>	<b>507</b>	<b>608</b>	<b>363</b>
<i>Loans and advances</i>			
Homebuyers	1,302	1,392	1,253
Non-government schools	163	225	160
GESB	512	534	523
Other	348	427	126
<b>Total</b>	<b>2,326</b>	<b>2,578</b>	<b>2,062</b>
<b>Total non-current</b>	<b>2,832</b>	<b>2,927</b>	<b>2,425</b>

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**NOTE 8. BORROWINGS**


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	2007-08	2006-07	
	31 Dec \$m	31 Dec \$m	30 June \$m
<i>Current</i>			
Bank overdrafts	86	68	78
Finance leases	21	13	22
Liability to the Commonwealth Government	13	13	13
Domestic and foreign borrowings	6,141	5,428	5,539
<b>Total current</b>	<b>6,261</b>	<b>5,522</b>	<b>5,652</b>
<i>Non-current</i>			
Finance leases	378	395	362
Liability to the Commonwealth Government	510	523	510
Domestic and foreign borrowings	8,439	7,880	8,160
<b>Total non-current</b>	<b>9,326</b>	<b>8,799</b>	<b>9,032</b>

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

	2007-08		2006-07		
	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
<i>Cash flows from operating activities</i>					
Interest received	129	218	84	176	355
Premiums received	86	193	89	188	383
GST received on sales	23	34	9	31	50
GST received from taxation authority	7	17	8	18	32
Other receipts	25	96	23	71	129
Salaries, wages and other benefits paid	(8)	(14)	(7)	(13)	(27)
Superannuation paid	(1)	(1)	(1)	(1)	(2)
Borrowing costs paid	(253)	(327)	(233)	(312)	(580)
Claims paid	(97)	(203)	(119)	(218)	(389)
GST paid on purchases	(7)	(16)	(7)	(17)	(32)
GST paid to taxation authority	(23)	(35)	(8)	(32)	(50)
Other payments	(28)	(60)	(12)	(51)	(65)
<b>Net cash flows used in operating activities</b>	<b>(146)</b>	<b>(98)</b>	<b>(174)</b>	<b>(160)</b>	<b>(196)</b>
<i>Cash flows from investing activities</i>					
Purchase of non-current physical assets	(6)	(6)	-	(1)	(7)
Proceeds from investments	676	1,227	890	1,750	3,860
Purchase of investments	(1,181)	(1,625)	(1,096)	(1,748)	(3,528)
<b>Net cash flows used in investing activities</b>	<b>(510)</b>	<b>(404)</b>	<b>(207)</b>	<b>1</b>	<b>326</b>
<i>Cash flows from financing activities</i>					
Proceeds from borrowings	4,413	6,202	3,756	5,963	8,681
Repayments of borrowings	(4,129)	(5,797)	(3,400)	(5,834)	(8,196)
<b>Net cash flows from financing activities</b>	<b>284</b>	<b>405</b>	<b>355</b>	<b>129</b>	<b>(485)</b>
<b>Net cash flows from public financial corporations</b>	<b>(372)</b>	<b>(97)</b>	<b>(26)</b>	<b>(31)</b>	<b>(614)</b>

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

## NOTE 10. DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 38, Composition of Sectors in the *Annual Report on State Finances* for the year ended 30 June 2007. Changes since that date are:

- The Chemistry Centre (WA) was established with effect from 1 August 2007.
- The Commissioner for Children and Young People was established with effect from 10 December 2007.

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**NOTE 11. CONTINGENT LIABILITIES**

There have been no material changes in contingent liabilities since the issue of the *Annual Report on State Finances* for the year ended 30 June 2007.

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## Public Ledger

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

Table 4.1 shows that the aggregate balance of the Public Ledger at 31 December 2007 increased by \$1,211 million compared with 31 December 2006. This reflects the combined impact of a \$1,638 million increase in the Treasurer's Special Purpose Accounts and a \$426 million increase in the Consolidated Account deficit.

<b>PUBLIC LEDGER BALANCES AT 31 DECEMBER</b>		
	2007 \$m	2006 \$m
<b>THE TREASURER'S ACCOUNTS</b>		
Consolidated Account <sup>(a)</sup>	(3,131)	(2,705)
Treasurer's Special Purpose Accounts	4,277	2,639
Treasurer's Advance Account – Net Advances	(31)	(30)
<b>Total</b>	<b>1,115</b>	<b>(96)</b>

(a) The balance of the Consolidated Account at 31 December 2007 includes non-cash appropriations of \$2,951 million (31 December 2006: \$2,426 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the Treasurer's Special Purpose Accounts balance.

