



2014-15

Quarterly Financial Results Report

March 2015



2014-15

Quarterly Financial Results Report

March 2015

2014-15 Quarterly Financial Results Report
© Government of Western Australia 2015

Enquiries related to this report should be directed by email to info@treasury.wa.gov.au

An electronic copy of this report may be obtained at <http://www.treasury.wa.gov.au>
ISSN 1444-8548 (print)
ISSN 1447-9370 (on-line)

Quarterly Financial Results Report

Nine Months Ended 31 March 2015

Table of Contents

Foreword	i
Statement of Responsibility	ii
Overview	3
Summary	3
Results Compared to Prior Year	4
General Government Sector	4
Total Public Sector	11
Appendix 1: Interim Financial Statements	15
Introduction	15
Notes to the Interim Financial Statements	24
Appendix 2: Operating Revenue	31
Appendix 3: Public Ledger	37
Consolidated Account	37
Treasurer's Special Purpose Accounts	39
Treasurer's Advance	40
Transfers, Excesses and New Items	41
Appendix 4: Special Purpose Accounts	45

Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the nine months to 31 March 2015.

Care should be exercised in extrapolating the likely outcome for the 2014-15 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 2014-15 State Budget (released on 8 May 2014).

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*.

This report includes Appendix 3: *Public Ledger* which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance.

This report also includes 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.

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 nine months ended 31 March 2015 and of the balance sheets of these reporting entities at 31 March 2015. 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' *Australian System of Government Finance Statistics Concepts, Sources and Methods 2005*.

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
ACTING MANAGER
FINANCIAL REPORTING

27 May 2015

Overview

Summary

The general government sector recorded an operating deficit of \$41 million for the nine months to 31 March 2015, a \$776 million turnaround on the \$735 million surplus reported for the same period in 2013-14.

- General government revenue in the first nine months of 2014-15 was \$711 million (or 3.4%) lower than the same period last year. This outcome is mainly driven by lower royalty income (down \$1 billion), primarily due to the significant decline in the iron ore price, which was only partly offset by a lower exchange rate and higher production volumes.
- General government sector expenses in the first nine months of 2014-15 totalled \$20.3 billion, just 0.3% higher than the \$20.2 billion recorded for the same period in 2013-14. This outcome largely reflects the impact of Government measures to rein in spending growth (particularly salaries expenditure), the timing of grant programs, and the impact of lower interest rates on debt servicing costs and superannuation interest expenses.

Total public sector net worth increased by \$757 million over the nine months to 31 March 2015, to stand at \$117.6 billion¹. Total public sector net debt was \$22.6 billion at 31 March 2015, \$1.8 billion higher than the \$20.8 billion outcome recorded at 30 June 2014.

Relative to the expected outturn in the 2015-16 Budget (released on 14 May 2015), almost 75% of the full-year revenue projection was recorded during the first nine months of 2014-15. In addition, the 3.4% contraction in revenue in the nine months to 31 March 2015 is consistent with the estimated 3.3% contraction for 2014-15 as a whole contained in the recent 2015-16 Budget.

¹ The net value of the public sector balance sheet represents an estimate and does not include end-of-year valuations of various assets and liabilities that are usually completed for annual reporting purposes.

Around 72% of estimated full-year expenses were recorded over the first nine months of 2014-15, and year-to-date expense growth of 0.3% is considerably below estimated growth of 4.0% for 2014-15 contained in the 2015-16 Budget. While there are a range of expenses reflected in the full-year estimates that are not expected to impact actual expenses until June 2015 (for example, some capital grants and a portion of payments associated with the Government's Targeted Voluntary Separation Scheme), it appears likely that actual expenses for the 2014-15 year will be lower than estimated in the recent Budget.

This represents an upside risk to the operating deficit estimate for 2014-15 contained in the 2015-16 Budget, as does the Commonwealth Government's decision to provide Western Australia with an additional \$499 million in road funding in 2014-15, which was made after the 2015-16 Budget cut-off date of 21 April 2015.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating deficit of \$41 million for the nine months to 31 March 2015. This compares with the \$735 million operating surplus reported for the same period in 2013-14.

Table 1

SUMMARY OF GENERAL GOVERNMENT FINANCES
Western Australia

	2014-15			2013-14		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	-337	-41	-1,287	107	735	719
Net worth		117,584	117,406		116,309	116,828
Movement in cash balances	-632	-359	-1,353	-53	-1,603	-1,775
Cash surplus/-deficit	-465	-1,442	-2,579	-81	-1,412	-1,333
<i>Memorandum items</i>						
Net lending	-567	-1,053	-3,127	-389	-714	-1,127
Net debt		8,961	10,669		6,883	6,973

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

Revenue

Revenue for the nine months to 31 March 2015 totalled \$20,242 million, \$711 million (or 3.4%) lower than the same period in 2013-14. This is consistent with a full-year forecast contraction of 3.3% reflected in the 2015-16 Budget (presented to the Legislative Assembly on 14 May 2015).

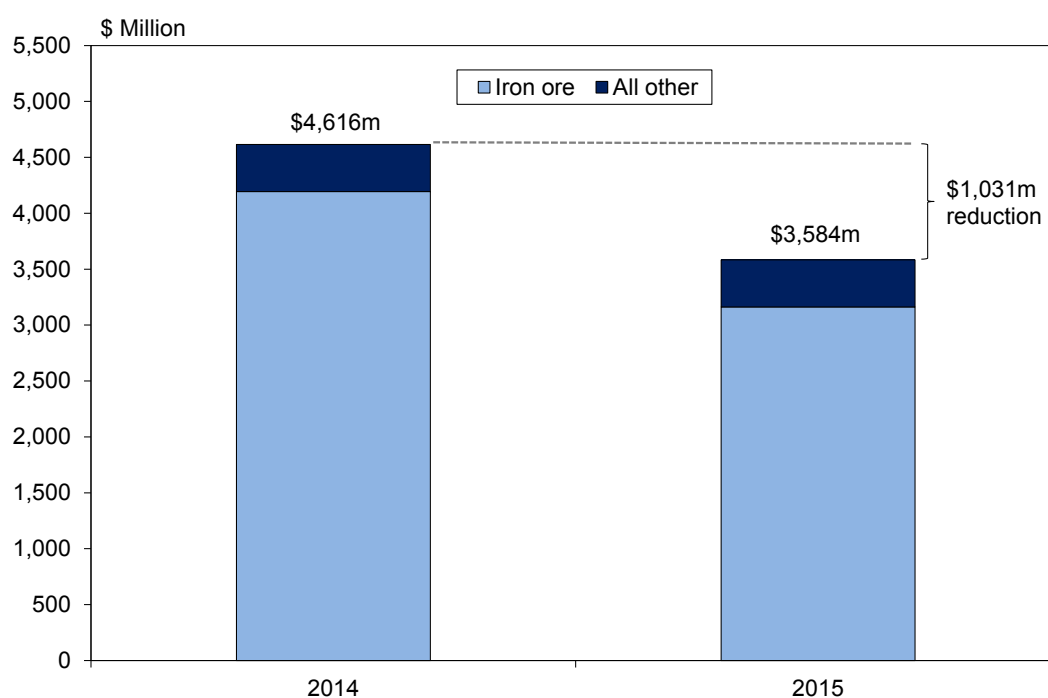
The lower revenue outcome relative to the same period in 2013-14 primarily reflects the net effect of:

- lower royalty income (down \$1,031 million, or 22.4%), primarily due to lower iron ore prices, which are only partly offset by a lower exchange rate and higher production volumes;
 - the benchmark 62% iron ore price (including cost and freight) averaged \$US75.5 per tonne in the nine months to March 2015, 41.6% lower than the average price in the same period in 2013-14 (\$US129.3 per tonne);
 - the \$US/\$A exchange rate averaged US85.5 cents in the nine months to March 2015, which is a 6.4% decline on the corresponding period last year (where the exchange rate averaged US91.4 cents); and
 - iron ore volumes from Western Australia have increased substantially over the past year, due to expansions and productivity gains from the three largest producers, Rio Tinto, BHP Billiton and Fortescue Metals Group. Iron ore exports in the nine months to March 2015 were 19.1% higher than the same period last year;

Figure 1

ROYALTY COLLECTIONS

Nine months to 31 March

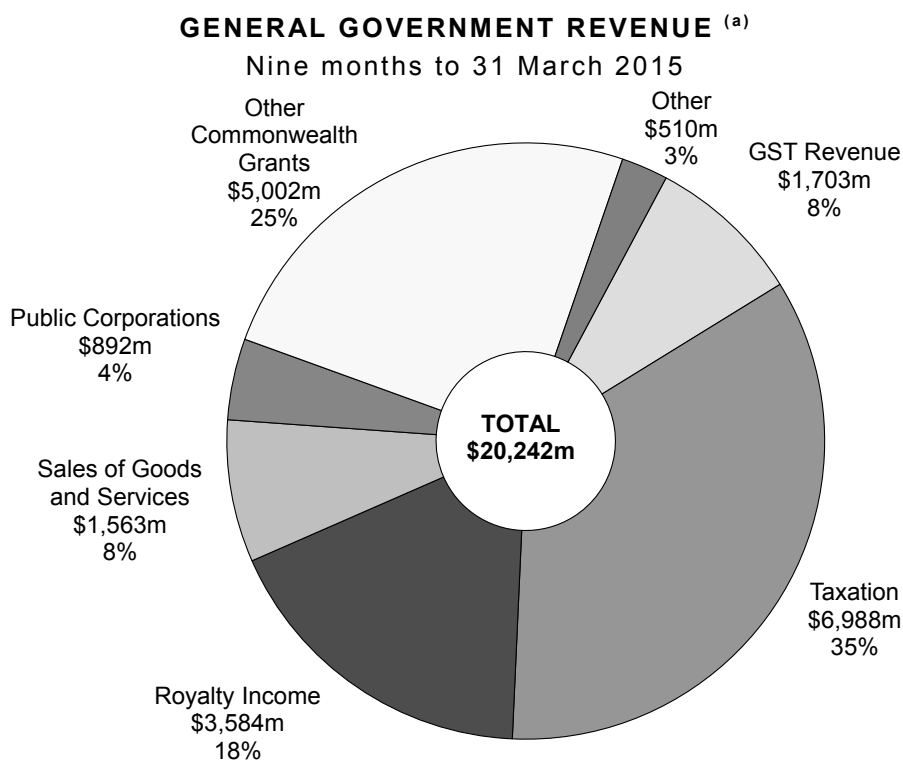


- higher grants and subsidies from the Commonwealth (up \$62 million, or 0.9%), mainly due to the net effect of:
 - higher funding for the health sector (up \$163 million), due to increases in activity and cost escalation under the National Health Reform Agreement (up \$164 million), and higher funding for the Public Dental Patients, Essential Vaccines and Home and Community Care programs (up \$48 million), partially offset by the timing of Department of Veterans' Affairs funding (down \$49 million);
 - higher capital grants for transport (up \$171 million), mainly due to works on the Gateway WA project;
 - lower GST grants (down \$161 million), reflecting the continued decline in Western Australia's share of GST from the Commonwealth, with the State to receive only 37.6% of its population share in 2014-15, compared to 44.6% in 2013-14;
 - lower North West Shelf petroleum grants (down \$102 million), due to lower prices for liquefied natural gas (LNG), crude oil, and liquefied petroleum gas (LPG), and lower volumes of domestic gas, condensate and crude oil (partially offset by higher production volumes for LNG and LPG, higher domestic gas prices and the lower \$US/\$A exchange rate); and
 - higher funding for non-government schools (up \$90 million), mainly due to increases in school enrolment numbers and a change in funding as a result of the implementation of the Commonwealth's *Australian Education Act 2013*;
- higher revenue from taxation (up \$54 million, or 0.8%), primarily due to the net effect of:
 - lower duties on property transfers (down \$138 million), due to a softening in the residential property market and a reduction in the volume of large commercial transactions;
 - higher motor vehicle licenses (up \$99 million), due to growth in the number of vehicles registered and increases in annual vehicle licence fees announced in the 2014-15 Budget;
 - lower landholder duty (down \$93 million), primarily due to the impact of the introduction of interim assessments and the timing of large assessments in 2013-14²;
 - higher land tax (up \$77 million), reflecting the increase in land tax rates announced in the 2014-15 Budget;
 - higher payroll tax (up \$35 million, or 1.3%), representing subdued wages growth, particularly in the mining sector, consistent with weaker labour market conditions;

² Between November 2013 to January 2014, a number of complex and high value transactions were assessed under the new interim arrangements of the Tax Administration Package, which was announced in the 2013-14 Budget.

