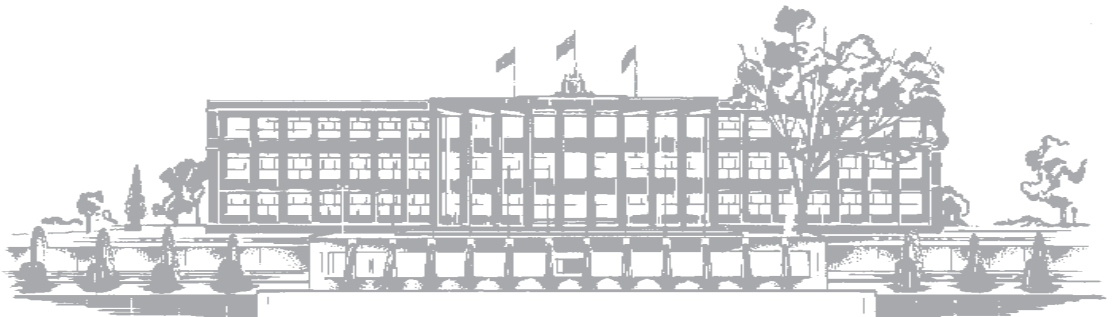




**2004-05**

**QUARTERLY FINANCIAL  
RESULTS REPORT**

SEPTEMBER 2004



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2004-05

**QUARTERLY FINANCIAL RESULTS REPORT**  
**Three Months Ending 30 September 2004**

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# Foreword

This *Quarterly Financial Results Report* (QFRR) provides the Western Australian public sector's financial results for the three months to 30 September 2004.

Care should be exercised in extrapolating the likely outcome for the 2004-05 year based on one quarter's results, 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 presented in Appendix 3, which includes interim financial statements for the total public sector prepared in accordance with accounting standard AASB 1029: *Interim Financial Reporting*. Unlike the *Government of Western Australia Consolidated Financial Statements* (CFS), which are prepared annually in accordance with accounting standard AAS 31: *Financial Reporting by Governments*, this QFRR is not audited.

The 2003-04 annual results appearing in this document 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 2004-05 *Government Mid-year Financial Projections Statement* (mid-year review).

# Overview

## Summary

The Western Australian public sector recorded strong financial results in the first quarter of 2004-05, with both the general government and total public sectors recording larger operating surpluses than for the same period the previous year.

This reflects continuing strong growth in revenue more than offsetting higher expenses, with taxation (mainly land tax) and GST revenue grants from the Commonwealth the major sources of revenue growth. However, the apparently strong growth in taxation revenue in the three months to 30 September 2004 (compared to the same period the previous year) is mainly the result of a timing factor, with the majority of annual land tax assessments being issued in the first quarter of 2004-05 compared to the second quarter of 2003-04.

It is also noteworthy that stamp duty on property conveyances, which was a major factor in the record general government operating surplus in 2003-04, was down in the first quarter of 2004-05 compared to the same period the previous year. However, this appears to be more a reflection of the stamp duty relief measures announced in the 2004-05 Budget and lower revenue from large one-off commercial property transactions, rather than a general weakening in residential property market activity.

The State's balance sheet also remains in a strong position, with total public sector net worth increasing by \$1.1 billion over the first three months of 2004-05, and net debt declining by \$66 million to stand at a low \$4.1 billion at 30 September 2004.

## 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 three months to 30 September 2004, the general government sector recorded a \$332 million operating surplus. This compares with a \$191 million surplus for the same period the previous year.

### **Revenue**

Revenue in the three months to 30 September 2004 totalled \$3,608 million. This represents 26.8% of the annual estimate for 2004-05 published in the mid-year review, and is \$500 million (or 16.1%) higher than the same period the previous year.

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

- higher taxation revenue (up \$195 million), largely due to:
  - higher land tax and Metropolitan Region Improvement Tax revenue (up a total of \$201 million), reflecting the earlier issue of land tax assessment notices in 2004-05 (in 2003-04 the majority of assessments were not issued until October 2003), and the impact of growth in land valuations;
  - increased payroll tax (up \$22 million), due to aggregate wages and employment growth and compositional changes in wages and employment; and
  - reduced conveyance duty revenue (down \$29 million), due to the stamp duty relief measures contained in the 2004-05 Budget and commencing from 1 July 2004, and fewer large assessments resulting from commercial property transfers;



- higher Commonwealth grants (up \$193 million), primarily reflecting higher GST grants (up \$122 million) due to an increase in the national pool of GST revenue and Western Australia's share of that revenue, an increase in education and road grants, and higher North West Shelf petroleum royalties (which are received as a Commonwealth grant);
- higher 'other' revenue (up \$81 million), due largely 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 expense impact – see below), and timing differences associated with capital user charge revenue from the Public Transport Authority; and
- higher royalty income (up \$22 million), mainly due to increased iron ore royalties following increases in demand and production as a result of capacity expansions.

## Expenses

Expenses in the three months to 30 September 2004 totalled \$3,276 million, which is \$360 million (or 12.3%) higher than the first three months of 2003-04. This increase primarily reflects:

- higher current and capital transfers (up \$239 million), largely due to the timing of appropriation funding to the Public Transport Authority (which did not occur until December 2003), and a grant payment to Edith Cowan University for the purchase of Crown land (\$58 million);
- higher salaries (up \$96 million), largely reflecting backdated pay increases for general public servants and education assistants, and higher pay rates and employee numbers in the health and education sectors;
- higher services and contracts expense (up \$37 million), mainly as a result of increased roadworks expenditure for the construction of the New MetroRail project and new road infrastructure, partly offset by lower 'other' gross operating expenses (down \$21 million) across a range of general government sector agencies; and
- increased superannuation expenses (up \$12 million), reflecting the increase in salaries discussed above.

