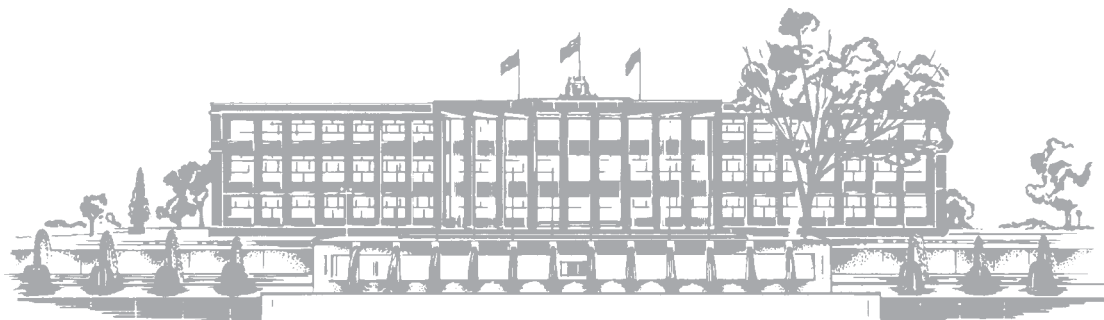




2002-03

**QUARTERLY FINANCIAL
RESULTS REPORT**

MARCH 2003



2002–03 Quarterly Financial Results Report
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For further information or enquiries related to this report, please contact one of the following officers:

Michael Barnes	Director Fiscal Strategy	(08) 9222 9134
Graham Thompson	A/Assistant Director Financial Reporting	(08) 9222 9327
Chris Wright	Assistant Director Fiscal Analysis and Budget	(08) 9222 9826
Facsimile		(08) 9222 9338

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**2002-03
QUARTERLY FINANCIAL RESULTS REPORT
NINE MONTHS ENDING 31 MARCH 2003**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Government's financial results for the nine months to 31 March 2003. It includes comparative results for the following periods and sectors:

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

The focus of the 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.

An Australian Accounting Standards (AAS) compliant series of results is also presented. Appendix 3 includes interim financial statements for the total public sector that are prepared in accordance with accounting standard AASB 1029: *Interim Financial Reporting*. Unlike the *Government of Western Australia Consolidated Financial Statements* (CFS), which are prepared annually in accordance with accounting standard AAS 31: *Financial Reporting by Governments*, this QFRR is not audited.

The 2001-02 annual results appearing in this document are consistent with the final public sector agency financial statements used to prepare the 2001-02 CFS, released on 24 February 2003. Estimated results for 2002-03 are consistent with those appearing in the 2003-04 Budget, released on 8 May 2003.

Overview

Summary

Operating surpluses of \$403 million and \$619 million were recorded in the general government and total public sectors respectively for the first nine months of 2002-03. These surpluses are similar in size to those recorded for the same period last year.

In the general government sector, expense and revenue growth in the nine months to 31 March 2003 are broadly consistent with the growth rates for 2002-03 estimated in the recent 2003-04 Budget, suggesting that the general government net operating balance (the budget 'bottom line') is broadly on track to meet the \$178 million surplus estimated in the 2003-04 Budget. The estimated full year surplus of \$178 million is down on the \$403 million surplus for the first nine months of 2002-03 because of an anticipated increase in expenses in the last quarter of the year (consistent with previous years).

The State's financial position also remains sound, with net worth growing consistently during the first nine months of 2002-03 to stand at \$36.8 billion at 31 March 2003, largely reflecting the favourable operating results discussed above.

General Government Sector

The general government sector recorded a \$403 million net operating surplus for the nine months to 31 March 2003, similar to the \$428 million surplus recorded for the same period the previous year.

Revenue

Revenue in the nine months to 31 March 2003 totalled \$8,813 million, representing 76.5% of the annual estimate contained in the 2003-04 Budget Papers. In comparison to the same period last year, revenue increased by \$355 million or 4.2% in the first nine months of 2002-03. This compares closely to the 4.5% annual growth estimated in the 2003-04 Budget.

The increase in revenue in the first nine months of 2002-03 (relative to the same period the previous year) primarily reflects higher taxation revenue (up \$226 million), higher revenue from the sale of goods and services (up \$129 million) and higher royalty revenue (up \$41 million).

The \$226 million or 9.7% increase in taxation revenue is consistent with the 10.5% annual growth estimated in the 2003-04 Budget, and is primarily the result of:

- an \$82 million increase in payroll tax;
- a \$57 million increase in motor vehicle taxes;
- a \$35 million increase in stamp duties on financial and capital transactions (mainly stamp duty on property conveyances); and
- a \$32 million increase in land tax.

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

The increase in revenue from the sale of goods and services (\$129 million or 21.4%) is largely the result of an under-recording of revenue in the first nine months of 2001-02 (due to classification issues that were subsequently addressed in the last quarter of 2001-02). For the first nine months of 2002-03, 77% of the annual revenue estimated in the 2003-04 Budget has been collected (compared with only 66% of the 2001-02 annual actual for the same period last year), meaning that collections to date are consistent with the annual 2003-04 Budget estimate of \$946 million. This represents an increase of \$41 million or 4.5% from the 2001-02 actual result, and largely reflects additional revenue from the sale of the State's vehicle fleet (which was previously leased) and higher revenue in the health sector.

