



GOVERNMENT OF  
WESTERN AUSTRALIA

**2018-19**

# **QUARTERLY FINANCIAL RESULTS REPORT**

**SEPTEMBER 2018**







**2018-19**

**Quarterly Financial Results Report**

September 2018

2018-19 Quarterly Financial Results Report ©  
Government of Western Australia 2018

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2018-19

## Quarterly Financial Results Report

Three Months Ended 30 September 2018

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# Foreword

This *Quarterly Financial Results Report (QFRR)* provides financial results for the Western Australian public sector for the three months to 30 September 2018.

Care should be exercised in extrapolating the likely outcome for the 2018-19 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The presentation in this report is consistent with that used in the 2018-19 State Budget (presented to the Legislative Assembly on 10 May 2018).

The financial statements in this report have been prepared in accordance with applicable Australian Accounting Standards including AASB 134: *Interim Financial Reporting* and AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

In addition to the financial statements in Appendix 1 and details of operating revenue in Appendix 2, this report includes:

- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance;
- Appendix 4: *Special Purpose Accounts*, which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes; and
- Appendix 5: *General Government Salaries*, which summarises salary outcomes by agency during the reporting period.

Information presented in this QFRR is not audited.

## Statement of Responsibility

The following Interim Financial Statements and accompanying notes for the general government sector and the whole of government have been prepared by the Department of Treasury from information provided by agencies.

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the three months ended 30 September 2018 and of the balance sheets of these reporting entities at 30 September 2018. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

Differences between accounting and economic aggregates are detailed in the notes as Convergence Differences, consistent with the requirements of AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.



MICHAEL BARNES  
UNDER TREASURER



MAGDALENA WITTEK  
MANAGER  
FINANCIAL REPORTING

27 November 2018



# Overview

## Summary

The general government sector recorded an operating deficit of \$100 million for the three months to 30 September 2018, a significantly stronger outcome compared with the \$669 million deficit reported for the same period in 2017-18. The result reflects an increase in revenue and the Government's continuing focus on expenditure management.

- General government revenue for the first three months of 2018-19 was \$639 million (or 9.5%) higher than the same period last year. This is mainly driven by the timing of land tax and Metropolitan Region Improvement Tax collections (up \$379 million, with assessments issued earlier this year) and higher Commonwealth grants (up \$388 million, primarily reflecting higher GST grants). This was partially offset by the timing of dividend income (down \$265 million).
- General government expenses were \$69 million (or just 0.9%) higher compared with the three months to 30 September 2017. This very low rate of growth primarily reflects a modest increase in salaries expenditure (up \$43 million (or 1.4%)), mainly due to employee costs in the Western Australia Police Force and health sector), higher depreciation costs (up \$34 million), higher borrowing costs (with interest up \$32 million) and higher services and contracts expenses (up \$26 million). This was partially offset by lower capital transfers (down \$32 million) and 'other' gross operating expenses (down \$42 million).

Total public sector net debt was \$35 billion at 30 September 2018 (\$399 million higher than the \$34.6 billion outcome recorded at 30 June 2018).

## Results Compared to Prior Year

### General Government Sector

The general government sector recorded an operating deficit of \$100 million for the three months to 30 September 2018. This is significantly lower than the \$669 million operating deficit reported for the same period in 2017-18.

Table 1

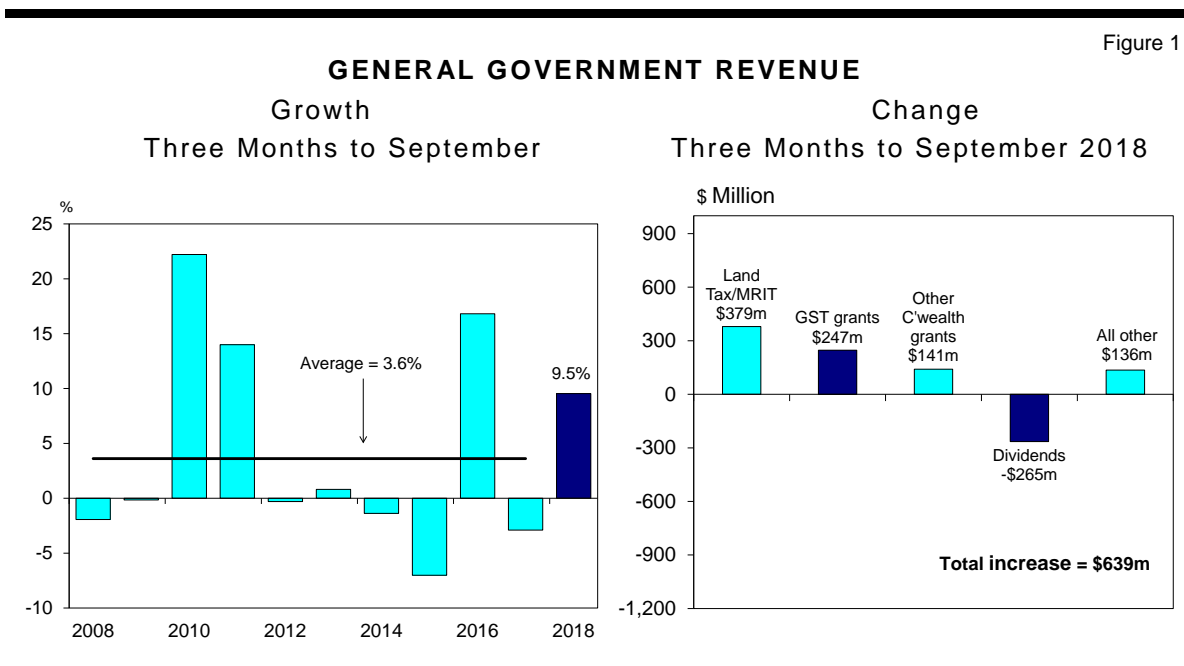
**SUMMARY OF GENERAL GOVERNMENT FINANCES**  
Western Australia

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
Net operating balance	-100	-906	-669	-618
Net worth	103,342	102,748	105,823	103,236
Movement in cash balances	-643	-1,770	1,234	1,521
<i>Memorandum items</i>				
Net lending	-258	-2,124	-859	-2,141
Net debt	22,371	25,891	20,025	21,737
Cash surplus/-deficit	-631	-2,072	-1,244	-1,958

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.  
 (b) Consistent with final audited data contained in the 2017-18 Annual Report on State Finances, released 26 September 2018.

### Revenue

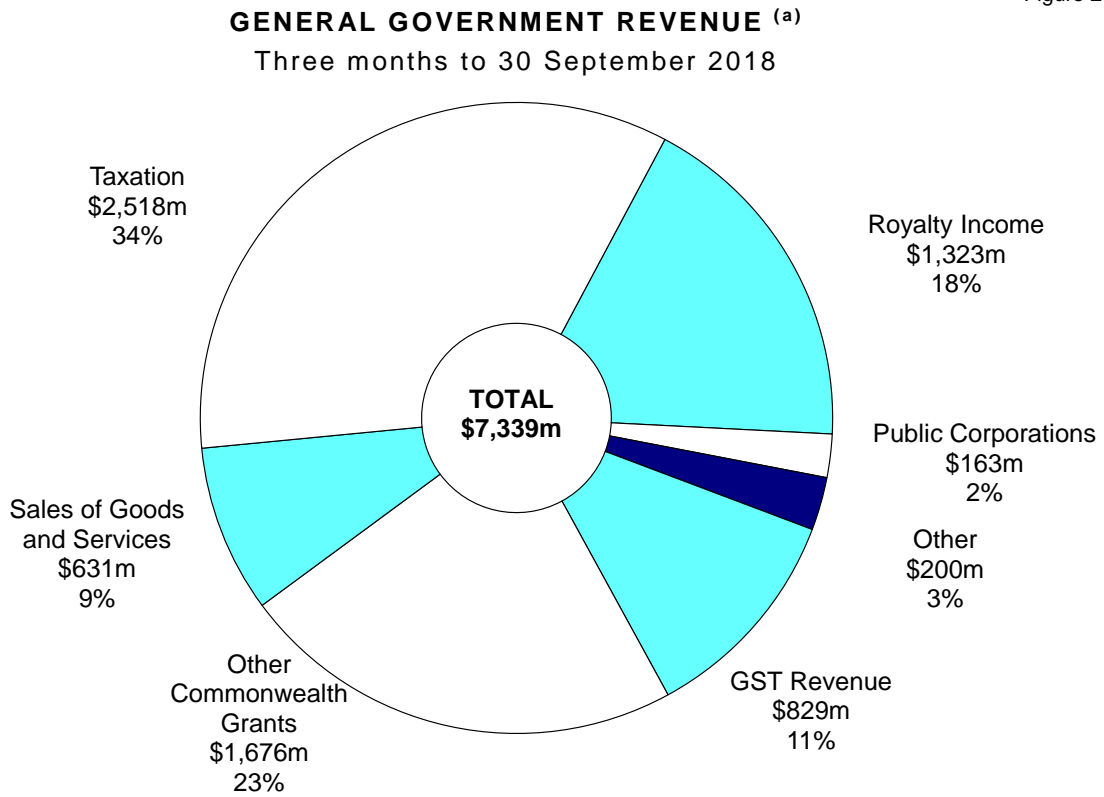
Revenue for the three months to 30 September 2018 totalled \$7,339 million, \$639 million (or 9.5%) higher than the same period last year.



The higher revenue outcome for the September quarter primarily reflects the net impact of:

- higher tax collections (up \$405 million), largely due to:
  - the earlier issuing of land tax and Metropolitan Region Improvement Tax assessments in 2018-19 relative to 2017-18 (up \$379 million);
  - higher payroll tax (up \$53 million), following the revised payroll tax scale implemented from 1 July 2018 and a recovery in underlying payroll tax collections (particularly in larger tax paying industries including mining and professional, scientific and technical services); and
  - lower transfer duty (down \$43 million), mainly reflecting a lower number of large one-off commercial transfer duty transactions in the September quarter 2018;
- higher recurrent and capital grants from the Commonwealth (up \$388 million, or 18.3%), primarily due to the combination of:
  - higher GST grants (up \$247 million), due to Western Australia receiving a larger population share of national collections in 2018-19 (47.3%) compared with 2017-18 (34.4%) and an increase in the pool of national GST collections;
  - higher grants for housing (up \$130 million), primarily due to delays in reaching agreement with the Commonwealth on the delivery of remote housing milestones in 2017-18;
  - higher North West Shelf petroleum grants (up \$98 million), largely due to higher oil and gas prices, and a lower \$US/\$A exchange rate;
  - lower Home and Community Care program funding (down \$48 million), reflecting the discontinuation of funding by the Commonwealth as part of the transition to the National Disability Insurance Scheme (NDIS);
  - lower National Affordable Housing funding (down \$31 million), which is being replaced by the National Housing and Homelessness program (the new agreement is currently being finalised with funding to be released later in 2018-19); and
  - lower land transport infrastructure funding (down \$31 million), mainly due to the timing of grant payments; and
- lower dividend income (down \$265 million), mainly due to the timing of the declaration of dividends for 2016-17 (and received in 2017-18).