Expenses in the first quarter of 2004-05 represent 25.1% of the annual estimate contained in the mid-year review.

**SUMMARY OF GENERAL GOVERNMENT FINANCES  
THREE MONTHS TO 30 SEPTEMBER 2004**

Western Australia

	2004-05		2003-04	
	Three Months to 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	332	420	191	799
Net worth	44,837	45,691	38,845	43,754
Increase in cash balances	-655	-771	-318	152
<i>Memorandum items</i>				
Net lending	273	-46	161	570
Net debt	55	-89	388	-291
GFS cash surplus	-301	-73	-211	554

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

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

## Balance Sheet

Net worth of the general government sector increased \$1.1 billion in the three months to 30 September 2004 to stand at \$44.8 billion. This is primarily attributable to an increase in the value of the sector's equity holdings in public corporations (up \$631 million) and an increase in 'other' non-equity assets (up \$530 million) due mainly to an increase in receivables relating to land tax.

As noted in the 2003-04 *Government Financial Results Report* (released 10 September 2004), the Consolidated Fund cash balance at 30 June 2004 was used to retire \$481 million in general government debt in August 2004. This decision is reflected in a reduction in investments, loans and placements (down \$468 million) and a similar reduction in borrowings (down \$419 million) in the three months to 30 September 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 agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

### **Operating Statement**

An operating surplus of \$584 million was recorded by the total public sector for the first three months of 2004-05, up from the \$321 million surplus recorded for the same period the previous year.

This strong result reflects the operating surplus of the general government sector discussed earlier (\$332 million), and operating surpluses in the public corporations sectors.

In this regard, the public non-financial corporations sector recorded a \$97 million operating surplus for the three months ended 30 September 2004, compared to the \$10 million surplus recorded for the same period the previous year. The improved result mainly reflects the timing of appropriation revenue received by the Public Transport Authority, as discussed previously.

The public financial corporations sector recorded an operating surplus of \$155 million for the first quarter of 2004-05, similar to the surplus of \$120 million recorded for the same period the previous year.

**SUMMARY OF TOTAL PUBLIC SECTOR FINANCES  
THREE MONTHS TO 30 SEPTEMBER 2004**

Western Australia

	2004-05		2003-04	
	Three Months to 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	584	737	321	1,178
Net worth	44,837	45,691	38,845	43,754
Increase in cash balances	-114	-849	290	348
<i>Memorandum items</i>				
Net lending	268	-781	-11	90
Net debt	4,128	5,371	4,477	4,194
GFS cash surplus	8	-1,189	40	143

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

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

## Balance Sheet

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

Net debt of the total public sector continued to fall in the first quarter of 2004-05 from the record low of \$4.2 billion at 30 June 2004, with lower borrowings (mainly due to the retirement of \$481 million of general government debt in August 2004) more than offsetting a reduction in financial asset holdings.

## APPENDIX 1

# Government Finance Statistics

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

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## GENERAL GOVERNMENT Operating Statement

	2004-05		2003-04	
	Three Months to 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>				
Taxation	1,299	3,892	1,104	4,122
Current grants and subsidies	1,433	6,312	1,266	5,583
Capital grants	86	379	60	295
Sales of goods and services	269	919	269	941
Interest income	35	146	30	128
Revenue from public corporations				
Dividends	107	436	101	448
Tax equivalent payments	69	259	71	310
Royalty income	179	789	157	654
Other	131	336	50	272
<i>Total</i>	<b>3,608</b>	<b>13,467</b>	<b>3,108</b>	<b>12,753</b>
<b>EXPENSES</b>				
Gross operating expenses				
Salaries	1,269	5,074	1,173	4,787
Depreciation and amortisation	132	561	144	546
Superannuation	122	496	110	458
Services and contracts <sup>(c)</sup>	287	1,456	250	1,216
Other gross operating expenses	438	1,732	459	1,637
Nominal superannuation interest	72	295	75	283
Other interest	51	180	39	165
Other property expenses	-	-	-	-
Current transfers	743	2,753	562	2,440
Capital transfers	163	499	105	421
<i>Total</i>	<b>3,276</b>	<b>13,047</b>	<b>2,916</b>	<b>11,954</b>
<b>NET OPERATING BALANCE</b>	<b>332</b>	<b>420</b>	<b>191</b>	<b>799</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>				
Purchase of non-financial assets	226	1,256	202	992
Sales of non-financial assets	-93	-289	-27	-166
less depreciation	132	561	144	546
plus change in inventories	-	3	-	-4
plus other movements in non-financial assets	58	58	-	-47
<i>Total</i>	<b>59</b>	<b>466</b>	<b>30</b>	<b>229</b>
<b>NET LENDING/BORROWING</b>	<b>273</b>	<b>-46</b>	<b>161</b>	<b>570</b>
<b>Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET OPERATING BALANCE</b>	<b>332</b>	<b>420</b>	<b>191</b>	<b>799</b>
less provisions for doubtful debts	-	1	-	-5
plus net gains on assets (including derivatives)	28	90	4	-149
plus capitalised interest	-	-	-	-
less revaluation of superannuation liabilities	-	-	-	66
plus all other adjustments	-3	-	27	-
<b>AAS OPERATING RESULT</b>	<b>356</b>	<b>510</b>	<b>222</b>	<b>588</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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	
	30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	295	400	325	414
Advances paid	849	942	873	853
Investments, loans and placements	1,234	870	1,365	1,702
Other non-equity assets	1,456	921	1,102	926
Equity	18,904	18,983	16,804	18,273
<i>Total</i>	<i>22,738</i>	<i>22,115</i>	<i>20,470</i>	<i>22,168</i>
<i>Non-Financial assets</i>				
Land and fixed assets	31,749	33,143	28,391	31,621
Other non-financial assets	75	66	-	83
<i>Total</i>	<i>31,824</i>	<i>33,209</i>	<i>28,391</i>	<i>31,704</i>
<b>TOTAL ASSETS</b>	<b>54,563</b>	<b>55,324</b>	<b>48,861</b>	<b>53,871</b>
<b>LIABILITIES</b>				
Deposits held	484	266	510	309
Advances received	561	556	581	561
Borrowings	1,388	1,301	1,859	1,807
Unfunded superannuation liabilities	5,385	5,478	5,301	5,490
Other employee entitlements and provisions	1,307	1,308	1,189	1,344
Non-equity liabilities	600	725	575	606
<b>TOTAL LIABILITIES</b>	<b>9,725</b>	<b>9,633</b>	<b>10,016</b>	<b>10,117</b>
<b>NET WORTH</b>	<b>44,837</b>	<b>45,691</b>	<b>38,845</b>	<b>43,754</b>
<i>Memorandum Item: Net Debt</i>	<i>55</i>	<i>-89</i>	<i>388</i>	<i>-291</i>