Royalty income for the first nine months of 2002-03 increased by \$41 million (or 8.9%) compared to the same period last year. This increase is the result of higher on-shore petroleum royalties due to an increase in world oil prices, higher diamond royalties due to increased production and higher iron ore royalties due to higher prices and export growth to China.

In net terms, all other revenue categories (Commonwealth grants, interest income, revenue from public corporations and 'other' revenue) have declined marginally (by \$41 million) in the first nine months of 2002-03 relative to the same period the previous year.

Expenses

Expenses in the nine months to 31 March 2003 totalled \$8,410 million, which is 74% of the annual estimate for 2002-03 (as per the 2003-04 Budget) and \$380 million or 4.7% higher than for the same period in 2001-02. This rate of expense growth is consistent with that estimated for 2002-03 in the 2003-04 Budget.

The \$380 million increase in expenses in the first nine months of 2002-03 relative to the same period the previous year is largely attributable to higher salaries (up \$230 million or 7.5%), 'other' gross operating expenses (up \$129 million or 6.8%) and depreciation and amortisation costs (up \$65 million or 18.1%).

The increase in salaries is mainly in the health and education sectors (up \$167 million), with the balance (\$63 million) spread across a wide range of agencies following a general salary rate rise. The increase in the health sector (up \$113 million) reflects FTE growth and higher salary rates resulting from Industrial Relations Commission decisions and Government policy. The rise in the education sector (up \$54 million) reflects a Government initiative to reduce classroom sizes, the take-up of a full cohort of pupils under the Delayed Starting Age program and salary increases to teachers' aides, cleaners and gardeners.

The increase in 'other' gross operating expenses predominately reflects a rise in direct and indirect patient support costs and a new remuneration agreement for visiting medical practitioners in the health sector, and the education to community (e2c) strategy in the education sector. The rise in 'other' gross operating expenses also reflects a 'carry over' of expenditure from 2001-02 due to timing issues across a wide range of agency activities.

Total 'other' gross operating expenses for the nine months to 31 March 2003 represent around 72% of the estimated outturn for 2002-03 in the 2003-04 Budget, which is consistent with the same period last year. As in previous years, an increase in expenditure activity is expected in the last quarter of 2002-03.

The increase in depreciation expenses mainly reflects a substantial revaluation of the State's road network at the end of 2001-02, and a reclassification of the amortisation of the State's car fleet from 'other' gross operating expenses to depreciation.

In net terms, all other expense categories (superannuation-related expenses, interest, and current and capital transfers) have declined by \$44 million in the first nine months of 2002-03 relative to the same period the previous year. The largest decline was in current transfers (down \$65 million), largely reflecting reduced grants to first home buyers.

SUMMARY OF GENERAL GOVERNMENT FINANCES NINE MONTHS TO 31 MARCH 2003

	2002-03			2001-02		
	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 ^(b) \$m
Net operating balance	87	403	178	28	428	197
Net worth	-	36,752	36,669	-	32,921	36,006
GFS cash surplus	77	-57	-35	24	-202	-31
<i>Memorandum items</i>						
Net lending	75	346	52	-15	183	-27
Net debt	-	642	672	-	740	472

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Balance Sheet

Net worth of the general government sector has increased by \$746 million in the nine months to 31 March 2003 to stand at \$36.8 billion. The increase in net worth is mainly reflected in the sector's land and fixed asset holdings (up \$190 million), receivables for goods and services (up \$287 million) and equity holdings in public corporations (up \$378 million).

Total Public Sector

A GFS net operating surplus of \$619 million was recorded by the total public sector for the first nine months of 2002-03, similar to the surplus recorded for the same period last year (\$656 million).

This result reflects the operating surplus of the general government sector discussed above (\$403 million), and smaller surpluses in the public corporations sectors.

For the nine months to 31 March 2003, the public non-financial corporations sector recorded an operating surplus of \$160 million, slightly higher than the \$148 million surplus recorded in the same period the previous year. The improved result reflects increased betting turnover by the Totalisator Agency Board, higher sales by the Lotteries Commission and increased revenue for Western Power as a result of customer growth and higher consumption. Partially offsetting these factors was a net cost of \$82.2 million representing the value of net assets transferred out of the sector as a result of the merger of the Grain Pool of Western Australia with Cooperative Bulk Handling in November 2002.

The public financial corporations sector recorded an operating surplus of \$56 million in the nine months to 31 March 2003, marginally down on the surplus recorded in the same period the previous year.

**SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
NINE MONTHS TO 31 MARCH 2003**

	2002-03			2001-02		
	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 ^(b) \$m
Net operating balance	201	619	383	191	656	377
Net worth	-	36,752	36,668	-	32,920	36,006
GFS cash surplus	40	74	-809	132	-10	-143
<i>Memorandum items</i>						
Net lending	70	130	-56	172	-146	-81
Net debt	-	4,440	5,009	-	4,560	4,491

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Under GFS standards, the State's total public sector net worth is equivalent to general government net worth, as the net worth of the public corporations is included as assets of general government¹.

Net debt of the total public sector stood at \$4,440 million at 31 March 2003. This is projected to increase to \$5,009 million at 30 June 2003, reflecting the anticipated increase in expenditure (both recurrent and capital) and associated borrowings in the last quarter of the year.

¹ Although minor consolidation differences may result in small discrepancies between the net worth aggregate calculated for the two sectors.

