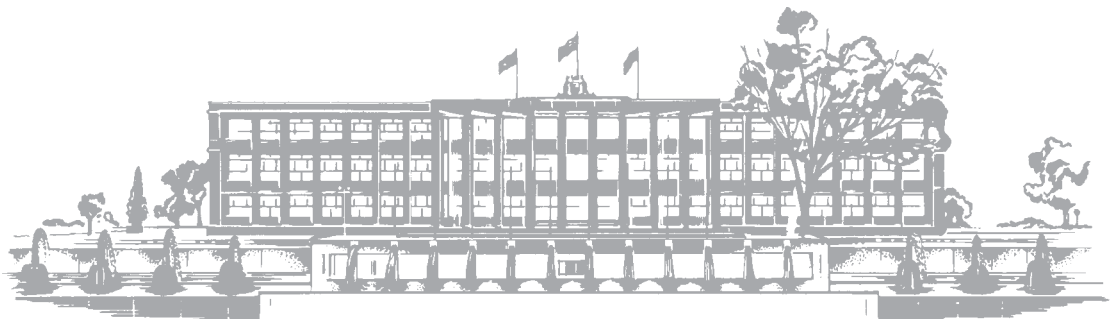




2004-05

QUARTERLY FINANCIAL
RESULTS REPORT

MARCH 2005



For further information or enquiries related to this report, please contact one of the following officers:

Michael Barnes	Director Fiscal Strategy	(08) 9222 9134
Valerie Jayasinghe	Assistant Director Financial Reporting	(08) 9222 9327
Chris Wright	Assistant Director Fiscal Analysis and Budget	(08) 9222 9826
Facsimile		(08) 9481 0807

An electronic copy of this report may be obtained at <http://www.dtf.wa.gov.au>

2004-05

**QUARTERLY FINANCIAL RESULTS REPORT
Nine Months Ended 31 March 2005**

TABLE OF CONTENTS

FOREWORD	1
OVERVIEW	2
Summary	2
General Government Sector	2
Total Public Sector	6
APPENDIX 1: GOVERNMENT FINANCE STATISTICS	8
APPENDIX 2: GENERAL GOVERNMENT MONTHLY FINANCIAL RESULTS - MARCH 2005	16
APPENDIX 3: INTERIM CONSOLIDATED FINANCIAL STATEMENTS	21

Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Western Australian public sector's financial results for the nine months to 31 March 2005.

Care should be exercised in extrapolating the likely outcome for the 2004-05 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances.

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

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

The 2003-04 annual results appearing in this report are consistent with the audited CFS for the year ended 30 June 2004, released on 2 November 2004, while the annual estimates for 2004-05 are consistent with those appearing in the 2005-06 Budget, released on 26 May 2005.

Overview

Summary

The Western Australian public sector has continued to record strong financial results in the first nine months of 2004-05, reflecting strong growth in general government revenue from sources such as GST grants, mining and petroleum royalties and land tax (the latter reflecting continuing strength in Western Australia's property market).

The State's balance sheet remains strong with total public sector net worth increasing by \$1.9 billion over the nine months to 31 March 2005, and net debt decreasing by \$356 million to stand at \$3.8 billion.

The Government's commitment to infrastructure investment was demonstrated during the first nine months of 2004-05, with spending on fixed assets over this period totalling \$1.9 billion, up almost \$300 million on the same period the previous year.

General Government Sector

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

For the first nine months of 2004-05, the general government sector recorded an operating surplus of \$939 million. This compares with a \$732 million surplus for the same period the previous year.

Revenue

Revenue for the nine months to 31 March 2005 totalled \$10,514 million. This represents 76.2% of the annual estimate for 2004-05 published in the 2005-06 Budget, and is \$1,023 million (or 10.8%) higher than the same period the previous year.

The increase in revenue for the first nine months of 2004-05 (relative to the same period in 2003-04) primarily reflects:

- higher Commonwealth grants (up \$656 million), mainly due to the following factors:
 - higher GST grants (up \$432 million), due to an increase in the national pool of GST revenue and Western Australia's share of that revenue;
 - higher North West Shelf petroleum royalties (up \$75 million), mainly reflecting higher oil prices and production levels;
 - increased funding for non-government schools (up \$58 million) and roads (up \$36 million), reflecting capital works on the Great Eastern, Great Northern and Roe Highways;
 - higher housing grants (up \$41 million), due to increased funding for the Community Construction/Maintenance Program and the Remote Area Essential Services Program; and
 - higher competition payments (up \$19 million), following the recommendations of the National Competition Council;
- higher taxation revenue (up \$157 million), reflecting:
 - increased payroll tax (up \$59 million), due to aggregate wages and employment growth coupled with compositional changes in employment;
 - higher land tax and Metropolitan Region Improvement Tax revenue (up \$40 million), reflecting the impact of growth in land valuations and the number of taxable properties;

- higher motor vehicle taxes (up \$29 million), reflecting increased sales and registrations of vehicles; and
- higher stamp duty on mortgages (up \$12 million), reflecting increased property market activity and a large, one-off stamp duty transaction on the sale of the Dampier to Bunbury Natural Gas Pipeline;
- higher 'other' revenue (up \$94 million), primarily due to the transfer of Crown land vested with Edith Cowan University to the State, for sale back to the university (this transaction has an offsetting capital transfer expense), and timing differences associated with capital user charge revenue received from the Public Transport Authority; and
- higher royalty income (up \$66 million), reflecting increased iron ore, nickel and petroleum royalties as a result of higher prices and production levels.