Figure 2

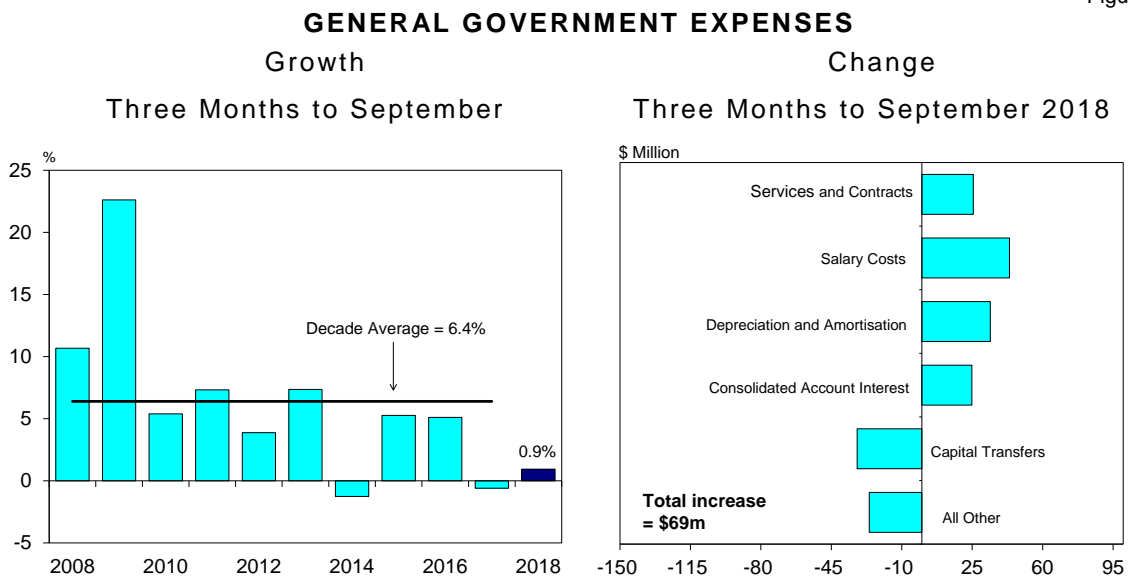


(a) Segments may not add due to rounding.

### Expenses

Expenses for the three months to 30 September 2018 totalled \$7,438 million, up \$69 million (or 0.9%) on the same period in 2017-18.

Figure 3

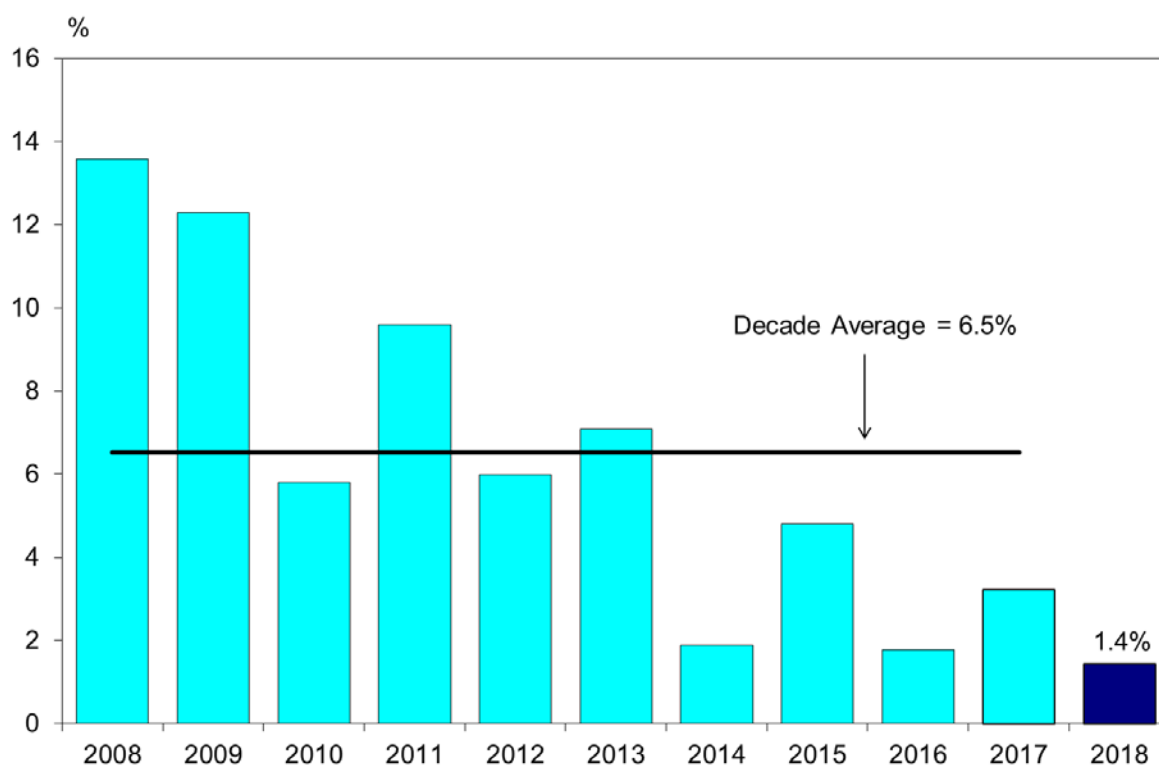


Higher spending for the three months to 30 September 2018 compared with the same period last year is mainly due to the net effect of:

- higher salaries (up \$43 million, or 1.4%), primarily due to increased health sector activity (up \$22 million) and the impact of separation costs for the Western Australia Police Force (up \$14 million)<sup>1</sup>;

Figure 4

### THREE MONTHS TO 30 SEPTEMBER SALARIES GROWTH General Government



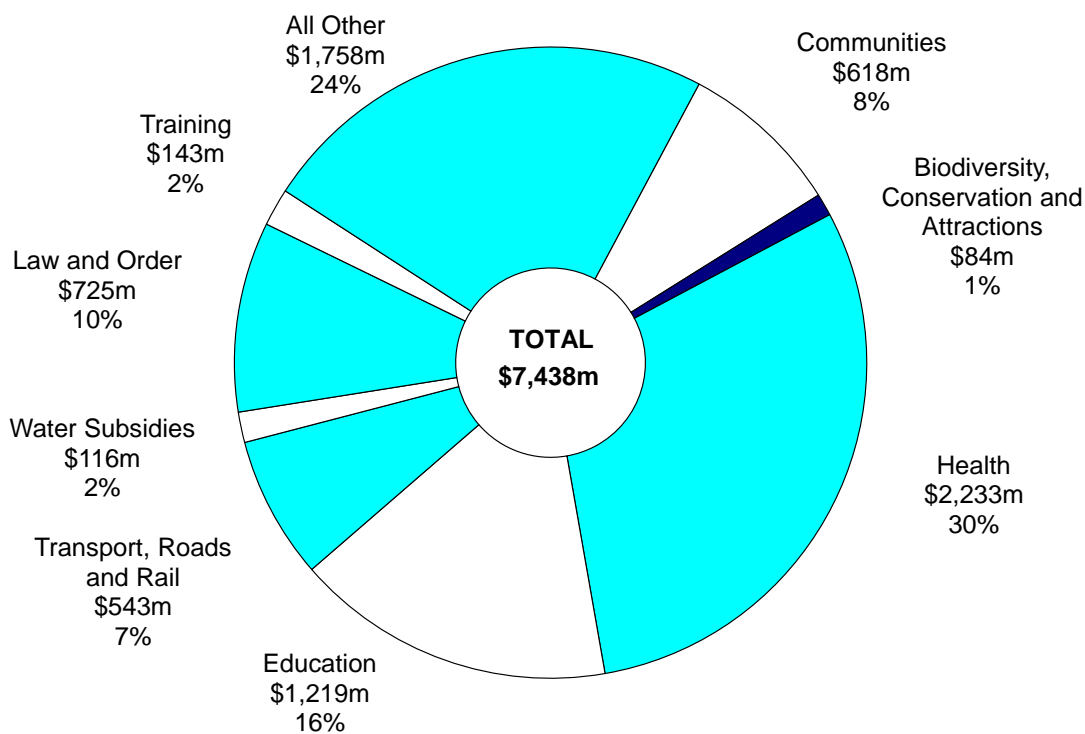
- lower ‘other’ gross operating expenses (down \$42 million, or 2.6%), primarily due to the combined impact of:
  - lower health spending in the not-for-profit sector (down \$57 million), mainly reflecting a reduction in expenditure for the Home and Community Care program as part of the NDIS transition; and
  - higher disability spending (up \$11 million), due to the continuing provision of disability services to State clients waiting to transition to the Commonwealth-run NDIS;

<sup>1</sup> The Voluntary Targeted Separation Scheme closed for most agencies on 30 June 2018, with 2,311 separations finalised by the end of 2017-18. The Western Australia Police Force is currently conducting a voluntary separation program targeted at 150 police officers, with subsequent savings to be reinvested in front-line police services to maintain operational strength. A total of 113 police separations were finalised during the three months to 30 September 2018.

- higher depreciation and amortisation (up \$34 million, or 10.6%), mainly reflecting the flow-on impact of higher asset values reported at 30 June 2018;
- lower capital transfers (down \$32 million, or 36%) primarily due to the impact of:
  - lower capital grants for the Onslow Critical and Social Infrastructure Funds (down \$16 million), with milestones for the project still to be met; and
  - lower First Home Owner Grants (down \$6 million), mainly driven by the impact of the now ceased \$5,000 boost implemented during the period 1 January 2017 to 30 June 2017;
- higher interest (up \$32 million, or 15.5%), largely reflecting Consolidated Account borrowings during the preceding twelve months; and
- higher services and contracts (up \$26 million, or 4.5%), largely due to the inclusion of contract costs for Optus Stadium following its commencement of operations.

Figure 5

**GENERAL GOVERNMENT EXPENSES** <sup>(a)</sup>  
 Three months to 30 September 2018



(a) Segments may not add due to rounding.

## Balance Sheet

General government sector net worth increased by \$106 million during the three months to 30 September 2018, to stand at \$103.3 billion<sup>2</sup>. This higher estimated net worth outcome mainly reflects:

- lower liquid assets (down \$0.9 billion), mainly due to timing of cash receipts and payments through the Public Bank Account;
- higher receivables (up \$333 million), mainly for land tax assessments issued earlier in 2018-19 than in 2017-18;
- an increase in the value of equity in public corporations (up \$285 million), mainly due to operating surpluses recorded by these sectors, and a decrease in the estimated value of land;
- higher accrued salaries costs (up \$235 million);
- lower deposits held (down \$209 million), mainly held by the Public Transport Authority and Housing Authority; and
- lower accounts payable (down \$294 million), mainly due to timing of payments.

## Cash Flow

A cash deficit of \$631 million was recorded for the three months to 30 September 2018, around half of the \$1.2 billion cash deficit recorded for the same period in 2017-18. This outcome is largely due to:

- a net cash deficit from operating activities of \$120 million (down from the \$741 million cash operating deficit reported for the same period last year and in line with the stronger accrual operating outcome discussed earlier in this *Overview*); and
- \$523 million in general government infrastructure spending (consistent with the \$520 million investment spend reported in the same period in 2017-18), mainly reflecting higher spending on major road projects, partially offset by lower spending on major health projects which are completed (or nearly completed).

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<sup>2</sup> Net worth is the widest measure of financial value of the public sector and includes the value of all assets less the value of all liabilities recorded on the balance sheet.

## Total Public Sector

### Operating Statement

The total public sector recorded an operating surplus of \$252 million for the three months to 30 September 2018, a significant turnaround from the \$596 million deficit in the same period in 2017-18. The stronger result is largely due to the improved general government sector operating deficit discussed earlier, and the impact of lower dividend payments on the consolidated total public sector outcome.