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

<b>NET WORTH</b>	<b>44,837</b>	<b>45,691</b>	<b>38,845</b>	<b>43,754</b>
<i>less equity (net worth) of PNFC and PFC sectors</i>	<i>18,432</i>	<i>18,430</i>	<i>16,394</i>	<i>17,847</i>
<i>less all other adjustments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>AAS NET ASSETS</b>	<b>26,405</b>	<b>27,261</b>	<b>22,451</b>	<b>25,907</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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**  
Cash Flow Statement

	2004-05		2003-04	
	Three Months to 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>				
Taxes received	956	3,899	912	4,047
Receipts from sales of goods and services	253	950	236	968
Grants and subsidies received	1,518	6,680	1,334	5,829
Other receipts	479	2,386	405	2,224
<i>Total</i>	<b>3,206</b>	<b>13,915</b>	<b>2,888</b>	<b>13,068</b>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>				
Payments for goods and services	-2,336	-9,038	-2,126	-8,238
Grants and subsidies paid	-772	-3,041	-570	-2,589
Interest paid	-52	-174	-40	-171
Other payments	-214	-769	-188	-691
<i>Total</i>	<b>-3,374</b>	<b>-13,022</b>	<b>-2,924</b>	<b>-11,688</b>
<b>Net Cash Flow from Operating Activities</b>	<b>-168</b>	<b>893</b>	<b>-36</b>	<b>1,380</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>				
Purchase of non-financial assets	-226	-1,256	-202	-992
Sales of non-financial assets	93	289	27	166
<i>Total</i>	<b>-133</b>	<b>-966</b>	<b>-174</b>	<b>-826</b>
<b>INVESTMENT IN FINANCIAL ASSETS</b>				
Policy purposes	-46	-115	-12	-122
Liquidity purposes	4	17	-106	-80
<i>Total</i>	<b>-42</b>	<b>-97</b>	<b>-118</b>	<b>-202</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-175</b>	<b>-1,064</b>	<b>-293</b>	<b>-1,028</b>
<b>FINANCING ACTIVITIES</b>				
Advances received (net)	-	-	-	-8
Borrowings (net)	-299	-500	-	-158
Deposits received (net)	-1	-	14	-2
Distributions paid	-	-	-	-
Other financing	-12	-101	-3	-32
<i>Total</i>	<b>-312</b>	<b>-600</b>	<b>11</b>	<b>-199</b>
<i>Opening cash balance</i>	<b>2,690</b>	<b>2,690</b>	<b>1,056</b>	<b>2,538</b>
<b>NET INCREASE IN CASH HELD</b>	<b>-655</b>	<b>-771</b>	<b>-318</b>	<b>152</b>
<i>Closing cash balance</i>	<b>2,035</b>	<b>1,919</b>	<b>738</b>	<b>2,690</b>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<b>-301</b>	<b>-73</b>	<b>-211</b>	<b>554</b>
<i>less finance leases and similar arrangements</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus</b>	<b>-301</b>	<b>-73</b>	<b>-211</b>	<b>554</b>

(a) Estimate published in the 2004-05 Government Mid-year Financial Projections Statement.

(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 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	310	1,183	288	1,139
Property taxes				
<i>Land tax</i>	283	310	101	280
Conveyances and transfers	277	967	306	1,207
Mortgages	30	109	29	115
Other stamp duties	13	34	14	53
<i>Total stamp duties on financial and capital transactions</i>	319	1,110	348	1,375
Debits Tax	25	96	23	97
<i>Total financial institutions taxes</i>	25	96	23	97
Metropolitan Region Improvement Tax	37	48	18	44
Emergency Services Levy	49	118	47	75
Loan guarantee fees	3	11	3	10
<i>Total other property taxes</i>	89	177	68	129
Taxes on provision of goods and services				
Lotteries Commission	24	96	26	95
less rebates	-5	-20	-5	-20
Video lottery terminals	-	1	-	-
Casino Tax	12	45	11	47
less rebates	-7	-25	-6	-24
TAB betting tax	14	53	12	56
less rebates	-6	-24	-5	-22
<i>Total taxes on gambling</i>	32	126	33	132
Contribution to fire brigades	-	-	15	31
Stamp duty on insurance policies	82	256	72	279
Other	15	21	3	19
<i>Total taxes on insurance</i>	97	276	90	328
Taxes on use of goods and performance of activities				
Stamp duty on vehicle licences	60	259	63	273
Permits - oversize vehicles and loads	1	2	-	3
Motor vehicle recording fee	11	45	12	45
Motor vehicle registrations	72	309	78	320
<i>Total motor vehicle taxes</i>	143	615	153	641
<b>Total Taxation</b>	<b>1,299</b>	<b>3,892</b>	<b>1,104</b>	<b>4,122</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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.