## **Consolidated Account**

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

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

The Consolidated Account recorded an accumulated deficit of \$3,131 million at 31 December 2007. This included \$2,951 million in non-cash Holding Account balances for agencies (associated with accrual (non-cash) appropriations for depreciation and leave entitlements).

In cash terms, the Consolidated Account recorded a cash deficit of \$179 million at 31 December 2007, compared with a cash deficit of \$279 million in December 2006.

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

Table 4.2

**CONSOLIDATED ACCOUNT TRANSACTIONS**

For the six months ended 31 December

	2007 \$m	2006 \$m
<b>REVENUE</b>		
<i>Operating Activities</i>		
Taxation	3,006	2,360
Commonwealth Grants	1,979	1,963
Government Enterprises	273	219
Revenue from other agencies	2,028	1,837
Other	89	418
<i>Total Operating Activities</i>	<b>7,375</b>	<b>6,797</b>
<i>Financing Activities</i>		
Repayments of Recoverable Advances	6	7
Transfers from the Public Bank Account		
Interest Earned Account	29	19
Transfers from other trusts:		
Bankwest Pension Trust	1	1
Other Trusts	9	4
<i>Total Financing Activities</i>	<b>44</b>	<b>31</b>
<b>TOTAL REVENUE</b>	<b>7,419</b>	<b>6,828</b>
<b>EXPENDITURE</b>		
<i>Recurrent</i>		
Authorised by Other Statutes	633	495
Appropriation Act (No. 1)	6,469	6,536
Unforeseen Expenditure under the Treasurer's Advance Authorisation Act	11	11
<i>Total Recurrent Expenditure</i>	<b>7,113</b>	<b>7,042</b>
<i>Investing Activities</i>		
Authorised by Other Statutes	57	25
Appropriation Act (No. 2)	2,008	1,642
Unforeseen Expenditure under the Treasurer's Advance Authorisation Act	17	-
<i>Total Investing Activities</i>	<b>2,082</b>	<b>1,667</b>
<i>Financing Activities</i>		
Capital repayments	-	49
Other financing	3	4
<i>Total Financing Activities</i>	<b>3</b>	<b>53</b>
<b>TOTAL EXPENDITURE</b>	<b>9,198</b>	<b>8,762</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>(1,779)</b>	<b>(1,934)</b>
<b>Consolidated Account Balance</b>		
Opening balance at 1 July	(1,352)	(771)
Closing balance at 31 December	(3,131)	(2,705)
Of which:		
Appropriations payable	(2,951)	(2,426)
Cash balance at 31 December	(179)	(279)

Note: Columns may not add due to rounding.

## Treasurer’s Special Purpose Accounts

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

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

The \$1,638 million increase in the TSPA largely reflects the balance held in the Fiona Stanley Hospital Construction Account (\$1.1 billion) and an increase of \$525 million in the Holding Account balances for accrual appropriations to agencies (including appropriations payable for depreciation and accrued leave entitlements).

Table 4.3

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

	2007 \$m	2006 \$m
Agency Holding Accounts	2,951	2,426
Other Special Purpose Accounts	1,326	213
<b>TREASURER’S SPECIAL PURPOSE ACCOUNTS AT 31 DECEMBER</b>	<b>4,277</b>	<b>2,639</b>

## Treasurer's Advance

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

A total of \$436.5 million is authorised under section 29 of the FMA for the year ended 30 June 2008, compared with a \$365 million authorised limit for the preceding year.

Of the \$436.5 million authorised limit for 2007-08, \$30.6 million was held at 31 December 2007 in the form of net unrecouped advances (see Table 4.4) and \$27.7 million against increases in recurrent and capital appropriations (see Table 4.5).