- the first-time recognition of Mining Rehabilitation Fund Levy collections as a tax in 2014-15 (\$27 million)³;
- higher insurance duty (up \$22 million), representing increases in insurance premiums in Western Australia;
- higher landfill levy revenue (up \$14 million), due to an increase in landfill levy rates effective from 1 January 2015;
- the timing of Emergency Services Levy collections (up \$11 million); and
- higher Perth Parking Levy revenue (up \$8.6 million), primarily due to phased fee increases announced in the 2013-14 Budget; and
- higher revenue from public corporations (up \$43 million), primarily due to the timing of payments and higher profits across the public non-financial corporations sector.

Figure 2



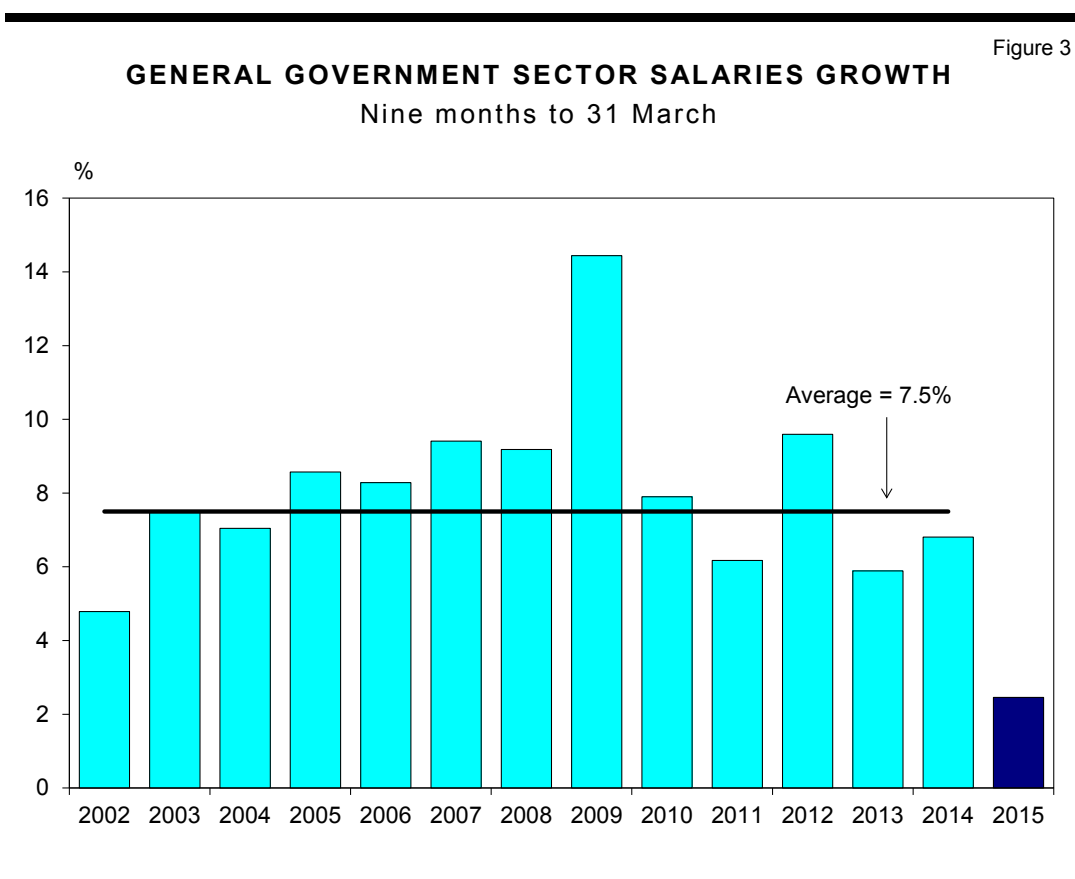
(a) Segments may not add due to rounding.

³ From 1 July 2014, the Mining Rehabilitation Fund Levy became a compulsory levy (the Levy was previously a voluntary charge). The Australian Bureau of Statistics has advised that this compulsory levy should be classified as a tax. The voluntary levy (which does not constitute a compulsory tax) is classified as 'other revenue' in prior periods and has not been reclassified.

Expenses

Expenses for the nine months to 31 March 2015 totalled \$20,283 million, which is just 0.3% higher than the \$20,218 million reported in the same period in 2013-14. This record low level of growth mainly reflects efforts by the Government to constrain recurrent spending, particularly salaries costs.

In this regard, salaries expenditure increased by \$197 million (or 2.5%) in the first nine months of 2014-15, mainly due to increases in pay rates in line with the Perth Consumer Price Index. This rate of growth is the lowest on record (see following figure), and is below the 5.7% full-year forecast for 2014-15 reflected in the recent Budget, which incorporates the up-front cost of the Government's Targeted Voluntary Separation Scheme.

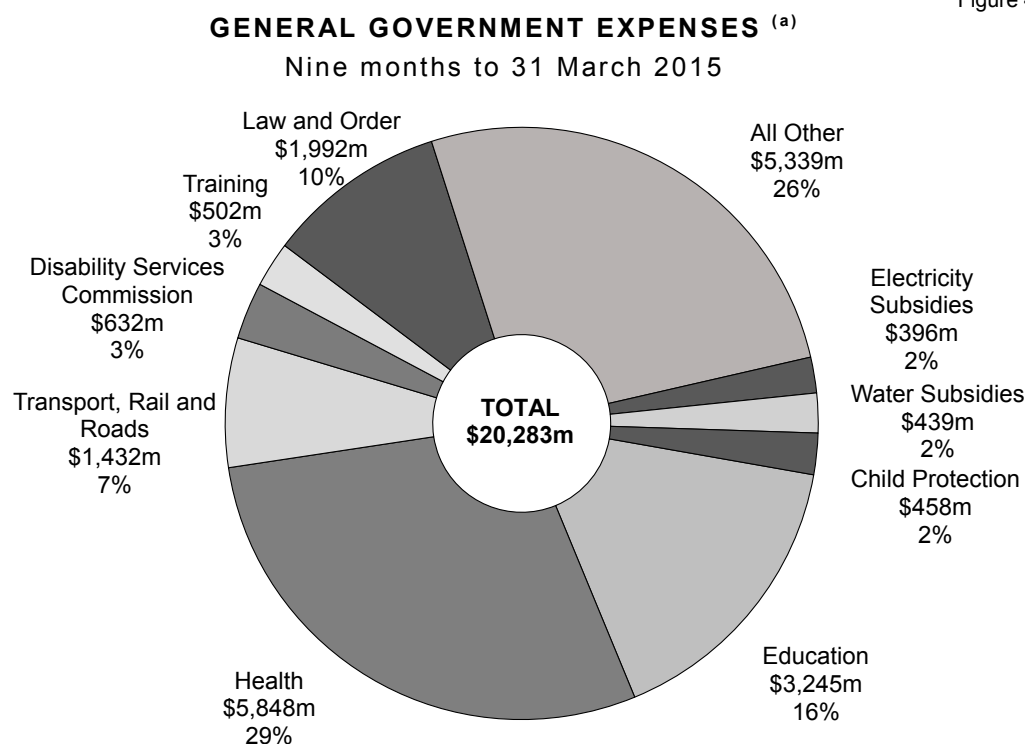


Other material movements in general government expenses for the nine months to 31 March 2015 (compared to the same period in 2013-14) include:

- lower current and capital transfers (down \$269 million, or 5.9%), mainly due to:
 - lower payroll tax rebates (down \$110 million) following the end of the one-off payroll tax rebate for small to medium sized businesses paid in 2013-14;
 - lower Remote Indigenous Housing grants (down \$95 million), due to spending under the associated National Partnership Agreement in 2014-15 being delayed by extended negotiations with the Commonwealth;

- the on-passing of higher non-government schools grants (up \$90 million), noted earlier;
 - lower operating subsidies to Synergy (down \$66 million), largely due to a reduction in costs to supply electricity following the merger of Synergy and the former Verve Energy and the completion of a review into the methodology and cost assumptions underpinning its operating subsidy; and
 - higher appropriation to the Housing Authority, primarily due to the timing of funding for the Remote Area Essential Services Program (up \$49 million);
- higher ‘other gross operating expenses’ (up \$117 million, or 3.2%), largely due to higher services purchased from the not-for-profit sector (up \$82 million), reflecting indexation and increases in contract values in the disability and Indigenous health sectors and the Home and Community Care program, and the timing of other expenses across the sector; and
 - lower superannuation interest costs (down \$107 million, or 44%), due to a lower discount rate used to determine these costs⁴.

Figure 4



(a) Segments may not add due to rounding.

⁴ Long term government bond rates are used to estimate whole-of-government unfunded superannuation liabilities. Bond rates have remained at low levels during the first nine months of 2014-15 (the 10-year government bond rate stood at 2.3% at 31 March 2015, compared with 4.1% at 31 March 2014). A decrease in the bond rate means that unfunded liabilities (recorded on the balance sheet) increase in value (and vice versa). The discount rate is also used to calculate the cost to the public sector of carrying unfunded superannuation liabilities, and is reported as superannuation interest expenses in the general government operating statement.