Expenses

Expenses for the nine months to 31 March 2005 totalled \$9,575 million. This represents 72.8% of the annual estimate for 2004-05 published in the 2005-06 Budget, and is \$816 million (or 9.3%) higher than the same period the previous year. The increase primarily reflects:

- higher current and capital transfers (up \$411 million), mainly due to the timing of appropriation funding to the Public Transport Authority, a grant payment to Edith Cowan University for the purchase of Crown land (as noted above), and the on-passing of higher housing and non-government school grants from the Commonwealth;
- higher salaries (up \$303 million), reflecting backdated pay increases for general public servants and higher employee numbers and pay rates in the health, education and law and order sectors;
- higher services and contracts expense (up \$78 million), mainly reflecting increased roadworks expenditure for new road infrastructure;
- higher 'other' gross operating expenses (up \$45 million), mainly due to increased direct patient support costs in the health sector as a result of general cost increases for drugs and patient appliances; and
- superannuation expenses (up \$22 million), reflecting the increase in salaries discussed above.

Table 1

**SUMMARY OF GENERAL GOVERNMENT FINANCES
NINE MONTHS TO 31 MARCH 2005**

Western Australia

	2004-05			2003-04		
	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	Actual \$m
Net operating balance	88	939	631	58	732	799
Net worth		45,666	46,083		39,881	43,754
Increase in cash balances	241	-73	-753	96	11	152
<i>Memorandum items</i>						
Net lending	-17	676	250	54	604	570
Net debt		-571	-275		62	-291
Cash surplus	317	546	154	138	208	554

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

Balance Sheet

Net worth of the general government sector increased by \$1.9 billion in the nine months to 31 March 2005 to stand at \$45.7 billion. This is primarily due to increases in equity holdings in public corporations (up \$896 million), land and fixed asset holdings (up \$440 million) and other non-equity assets (up \$310 million) due to an increase in accounts receivable, as well as lower borrowings (down \$475 million), reflecting the retirement of \$481 million in general government debt in August 2004.

Total Public Sector

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

Operating Statement

An operating surplus of \$1,440 million was recorded by the total public sector for the first nine months of 2004-05, up \$284 million on the \$1,156 million surplus recorded for the same period the previous year.

This strong result reflects the operating surplus of the general government sector discussed earlier (\$939 million), and smaller surpluses in the public corporations sectors.

The public non-financial corporations sector recorded a \$278 million operating surplus for the nine months ended 31 March 2005, broadly consistent with the \$250 million surplus recorded for the same period the previous year.

The public financial corporations sector recorded an operating surplus of \$223 million for the first nine months of 2004-05, \$48 million higher than the \$175 million surplus recorded in the same period the previous year. This improved result mainly reflects an increase in investment returns by the Insurance Commission of Western Australia.

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
NINE MONTHS TO 31 MARCH 2005
 Western Australia

	2004-05			2003-04		
	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	Actual \$m
Net operating balance	283	1,440	976	260	1,156	1,178
Net worth		45,666	46,083		39,881	43,754
Increase in cash balances	243	567	-816	75	574	348
<i>Memorandum items</i>						
Net lending	-3	634	-450	114	434	90
Net debt		3,838	5,167		4,222	4,194
Cash surplus	217	475	-956	79	239	143

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

Balance Sheet

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

Net debt of the total public sector stood at \$3.8 billion at 31 March 2005, down \$384 million from the same time a year earlier, with increased borrowings and other debt liabilities more than offset by an increase in financial asset holdings. Net debt is expected to increase in the last quarter of 2004-05 to stand at an estimated \$5.2 billion at 30 June 2005, as agencies' capital works spending and associated borrowings accelerate in the last three months of the year.

APPENDIX 1

Government Finance Statistics

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

Contents	Page
General Government	
Table 1.1: Operating Statement.....	9
Table 1.2: Balance Sheet at End of Period.....	10
Table 1.3: Cash Flow Statement	11
Table 1.4: Taxation Revenue	12
Total Public Sector	
Table 1.5: Operating Statement.....	13
Table 1.6: Balance Sheet at End of Period.....	14
Table 1.7: Cash Flow Statement	15

Table 1.1

GENERAL GOVERNMENT Operating Statement

	2004-05			2003-04		
	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	Actual ^(b) \$m
REVENUE						
Taxation	924	3,307	4,130	872	3,150	4,122
Current grants and subsidies	1,566	4,703	6,328	1,411	4,119	5,583
Capital grants	80	263	380	54	191	295
Sales of goods and services	247	709	927	202	686	941
Interest income	38	106	146	33	96	128
Revenue from public corporations						
Dividends	121	360	438	101	315	448
Tax equivalent payments	15	229	259	49	257	310
Royalty income	186	550	847	172	484	654
Other	90	287	335	80	193	272
<i>Total</i>	3,267	10,514	13,789	2,975	9,491	12,753
EXPENSES						
Gross operating expenses						
Salaries	1,267	3,827	5,165	1,158	3,524	4,787
Depreciation and amortisation	128	392	578	140	432	546
Superannuation	121	367	506	113	345	458
Services and contracts ^(c)	300	907	1,454	263	829	1,216
Other gross operating expenses	416	1,235	1,699	394	1,190	1,637
Nominal superannuation interest	69	213	295	71	209	283
Other interest	34	119	193	44	124	165
Other property expenses	-	-	-	-	-	-
Current transfers	736	2,142	2,788	661	1,844	2,440
Capital transfers	108	374	480	73	261	421
<i>Total</i>	3,179	9,575	13,158	2,917	8,759	11,954
NET OPERATING BALANCE	88	939	631	58	732	799
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	280	761	1,177	197	659	992
Sales of non-financial assets	-46	-167	-277	-51	-98	-166
less depreciation	128	392	578	140	432	546
plus change in inventories	-1	2	2	-3	-2	-4
plus other movements in non-financial assets	-	58	58	1	1	-47
<i>Total</i>	105	263	381	4	127	229
NET LENDING/BORROWING	-17	676	250	54	604	570
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)						
NET OPERATING BALANCE	88	939	631	58	732	799
less provisions for doubtful debts	-	-	1	-	-	-5
plus net gains on assets (including derivatives)	-9	18	74	8	17	-149
plus capitalised interest	-	-	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	-	-	66
plus all other adjustments	-444	-34	-12	23	74	-
AAS OPERATING RESULT	-365	923	692	89	823	588

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

(c) Gross operating expenses – other has been disaggregated into 'Services and contracts' and 'Other gross operating expenses' from July 2004. Comparatives have been restated to reflect this new reporting classification.

