



**Quarterly Financial Report No. 1  
30 September 2015**

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Treasurer of the State of Victoria

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## OVERVIEW

This financial report presents the Victorian general government sector financial statements for the three month period ending 30 September 2015.

The Victorian economy is expected to strengthen in 2015-16, following below trend growth in 2014-15. A buoyant property market, assisted by low interest rates, has boosted residential construction. Employment growth has improved, with more than 54 000 jobs created over the year to September 2015. The unemployment rate has fallen over this period from 6.7 per cent to 6.2 per cent, equal to the Australian average. Yet despite these positive developments, subdued consumer sentiment and an uncertain national and global outlook have constrained household spending.

The outlook for growth in the global economy has softened. Economic growth is slowing in China and weakness persists in the eurozone. There are positive signs in the United States but uncertainty remains over when the US Federal Reserve will raise interest rates and what the impact will be.

The Government continues to make significant investments, particularly in the transport and health sectors, to deliver high quality services and enhance economic productivity.

## GENERAL GOVERNMENT SECTOR OUTCOME

### Financial performance

The general government sector net result from transactions for the three month period to 30 September 2015 was an operating surplus of \$519 million. This compares with the \$417 million operating surplus recorded in the first quarter of 2014-15 and is consistent with achieving a full year estimated operating surplus of \$1.2 billion for 2015-16, as forecast in the *2015-16 Budget*.

Similar to previous years, the first quarter result is influenced by seasonal factors such as the timing of certain revenue items, in particular:

- the majority of land tax revenue, which is not recognised until the March quarter;
- dividends from public authorities, which are not recognised as revenue until determined generally in October and April of each year; and
- some Commonwealth capital grants, which are not received until later in the year.

The timing of these revenue items is partially offset by the revenue from the Fire Services Property Levy, which is fully recognised in the September quarter.

Revenue for the quarter totalled \$13.6 billion. This represented 24.4 per cent of the full year budget estimate, in line with expectations.

Taxation revenue for the quarter represents 26.6 per cent of the budget estimate. Land transfer duty, insurance taxes and Fire Services Property Levy were above pro rata, while other taxes and levies on statutory corporations were slightly below pro rata expectations, but broadly consistent with the comparative prior year outcomes.

Grants revenue for the first quarter was 23.5 per cent of the budget estimate. This reflects the timing of this revenue from the Commonwealth Government and is consistent with the full year budget estimate.

Dividends and income tax equivalent and rate equivalent revenue for the first quarter was 5.1 per cent of the full year budget estimate. This is consistent with expectations and the usual pattern of receipt.

Sales of goods and services and interest revenues were each 24.5 per cent of the budget estimate and in line with expectations. Other revenue was slightly above pro rata at 26.0 per cent of the budget estimate, but consistent with the full year budget expectations.

At 24.0 per cent of the full year budget estimate, expenses from transactions totalled \$13.0 billion for the three months to 30 September 2015. This result primarily reflects the timing of expenditure, consistent with full year budget expectations and previous year expenditure patterns.

The comprehensive result showed a decrease in net worth of \$1.6 billion for the three month period to 30 September 2015, compared to an increase of \$506 million in the same period the previous year. For 2015-16, the decrease in net worth mainly reflects the recording of an actuarial loss related to the State's defined benefit plan superannuation liabilities in the quarter, primarily reflecting the effect of financial market movements in bond rates on the valuation of the superannuation liability.

### Financial position

Net assets decreased by \$1.5 billion to \$134.8 billion for the three months to 30 September 2015. This was driven mainly by an increase in the valuation of the superannuation liability, due to the earlier mentioned movements in financial market bond rates, which are used in the valuation of the liability. Total assets remained stable at around \$209.5 billion.

Net debt increased by \$673 million to \$23.0 billion in the quarter, mainly reflecting the progressive delivery of the Government's infrastructure program. After allowing for timing differences, the increase in net debt is consistent with budget expectations.