Balance Sheet

The net worth of the general government sector increased by \$757 million (or 0.6%) in the nine months to 31 March 2015, to stand at \$117.6 billion. This increase is mainly due to the net impact of:

- a \$1.6 billion increase in the value of equity in the public corporations sectors, due mainly to increases in the estimated value of physical assets, operating surpluses recorded by these sectors, and capital contributions supporting infrastructure investment by the public corporations;
- a \$1.5 billion increase in borrowings (mainly for the Consolidated Account in support of capital appropriations for infrastructure spending);
- a \$1.4 billion increase in general government sector land and physical assets, reflecting infrastructure spending and projected increases in the value of the sector's existing land holdings;
- a \$564 million increase in unfunded superannuation, reflecting a decrease in the discount rate used to calculate the liability, from 3.5% at 30 June 2014 to 2.3% at 31 March 2015 (noted earlier);
- a \$420 million decrease in investments, loans and placements assets, mainly due to the use of liquid investments for infrastructure spending (such as Special Purpose Accounts for the construction of hospitals); and
- a net \$309 million decrease in all other general government sector liabilities (including movements in leave accruals and accounts payable).

General government sector net debt totalled \$9.0 billion at 31 March 2015 (up \$2.0 billion), reflecting higher borrowing by the Consolidated Account (noted above) and lower liquid investments used to fund the State's infrastructure spending program. This is consistent with the \$10.7 billion general government sector net debt forecast for the year ending 30 June 2015 reflected in the 2015-16 Budget.

Cash Flow

A cash deficit of \$1,442 million was recorded for the nine months to 31 March 2015, broadly in line with the \$1,412 million cash deficit recorded in the same period last year. This outcome reflects:

- a net cash surplus from operating activities of \$367 million (\$436 million lower than the outcome for March 2014), largely reflecting the cash impact of the operating activities discussed earlier; and
- \$1.9 billion in general government infrastructure spending (\$477 million lower than the amount reported in the same period last year). The decrease on the first nine months of 2013-14 mainly reflects the lower expenditure on health infrastructure (due to the completion of the Fiona Stanley Hospital and near completion of Perth Children's Hospital) and the completion or winding down of other major projects such as the Acacia Prison expansion, the Ord Irrigation project, Trade Training Centres at Port Hedland and Carnarvon and Royalties for Regions building programs at Carnarvon, Derby and Broome Senior High Schools.

Total Public Sector⁵

Operating Statement

The total public sector recorded an operating surplus of \$421 million for the nine months to 31 March 2015, down from the \$1,138 million operating surplus for the same period a year earlier.

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

	2014-15			2013-14		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net operating balance	-135	421	-2,031	221	1,138	225
Net worth		117,584	117,406		116,309	116,828
Movement in cash balances	-814	304	-1,822	794	-651	-2,827
Cash surplus/-deficit	-355	-1,647	-4,143	176	-1,760	-2,465
<i>Memorandum items</i>						
Net lending	-416	-756	-3,922	-13	-1,349	-3,050
Net debt		22,564	25,455		20,320	20,754

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

The total public sector operating surplus for the nine months to 31 March 2015 incorporates:

- the \$41 million operating deficit for the general government sector discussed earlier;
- a \$709 million operating surplus for the public non-financial corporations sector, similar to the \$695 million operating surplus recorded in the same period in 2013-14; and
- an operating surplus of \$236 million for the public financial corporations sector, \$138 million higher than the surplus recorded in the same period in 2013-14, due mainly to lower insurance claims for the Insurance Commission of Western Australia.

⁵ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed in the previous section), the public non-financial corporations sector (which includes entities such as the electricity utilities, Water Corporation, ports and the Public Transport Authority), and the public financial corporations sector (including agencies such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

Table 3

**TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector**

	2014-15			2013-14		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
Net Operating Balance						
General government sector	-337	-41	-1,287	107	735	719
Public non-financial corporations sector	269	709	378	267	695	571
Public financial corporations sector	-65	236	222	-127	98	-86
<i>less</i>						
General government dividend revenue	2	454	1,277	13	331	901
Public non-financial corporations dividend revenue ^(c)	-	28	68	13	58	78
Total public sector net operating balance	-135	421	-2,031	221	1,138	225

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

(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 is identical to that of the general government sector in terms of net worth (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 \$1.8 billion during the nine months to 31 March 2015 to stand at \$22.6 billion. The increase in net debt supports the State's infrastructure investment program (which is projected to be \$6.6 billion for the full-year in 2014-15). Infrastructure spending is discussed further in the next section.

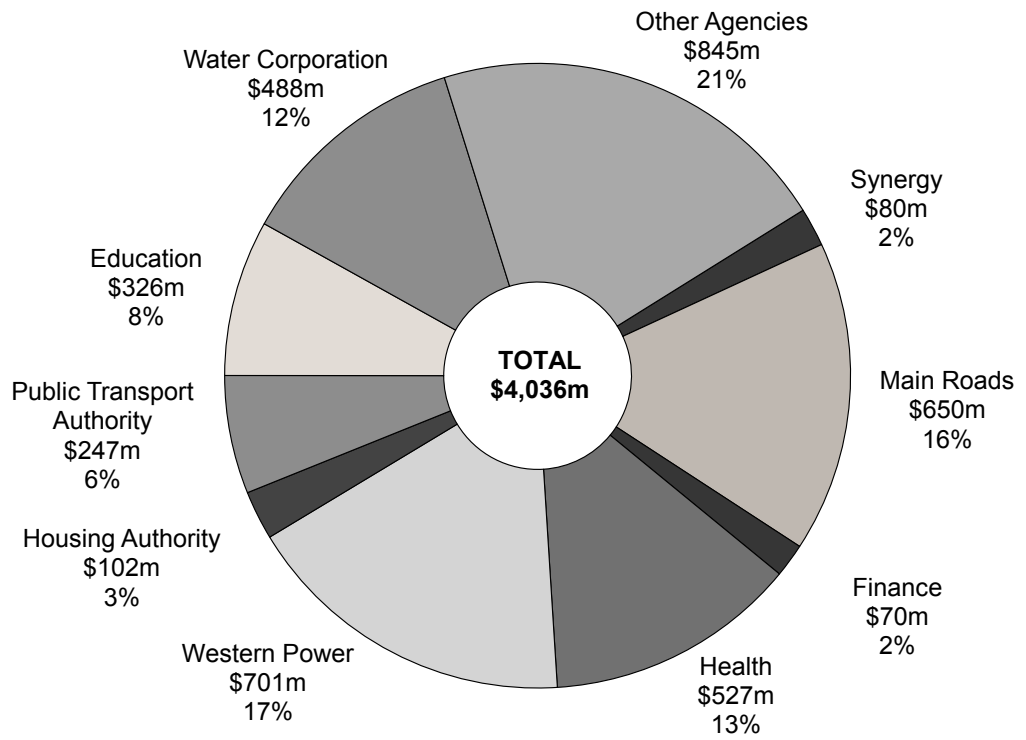
Cash Flow

A cash deficit of \$1,647 million was recorded for the nine months to 31 March 2015, \$113 million lower than the \$1,760 million cash deficit recorded for the same period in 2013-14.

Total public sector infrastructure spending for the nine months to 31 March 2015 totalled \$4.0 billion, \$849 million (or 17.4%) lower than the same period in 2013-14. The State's Asset Investment Program is forecast to total \$6.6 billion for 2014-15, slightly lower than the \$6.8 billion spent in 2013-14. Lower spending for the first nine months of 2014-15 mainly reflects the general government sector results discussed earlier and lower expenditure on land and housing by the Housing Authority (due to reduced joint venture development activity).

Figure 5

ASSET INVESTMENT PROGRAM ^(a)
Nine months to 31 March 2015



(a) Segments may not add due to rounding.

Interim Financial Statements

Contents	Page
Introduction	15
General Government	
Table 1.1: Operating Statement	16
Table 1.2: Balance Sheet	17
Table 1.3: Statement of Changes in Equity	18
Table 1.4: Cash Flow Statement	19
Total Public Sector	
Table 1.5: Operating Statement	20
Table 1.6: Balance Sheet	21
Table 1.7: Statement of Changes in Equity	22
Table 1.8: Cash Flow Statement	23
Notes to the Consolidated Financial Statements	
1 Statement of significant accounting policies	24
2 Operating revenue	25
3 Transfer expenses	25
4 Convergence differences	26
5 Investments, loans and placements	28
6 Receivables	29
7 Borrowings	29
8 Details of agency changes	29
9 Contingent assets and liabilities	30

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 16 of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2014-15 State Budget Papers released on 8 May 2014, 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.

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT

	Note	2014-15			2013-14		Actual ^(b) \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
RESULTS FROM TRANSACTIONS							
REVENUE							
Taxation		1,913	6,988	9,052	1,992	6,935	8,849
Current grants and subsidies		2,224	6,179	7,926	2,196	6,265	8,199
Capital grants		234	526	922	98	378	547
Sales of goods and services		547	1,563	2,213	532	1,558	2,078
Interest income		50	145	189	46	157	194
Revenue from public corporations							
Dividends from other sectors		2	454	1,277	13	331	901
Tax equivalent income		182	437	494	102	357	602
Royalty income		1,135	3,584	4,440	1,563	4,616	6,025
Other		126	365	533	119	357	561
Total	2	6,414	20,242	27,045	6,662	20,953	27,956
EXPENSES							
Salaries		2,722	8,241	11,292	2,636	8,043	10,682
Superannuation							
Concurrent costs		288	811	1,111	254	776	1,030
Superannuation interest cost		26	137	191	75	245	297
Other employee costs		100	298	449	101	304	432
Depreciation and amortisation		309	889	1,274	286	868	1,197
Services and contracts		490	1,420	2,352	470	1,380	2,041
Other gross operating expenses		1,153	3,805	5,164	1,099	3,688	4,943
Other interest		136	401	544	123	364	492
Current transfers	3	1,418	4,001	5,377	1,394	4,144	5,357
Capital transfers	3	127	279	577	115	406	765
Total		6,751	20,283	28,332	6,555	20,218	27,236
NET OPERATING BALANCE	4	-337	-41	-1,287	107	735	719
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-7	5	10	10	42	-34
Net actuarial gains/-loss - superannuation		-265	-840	-1,070	-191	316	-114
Provision for doubtful debts		-	-1	-4	8	8	-37
Changes in accounting policy/correction of prior period errors		-17	-172	-	288	124	16
Total other economic flows		-289	-1,009	-1,063	115	491	-169
OPERATING RESULT		-626	-1,050	-2,350	222	1,225	550
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		82	504	2,427	-34	572	1,934
Gains recognised directly in equity		-	-5	-1	1	-3	-1
Change in net worth of the public corporations sectors		494	1,308	503	-212	1,588	1,419
All other		-	-	-	-	-	-
Total all other movements in equity		576	1,807	2,928	-244	2,157	3,351
TOTAL CHANGE IN NET WORTH	4	-50	757	578	-22	3,382	3,901
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	-337	-41	-1,287	107	735	719
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		552	1,898	3,077	799	2,376	3,289
Changes in inventories		6	6	-2	-5	4	1
Other movement in non-financial assets		5	85	345	16	97	-22
<i>less:</i>							
Sales of non-financial assets		24	89	306	28	161	224
Depreciation		309	889	1,274	286	868	1,197
Total net acquisition of non-financial assets		230	1,012	1,840	496	1,449	1,847
NET LENDING/-BORROWING	4	-567	-1,053	-3,127	-389	-714	-1,127