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at End of Period

	2004-05		2003-04	
	31 March \$m	Estimated Actual ^(a) \$m	31 March \$m	Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	381	388	376	414
Advances paid	937	947	862	853
Investments, loans and placements	1,676	1,135	1,499	1,702
Other non-equity assets	1,236	987	1,105	926
Equity	19,169	19,217	17,172	18,273
<i>Total</i>	<i>23,399</i>	<i>22,674</i>	<i>21,013</i>	<i>22,168</i>
<i>Non-Financial assets</i>				
Land and fixed assets	32,061	33,032	28,746	31,621
Other non-financial assets	61	79	7	83
<i>Total</i>	<i>32,122</i>	<i>33,111</i>	<i>28,753</i>	<i>31,704</i>
TOTAL ASSETS	55,521	55,785	49,767	53,871
LIABILITIES				
Deposits held	530	276	395	309
Advances received	561	556	573	561
Borrowings	1,332	1,363	1,831	1,807
Unfunded superannuation liabilities	5,492	5,483	5,389	5,490
Other employee entitlements and provisions	1,334	1,322	1,217	1,344
Non-equity liabilities	606	702	481	606
TOTAL LIABILITIES	9,855	9,701	9,886	10,117
NET WORTH	45,666	46,083	39,881	43,754
<i>Memorandum Item: Net Debt</i>	<i>-571</i>	<i>-275</i>	<i>62</i>	<i>-291</i>

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

NET WORTH	45,666	46,083	39,881	43,754
<i>less equity (net worth) of PNFC and PFC sectors</i>	<i>18,651</i>	<i>18,665</i>	<i>16,805</i>	<i>17,847</i>
<i>less all other adjustments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
AAS NET ASSETS	27,015	27,419	23,076	25,907

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2004-05			2003-04		
	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	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	999	3,235	4,142	947	3,051	4,047
Receipts from sales of goods and services	250	750	946	251	717	968
Grants and subsidies received	1,653	4,970	6,695	1,472	4,310	5,829
Other receipts	507	1,595	2,368	431	1,398	2,224
<i>Total</i>	<i>3,408</i>	<i>10,550</i>	<i>14,151</i>	<i>3,100</i>	<i>9,477</i>	<i>13,068</i>
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-1,908	-6,442	-9,092	-1,973	-6,177	-8,238
Grants and subsidies paid	-731	-2,271	-3,047	-641	-1,924	-2,589
Interest paid	-30	-110	-187	-36	-109	-171
Other payments	-188	-587	-772	-166	-498	-691
<i>Total</i>	<i>-2,857</i>	<i>-9,409</i>	<i>-13,098</i>	<i>-2,816</i>	<i>-8,708</i>	<i>-11,688</i>
Net Cash Flow from Operating Activities	551	1,141	1,053	284	769	1,380
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-280	-761	-1,177	-197	-659	-992
Sales of non-financial assets	46	167	277	51	98	166
<i>Total</i>	<i>-234</i>	<i>-594</i>	<i>-900</i>	<i>-146</i>	<i>-561</i>	<i>-826</i>
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-9	-93	-125	-51	-70	-122
Liquidity purposes	-30	-174	15	3	-86	-80
<i>Total</i>	<i>-39</i>	<i>-266</i>	<i>-110</i>	<i>-48</i>	<i>-156</i>	<i>-202</i>
Net Cash Flow from Investing Activities	-273	-861	-1,010	-194	-717	-1,028
FINANCING ACTIVITIES						
Advances received (net)	-	-	-	-3	-8	-8
Borrowings (net)	-35	-351	-680	32	-14	-158
Deposits received (net)	-1	-3	-	-11	1	-2
Distributions paid	-	-	-	-	-	-
Other financing	-1	-	-117	-11	-20	-32
<i>Total</i>	<i>-37</i>	<i>-353</i>	<i>-797</i>	<i>7</i>	<i>-41</i>	<i>-199</i>
<i>Opening cash balance</i>	<i>2,375</i>	<i>2,690</i>	<i>2,690</i>	<i>970</i>	<i>1,056</i>	<i>2,538</i>
NET INCREASE IN CASH HELD	241	-73	-753	96	11	152
<i>Closing cash balance</i>	<i>2,616</i>	<i>2,616</i>	<i>1,936</i>	<i>1,066</i>	<i>1,066</i>	<i>2,690</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>317</i>	<i>546</i>	<i>154</i>	<i>138</i>	<i>208</i>	<i>554</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	317	546	154	138	208	554