<b>SUMMARY OF TOTAL PUBLIC SECTOR FINANCES</b>					Table 2
Western Australia					
	2018-19		2017-18		
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m	
Net operating balance	252	-1,217	-596	-1,623	
Net worth	103,342	102,748	105,823	103,236	
Movement in cash balances	1,287	-1,703	1,450	-446	
<i>Memorandum items</i>					
Net lending	141	-3,695	-1,292	-3,021	
Net debt	35,005	39,103	32,447	34,606	
Cash surplus/-deficit	-546	-2,961	-909	-3,007	

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

The total public sector operating surplus for the three months to 30 September 2018 includes:

- the \$100 million operating deficit for the general government sector outlined earlier;
- an operating surplus of \$46 million for the public non-financial corporations sector, \$21 million higher than the \$25 million surplus recorded in the same period in 2017-18; and
- an operating surplus of \$305 million for the public financial corporations sector, broadly in line with the \$313 million surplus recorded in the same period in 2017-18.



Table 3

**TOTAL PUBLIC SECTOR OPERATING BALANCE**  
By Sector

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>Net Operating Balance</b>				
General government sector	-100	-906	-669	-618
Public non-financial corporations sector	46	674	25	458
Public financial corporations sector	305	315	313	320
<i>less</i>				
General government dividend revenue	-	1,229	265	1,718
Public non-financial corporations dividend revenue <sup>(c)</sup>	-	71	-	64
<b>Total public sector net operating balance</b>	<b>252</b>	<b>-1,217</b>	<b>-596</b>	<b>-1,623</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

(c) Dividends received from Keystart (a public financial corporation) by the Housing Authority (a public non-financial corporation).

## Balance Sheet

The value of the total public sector balance sheet (measured by net worth, or total assets less total liabilities) is identical to that of the general government sector (discussed earlier). This is because the net worth of the public corporations sectors is recognised as an investment asset of the general government sector.

Total public sector net debt increased by \$399 million during the three months to 30 September 2018 to stand at \$35 billion. Borrowings increased by \$1.1 billion while liquid financial assets (which offset gross debt liabilities when calculating net debt) increased by \$684 million. These movements primarily reflect the borrowing activity of the Western Australian Treasury Corporation during the September quarter (in anticipation of planned agency financing later in the year).

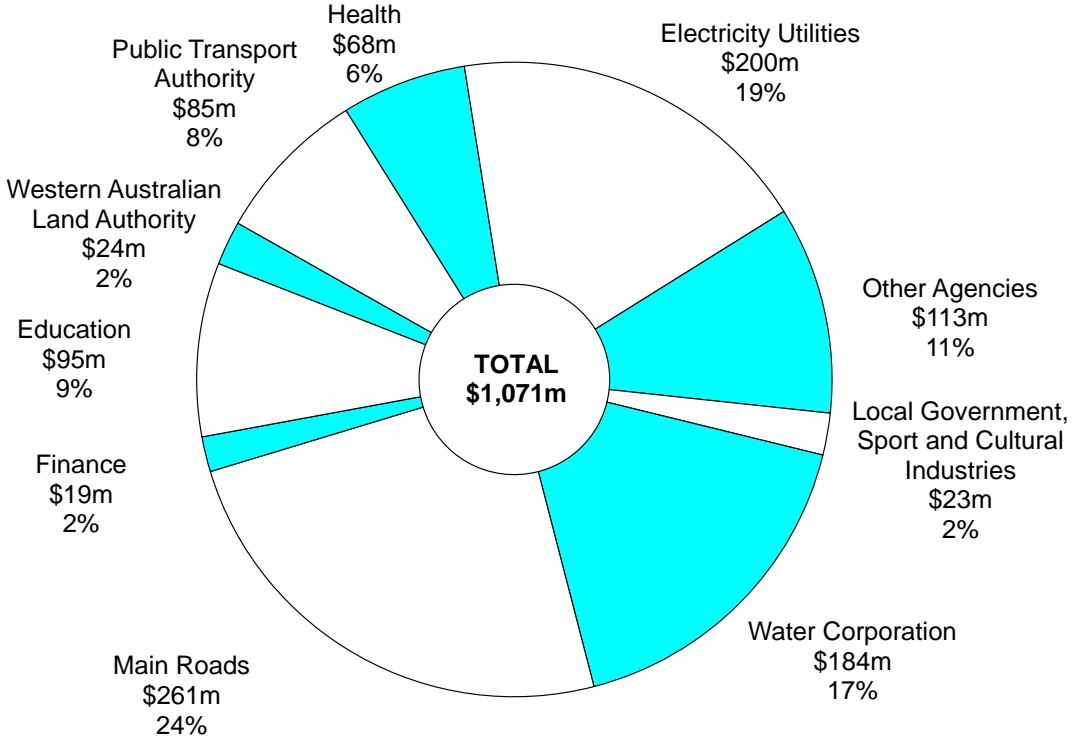
## Cash Flow

A cash deficit of \$546 million was recorded for the three months to 30 September 2018, a \$363 million reduction on the \$909 million cash deficit recorded for the same period in 2017-18. This outcome reflects the impact of an operating cash surplus of \$448 million and a net cash deficit on infrastructure spending of \$995 million in the 2018-19 September quarter.

Total public sector infrastructure investment for the three months to 30 September 2018 totalled \$1.1 billion, \$119 million lower than the same period in 2017-18. In addition to general government sector investment discussed earlier, lower spending levels were mainly attributable to lower spending by the Water Corporation (due to a significant one-off land acquisition in 2017-18 and lower expenditure on Stage 2 of the Mundaring Weir Outlet works upgrade).

Figure 6

**ASSET INVESTMENT PROGRAM (a)**  
Three months to 30 September 2018



(a) Segments may not add due to rounding.

# Interim Financial Statements

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## Introduction

Financial information presented in this appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, including AASB 134: *Interim Financial Reporting*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements under section 14A(3) of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2018-19 State Budget Papers presented to the Legislative Assembly on 10 May 2018, facilitating comparisons between estimates and outturns.

These financial statements (Operating Statement, Balance Sheet and Cash Flow Statement) also comply with Uniform Presentation Framework (UPF) disclosure requirements by reporting the finances of the general government sector and the total public sector. Other UPF disclosure requirements are included in the notes to the financial statements, and in Appendix 2 of this report.

The value of public corporation land was restated in the 2017-18 *Annual Report on State Finances* (ARSF) to correct overstated balances in previous years' financial reporting outcomes (see note 3(y) to the financial statements in Appendix 1 of the 2017-18 ARSF for details). To facilitate comparisons, restated values have been reflected in the balance sheet 2018-19 Budget forecasts for the general government sector and total public sector land projections included in this appendix. The balance sheet comparative data for September 2017 outcomes have been similarly adjusted.

Table 1.1

## GENERAL GOVERNMENT OPERATING STATEMENT

	Note	2018-19		2017-18	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Restated Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>RESULTS FROM TRANSACTIONS</b>					
<b>REVENUE</b>					
Taxation		2,518	8,853	2,113	8,601
Current grants and subsidies		2,346	9,552	2,058	8,529
Capital grants		158	936	58	1,263
Sales of goods and services		631	2,556	580	2,456
Interest Income		44	146	39	170
Revenue from public corporations					
Dividends from other sectors		-	1,229	265	1,718
Tax equivalent income		163	636	133	677
Royalty income		1,323	5,057	1,292	5,231
Other		156	607	162	688
<b>Total</b>	2	<b>7,339</b>	<b>29,572</b>	<b>6,700</b>	<b>29,332</b>
<b>EXPENSES</b>					
Salaries		3,023	12,214	2,980	12,193
Superannuation					
Concurrent costs		297	1,224	300	1,199
Superannuation interest cost		44	206	50	177
Other employee costs		101	356	78	359
Depreciation and amortisation		355	1,493	321	1,343
Services and contracts		597	2,632	571	2,432
Other gross operating expenses		1,552	5,620	1,594	5,852
Other interest		236	1,009	204	891
Current transfers	3	1,177	5,305	1,181	5,061
Capital transfers	3	57	418	89	442
<b>Total</b>		<b>7,438</b>	<b>30,478</b>	<b>7,369</b>	<b>29,949</b>
<b>NET OPERATING BALANCE</b>	4	<b>-100</b>	<b>-906</b>	<b>-669</b>	<b>-618</b>
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		-11	16	10	-132
Net actuarial gains/-loss - superannuation		-8	-165	110	211
Provision for doubtful debts		-1	-14	-21	-51
Changes in accounting policy/adjustments of prior periods		-25	-	42	-41
<b>Total other economic flows</b>		<b>-44</b>	<b>-163</b>	<b>141</b>	<b>-14</b>
<b>OPERATING RESULT</b>		<b>-144</b>	<b>-1,068</b>	<b>-528</b>	<b>-631</b>
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		-2	662	74	-713
Gains recognised directly in equity		-6	-	-6	-9
Change in net worth of the public corporations sectors		259	-234	57	-1,638
All other		-	-	-	-
<b>Total all other movements in equity</b>		<b>251</b>	<b>427</b>	<b>125</b>	<b>-2,360</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>107</b>	<b>-642</b>	<b>-403</b>	<b>-2,991</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	4	<b>-100</b>	<b>-906</b>	<b>-669</b>	<b>-618</b>
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		523	2,830	520	2,438
Changes in inventories		-	-	3	-3
Other movement in non-financial assets		1	55	4	513
<i>Less:</i>					
Sales of non-financial assets		11	173	17	82
Depreciation		355	1,493	321	1,343
<b>Total net acquisition of non-financial assets</b>		<b>158</b>	<b>1,219</b>	<b>190</b>	<b>1,524</b>
<b>NET LENDING/-BORROWING</b>	4	<b>-258</b>	<b>-2,124</b>	<b>-859</b>	<b>-2,141</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 Annual Report on State Finances, released on 26 September 2018.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.2

**GENERAL GOVERNMENT BALANCE SHEET**

	Note	For the period ending			
		30 Sept	Restated	Restated	30 June
		2018	2019 <sup>(a)</sup>	2017	2018 <sup>(b)</sup>
		\$m	\$m	\$m	\$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		1,138	793	1,261	862
Advances paid		728	746	707	741
Investments, loans and placements	5	4,556	3,530	4,920	5,682
Receivables	6	3,545	2,906	3,428	3,212
Shares and other equity					
Investments in other public sector entities - equity method <sup>(c)</sup>		42,665	42,836	44,101	42,406
Investments in other public sector entities - direct injections		9,403	10,161	8,966	9,377
Investments in other entities		46	50	49	48
Other financial assets		8	8	8	8
<b>Total financial assets</b>		<b>62,089</b>	<b>61,030</b>	<b>63,440</b>	<b>62,337</b>
<i>Non-financial assets</i>					
Land		36,381	36,667	37,278	36,406
Property, plant and equipment		44,832	47,456	42,775	44,709
Biological assets	3	3	4	4	3
Inventories					
Land inventories		-	10	-	-
Other inventories		70	73	76	70
Intangibles		597	668	663	627
Assets classified as held for sale		32	88	91	125
Investment property		7	-	7	7
Other		256	246	729	248
<b>Total non-financial assets</b>		<b>82,178</b>	<b>85,212</b>	<b>81,622</b>	<b>82,196</b>
<b>TOTAL ASSETS</b>		<b>144,267</b>	<b>146,242</b>	<b>145,062</b>	<b>144,532</b>
<b>LIABILITIES</b>					
Deposits held		344	765	483	553
Advances received		360	368	376	360
Borrowings	7	28,089	29,827	26,053	28,109
Unfunded superannuation		6,475	6,812	6,869	6,541
Other employee benefits		3,268	2,999	3,175	3,033
Payables		983	1,433	936	1,277
Other liabilities		1,406	1,290	1,346	1,425
<b>TOTAL LIABILITIES</b>		<b>40,924</b>	<b>43,494</b>	<b>39,239</b>	<b>41,297</b>
<b>NET ASSETS</b>		<b>103,342</b>	<b>102,748</b>	<b>105,823</b>	<b>103,236</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		5,780	3,904	6,051	5,907
Other reserves		97,562	98,844	99,772	97,329
<b>NET WORTH</b>	4	<b>103,342</b>	<b>102,748</b>	<b>105,823</b>	<b>103,236</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		<i>21,165</i>	<i>17,536</i>	<i>24,201</i>	<i>21,040</i>
<i>Net financial liabilities</i>		<i>30,903</i>	<i>35,462</i>	<i>28,867</i>	<i>30,744</i>
<i>Net debt</i>					
Gross debt liabilities		28,793	30,960	26,912	29,022
less: liquid financial assets		6,422	5,069	6,888	7,285
less: convergence differences impacting net debt		-	-	-	-
<b>Net debt</b>		<b>22,371</b>	<b>25,891</b>	<b>20,025</b>	<b>21,737</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018, except as noted in (c).