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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

GENERAL GOVERNMENT BALANCE SHEET

Table 1.2

	Note	For the period ending			
		31 Mar	30 June	31 Mar	30 June
		2015	2015 ^(a)	2014	2014 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		804	593	886	692
Advances paid		691	694	665	664
Investments, loans and placements	5	3,484	2,565	3,891	3,904
Receivables	6	2,952	2,530	3,410	3,054
Shares and other equity					
Investments in other public sector entities - equity method		47,013	46,208	45,875	45,706
Investments in other public sector entities - direct injections		7,070	7,753	6,580	6,731
Investments in other entities		49	44	-	11
Other financial assets		-	-	-	-
Total financial assets		62,063	60,387	61,308	60,762
<i>Non-financial assets</i>					
Land		38,066	38,209	36,809	37,606
Property, plant and equipment		44,070	46,160	42,173	43,162
Biological assets		2	1	2	1
Inventories					
Land inventories		99	82	84	96
Other inventories		85	77	82	79
Intangibles		612	627	548	574
Assets classified as held for sale		14	13	29	16
Investment property		8	8	8	8
Other		249	532	291	247
Total non-financial assets		83,205	85,708	80,025	81,789
TOTAL ASSETS		145,269	146,095	141,333	142,551
LIABILITIES					
Deposits held		643	458	511	522
Advances received		424	408	439	438
Borrowings	7	12,961	13,742	11,463	11,362
Unfunded superannuation		8,454	8,592	7,575	7,890
Other employee benefits		2,837	2,904	2,915	3,140
Payables		926	1,033	843	1,048
Other liabilities		1,439	1,551	1,278	1,323
TOTAL LIABILITIES		27,684	28,689	25,024	25,723
NET ASSETS		117,584	117,406	116,309	116,828
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		10,062	8,834	11,799	11,122
Other reserves		107,522	108,572	104,510	105,706
NET WORTH	4	117,584	117,406	116,309	116,828
MEMORANDUM ITEMS					
<i>Net financial worth</i>		<i>34,379</i>	<i>31,698</i>	<i>36,284</i>	<i>35,039</i>
<i>Net financial liabilities</i>		<i>19,704</i>	<i>22,263</i>	<i>16,172</i>	<i>17,398</i>
<i>Net debt</i>					
Gross debt liabilities		14,028	14,608	12,413	12,322
less: liquid financial assets		4,979	3,852	5,442	5,260
less: convergence differences impacting net debt		88	88	88	88
Net debt		8,961	10,669	6,883	6,973

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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 nine months ended 31 March 2015

	Asset Revaluation Surplus	investments in other sector entities	Accumulated Surplus/deficit	Total Equity
	\$m	\$m	\$m	\$m
Balance at 1 July 2014	60,000	45,706	11,122	116,828
Operating result	-	-	-1,050	-1,050
Other movements in equity	504	1,308	-5	1,807
All other	5	-	-5	-
<i>Total change in net worth</i>	<i>508</i>	<i>1,308</i>	<i>-1,060</i>	<i>757</i>
Balance at 31 March 2015	60,508	47,013	10,062	117,584

For the nine months ended 31 March 2014

	Asset Revaluation Surplus	investments in other sector entities	Accumulated Surplus/deficit	Total Equity
	\$m	\$m	\$m	\$m
Balance at 1 July 2013	58,061	44,287	10,580	112,927
Operating result	-	-	1,225	1,225
Other movements in equity	572	1,588	-3	2,157
All other	3	-	-3	-
<i>Total change in net worth</i>	<i>575</i>	<i>1,588</i>	<i>1,219</i>	<i>3,382</i>
Balance at 31 March 2014	58,636	45,875	11,799	116,309

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

GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 1.4

	2014-15			2013-14			Actual ^(b) \$m
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		2,015	6,657	9,070	2,124	6,515	8,712
Grants and subsidies received		2,509	6,721	8,903	2,295	6,481	8,614
Receipts from sales of goods and services		644	1,827	2,273	663	1,847	2,135
Interest receipts		44	122	178	39	141	219
Dividends and tax equivalents		74	928	1,811	248	756	1,497
Other		1,615	5,222	6,621	2,070	5,828	7,829
<i>Total cash received</i>		6,901	21,478	28,857	7,440	21,569	29,006
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,263	-9,536	-13,012	-3,279	-9,272	-12,157
Payments for goods and services		-1,757	-6,069	-7,921	-1,653	-5,819	-7,526
Interest paid		-133	-380	-533	-117	-341	-485
Grants and subsidies paid		-1,348	-3,969	-5,786	-1,328	-4,111	-5,567
Dividends and tax equivalents		-	-	-	-	-	-
Other		-337	-1,158	-1,413	-373	-1,222	-1,538
<i>Total cash paid</i>		-6,838	-21,111	-28,665	-6,750	-20,765	-27,273
NET CASH FLOWS FROM OPERATING ACTIVITIES		63	367	192	690	804	1,733
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-552	-1,898	-3,077	-799	-2,376	-3,289
Sales of non-financial assets		24	89	306	28	161	224
<i>Total cash flows from investments in non-financial assets</i>		-528	-1,809	-2,771	-771	-2,215	-3,065
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		3	11	-	11	20	22
For liquidity purposes		-	-	1	-	-	1
<i>Cash paid</i>							
For policy purposes		-63	-316	-644	-60	-399	-551
For liquidity purposes		3	-6	-25	-	-1	-1
<i>Total cash flows from investments in financial assets</i>		-57	-311	-668	-49	-380	-529
NET CASH FLOWS FROM INVESTING ACTIVITIES		-585	-2,120	-3,439	-820	-2,595	-3,594
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	15	-	-	30
Borrowings		157	2,029	2,097	411	599	545
Deposits received		-	-	-	-	-	-
Other financing receipts		7	34	37	8	26	36
<i>Total cash received</i>		164	2,063	2,149	419	625	611
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-16
Borrowings repaid		-236	-540	-74	-313	-348	-368
Deposits paid		-	-	-	-	-	-
Other financing payments		-39	-129	-166	-28	-88	-140
<i>Total cash paid</i>		-275	-669	-256	-341	-436	-524
NET CASH FLOWS FROM FINANCING ACTIVITIES		-111	1,394	1,894	78	189	86
Net increase in cash and cash equivalents		-632	-359	-1,353	-53	-1,603	-1,775
Cash and cash equivalents at the beginning of the year		4,762	4,488	4,488	4,713	6,263	6,263
Cash and cash equivalents at the end of the year		4,130	4,130	3,135	4,660	4,660	4,488
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		63	367	192	690	804	1,733
Net cash flows from investing in non-financial assets		-528	-1,809	-2,771	-771	-2,215	-3,065
Cash surplus/-deficit	4	-465	-1,442	-2,579	-81	-1,412	-1,333

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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	2014-15			2013-14		Actual ^(b) \$m
		Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<i>Results from Transactions</i>							
REVENUE							
Taxation		1,797	6,644	8,583	1,876	6,598	8,384
Current grants and subsidies		2,224	6,179	7,926	2,196	6,265	8,199
Capital grants		234	526	922	98	378	547
Sales of goods and services		4,891	14,182	18,701	4,546	13,324	17,773
Interest Income		155	453	630	153	463	614
Royalty income		1,135	3,584	4,440	1,563	4,616	6,025
Other		360	897	959	243	748	1,088
Total	2	10,796	32,465	42,161	10,675	32,392	42,630
EXPENSES							
Salaries		3,054	9,201	12,564	2,947	8,996	11,937
Superannuation							
Concurrent costs		300	906	1,236	339	923	1,150
Superannuation interest cost		26	137	191	75	245	297
Other employee costs		66	191	267	58	193	288
Depreciation and amortisation		847	2,456	3,382	843	2,366	3,220
Services and contracts		709	2,057	3,154	681	2,075	3,017
Other gross operating expenses		4,341	12,816	17,530	4,035	12,082	16,645
Other interest		382	1,128	1,604	371	1,089	1,543
Other property expenses		-	-	-	-	-	-
Current transfers	3	1,112	2,912	3,796	1,042	3,002	3,695
Capital transfers	3	94	240	468	65	283	613
Total		10,931	32,044	44,192	10,454	31,254	42,406
NET OPERATING BALANCE	4	-135	421	-2,031	221	1,138	225
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		178	324	119	14	233	368
Net actuarial gains/-loss - superannuation		-271	-856	-1,070	-194	321	-140
Provision for doubtful debts		1	-5	-22	4	-1	-50
Changes in accounting policy/correction of prior period errors		576	576	-	317	17	-846
Total other economic flows		484	39	-973	142	570	-669
OPERATING RESULT		349	460	-3,004	363	1,708	-444
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		-380	-340	3,648	-312	1,037	3,750
Gains recognised directly in equity		-19	636	-66	-73	637	595
All other		-	-	-	-	-	-
Total all other movements in equity		-399	296	3,582	-385	1,674	4,345
TOTAL CHANGE IN NET WORTH	4	-50	757	578	-22	3,382	3,901
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE	4	-135	421	-2,031	221	1,138	225
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,193	4,036	6,555	1,450	4,885	6,814
Changes in inventories		31	-147	-528	-194	236	515
Other movement in non-financial assets		125	319	406	32	433	317
<i>less:</i>							
Sales of non-financial assets		222	576	1,160	210	702	1,151
Depreciation		847	2,456	3,382	843	2,366	3,220
Total net acquisition of non-financial assets		281	1,177	1,891	235	2,487	3,275
NET LENDING/-BORROWING	4	-416	-756	-3,922	-13	-1,349	-3,050

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 Annual Report on State Finances, released 23 September 2014.