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT
Taxation Revenue

	2004-05			2003-04		
	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	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	286	910	1,202	282	851	1,139
Property taxes						
<i>Land tax</i>	10	315	315	7	278	280
Conveyances and transfers	266	891	1,110	257	895	1,207
Mortgages	30	98	121	28	86	115
Other stamp duties	8	28	31	10	44	53
<i>Total stamp duties on financial and capital transactions</i>	304	1,016	1,262	295	1,025	1,375
Debits Tax	26	74	96	24	72	97
<i>Total financial institutions taxes</i>	26	74	96	24	72	97
Metropolitan Region Improvement Tax	-	47	48	-	44	44
Emergency Services Levy	9	113	119	9	72	75
Loan guarantee fees	3	8	11	3	8	10
<i>Total other property taxes</i>	12	168	178	12	124	129
Taxes on provision of goods and services						
Lotteries Commission	24	71	96	23	72	95
less rebates	-6	-16	-21	-5	-15	-20
Video lottery terminals	-	-	1	-	-	-
Casino Tax	14	39	51	11	34	47
less rebates	-8	-21	-29	-6	-18	-24
TAB betting tax	14	44	53	8	34	56
less rebates	-7	-19	-25	-6	-17	-22
<i>Total taxes on gambling</i>	32	98	126	25	91	132
Contribution to fire brigades	-	-	-	-	31	31
Stamp duty on insurance policies	69	214	286	71	208	279
Other	1	18	21	1	7	19
<i>Total taxes on insurance</i>	70	233	306	72	246	328
Taxes on use of goods and performance of activities						
Stamp duty on vehicle licences	83	218	289	65	195	273
Permits - oversize vehicles and loads	-	1	3	-	1	3
Motor vehicle recording fee	9	31	37	11	34	45
Motor vehicle registrations	91	243	317	79	235	320
<i>Total motor vehicle taxes</i>	184	493	645	155	464	641
Total Taxation	924	3,307	4,130	872	3,150	4,122

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.5

TOTAL PUBLIC SECTOR Operating Statement

	2004-05			2003-04		
	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	Actual ^(b) \$m
REVENUE						
Taxation	889	3,176	3,974	838	3,031	3,950
Current grants and subsidies	1,566	4,703	6,328	1,411	4,119	5,583
Capital grants	80	263	380	54	191	295
Sales of goods and services	1,662	5,019	6,337	1,519	4,655	6,488
Interest income	142	451	552	140	427	580
Royalty income	186	550	847	172	484	654
Other	140	439	532	136	373	518
<i>Total</i>	4,666	14,602	18,949	4,271	13,280	18,069
EXPENSES						
Gross operating expenses						
Salaries	1,389	4,199	5,682	1,281	3,884	5,286
Depreciation and amortisation	291	871	1,223	292	885	1,177
Superannuation	133	402	557	125	382	508
Services and contracts ^(c)	389	1,182	1,785	330	1,049	1,551
Other gross operating expenses	1,226	3,682	5,051	1,130	3,393	5,005
Nominal superannuation interest	69	213	295	71	209	283
Other interest	213	645	764	196	612	836
Other property expenses	-	-	-	-	-	-
Current transfers	609	1,712	2,278	531	1,517	1,988
Capital transfers	64	257	339	55	192	257
<i>Total</i>	4,383	13,162	17,974	4,011	12,124	16,890
NET OPERATING BALANCE	283	1,440	976	260	1,156	1,178
NET ACQUISITION OF NON-FINANCIAL ASSETS						
Purchase of non-financial assets	628	1,929	3,327	536	1,642	2,502
Sales of non-financial assets	-121	-467	-757	-140	-367	-607
less depreciation	291	871	1,223	292	885	1,177
plus change in inventories	72	161	22	43	335	387
plus other movements in non-financial assets	-1	55	58	-1	-3	-16
<i>Total</i>	287	806	1,426	146	722	1,088
NET LENDING/BORROWING	-3	634	-450	114	434	90
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)						
NET OPERATING BALANCE	283	1,440	976	260	1,156	1,178
less provisions for doubtful debts	2	6	9	1	5	1
plus net gains on assets (including derivatives)	-44	45	166	21	52	-61
plus capitalised interest	1	3	-	1	4	6
less revaluation of superannuation liabilities	-	-	-	-	-	63
plus all other adjustments	-445	-41	-12	25	79	38
AAS OPERATING RESULT	-207	1,441	1,121	306	1,286	1,098

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

(c) Gross operating expenses – other has been disaggregated into 'Services and contracts' and 'Other gross operating expenses' from July 2004. Comparatives have been restated to reflect this new reporting classification.

Note: Columns may not add due to rounding.

TOTAL PUBLIC SECTOR
Balance Sheet at End of Period

	2004-05		2003-04	
	31 March \$m	Estimated Actual ^(a) \$m	31 March \$m	Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	534	516	562	538
Advances paid	2,111	2,019	1,772	1,773
Investments, loans and placements	6,593	5,701	6,295	6,421
Other non-equity assets	1,767	1,914	1,739	1,737
Equity	1,010	963	877	904
<i>Total</i>	<i>12,016</i>	<i>11,113</i>	<i>11,244</i>	<i>11,373</i>
<i>Non-Financial assets</i>				
Land and fixed assets	57,523	59,311	51,956	56,107
Other non-financial assets	283	256	168	298
<i>Total</i>	<i>57,805</i>	<i>59,567</i>	<i>52,124</i>	<i>56,405</i>
TOTAL ASSETS	69,821	70,680	63,369	67,777
LIABILITIES				
Deposits held	150	140	139	136
Advances received	561	556	573	561
Borrowings	12,365	12,708	12,138	12,229
Unfunded superannuation liabilities	5,692	5,675	5,590	5,694
Other employee entitlements and provisions	1,529	1,507	1,400	1,545
Non-equity liabilities	3,859	4,011	3,647	3,858
TOTAL LIABILITIES	24,156	24,597	23,487	24,023
NET WORTH	45,666	46,083	39,881	43,754
<i>Memorandum Item: Net Debt</i>	3,838	5,167	4,222	4,194
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)				
NET WORTH	45,666	46,083	39,881	43,754
less all other adjustments	-	-	-	-
AAS NET ASSETS	45,666	46,083	39,881	43,754