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

(c) Equity in public corporations forecast for 30 June 2019 and recorded in 30 September 2017 balances restated as discussed in the Introduction earlier in this appendix.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.3

**GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY**  
For the three months ended 30 September 2018

	Revaluation Surplus \$m	Asset investments in other sector entities \$m	Accumulated net gain on equity investments in other sector entities Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2018</i>	54,923	42,406	5,907	103,236
Operating result	-	-	-144	-144
Other movements in equity	-2	259	-6	251
All other	-23	-	23	-
<i>Total change in net worth</i>	-25	259	-127	107
<b>Balance at 30 September 2018</b>	<b>54,897</b>	<b>42,665</b>	<b>5,780</b>	<b>103,342</b>

For the three months ended 30 September 2017

	Revaluation Surplus \$m	Asset investments in other sector entities \$m	Accumulated net gain on equity investments in other sector entities Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2017</i>	55,629	44,044	6,553	106,226
Operating result	-	-	-528	-528
Other movements in equity	74	57	-6	125
All other	-32	-	32	-
<i>Total change in net worth</i>	42	57	-502	-403
<b>Balance at 30 September 2017</b>	<b>55,671</b>	<b>44,101</b>	<b>6,051</b>	<b>105,823</b>

Note: Columns/rows may not add due to rounding.

Table 1.4

**GENERAL GOVERNMENT CASH FLOW STATEMENT**

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Cash received</i>				
Taxes received	2,086	9,036	1,959	8,567
Grants and subsidies received	2,472	10,500	2,133	9,773
Receipts from sales of goods and services	580	2,568	623	2,662
Interest receipts	45	142	32	158
Dividends and tax equivalents	127	1,853	138	2,280
Other	1,918	6,892	1,882	7,230
<i>Total cash received</i>	<i>7,228</i>	<i>30,992</i>	<i>6,767</i>	<i>30,670</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-3,226	-13,891	-3,191	-13,801
Payments for goods and services	-2,433	-8,657	-2,532	-8,759
Interest paid	-230	-979	-194	-860
Grants and subsidies paid	-1,010	-5,285	-1,093	-5,125
Dividends and tax equivalents	-	-	-	-
Other	-449	-1,594	-499	-1,727
<i>Total cash paid</i>	<i>-7,348</i>	<i>-30,407</i>	<i>-7,508</i>	<i>-30,271</i>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-120</b>	<b>585</b>	<b>-741</b>	<b>399</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-523	-2,830	-520	-2,438
Sales of non-financial assets	11	173	17	82
<i>Total cash flows from investments in non-financial assets</i>	<i>-512</i>	<i>-2,657</i>	<i>-504</i>	<i>-2,357</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	19	30	2	13
For liquidity purposes	7	28	10	76
<i>Cash paid</i>				
For policy purposes	-136	-1,391	-40	-573
For liquidity purposes	-19	-	-19	-57
<i>Total cash flows from investments in financial assets</i>	<i>-129</i>	<i>-1,332</i>	<i>-47</i>	<i>-541</i>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-640</b>	<b>-3,989</b>	<b>-551</b>	<b>-2,898</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<i>Cash received</i>				
Advances received	-	17	-	16
Borrowings	14	2,176	2,522	4,318
Deposits received	-	-	-	-
Other financing receipts	171	190	106	156
<i>Total cash received</i>	<i>184</i>	<i>2,382</i>	<i>2,628</i>	<i>4,490</i>
<i>Cash paid</i>				
Advances paid	-	-17	-	-16
Borrowings repaid	-13	-431	-21	-182
Deposits paid	-	-	-	-
Other financing payments	-55	-301	-81	-271
<i>Total cash paid</i>	<i>-68</i>	<i>-749</i>	<i>-102</i>	<i>-469</i>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>117</b>	<b>1,633</b>	<b>2,526</b>	<b>4,020</b>
<b>Net increase in cash and cash equivalents</b>	<b>-643</b>	<b>-1,770</b>	<b>1,234</b>	<b>1,521</b>
Cash and cash equivalents at the beginning of the year	6,360	5,745	4,839	4,839
Cash and cash equivalents at the end of the year	5,717	3,974	6,073	6,360
<b>KEY FISCAL AGGREGATES</b>				
Net cash flows from operating activities	-120	585	-741	399
Net cash flows from investing in non-financial assets	-512	-2,657	-504	-2,357
<b>Cash surplus/-deficit</b>	<b>-631</b>	<b>-2,072</b>	<b>-1,244</b>	<b>-1,958</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.



Table 1.5

## TOTAL PUBLIC SECTOR OPERATING STATEMENT

	Note	2018-19		2017-18	
		Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Restated Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<i>Results from Transactions</i>					
<b>REVENUE</b>					
Taxation		2,386	8,324	1,991	8,114
Current grants and subsidies		2,346	9,552	2,058	8,529
Capital grants		158	936	58	1,263
Sales of goods and services		5,808	22,349	5,144	21,067
Interest Income		146	586	136	585
Royalty income		1,323	5,057	1,292	5,231
Other		235	1,051	231	1,031
<b>Total</b>	2	<b>12,403</b>	<b>47,856</b>	<b>10,911</b>	<b>45,819</b>
<b>EXPENSES</b>					
Salaries		3,318	13,371	3,249	13,297
Superannuation					
Concurrent costs		326	1,340	328	1,305
Superannuation interest cost		44	206	50	177
Other employee costs		77	236	54	263
Depreciation and amortisation		852	3,663	856	3,362
Services and contracts		770	3,223	761	3,285
Other gross operating expenses		5,294	20,493	4,821	19,726
Other interest		443	1,917	383	1,688
Other property expenses		-	-	-	-
Current transfers	3	979	4,261	942	3,975
Capital transfers	3	47	363	62	365
<b>Total</b>		<b>12,151</b>	<b>49,073</b>	<b>11,506</b>	<b>47,442</b>
<b>NET OPERATING BALANCE</b>	4	<b>252</b>	<b>-1,217</b>	<b>-596</b>	<b>-1,623</b>
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		32	120	60	111
Net actuarial gains/-loss - superannuation		-7	-162	113	206
Provision for doubtful debts		-7	-49	-26	-66
Changes in accounting policy/adjustment of prior periods		-1,309	-	-1,167	-1,192
<b>Total other economic flows</b>		<b>-1,291</b>	<b>-91</b>	<b>-1,019</b>	<b>-941</b>
<b>OPERATING RESULT</b>		<b>-1,039</b>	<b>-1,308</b>	<b>-1,615</b>	<b>-2,563</b>
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		-159	-433	-32	-1,669
Gains recognised directly in equity		1,305	1,100	1,244	1,241
All other		-	-	-	-
<b>Total all other movements in equity</b>		<b>1,146</b>	<b>667</b>	<b>1,212</b>	<b>-428</b>
<b>TOTAL CHANGE IN NET WORTH</b>	4	<b>107</b>	<b>-642</b>	<b>-403</b>	<b>-2,991</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	4	<b>252</b>	<b>-1,217</b>	<b>-596</b>	<b>-1,623</b>
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,071	6,248	1,190	5,052
Changes in inventories		-62	516	481	-321
Other movement in non-financial assets		30	230	24	596
<i>less:</i>					
Sales of non-financial assets		76	853	142	567
Depreciation		852	3,663	856	3,362
<b>Total net acquisition of non-financial assets</b>		<b>111</b>	<b>2,478</b>	<b>697</b>	<b>1,398</b>
<b>NET LENDING/-BORROWING</b>	4	<b>141</b>	<b>-3,695</b>	<b>-1,292</b>	<b>-3,021</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.6

**TOTAL PUBLIC SECTOR BALANCE SHEET**

	Note	For the period ending			
		30 Sept 2018 \$m	Restated 30 June 2019 (a) \$m	Restated 30 Sept 2017 \$m	30 June 2018 (b) \$m
<b>ASSETS</b>					
<i>Financial assets</i>					
Cash and deposits		2,170	1,517	2,709	2,079
Advances paid		4,454	4,873	3,852	4,345
Investments, loans and placements	5	17,217	18,462	16,537	16,733
Receivables	6	5,144	4,154	4,237	4,976
Equity - investments in other entities		1,908	2,481	1,660	1,854
Other financial assets		13	15	13	13
<b>Total financial assets</b>		<b>30,906</b>	<b>31,503</b>	<b>29,008</b>	<b>30,001</b>
<i>Non-financial assets</i>					
Land (c)		45,374	45,336	47,040	45,508
Property, plant and equipment		100,447	104,681	98,506	100,294
Biological assets		332	313	330	332
Inventories					
Land inventories		1,883	2,261	1,976	1,902
Other inventories		3,669	4,717	4,534	3,731
Intangibles		1,054	1,089	1,105	1,085
Assets classified as held for sale		69	111	91	183
Investment property		78	100	263	77
Other		448	355	900	408
<b>Total non-financial assets</b>		<b>153,355</b>	<b>158,963</b>	<b>154,745</b>	<b>153,520</b>
<b>TOTAL ASSETS</b>		<b>184,261</b>	<b>190,465</b>	<b>183,753</b>	<b>183,521</b>
<b>LIABILITIES</b>					
Deposits held		11	26	15	23
Advances received		360	368	376	360
Borrowings	7	58,475	63,561	55,153	57,379
Unfunded superannuation		6,571	6,872	6,984	6,636
Other employee benefits		3,641	3,366	3,546	3,398
Payables		5,863	7,063	6,187	6,473
Other liabilities		5,996	6,461	5,668	6,016
<b>TOTAL LIABILITIES</b>		<b>80,919</b>	<b>87,717</b>	<b>77,930</b>	<b>80,285</b>
<b>NET ASSETS</b>		<b>103,342</b>	<b>102,748</b>	<b>105,823</b>	<b>103,236</b>
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		26,857	27,206	27,566	26,555
Other reserves		76,485	75,542	78,257	76,680
<b>NET WORTH</b>	4	<b>103,342</b>	<b>102,748</b>	<b>105,823</b>	<b>103,236</b>
<b>MEMORANDUM ITEMS</b>					
<i>Net financial worth</i>		-50,012	-56,215	-48,922	-50,285
<i>Net financial liabilities</i>		51,920	58,696	50,583	52,139
<i>Net debt</i>					
Gross debt liabilities		58,846	63,955	55,544	57,763
less: liquid financial assets		23,841	24,852	23,098	23,157
less: convergence differences impacting net debt		-	-	-	-
<b>Net debt</b>		<b>35,005</b>	<b>39,103</b>	<b>32,447</b>	<b>34,606</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018, except as noted in (c).