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

TOTAL PUBLIC SECTOR BALANCE SHEET

Table 1.6

	Note	For the period ending			
		31 Mar 2015 \$m	30 June 2015 ^(a) \$m	31 Mar 2014 \$m	30 June 2014 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,493	1,166	2,056	1,610
Advances paid		4,323	4,554	3,768	3,968
Investments, loans and placements	5	14,620	13,942	14,767	15,419
Receivables	6	4,137	3,640	4,828	4,355
Equity - investments in other entities		1,703	1,634	1,538	1,457
Other financial assets		4	17	27	17
Total financial assets		26,280	24,953	26,984	26,826
<i>Non-financial assets</i>					
Land		53,427	53,718	51,777	52,524
Property, plant and equipment		95,192	98,467	91,843	93,780
Biological assets		322	318	327	335
Inventories					
Land inventories		2,126	2,165	2,042	2,002
Other inventories		3,157	2,776	3,025	3,304
Intangibles		1,116	1,067	1,085	1,091
Assets classified as held for sale		27	17	40	28
Investment property		595	635	578	581
Other		412	740	494	386
Total non-financial assets		156,374	159,903	151,210	154,031
TOTAL ASSETS		182,653	184,856	178,194	180,857
LIABILITIES					
Deposits held		183	187	199	186
Advances received		424	408	439	438
Borrowings	7	42,482	44,610	40,361	41,216
Unfunded superannuation		8,581	8,698	7,746	8,027
Other employee benefits		3,267	3,343	3,328	3,574
Payables		5,232	4,719	4,989	5,757
Other liabilities		4,900	5,485	4,823	4,832
TOTAL LIABILITIES		65,069	67,450	61,885	64,029
NET ASSETS		117,584	117,406	116,309	116,828
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		31,975	27,284	33,144	30,931
Other reserves		85,610	90,122	83,164	85,897
NET WORTH	4	117,584	117,406	116,309	116,828
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-38,789	-42,497	-34,901	-37,204
<i>Net financial liabilities</i>		40,492	44,131	36,439	38,661
<i>Net debt</i>					
Gross debt liabilities		43,089	45,205	40,999	41,840
less: liquid financial assets		20,436	19,662	20,591	20,997
less: convergence differences impacting net debt		88	88	88	88
Net debt		22,564	25,455	20,320	20,754

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

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 nine months ended 31 March 2015

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
Balance at 1 July 2014	85,897	30,931	116,828
Operating result	-	460	460
Other movements in equity	-340	636	296
All other	52	-52	-
<i>Total change in net worth</i>	-287	1,044	757
Balance at 31 March 2015	85,610	31,975	117,584

For the nine months ended 31 March 2014

	Asset		Total Equity \$m
	Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	
Balance at 1 July 2013	82,072	30,855	112,927
Operating result	-	1,708	1,708
Other movements in equity	1,037	637	1,674
All other	55	-55	-
<i>Total change in net worth</i>	1,092	2,289	3,382
Balance at 31 March 2014	83,164	33,144	116,309

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

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

	2014-15			2013-14			
	Note	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES							
<i>Cash received</i>							
Taxes received		1,906	6,392	8,532	2,045	6,259	8,186
Grants and subsidies received		2,509	6,721	8,903	2,295	6,481	8,614
Receipts from sales of goods and services		4,843	14,352	19,236	4,418	13,558	18,291
Interest receipts		166	532	683	157	520	692
Other receipts		1,900	6,203	7,394	2,324	6,917	9,204
Total cash received		11,324	34,201	44,748	11,240	33,735	44,987
<i>Cash paid</i>							
Wages, salaries and supplements, and superannuation		-3,636	-10,621	-14,474	-3,621	-10,343	-13,533
Payments for goods and services		-4,588	-14,387	-19,441	-3,565	-13,343	-17,815
Interest paid		-404	-1,248	-1,592	-446	-1,220	-1,751
Grants and subsidies paid		-1,154	-2,975	-3,932	-1,036	-2,938	-3,674
Other payments		-926	-3,155	-4,057	-1,154	-3,467	-5,016
Total cash paid		-10,708	-32,387	-43,496	-9,824	-31,312	-41,789
NET CASH FLOWS FROM OPERATING ACTIVITIES		616	1,814	1,252	1,416	2,423	3,198
CASH FLOWS FROM INVESTING ACTIVITIES							
<i>Cash flows from investments in non-financial assets</i>							
Purchase of non-financial assets		-1,193	-4,036	-6,555	-1,450	-4,885	-6,814
Sales of non-financial assets		222	576	1,160	210	702	1,151
Total cash flows from investments in non-financial assets		-971	-3,461	-5,395	-1,240	-4,183	-5,663
<i>Cash flows from investments in financial assets</i>							
<i>Cash received</i>							
For policy purposes		3	11	-	11	20	22
For liquidity purposes		737	3,739	6,786	1,351	4,653	7,112
<i>Cash paid</i>							
For policy purposes		-1	-10	-	-11	-20	-23
For liquidity purposes		-1,315	-5,237	-7,610	-2,224	-5,484	-7,406
Total cash flows from investments in financial assets		-575	-1,497	-824	-873	-832	-295
NET CASH FLOWS FROM INVESTING ACTIVITIES		-1,546	-4,958	-6,219	-2,113	-5,015	-5,958
CASH FLOWS FROM FINANCING ACTIVITIES							
<i>Cash received</i>							
Advances received		-	-	-	-	-	15
Borrowings		3,966	12,333	33,161	8,965	19,272	26,192
Deposits received		-	-	-	-	-	-
Other financing receipts		7	22	34	7	30	41
Total cash received		3,972	12,356	33,195	8,972	19,301	26,249
<i>Cash paid</i>							
Advances paid		-	-	-15	-	-	-16
Borrowings repaid		-3,817	-8,785	-29,877	-7,462	-17,303	-26,194
Deposits paid		-	-	-	-	-	-
Other financing payments		-38	-123	-158	-20	-57	-105
Total cash paid		-3,856	-8,908	-30,051	-7,482	-17,361	-26,316
NET CASH FLOWS FROM FINANCING ACTIVITIES		117	3,447	3,145	1,491	1,941	-67
Net increase in cash and cash equivalents		-814	304	-1,822	794	-651	-2,827
Cash and cash equivalents at the beginning of the year		9,500	8,383	8,383	9,765	11,210	11,210
Cash and cash equivalents at the end of the year		8,686	8,686	6,560	10,559	10,559	8,383
KEY FISCAL AGGREGATES							
Net cash flows from operating activities		616	1,814	1,252	1,416	2,423	3,198
Net cash flows from investing in non-financial assets		-971	-3,461	-5,395	-1,240	-4,183	-5,663
Cash surplus/-deficit	4	-355	-1,647	-4,143	176	-1,760	-2,465

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

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

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(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 nine months ended 31 March 2015 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 notes of the type normally 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 2014, presented in Appendix 1 of the 2013-14 *Annual Report on State Finances* (ARSF) released on 23 September 2014. The accounting policies adopted in this publication are consistent with those outlined in the ARSF, (see Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2013-14 ARSF).

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, columns/rows may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

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

NOTE 3: TRANSFER EXPENSES

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.

TRANSFER EXPENSES ^(a)
General Government

	2014-15			2013-14			Actual ^(c) \$m
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c) \$m	
	\$m	\$m	\$m	\$m	\$m		
<i>CURRENT TRANSFERS</i>							
Local government	57	189	425	66	191	316	
Local government on-passing	44	131	173	21	147	168	
Private and not-for-profit sector	324	1,005	1,402	315	1,192	1,537	
Private and not-for-profit sector on-passing	519	1,038	1,042	479	948	951	
Other sectors of government	475	1,638	2,335	514	1,665	2,384	
Total Current Transfers	1,418	4,001	5,377	1,394	4,144	5,357	
<i>CAPITAL TRANSFERS</i>							
Local government	21	38	96	12	38	274	
Local government on-passing	27	81	108	13	93	107	
Private and not-for-profit sector	31	91	139	24	92	130	
Private and not-for-profit sector on-passing	5	11	32	3	17	22	
Other sectors of government	44	58	202	64	166	232	
Total Capital Transfers	127	279	577	115	406	765	

Total Public Sector

	2014-15			2013-14			Actual ^(c) \$m
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(b)	Three Months to 31 Mar	Nine Months to 31 Mar	Actual ^(c) \$m	
	\$m	\$m	\$m	\$m	\$m		
<i>CURRENT TRANSFERS</i>							
Local government	57	189	425	66	191	317	
Local government on-passing	44	131	173	21	147	168	
Private and not-for-profit sector	490	1,547	2,141	473	1,707	2,243	
Private and not-for-profit sector on-passing	519	1,038	1,042	479	948	951	
Other sectors of government	2	7	15	2	8	16	
Total Current Transfers	1,112	2,912	3,796	1,042	3,002	3,695	
<i>CAPITAL TRANSFERS</i>							
Local government	21	38	108	12	38	274	
Local government on-passing	27	81	108	13	93	107	
Private and not-for-profit sector	41	110	220	36	134	210	
Private and not-for-profit sector on-passing	5	11	32	3	17	22	
Other sectors of government	-	-	1	-	-	-	
Total Capital Transfers	94	240	468	65	283	613	

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

(b) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(c) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises Government Finance Statistics (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 March 2015 results.

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Operating Balance

	2014-15			2013-14		Actual \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<u>General government</u>						
AASB1049 net operating balance	-337	-41	-1,287	107	735	719
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Total GFS adjustments to AASB 1049 net operating balance	-	-	-	-	-	-
GFS net operating balance	-337	-41	-1,287	107	735	719
<u>Total public sector</u>						
AASB1049 net operating balance	-135	421	-2,031	221	1,138	225
Plus GFS revenue adjustments	-	-	-	-	-	-
Less GFS expense adjustments	-	-	-	-	-	-
Capitalised interest	5	16	30	6	25	42
Total GFS expense adjustments	5	16	30	6	25	42
Total GFS adjustments to AASB 1049 net operating balance	-5	-16	-30	-6	-25	-42
GFS net operating balance	-140	405	-2,060	215	1,113	183

AASB 1049 TO GFS CONVERGENCE DIFFERENCES
Net Lending/-Borrowing

	2014-15			2013-14		Actual \$m
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	
<u>General government</u>						
AASB1049 net lending/-borrowing	-567	-1,053	-3,127	-389	-714	-1,127
Plus Net operating balance convergence differences (noted above)	-	-	-	-	-	-
GFS net lending/-borrowing	-567	-1,053	-3,127	-389	-714	-1,127
<u>Total public sector</u>						
AASB1049 net lending/-borrowing	-416	-756	-3,922	-13	-1,349	-3,050
Plus Net operating balance convergence differences (noted above)	-5	-16	-30	-6	-25	-42
GFS net lending/-borrowing	-421	-771	-3,952	-19	-1,374	-3,092

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Cash Surplus/-Deficit

	2014-15			2013-14		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>						
AASB1049 cash surplus/-deficit	-465	-1,442	-2,579	-81	-1,412	-1,333
Less Acquisitions under finance leases and similar arrangements	1	79	372	10	90	109
GFS cash surplus/-deficit	-465	-1,521	-2,951	-92	-1,501	-1,441
<u>Total public sector</u>						
AASB1049 cash surplus/-deficit	-355	-1,647	-4,143	176	-1,760	-2,465
Less Acquisitions under finance leases and similar arrangements	1	79	372	9	355	372
GFS cash surplus/-deficit	-356	-1,726	-4,515	167	-2,115	-2,837

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Change in Net Worth

	2014-15			2013-14		
	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn \$m	Three Months to 31 Mar \$m	Nine Months to 31 Mar \$m	Actual \$m
<u>General government</u>						
AASB 1049 change in net worth	-50	757	578	-22	3,382	3,901
Plus change in:						
Provision for doubtful debts						
General government sector	-	-6	-	-9	-14	8
Impact on public corporations net worth	-3	-13	-27	2	-59	-55
All other	-	-	-	-	-	-
Total GFS change in net worth adjustments	-3	-18	-27	-6	-73	-46
GFS change in net worth	-53	738	551	-29	3,309	3,854
<u>Total public sector</u>						
AASB 1049 change in net worth	-50	757	578	-22	3,382	3,901
Plus change in:						
Provision for doubtful debts	-3	-18	-27	-6	-73	-46
All other	-	-	-	-	-	-
Total GFS change in net worth adjustments	-3	-18	-27	-6	-73	-46
GFS change in net worth	-53	738	551	-29	3,309	3,854