## TOTAL PUBLIC SECTOR Operating Statement

	2004-05		2003-04	
	Three Months to 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>				
Taxation	1,256	3,734	1,060	3,950
Current grants and subsidies	1,433	6,312	1,266	5,583
Capital grants	86	379	60	295
Sales of goods and services	1,618	6,341	1,559	6,488
Interest income	145	556	128	580
Royalty income	179	789	157	654
Other	186	524	108	518
<i>Total</i>	<b>4,903</b>	<b>18,634</b>	<b>4,339</b>	<b>18,069</b>
<b>EXPENSES</b>				
Gross operating expenses				
Salaries	1,396	5,595	1,289	5,286
Depreciation and amortisation	290	1,204	293	1,177
Superannuation	147	547	121	508
Services and contracts <sup>(c)</sup>	368	1,777	310	1,551
Other gross operating expenses	1,119	5,096	1,101	5,005
Nominal superannuation interest	72	295	75	283
Other interest	223	762	200	836
Other property expenses	-	-	-	-
Current transfers	576	2,265	549	1,988
Capital transfers	128	357	79	257
<i>Total</i>	<b>4,319</b>	<b>17,897</b>	<b>4,018</b>	<b>16,890</b>
<b>NET OPERATING BALANCE</b>	<b>584</b>	<b>737</b>	<b>321</b>	<b>1,178</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS</b>				
Purchase of non-financial assets	642	3,386	487	2,502
Sales of non-financial assets	-219	-769	-127	-607
less depreciation	290	1,204	293	1,177
plus change in inventories	127	47	266	387
plus other movements in non-financial assets	57	58	-	-16
<i>Total</i>	<b>317</b>	<b>1,518</b>	<b>332</b>	<b>1,088</b>
<b>NET LENDING/BORROWING</b>	<b>268</b>	<b>-781</b>	<b>-11</b>	<b>90</b>
<b>Reconciliation of GFS net operating balance to operating result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET OPERATING BALANCE</b>	<b>584</b>	<b>737</b>	<b>321</b>	<b>1,178</b>
less provisions for doubtful debts	2	9	2	1
plus net gains on assets (including derivatives)	50	182	7	-61
plus capitalised interest	1	-	1	6
less revaluation of superannuation liabilities	-	-	-	63
plus all other adjustments	-28	-19	28	39
<b>AAS OPERATING RESULT</b>	<b>605</b>	<b>891</b>	<b>355</b>	<b>1,098</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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 1.6

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

	2004-05		2003-04	
	30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>ASSETS</b>				
<i>Financial assets</i>				
Cash and deposits	460	530	456	538
Advances paid	2,028	2,014	1,801	1,773
Investments, loans and placements	6,124	5,484	6,114	6,421
Other non-equity assets	2,207	1,863	2,056	1,737
Equity	917	963	744	904
<i>Total</i>	<i>11,735</i>	<i>10,854</i>	<i>11,171</i>	<i>11,373</i>
<i>Non-Financial assets</i>				
Land and fixed assets	56,663	59,222	51,086	56,107
Other non-financial assets	303	241	173	298
<i>Total</i>	<i>56,966</i>	<i>59,464</i>	<i>51,259</i>	<i>56,405</i>
<b>TOTAL ASSETS</b>	<b>68,701</b>	<b>70,317</b>	<b>62,430</b>	<b>67,777</b>
<b>LIABILITIES</b>				
Deposits held	141	148	144	136
Advances received	561	556	581	561
Borrowings	12,038	12,695	12,122	12,229
Unfunded superannuation liabilities	5,536	5,665	5,628	5,694
Other employee entitlements and provisions	1,514	1,492	1,357	1,545
Non-equity liabilities	4,075	4,070	3,751	3,858
<b>TOTAL LIABILITIES</b>	<b>23,864</b>	<b>24,627</b>	<b>23,585</b>	<b>24,023</b>
<b>NET WORTH</b>	<b>44,837</b>	<b>45,691</b>	<b>38,845</b>	<b>43,754</b>
<i>Memorandum Item: Net Debt</i>	<i>4,128</i>	<i>5,371</i>	<i>4,477</i>	<i>4,194</i>
<b>Reconciliation of GFS net worth to net assets result obtained in accordance with Australian Accounting Standards (AAS)</b>				
<b>NET WORTH</b>	<b>44,837</b>	<b>45,691</b>	<b>38,845</b>	<b>43,754</b>
<i>less all other adjustments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>AAS NET ASSETS</b>	<b>44,837</b>	<b>45,691</b>	<b>38,845</b>	<b>43,754</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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 30 Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>				
Taxes received	928	3,704	885	3,840
Receipts from sales of goods and services	1,830	6,422	1,759	6,492
Grants and subsidies received	1,518	6,680	1,334	5,829
Other receipts	686	2,364	574	2,368
<i>Total</i>	<b>4,962</b>	<b>19,170</b>	<b>4,553</b>	<b>18,529</b>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>				
Payments for goods and services	-3,314	-13,264	-3,090	-12,273
Grants and subsidies paid	-669	-2,473	-592	-2,080
Interest paid	-184	-752	-157	-828
Other payments	-365	-1,252	-314	-1,311
<i>Total</i>	<b>-4,532</b>	<b>-17,741</b>	<b>-4,154</b>	<b>-16,492</b>
<b>Net Cash Flow from Operating Activities</b>	<b>431</b>	<b>1,428</b>	<b>399</b>	<b>2,037</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>				
Purchase of non-financial assets	-642	-3,386	-487	-2,502
Sales of non-financial assets	219	769	127	607
<i>Total</i>	<b>-423</b>	<b>-2,617</b>	<b>-359</b>	<b>-1,894</b>
<b>INVESTMENT IN FINANCIAL ASSETS</b>				
Policy purposes	-	-	4	15
Liquidity purposes	-66	-209	-38	-111
<i>Total</i>	<b>-67</b>	<b>-208</b>	<b>-34</b>	<b>-96</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-489</b>	<b>-2,826</b>	<b>-394</b>	<b>-1,991</b>
<b>FINANCING ACTIVITIES</b>				
Advances received (net)	-	-12	-	-20
Borrowings (net)	-52	564	250	313
Deposits received (net)	-1	-	14	-2
Distributions paid	-	-	-	-
Other financing	-2	-3	21	10
<i>Total</i>	<b>-56</b>	<b>548</b>	<b>284</b>	<b>301</b>
<i>Opening cash balance</i>	<b>5,927</b>	<b>5,927</b>	<b>4,521</b>	<b>5,579</b>
<b>NET INCREASE IN CASH HELD</b>	<b>-114</b>	<b>-849</b>	<b>290</b>	<b>348</b>
<i>Closing cash balance</i>	<b>5,812</b>	<b>5,077</b>	<b>4,810</b>	<b>5,927</b>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<b>8</b>	<b>-1,189</b>	<b>40</b>	<b>143</b>
<i>less finance leases and similar arrangements</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus</b>	<b>8</b>	<b>-1,189</b>	<b>40</b>	<b>143</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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 – September 2004