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

(c) Land values forecast for 30 June 2019 and recorded in 30 September 2017 balances restated as discussed in the introduction earlier in this appendix.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.7

**TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY**  
For the three months ended 30 September 2018

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
<i>Balance at 1 July 2018</i>	76,680	26,555	103,236
Operating result	-	-1,039	-1,039
Other movements in equity	-159	1,305	1,146
All other	-36	36	-
<i>Total change in net worth</i>	-195	302	107
<b>Balance at 30 September 2018</b>	<b>76,485</b>	<b>26,857</b>	<b>103,342</b>

For the three months ended 30 September 2017

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
<i>Balance at 1 July 2017</i>	78,326	27,900	106,226
Operating result	-	-1,615	-1,615
Other movements in equity	-32	1,244	1,212
All other	-37	37	-
<i>Total change in net worth</i>	-69	-334	-403
<b>Balance at 30 September 2017</b>	<b>78,257</b>	<b>27,566</b>	<b>105,823</b>

Note: Columns/rows may not add due to rounding.

Table 1.8

**TOTAL PUBLIC SECTOR CASH FLOW STATEMENT**

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Cash received</i>				
Taxes received	2,018	8,492	1,896	8,077
Grants and subsidies received	2,472	10,500	2,133	9,773
Receipts from sales of goods and services	5,810	22,514	5,338	21,346
Interest receipts	146	645	133	604
Other receipts	2,317	7,626	2,327	8,460
<i>Total cash received</i>	<i>12,762</i>	<i>49,777</i>	<i>11,827</i>	<i>48,260</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-3,538	-15,194	-3,485	-15,101
Payments for goods and services	-6,083	-22,011	-5,584	-21,489
Interest paid	-493	-1,896	-380	-1,899
Grants and subsidies paid	-881	-4,002	-884	-3,712
Other payments	-1,319	-4,240	-1,355	-4,581
<i>Total cash paid</i>	<i>-12,314</i>	<i>-47,344</i>	<i>-11,688</i>	<i>-46,782</i>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>448</b>	<b>2,433</b>	<b>138</b>	<b>1,478</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-1,071	-6,248	-1,190	-5,052
Sales of non-financial assets	76	853	142	567
<i>Total cash flows from investments in non-financial assets</i>	<i>-995</i>	<i>-5,394</i>	<i>-1,047</i>	<i>-4,485</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	6	10	2	13
For liquidity purposes	1,427	6,534	2,030	6,189
<i>Cash paid</i>				
For policy purposes	-4	-10	-2	-16
For liquidity purposes	-1,497	-7,253	-1,916	-7,249
<i>Total cash flows from investments in financial assets</i>	<i>-69</i>	<i>-719</i>	<i>115</i>	<i>-1,063</i>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-1,064</b>	<b>-6,114</b>	<b>-932</b>	<b>-5,548</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<i>Cash received</i>				
Advances received	-	-	-	-
Borrowings	5,566	19,109	6,354	18,015
Deposits received	-	-	-	-
Other financing receipts	13	62	10	57
<i>Total cash received</i>	<i>5,579</i>	<i>19,171</i>	<i>6,364</i>	<i>18,072</i>
<i>Cash paid</i>				
Advances paid	-	-17	-	-16
Borrowings repaid	-3,632	-16,965	-4,042	-14,181
Deposits paid	-	-	-	-
Other financing payments	-44	-212	-78	-251
<i>Total cash paid</i>	<i>-3,676</i>	<i>-17,194</i>	<i>-4,120</i>	<i>-14,448</i>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>1,902</b>	<b>1,977</b>	<b>2,244</b>	<b>3,624</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,287</b>	<b>-1,703</b>	<b>1,450</b>	<b>-446</b>
Cash and cash equivalents at the beginning of the year	10,573	11,361	11,019	11,019
Cash and cash equivalents at the end of the year	11,860	9,658	12,469	10,573
<b>KEY FISCAL AGGREGATES</b>				
Net cash flows from operating activities	448	2,433	138	1,478
Net cash flows from investing in non-financial assets	-995	-5,394	-1,047	-4,485
<b>Cash surplus/-deficit</b>	<b>-546</b>	<b>-2,961</b>	<b>-909</b>	<b>-3,007</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

## Notes to the Interim Financial Statements

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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#### **(a) General Statement**

The financial statements in this appendix constitute general purpose financial statements for the general government sector and the whole-of-government. The whole-of-government is also known as the total public sector.

The quarterly financial statements are a requirement of the *Government Financial Responsibility Act 2000*.

#### **(b) The Reporting Entity**

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

The total public sector includes the general government sector and the public corporations sector. The general government sector consists of those agencies and Crown entities that provide services that are predominantly funded from central revenue. Public corporations generally seek to recover the majority of the costs of operations through user charges and other own-source revenue.

#### **(c) Basis of Preparation**

The financial statements for the three months ended 30 September 2018 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the note disclosures that are included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2018, presented in Appendix 1 of the 2017-18 *Annual Report on State Finances* (ARSF) released on 26 September 2018. The accounting policies adopted in this publication are consistent with those outlined in the 2017-18 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2017-18 *Annual Report on State Finances*.

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

#### **(d) Unaudited Data**

The Interim Financial Statements are not audited.

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## NOTE 2: OPERATING REVENUE

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A detailed dissection of general government sector and total public sector operating revenue is included in Appendix 2: *Operating Revenue*.

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## NOTE 3: TRANSFER EXPENSES

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Transfer expenses are defined as the provision of something of value for no specific return or consideration and include grants, subsidies, donations, transfers of assets free of charge, etc. The following tables provide detail of current and capital transfer expenses of the general government sector and total public sector.

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### TRANSFER EXPENSES (a)

General Government				
	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate (b) \$m	Three Months to 30 Sept \$m	Actual (c) \$m
<i>CURRENT TRANSFERS</i>				
Local Government	95	341	74	356
Local Government on-passing	22	181	20	169
Private and Not-for-profit sector	357	1,570	371	1,381
Private and Not-for-profit sector on-passing	316	1,301	299	1,233
Other sectors of Government	386	1,913	417	1,922
<b>Total Current Transfers</b>	<b>1,177</b>	<b>5,305</b>	<b>1,181</b>	<b>5,061</b>
<i>CAPITAL TRANSFERS</i>				
Local Government	1	79	10	55
Local Government on-passing	14	113	14	113
Private and Not-for-profit sector	21	144	26	107
Private and Not-for-profit sector on-passing	5	18	4	17
Other sectors of Government	16	64	36	151
<b>Total Capital Transfers</b>	<b>57</b>	<b>418</b>	<b>89</b>	<b>442</b>
Total Public Sector				
	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate (b) \$m	Three Months to 30 Sept \$m	Actual (c) \$m
<i>CURRENT TRANSFERS</i>				
Local Government	95	341	74	365
Local Government on-passing	22	181	20	169
Private and Not-for-profit sector	543	2,425	547	2,177
Private and Not-for-profit sector on-passing	316	1,301	299	1,233
Other sectors of Government	2	13	2	31
<b>Total Current Transfers</b>	<b>979</b>	<b>4,261</b>	<b>942</b>	<b>3,975</b>
<i>CAPITAL TRANSFERS</i>				
Local Government	1	80	10	56
Local Government on-passing	14	113	14	113
Private and Not-for-profit sector	27	152	34	178
Private and Not-for-profit sector on-passing	5	18	4	17
Other sectors of Government	-	-	-	-
<b>Total Capital Transfers</b>	<b>47</b>	<b>363</b>	<b>62</b>	<b>365</b>

(a) Includes grants, subsidies and other transfer expenses.

(b) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(c) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

Note: Columns may not add due to rounding.

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**NOTE 4: CONVERGENCE DIFFERENCES**


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Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved (e.g. the recognition of a doubtful debts provision is excluded from GFS net worth), a convergence difference arises.

The following tables detail convergence differences reflected in the September 2018 results.

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**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**
**Net Operating Balance**

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i><u>General government</u></i>				
AASB1049 net operating balance	-100	-906	-669	-618
Plus GFS revenue adjustments				
Total GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Total GFS expense adjustments	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-
<b>GFS net operating balance</b>	<b>-100</b>	<b>-906</b>	<b>-669</b>	<b>-618</b>
<i><u>Total public sector</u></i>				
AASB1049 net operating balance	252	-1,217	-596	-1,623
Plus GFS revenue adjustments				
Total GFS revenue adjustments	-	-	-	-
Less GFS expense adjustments				
Capitalised interest	-	24	-	-
Total GFS expense adjustments	-	24	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-24	-	-
<b>GFS net operating balance</b>	<b>252</b>	<b>-1,241</b>	<b>-596</b>	<b>-1,623</b>

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## AASB 1049 TO GFS CONVERGENCE DIFFERENCES

### Net Lending/-Borrowing

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net lending/-borrowing	-258	-2,124	-859	-2,141
Plus Net operating balance convergence differences (noted above)	-	-	-	-
<b>GFS net lending/-borrowing</b>	<b>-258</b>	<b>-2,124</b>	<b>-859</b>	<b>-2,141</b>
<u>Total public sector</u>				
AASB1049 net lending/-borrowing	141	-3,695	-1,292	-3,021
Plus Net operating balance convergence differences (noted above)	-	-24	-	-
<b>GFS net lending/-borrowing</b>	<b>141</b>	<b>-3,718</b>	<b>-1,292</b>	<b>-3,021</b>

## AASB 1049 TO GFS CONVERGENCE DIFFERENCES

### Net Worth

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<u>General government</u>				
AASB1049 net worth	103,342	102,748	105,823	103,236
<i>Plus</i>				
Provision for doubtful debts				
General government sector	274	263	286	265
Impact on public corporations net worth	90	36	86	87
Total GFS net worth adjustments	364	299	372	352
<b>GFS net worth</b>	<b>103,706</b>	<b>103,047</b>	<b>106,195</b>	<b>103,587</b>
<u>Total public sector</u>				
AASB1049 net worth	103,342	102,748	105,823	103,236
<i>Plus</i>				
Provision for doubtful debts	364	299	372	352
Total GFS net worth adjustments	364	299	372	352
<b>GFS net worth</b>	<b>103,706</b>	<b>103,047</b>	<b>106,195</b>	<b>103,587</b>



**AASB 1049 TO GFS CONVERGENCE DIFFERENCES**  
Change in Net Worth

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
<i>General government</i>				
AASB 1049 change in net worth	107	-642	-403	-2,991
Plus change in:				
Provision for doubtful debts				
General government sector	10	-	20	-1
Impact on public corporations net worth	3	8	2	3
Total GFS change in net worth adjustments	12	8	22	2
<b>GFS change in net worth</b>	<b>119</b>	<b>-634</b>	<b>-382</b>	<b>-2,989</b>
<i>Total public sector</i>				
AASB 1049 change in net worth	107	-642	-403	-2,991
Plus change in:				
Provision for doubtful debts	12	8	22	2
Total GFS change in net worth adjustments	12	8	22	2
<b>GFS change in net worth</b>	<b>119</b>	<b>-634</b>	<b>-382</b>	<b>-2,989</b>

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**NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS**


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**General Government**


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	2018-19		2017-18	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	4,539	3,514	4,896	5,665
Government securities	3	4	4	3
<b>Total</b>	<b>4,542</b>	<b>3,518</b>	<b>4,900</b>	<b>5,668</b>
<i>Loans and advances</i>				
Loans	13	12	12	14
Financial Assets held for trading/available for sale	-	-	8	-
<b>Total</b>	<b>13</b>	<b>12</b>	<b>20</b>	<b>14</b>
<b>Total</b>	<b>4,556</b>	<b>3,530</b>	<b>4,920</b>	<b>5,682</b>

