



2002-03

QUARTERLY FINANCIAL
RESULTS REPORT

SEPTEMBER 2002

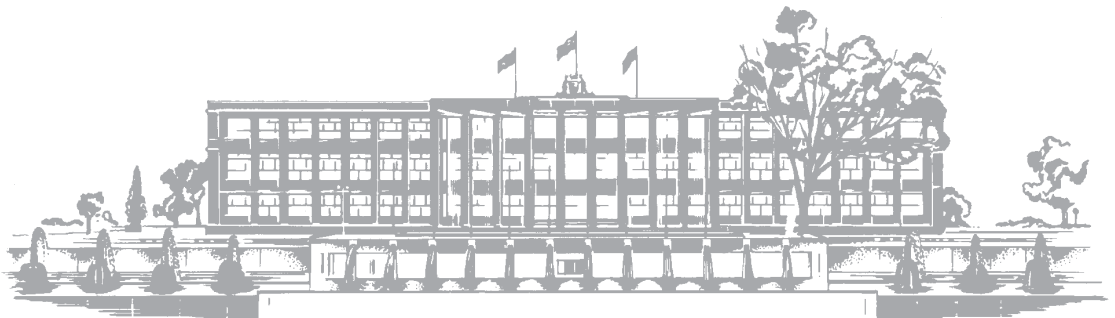




2002-03

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2002–03 Quarterly Financial Results Report
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**2002-03
QUARTERLY FINANCIAL RESULTS REPORT
THREE MONTHS ENDING 30 SEPTEMBER 2002**

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Government's financial results for the three months to 30 September 2002, and includes comparative results for the following periods and sectors:

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

The focus of the last three State budgets has been the government finance statistics (GFS) operating result for the general government sector. The GFS presentation in this report can be compared directly with the format of the budget and includes operating statement, balance sheet and cash flow information for the general government and total public sectors.

An Australian Accounting Standards (AAS) compliant series of results is also presented, permitting comparison with the State's accounting series which began in 1993-94. In this regard, 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 (unaudited) 2001-02 *Government Financial Results Report*, released 25 September 2002, while projections for 2002-03 are consistent with those appearing in the 2002-03 *Government Mid-year Financial Projections Statement*, released 20 December 2002.

September Quarter Overview

Summary

The general government and total public sectors recorded operating surpluses in the three months to 30 September 2002. Both revenue and expenses were up compared with the same period in the previous year.

The State's balance sheet also remains in a sound position, with public sector net worth increasing strongly over the first quarter of 2002-03.

General Government

The general government sector recorded a \$141.4 million net operating surplus for the three months to 30 September 2002. This compares with a \$160.6 million surplus for the same period the previous year.

Revenue in the three months to 30 September 2002 totalled \$2,983.6 million. This represents 26.3% of estimated annual revenue for 2002-03 (as per the *2002-03 Government Mid-year Financial Projections Statement*), and is \$205.4 million (or 7.4%) higher than the same period the previous year. The main sources of increased revenue were:

- higher taxation revenue (up \$125.1 million or 14.7%), primarily due to increased payroll tax, land tax and stamp duties on financial and capital transactions (largely stamp duty on property conveyances);
- a \$77.0 million (45.9%) increase in sales of goods and services revenue, nearly half of which is due to a reclassification of regulatory fees from "other" revenue to goods and services revenue; and
- higher current grants from the Commonwealth (up \$54.4 million or 4.4%), largely due to GST grants and health sector tied grants.

Partially offsetting these revenue increases were a \$30.1 million (or 31.8%) decrease in other revenue and a \$22.2 million (or 19.8%) decrease in dividend revenue. The decline in other revenue reflects the reclassification issue noted above, while the decline in dividend revenue was primarily the result of lower payments from the Water Corporation due to reduced water consumption.

At \$2,842.2 million, expenses for the three months to 30 September 2002 were \$224.6 million (or 8.6%) higher than for the same period in 2001-02. Increases in salaries costs, higher grants and community service obligation expenses, and higher capital transfers mainly due to funding provided for the Perth Convention and Exhibition Centre, were primarily responsible for the increase in expenses.

It is also likely that at least part of the “carryover” of agencies’ expenses from 2001-02 that was reported in the 2002-03 *Government Mid-year Financial Projections Statement* was undertaken in the September quarter, contributing to the strong growth in expenses in the three months to 30 September 2002 relative to the same period the previous year. Another factor would be the relatively low first quarter spending in 2001-02 due to the later presentation of the 2001-02 Budget.

Expenses for the three months to 30 September 2002 represent 25.2% of estimated annual expenses for 2002-03 (as per the 2002-03 *Government Mid-year Financial Projections Statement*).

SUMMARY OF GENERAL GOVERNMENT FINANCES THREE MONTHS TO 30 SEPTEMBER 2002

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	141.4	52.9	160.6	208.9
Net worth	36,356.0	35,621.6	32,359.0	35,214.7
Increase in cash balances	-313.4	-146.0	-586.5	-232.3
<i>Memorandum items</i>				
Net lending	121.0	-159.6	87.7	-42.3
Net debt	827.0	864.9	840.4	530.9
GFS cash surplus	-334.0	-263.9	-405.0	-0.7

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

(b) Consistent with the 2001-02 *Government Financial Results Report*, released 25 September 2002.