APPENDIX 1

Government Finance Statistics

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

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Table 1.1

GENERAL GOVERNMENT
Operating Statement

	2002-03			2001-02		
	Three Months to 31 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 ^(b) \$m
REVENUE						
Taxation	771	2,551	3,255	679	2,325	2,945
Current grants and subsidies	1,411	4,058	5,396	1,412	4,055	5,253
Capital grants	68	225	290	85	249	267
Sales of goods and services	255	731	946	232	602	905
Interest income	24	80	104	27	89	122
Revenue from public corporations						
Dividends	82	278	389	72	278	406
Tax equivalent payments	40	209	230	33	213	237
Royalty income	172	500	679	143	459	63
Other	50	180	238	61	187	264
Total	2,873	8,813	11,527	2,743	8,458	11,035
EXPENSES						
Gross operating expenses						
Salaries	1,087	3,293	4,397	1,008	3,063	4,209
Depreciation and amortisation	143	424	614	126	359	568
Superannuation	103	302	405	92	272	375
Other gross operating expenses	658	2,013	2,814	665	1,884	2,660
Nominal superannuation interest	67	207	277	69	208	278
Other interest	45	143	215	52	157	214
Other property expenses	-	-	-	-	-	-
Current transfers	619	1,768	2,383	624	1,833	2,277
Capital transfers	65	260	245	80	254	257
Total	2,786	8,410	11,349	2,716	8,030	10,838
NET OPERATING BALANCE	87	403	178	28	428	197
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	194	557	859	205	626	894
Sales of non-financial assets	-38	-76	-118	-29	-64	-102
less depreciation	143	424	614	126	359	568
plus change in inventories	-1	-1	-1	4	7	3
plus other movements in non-financial assets	-	1	-	-12	35	-3
Total	12	57	126	43	245	223
NET LENDING/BORROWING	75	346	52	-15	183	-27

Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)

NET OPERATING BALANCE	87	403	178	28	428	197
less provisions for doubtful debts	-	-	-	-	-	3
plus net gains on assets (including derivatives)	-11	-7	48	50	60	-8
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	-	64	42
plus all other adjustments	-	-	-	12	10	-
AAS OPERATING RESULT	76	396	226	90	433	144

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at End of Period

	2002-03		2001-02	
	31 March \$m	Estimated Actual ^(a) \$m	31 March \$m	Annual Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	337	289	179	299
Advances paid	870	868	884	874
Investments, loans and placements	1,187	1,090	1,266	1,356
Other non-equity assets	1,021	724	1,227	734
Equity	16,245	16,309	15,400	15,867
<i>Total</i>	<i>19,660</i>	<i>19,280</i>	<i>18,956</i>	<i>19,131</i>
<i>Non-Financial assets</i>				
Land and fixed assets	26,965	27,219	23,845	26,775
Other non-financial assets	26	35	4	11
<i>Total</i>	<i>26,991</i>	<i>27,254</i>	<i>23,849</i>	<i>26,787</i>
TOTAL ASSETS	46,652	46,533	42,805	45,918
LIABILITIES				
Deposits held	344	226	263	298
Advances received	593	581	605	593
Borrowings	2,098	2,112	2,201	2,111
Unfunded superannuation liabilities	5,242	5,219	5,258	5,236
Other employee entitlements and provisions	1,070	1,159	1,021	1,128
Non-equity liabilities	552	567	537	545
TOTAL LIABILITIES	9,899	9,864	9,884	9,912
NET WORTH	36,752	36,669	32,921	36,006
<i>Memorandum Item: Net Debt</i>	<i>642</i>	<i>672</i>	<i>740</i>	<i>472</i>

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

NET WORTH	36,752	36,669	32,921	36,006
<i>less equity (net worth) of PNFC and PFC sectors</i>	<i>16,027</i>	<i>16,007</i>	<i>15,334</i>	<i>15,705</i>
<i>less all other adjustments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
AAS NET ASSETS	20,725	20,662	17,587	20,302

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2002-03			2001-02		
	Three Months to 31 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 ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	802	2,461	3,257	699	2,166	2,968
Receipts from sales of goods and services	235	723	908	192	632	891
Grants and subsidies received	1,481	4,290	5,656	1,514	4,314	5,531
Other receipts	404	1,396	2,149	497	1,432	2,116
<i>Total</i>	<i>2,921</i>	<i>8,870</i>	<i>11,970</i>	<i>2,902</i>	<i>8,544</i>	<i>11,506</i>
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-1,900	-5,905	-7,779	-1,828	-5,567	-7,376
Grants and subsidies paid	-590	-1,862	-2,492	-570	-1,843	-2,294
Interest paid	-35	-124	-211	-56	-139	-220
Other payments	-164	-555	-782	-248	-636	-855
<i>Total</i>	<i>-2,689</i>	<i>-8,446</i>	<i>-11,264</i>	<i>-2,702</i>	<i>-8,184</i>	<i>-10,746</i>
Net Cash Flow from Operating Activities	233	424	706	200	360	760
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-194	-557	-859	-205	-626	-894
Sales of non-financial assets	38	76	118	29	64	102
<i>Total</i>	<i>-156</i>	<i>-481</i>	<i>-741</i>	<i>-176</i>	<i>-562</i>	<i>-792</i>
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-32	-40	-116	-10	-3	-93
Liquidity purposes	-	-12	42	39	-25	-11
<i>Total</i>	<i>-32</i>	<i>-52</i>	<i>-74</i>	<i>29</i>	<i>-28</i>	<i>-105</i>
Net Cash Flow from Investing Activities	-188	-533	-815	-147	-589	-896
FINANCING ACTIVITIES						
Advances received (net)	-	-	-	-1	-32	-13
Borrowings (net)	46	6	1	-128	-60	13
Deposits received (net)	14	12	-	16	-83	-92
Distributions paid	-	-	-	-	-	-
Other financing	4	9	-27	-	-20	-25
<i>Total</i>	<i>64</i>	<i>27</i>	<i>-26</i>	<i>-113</i>	<i>-195</i>	<i>-117</i>
<i>Opening cash balance</i>	<i>694</i>	<i>913</i>	<i>913</i>	<i>803</i>	<i>1,167</i>	<i>1,167</i>
NET INCREASE IN CASH HELD	109	-83	-135	-61	-425	-253
<i>Closing cash balance</i>	<i>803</i>	<i>831</i>	<i>779</i>	<i>742</i>	<i>742</i>	<i>913</i>
<i>Net cash from operating activities and investment in non-financial assets and distributions paid</i>						
	<i>77</i>	<i>-57</i>	<i>-35</i>	<i>24</i>	<i>-202</i>	<i>-31</i>
<i>less finance leases and similar arrangements</i>						
	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	77	-57	-35	24	-202	-31