<b>TREASURER'S ADVANCE AT 31 DECEMBER</b>		
	2007 \$m	2006 \$m
<b>AUTHORISED LIMIT</b>	<b>436.5</b>	<b>365.0</b>
Total Drawn Against Treasurer's Advance Authorisation Act	58.3	41.7
Comprising:		
Net unrecouped balances as at 31 December (see below)	30.6	30.3
Excesses and New Items (see Table 4.5)		
- recurrent	10.7	11.4
- capital	17.0	-
<b>NET UNRECOUPED BALANCES</b>		
Appeals Cost Board	1.1	1.0
Public Sector Standards Commissioner – CEO selection	0.5	0.5
Electoral Distribution Commission	3.5	0.2
Energy Smart Government Program	1.9	2.9
Gas Review Board	0.5	-
Medical Radiation Technologists Registration Board	0.1	-
Ministerial Air Service	-	6.1
Perry Lakes Redevelopment Project	-	2.6
Planning and Infrastructure	2.0	2.0
Telethon Donation	1.0	-
Works and Services	20.0	15.0
<b>TOTAL UNRECOUPED TREASURER'S ADVANCES</b>	<b>30.6</b>	<b>30.3</b>

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

Table 4.5 outlines transfers of appropriations between agencies, authorised under section 25 of the FMA (and which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer (under the authority of section 27 of the FMA).

Transfers of appropriations between agencies were for the following purposes:

- \$3.1 million (consisting of \$2.7 million and \$0.4 million for recurrent and capital purposes respectively) from the Department of Industry and Resources to the Chemistry Centre (WA) for the establishment of the Chemistry Centre as a statutory authority;
- \$0.2 million from the Waters and Rivers Commission to the Department of Environment and Conservation for the management of wetlands;
- \$13.2 million from the Department of the Attorney General to the Department of Corrective Services for the ongoing realignment of funding for the Court Security and Custodial Services contract;
- \$0.3 million from the Department of Environment and Conservation to the Department of Treasury and Finance for the transfer of the operations of the National Emissions Trading Scheme;
- \$2.7 million from the Office of Native Title to the Kimberley Development Commission for administering the Ord Enhancement Scheme;
- \$0.4 million from the Department of Sport and Recreation to the Fire and Emergency Services Authority for the transfer of responsibility for support to Surf Life Saving Western Australia; and
- \$1.4 million from the Department of the Attorney General to the Commissioner for Children and Young People (CCYP) to facilitate the establishment of the Office of the CCYP.

Table 4.5

**TRANSFERS, EXCESSES AND NEW ITEMS**  
For the six months to 31 December 2007

	Budget	Transfers <sup>(a)</sup>	Treasurer's Advance			Drawn against Treasurer's Advance to date
			New Items	Excesses	Revised Appropriation	
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Recurrent Appropriations</b>						
<i>Treasury and Finance</i>						
Item 9: Delivery of Services	108.1	0.3	-	-	108.4	-
New Item: Matrix Fleet Leasing - Tax Settlement	-	-	14.0	-	14.0	7.0
<i>Office of Native Title</i>						
Item 38: Delivery of Services	30.8	(2.7)	-	-	28.1	-
<i>Economic Regulation Authority</i>						
Item 40: Delivery of Services	4.8	-	-	2.2	7.0	-
<i>Industry and Resources</i>						
Item 42: Delivery of Services	168.0	(2.7)	-	-	165.3	-
<i>Chemistry Centre</i>						
New Item: Delivery of Services	-	2.7	-	-	2.7	-
<i>Rural Business Development Corporation</i>						
Item 46: Delivery of Services	2.9	-	-	13.1	16.1	2.2
<i>Goldfields-Esperance Development Commission</i>						
Item 54: Delivery of Services	1.6	-	-	0.5	2.1	-
<i>Fire and Emergency Services Authority</i>						
Item 56: Delivery of Services	30.6	0.4	-	-	31.0	-
<i>Waters and Rivers Commission</i>						
Item 58: Delivery of Services	60.4	(0.2)	-	-	60.2	-
<i>Attorney General</i>						
Item 63: Delivery of Services	185.2	(14.6)	-	-	170.7	-
<i>Commissioner for Children and Young People</i>						
New Item : Delivery of Services	-	1.4	-	-	1.4	-
<i>Sport and Recreation</i>						
Item 60: Delivery of Services	33.4	(0.4)	-	-	33.1	-

(a) Authorised under section 25 of the FMA.