Net worth of the general government sector has increased by \$1,141.3 million since 30 June 2002. Over half of this increase (\$599.7 million) comes from increases in the stock and value of the State’s fixed asset holdings. Increased equity holdings in public corporations and other non-equity investments including receivables, partially offset by lower cash investments, were also significant factors in the rise in net worth over the period.

Total Public Sector

The total public sector recorded a GFS net operating surplus of \$294.1 million for the first quarter of 2002-03, compared with a surplus of \$150.2 million for the same period the previous year.

This outcome reflects the operating surplus of the general government sector discussed above, and surpluses in the public corporations sectors. For the three months to 30 September 2002, the public non-financial corporations sector recorded a surplus of \$69.0 million, up on the \$54.7 million surplus recorded in the same period the previous year. The public financial corporations sector also recorded a surplus (of \$83.6 million) in the three months to 30 September 2002, contrasting with the deficit recorded in the same period the previous year. This outcome mainly reflects improvements in the net return on investments and loans undertaken by this sector, and lower insurance claims expenses.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES THREE MONTHS TO 30 SEPTEMBER 2002

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	294.1	237.4	150.2	402.5
Net worth	36,357.5	35,618.1	32,356.1	35,218.2
Increase in cash balances	-520.2	-31.7	-1,429.9	-477.7
<i>Memorandum items</i>				
Net lending	-466.6	-698.8	-228.5	9.0
Net debt	5,008.0	5,393.1	4,812.8	4,530.2
GFS cash surplus	-515.4	-906.9	-448.7	-116.5

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

(b) Consistent with the *2001-02 Government Financial Results Report*, released 25 September 2002.

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.

¹ 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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Total Public Sector

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Table 1.1

GENERAL GOVERNMENT
Operating Statement

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
REVENUE				
Taxation	978.3	3,179.2	853.2	2,941.0
Current grants and subsidies	1,293.9	5,365.8	1,239.5	5,280.1
Capital grants	68.6	305.7	62.5	268.8
Sales of goods and services	244.7	914.3	167.7	881.7
Interest income	27.2	103.5	32.1	122.0
Revenue from public corporations				
Dividends	89.7	373.8	111.9	407.6
Tax equivalent payments	62.7	225.1	57.9	241.0
Royalty income	154.1	672.1	158.7	635.9
Other	64.5	205.7	94.6	243.8
<i>Total</i>	<i>2,983.6</i>	<i>11,345.3</i>	<i>2,778.2</i>	<i>11,021.9</i>
EXPENSES				
Gross operating expenses				
Salaries	1,097.1	4,383.1	1,012.6	4,182.9
Depreciation and amortisation	132.5	618.1	110.1	518.2
Superannuation	99.0	400.5	104.0	389.6
Other	682.0	2,785.4	672.0	2,712.8
Nominal superannuation interest	70.3	276.2	68.6	277.6
Other interest	45.5	253.1	53.7	218.0
Other property expenses	-	-	-	-
Current transfers	611.3	2,321.2	534.8	2,238.0
Capital transfers	104.6	254.7	61.9	275.8
<i>Total</i>	<i>2,842.2</i>	<i>11,292.4</i>	<i>2,617.6</i>	<i>10,812.9</i>
NET OPERATING BALANCE	141.4	52.9	160.6	208.9
NET ACQUISITION OF NON-FINANCIAL ASSETS				
Gross fixed capital formation	158.0	856.5	188.3	701.4
less depreciation	132.5	618.1	110.1	518.2
plus change in inventories	-0.8	-0.7	1.5	2.5
plus other movements in non-financial assets	-4.3	-25.2	-9.0	65.5
<i>Total</i>	<i>20.4</i>	<i>212.5</i>	<i>70.8</i>	<i>251.2</i>
NET LENDING/BORROWING	121.0	-159.6	87.7	-42.3
Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)				
NET OPERATING BALANCE	141.4	52.9	160.6	208.9
less provisions for doubtful debts	-	0.2	0.1	3.1
plus net gains on assets (including derivatives)	2.8	60.2	-0.9	129.3
plus capitalised interest	-	-	-	-
less revaluation of superannuation liabilities	-	-	63.5	12.1
plus all other adjustments	-	-	-7.4	1.6
AAS OPERATING RESULT	144.3	112.8	88.7	324.7

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.
Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at End of Period

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	303.3	235.0	171.7	300.8
Advances paid	871.9	863.5	869.4	873.9
Investments, loans and placements	1,063.0	1,299.8	1,221.0	1,318.2
Other non-equity assets	1,103.6	713.8	1,133.7	748.0
Equity	16,119.4	15,945.8	15,200.4	15,568.9
<i>Total</i>	<i>19,461.1</i>	<i>19,057.9</i>	<i>18,596.2</i>	<i>18,809.8</i>
<i>Non-Financial assets</i>				
Land and fixed assets	26,818.5	26,563.0	23,605.6	26,218.9
Other non-financial assets	14.1	37.0	63.1	57.3
<i>Total</i>	<i>26,832.6</i>	<i>26,600.0</i>	<i>23,668.7</i>	<i>26,276.2</i>
TOTAL ASSETS	46,293.7	45,657.9	42,264.9	45,086.0
LIABILITIES				
Deposits held	354.6	319.1	282.6	271.9
Advances received	593.2	580.8	621.6	592.9
Borrowings	2,117.4	2,363.3	2,198.3	2,159.1
Unfunded superannuation liabilities	5,228.1	5,203.3	5,243.7	5,222.0
Other employee entitlements and provisions	1,064.2	1,120.9	996.1	1,155.6
Non-equity liabilities	580.2	448.8	563.7	469.8
TOTAL LIABILITIES	9,937.7	10,036.2	9,905.9	9,871.3
NET WORTH	36,356.0	35,621.6	32,359.0	35,214.7
<i>Memorandum Item: Net Debt</i>	<i>827.0</i>	<i>864.9</i>	<i>840.4</i>	<i>530.9</i>
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards				
NET WORTH	36,356.0	35,621.6	32,359.0	35,214.7
less equity (net worth) of PFC sector	15,944.1	15,534.1	15,144.9	15,411.2
less all other adjustments	-1.4	-	-	-
AAS NET ASSETS	20,413.3	20,087.5	17,214.1	19,803.5