AASB 1049 TO GFS CONVERGENCE DIFFERENCES

Net Worth

	2014-15		2013-14	
	Nine Months to 31 Mar	Estimated Outturn	Nine Months to 31 Mar	Actual
	\$m	\$m	\$m	\$m
<i>General government</i>				
AASB1049 net worth	117,584	117,406	116,309	116,828
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts				
General government sector	210	216	194	216
Impact on public corporations net worth	30	15	38	42
<i>Total GFS net worth adjustments</i>	328	319	320	347
GFS net worth	117,913	117,725	116,629	117,174
<i>Total public sector</i>				
AASB1049 net worth	117,584	117,406	116,309	116,828
<i>Plus</i>				
Dampier to Bunbury Natural Gas Pipeline loan asset	88	88	88	88
Provision for doubtful debts	240	231	232	259
<i>Total GFS net worth adjustments</i>	328	319	320	347
GFS net worth	117,913	117,725	116,629	117,174

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	2014-15		2013-14	
	31 Mar	Estimated Outturn	31 Mar	Actual
	\$m	\$m	\$m	\$m
<i>Investments</i>				
Term deposits	3,470	2,550	3,877	3,889
Government securities	6	6	6	6
<i>Total</i>	3,475	2,555	3,883	3,895
<i>Loans and advances</i>				
Loans	8	8	8	9
Financial Assets held for trading/available for sale	1	1	-	1
<i>Total</i>	9	9	8	9
Total	3,484	2,565	3,891	3,904

Total Public Sector

	2014-15		2013-14	
	31 Mar	Estimated Outturn	31 Mar	Actual
	\$m	\$m	\$m	\$m
<i>Investments</i>				
Term deposits	10,420	8,139	11,909	9,365
Government securities	505	6	500	6
<i>Total</i>	10,925	8,145	12,409	9,370
<i>Loans and advances</i>				
Loans	3,270	5,343	2,104	5,591
Financial Assets held for trading/available for sale	425	455	254	458
<i>Total</i>	3,695	5,798	2,358	6,049
Total	14,620	13,942	14,767	15,419

NOTE 6: RECEIVABLES

General Government

	2014-15		2013-14	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	3,162	2,746	3,604	3,270
Provision for impairment of receivables	-210	-216	-194	-216
Total	2,952	2,530	3,410	3,054

Total Public Sector

	2014-15		2013-14	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Accounts Receivable	4,377	3,871	5,060	4,613
Provision for impairment of receivables	-240	-231	-232	-259
Total	4,137	3,640	4,828	4,355

NOTE 7: BORROWINGS

General Government

	2014-15		2013-14	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	151	171	269	171
Finance leases	594	882	506	524
Borrowings	12,216	12,690	10,688	10,667
Total	12,961	13,742	11,463	11,362

Total Public Sector

	2014-15		2013-14	
	31 Mar \$m	Estimated Outturn \$m	31 Mar \$m	Actual \$m
Bank overdrafts	151	171	277	171
Finance leases	1,488	1,768	1,430	1,441
Borrowings	40,843	42,672	38,655	39,603
Total	42,482	44,610	40,361	41,216

NOTE 8: DETAILS OF AGENCY CHANGES

The agencies included in these financial statements are detailed in Note 34: *Composition of Sectors* in the 2013-14 *Annual Report on State Finances*. Changes since that date include:

- with effect from 1 July 2014, Geraldton Port Authority was renamed to Mid West Ports Authority;
- with effect from 1 July 2014, Dampier Port Authority merged with Port Hedland Port Authority to form the Pilbara Ports Authority;
- with effect from 1 July 2014, Broome Port Authority was renamed to Kimberly Port Authority;
- with effect from 1 July 2014 the Department of the State Heritage Office was established; and

- with effect from 1 October 2014, Bunbury Port Authority, Albany Port Authority and Esperance Port Authority were merged to become the Southern Ports Authority.

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

The contingent liabilities that were disclosed in Note 30 of the 2013-14 *Annual Report on State Finances*, have been revised to include the following matters.

Bell Group Returns

Legislation has recently been introduced into Parliament to finalise the historic Bell Group case, which is one of Australia's longest running litigation cases.

The Bell case has already consumed 20 years of Court and public resources. The introduction of legislation is an endeavour to resolve the disputes and eliminate further litigation costs and another decade in the courts.

The legislation will allow the Bell companies to be dissolved and a statutory authority appointed to distribute the settlement funds in line with creditor rights.

The distribution of anticipated Bell case proceeds to the Insurance Commission of Western Australia is expected to deliver a favourable impact on the State's finances. Once the impact is known, it will be incorporated into future State financial forecasts.

South West Native Title

Negotiations surrounding the Government's July 2013 final offer for the resolution of native title in the South West of Western Australia (Settlement), including the Perth metropolitan area, have progressed. In March 2015, the six Noongar groups represented by the South West Aboriginal Land and Sea Council accepted the Government's final offer. However, a contingent liability exists until the six agreements are registered with the National Native Title Tribunal and the final legal proceedings are resolved. These outstanding actions are unlikely to be completed before July 2016.

The Settlement included both cash compensation and transfers of land parcels. The cash component has been finalised and provided for in the forward estimates. However, there remains a contingent liability until details of the land transfers are finalised. This process is expected to be completed within five years of commencement of the Settlement.

Operating Revenue

The tables below 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, eliminating transactions between parties within the public sector.

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 internal public sector collections 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

	2014-15			2013-14		Actual ^(b)
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	860	2,746	3,655	845	2,710	3,566
Property taxes						
<i>Land tax</i>	31	738	746	36	661	661
Transfer Duty	366	1,219	1,683	438	1,357	1,776
Landholder Duty	-23	78	120	32	171	193
<i>Total duty on transfers</i>	344	1,297	1,803	470	1,528	1,969
Metropolitan Region Improvement Tax	-	93	95	-	88	88
Perth Parking Levy	3	46	48	2	37	40
Emergency Services Levy	70	247	274	70	236	258
Loan guarantee fees	31	80	123	29	80	119
<i>Total other property taxes</i>	104	465	540	101	441	504
Taxes on provision of goods and services						
Lotteries Commission	38	115	155	37	110	147
Video lottery terminals	-	-	1	-	-	-
Casino Tax	29	87	100	39	102	127
Betting tax	10	32	44	11	32	43
<i>Total taxes on gambling</i>	77	235	299	86	245	317
Insurance Duty	145	460	612	135	437	580
Other	5	23	29	8	19	32
<i>Total taxes on insurance</i>	151	483	641	143	457	611
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	91	271	369	95	285	385
Permits - Oversize Vehicles and Loads	2	6	8	1	5	7
Motor Vehicle recording fee	14	43	52	14	39	53
Motor Vehicle registrations	212	628	834	188	529	728
<i>Total motor vehicle taxes</i>	319	948	1,263	298	858	1,173
Mining Rehabilitation Levy ^(c)	-	27	45	-	-	-
Landfill Levy	27	49	60	12	35	47
Total Taxation	1,913	6,988	9,052	1,992	6,935	8,849
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	560	1,703	2,262	609	1,864	2,507
North West Shelf grants	215	740	906	279	842	1,103
Compensation for Commonwealth crude oil excise arrangements	10	39	50	17	53	65
Grants through the State						
Schools assistance – non-government schools	519	1,038	1,042	479	948	951
Local government financial assistance grants	44	131	173	21	147	168
Local government roads	27	81	108	13	93	107
National Specific Purpose Payment Agreement Grants						
National Schools	131	376	514	118	346	469
National Skills and Workforce Development	40	121	159	39	135	151
National Disability Services	38	116	155	36	109	146
National Affordable Housing	36	109	145	35	107	139
National Health Reform	442	1,314	1,760	382	1,150	1,518
National Partnerships/Other Grants						
Health	103	260	372	78	265	484
Housing	4	11	16	-	-	15
Transport	1	3	66	35	41	52
Other	55	138	198	55	164	323
Total Current Grants and Subsidies	2,224	6,179	7,926	2,196	6,265	8,199

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2014-15			2013-14		Actual ^(b)
	Three Months to 31 Mar	Nine Months to 31 Mar	Estimated Outturn ^(a)	Three Months to 31 Mar	Nine Months to 31 Mar	
	\$m	\$m	\$m	\$m	\$m	\$m
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	5	11	32	3	17	22
<i>National Partnerships/Other Grants</i>						
Housing	43	138	260	59	152	191
Transport	181	341	527	27	170	242
Other	6	36	102	10	39	92
Total Capital Grants	234	526	922	98	378	547
SALES OF GOODS AND SERVICES	547	1,563	2,213	532	1,558	2,078
INTEREST INCOME	50	145	189	46	157	194
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	2	454	1,277	13	331	901
Tax Equivalent Regime	182	437	494	102	357	602
Total Revenue from Public Corporations	184	892	1,771	114	689	1,503
ROYALTY INCOME	1,135	3,584	4,440	1,563	4,616	6,025
OTHER						
Lease Rentals	22	70	91	22	74	94
Fines	54	131	203	35	105	141
Revenue not elsew here counted ^(c)	50	165	239	61	178	326
Total Other	126	365	533	119	357	561
GRAND TOTAL	6,414	20,242	27,045	6,662	20,953	27,956

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

(c) From 1 July 2014 the Mining Rehabilitation Fund Levy became a compulsory levy (the levy was previously a voluntary charge). The ABS has advised that this compulsory levy should be classified as a tax. The voluntary levy is classified as 'other revenue' in prior periods and has not been reclassified. The State collected \$7 million in the nine months to 31 March 2014 under the voluntary levy.

Note: Columns may not add due to rounding.