**Total Public Sector**


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	2018-19		2017-18	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
<i>Investments</i>				
Term deposits	12,833	10,118	12,664	12,623
Government securities	2,032	947	1,376	1,034
<b>Total</b>	<b>14,865</b>	<b>11,065</b>	<b>14,040</b>	<b>13,657</b>
<i>Loans and advances</i>				
Loans	1,978	5,182	2,052	2,630
Financial Assets held for trading/available for sale	374	2,215	445	446
<b>Total</b>	<b>2,352</b>	<b>7,397</b>	<b>2,497</b>	<b>3,076</b>
<b>Total</b>	<b>17,217</b>	<b>18,462</b>	<b>16,537</b>	<b>16,733</b>

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**NOTE 6: RECEIVABLES**


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**General Government**


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	2018-19		2017-18	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	3,819	3,169	3,713	3,477
Provision for impairment of receivables	-274	-263	-286	-265
<b>Total</b>	<b>3,545</b>	<b>2,906</b>	<b>3,428</b>	<b>3,212</b>

**Total Public Sector**


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	2018-19		2017-18	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Accounts Receivable	5,508	4,453	4,609	5,328
Provision for impairment of receivables	-364	-299	-372	-352
<b>Total</b>	<b>5,144</b>	<b>4,154</b>	<b>4,237</b>	<b>4,976</b>

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**NOTE 7: BORROWINGS**


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**General Government**


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	2018-19		2017-18	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	-	-	-	-
Finance leases	1,165	1,149	757	1,184
Borrowings	26,924	28,678	25,296	26,924
<b>Total</b>	<b>28,089</b>	<b>29,827</b>	<b>26,053</b>	<b>28,109</b>

**Total Public Sector**


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	2018-19		2017-18	
	30 Sept \$m	Budget Estimate \$m	30 Sept \$m	Actual \$m
Bank overdrafts	-	-	107	-
Finance leases	1,941	1,890	1,563	1,971
Borrowings	56,535	61,671	53,483	55,408
<b>Total</b>	<b>58,475</b>	<b>63,561</b>	<b>55,153</b>	<b>57,379</b>

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**NOTE 8: DETAILS OF AGENCIES CONSOLIDATED**


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The agencies included in these financial statements are detailed in Note 35: *Composition of Sectors* in the 2017-18 *Annual Report on State Finances*. The following changes took effect from 1 July 2018:

- the Office of the Government Chief Information Officer was integrated into the Department of the Premier and Cabinet; and
  - the functions of the Office of Emergency Management was integrated into the Department of Fire and Emergency Services.
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**NOTE 9: CONTINGENT ASSETS AND LIABILITIES**


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There have been no other material changes in the contingent assets and liabilities of the State since the 2017-18 *Annual Report on State Finances* disclosure.

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# Operating Revenue

The tables in this appendix detail operating revenue of the general government and total public sectors. They provide detailed revenue information consistent with the operating statements presented in Appendix 1: *Interim Financial Statements*.

The total public sector consolidates internal transfers between the general government sector and agencies in the public corporations sectors.

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These collections are internal to the whole-of-government and are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the general government taxation revenue aggregate.

Table 2.1

**GENERAL GOVERNMENT**  
**Operating Revenue**

	2018-19		2017-18	
	Three Months to 30 Sep \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sep \$m	Actual <sup>(b)</sup> \$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	905	3,460	851	3,279
Property taxes				
<i>Land tax</i>	435	803	78	840
Transfer Duty	259	1,331	302	1,223
Landholder Duty	-	101	25	234
<i>Total duty on transfers</i>	259	1,432	328	1,457
Metropolitan Region Improvement Tax	28	85	6	93
Perth Parking Levy	51	58	51	58
Emergency Services Levy	144	372	115	338
Loan guarantee fees	38	155	36	143
Building and Construction Industry Training Fund Levy	5	35	8	25
<i>Total other property taxes</i>	266	704	215	658
Taxes on provision of goods and services				
Lotteries Commission	50	160	42	156
Video lottery terminals	-	-	-	-
Casino Tax	14	71	14	61
Betting tax	10	64	11	41
<i>Total taxes on gambling</i>	74	295	67	258
Insurance Duty	171	645	167	625
Other	4	17	5	20
<i>Total taxes on insurance</i>	175	662	172	645
<i>On-demand Transport Levy</i>	-	3	-	-
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	91	360	87	355
Permits - Oversize Vehicles and Loads	2	8	2	7
Motor Vehicle recording fee	14	59	15	61
Motor Vehicle registrations	247	956	231	937
<i>Total motor vehicle taxes</i>	354	1,383	335	1,360
<i>Mining Rehabilitation Levy</i>	30	28	29	29
<i>Landfill Levy</i>	19	83	38	75
<b>Total Taxation</b>	<b>2,518</b>	<b>8,853</b>	<b>2,113</b>	<b>8,601</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>				
<i>General Purpose Grants</i>				
GST grants	829	3,255	582	2,249
North West Shelf grants	243	801	145	695
Compensation for Commonwealth crude oil excise arrangements	9	44	8	28
<i>Grants through the State</i>				
Schools assistance – non-government schools	316	1,301	299	1,233
Local government financial assistance grants	22	181	20	169
Local government roads	14	113	14	113
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	39	159	40	152
National Disability Services	62	88	39	158
National Affordable Housing	-	145	31	140
<i>Quality Schools</i>	171	737	153	660
<i>National Health Reform</i>	558	2,252	531	2,174
<i>National Partnerships/Other Grants</i>				
Health	32	122	104	386
Housing	-	5	6	14
Transport	13	91	20	74
Disability Services	-	35	8	96
Other	36	224	58	187
<b>Total Current Grants and Subsidies</b>	<b>2,346</b>	<b>9,552</b>	<b>2,058</b>	<b>8,529</b>

**GENERAL GOVERNMENT**  
Operating Revenue

Table 2.1 (cont.)

	2018-19		2017-18	
	Three Months to 30 Sep \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sep \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>				
<i>Grants through the State</i>				
Schools assistance – non-government schools	5	18	4	17
<i>National Partnerships/Other Grants</i>				
Housing	130	-	-	48
Transport	23	908	48	990
Other	-	10	6	208
<b>Total Capital Grants</b>	<b>158</b>	<b>936</b>	<b>58</b>	<b>1,263</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>631</b>	<b>2,556</b>	<b>580</b>	<b>2,456</b>
<b>INTEREST INCOME</b>	<b>44</b>	<b>146</b>	<b>39</b>	<b>170</b>
<b>REVENUE FROM PUBLIC CORPORATIONS</b>				
Dividends	-	1,229	265	1,718
Tax Equivalent Regime	163	636	133	677
<b>Total Revenue from Public Corporations</b>	<b>163</b>	<b>1,865</b>	<b>397</b>	<b>2,395</b>
<b>ROYALTY INCOME</b>	<b>1,323</b>	<b>5,057</b>	<b>1,292</b>	<b>5,231</b>
<b>OTHER</b>				
Lease Rentals	27	99	29	105
Fines	48	198	47	206
Revenue not elsew here counted	81	310	86	376
<b>Total Other</b>	<b>156</b>	<b>607</b>	<b>162</b>	<b>688</b>
<b>GRAND TOTAL</b>	<b>7,339</b>	<b>29,572</b>	<b>6,700</b>	<b>29,332</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR**  
**Operating Revenue**

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate (a) \$m	Three Months to 30 Sept \$m	Actual (b) \$m
<b>TAXATION</b>				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	884	3,377	832	3,194
Property taxes				
<i>Land tax</i>	419	732	61	775
Transfer Duty	259	1,331	302	1,223
Landholder Duty	-	101	25	234
<i>Total duty on transfers</i>	259	1,432	328	1,457
Metropolitan Region Improvement Tax	28	85	6	93
Perth Parking Levy	51	58	51	58
Emergency Services Levy	144	367	115	334
Loan guarantee fees	3	8	3	8
Building and Construction Industry Training Fund Levy	5	35	8	25
<i>Total other property taxes</i>	231	553	183	518
Taxes on provision of goods and services				
Video lottery terminals	-	-	-	-
Casino Tax	14	71	14	61
<i>Total taxes on gambling</i>	14	71	14	61
Insurance Duty	171	645	167	625
Other	4	17	5	20
<i>Total taxes on insurance</i>	175	662	172	645
<i>On-demand Transport Levy</i>	-	3	-	-
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	91	360	87	355
Permits - Oversize Vehicles and Loads	2	8	2	7
Motor Vehicle recording fee	14	59	15	61
Motor Vehicle registrations	247	956	231	937
<i>Total motor vehicle taxes</i>	354	1,383	335	1,360
<i>Mining Rehabilitation Levy</i>	30	28	29	29
<i>Landfill Levy</i>	19	83	38	75
<b>Total Taxation</b>	<b>2,386</b>	<b>8,324</b>	<b>1,991</b>	<b>8,114</b>
<b>CURRENT GRANTS AND SUBSIDIES</b>				
<i>General Purpose Grants</i>				
GST grants	829	3,255	582	2,249
North West Shelf grants	243	801	145	695
Compensation for Commonwealth crude oil excise arrangements	9	44	8	28
<i>Grants through the State</i>				
Schools assistance – non-government schools	316	1,301	299	1,233
Local government financial assistance grants	22	181	20	169
Local government roads	14	113	14	113
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	39	159	40	152
National Disability Services	62	88	39	158
National Affordable Housing	-	145	31	140
<i>Quality Schools</i>	171	737	153	660
<i>National Health Reform</i>	558	2,252	531	2,174
<i>National Partnerships\Other Grants</i>				
Health	32	122	104	386
Housing	-	5	6	14
Transport	13	91	20	74
Disability Services	-	35	8	96
Other	36	224	58	187
<b>Total Current Grants and Subsidies</b>	<b>2,346</b>	<b>9,552</b>	<b>2,058</b>	<b>8,529</b>



Table 2.2 (cont.)

**TOTAL PUBLIC SECTOR**  
Operating Revenue

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate <sup>(a)</sup> \$m	Three Months to 30 Sept \$m	Actual <sup>(b)</sup> \$m
<b>CAPITAL GRANTS</b>				
<i>Grants through the State</i>				
Schools assistance – non-government schools	5	18	4	17
<i>National Partnerships/Other Grants</i>				
Housing	130	-	-	48
Transport	23	908	48	990
Other	-	10	6	208
<b>Total Capital Grants</b>	<b>158</b>	<b>936</b>	<b>58</b>	<b>1,263</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>5,808</b>	<b>22,349</b>	<b>5,144</b>	<b>21,067</b>
<b>INTEREST INCOME</b>	<b>146</b>	<b>586</b>	<b>136</b>	<b>585</b>
<b>ROYALTY INCOME</b>	<b>1,323</b>	<b>5,057</b>	<b>1,292</b>	<b>5,231</b>
<b>OTHER</b>				
Lease Rentals	27	99	29	105
Fines	49	198	48	207
Revenue not elsew here counted	159	754	154	720
<b>Total Other</b>	<b>235</b>	<b>1,051</b>	<b>231</b>	<b>1,031</b>
<b>GRAND TOTAL</b>	<b>12,403</b>	<b>47,856</b>	<b>10,911</b>	<b>45,819</b>

(a) Consistent with the 2018-19 Budget estimates released on 10 May 2018.

(b) Consistent with the final audited data contained in the 2017-18 *Annual Report on State Finances*, released on 26 September 2018.

Note: Columns may not add due to rounding.



## APPENDIX 3

# Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006* (FMA), includes those transactions and operations that are conducted through the Consolidated Account, the Treasurer's Advance Account and through the Treasurer's Special Purpose Accounts (TSPAs). Together with agency cash balances held at Treasury, the total of these accounts form the Public Bank Account.