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT
Taxation Revenue

	2002-03			2001-02		
	Three Months to 31 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 ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE						
<i>Payroll tax</i>	258	748	996	224	666	900
TAXES ON PROPERTY						
Land tax	1	261	265	7	229	226
Stamp duties on financial and capital transactions	237	688	870	213	653	787
Financial institutions transaction taxes	25	73	96	23	88	112
Other	2	46	50	3	45	47
<i>Total</i>	264	1,068	1,282	246	1,015	1,172
TAXES ON PROVISION OF GOODS AND SERVICES						
Taxes on gambling	26	87	114	28	80	11
Taxes on insurance	77	231	318	61	204	267
<i>Total</i>	103	318	432	89	284	380
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES						
<i>Motor vehicle taxes</i>	147	417	545	120	360	493
TOTAL TAXES	771	2,551	3,255	679	2,325	2,945

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

TOTAL PUBLIC SECTOR
Operating Statement

	2002-03			2001-02		
	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 ^(b) \$m
REVENUE						
Taxation	733	2,435	3,113	635	2,198	2,802
Current grants and subsidies	1,411	4,058	5,397	1,412	4,055	5,253
Capital grants	68	225	290	85	249	267
Sales of goods and services	1,626	4,841	5,995	1,373	4,281	5,883
Interest income	96	408	560	3	555	487
Royalty income	172	500	67	143	459	636
Other	96	310	328	78	278	424
<i>Total</i>	4,202	12,777	16,363	3,729	12,075	15,752
EXPENSES						
Gross operating expenses						
Salaries	1,193	3,614	4,823	1,109	3,362	4,606
Depreciation and amortisation	288	862	1,208	265	781	1,141
Superannuation	116	342	450	107	313	42
Other	1,566	4,755	6,191	1,365	4,323	6,090
Nominal superannuation interest	67	207	277	70	209	278
Other interest	206	630	804	54	723	745
Other property expenses	-	-	-	-	-	-
Current transfers	526	1,505	2,017	512	1,548	1,924
Capital transfers	39	242	211	59	160	167
<i>Total</i>	4,000	12,158	15,980	3,538	11,419	15,375
NET OPERATING BALANCE	201	619	383	191	656	377
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	479	1,408	2,335	433	1,367	2,010
Sales of non-financial assets	-116	-304	-477	-119	-278	-411
less depreciation	288	862	1,208	265	781	1,141
plus change in inventories	56	330	-128	9	527	36
plus other movements in non-financial assets	-	-81	-82	-39	-32	-36
<i>Total</i>	132	490	439	19	803	458
NET LENDING/BORROWING	70	130	-56	172	-146	-81

Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)

NET OPERATING BALANCE	201	619	383	191	656	377
less provisions for doubtful debts	2	5	1	3	5	11
plus net gains on assets (including derivatives)	22	-28	106	41	8	-33
plus capitalised interest	-	-	-	-	-	14
less revaluation of superannuation liabilities	-	-	-	-	64	56
plus all other adjustments	6	-4	-	14	11	-
AAS OPERATING RESULT	227	582	488	243	607	292

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 1.6

TOTAL PUBLIC SECTOR
Balance Sheet at End of Period

	2002-03		2001-02	
	31 March \$m	Estimated Actual ^(a) \$m	31 March \$m	Annual Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	434	411	330	380
Advances paid	1,833	1,927	1,972	1,934
Investments, loans and placements	5,200	5,333	5,045	5,177
Other non-equity assets	1,568	1,524	1,791	1,328
Equity	568	637	648	614
<i>Total</i>	9,602	9,831	9,784	9,434
<i>Non-Financial assets</i>				
Land and fixed assets	49,037	49,677	45,322	48,577
Other non-financial assets	155	165	93	33
<i>Total</i>	49,192	49,842	45,415	48,610
TOTAL ASSETS	58,794	59,673	55,199	58,044
LIABILITIES				
Deposits held	97	80	19	11
Advances received	593	581	605	593
Borrowings	11,215	12,019	11,282	11,274
Unfunded superannuation liabilities	5,526	5,498	5,544	5,528
Other employee entitlements and provisions	1,217	1,302	1,160	1,274
Non-equity liabilities	3,393	3,525	3,670	3,254
TOTAL LIABILITIES	22,041	23,005	22,279	22,039
NET WORTH	36,752	36,668	32,920	36,006
<i>Memorandum Item: Net Debt</i>	4,440	5,009	4,560	4,491
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)				
NET WORTH	36,752	35,668	32,920	36,006
less all other adjustments	-1	-1	-1	-
AAS NET ASSETS	36,753	35,669	32,921	36,006