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES				
Taxes received	627.4	3,183.4	571.5	2,973.9
Receipts from sales of goods and services	325.7	910.2	292.1	871.9
Grants and subsidies received	1,364.2	5,645.5	1,326.8	5,555.3
Other receipts	407.2	2,165.6	406.6	2,151.6
<i>Total</i>	<i>2,724.5</i>	<i>11,904.7</i>	<i>2,597.1</i>	<i>11,552.6</i>
PAYMENTS FOR OPERATING ACTIVITIES				
Payments for goods and services	-2,030.4	-7,780.5	-2,054.6	-7,397.1
Grants and subsidies paid	-625.8	-2,519.3	-535.3	-2,317.1
Interest paid	-40.2	-248.6	-46.1	-223.3
Other payments	-208.8	-785.2	-183.8	-855.5
<i>Total</i>	<i>-2,905.1</i>	<i>-11,333.6</i>	<i>-2,819.8</i>	<i>-10,793.0</i>
Net Cash Flow from Operating Activities	-180.6	571.1	-222.8	759.6
INVESTMENT IN NON-FINANCIAL ASSETS				
Purchase of non-financial assets	-165.9	-958.7	-197.4	-860.2
Sales of non-financial assets	12.6	123.8	15.1	100.0
<i>Total</i>	<i>-153.3</i>	<i>-834.9</i>	<i>-182.2</i>	<i>-760.2</i>
INVESTMENT IN FINANCIAL ASSETS				
Policy purposes	-11.1	-116.8	-	-92.9
Liquidity purposes	13.3	50.3	17.3	-11.5
<i>Total</i>	<i>2.2</i>	<i>-66.5</i>	<i>17.3</i>	<i>-104.4</i>
Net Cash Flow from Investing Activities	-151.2	-901.4	-164.9	-864.6
FINANCING ACTIVITIES				
Advances received (net)	-	-	-10.4	-421.2
Borrowings (net)	22.5	228.6	-95.1	443.0
Deposits received (net)	1.9	-	-85.6	-91.9
Distributions paid	-	-	-	-
Other financing	-6.0	-44.2	-7.7	-57.1
<i>Total</i>	<i>18.4</i>	<i>184.3</i>	<i>-198.8</i>	<i>-127.2</i>
<i>Opening cash balance</i>	<i>934.5</i>	<i>934.5</i>	<i>1,166.8</i>	<i>1,166.8</i>
NET INCREASE IN CASH HELD	-313.4	-146.0	-586.5	-232.3
<i>Closing cash balance</i>	<i>621.1</i>	<i>788.5</i>	<i>580.3</i>	<i>934.5</i>
<i>Net cash from operating activities and investments in non-financial assets</i>				
	<i>-334.0</i>	<i>-263.9</i>	<i>-405.0</i>	<i>-0.7</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
GFS Cash Surplus	-334.0	-263.9	-405.0	-0.7

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.

Columns may not add due to rounding.

Table 1.4

GENERAL GOVERNMENT SECTOR
Taxation Revenue

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE				
<i>Payroll tax</i>	245.5	991.6	221.2	898.8
TAXES ON PROPERTY				
Land tax	224.8	266.5	180.9	225.7
Stamp duties on financial and capital transactions	207.0	799.0	174.6	787.7
Financial institutions transaction taxes	24.0	97.5	37.4	112.2
Other	33.7	50.8	25.4	47.4
<i>Total</i>	489.5	1,213.8	418.3	1,173.0
TAXES ON PROVISION OF GOODS AND SERVICES				
Taxes on gambling	31.9	116.6	28.1	109.5
Taxes on insurance	77.0	317.7	66.1	266.8
<i>Total</i>	108.9	434.3	94.2	376.3
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES				
Motor vehicle taxes	134.5	539.5	119.6	492.9
TOTAL TAXES	978.3	3,179.2	853.2	2,941.0

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

(b) Consistent with the *2001-02 Government Financial Results Report*, released 25 September 2002.
Columns may not add due to rounding.