## Cash flows

Cash flow movements disclosed in the cash flow statement were consistent with the combined impact of the previously mentioned drivers associated with the operating statement and balance sheet.

## Infrastructure investment

The State continues to deliver its infrastructure program to support growing community needs and ongoing productivity improvement. For the three months to 30 September 2015, net investment in infrastructure totalled \$908 million, in line with full year budget expectations.

### ***The Government's infrastructure scorecard as at 30 September 2015***

Major infrastructure projects in progress:

- new Bendigo Hospital;
- Box Hill Hospital redevelopment;
- Casey Hospital expansion;
- Chandler Highway Bridge duplication;
- CityLink-Tulla widening project – Tullamarine freeway widening;
- Dingley Bypass;
- Goulburn-Murray Water Connections Project (Northern Victoria Irrigation Renewal Project);
- Hopkins Correctional Centre Expansion (Ararat Prison);
- Joan Kirner Women's and Children's Hospital;
- Melbourne Convention and Exhibition Centre – Stage 2;
- Melbourne Metro Rail Project;
- Melbourne Park redevelopment;
- Melbourne Wholesale Markets redevelopment;
- Monash Children's Hospital;
- Murray Basin Rail Project;
- M80 upgrade (Sunshine Avenue to Calder Freeway);
- new schools private public partnership (PPP);
- new trains, trams and associated infrastructure for Melbourne commuters;
- Port capacity;
- Princes Highway duplication project – Winchelsea to Colac;
- Princes Highway East – Traralgon to Sale duplication;
- Ravenhall Prison;
- regional rolling stock;
- Royal Victorian Eye and Ear Hospital;
- State Coronial Services Centre;
- Level Crossing Removal Program;
- Victorian Comprehensive Cancer Centre; and
- Western Highway duplication.

## FINANCIAL STATEMENTS FOR THE GENERAL GOVERNMENT SECTOR

### Comprehensive operating statement for the period ending 30 September

(\$ million)

2014-15 Actual to Sep <sup>(a)</sup>	Notes	2015-16		
		Actual to Sep	Annual budget	
<b>Revenue from transactions</b>				
4 711	Taxation revenue	2	5 061	19 024
205	Interest revenue		203	831
51	Dividends and income tax equivalent and rate equivalent revenue	3	59	1 144
1 657	Sales of goods and services	4	1 661	6 779
5 665	Grant revenue	5	6 010	25 579
566	Other revenue	6	564	2 171
<b>12 855</b>	<b>Total revenue from transactions</b>		<b>13 559</b>	<b>55 529</b>
<b>Expenses from transactions</b>				
4 510	Employee expenses		4 768	19 903
258	Net superannuation interest expense	7	223	886
484	Other superannuation	7	554	2 102
597	Depreciation	8	605	2 577
523	Interest expense		513	2 096
2 003	Grant expense		2 172	8 687
4 063	Other operating expenses		4 204	18 058
<b>12 438</b>	<b>Total expenses from transactions</b>	<b>9</b>	<b>13 040</b>	<b>54 310</b>
<b>417</b>	<b>Net result from transactions – net operating balance</b>		<b>519</b>	<b>1 219</b>
<b>Other economic flows included in net result</b>				
5	Net gain/(loss) on disposal of non-financial assets		(13)	64
19	Net gain/(loss) on financial assets or liabilities at fair value		(29)	5 402
(90)	Other gains/(losses) from other economic flows	10	(124)	(318)
<b>(66)</b>	<b>Total other economic flows included in net result</b>		<b>(166)</b>	<b>5 147</b>
<b>351</b>	<b>Net result</b>		<b>353</b>	<b>6 366</b>
<b>Other economic flows – other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
22	Changes in non-financial assets revaluation surplus		32	756
121	Remeasurement of superannuation defined benefits plans		(1 934)	962
..	Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets		..	1
14	Other movements in equity		2	6
<b>Items that may be reclassified subsequently to net result</b>				
(2)	Net gain/(loss) on financial assets at fair value		(3)	1
<b>155</b>	<b>Total other economic flows – other comprehensive income</b>		<b>(1 903)</b>	<b>1 727</b>
<b>506</b>	<b>Comprehensive result – total change in net worth</b>		<b>(1 550)</b>	<b>8 093</b>