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 1.7

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2002-03			2001-02		
	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 ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	775	2,374	3,095	674	2,087	2,827
Receipts from sales of goods and services	1,610	5,077	5,902	1,271	4,477	6,023
Grants and subsidies received	1,481	4,290	5,657	1,514	4,315	5,531
Other receipts	518	1,679	2,135	539	1,629	2,154
<i>Total</i>	4,383	13,420	16,788	3,998	12,508	16,535
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-3,014	-9,169	-11,656	-2,599	-8,466	-11,252
Grants and subsidies paid	-549	-1,583	-1,992	-476	-1,506	-1,826
Interest paid	-174	-596	-787	-172	-575	-768
Other payments	-242	-895	-1,306	-305	-883	-1,234
<i>Total</i>	-3,980	-12,243	-15,741	-3,552	-11,430	-15,080
Net Cash Flow from Operating Activities	403	1,178	1,048	446	1,078	1,455
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-479	-1,408	-2,335	-433	-1,367	-2,010
Sales of non-financial assets	116	304	477	119	278	411
<i>Total</i>	-363	-1,103	-1,857	-314	-1,089	-1,598
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	4	12	15	4	12	16
Liquidity purposes	66	-127	-85	217	-45	-73
<i>Total</i>	70	-116	-69	221	-33	-57
Net Cash Flow from Investing Activities	-294	-1,219	-1,926	-93	-1,122	-1,655
FINANCING ACTIVITIES						
Advances received (net)	-	-	-12	-1	-17	-25
Borrowings (net)	195	-1	656	294	-399	218
Deposits received (net)	14	12	-	16	-83	-92
Distributions paid	-	-	-	-	-	-
Other financing	18	25	233	9	14	21
<i>Total</i>	227	36	877	317	-486	-314
<i>Opening cash balance</i>	3,071	3,942	3,942	3,259	4,458	4,456
NET INCREASE IN CASH HELD	337	-5	-2	669	-530	-514
<i>Closing cash balance</i>	3,407	3,937	3,940	3,929	3,929	3,942
<i>Net cash from operating activities, investment in non-financial assets and distributions paid</i>						
	40	74	-809	132	-10	-143
<i>less finance leases and similar arrangements</i>						
	-	-	-	-	-	-
Surplus	40	74	-809	132	-10	-143

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

APPENDIX 2

General Government Monthly Financial Results – March 2003

A net operating surplus of \$96 million was recorded by the general government sector for the month of March 2003. This compares with a net operating surplus of \$110 million in February 2003 and a net operating surplus of \$41 million in March 2002.

Revenue for the month of March 2003 totalled \$935 million, down \$50 million from February 2003. Revenue variations between these periods primarily reflect:

- higher royalty income (up \$46 million) due primarily to the quarterly receipt of iron ore royalties in March;
- lower revenue from public corporations (down \$29 million) resulting from the timing of revenue recognition;
- lower Commonwealth grants (down \$41 million) as a result of lower North West Shelf petroleum royalties and grants for on-passing to non-government schools and local government. These decreases were partially offset by the quarterly receipt of Home and Community Care funding; and
- lower taxation revenue (down \$30 million) due to reductions in stamp duty on property conveyances (down \$13 million) and lower motor vehicle taxes (down \$17 million).

Expenses in March 2003 totalled \$838 million, \$37 million lower than February 2003. Relative to February 2003, the major variances occurred in the following areas:

- lower current transfers (down \$60 million) due mainly to the quarterly on-passing of grants to non-government schools and local government; and
- higher monthly salaries costs (up \$20 million) mainly as a result of fewer working days in February 2003.

A \$163 million net cash inflow resulted from operating activities in March 2003. Combined with a net cash outflow from capital investment of \$41 million, this resulted in a cash surplus of \$122 million for the month of March.

Table 2.1

GENERAL GOVERNMENT
Operating Statement

	2002-03			2001-02	
	Month of February \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Annual Actual ^(b) \$m
REVENUE					
Taxation	272	242	3,255	214	2,945
Current grants and subsidies	508	475	5,396	398	5,253
Capital grants	18	10	290	26	267
Sales of goods and services	84	78	946	77	905
Interest income	9	8	104	12	122
Revenue from public corporations					
Dividends	31	21	389	5	406
Tax equivalent payments	21	2	230	12	237
Royalty income	32	78	679	65	636
Other	11	21	238	14	264
<i>Total</i>	985	935	11,527	821	11,035
EXPENSES					
Gross operating expenses					
Salaries	343	363	4,397	333	4,209
Depreciation and amortisation	48	44	614	39	568
Superannuation	34	32	405	31	375
Other	222	236	2,814	176	2,660
Nominal superannuation interest	23	23	277	23	278
Other interest	14	15	215	17	214
Other property expenses	-	-	-	-	-
Current transfers	176	116	2,383	132	2,277
Capital transfers	15	9	245	29	257
<i>Total</i>	875	838	11,349	780	10,838
NET OPERATING BALANCE	110	96	178	41	197