Table 1.5

TOTAL PUBLIC SECTOR
Operating Statement

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
REVENUE				
Taxation	940.5	3,042.2	814.5	2,783.1
Current grants and subsidies	1,293.9	5,365.8	1,239.5	5,280.1
Capital grants	68.5	305.7	62.5	268.8
Sales of goods and services	1,410.9	5,970.1	1,276.9	5,938.2
Interest income	149.3	568.9	122.0	497.9
Royalty income	154.1	672.1	158.7	635.9
Other	112.2	290.3	167.9	425.4
<i>Total</i>	4,129.3	16,215.1	3,842.0	15,829.3
EXPENSES				
Gross operating expenses				
Salaries	1,205.0	4,816.7	1,112.5	4,584.0
Depreciation and amortisation	275.3	1,215.4	249.9	1,091.7
Superannuation	115.3	445.3	118.0	437.3
Other	1,374.0	6,172.0	1,478.9	6,206.2
Nominal superannuation interest	70.3	276.2	68.6	277.6
Other interest	204.6	851.0	184.9	745.4
Other property expenses	-	-	-	-
Current transfers	512.5	1,980.3	444.7	1,910.2
Capital transfers	78.2	220.6	34.3	174.5
<i>Total</i>	3,835.3	15,977.7	3,691.8	15,426.9
NET OPERATING BALANCE	294.1	237.4	150.2	402.5
NET ACQUISITION OF NON-FINANCIAL ASSETS				
Gross fixed capital formation	381.7	2,028.6	375.6	1,552.5
less depreciation	275.3	1,215.1	249.9	1,091.4
plus change in inventories	688.1	233.6	284.2	-52.9
plus other movements in non-financial assets	-33.9	-110.9	-31.2	-14.8
<i>Total</i>	760.6	936.2	378.7	393.4
NET LENDING/BORROWING	-466.6	-698.8	-228.5	9.0

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

NET OPERATING BALANCE	294.1	237.4	150.2	402.5
less provisions for doubtful debts	1.5	0.7	0.5	10.7
plus net gains on assets (including derivatives)	-2.2	113.5	-0.8	101.1
plus capitalised interest	-	-	-	14.0
less revaluation of superannuation liabilities	-	-	63.5	36.5
plus all other adjustments	0.1	-0.1	-7.5	11.2
AAS OPERATING RESULT	290.5	350.1	78.0	481.5

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

Table 1.6

TOTAL PUBLIC SECTOR
Balance Sheet at End of Period

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
ASSETS				
<i>Financial assets</i>				
Cash and deposits	395.0	367.1	278.1	410.0
Advances paid	1,912.4	2,108.2	1,994.6	1,933.9
Investments, loans and placements	4,710.3	5,317.4	4,302.5	5,155.7
Other non-equity assets	1,817.5	1,521.2	1,845.4	1,375.3
Equity	587.0	637.4	590.7	613.9
<i>Total</i>	<i>9,422.2</i>	<i>9,951.3</i>	<i>9,011.3</i>	<i>9,488.8</i>
<i>Non-Financial assets</i>				
Land and fixed assets	48,992.0	48,819.7	44,776.1	47,615.7
Other non-financial assets	141.0	58.4	111.6	80.4
<i>Total</i>	<i>49,132.9</i>	<i>48,878.1</i>	<i>44,887.7</i>	<i>47,696.2</i>
TOTAL ASSETS	58,555.2	58,829.4	53,899.0	57,184.9
LIABILITIES				
Deposits held	81.4	196.6	20.7	89.1
Advances received	593.2	580.8	621.6	592.9
Borrowings	11,351.1	12,408.4	10,745.8	11,347.9
Unfunded superannuation liabilities	5,517.6	5,482.6	5,527.5	5,515.0
Other employee entitlements and provisions	1,212.0	1,264.2	1,110.1	1,301.6
Non-equity liabilities	3,442.5	3,278.7	3,517.3	3,120.4
TOTAL LIABILITIES	22,197.7	23,211.3	21,543.0	21,966.7
NET WORTH	36,357.5	35,618.1	32,356.1	35,218.2
<i>Memorandum Item: Net Debt</i>	<i>5,008.0</i>	<i>5,393.1</i>	<i>4,812.8</i>	<i>4,530.2</i>
Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards				
NET WORTH	36,357.5	36,618.1	32,356.1	35,218.2
less all other adjustments	1.5	-3.6	-2.8	3.5
AAS NET ASSETS	36,356.0	35,621.6	32,358.9	35,214.8

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

Table 1.7

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2002-03		2001-02	
	Three Months to 30 Sept \$m	Annual Estimate ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES				
Taxes received	602.5	3,021.9	547.7	2,818.3
Receipts from sales of goods and services	1,832.4	5,921.9	1,727.5	6,082.3
Grants and subsidies received	1,364.2	5,645.5	1,326.8	5,555.6
Other receipts	569.0	2,135.6	517.6	2,196.2
<i>Total</i>	<i>4,368.0</i>	<i>16,724.9</i>	<i>4,119.6</i>	<i>16,652.3</i>
PAYMENTS FOR OPERATING ACTIVITIES				
Payments for goods and services	-3,300.2	-11,701.2	-3,174.4	-11,334.8
Grants and subsidies paid	-567.9	-2,041.6	-470.8	-1,844.6
Interest paid	-180.7	-800.2	-246.8	-776.0
Other payments	-487.1	-1,085.1	-306.2	-1,249.5
<i>Total</i>	<i>-4,535.9</i>	<i>-15,628.2</i>	<i>-4,198.2</i>	<i>-15,204.9</i>
Net Cash Flow from Operating Activities	-167.9	1,096.7	-78.6	1,447.4
INVESTMENT IN NON-FINANCIAL ASSETS				
Purchase of non-financial assets	-432.2	-2,477.6	-451.8	-1,973.7
Sales of non-financial assets	84.7	474.0	82.3	409.1
<i>Total</i>	<i>-347.5</i>	<i>-2,003.6</i>	<i>-369.5</i>	<i>-1,564.6</i>
INVESTMENT IN FINANCIAL ASSETS				
Policy purposes	3.9	15.2	-	12.5
Liquidity purposes	-117.2	-211.0	80.9	-65.7
<i>Total</i>	<i>-113.3</i>	<i>-195.8</i>	<i>80.9</i>	<i>-53.1</i>
Net Cash Flow from Investing Activities	-460.7	-2,199.4	-288.6	-1,617.7
FINANCING ACTIVITIES				
Advances received (net)	-	-13.1	4.8	-431.9
Borrowings (net)	101.4	872.9	-984.1	231.5
Deposits received (net)	1.9	-	-85.6	-91.9
Distributions paid	-	-	-0.6	0.7
Other financing	5.2	211.3	2.8	-15.7
<i>Total</i>	<i>108.5</i>	<i>1,071.1</i>	<i>-1,062.8</i>	<i>-307.3</i>
<i>Opening cash balance</i>	<i>3,978.3</i>	<i>3,978.3</i>	<i>4,543.9</i>	<i>4,455.9</i>
NET INCREASE IN CASH HELD	-520.2	-31.7	-1,429.9	-477.7
<i>Closing cash balance</i>	<i>3,458.1</i>	<i>3,946.6</i>	<i>3,113.9</i>	<i>3,978.3</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>-515.4</i>	<i>-906.9</i>	<i>-448.7</i>	<i>-116.5</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Surplus	-515.4	-906.9	-448.7	-116.5