Table 3.1

<b>PUBLIC LEDGER BALANCES AT 30 SEPTEMBER</b>			
	2018 \$m	2017 \$m	Variance \$m
<b>THE PUBLIC LEDGER</b>			
Consolidated Account <sup>(a)</sup>	-15,685	-12,988	-2,697
Treasurer's Special Purpose Accounts <sup>(b)</sup>	14,891	13,138	1,753
Treasurer's Advance Account – Net Advances and Overdraw n Trusts	-30	-23	-7
<b>TOTAL</b>	<b>-824</b>	<b>127</b>	<b>-951</b>
Agency Special Purpose Accounts <sup>(b)</sup>	5,701	5,072	629
<b>TOTAL PUBLIC BANK ACCOUNT</b>	<b>4,877</b>	<b>5,199</b>	<b>-322</b>

(a) The balance of the Consolidated Account at 30 September 2018 includes non-cash appropriations of \$12,212 million (30 September 2017: \$10,826 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account recorded a deficit of \$3,472 million at 30 September 2018 (compared with a deficit position of \$2,161 million at 30 September 2017).

(b) Treasurer's Special Purpose Account balances in September 2017 have been restated for corrected classification of some agency Special Purpose Accounts.

Note: Columns/rows may not add due to rounding.

## Consolidated Account

The *Constitution Act 1889* requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity, shall be credited to the Consolidated Account. The Act also requires that payments out of the Account must be appropriated by Parliament.

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

The Consolidated Account accrual deficit at 30 September 2018 was \$15,685 million, an increase of \$2,697 million on the accumulated deficit at 30 September 2017. This included \$12,212 million associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash balances in agency Holding Accounts.

In cash terms, the Consolidated Account was overdrawn by \$3,472 million at 30 September 2018 (\$1,311 million higher than the \$2,161 million cash deficit at 30 September 2017).

There were no Consolidated Account borrowings in the September 2018 quarter. Centrally held borrowings totalled \$26.4 billion at 30 September 2018 (unchanged from the balance at 30 June 2018, and compares with \$24.8 billion at 30 September 2017). This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding *Loan Acts*<sup>1</sup>.

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<sup>1</sup> The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding *Loan Acts* from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit authorised by these Acts without further approval through a new *Loan Act*.

Table 3.2

**CONSOLIDATED ACCOUNT TRANSACTIONS**  
For the three months ended 30 September

	2018 \$m	2017 \$m	Variance \$m
<b>REVENUE</b>			
<i>Operating Activities</i>			
Taxation	1,552	1,456	96
Commonwealth Grants	1,045	755	290
Government Enterprises	128	143	-15
Revenue from other agencies	1,667	1,562	105
Other	251	199	52
<i>Total Operating Activities</i>	4,643	4,115	529
<i>Financing Activities</i>			
Repayments of Recoverable Advances	2	2	-
Transfers from:			
Bankwest Pension Trust	_(a)	_(a)	_(a)
Other Receipts	5	3	2
Borrowings	-	2,500	-2,500
<i>Total Financing Activities</i>	7	2,505	-2,498
<b>TOTAL REVENUE</b>	<b>4,650</b>	<b>6,620</b>	<b>-1,970</b>
<b>EXPENDITURE</b>			
<i>Recurrent</i>			
Authorised by Other Statutes <sup>(b)</sup>	641	644	-3
Appropriation Act (No. 1) <sup>(b)</sup>	5,440	4,698	742
Recurrent Expenditure under the Treasurer's Advance	-	-	-
<i>Total Recurrent Expenditure</i>	6,081	5,343	738
<i>Investing Activities</i>			
Authorised by Other Statutes	53	77	-24
Appropriation Act (No. 2)	329	260	69
Investing Expenditure under the Treasurer's Advance	-	-	-
<i>Total Investing Activities</i>	382	337	45
<i>Financing Activities</i>			
Loan repayments	-	-	-
Other financing	5	3	2
<i>Total Financing Activities</i>	5	3	2
<b>TOTAL EXPENDITURE</b>	<b>6,467</b>	<b>5,683</b>	<b>785</b>
<b>NET MOVEMENT (REVENUE LESS EXPENDITURE)</b>	<b>-1,817</b>	<b>937</b>	<b>-2,754</b>
<b>Consolidated Account Balance</b>			
Opening balance at 1 July	-13,868	-13,925	57
Closing balance at 30 September	-15,685	-12,988	-2,697
Of which:			
Appropriations payable	-12,212	-10,826	-1,386
Cash balance at 30 September	-3,472	-2,161	-1,311

(a) Amount less than \$500,000.

(b) Data for 30 September 2017 includes a reclassification of \$2 million in payments from 'Authorised by Other Statutes (recurrent)' to 'Appropriation Act (No. 1)' to correct the treatment of appropriations for the \$5,000 boost under the First Home Owners Grants in 2016-17.

Note: Columns/rows may not add due to rounding.

## Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPAs) consist of:

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

Relative to 30 September 2017, aggregate TSPA balances were \$1,793 million higher at the end of September 2018, mainly due to:

- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$1,386 million);
- a \$91 million increase in the balance of the Western Australian Future Fund reflecting appropriation of 1% of forecast annual royalty receipts (\$51 million) and interest earnings on the balance of the Fund over the last twelve months (\$40 million);
- a net increase in the Royalties for Regions Fund (up \$75 million), reflecting the timing of appropriation payments to the Fund, and draw downs for approved spending on individual programs;
- an increase in the Commonwealth Grants for Specific Purposes Account (up \$161 million), primarily reflecting the receipt of Remote Indigenous Housing grants that are yet to be drawn down by the Department of Communities;
- a net decrease in the Perth Children's Hospital Account balance (down \$27 million), reflecting funds drawn to meet residual construction costs;
- a increase in the Fiona Stanley Construction Hospital Account (up \$18 million), reflecting the return of unspent construction funds to the TSPA by WA Health;
- a decrease in the balance of the Perth Stadium Account (down \$11 million), reflecting funds drawn for procurement and works spending to complete the stadium, sports precinct and transport infrastructure; and
- an increase in the balance of agency accounts that hold cash for the cost of an extra pay period which falls due every 11 years (up \$45 million).

A number of TSPAs and other agency accounts are discussed in Appendix 4: *Special Purpose Accounts*.

### TREASURER'S SPECIAL PURPOSE ACCOUNTS

Table 3.3

At 30 September

	2018 \$m	2017 \$m	Variance \$m
Agency Holding Accounts	12,212	10,826	1,386
Western Australian Future Fund	1,279	1,189	91
Royalties for Regions Fund	994	918	75
Commonwealth Grants for Specific Purposes	185	25	161
Perth Children's Hospital Account	13	40	-27
Perth Stadium Account	11	22	-11
Fiona Stanley Hospital Construction Account	39	21	18
Agency 27th Pay Accounts	90	45	45
Other Treasurer's Special Purpose Accounts <sup>(a)</sup>	68	53	15
<b>TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER</b>	<b>14,891</b>	<b>13,138</b>	<b>1,753</b>

(a) Treasurer's Special Purpose Account balances in September 2017 have been restated for corrected classification of some agency Special Purpose Accounts.

Note: Columns/rows may not add due to rounding.

## Treasurer's Advance

The Treasurer's Advance allows for short term repayable advances to agencies for working capital purposes (known as 'net recoverable advances'), a short term advance for any overdrawn agency Special Purpose Accounts, and the provision of supplementary appropriation funding for unforeseen and/or extraordinary events during the year (known as 'excesses and new items').

A limit of \$652.2 million is authorised under section 29 of the FMA for the year ended 30 June 2019, compared with a total of \$646.1 million authorised limit applying at the same time last year.

Table 3.4

**TREASURER'S ADVANCE AT 30 SEPTEMBER**

	2018	2017	Variance
	\$m	\$m	\$m
<b>AUTHORISED LIMIT</b>	<b>652.2</b>	<b>646.1</b>	<b>6.1</b>
<i>Total Drawn Against Treasurer's Advance Account</i>	30.4	22.6	7.8
Comprising:			
Net recoverable advances as at 30 September (see below)	30.4	8.1	22.3
Overdraw n Special Purpose Accounts <sup>(a)</sup>	-	14.5	-14.5
Excesses and New Items			
- recurrent	-	-	-
- capital	-	-	-
<b>NET RECOVERABLE ADVANCES</b>			
Mines Safety	18.0	-	18.0
Petroleum and Geothermal Energy Safety	2.0	-	2.0
Mining Rehabilitation Fund	5.3	5.3	-
Sport and Recreation	1.1	-	1.1
Suitors Fund	2.5	2.5	-
WA Energy Disputes Arbitrator	0.1	0.1	-
Sundry Debtors	1.3	0.2	1.1
<b>TOTAL RECOVERABLE TREASURER'S ADVANCES</b>	<b>30.4</b>	<b>8.1</b>	<b>22.3</b>

(a) The Treasurer gave approval to the Department of Mines, Industry Regulation and Safety to overdraw a Special Purpose Account in 2017-18. Any overdrawn SPA is taken to be an advance to be charged in the relevant financial year to the Treasurer's Advance Account.

Note: Columns/rows may not add due to rounding.



## Transfers, Excesses and New Items

There were no excesses or new items impacting appropriations in the first three months of 2018-19.

Transfer of appropriation funds are for the provision of an approved service which is now delivered by an alternative agency. These transfers are authorised either under section 25 of the FMA or specific enabling legislation and do not impact the Treasurer's Advance. In 2018-19, appropriation transfers included \$24.6 million from the provision for the Voluntary Targeted Separation Scheme (VTSS) administered by Treasury to a number of agencies shown in the following table. These transfers reimbursed these agencies for costs associated with separations finalised during the month of June 2018. The VTSS closed for most agencies on 30 June 2018 (see feature box in the *Financial Results* chapter of the 2017-18 *Annual Report on State Finances* for further details).

**2018-19 VOLUNTARY TARGETED SEPARATION SCHEME**  
For the three months ended 30 September

Table 3.5

Item	Agency	Transfer from Appropriation \$m
5	Premier and Cabinet	0.4
38	Finance	0.3
42	Primary Industries and Regional Development	0.8
44	Mines, Industry Regulation and Safety	0.4
49	WA Health	10.7
54	Education	0.8
58	Justice (including Legal Aid Commission of Western Australia)	1.6
59	Fire and Emergency Services	0.1
64	Office of the Inspector of Custodial Services	0.1
66	Communities	2.6
68	Local Government, Sport and Cultural Industries	0.6
71	Library Board of Western Australia	0.3
73	Western Australian Museum	0.1
75	Western Australian Sports Centre Trust	0.1
76	Transport	0.4
80	Biodiversity, Conservation and Attractions	0.3
81	Planning, Lands and Heritage	4.8
<b>Total</b>		<b>24.6</b>

Note: Columns/rows may not add due to rounding.



# Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* (FMA) or by a statute (e.g. the Royalties for Regions Fund). Accounts established by statute are governed by the relevant provisions of the legislation, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outline the purpose of the account.

This appendix details balances at 30 September 2018 for a number of key SPAs. It is not an exhaustive list of all SPAs but covers the major/material SPAs in existence at 30 September 2018. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

## Debt Repayment Account

In line with the Government's election commitments to responsible financial management, a Debt Repayment Account was established in 2017-18 to apply windfall funds to the repayment of Consolidated Account borrowings. A total of \$355 million is forecast to flow through the account in 2018-19. These forecast repayments are scheduled to occur in the second half of the financial year with no receipts or payments occurring in the September quarter.

## Fiona Stanley Hospital Construction Account

This SPA was established in October 2007 to set aside funds to be used for the construction and establishment of the Fiona Stanley Hospital.