This appendix provides a summary of the Western Australian general government sector's finances for the month of September 2004. Care should be taken in interpreting monthly results, which can vary significantly from month to month due to various seasonal and other timing factors.

### **Operating Statement**

The general government sector recorded an operating surplus of \$199 million for the month of September 2004, up from the \$60 million surplus recorded in September 2003.

Revenue in September 2004 totalled \$1,274 million, up a substantial \$278 million (or 27.9%) from the same month the previous year. The variation in revenue between the two periods primarily reflects:

- higher taxation revenue (up \$233 million), largely due to:
  - increased land tax and Metropolitan Region Improvement Tax revenue (up a total of \$200 million), mainly reflecting the earlier issue of 2004-05 assessment notices, as well as the impact of growth in land valuations;
  - higher motor vehicle taxes (up \$25 million), primarily as a result of a 'catch up' in September 2004 with the processing of motor vehicle transactions for the months of July and August 2004; and
  - lower stamp duty revenue from property conveyances (down \$15 million), reflecting the impact of tax relief measures contained in the 2004-05 Budget and lower revenue from large 'one-off' commercial property transfers;

- higher Commonwealth grants (up \$20 million), reflecting a revised GST payment profile in 2004-05 and increased specific purpose payments for road infrastructure; and
- increased royalty income (up \$17 million), primarily as a result of increased iron ore production due to increased demand and capacity expansions.

Expenses in the month of September 2004 were \$1,074 million, up \$139 million (or 14.8%) compared to September 2003. This increase reflects similar factors to those outlined in the commentary on the September quarter results, namely higher transfers due to the timing of appropriations to the Public Transport Authority, and higher salaries (particularly in the health and education sectors).

### **Cash Flow Statement**

A \$94 million net cash outflow resulted from operating activities in the month of September 2004. Combined with net capital expenditure (i.e. investment in non-financial assets) of \$54 million, this resulted in a cash deficit of \$148 million in September 2004 (compared with a \$3 million cash deficit in September 2003).

Table 2.1

**GENERAL GOVERNMENT**  
Operating Statement

	2004-05			2003-04	
	Month of Aug \$m	Month of Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Sept \$m	Actual <sup>(b)</sup> \$m
<b>REVENUE</b>					
Taxation	357	660	3,892	427	4,122
Current grants and subsidies	455	313	6,312	305	5,583
Capital grants	48	23	379	11	295
Sales of goods and services	89	87	919	98	942
Interest income	13	11	146	11	128
Revenue from public corporations					
Dividends	35	38	436	31	448
Tax equivalent payments	19	30	259	33	310
Royalty income	21	88	789	71	654
Other	86	23	336	10	272
<i>Total</i>	<i>1,123</i>	<i>1,274</i>	<i>13,467</i>	<i>996</i>	<i>12,753</i>
<b>EXPENSES</b>					
Gross operating expenses					
Salaries	432	429	5,074	393	4,787
Depreciation and amortisation	43	46	561	51	546
Superannuation	41	41	496	33	458
Services and contracts <sup>(c)</sup>	101	100	1,456	82	1,216
Other	166	139	1,732	165	1,637
Nominal superannuation interest	24	24	295	29	283
Other interest	26	12	180	11	165
Other property expenses	-	-	-	-	-
Current transfers	203	255	2,753	156	2,440
Capital transfers	108	30	499	15	421
<i>Total</i>	<i>1,143</i>	<i>1,074</i>	<i>13,047</i>	<i>935</i>	<i>11,954</i>
<b>NET OPERATING BALANCE</b>	<b>-20</b>	<b>199</b>	<b>420</b>	<b>60</b>	<b>799</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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.