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

Table 1.7

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2004-05			2003-04		
	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	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES						
Taxes received	971	3,139	3,950	908	2,958	3,840
Receipts from sales of goods and services	1,560	4,985	6,407	1,298	4,569	6,492
Grants and subsidies received	1,653	4,970	6,695	1,472	4,310	5,829
Other receipts	647	1,946	2,337	558	1,673	2,368
<i>Total</i>	4,831	15,040	19,389	4,236	13,510	18,529
PAYMENTS FOR OPERATING ACTIVITIES						
Payments for goods and services	-2,985	-9,640	-13,312	-2,744	-8,967	-12,273
Grants and subsidies paid	-653	-1,834	-2,458	-580	-1,612	-2,080
Interest paid	-157	-586	-753	-155	-547	-828
Other payments	-312	-1,043	-1,253	-282	-871	-1,311
<i>Total</i>	-4,107	-13,103	-17,775	-3,761	-11,997	-16,492
Net Cash Flow from Operating Activities	723	1,937	1,614	475	1,514	2,037
INVESTMENT IN NON-FINANCIAL ASSETS						
Purchase of non-financial assets	-628	-1,929	-3,327	-536	-1,642	-2,502
Sales of non-financial assets	121	467	757	140	367	607
<i>Total</i>	-507	-1,462	-2,570	-396	-1,275	-1,894
INVESTMENT IN FINANCIAL ASSETS						
Policy purposes	-1	-1	-	4	12	15
Liquidity purposes	-75	-354	-210	-166	-80	-111
<i>Total</i>	-76	-355	-210	-162	-68	-96
Net Cash Flow from Investing Activities	-583	-1,817	-2,780	-558	-1,343	-1,991
FINANCING ACTIVITIES						
Advances received (net)	-	-	-12	-3	-8	-20
Borrowings (net)	80	375	384	160	361	313
Deposits received (net)	-1	-3	-	-11	1	-2
Distributions paid	-	-	-	-	-	-
Other financing	24	75	-22	13	49	10
<i>Total</i>	102	447	350	159	403	301
<i>Opening cash balance</i>	6,251	5,927	5,927	5,020	4,521	5,579
NET INCREASE IN CASH HELD	243	567	-816	75	574	348
<i>Closing cash balance</i>	6,494	6,494	5,110	5,095	5,095	5,927
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	217	475	-956	79	239	143
<i>less finance leases and similar arrangements</i>	-	-	-	-	-	-
Surplus	217	475	-956	79	239	143

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

APPENDIX 2

General Government Monthly Financial Results - March 2005

This appendix provides a summary of the Western Australian general government sector's finances for the month of March 2005. 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 deficit of \$133 million for the month of March 2005, compared with a \$179 million operating surplus recorded for March 2004.

Revenue for March 2005 totalled \$913 million, down \$188 million from the same month the previous year. The variation between the two periods primarily reflects lower Commonwealth grants (down \$188 million) as a result of a change in the GST annual payment profile (in particular, the receipts for the months of February 2005 and March 2005 relative to the same months in the previous year have significantly differed). This has resulted in lower GST grants in March 2005 compared to March 2004 (down \$168 million). This issue was also discussed in the *Monthly Report of General Government Finances* for the month of February 2005, released on 13 June 2005.

Expenses in the month of March 2005 totalled \$1,046 million, up \$124 million compared to March 2004. This increase primarily reflects:

- higher salaries (up \$55 million), reflecting higher pay rates and employee numbers in the health, education and law and order sectors;
- higher 'other' gross operating expenses (up \$37 million), reflecting timing issues associated with day-to-day goods and services purchases across a range of general government agencies; and

- higher current transfers (up \$26 million), due to the timing of appropriations to the Public Transport Authority and the timing of grants expenditure in the health sector.

Cash Flow Statement

A \$196 million net cash inflow resulted from operating activities in the month of March 2005. Combined with net capital expenditure (i.e. investment in non-financial assets) of \$77 million, this resulted in a cash surplus of \$119 million in March 2005, compared with a \$263 million cash surplus in March 2004.

Table 2.1

GENERAL GOVERNMENT
Operating Statement

	2004-05			2003-04	
	Month of Feb \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Actual ^(b) \$m
REVENUE					
Taxation	303	308	4,130	295	4,122
Current grants and subsidies	683	344	6,328	542	5,583
Capital grants	42	20	380	10	295
Sales of goods and services	100	62	927	92	941
Interest income	12	13	146	12	128
Revenue from public corporations					
Dividends	48	40	438	22	448
Tax equivalent payments	-2	1	259	9	310
Royalty income	17	94	847	82	654
Other	29	31	335	37	272
<i>Total</i>	<i>1,233</i>	<i>913</i>	<i>13,789</i>	<i>1,101</i>	<i>12,753</i>
EXPENSES					
Gross operating expenses					
Salaries	399	466	5,165	411	4,787
Depreciation and amortisation	42	41	578	47	546
Superannuation	37	45	506	40	458
Services and contracts ^(c)	116	86	1,454	87	1,216
Other	137	185	1,699	148	1,637
Nominal superannuation interest	24	24	295	24	283
Other interest	11	10	193	14	165
Other property expenses	-	-	-	-	-
Current transfers	215	166	2,788	140	2,440
Capital transfers	48	23	480	12	421
<i>Total</i>	<i>1,030</i>	<i>1,046</i>	<i>13,158</i>	<i>922</i>	<i>11,954</i>
NET OPERATING BALANCE	203	-133	631	179	799

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

(c) Gross operating expenses – other has been disaggregated into 'Services and contracts' and 'Other' from July 2004. Comparatives have been restated to reflect this new reporting classification.

Note: Columns may not add due to rounding.