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 2.2

GENERAL GOVERNMENT
Cash Flow Statement

	2002-03			2001-02	
	Month of February \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Annual Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	258	258	3,257	198	2,968
Receipts from sales of goods and services	71	84	908	110	891
Grants and subsidies received	540	483	5,656	482	5,531
Other receipts	106	114	2,149	129	2,116
<i>Total</i>	<i>974</i>	<i>940</i>	<i>11,970</i>	<i>919</i>	<i>11,506</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-570	-593	-7,779	-433	-7,376
Grants and subsidies paid	-138	-130	-2,492	-209	-2,294
Interest paid	-3	-6	-211	-1	-220
Other payments	-66	-48	-782	-23	-855
<i>Total</i>	<i>-777</i>	<i>-777</i>	<i>-11,264</i>	<i>-665</i>	<i>-10,746</i>
Net Cash Flow from Operating Activities	197	163	706	254	760
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-71	-62	-859	-52	-894
Sales of non-financial assets	12	21	118	9	102
<i>Total</i>	<i>-59</i>	<i>-41</i>	<i>-741</i>	<i>-44</i>	<i>-792</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	-1	-11	-116	-10	-93
Liquidity purposes	2	-11	42	-3	-11
<i>Total</i>	<i>1</i>	<i>-22</i>	<i>-74</i>	<i>-13</i>	<i>-105</i>
Net Cash Flow from Investing Activities	-57	-64	-815	-56	-896
FINANCING ACTIVITIES					
Advances received (net)	-	-	-	5	-13
Borrowings (net)	-44	10	1	23	13
Deposits received (net)	12	4	-	8	-92
Distributions paid	-	-	-	-	-
Other financing	1	5	-27	-3	-25
<i>Total</i>	<i>-31</i>	<i>19</i>	<i>-26</i>	<i>32</i>	<i>-117</i>
<i>Opening cash balance</i>	<i>605</i>	<i>713</i>	<i>913</i>	<i>512</i>	<i>1,167</i>
NET INCREASE IN CASH HELD	109	118	-135	230	-253
<i>Closing cash balance</i>	<i>713</i>	<i>831</i>	<i>779</i>	<i>742</i>	<i>913</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid less finance leases and similar arrangements</i>	<i>139</i>	<i>122</i>	<i>-35</i>	<i>211</i>	<i>-31</i>
Surplus	139	122	-35	211	-31

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

Note: Columns may not add due to rounding.

Table 2.3

GENERAL GOVERNMENT
Taxation Revenue

	2002-03			2001-02	
	Month of February \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Annual Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE					
<i>Payroll tax</i>	86	83	996	74	900
TAXES ON PROPERTY					
Land tax	-	1	265	7	226
Stamp duties on financial and capital transactions	86	79	870	61	787
Financial institutions transaction taxes	9	8	96	8	112
Other	1	1	50	1	48
<i>Total</i>	96	87	1,282	77	1,172
TAXES ON PROVISION OF GOODS AND SERVICES					
Taxes on gambling	12	8	114	9	113
Taxes on insurance	20	20	318	16	267
<i>Total</i>	31	28	432	25	380
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES					
<i>Motor vehicle taxes</i>	60	43	545	39	493
TOTAL TAXES	272	242	3,255	214	2,945

(a) Estimated actual published in the 2003-04 Budget, released 8 May 2003.

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

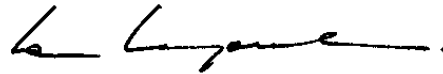
Note: Columns may not add due to rounding.

Interim Consolidated Financial Statements

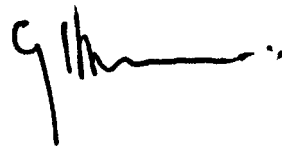
Statement of Responsibility

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 2003 and the financial position of the Government as at 31 March 2003, in accordance with applicable accounting standards (AAS and AASB), including AASB 1029: *Interim Financial Reporting*, and other mandatory professional requirements.



JL LANGOULANT
UNDER TREASURER



GRAHAM THOMPSON CA
A/ASSISTANT DIRECTOR
FINANCIAL REPORTING

12 June 2003

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Table 3.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
PERFORMANCE**

For the nine months ended 31 March 2003

	2002-03		2001-02			
	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	750	2,478	664	2,288	2,886
Territorial revenue		307	876	253	797	1,059
Regulatory fees and fines		66	241	72	231	322
Sale of goods and services	3	1,380	4,104	1,099	3,577	4,986
Grants and subsidies	4	1,376	4,004	1,418	4,037	5,221
Interest revenue		73	340	72	299	399
Other revenue	6	251	750	226	686	1,000
Total revenue from ordinary activities		4,203	12,793	3,804	11,915	15,873
EXPENSES FROM ORDINARY ACTIVITIES						
Supplies and services		529	1,531	372	1,121	1,709
Salaries, wages and other entitlements		1,230	3,734	1,150	3,496	4,789
Superannuation		182	548	174	585	756
Borrowing costs		205	629	149	529	731
Depreciation and amortisation		287	862	264	780	1,155
Grants and subsidies		587	1,739	563	1,748	2,152
Other expenses	5,6	956	3,162	861	3,021	4,289
Total expenses from ordinary activities		3,976	12,205	3,561	11,308	15,581
NET RESULT		227	582	243	607	292
Increase (decrease) in asset revaluation reserve		19	159	(5)	110	3,510
TOTAL CHANGES IN EQUITY		246	747	238	717	3,802

The accompanying notes form part of these financial statements.