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

APPENDIX 2

General Government Monthly Financial Results – September 2002

A net operating surplus of \$138.6 million was recorded by the general government sector for the month of September 2002. This compares with a net operating surplus of \$27.5 million in August 2002 and a net operating surplus of \$104.9 million in September 2001.

Revenues for the month of September 2002 totalled \$1,026.8 million, up from \$955.5 million in August 2002. Revenue variations between these periods primarily reflect significantly higher taxation revenue (up \$243.0 million) due mainly to the annual issuance of land tax and Metropolitan Region Improvement Tax assessments during September 2002, partially offset by lower Commonwealth grants (down \$156.8 million), mainly due to lower Department of Training grants and grants for on-passing to non-government schools and local government authorities.

Expenses for the month of September 2002 totalled \$888.3 million, \$39.7 million lower than August 2002 due mainly to lower capital and recurrent grants and other gross operating expenses.

A \$105.6 million net cash outflow resulted from operating activities in September 2002. Combined with investment in non-financial assets of \$32.5 million (net), this resulted in a GFS cash deficit of \$138.0 million for the month of September 2002, similar to the result for August 2002.

Table 2.1

GENERAL GOVERNMENT
Operating Statement

	2002-03			2001-02	
	Month of Aug \$m	Month of Sept \$m	Annual Estimate ^(a) \$m	Month of Sept \$m	Actual ^(b) \$m
REVENUE					
Taxation	241.4	484.4	3,179.2	415.1	2,941.0
Current grants and subsidies	472.2	315.4	5,365.8	266.7	5,280.1
Capital grants	19.3	25.1	305.7	5.4	268.8
Sales of goods and services	98.8	60.8	914.3	68.0	881.7
Interest income	8.9	10.3	103.5	12.3	122.0
Revenue from public corporations					
Dividends	32.1	26.4	373.8	41.6	407.6
Tax equivalent payments	18.8	25.2	225.1	16.0	241.0
Royalty income	33.3	71.3	672.1	74.4	635.9
Other	30.8	7.9	205.7	19.2	243.8
<i>Total</i>	<i>955.5</i>	<i>1,026.8</i>	<i>11,345.3</i>	<i>918.7</i>	<i>11,021.9</i>
EXPENSES					
Gross operating expenses					
Salaries	363.5	358.3	4,383.1	331.7	4,182.9
Depreciation and amortisation	44.5	49.5	618.1	31.8	518.2
Superannuation	34.3	37.1	400.5	38.9	389.6
Other	239.2	224.3	2,785.4	223.5	2,712.8
Nominal superannuation interest	23.4	23.4	276.2	22.9	277.6
Other interest	15.3	13.6	253.1	20.0	218.0
Current transfers	184.3	171.7	2,321.2	130.1	2,238.0
Capital transfers	23.4	10.4	254.7	15.0	275.8
<i>Total</i>	<i>928.0</i>	<i>888.3</i>	<i>11,292.4</i>	<i>813.7</i>	<i>10,812.9</i>
NET OPERATING BALANCE	27.5	138.6	52.9	104.9	208.9