Table 2.2

GENERAL GOVERNMENT
Cash Flow Statement

	2004-05			2003-04	
	Month of Feb \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	307	346	4,142	309	4,047
Receipts from sales of goods and services	84	90	946	116	968
Grants and subsidies received	696	367	6,695	553	5,829
Other receipts	84	200	2,368	148	2,224
<i>Total</i>	<i>1,171</i>	<i>1,004</i>	<i>14,151</i>	<i>1,127</i>	<i>13,068</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-622	-581	-9,092	-637	-8,238
Grants and subsidies paid	-179	-144	-3,047	-116	-2,589
Interest paid	-3	-8	-187	-6	-171
Other payments	-63	-75	-772	-73	-691
<i>Total</i>	<i>-867</i>	<i>-808</i>	<i>-13,098</i>	<i>-832</i>	<i>-11,688</i>
Net Cash Flow from Operating Activities	304	196	1,053	295	1,380
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-103	-97	-1,177	-49	-992
Sales of non-financial assets	16	20	277	16	166
<i>Total</i>	<i>-86</i>	<i>-77</i>	<i>-900</i>	<i>-32</i>	<i>-826</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	-	-4	-125	-5	-122
Liquidity purposes	1	-31	15	-2	-80
<i>Total</i>	<i>1</i>	<i>-34</i>	<i>-110</i>	<i>-7</i>	<i>-202</i>
Net Cash Flow from Investing Activities	-86	-111	-1,010	-39	-1,028
FINANCING ACTIVITIES					
Advances received (net)	-	7	-	-	-8
Borrowings (net)	-61	31	-680	50	-158
Deposits received (net)	-1	2	-	-6	-2
Distributions paid	-	-	-	-	-
Other financing	-	1	-117	-8	-32
<i>Total</i>	<i>-62</i>	<i>41</i>	<i>-797</i>	<i>35</i>	<i>-199</i>
<i>Opening cash balance</i>	<i>2,334</i>	<i>2,490</i>	<i>2,690</i>	<i>775</i>	<i>2,538</i>
NET INCREASE IN CASH HELD	156	126	-753	292	152
<i>Closing cash balance</i>	<i>2,490</i>	<i>2,616</i>	<i>1,936</i>	<i>1,066</i>	<i>2,690</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>217</i>	<i>119</i>	<i>154</i>	<i>263</i>	<i>554</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	217	119	154	263	554

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

GENERAL GOVERNMENT
Taxation Revenue

	2004-05			2003-04	
	Month of Feb \$m	Month of March \$m	Estimated Actual ^(a) \$m	Month of March \$m	Actual ^(b) \$m
TAXATION					
Taxes on employers' payroll and labour force					
<i>Payroll tax</i>	91	92	1,202	89	1,139
Property taxes					
<i>Land tax</i>	1	4	315	1	280
Conveyances and transfers	85	94	1,110	93	1,207
Mortgages	9	11	121	9	115
Other stamp duties	1	4	31	2	53
<i>Total stamp duties on financial and capital transactions</i>	95	109	1,262	105	1,375
Debits Tax	8	8	96	7	97
<i>Total financial institutions taxes</i>	8	8	96	7	97
Metropolitan Region					
Improvement Tax	-	-	48	-	44
Emergency Services Levy	4	1	119	-	75
Loan guarantee fees	1	1	11	1	10
<i>Total other property taxes</i>	5	2	178	1	129
Taxes on provision of goods and services					
Lotteries Commission	8	8	96	8	95
less rebates	-2	-1	-21	-2	-20
Video lottery terminals	-	-	1	-	-
Casino Tax	5	4	51	3	47
less rebates	-3	-3	-29	-2	-24
TAB betting tax	5	6	53	-1	56
less rebates	-2	-2	-25	-2	-22
<i>Total taxes on gambling</i>	10	12	126	5	132
Contribution to fire brigades	-	-	-	-	31
Stamp duty on insurance policies	22	23	286	28	279
Other	2	2	21	-	19
<i>Total taxes on insurance</i>	23	21	306	28	328
Taxes on use of goods and performance of activities					
Stamp duty on vehicle licences	29	29	289	25	273
Permits - oversize vehicles and loads	-	-	3	-	3
Motor vehicle recording fee	4	3	37	4	45
Motor vehicle registrations	37	29	317	29	320
<i>Total motor vehicle taxes</i>	69	61	645	59	641
Total Taxation	303	308	4,130	295	4,122

(a) Estimated actual published in the 2005-06 Budget, released 26 May 2005.

(b) Consistent with final audited data contained in the 2003-04 *Consolidated Financial Statements*, released 2 November 2004.

Note: Columns may not add due to rounding.

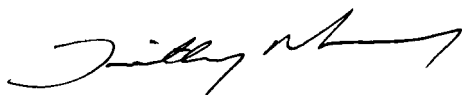
APPENDIX 3

Interim Consolidated Financial Statements

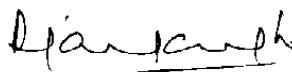
Statement of Responsibility

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 2005 and the financial position of the Government as at 31 March 2005, in accordance with applicable accounting standards (AAS and AASB), including AASB1029: *Interim Financial Reporting*, and other mandatory professional requirements.



TIMOTHY MARNEY
UNDER TREASURER



VALERIE JAYASINGHE CA
ASSISTANT DIRECTOR
FINANCIAL REPORTING

28 June 2005

Contents

Table 3.1: Condensed Statement of Financial Performance	22
Table 3.2: Condensed Statement of Financial Position	23
Table 3.3: Condensed Statement of Cash Flows	24
Notes to the Interim Consolidated Financial Statements	25