Table 2.2

**TOTAL PUBLIC SECTOR
Operating Revenue**

	2014-15			2013-14		Actual ^(b) \$m
	Three Months to 31 mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 mar \$m	Nine Months to 31 Mar \$m	
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	835	2,674	3,572	824	2,643	3,474
Property taxes						
<i>Land tax</i>	19	690	682	22	618	596
Transfer Duty	366	1,219	1,683	438	1,357	1,776
Landholder Duty	-23	78	120	32	171	193
<i>Total duty on transfers</i>	344	1,297	1,803	470	1,528	1,969
Metropolitan Region Improvement Tax	-	93	95	-	88	88
Perth Parking Levy	3	46	48	2	37	40
Emergency Services Levy	70	247	270	65	232	253
Loan guarantee fees	1	4	3	1	2	6
<i>Total other property taxes</i>	74	389	416	68	359	387
Taxes on provision of goods and services						
Video lottery terminals	-	-	1	-	-	-
Casino Tax	29	87	100	39	102	127
<i>Total taxes on gambling</i>	29	88	101	39	102	128
Insurance Duty	145	460	612	135	437	580
Other	5	23	29	8	19	32
<i>Total taxes on insurance</i>	151	483	641	143	457	611
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	91	271	369	95	285	385
Permits - Oversize Vehicles and Loads	2	6	8	1	5	7
Motor Vehicle recording fee	14	43	52	14	39	53
Motor Vehicle registrations	212	628	834	188	529	728
<i>Total motor vehicle taxes</i>	319	948	1,263	298	858	1,173
<i>Mining Rehabilitation Levy</i> ^(c)	-	27	45	-	-	-
<i>Landfill Levy</i>	27	49	60	12	35	47
Total Taxation	1,797	6,644	8,583	1,876	6,598	8,384
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	560	1,703	2,262	609	1,864	2,507
North West Shelf grants	215	740	906	279	842	1,103
Compensation for Commonwealth crude oil excise arrangements	10	39	50	17	53	65
<i>Grants through the State</i>						
Schools assistance – non-government schools	519	1,038	1,042	479	948	951
Local government financial assistance grants	44	131	173	21	147	168
Local government roads	27	81	108	13	93	107
<i>National Specific Purpose Payment Agreement Grants</i>						
National Schools	131	376	514	118	346	469
National Agreement for Skills and Workforce Development	40	121	159	39	135	151
National Disability Services	38	116	155	36	109	146
National Affordable Housing	36	109	145	35	107	139
<i>National Health Reform</i>	442	1,314	1,760	382	1,150	1,518
<i>National Partnerships\Other Grants</i>						
Health	103	260	372	78	265	484
Housing	4	11	16	-	-	15
Transport	1	3	66	35	41	52
Other	55	138	198	55	164	323
Total Current Grants and Subsidies	2,224	6,179	7,926	2,196	6,265	8,199

**TOTAL PUBLIC SECTOR
Operating Revenue**

Table 2.2 (cont.)

	2014-15			2013-14		Actual ^(b) \$m
	Three Months to 31 mar \$m	Nine Months to 31 Mar \$m	Estimated Outturn ^(a) \$m	Three Months to 31 mar \$m	Nine Months to 31 Mar \$m	
CAPITAL GRANTS						
<i>Grants through the State</i>						
Schools assistance – non-government schools	5	11	32	3	17	22
<i>National Partnerships/Other Grants</i>						
Housing	43	138	260	59	152	191
Transport	181	341	527	27	170	242
Other	6	36	102	10	39	92
Total Capital Grants	234	526	922	98	378	547
SALES OF GOODS AND SERVICES	4,891	14,182	18,701	4,546	13,324	17,773
INTEREST INCOME	155	453	630	153	463	614
ROYALTY INCOME	1,135	3,584	4,440	1,563	4,616	6,025
OTHER						
Lease Rentals	22	70	91	22	74	94
Fines	55	134	203	36	107	141
Revenue not elsew here counted ^(c)	282	694	666	184	567	853
Total Other	360	897	959	243	748	1,088
GRAND TOTAL	10,796	32,465	42,161	10,675	32,392	42,630

(a) Consistent with the revised outcome published in the 2015-16 Budget, released 14 May 2015.

(b) Consistent with final audited data contained in the 2013-14 *Annual Report on State Finances*, released 23 September 2014.

(c) From 1 July 2014 the Mining Rehabilitation Fund Levy became a compulsory levy (the levy was previously a voluntary charge). The ABS has advised that this compulsory levy should be classified as a tax. The voluntary levy is classified as 'other revenue' in prior periods and has not been reclassified. The State collected \$7 million in the nine months to 31 March 2014 under the voluntary levy.

Note: Columns may not add due to rounding.

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 the Treasurer's Special Purpose Accounts.

Table 3.1 shows that the aggregate balance of the Public Ledger at 31 March 2015 decreased by \$1,111 million compared with 31 March 2014. This largely reflects the combined impact of a \$2,839 million increase in the Consolidated Account deficit, partly offset by a \$1,754 million increase in Treasurer's Special Purpose Accounts balances.

PUBLIC LEDGER BALANCES AT 31 MARCH		
	2015	2014
	\$m	\$m
THE PUBLIC LEDGER		
Consolidated Account ^(a)	-12,883	-10,044
Treasurer's Special Purpose Accounts	11,515	9,761
Treasurer's Advance Account – Net Advances	-57	-31
TOTAL	-1,425	-314

(a) The balance of the Consolidated Account at 31 March 2015 includes non-cash appropriations of \$8,668 million (31 March 2014: \$7,798 million), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the Treasurer's Special Purpose Accounts balance.

Note: Columns 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, and 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 Parliament, with both the amount and the expressed purpose of the associated appropriation clearly specified.

The Consolidated Account recorded an accumulated deficit of \$12,883 million at 31 March 2015. This included \$8,668 million in non-cash Holding Account balances for agencies, associated with accrual appropriations for depreciation and leave entitlements.

In cash terms, the Consolidated Account recorded an accumulated cash deficit of \$4,215 million at 31 March 2015, compared with a cash deficit of \$2,246 million at 31 March 2014. Cash balances vary significantly through the year, depending on the timing of receipts into, and payments from, the Account.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS

For the nine months ended 31 March

	2015 \$m	2014 \$m
REVENUE		
<i>Operating Activities</i>		
Taxation	5,471	5,469
Commonwealth Grants	2,511	2,773
Government Enterprises	1,023	775
Revenue from other agencies	4,754	5,288
Other	222	226
<i>Total Operating Activities</i>	13,981	14,531
<i>Financing Activities</i>		
Repayments of Recoverable Advances	4	4
Transfers from:		
Public Bank Account Interest Earned Account	-	-
Bankwest Pension Trust	1	1
Other Receipts	7	4
Borrowings	1,500	-
<i>Total Financing Activities</i>	1,512	9
TOTAL REVENUE	15,493	14,540
EXPENDITURE		
<i>Recurrent</i>		
Authorised by Other Statutes	1,824	1,640
Appropriation Act (No. 1)	14,283	14,052
Recurrent Expenditure under the Treasurer's Advance	96	-
<i>Total Recurrent Expenditure</i>	16,203	15,692
<i>Investing Activities</i>		
Authorised by Other Statutes	165	96
Appropriation Act (No. 2)	1,773	1,783
Investing Expenditure under the Treasurer's Advance	9	-
<i>Total Investing Activities</i>	1,947	1,879
<i>Financing Activities</i>		
Loan repayments	-	-
Other financing	7	4
<i>Total Financing Activities</i>	7	4
TOTAL EXPENDITURE	18,157	17,575
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,665	-3,035
Consolidated Account Balance		
Opening balance at 1 July	-10,218	-7,009
Closing balance at 31 March	-12,883	-10,044
Of which:		
Appropriations payable	-8,668	-7,798
Cash balance at 31 March	-4,215	-2,246

Note: Columns may not add due to rounding.

The Consolidated Account has drawn \$1.5 billion against the legislated loan limit during the nine months to 31 March 2015¹. Consolidated Account borrowings stood at \$11.6 billion at 31 March 2015. A total of \$2.2 billion remains under the current *Loan Act 2012* borrowing authority. The Loan Bill 2015, which will provide further borrowing authority once the current limit is fully drawn, is currently before the Parliament.

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 account established to hold other money and determined by the Treasurer to be a TSPA.

Aggregate TSPA balances were \$1,812 billion higher at 31 March 2015 compared with the same time a year ago. This mainly reflects:

- higher Holding Account balances for accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$870 million);
- an increase in the balance of the Western Australian Future Fund, following the transfer of 'seed capital' sourced from the Royalties for Regions Fund, and interest earnings on the balance of the Fund for the year-to-date (up \$282 million);
- an increase in the Royalties for Regions Fund (up \$187 million), mainly due to differences in the timing of royalty receipts paid to the account and payments for approved projects;
- a net increase for the Perth Children's Hospital Account balance (up \$176 million), reflecting the receipts of budgeted Consolidated Account capital contributions for 2015-16, offset by the draw-down of funds from the account for the construction work at the new Hospital;
- an increase in the New Perth Stadium Account (up \$114 million) due to the receipt of capital contributions, less payments for works related to progress on the Stadium and its surrounding sports precinct, and related transport infrastructure;

¹ The *Loan Act 2012* approved \$5 billion in new borrowings, bringing the limit on Consolidated Account borrowing to \$13.8 billion (up from the previous limit of \$8.8 billion).

- an increase in the Metropolitan Region Improvement Fund (up \$57 million), with the balance of receipts received from interest, rental and sale proceeds from disposal of land and buildings, net of payments for service delivery agreement expenses, acquisition of land, buildings, other supplies and services; and
- an increase in the aggregate balance of all other Special Purpose Accounts (up \$122 million).

Details of key Special Purpose Accounts are disclosed in Appendix 4: *Special Purpose Accounts*.

TREASURER'S SPECIAL PURPOSE ACCOUNTS

Table 3.3

At 31 March

	2015	2014
	\$m	\$m
Agency Holding Accounts	8,668	7,798
Royalties for Regions Fund	986	799
Western Australian Future Fund	871	589
Perth Children's Hospital Account	187	11
The New Perth Stadium Account	132	18
Fiona Stanley Hospital Construction Account	19	15
Other Special Purpose Accounts	653	531
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 March	11,515	9,761

Note: Columns 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') 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 \$638.4 million is authorised under section 29 of the FMA for the year ended 30 June 2015, compared with a total of \$595.7 million authorised limit applying at the same time last year. The increase in the limit this year reflects the higher recurrent and capital Appropriation Bills for 2013-14 when compared to 2012-13, (the applicable years for calculations of the annual limit²).

Of the \$638.4 million authorised limit for 2014-15, \$56.6 million was held in the form of net recoverable advances at 31 March 2015 (see Table 3.4). Net recoverable advances provide repayable short term financing for agencies. A total of \$50 million was held against Building Management Works, an increase of \$30 million since 31 December 2014 and which provides sufficient temporary working capital payments to contractors.

² The annual limit applicable for the current year is based on appropriations approved by Parliament for the preceding financial year.

TREASURER'S ADVANCE AT 31 MARCH

Table 3.4

	2015	2014
	\$m	\$m
AUTHORISED LIMIT	638.4	595.7
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>185.4</i>	<i>41.6</i>
Comprising:		
Net recoverable advances as at 31 March (see below)	56.6	30.6
Excesses and New Items		
- recurrent	119.7	11.0
- capital	9.1	-
NET RECOVERABLE ADVANCES		
Building Management and Works	50.0	-
Electoral Boundaries Distribution	-	0.4
Local Government Elections	-	2.5
Mining Rehabilitation Fund	3.3	2.2
Sport and Recreation	1.2	1.6
Strategic Projects	-	20.0
Suitors Fund	2.0	1.8
Sundry Debtors	0.1	0.1
Transport	-	2.0
TOTAL RECOVERABLE TREASURER'S ADVANCES	56.6	30.6

Note: Columns may not add due to rounding.

Transfers, Excesses and New Items

During the year, there are often transfers of appropriations between agencies. These transfers are authorised under section 25 of the FMA or specific enabling legislation and have no impact on the Treasurer's Advance.

Excesses and/or new items (approved by the Treasurer under the authority of section 27 of the FMA) reflect increases in appropriation above the original budgeted amount approved by the Parliament that have since been revised up, or appropriation for a new purpose that was not contemplated in the budget.