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

Table 2.2

GENERAL GOVERNMENT
Cash Flow Statement

	2002-03			2001-02	
	Month of Aug \$m	Month of Sept \$m	Annual Estimate ^(a) \$m	Month of Sept \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES					
Taxes received	209.4	209.4	3,183.4	197.7	2,973.9
Receipts from sales of goods and services	120.7	52.2	910.2	121.3	871.9
Grants and subsidies received	487.3	341.3	5,645.5	302.7	5,555.3
Other receipts	103.9	116.1	2,165.6	85.1	2,151.6
<i>Total</i>	<i>921.3</i>	<i>719.1</i>	<i>11,904.7</i>	<i>706.8</i>	<i>11,552.6</i>
PAYMENTS FOR OPERATING ACTIVITIES					
Payments for goods and services	-772.7	-587.0	-7,780.5	-646.5	-7,397.1
Grants and subsidies paid	-168.4	-154.0	-2,519.3	-138.6	-2,317.1
Interest paid	-5.1	-4.9	-248.6	-2.1	-223.3
Other payments	-69.8	-78.9	-785.2	-85.5	-855.5
<i>Total</i>	<i>-1,015.9</i>	<i>-824.7</i>	<i>-11,333.6</i>	<i>-872.7</i>	<i>-10,793.0</i>
Net Cash Flow from Operating Activities	-94.6	-105.6	571.1	-165.9	759.6
INVESTMENT IN NON-FINANCIAL ASSETS					
Purchase of non-financial assets	-43.8	-34.5	-958.7	-62.0	-860.2
Sales of non-financial assets	6.0	2.0	123.8	4.6	100.0
<i>Total</i>	<i>-37.8</i>	<i>-32.5</i>	<i>-834.9</i>	<i>-57.4</i>	<i>-760.2</i>
INVESTMENT IN FINANCIAL ASSETS					
Policy purposes	-1.1	0.1	-116.8	-1.9	-92.9
Liquidity purposes	5.4	2.8	50.3	25.1	-11.5
<i>Total</i>	<i>4.3</i>	<i>2.9</i>	<i>-66.5</i>	<i>23.2</i>	<i>-104.4</i>
Net Cash Flow from Investing Activities	-33.6	-29.6	-901.4	-34.2	-864.6
FINANCING ACTIVITIES					
Advances received (net)	-	-	-	-10.4	-421.2
Borrowings (net)	-6.6	40.8	228.6	-27.0	443.0
Deposits received (net)	17.6	-8.1	-	1.5	-91.9
Other financing	3.1	-5.9	-44.2	-5.3	-57.1
<i>Total</i>	<i>14.1</i>	<i>26.8</i>	<i>184.3</i>	<i>-41.2</i>	<i>-127.2</i>
Opening cash balance	843.5	729.4	934.5	821.5	1,166.8
NET INCREASE IN CASH HELD	-114.0	-108.4	-146.0	-241.2	-232.3
<i>Closing cash balance</i>	<i>729.4</i>	<i>621.1</i>	<i>788.5</i>	<i>580.3</i>	<i>934.5</i>
<i>Net cash from operating activities and investments in non-financial assets</i>	<i>-132.5</i>	<i>-138.0</i>	<i>-263.9</i>	<i>-223.2</i>	<i>-0.7</i>
<i>Less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
GFS Cash Surplus	-132.5	-138.0	-263.9	-223.2	-0.7

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

Table 2.3

GENERAL GOVERNMENT**Taxation Revenue**

	2002-03			2001-02	
	Month of Aug \$m	Month of Sept \$m	Annual Estimate ^(a) \$m	Month of Sept \$m	Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE					
<i>Payroll tax</i>	85.3	79.9	991.6	76.2	898.8
TAXES ON PROPERTY					
Land tax	0.1	224.6	266.5	180.5	225.7
Stamp duties on financial and capital transactions	77.8	60.1	799.0	62.8	788.4
Financial institutions transaction taxes	8.5	8.0	97.5	8.4	112.2
Other	0.8	32.1	50.8	24.4	47.4
<i>Total</i>	87.3	324.8	1,213.8	276.1	1,173.7
TAXES ON PROVISION OF GOODS AND SERVICES					
Taxes on gambling	7.7	12.2	116.6	7.1	109.5
Taxes on insurance	23.4	20.1	317.7	20.4	266.8
<i>Total</i>	31.1	32.3	434.3	27.6	376.3
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES					
Motor vehicle taxes	37.7	47.5	539.5	35.2	492.9
TOTAL TAXES	241.4	484.4	3,179.2	415.1	2,941.0

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

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002. Columns may not add due to rounding.

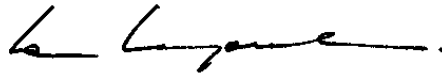
APPENDIX 3

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 State government agencies.

In our opinion, the statements fairly present the financial performance and cash flows of the Government for the three months ended 30 September 2002 and the financial position of the Government as at 30 September 2002, in accordance with applicable accounting standards (AAS and AASB), including AASB 1029: *Interim Financial Reporting*, and other mandatory professional requirements.



JL LANGOULANT
UNDER TREASURER



VALERIE JAYASINGHE CA
ASSISTANT DIRECTOR
FINANCIAL REPORTING

24 January 2003

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Table 3.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
PERFORMANCE**

For the three months ended 30 September 2002

	Note	2002-03	2001-02	
		Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
REVENUE FROM ORDINARY ACTIVITIES				
Taxation	2	956	842	2,887
Territorial revenue		282	285	1,059
Regulatory fees and fines		94	70	313
Sale of goods and services	3	1,217	1,159	5,007
Grants and subsidies	4	1,272	1,228	5,238
Interest revenue		127	98	413
Other revenue	6	185	183	1,365
Total revenue from ordinary activities		4,133	3,865	16,282
EXPENSES FROM ORDINARY ACTIVITIES				
Supplies and services		396	497	1,671
Salaries, wages and other entitlements		1,243	1,152	4,764
Superannuation		186	273	833
Borrowing costs		205	196	736
Depreciation and amortisation		275	250	1,154
Grants and subsidies		613	513	2,169
Other expenses	5, 6	925	906	4,473
Total expenses from ordinary activities		3,843	3,787	15,800
NET RESULT		290	78	482
Increase (decrease) in asset revaluation reserve		60	77	2,529
TOTAL CHANGES IN EQUITY		350	155	3,011

The accompanying notes form part of these financial statements.