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

**TRANSFERS, EXCESSES AND NEW ITEMS**  
For the six months to 31 December 2007

	Budget \$m	Transfers <sup>(a)</sup> \$m	Treasurer's Advance			Drawn against Treasurer's Advance to date \$m
			New Items \$m	Excesses \$m	Revised Appropriation \$m	
<b>Recurrent Appropriations</b>						
<i>South West Development Commission</i>						
Item 101: Delivery of Services	8.9	-	-	- <sup>(b)</sup>	8.9	-
<i>Kimberley Development Commission</i>						
Item 104: Delivery of Services	1.6	2.7	-	-	4.3	-
<i>Corrective Services</i>						
Item 107: Delivery of Services	417.2	13.2	-	-	430.4	-
<i>Environment and Conservation</i>						
Item 110: Delivery of Services	182.9	(0.1)	-	-	182.8	-
<i>Peel Development Commission</i>						
Item 115: Delivery of Services	2.8	-	-	2.1	4.9	1.5
<b>Total Recurrent</b>		-	14.0	17.9	-	10.7
(c) Authorised under section 25 of the FMA.						
(d) Amount less than \$50,000.						



Table 4.5

**TRANSFERS, EXCESSES AND NEW ITEMS**  
For the six months to 31 December 2007

	Budget \$m	Transfers <sup>(a)</sup> \$m	Treasurer's Advance			Drawn against Treasurer's Advance to date \$m
			New Items \$m	Excesses \$m	Revised Appropriation \$m	
<b>Capital Appropriations</b>						
<i>Legislative Council</i>						
Item 119: Capital Contribution	1.0	-	-	0.9	1.9	0.5
<i>Parliamentary Services</i>						
Item 120: Capital Contribution	0.5	-	-	0.4	0.9	-
<i>Treasury and Finance</i>						
Item 134: Housing Authority	64.7	-	-	43.3	108.0	4.8
New Item: Broome Port Authority	-	-	1.6	-	1.6	-
<i>Industry and Resources</i>						
Item 141: Capital Contribution	15.3	(0.4)	-	-	14.9	-
<i>Public Transport Authority</i>						
Item 164: Capital Contribution	74.6	-	-	50.4	125.0	11.7
<i>Chemistry Centre</i>						
New Item: Capital Contribution	-	0.4	-	-	0.4	-
<i>Total Capital</i>		-	1.6	95.0	-	17.0
<b>TOTAL</b>		-	<b>15.6</b>	<b>112.9</b>	-	<b>27.7</b>

(a) Authorised under section 25 of the FMA.

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

Further information for new items and approved excesses is provided below.

*Treasury and Finance*

New Item: **Matrix Fleet Leasing – Tax Settlement** (\$14.0 million) for the full and final settlement of all tax matters relating to the termination of the Matrix vehicle fleet leasing transaction.

*Economic Regulation Authority*

Item 40: **Net amount appropriated to deliver services** (\$2.2 million) for additional ongoing funding to meet current policy pressures associated with increased regulatory functions.

*Rural Business Development Corporation*

Item 46: **Net amount appropriated to deliver services** (\$13.1 million) for the payment of 2007 Dry Season grants (\$9.1million) and for the Ord Sugar Industry Assistance Scheme (\$4.0 million).

*Goldfields-Esperance Development Commission*

Item 54: **Net amount appropriated to deliver services** (\$0.5 million) for the Esperance Recovery Campaign to revitalise the Esperance region as a tourist destination.

*South West Development Commission*

Item 101: **Net amount appropriated to deliver services** for higher salaries for employees covered by the Public Service General Agreement (\$32,000).

*Peel Development Commission*

Item 115: **Net amount appropriated to deliver services** (\$2.1 million) to fund repairs to the infrastructure of the Hotham Valley Tourist Railway between Alumina Junction and Dwellingup.

*Legislative Council*

Item 119: **Capital Contribution** (\$0.9 million) for the fit-out of the new Legislative Council Committee offices.

*Parliamentary Services*

Item 120: **Capital Contribution** (\$0.4 million) for the funding of the Parliamentary Chambers air-conditioning and Legislative Assembly seating upgrade projects.

*Treasury and Finance*

Item 134: **Housing Authority** (\$43.3 million) for additional public housing, land releases and crisis care initiatives.

New Item: **Broome Port Authority** (\$1.6 million) for the completion of the fender and deck project.

*Public Transport Authority*

Item 164: **Capital Contribution** (\$50.4 million) for the completion of the New MetrolRail project.