**Comprehensive operating statement for the period ending 30 September  
(continued)**

(\$ million)

2014-15 Actual to Sep <sup>(a)</sup>	Notes	2015-16	
		Actual to Sep	Annual budget
<b>KEY FISCAL AGGREGATES</b>			
<b>417</b>	<b>Net operating balance</b>	<b>519</b>	<b>1 219</b>
72	Less: Net acquisition of non-financial assets from transactions <sup>(b)</sup>	72	1 366
<b>345</b>	<b>Net lending/(borrowing)<sup>(b)</sup></b>	<b>447</b>	<b>(147)</b>

The accompanying notes form part of these financial statements.

Notes:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

(b) 2015-16 Budget figures have been restated to reflect more current information.

## Consolidated balance sheet as at 30 September

(\$ million)

2014-15 Actual 30 Sep <sup>(a)</sup>	Notes	Opening 1 Jul	2015-16 Actual 30 Sep	Budget 30 Jun <sup>(b)</sup>
<b>Assets</b>				
<b>Financial assets</b>				
4 177	Cash and deposits	4 282	4 061	4 479
4 576	Advances paid	4 572	4 567	4 525
5 169	Receivables	5 555	5 897	5 404
3 077	Investments, loans and placements	3 406	3 440	3 513
44	Investments accounted for using the equity method	45	44	45
75 875	Investments in other sector entities	82 181	82 467	82 432
<b>92 918</b>	<b>Total financial assets</b>	<b>100 040</b>	<b>100 477</b>	<b>100 397</b>
<b>Non-financial assets</b>				
154	Inventories	144	146	148
147	Non-financial assets held for sale	175	169	175
105 037	Land, buildings, infrastructure, plant and equipment	107 586	107 527	109 733
1 384	Other non-financial assets	1 038	1 215	977
<b>106 721</b>	<b>Total non-financial assets</b>	<b>108 944</b>	<b>109 057</b>	<b>111 034</b>
<b>199 638</b>	<b>Total assets</b>	<b>208 985</b>	<b>209 534</b>	<b>211 431</b>
<b>Liabilities</b>				
454	Deposits held and advances received	518	471	518
5 112	Payables	5 704	5 355	5 434
32 847	Borrowings	34 069	34 597	29 986
5 463	Employee benefits	5 605	5 675	5 852
26 181	Superannuation	25 947	27 885	25 003
598	Other provisions	807	754	211
<b>70 655</b>	<b>Total liabilities</b>	<b>72 650</b>	<b>74 738</b>	<b>67 003</b>
<b>128 983</b>	<b>Net assets</b>	<b>136 335</b>	<b>134 796</b>	<b>144 427</b>
44 505	Accumulated surplus/(deficit)	45 788	44 237	53 112
84 428	Reserves	90 496	90 509	91 265
50	Non-controlling interest	50	50	50
<b>128 983</b>	<b>Net worth</b>	<b>136 335</b>	<b>134 796</b>	<b>144 427</b>
<b>FISCAL AGGREGATES</b>				
22 263	Net financial worth	27 390	25 739	33 394
53 613	Net financial liabilities	54 791	56 728	49 038
21 471	Net debt	22 327	23 000	17 986

The accompanying notes form part of these financial statements.

Notes:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

(b) Balances represent actual opening balances at 1 July 2015 plus 2015-16 budgeted movements.