Table 3.2

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION**

As at 30 September 2002

	Note	2002-03	2001-02	
		Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
CURRENT ASSETS				
Cash assets		395	396	390
Other financial assets - Investments	7	4,185	3,652	4,633
Inventories		838	622	432
Receivables	8	1,531	1,241	1,056
Other financial assets - Loans and advances	9	22	24	28
Other assets		140	503	171
<i>Total current assets</i>		<i>7,111</i>	<i>6,438</i>	<i>6,710</i>
NON-CURRENT ASSETS				
Other financial assets - Investments	7	502	536	454
Inventories		262	260	261
Receivables	8	149	18	196
Other financial assets - Loans and advances	9	2,775	2,820	2,784
Land		15,652	13,307	14,777
Buildings		8,347	8,125	8,332
Infrastructure		19,997	18,724	20,027
Plant, equipment and other		3,412	3,233	3,233
Timber and infrastructure		300	269	300
Other assets		26	70	27
<i>Total non-current assets</i>		<i>51,422</i>	<i>47,362</i>	<i>50,391</i>
TOTAL ASSETS		58,533	53,800	57,101
CURRENT LIABILITIES				
Payables		747	706	548
Interest bearing liabilities	10	5,542	4,889	3,862
Provisions - Employee entitlements		1,203	1,106	1,184
Other liabilities		1,239	1,282	1,316
<i>Total current liabilities</i>		<i>8,731</i>	<i>7,983</i>	<i>6,910</i>
NON-CURRENT LIABILITIES				
Interest bearing liabilities	10	6,593	6,595	8,071
Provisions - Employee entitlements		5,464	5,465	5,452
Other liabilities		1,389	1,398	1,453
<i>Total non-current liabilities</i>		<i>13,446</i>	<i>13,458</i>	<i>14,976</i>
TOTAL LIABILITIES		22,177	21,441	21,886
NET ASSETS		36,316	32,359	35,215
EQUITY				
Accumulated surplus		12,750	4,806	12,650
Asset revaluation reserve		23,606	27,553	22,565
TOTAL EQUITY		36,356	32,359	35,215

The accompanying notes form part of these financial statements.

Table 3.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 30 September 2002

	Note	2002-03	2001-02	
		Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Taxation		714	641	2,949
Territorial revenue		282	284	1,065
Regulatory fees and fines		100	282	285
Sale of goods and services		1,426	1,158	4,908
Grants and subsidies received		1,272	1,218	5,219
Interest received		31	32	148
GST receipts from taxation authority		143	110	490
Other receipts		214	213	922
Payments				
Salaries, wages and other entitlements		(1,307)	(1,208)	(4,634)
Superannuation paid		(196)	(215)	(703)
Borrowing cost paid		(13)	(10)	(81)
Grants and subsidies paid		(637)	(504)	(2,146)
GST payments to taxation authority		(28)	(35)	(112)
Contract services paid		(369)	(416)	(1,473)
Other payments		(1,740)	(1,532)	(5,096)
<i>Net cash flows from operating activities</i>		<i>(108)</i>	<i>18</i>	<i>1,741</i>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of non-current physical assets		62	64	402
Purchase of non-current physical assets		(383)	(403)	(1,727)
Proceeds from sale of investments		31	116	336
Purchase of investments		(67)	(111)	(461)
Other receipts		9	10	39
Other payments		(5)	(9)	(47)
<i>Net cash flows from investing activities</i>		<i>(353)</i>	<i>(333)</i>	<i>(1,458)</i>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		482	348	599
Repayment of borrowings		-	(149)	(576)
Other proceeds		23	17	85
Other repayments		(8)	(13)	(43)
<i>Net cash flows from financing activities</i>		<i>497</i>	<i>203</i>	<i>65</i>
NET CASH FLOWS FROM FINANCIAL CORPORATIONS	11	(553)	(1,313)	(826)
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>		<i>(517)</i>	<i>(1,425)</i>	<i>(478)</i>
OPENING CASH BALANCE		3,978	4,468	4,456
Effects of exchange rate changes on cash		-	-	-
CLOSING CASH BALANCE		3,461	3,043	3,978

The accompanying notes form part of these financial statements.

Notes To The Condensed Consolidated Financial Statements For The Three Months Ended 30 September 2002

Statement of significant accounting policies

(a) Accounting standards

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

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

(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.

It has 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 2001 and for the year ended 30 June 2002 which is currently being finalised on a similar basis. There have been no changes in those specific accounting policies.

(e) Unaudited data

This Interim Consolidated Financial Report has not been subject to audit.

(f) Comparative figures

Comparative figures are for the same period in the previous financial year (which are not audited) and for the most recent annual reporting period (which have yet to be 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 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
Stamp duty	275	265	1,144
Payroll tax	242	218	885
Motor vehicles' and drivers licences	78	77	301
Financial transactions taxes	24	38	112
Gambling taxes and licences	42	42	167
Land tax	221	178	215
Other taxes and licences	34	24	63
Total	916	842	2,887

NOTE 3. SALE OF GOODS AND SERVICES

	2002-03	2001-02	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
Revenue from sale of goods	656	879	3,700
Revenue from the provision of services	561	280	1,307
Total	1,217	1,159	5,007

NOTE 4. GRANTS AND SUBSIDIES REVENUE

	2002-03	2001-02	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
Commonwealth grants	1,224	1,155	5,029
Other grants and subsidies	48	73	209
Total	1,272	1,228	5,238

NOTE 5. OTHER EXPENSES

	2002-03	2001-02	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
Betting dividend payouts	194	177	764
Health sector specific expenses	143	121	539
Education sector specific expenses	81	81	270
Insurance claims expenses	81	80	400
Other expenses	426	447	2,500
Total	925	906	4,473

NOTE 6. INDIVIDUALLY SIGNIFICANT ITEMS

	2002-03	2001-02	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$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

(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 has resulted in a \$51 million reduction in the estimated claim payments.