The hospital achieved practical completion in December 2013, followed by completion of phased commissioning in February 2015. Project closure arrangements are expected to be finalised in 2018-19, with any remaining unspent funds on closure of the account returning to the Consolidated Account by 30 June 2019.

Table 4.1

**FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	39	20
Receipts	- (a)	- (a)
Payments	-	-
<b>Closing Balance</b>	<b>39</b>	<b>21</b>

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

## METRONET Account

This SPA was established in 2017-18 to support the planning and construction of METRONET projects.

Receipts for the first three months of the year mainly reflect capital appropriation of \$9.7 million for METRONET projects and an operating subsidy of \$0.3 million for the METRONET office. Payments of \$6.2 million were for transport infrastructure planning and delivery (such as the Yanchep Rail Extension and Thornlie-Cockburn Link) and \$0.2 million for METRONET office operating expenses.

Table 4.2

**METRONET ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	10	-
Receipts	10	-
Payments	6	-
<b>Closing Balance</b>	<b>14</b>	<b>-</b>

Note: Columns may not add due to rounding.

## Metropolitan Region Improvement Account

This account was established under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT).

Receipts for the three months to the end of September 2018 mainly reflect MRIT revenue (\$21.2 million), interest revenue (\$2.1 million), proceeds from the sale of land and buildings (\$1.8 million), rental revenue (\$1.5 million), and return of funds for land acquisition that was not settled (\$0.7 million). Payments from the account were mainly for associated service delivery expenses (\$6.2 million), the acquisition of land and buildings (\$1 million), and to Australian Taxation Office for GST on sales (\$0.4 million).

Table 4.3

**METROPOLITAN REGION IMPROVEMENT ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	399	348
Receipts	28	31
Payments	8	10
<b>Closing Balance</b>	<b>419</b>	<b>369</b>

Note: Columns may not add due to rounding.

## Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the September 2018 quarter reflect levy contributions by mining operators (\$30.2 million) while payments (\$0.1 million) were for administration costs.

Table 4.4

**MINING REHABILITATION FUND**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	122	92
Receipts	30	29
Payments	- (a)	-
<b>Closing Balance</b>	<b>152</b>	<b>121</b>

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

## Municipal and Essential Services Account

This SPA was established in 2015 to set aside the Commonwealth's final \$90 million contribution towards construction for municipal and essential services to remote Aboriginal communities.

Payments of \$0.1 million in the September 2018 quarter were for the delivery of existing municipal and essential services at a range of remote communities, and replacement of a vehicle required to support these services.

Table 4.5

**MUNICIPAL AND ESSENTIAL SERVICES ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	7	42
Receipts	-	-
Payments	- (a)	35
<b>Closing Balance</b>	<b>7</b>	<b>7</b>

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

## Perth Children's Hospital Account

This SPA was established in October 2010 to hold money for the construction and establishment of the Perth Children's Hospital.

The Hospital achieved practical completion in April 2017 and fully opened on 10 June 2018. Project closure arrangements for the hospital are expected to be finalised in 2019 to accommodate the 24 month defect liability period, with any remaining funds in the account to be returned to the Consolidated Account at that time.

Table 4.6

**PERTH CHILDREN'S HOSPITAL ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	13	40
Receipts	-	-
Payments	-	-
<b>Closing Balance</b>	<b>13</b>	<b>40</b>

Note: Columns may not add due to rounding.

## Perth Parking Licensing Account

This SPA was established under section 23(1) of the *Perth Parking Management Act 1999*. Money credited to the account reflects licence fees, penalties and money appropriated by the Parliament for the purposes of the Act.

Funds drawn from the account were used to support the Central Area Transit bus system, the Free Transit Zone public transport services in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access, other transport system initiatives and for the administration of the Act.

**PERTH PARKING LICENSING ACCOUNT**  
At 30 September

Table 4.7

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	54	23
Receipts	51	51
Payments	4	- (a)
<b>Closing Balance</b>	<b>101</b>	<b>74</b>

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

## Perth Stadium Account

This SPA was established in October 2011 to hold funds in support of the construction of Optus Stadium and associated transport infrastructure. The stadium commenced operations in early 2018.

Payments during the three months to 30 September 2018 were for the replacement of tennis courts at the State Tennis Centre.

**PERTH STADIUM ACCOUNT**  
At 30 September

Table 4.8

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	13	96
Receipts	-	-
Payments	3	74
<b>Closing Balance</b>	<b>11</b>	<b>22</b>

Note: Columns may not add due to rounding.

## Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts for the September 2018 quarter mainly reflect collections from prescribed penalties paid during the year (\$23.4 million), other funds collected under the *Road Traffic (Administration) Act 2008* (\$0.1 million), and interest revenue earned on the account balance (\$0.4 million).

Road Safety projects funded from the Account are focused on achieving reductions in serious road trauma as part of the Towards Zero Strategy for 2008 to 2020. The majority of funds drawn from the account during the September 2018 quarter were for initiatives to:

- prevent death and serious injury of vulnerable people killed and seriously injured (KSI) in crashes – Vulnerable Road Users (\$0.6 million);
- reduce death and serious injury on WA roads by informing and educating WA road users through the Community Education campaigns (\$0.3 million);

- the ongoing operating costs of the Road Safety Commission (\$1.5 million); and
- a range of smaller road safety initiatives and support programs.

Table 4.9

**ROAD TRAUMA TRUST ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	53	57
Receipts	24	27
Payments	2	5
<b>Closing Balance</b>	<b>75</b>	<b>79</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia. Under the *Royalties for Regions Act 2009*, the balance held in the Fund at any time cannot exceed \$1 billion.

Receipts during the September 2018 quarter reflect the draw down of moneys appropriated by the Parliament (\$86.5 million), interest revenue earned on the account balance (\$4.7 million), and unused funds from associated projects returned to the Fund by agencies (\$4.1 million). A total of \$101.5 million was disbursed from the Fund to support infrastructure, business and economic development and other regional initiatives.

Table 4.10

**ROYALTIES FOR REGIONS FUND**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	95	6
Payments	102	88
<b>Closing Balance</b>	<b>994</b>	<b>918</b>

Note: Columns may not add due to rounding.



## Royalties for Regions Regional Reform Fund

This SPA was established in June 2015 to fund strategic reform initiatives in regional Western Australia. There were no draw downs in the September 2018 quarter.

Table 4.11

<b>ROYALITIES FOR REGIONS REGIONAL REFORM FUND</b>		
At 30 September		
	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	96	100
Receipts	-	-
Payments	-	-
<b>Closing Balance</b>	<b>96</b>	<b>100</b>

Note: Columns may not add due to rounding.

## Royalties for Regions Southern Inland Health Initiative

This SPA was established to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*. Funding is provided by the Royalties for Regions Fund for initiatives to improve healthcare across the southern part of the State.

There has been no payments for projects in the September 2018 quarter.

Table 4.12

<b>ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE</b>		
At 30 September		
	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	23	56
Receipts	-	-
Payments	-	32
<b>Closing Balance</b>	<b>23</b>	<b>24</b>

Note: Columns may not add due to rounding.

## Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established under the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated by the Minister from the landfill levy. The Waste Avoidance and Resource Recovery Account (WARRA) 2018-19 business plan is awaiting approval from the Minister, thus lower draw downs from the account have occurred in September 2018.

The landfill levy receipts in July 2018 totalled \$17.9 million, out of which \$5.1 million was allocated to WARRA as determined by the Minister. Draw downs totalling \$2.3 million were for waste programs and employee costs.

Table 4.13

**WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i> <sup>(a)</sup>	39	33
Receipts	5	5
Payments	2	3
<b>Closing Balance</b>	<b>42</b>	<b>35</b>

(a) The closing balance of \$39 million at 30 June 2018 (opening balance at 1 July) has been restated from the \$38 million (reported in the 2017-18 *Annual Report on State Finances*). The restatement incorporates a correction to the rounding of the closing balance, which revises the closing value at 30 June 2018.

Note: Columns may not add due to rounding.

## Western Australian Future Fund

The Western Australian Future Fund was established under the *Western Australian Future Fund Act 2012*. The Act provides for an accruing balance over 20 years to 2032, after which the annual interest earnings can be drawn down to fund economic or social infrastructure projects across Western Australia.

Receipts of \$64 million in the September quarter included the Consolidated Account's annual contribution equivalent to 1% of annual forecast royalty revenue (\$50.6 million) and interest receipts (\$13.4 million).

Table 4.14

**WESTERN AUSTRALIAN FUTURE FUND**  
At 30 September

	2018	2017
	\$m	\$m
<i>Balance at 1 July</i>	1,215	1,126
Receipts	64	63
Payments	-	-
<b>Closing Balance</b>	<b>1,279</b>	<b>1,189</b>

Note: Columns may not add due to rounding.

# General Government Salaries

## Introduction

Salaries represent the single largest component of general government sector expenses (40.4% in the first three months of 2018-19).

General government salaries for the first three months of 2018-19 grew by 1.5% to total \$3,023 million. Health, education, law and order and community services account for over 80% of the general government salaries costs in the September quarterly, reflecting the significant workforce numbers in these agencies.

The following table summarises salaries outcomes for general government agencies for the three months to 30 September 2018.

Table 5.1

**SALARIES COSTS**  
General Government Sector

	2018-19		2017-18	
	Three Months to 30 Sept \$m	Budget Estimate \$m	Three Months to 30 Sept \$m	Actual \$m
Health	1,134	4,563	1,107	4,469
Education	863	3,465	855	3,425
Western Australia Police Force	241	921	220	911
Justice	160	633	165	666
Communities	130	525	124	555
Fire and Emergency Services	45	188	44	181
Biodiversity Conservation and Attractions	40	180	42	185
Primary Industries and Regional Development	36	174	40	185
Mines, Industry Regulation and Safety	35	150	38	152
Transport	30	125	29	123
North Metropolitan TAFE	27	118	28	118
Finance	24	102	25	103
South Metropolitan TAFE	23	107	24	105
Premier and Cabinet	20	73	18	77
Water and Environmental Regulation	20	82	21	88
Local Government, Sport and Cultural Industries	20	86	21	92
Planning, Lands and Heritage	19	77	22	84
Western Australian Sports Centre Trust (VenuesWest)	14	35	5	43
Western Australian Land Information Authority (Landgate)	13	56	14	60
Commissioner of Main Roads	12	65	17	65
Training and Workforce Development	11	46	12	50
Treasury	8	36	8	32
Mental Health Commission	8	30	8	34
Central Regional TAFE	8	33	8	34
North Regional TAFE	8	30	8	30
Jobs, Tourism, Science and Innovation	8	32	8	33
Legal Aid Commission of Western Australia	7	29	7	30
Office of the Director of Public Prosecutions	7	31	7	29
South Regional TAFE	7	34	8	34
Legislative Assembly	6	23	6	22
Legislative Council	4	16	4	15
Office of the Auditor General	4	15	3	15
Corruption and Crime Commission	3	16	4	16
Public Sector Commission	3	16	4	17
Chemistry Centre (WA)	3	13	3	14
WorkCover Western Australia Authority	3	13	3	13
Parliamentary Services Department	3	10	2	10
All other agencies (with salaries costs below \$10 million)	16	70	19	80
Provisions <sup>(a)</sup>		-5		
<b>Total salaries</b>	<b>3,023</b>	<b>12,214</b>	<b>2,980</b>	<b>12,193</b>

(a) The 2018-19 Budget included a provision for yet to be allocated Voluntary Targeted Separation Scheme (VTSS) savings. These savings are now allocated to agency budgets following closure of the VTSS on 30 June 2018 (see the feature box in the Financial Results chapter of the 2017-18 *Annual Report on State Finances*).

Note: Columns may not add due to rounding.