Table 3.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
PERFORMANCE**

For the nine months ended 31 March 2005

	2004-05		2003-04			
	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	925	3,163	860	3,028	3,966
Territorial revenue		309	941	266	793	1,079
Regulatory fees and fines		83	329	75	306	360
Sale of goods and services	3	1,401	4,222	1,261	3,787	5,489
Grants and subsidies	4	1,571	4,696	1,414	4,114	5,598
Interest revenue		113	362	112	354	477
Other revenue		367	1,260	397	1,265	1,591
Total revenues from ordinary activities		4,769	14,972	4,385	13,647	18,560
EXPENSES FROM ORDINARY ACTIVITIES						
Supplies and services		447	1,385	430	1,173	1,762
Employee benefits		1,432	4,318	1,318	4,002	5,455
Superannuation		202	615	196	591	854
Borrowing costs		212	642	195	608	831
Depreciation and amortisation		291	871	292	885	1,169
Grants and subsidies		698	2,052	609	1,792	2,345
Other expenses	5	1,694	3,648	1,038	3,311	5,046
Total expenses from ordinary activities		4,976	13,531	4,079	12,361	17,462
NET RESULT		-207	1,441	306	1,286	1,098
Increase (decrease) in asset revaluation reserve		461	364	204	569	4,547
Net initial adjustment on adoption of new accounting standards		-	-	-	-	-
Increase/(Decrease) in other reserves		34	107	-	-	52
Other		-	-	-	-	31
Total revenue, expenses and valuation adjustments recognised directly in equity		495	471	204	569	4,630
TOTAL CHANGES IN EQUITY		288	1,912	510	1,855	5,728

The accompanying notes form part of these financial statements.

Table 3.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2005

	Note	2004-05	2003-04	
		31 March \$m	31 March \$m	30 June \$m
CURRENT ASSETS				
Cash assets		534	562	538
Other financial assets – Investments	6	6,135	5,917	5,988
Inventories		616	502	575
Receivables	7	1,522	1,469	1,585
Other financial assets – Loans and advances	8	9	8	28
Other assets		110	89	70
<i>Total current assets</i>		8,926	8,547	8,784
NON-CURRENT ASSETS				
Other financial assets – Investments	6	781	595	618
Inventories		687	253	528
Receivables	7	310	218	254
Other financial assets – Loans and advances	8	3,041	2,666	2,654
Land		20,555	17,002	20,347
Buildings		8,779	8,635	8,624
Infrastructure		21,636	20,842	21,496
Plant, equipment and other		4,692	4,222	4,031
Timber		325	298	307
Other assets		18	23	71
<i>Total non-current assets</i>		60,824	54,754	58,930
TOTAL ASSETS		69,750	63,301	67,714
CURRENT LIABILITIES				
Payables		641	579	668
Interest bearing liabilities	9	4,807	5,667	4,824
Provisions – Employee benefits		1,518	1,347	1,581
Other liabilities		1,306	1,155	1,250
<i>Total current liabilities</i>		8,272	8,748	8,323
NON-CURRENT LIABILITIES				
Interest bearing liabilities	9	8,599	7,533	8,452
Provisions – Employee benefits		5,697	5,641	5,656
Other liabilities		1,516	1,497	1,529
<i>Total non-current liabilities</i>		15,812	14,672	15,637
TOTAL LIABILITIES		24,084	23,420	23,960
NET ASSETS		45,666	39,881	43,754
EQUITY				
Accumulated funds		16,096	14,245	14,655
Reserves		29,570	25,636	29,099
TOTAL EQUITY		45,666	39,881	43,754

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 2005

	2004-05		2003-04			
	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		996	3,145	931	2,970	3,882
Territorial revenue		309	941	275	793	1,074
Regulatory fees and fines		102	329	78	300	379
Sale of goods and services		1,169	3,969	1,017	3,566	5,311
Grants and subsidies received		1,576	4,693	1,407	4,107	5,546
Interest received		39	116	34	100	138
GST receipts on sales		112	339	85	254	460
GST receipts from taxation authority		131	400	110	353	498
Other receipts		443	961	155	597	867
Payments						
Salaries, wages and other benefits		(1,359)	(4,296)	(1,274)	(3,959)	(5,239)
Superannuation paid		(193)	(604)	(175)	(572)	(756)
Borrowing cost paid		(6)	(16)	(1)	(16)	(47)
Grants and subsidies paid		(721)	(2,065)	(642)	(1,802)	(2,334)
GST payments on purchases		(203)	(663)	(170)	(521)	(833)
GST payments to taxation authority		(27)	(89)	(33)	(94)	(138)
Contract services paid		(351)	(1,156)	(302)	(1,033)	(1,466)
Other payments		(1,184)	(3,543)	(930)	(3,129)	(4,561)
<i>Net cash flows from operating activities</i>		833	2,461	564	1,913	2,780
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets						
		54	148	87	237	193
Purchase of non-current physical assets		(604)	(1,804)	(519)	(1,597)	(2,313)
Proceeds from sale of investments		63	149	62	338	538
Purchase of investments		(64)	(206)	(49)	(389)	(635)
Other receipts		57	78	10	30	56
Other payments		(7)	(109)	(4)	(19)	(35)
<i>Net cash flows used in investing activities</i>		(500)	(1,744)	(413)	(1,401)	(2,196)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings						
		(4)	(4)	(5)	(12)	(24)
Repayment of borrowings		4	265	36	96	110
Other proceeds		(12)	(28)	30	8	(150)
Other repayments		(12)	(28)	30	8	(150)
<i>Net cash flows from financing activities</i>		(12)	234	61	92	(64)
NET CASH FLOWS/(OUTFLOWS) FROM PUBLIC FINANCIAL CORPORATIONS						
	10	(86)	(392)	(136)	(29)	(172)
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>						
		321	951	76	575	348
CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR						
		4,865	4,865	5,016	4,517	4,517
CASH ASSETS AT THE END OF THE FINANCIAL PERIOD						
		5,186	5,424	5,092	5,092	4,865

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements for the Nine Months Ended 31 March 2005

Statement of significant accounting policies

(a) Accounting standards

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

It is intended that this interim financial report be read in conjunction with the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2004 (CFS). In the interest of timeliness and cost considerations, this financial report does not include notes of the type normally included in the CFS.

(b) The reporting entity

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

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

(c) Basis of accounting

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

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

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

(d) Specific accounting policies

The specific accounting policies of the Government of Western Australia were described in Note 1, Statement of Significant Accounting Policies in the CFS for the year ended 30 June 2004. There have been no changes in those specific accounting policies since that date.