(c) Infrastructure assets retired/replaced

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

(d) Decommissioned assets

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

NOTE 7. OTHER FINANCIAL ASSETS – INVESTMENTS

	2002-03	2001-02	
	30 Sept \$m	30 Sept \$m	Unaudited Actual \$m
Listed shares	580	591	607
Property	294	284	293
Other investments (cash deposits and government securities)	3,813	3,313	4,187
Total	4,687	4,188	5,087

NOTE 8. RECEIVABLES

	2002-03	2001-02	
	30 Sept \$m	30 Sept \$m	Unaudited Actual \$m
Gross accounts receivable	1,804	1,370	1,375
Provision for doubtful debts	(124)	(111)	(123)
Total	1,680	1,259	1,252

NOTE 9. OTHER FINANCIAL ASSETS - LOANS AND ADVANCES

	2002-03	2001-02	
	30 Sept \$m	30 Sept \$m	Unaudited Actual \$m
Homebuyers	1,616	1,707	1,635
Non government schools	234	239	237
Terminating building societies	13	18	14
Government Employees Superannuation Board	615	635	619
Others	319	245	307
Total	2,797	2,844	2,812

NOTE 10. INTEREST BEARING LIABILITIES

	2002-03	2001-02	
	30 Sept \$m	30 Sept \$m	Unaudited Actual \$m
Bank overdrafts	28	4	2
Finance leases	101	151	104
Liability to the Commonwealth Government	593	621	592
Commercial paper and medium term notes	525	570	425
Domestic and foreign borrowings	10,542	9,820	10,464
<i>Borrowings at face value</i>	<i>11,789</i>	<i>11,166</i>	<i>11,587</i>
Unamortised net discounts	346	318	346
Borrowings at historic capital value	12,135	11,484	11,933

NOTE 11. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS

	2002-03	2001-02	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Unaudited Actual \$m
Cash flows from operating activities			
Interest received	76	41	270
Premiums received	89	76	303
Other receipts	66	38	118
GST receipts from taxation authority	2	2	13
Salaries, wages and other entitlements paid	(5)	(5)	(18)
Superannuation paid	-	(1)	(2)
Borrowing costs paid	(167)	(239)	(688)
Claims paid	(92)	(66)	(363)
Other payments	(22)	(37)	(113)
GST payments to taxation authority	(20)	(18)	(44)
Net cash flows from operating activities	(73)	(209)	(524)
Cash flows from investing activities			
Purchase of non-current physical assets	(1)	(1)	(5)
Proceeds from sale of non-current physical assets	-	-	-
Proceeds from sale of investments	458	491	2,960
Purchase of investments	(566)	(411)	(2,983)
Net cash flows from investing activities	(109)	79	(28)
Cash flows from financing activities			
Proceeds from borrowings	3,857	3,881	20,330
Repayment of borrowings	(4,228)	(5,064)	(20,604)
Net cash flows from financing activities	(371)	(1,183)	(274)
Net cash flows from public financial corporations	(553)	(1,313)	(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 36, Composition of sectors in the *Consolidated Financial Statements of the Government of Western Australia* for the year ended 30 June 2001. Changes since that date are as follows:

A report released on 21 June 2001 by the Machinery of Government Taskforce identified the need to reduce the number of government departments. As a result, some of the recommendations in the Machinery of Government Taskforce report were implemented and the abolition/amalgamation of various departments took effect from 1 July 2002.

NOTE 13. CONTINGENT LIABILITIES

There have been changes in contingent liabilities since the issue of the *Consolidated Financial Statements of the Government of Western Australia* (CFS) for the year ended 30 June 2001. Changes since that date are as follows:

Keystart Housing Scheme Trust

This contingent liability as reported in the CFS for the year ended 30 June 2001 is no longer reported as a contingent liability.

Tipperary Developments Pty Ltd

A claim has been lodged by Tipperary Developments against the Government for loss arising from a \$50 million deposit with Rothwells in 1988. Tipperary alleges the Government gave binding assurances that it would ensure Tipperary would not suffer loss as a result of its deposit. The current quantum of the claims by Tipperary (including interest) is approximately \$66 million.

As a result of the many delays by Tipperary in this action, the State has applied to the Courts to strike-out the claim for want of prosecution. The decision has been delivered, the application to strike-out has been successful. The State is waiting on whether Tipperary Developments Pty Ltd will appeal.

Electricity Reform Task Force (ERTF)

The Treasurer has issued indemnities from any loss arising from claims against members of the ERTF in performing the acts prescribed for the role.

Land Resumption

The Department of Land Administration has a potential liability claim in respect to land resumption at an estimated cost of \$40 million. There is a Bill before Parliament, which if enacted will settle the rights of the parties which are currently in dispute in the Supreme Court proceedings.