**GENERAL GOVERNMENT**  
Cash Flow Statement

	2004-05			2003-04	
	Month of Aug \$m	Month of Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Sept \$m	Actual <sup>(b)</sup> \$m
<b>RECEIPTS FROM OPERATING ACTIVITIES</b>					
Taxes received	320	361	3,899	325	4,047
Receipts from sales of goods and services	77	82	950	84	968
Grants and subsidies received	501	335	6,680	325	5,829
Other receipts	125	165	2,386	143	2,224
<i>Total</i>	<i>1,023</i>	<i>943</i>	<i>13,915</i>	<i>876</i>	<i>13,068</i>
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>					
Payments for goods and services	-772	-726	-9,038	-633	-8,238
Grants and subsidies paid	-246	-213	-3,041	-142	-2,589
Interest paid	-2	-24	-174	-10	-171
Other payments	-72	-74	-769	-82	-691
<i>Total</i>	<i>-1,092</i>	<i>-1,037</i>	<i>-13,022</i>	<i>-867</i>	<i>-11,688</i>
<b>Net Cash Flow from Operating Activities</b>	<b>-69</b>	<b>-94</b>	<b>893</b>	<b>9</b>	<b>1,380</b>
<b>INVESTMENT IN NON-FINANCIAL ASSETS</b>					
Purchase of non-financial assets	-81	-71	-1,256	-25	-992
Sales of non-financial assets	67	17	289	13	166
<i>Total</i>	<i>-15</i>	<i>-54</i>	<i>-966</i>	<i>-12</i>	<i>-826</i>
<b>INVESTMENT IN FINANCIAL ASSETS</b>					
Policy purposes	-	-20	-115	4	-122
Liquidity purposes	-	3	17	-28	-80
<i>Total</i>	<i>-</i>	<i>-17</i>	<i>-97</i>	<i>-24</i>	<i>-202</i>
<b>Net Cash Flow from Investing Activities</b>	<b>-15</b>	<b>-70</b>	<b>-1,064</b>	<b>-36</b>	<b>-1,028</b>
<b>FINANCING ACTIVITIES</b>					
Advances received (net)	-	-	-	-	-8
Borrowings (net)	45	-494	-500	-12	-158
Deposits received (net)	-	-5	-	6	-2
Distributions paid	-	-	-	-	-
Other financing	-16	7	-101	1	-32
<i>Total</i>	<i>30</i>	<i>-492</i>	<i>-600</i>	<i>-5</i>	<i>-199</i>
<i>Opening cash balance</i>	<i>2,744</i>	<i>2,691</i>	<i>2,690</i>	<i>771</i>	<i>2,538</i>
<b>NET INCREASE IN CASH HELD</b>	<b>-53</b>	<b>-656</b>	<b>-771</b>	<b>-33</b>	<b>152</b>
<i>Closing cash balance</i>	<i>2,691</i>	<i>2,035</i>	<i>1,919</i>	<i>738</i>	<i>2,690</i>
<i>Net cash from operating activities, investments in non-financial assets and distributions paid</i>	<i>-83</i>	<i>-148</i>	<i>-73</i>	<i>-3</i>	<i>554</i>
<i>less finance leases and similar arrangements</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Surplus</b>	<b>-83</b>	<b>-148</b>	<b>-73</b>	<b>-3</b>	<b>554</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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 2.3

**GENERAL GOVERNMENT**  
Taxation Revenue

	2004-05			2003-04	
	Month of Aug \$m	Month of Sept \$m	Annual Estimate <sup>(a)</sup> \$m	Month of Sept \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>					
Taxes on employers' payroll and labour force					
<i>Payroll tax</i>	107	102	1,183	90	1,139
Property taxes					
<i>Land tax</i>	1	282	310	101	280
Conveyances and transfers	98	85	967	100	1,207
Mortgages	11	9	109	9	115
Other stamp duties	7	2	34	4	53
<i>Total stamp duties on financial and capital transactions</i>	116	96	1,110	113	1,375
Debits Tax	8	8	96	6	97
<i>Total financial institutions taxes</i>	8	8	96	6	97
Metropolitan Region Improvement Tax	-	37	48	18	44
Emergency Services Levy	31	12	118	12	75
Loan guarantee fees	1	1	11	1	10
<i>Total other property taxes</i>	31	51	177	31	129
Taxes on provision of goods and services					
Lotteries Commission	8	8	96	8	95
less rebates	-1	-2	-20	-2	-20
Video lottery terminals	-	-	1	-	-
Casino Tax	5	4	45	4	47
less rebates	-2	-2	-25	-2	-24
TAB betting tax	9	5	53	4	56
less rebates	-4	-2	-24	-2	-22
<i>Total taxes on gambling</i>	14	11	126	10	132
Contribution to fire brigades	-	-	-	-	31
Stamp duty on insurance policies	29	24	256	24	279
Other	2	12	21	1	19
<i>Total taxes on insurance</i>	31	35	276	25	328
Taxes on use of goods and performance of activities					
Stamp duty on vehicle licences	21	33	259	22	273
Permits - oversize vehicles and loads	-	-	2	-	3
Motor vehicle recording fee	3	6	45	3	45
Motor vehicle registrations	23	35	309	24	320
<i>Total motor vehicle taxes</i>	48	75	615	50	641
<b>Total Taxation</b>	<b>357</b>	<b>660</b>	<b>3,892</b>	<b>427</b>	<b>4,122</b>

(a) Estimate published in the 2004-05 *Government Mid-year Financial Projections Statement*.

(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.

## Interim Consolidated Financial Statements

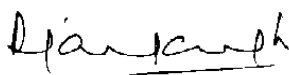
### Statement of Responsibility

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 three months ended 30 September 2004 and the financial position of the Government as at 30 September 2004, in accordance with applicable accounting standards (AAS and AASB), including AASB 1029: *Interim Financial Reporting*, and other mandatory professional requirements.