Table 3.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2003

	Note	2002-03	2001-02	
		31 March \$m	31 March \$m	30 June \$m
CURRENT ASSETS				
Cash assets		433	289	380
Other financial assets – Investments	7	4,646	4,551	4,606
Inventories		502	725	504
Receivables	8	1,323	964	1,113
Other financial assets – Loans and advances	9	10	9	28
Other assets		108	678	166
<i>Total current assets</i>		<i>7,023</i>	<i>7,216</i>	<i>6,797</i>
NON-CURRENT ASSETS				
Other financial assets – Investments	7	506	546	453
Inventories		255	279	261
Receivables	8	161	137	146
Other financial assets – Loans and advances	9	2,711	2,832	2,784
Land		5,697	13,364	15,630
Buildings		8,301	8,078	8,329
Infrastructure		10,120	18,881	20,007
Plant, equipment and other		3,674	3,466	3,253
Timber and infrastructure		279	273	300
Other assets		35	25	27
<i>Total non-current assets</i>		<i>41,740</i>	<i>47,881</i>	<i>51,190</i>
TOTAL ASSETS		48,763	55,097	57,987
CURRENT LIABILITIES				
Payables		508	509	532
Interest bearing liabilities	10	4,316	5,152	4,062
Provisions – Employee entitlements		1,202	1,117	1,172
Other liabilities		1,255	1,436	1,433
<i>Total current liabilities</i>		<i>8,281</i>	<i>8,214</i>	<i>7,199</i>
NON-CURRENT LIABILITIES				
Interest bearing liabilities	10	7,879	6,931	7,871
Provisions – Employee entitlements		5,492	5,507	5,501
Other liabilities		1,359	1,524	1,410
<i>Total non-current liabilities</i>		<i>14,729</i>	<i>13,962</i>	<i>14,782</i>
TOTAL LIABILITIES		22,010	22,176	21,981
NET ASSETS		26,753	32,921	36,006
EQUITY				
Accumulated surplus		3,048	5,335	12,460
Asset revaluation reserve		3,705	27,586	23,546
TOTAL EQUITY		6,753	32,921	36,006

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 2003

	2002-03		2001-02			
	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		740	2,316	683	2,114	2,949
Territorial revenue		306	882	246	799	1,065
Regulatory fees and fines		89	257	24	213	285
Sale of goods and services		1,347	4,213	1,101	3,653	4,908
Grants and subsidies received		1,385	4,018	1,445	4,051	5,219
Interest received		29	107	65	106	148
GST receipts from taxation authority		108	404	117	362	490
Other receipts		281	767	144	660	577
Payments						
Salaries, wages and other entitlements		(1,241)	(3,762)	(1,177)	(3,497)	(4,634)
Superannuation paid		(182)	(546)	(173)	(518)	(703)
Borrowing cost paid		(4)	(56)	(15)	(36)	(81)
Grants and subsidies paid		(600)	(1,779)	(585)	(1,755)	(2,146)
GST payments to taxation authority		(29)	(86)	(26)	(66)	(725)
Contract services paid		(254)	(1,018)	(368)	(1,104)	(1,473)
Other payments		(1,424)	(4,243)	(1,009)	(3,766)	(4,406)
<i>Net cash flows from operating activities</i>		551	1,474	472	1,216	1,706
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets						
		83	209	84	207	402
Purchase of non-current physical assets		(422)	(1,240)	(331)	(1,153)	(1,727)
Proceeds from sale of investments		69	166	147	364	336
Purchase of investments		(69)	(196)	(136)	(415)	(461)
Other receipts		11	31	7	28	39
Other payments		(42)	(60)	(11)	(39)	(47)
<i>Net cash flows from investing activities</i>		(370)	(1,090)	(240)	(1,008)	(1,458)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings						
		-	550	-	349	599
Repayment of borrowings		(5)	(551)	(178)	(359)	(576)
Other proceeds		91	140	18	63	85
Other repayments		(19)	(27)	(10)	(31)	(43)
<i>Net cash flows from financing activities</i>		67	112	(170)	22	65
NET CASH FLOWS FROM FINANCIAL CORPORATIONS	11	86	(504)	559	(798)	(826)
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>		334	(8)	621	(568)	(513)
OPENING CASH BALANCE		3,640	3,955	3,279	4,468	4,468
Effects of exchange rate changes on cash		-	-	(4)	(4)	-
CLOSING CASH BALANCE		3,974	3,947	3,896	3,896	3,955

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements for the Nine Months Ended 31 March 2003

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

(b) The reporting entity

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

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

(c) Basis of accounting

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

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

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

(d) Specific accounting policies

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

(e) Unaudited data

This Interim Consolidated Financial Report was not subject to audit.