(e) Unaudited data

These Interim Consolidated Financial Statements are not subject to audit.

(f) Comparative figures

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

NOTE 2. TAXATION REVENUE

	2004-05		2003-04		
	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	456	1,448	431	1,428	1,926
Payroll tax	279	883	272	823	1,101
Motor vehicle's and drivers' licences	101	267	88	258	352
Financial transactions taxes	26	74	24	72	97
Gambling taxes and licences	50	139	41	132	178
Land tax	11	299	2	265	262
Other taxes and licences	2	53	2	50	50
Total	925	3,163	860	3,028	3,966

NOTE 3. SALE OF GOODS AND SERVICES

	2004-05		2003-04		
	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	707	2,213	735	2,030	2,931
Revenue from the provision of services	694	2,009	526	1,757	2,558
Total	1,401	4,222	1,261	3,787	5,489

NOTE 4. GRANTS AND SUBSIDIES

	2004-05		2003-04		
	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	1,546	4,644	1,388	4,056	5,521
Other grants and subsidies	25	52	26	58	77
Total	1,571	4,696	1,414	4,114	5,598

NOTE 5. OTHER EXPENSES

	2004-05		2003-04		
	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	238	645	239	677	974
Health sector specific expenses	171	498	166	469	634
Education sector specific expenses	56	209	70	210	313
Insurance claims expenses	94	286	105	309	468
Contract services expense	343	1,064	355	1,106	1,385
Carrying amount of non-current assets disposed of	50	133	76	209	198
Other	742	813	27	331	1,074
Total	1,694	3,648	1,038	3,311	5,046

NOTE 6. OTHER FINANCIAL ASSETS – INVESTMENTS

	2004-05	2003-04	
	31 March \$m	31 March \$m	30 June \$m
Unlisted/Listed shares	1,010	871	899
Property	370	316	317
Other investments (cash deposits and government securities)	5,536	5,325	5,390
Total	6,916	6,512	6,606

NOTE 7. RECEIVABLES

	2004-05	2003-04	
	31 March \$m	31 March \$m	30 June \$m
Gross accounts receivable	1,928	1,792	1,939
Provision for doubtful debts	(96)	(105)	(100)
Total	1,832	1,687	1,839

NOTE 8. OTHER FINANCIAL ASSETS – LOANS AND ADVANCES

	2004-05	2003-04	
	31 March \$m	31 March \$m	30 June \$m
Homebuyers	1,742	1,478	1,478
Non government schools	231	239	242
Terminating building societies	6	6	6
Government Employees Superannuation Board	570	589	585
Others	501	362	371
Total	3,050	2,674	2,682

NOTE 9. INTEREST BEARING LIABILITIES

	2004-05	2003-04	
	31 March \$m	31 March \$m	30 June \$m
Bank overdrafts	43	20	1
Finance leases	68	81	78
Liability to the Commonwealth Government	561	573	561
Commercial paper and medium term notes	-	-	-
Domestic and foreign borrowings	12,302	12,100	12,205
<i>Borrowings at face value</i>	<i>12,974</i>	<i>12,774</i>	<i>12,845</i>
Unamortised net discounts	432	426	433
Borrowings at historic capital value	13,406	13,200	13,276

NOTE 10. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS

	2004-05		2003-04		
	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	91	292	82	235	295
Premiums received	91	276	92	273	372
GST received on sales	9	40	9	41	51
GST received from taxation authority	5	23	5	37	44
Other receipts	15	60	11	57	83
Salaries, wages and other benefits paid	(4)	(15)	(5)	(14)	(19)
Superannuation paid	(1)	(1)	(1)	(2)	(2)
Borrowing costs	(152)	(572)	(154)	(531)	(780)
Claims paid	(93)	(273)	(81)	(252)	(364)
GST paid on purchases	(4)	(22)	(5)	(30)	(37)
GST paid to taxation authority	(9)	(41)	(9)	(42)	(51)
Other payments	(20)	(102)	(16)	(88)	(121)
Net cash flows used in operating activities	(72)	(335)	(71)	(315)	(529)
Cash flows from investing activities					
Purchase of non-current physical assets	(1)	(2)	(1)	(3)	(3)
Proceeds from investments	278	1,646	560	2,224	3,126
Purchase of investments	(382)	(1,871)	(746)	(2,257)	(3,179)
Net cash flows used in investing activities	(105)	(227)	(187)	(36)	(56)
Cash flows from financing activities					
Proceeds from borrowings	4,879	15,817	7,802	22,387	29,084
Repayments from borrowings	(4,788)	(15,647)	(7,679)	(22,065)	(28,671)
Net cash flows from financing activities	91	170	122	322	413
Net cash flows from public financial corporations	(86)	(392)	(136)	(29)	(172)

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

NOTE 11. DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements were detailed in Note 36, Composition of Sectors in the *Consolidated Financial Statements of the Government of Western Australia* for the year ended 30 June 2004. Changes since this date are:

- The Department of Environmental Protection has been renamed Department of Environment (effective 1 July 2004).
- Workers' Compensation and Rehabilitation Commission has been renamed WorkCover Western Australia Authority (effective from 21 December 2004).
- Central West College of TAFE has been renamed Central West TAFE (effective from 21 December 2004).
- Kimberley College of TAFE has been renamed Kimberley TAFE (effective from 21 December 2004).
- West Coast College of TAFE has been renamed West Coast TAFE (effective from 21 December 2004).
- Effective from 11 January 2005, the Western Australian Boxing Commission has been renamed Professional Combat Sports Commission.
- Effective from 1 February 2005, the functions of the Potato Growing Industry Trust Fund Advisory Committee and the Poultry Industry Trust Fund Committee have been transferred to the Agriculture Produce Commission.

NOTE 12. CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the issue of the *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2004.