DAVID SMITH  
ACTING UNDER TREASURER



VALERIE JAYASINGHE CA  
ASSISTANT DIRECTOR  
FINANCIAL REPORTING

21 December 2004

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Table 3.1

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

For the three months ended 30 September 2004

	Note	2004-05	2003-04	
		Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
<b>REVENUE FROM ORDINARY ACTIVITIES</b>				
Taxation	2	1,228	1,030	3,966
Territorial revenue		298	266	1,079
Regulatory fees and fines		122	132	360
Sale of goods and services	3	1,411	1,238	5,489
Grants and subsidies	4	1,436	1,249	5,598
Interest revenue		115	108	477
Other revenue		472	443	1,591
<b>Total revenues from ordinary activities</b>		<b>5,081</b>	<b>4,466</b>	<b>18,560</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Supplies and services		419	366	1,762
Employee benefits		1,435	1,338	5,455
Superannuation		219	196	854
Borrowing costs		222	199	831
Depreciation and amortisation		290	293	1,169
Grants and subsidies		737	648	2,345
Other expenses	5	1,156	1,070	5,046
<b>Total expenses from ordinary activities</b>		<b>4,476</b>	<b>4,111</b>	<b>17,462</b>
<b>NET RESULT</b>		<b>605</b>	<b>355</b>	<b>1,098</b>
Increase (decrease) in asset revaluation reserve		233	463	4,547
Net initial adjustment on adoption of new accounting standards		-	-	-
Increase/(Decrease) in other reserves		245		52
Other		-		31
<b>Total revenue, expenses and valuation adjustments recognised directly in equity</b>		<b>478</b>	<b>463</b>	<b>4,630</b>
<b>TOTAL CHANGES IN EQUITY</b>		<b>1,083</b>	<b>818</b>	<b>5,728</b>

The accompanying notes form part of these financial statements.

Table 3.2

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2004

	2004-05		2003-04	
	Note	30 Sept \$m	30 Sept \$m	30 June \$m
<b>CURRENT ASSETS</b>				
Cash assets		460	456	538
Other financial assets – Investments	6	5,752	5,567	5,988
Inventories		595	454	575
Receivables	7	1,960	1,726	1,585
Other financial assets – Loans and advances	8	22	23	28
Other assets		146	151	70
<i>Total current assets</i>		<b>8,936</b>	<b>8,377</b>	<b>8,784</b>
<b>NON-CURRENT ASSETS</b>				
Other financial assets – Investments	6	717	585	618
Inventories		608	237	528
Receivables	7	309	201	254
Other financial assets – Loans and advances	8	2,769	2,704	2,654
Land		20,457	16,723	20,347
Buildings		8,790	8,528	8,624
Infrastructure		21,398	20,621	21,496
Plant, equipment and other		4,310	4,047	4,031
Timber		322	317	307
Other assets		19	24	71
<i>Total non-current assets</i>		<b>59,699</b>	<b>53,987</b>	<b>58,930</b>
<b>TOTAL ASSETS</b>		<b>68,635</b>	<b>62,364</b>	<b>67,714</b>
<b>CURRENT LIABILITIES</b>				
Payables		880	878	668
Interest bearing liabilities	9	5,656	6,096	4,824
Provisions – Employee benefits		1,519	1,282	1,581
Other liabilities		1,243	1,286	1,250
<i>Total current liabilities</i>		<b>9,298</b>	<b>9,542</b>	<b>8,323</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing liabilities	9	7,448	7,131	8,452
Provisions – Employee benefits		5,525	5,623	5,656
Other liabilities		1,528	1,223	1,529
<i>Total non-current liabilities</i>		<b>14,500</b>	<b>13,977</b>	<b>15,637</b>
<b>TOTAL LIABILITIES</b>		<b>23,798</b>	<b>23,519</b>	<b>23,960</b>
<b>NET ASSETS</b>		<b>44,837</b>	<b>38,845</b>	<b>43,754</b>
<b>EQUITY</b>				
Accumulated funds		15,260	13,314	14,655
Reserves		29,577	25,531	29,099
<b>TOTAL EQUITY</b>		<b>44,837</b>	<b>38,845</b>	<b>43,754</b>

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 2004

	2004-05		2003-04	
	Note	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts				
Taxation		932	874	3,882
Territorial revenue		298	268	1,074
Regulatory fees and fines		111	106	379
Sale of goods and services		1,527	1,440	5,311
Grants and subsidies received		1,439	1,256	5,546
Interest received		42	30	138
GST receipts on sales		108	77	460
GST receipts from taxation authority		143	131	498
Other receipts		310	211	867
Payments				
Salaries, wages and other benefits		(1,476)	(1,371)	(5,239)
Superannuation paid		(212)	(205)	(756)
Borrowing cost paid		(6)	(8)	(47)
Grants and subsidies paid		(753)	(643)	(2,334)
GST payments on purchases		(209)	(177)	(833)
GST payments to taxation authority		(36)	(30)	(138)
Contract services paid		(387)	(342)	(1,466)
Other payments		(1,183)	(1,074)	(4,561)
<i>Net cash flows from operating activities</i>		<i>648</i>	<i>540</i>	<i>2,780</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of non-current physical assets		44	80	193
Purchase of non-current physical assets		(584)	(478)	(2,313)
Proceeds from sale of investments		31	106	538
Purchase of investments		(76)	(244)	(635)
Other receipts		10	9	56
Other payments		(6)	(8)	(35)
<i>Net cash flows used in investing activities</i>		<i>(580)</i>	<i>(535)</i>	<i>(2,196)</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings		-	30	-
Repayment of borrowings		-	-	(24)
Other proceeds		226	27	110
Other repayments		(6)	(7)	(150)
<i>Net cash flows from financing activities</i>		<i>220</i>	<i>49</i>	<i>(64)</i>
<b>NET CASH FLOWS/(OUTFLOWS) FROM PUBLIC FINANCIAL CORPORATIONS</b>	10	<b>(402)</b>	<b>236</b>	<b>(172)</b>
<i>NET INCREASE/ (DECREASE) IN CASH HELD</i>		<i>(114)</i>	<i>290</i>	<i>348</i>
<b>CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>4,865</b>	<b>4,517</b>	<b>4,517</b>
<b>CASH ASSETS AT THE END OF THE FINANCIAL PERIOD</b>		<b>4,751</b>	<b>4,807</b>	<b>4,865</b>

The accompanying notes form part of these financial statements.