(f) Comparative figures

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

NOTE 2. TAXATION REVENUE

	2002-03		2001-02		
	Three Months to 31 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	347	1,017	297	917	1,144
Payroll tax	247	723	221	658	883
Motor vehicles' and drivers licences	91	242	72	223	301
Financial transactions taxes	25	73	24	88	112
Gambling taxes and licences	39	124	40	124	167
Land tax	-3 ^(a)	246	5	220	214
Other taxes and licences	4	53	5	58	65
Total	750	2,478	664	2,288	2,886

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

NOTE 3. SALE OF GOODS AND SERVICES

	2002-03		2001-02		
	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	792	2,367	785	2,649	2,802
Revenue from the provision of services	588	1,737	314	928	2,184
Total	1,380	4,104	1,099	3,577	4,986

NOTE 4. GRANTS AND SUBSIDIES REVENUE

	2002-03		2001-02		
	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	1,376	3,956	1,384	3,903	5,146
Other grants and subsidies	-	48	34	134	75
Total	1,376	4,004	1,418	4,037	5,221

NOTE 5. OTHER EXPENSES

	2002-03		2001-02		
	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	215	627	198	576	764
Health sector specific expenses	141	442	129	382	539
Education sector specific expenses	68	201	107	231	270
Insurance claims expenses	35	221	83	289	400
Other expenses	497	1,671	344	1,543	2,316
Total	956	3,162	861	3,021	4,289

NOTE 6. INDIVIDUALLY SIGNIFICANT ITEMS

	2002-03		2001-02		
	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
Other Revenues					
Recovery of investments previously written off ^(a)	-	-	-	-	27
Other Expenses					
HIH Insurance claims provisions ^(b)	-	-	-	-	(51)
Infrastructure assets retired/replaced ^(c)	-	-	-	-	67
Decommissioned assets ^(d)	-	-	-	-	27
Net assets transferred out ^(e)	-	82	-	-	-

(a) Recovery of investments previously written off

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

(b) HIH Insurance claims provision

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

(c) Infrastructure assets retired/replaced

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

(d) Decommissioned assets

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

(e) Net assets transferred out

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

NOTE 7. OTHER FINANCIAL ASSETS – INVESTMENTS

	2002-03	2001-02	
	31 March \$m	31 March \$m	30 June \$m
Listed shares	568	643	607
Property	304	288	293
Other investments (cash deposits and government securities)	4,280	4,166	4,159
Total	5,152	5,097	5,059

NOTE 8. RECEIVABLES

	2002-03	2001-02	
	31 March \$m	31 March \$m	30 June \$m
Gross accounts receivable	1,608	1,213	1,383
Provision for doubtful debts	(124)	(112)	(124)
Total	1,484	1,101	1,259

NOTE 9. OTHER FINANCIAL ASSETS – LOANS AND ADVANCES

	2002-03	2001-02	
	31 March \$m	31 March \$m	30 June \$m
Homebuyers	1,541	1,673	1,635
Non-government schools	233	235	237
Terminating building societies	10	16	14
Government Employees Superannuation Board	607	623	619
Others	331	294	307
Total	2,721	2,841	2,812

NOTE 10. INTEREST BEARING LIABILITIES

	2002-03	2001-02	
	31 March \$m	31 March \$m	30 June \$m
Bank overdrafts	49	17	2
Finance leases	93	118	104
Liability to the Commonwealth Government	593	604	592
Commercial paper and medium term notes	300	550	425
Domestic and foreign borrowings	10,774	10,599	10,464
<i>Borrowings at face value</i>	<i>11,809</i>	<i>11,888</i>	<i>11,587</i>
Unamortised net discounts	386	195	346
Borrowings at historic capital value	12,195	12,083	11,933

NOTE 11. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS

	2002-03		2001-02		
	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	62	221	55	194	270
Premiums received	82	253	72	223	303
Other receipts	19	126	12	88	118
GST receipts from taxation authority	3	11	3	10	13
Salaries, wages and other entitlements paid	(5)	(14)	(3)	(12)	(18)
Superannuation paid	-	(1)	-	(1)	(2)
Borrowing costs paid	(172)	(541)	(143)	(532)	(688)
Claims paid	(78)	(256)	(81)	(262)	(363)
Other payments	(19)	(95)	(21)	(79)	(113)
GST payments to taxation authority	(8)	(37)	(9)	(36)	(44)
Net cash flows from operating activities	(116)	(333)	(115)	(407)	(524)
Cash flows from investing activities					
Purchase of non-current physical assets	(1)	(4)	(1)	(2)	(5)
Proceeds from sale of non-current physical assets	-	-	1	1	-
Proceeds from sale of investments	370	1,355	658	1,633	2,960
Purchase of investments	(311)	(1,461)	(453)	(1,609)	(2,983)
Net cash flows from investing activities	59	(110)	204	23	(28)
Cash flows from financing activities					
Proceeds from borrowings	4,236	13,785	6,221	14,468	20,330
Repayment of borrowings	(4,093)	(13,846)	(5,751)	(14,882)	(20,604)
Net cash flows from financing activities	143	(61)	470	(414)	(274)
Net cash flows from public financial corporations	86	(504)	559	(798)	(826)

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 12. DETAILS OF AGENCIES CONSOLIDATED

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

- Department of Transport was amalgamated into Department for Planning and Infrastructure on 1 July 2002. This was in line with recommendations in the Machinery of Government Taskforce report released on 21 June 2001 which identified the need to reduce the number of government departments.
- Effective from 3 February 2003:
 - the Department of Training was amalgamated with the Department of Education to become the Department of Education and Training; and
 - the Department of Industry and Technology was abolished and its functions transferred to the Department of Treasury and Finance, Department of Premier and Cabinet and Department of Industry and Resources (formerly known as Department of Mineral and Petroleum Resources).

Effective from 1 January 2003:

- the Midland College of TAFE, South East Metropolitan College of TAFE and the Balga Campus of the West Coast College of TAFE amalgamated to form the Swan College of TAFE; and
- the Eastern Pilbara College of TAFE and West Pilbara College of TAFE amalgamated to form Pilbara College of TAFE.

NOTE 13. CONTINGENT LIABILITIES

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