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 have no impact on the Treasurer's Advance. In the nine months ending 31 March 2015, appropriation transfers included:

- the transfer of \$1.9 million of recurrent funding from the Heritage Council of Western Australia to the Department of the State Heritage Office for day-to-day operations, projects and service delivery for the implementation of Government heritage priorities;
- the transfer of \$0.5 million to the Department of Local Government and Communities from the Department of Child Protection and Family Support, for the transfer of payroll and corporate service functions; and
- the transfer of \$0.2 million to the Department of Finance from Treasury, for the support of accommodation costs at Gordon Stephenson House.

Approved excesses and new items during the nine months to 31 March 2015 totalled \$128.8 million. These included:

- an approved excess of \$80 million for previous overpayment of tax equivalent expenses by Government Trading Enterprises. The merger of Synergy and Verve Energy in 2013-14 was assessed to result in the carry-forward of tax losses, and the Insurance Commission of Western Australia recorded an unexpected increase in outstanding claims for Compulsory Third Party insurance by 30 June 2014. These outcomes were not known until after tax instalments for 2013-14 had been paid;
- an approved excess of \$20 million to the Department of the Premier and Cabinet for payments expected to be made in 2014-15 under the Western Australian Natural Disaster Relief and Recovery Arrangements;
- an excess of \$18 million to the Department of Corrective Services to meet the growth in the daily average prisoner population and to accommodate the increase in RiskCover insurance premiums, partially offset by the proceeds of efficiency savings;
- a new capital appropriation (totalling \$9.1 million) for the Western Australian Land Authority for the return of National Tax Equivalent Regime Tax associated with the transfer of the Karratha Service Workers Accommodation;
- an approved excess of \$1.1 million for the emerging liabilities of the Government Insurance Fund from higher than expected claims settled during the year; and
- an approved net excess of \$0.6 million for the Heritage Council of Western Australia to undertake additional conservation and adaptive re-use works on heritage places.

Table 3.5

TRANSFERS, EXCESSES AND NEW ITEMS
For the nine months to 31 March

	Treasurer's Advance					Draw n against Treasurer's Advance to date \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Premier and Cabinet</i>						
Item 6: Administered Grants, Subsidies and Other Transfer Payments	15.0	-	-	20.0	35.0	20.0
<i>Child Protection and Family Support</i>						
Item 45: Delivery of Services	560.4	-0.5	-	-	559.9	-
<i>Treasury</i>						
Item 69: Delivery of Services	41.0	-0.2	-	-	40.8	-
Item 83: Provision for Unfunded Liabilities in the Government Insurance Fund	2.3	-	-	1.1	3.4	0.1
Item 84: Refund of Past Years Revenue Collections - Public Corporations	10.0	-	-	80.0	90.0	76.1
<i>Local Government and Communities</i>						
Item 94: Delivery of Services	122.8	0.5	-	-	123.3	-
<i>Heritage Council of Western Australia</i>						
Item 102: Delivery of Services	7.7	-1.9	-	0.6	6.4	-
<i>State Heritage Office</i>						
New Item: Delivery of Services	-	1.9	-	-	1.9	-
<i>Corrective Services</i>						
Item 106: Delivery of Services	790.7	-	-	18.0	808.7	-
<i>Finance</i>						
Item 113: Delivery of Services	173.9	0.2	-	-	174.2	-
Total Recurrent		-	-	119.7		96.2
Capital Appropriations						
<i>Treasury</i>						
New Item: Western Australian Land Authority	-	-	9.1	-	9.1	9.1
Total Capital		-	9.1	-		9.1
TOTAL			9.1	119.7		105.3

(a) Authorised under section 25 of the FMA.

Note: Columns and 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 Fiona Stanley Hospital Construction Account and the Royalties for Regions Fund). Accounts established by statute are governed by the relevant provisions of the statute 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 the year-to-date position of a number of SPAs established to deliver key Government policy outcomes. This appendix does not seek to provide exhaustive coverage of all SPAs. Rather, it covers the major/material SPAs that provide a funding source for particular initiatives or policy areas and that were in existence at 31 March 2015. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

It is important to note that each dollar that is spent from these SPA balances will increase net debt (and reduce the operating balance if the spending is for recurrent purposes) by the same amount. In this way, these SPA balances are no different from other funding sources, including new borrowings.

Fiona Stanley Hospital Construction Account

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

Receipts during the nine months to 31 March 2015 reflect an amount appropriated for minor works (\$10 million) and interest revenue earned on the account balance (\$0.3 million). A small cash balance is expected to remain at the end of 2014-15 to support project close-out activities and any remaining funds will be returned to the Consolidated Account following final completion of all works.

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT
At 31 March

Table 4.1

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	9	104
Receipts	10	17
Payments	-	107
Closing Balance	19	15

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

This account was established in December 1959 under the *Metropolitan Region Improvement Tax Act 1959* to provide funds for the Western Australian Planning Commission to manage the Metropolitan Region Scheme. Receipts are sourced from Metropolitan Region Improvement Tax (MRIT) collections. Funds from the account are used to purchase parks and recreation areas, the purchase of land for future roads, railways and other public purpose reservations, and to compensate owners for compulsory land acquisitions.

Receipts into the fund for the nine months to March 2015 include MRIT (\$23 million), sale of land and building proceeds (\$7 million) and rental and interest revenue (\$9 million). Payments for the year-to-date were mainly for associated service delivery expenses (\$21 million) and for the acquisition of land and buildings (\$16 million).

METROPOLITAN REGION IMPROVEMENT FUND
At 31 March

Table 4.2

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	199	145
Receipts	42	43
Payments	40	44
Closing Balance	201	144

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levies contributed to the fund under the *Mining Rehabilitation Fund Act 2012*.

Money in the fund will be available to rehabilitate mine sites across the state. Interest earned on fund contributions can be used to administer the fund and is able to be spent on the rehabilitation of legacy mines.

Receipts during the first nine months of 2014-15 largely reflect contributions by mining operators (\$27 million) and interest revenue earned on the contributions (\$0.5 million).

Payments from the account of \$0.9 million went towards community consultation and the establishment of an online system for use by tenement holders to register and submit disturbance data online.

MINING REHABILITATION FUND			Table 4.3
At 31 March			
	2015 \$m	2014 \$m	
<i>Balance at 1 July</i>	10	-	
Receipts	28	7	
Payments	1	1	
Closing Balance	37	6	

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 start-up of the Perth Children's Hospital. The hospital is expected to achieve practical completion in the second half of 2015 and utilise all available funds in the SPA.

Consolidated Account capital contributions have been paid to the account. Funds are drawn from the SPA and paid to WA Health as payments for construction work fall due.

PERTH CHILDREN'S HOSPITAL ACCOUNT			Table 4.4
At 31 March			
	2015 \$m	2014 \$m	
<i>Balance at 1 July</i>	94	277	
Receipts	350	-	
Payments	256	266	
Closing Balance	187	11	

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 to set aside funds to be used to encourage a balanced transport system for gaining access to the Perth city area.

Receipts consist of application fees, license fees, penalties, money appropriated by Parliament and interest revenue earned on the account balances. Funds drawn from the account are spent on the Central Area Transit system, improving public transport access, enhancing the pedestrian environment, supporting bicycle access and for administration of the *Perth Parking Management Act 1999*.

PERTH PARKING LICENSING ACCOUNT

Table 4.5

At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	55	70
Receipts	46	37
Payments	37	49
Closing Balance	64	58

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect prescribed penalties paid during the quarter, other funds collected under the *Road Traffic Act 1974*, and interest revenue earned on the account balance.

Key road safety initiatives funded from the account include improvements to metropolitan intersections, continuation of the electronic school zone sign project, strategic traffic enforcement and increased breath and drug testing by Western Australia Police, community and school education programs and the continuation of support for 'Roadwise' (the Local Government and Community Road Safety Program).

ROAD TRAUMA TRUST ACCOUNT

Table 4.6

At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	72	65
Receipts	75	64
Payments	36	39
Closing Balance	111	89

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.

Receipts during the first nine months of 2014-15 reflect moneys appropriated from Parliament (\$709 million), interest revenue earned on the account balance (\$17 million) and unused Royalty for Region's resources returned to the Fund (\$4 million). Funds were drawn to support infrastructure services, business and economic development, and other regional initiatives.

ROYALTIES FOR REGIONS FUND

Table 4.7

At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	940	881
Receipts	730	715
Payments	684	797
Closing Balance	986	799

Note: Columns may not add due to rounding.

Royalties for Regions Southern Inland Health Initiative

This SPA was established in June 2012 to hold funds for expenditure on the Southern Inland Health Initiative, pursuant to section 9(1) of the *Royalties for Regions Act 2009*. The initiative supports improved access to core health services in the Great Southern, Mid West, Goldfields, South West and Wheatbelt regions of Western Australia.

Payments from the SPA totalled \$30 million to the end of March 2015, including payments for the District Medical Workforce Investment Program (\$18 million), the District Hospital Investment Program (\$4 million) and the Small Hospital and Nursing Post Refurbishment Program (\$7 million).

ROYALTIES FOR REGIONS SOUTHERN INLAND HEALTH INITIATIVE

Table 4.8

At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	273	211
Receipts	4	-
Payments	30	17
Closing Balance	247	194

Note: Columns may not add due to rounding.

The New Perth Stadium Account

This SPA was established in October 2011 to set aside funds to be used for the construction of the new Perth Stadium and associated transport infrastructure. The stadium is expected to be completed by 2018 and utilise all available funds in the SPA as part of the funding to support the construction.

Receipts of \$145 million reflect appropriation funding approved in the 2014-15 Budget. Payments of \$62 million to the end of the March quarter were for procurement and works relating to the stadium, sports precinct and transport infrastructure.

Table 4.9

THE NEW PERTH STADIUM ACCOUNT
At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	47	95
Receipts	145	-
Payments	62	77
Closing Balance	131	18

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the landfill levy. The purpose of the Account is to fund spending on the management, reduction, reuse, recycling, monitoring or measurement of waste, other waste management initiatives and the costs of administration and enforcement of the Act consistent with the business plan or as approved by the Minister for Environment.

Receipts from the landfill levy paid into the account to the end of March 2015 totalled \$12 million. Draw downs of \$6 million for the first nine months of 2014-15 were used to fund programs and other waste management initiatives including initiatives related to the management, reduction, reuse, recycling, monitoring or measurement of waste.

Table 4.10

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT
At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	16	18
Receipts	12	9
Payments	6	8
Closing Balance	23	18

Note: Columns may not add due to rounding.

Western Australian Future Fund

The Western Australian Future Fund was established as a Treasurer's SPA following the passage of the *Western Australian Future Fund Act 2012* in November 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 over the nine months to 31 March 2015 include the Royalties for Regions 'seed capital' contribution for 2014-15 (\$247 million) and interest receipts (\$28 million).

Table 4.11

WESTERN AUSTRALIAN FUTURE FUND
At 31 March

	2015 \$m	2014 \$m
<i>Balance at 1 July</i>	596	306
Receipts	275	283
Payments	-	-
Closing Balance	871	590

Note: Columns may not add due to rounding.