## **Notes to the Condensed Consolidated Financial Statements for the Three Months Ended 30 September 2004**

### **1 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 the 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.

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**NOTE 2. TAXATION REVENUE**

	2004-05	2003-04	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
Stamp duty	461	483	1,926
Payroll tax	301	278	1,101
Motor vehicles and drivers' licences	78	86	352
Financial transactions taxes	25	22	97
Gambling taxes and licences	45	43	178
Land tax	278	97	262
Other taxes and licences	40	21	50
<b>Total</b>	<b>1,228</b>	<b>1,030</b>	<b>3,966</b>

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

	2004-05	2003-04	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
Revenue from sale of goods	777	648	2,931
Revenue from the provision of services	634	590	2,558
<b>Total</b>	<b>1,411</b>	<b>1,238</b>	<b>5,489</b>

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**NOTE 4. GRANTS AND SUBSIDIES**

	2004-05	2003-04	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
Commonwealth grants	1,418	1,239	5,521
Other grants and subsidies	18	10	77
<b>Total</b>	<b>1,436</b>	<b>1,249</b>	<b>5,598</b>

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**NOTE 5. OTHER EXPENSES**

	2004-05	2003-04	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
Betting dividend payouts	236	216	974
Health sector specific expenses	160	151	634
Education sector specific expenses	82	74	313
Insurance claims expenses	92	121	468
Contract services expense	333	277	1,385
Carrying amount of non-current assets disposed of	93	48	198
Other	160	183	1,074
<b>Total</b>	<b>1,156</b>	<b>1,070</b>	<b>5,046</b>

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**NOTE 6. OTHER FINANCIAL ASSETS - INVESTMENTS**

	2004-05	2003-04	
	30 Sept \$m	30 Sept \$m	30 June \$m
Unlisted/Listed shares	916	744	899
Property	321	293	317
Other investments (cash deposits and government securities)	5,232	5,115	5,390
<b>Total</b>	<b>6,469</b>	<b>6,152</b>	<b>6,606</b>

**NOTE 7. RECEIVABLES**

	2004-05	2003-04	
	30 Sept \$m	30 Sept \$m	30 June \$m
Gross accounts receivable	2,365	2,034	1,939
Provision for doubtful debts	(96)	(107)	(100)
<b>Total</b>	<b>2,269</b>	<b>1,927</b>	<b>1,839</b>

**NOTE 8. OTHER FINANCIAL ASSETS – LOANS AND ADVANCES**

	2004-05	2003-04	
	30 Sept \$m	30 Sept \$m	30 June \$m
Homebuyers	1,577	1,495	1,478
Non government schools	218	247	242
Terminating building societies	5	9	6
Government Employees Superannuation Board	580	598	585
Others	411	379	371
<b>Total</b>	<b>2,791</b>	<b>2,727</b>	<b>2,682</b>

**NOTE 9. INTEREST BEARING LIABILITIES**

	2004-05	2003-04	
	30 Sept \$m	30 Sept \$m	30 June \$m
Bank overdrafts	79	27	1
Finance leases	75	87	78
Liability to the Commonwealth Government	561	581	561
Commercial paper and medium term notes	-	-	-
Domestic and foreign borrowings	11,996	12,134	12,205
<i>Borrowings at face value</i>	<i>12,712</i>	<i>12,829</i>	<i>12,845</i>
Unamortised net discounts	393	398	433
<b>Borrowings at historic capital value</b>	<b>13,104</b>	<b>13,227</b>	<b>13,276</b>

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**NOTE 10. STATEMENT OF CASH FLOWS OF PUBLIC FINANCIAL CORPORATIONS**

	2004-05	2003-04	
	Three Months to 30 Sept \$m	Three Months to 30 Sept \$m	Twelve Months to 30 June \$m
Cash flows from operating activities			
Interest received	118	74	295
Premiums received	94	93	372
GST received on sales	22	23	51
GST received from taxation authority	10	23	44
Other receipts	13	13	83
Salaries, wages and other benefits paid	(5)	(5)	(19)
Superannuation paid	(1)	-	(2)
Borrowing costs paid	(179)	(149)	(780)
Claims paid	(95)	(87)	(364)
GST paid on purchases	(11)	(18)	(37)
GST paid to taxation authority	(23)	(24)	(51)
Other payments	(31)	(30)	(121)
<b>Net cash flows used in operating activities</b>	<b>(88)</b>	<b>(87)</b>	<b>(529)</b>
Cash flows from investing activities			
Purchase of non-current physical assets	(1)	-	(3)
Proceeds from investments	771	419	3,126
Purchase of investments	(796)	(320)	(3,179)
<b>Net cash flows used in investing activities</b>	<b>(26)</b>	<b>98</b>	<b>(56)</b>
Cash flows from financing activities			
Proceeds from borrowings	5,702	7,203	29,084
Repayment of borrowings	(5,990)	(6,979)	(28,671)
<b>Net cash flows from financing activities</b>	<b>(288)</b>	<b>224</b>	<b>413</b>
<b>Net cash flows from public financial corporations</b>	<b>(402)</b>	<b>236</b>	<b>(172)</b>

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

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### **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 that date are:

Effective from 1 July 2004:

- The designation of the Department of Environmental Protection has altered to become Department of Environment.

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### **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.

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