## Consolidated cash flow statement for the period ended 30 September

(\$ million)

2014-15 Actual to Sep	Notes	2015-16	
		Actual to Sep	Annual budget
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
4 586	Taxes received	4 887	19 007
5 664	Grants	6 008	25 668
1 805	Sales of goods and services <sup>(a)</sup>	1 782	7 531
194	Interest received	193	812
57	Dividends and income tax equivalent and rate equivalent receipts	49	1 143
412	Other receipts	439	1 741
<b>12 718</b>	<b>Total receipts</b>	<b>13 359</b>	<b>55 904</b>
<b>Payments</b>			
(4 313)	Payments for employees	(4 730)	(19 657)
(692)	Superannuation	(773)	(2 969)
(510)	Interest paid	(531)	(2 059)
(2 180)	Grants and subsidies	(2 185)	(8 748)
(4 515)	Goods and services <sup>(a)</sup>	(4 666)	(18 056)
(176)	Other payments	(194)	(661)
<b>(12 386)</b>	<b>Total payments</b>	<b>(13 078)</b>	<b>(52 149)</b>
<b>332</b>	<b>Net cash flows from operating activities</b>	<b>280</b>	<b>3 755</b>
<b>Cash flows from investing activities</b>			
(887)	Purchases of non-financial assets	(948)	(4 552)
36	Sales of non-financial assets	22	322
<b>(851)</b>	<b>Cash flows from investments in non-financial assets</b>	<b>(926)</b>	<b>(4 230)</b>
208	Net cash flows from investments in financial assets for policy purposes	18	6 511
<b>(643)</b>	<b>Sub-total</b>	<b>(908)</b>	<b>2 281</b>
(14)	Net cash flows from investments in financial assets for liquidity management purposes	(74)	(83)
<b>(657)</b>	<b>Net cash flows from investing activities</b>	<b>(982)</b>	<b>2 199</b>
<b>Cash flows from financing activities</b>			
..	Advances received (net)	..	..
(108)	Net borrowings	528	(5 756)
28	Deposits received (net)	(47)	..
<b>(81)</b>	<b>Net cash flows from financing activities</b>	<b>481</b>	<b>(5 756)</b>
<b>(405)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(220)</b>	<b>198</b>
4 582	Cash and cash equivalents at beginning of reporting period <sup>(b)</sup>	4 282	4 282
<b>4 177</b>	<b>Cash and cash equivalents at end of the reporting period<sup>(b)</sup></b>	<b>4 061</b>	<b>4 479</b>
<b>FISCAL AGGREGATES</b>			
332	Net cash flows from operating activities	280	3 755
(851)	Net cash flows from investments in non-financial assets	(926)	(4 230)
<b>(519)</b>	<b>Cash surplus/(deficit)</b>	<b>(646)</b>	<b>(475)</b>

The accompanying notes form part of these financial statements.

Notes:

(a) These items are inclusive of goods and services tax.

(b) September 2014-15 comparative figures have been restated to reflect more current information.

## Consolidated statement of changes in equity for the period ending 30 September

(\$ million)

	Accumulated surplus/(deficit)	Non-controlling interest	Non-financial assets revaluation surplus <sup>(a)</sup>	Investment in other sector entities revaluation surplus	Other reserves	Total
<b>2015-16</b>						
Balance at 1 July 2015	45 788	50	43 355	46 413	728	136 335
Net result for the quarter	353	..	..	..	..	353
Other comprehensive income for the year	(1 916)	..	32	..	(20)	(1 903)
Transfer to accumulated surplus	11	..	1	..	..	12
<b>Total equity as at 30 September 2015</b>	<b>44 237</b>	<b>50</b>	<b>43 387</b>	<b>46 413</b>	<b>708</b>	<b>134 796</b>
<b>Budget equity as at 30 June 2016<sup>(b)</sup></b>	<b>53 112</b>	<b>50</b>	<b>44 111</b>	<b>46 414</b>	<b>740</b>	<b>144 427</b>
<b>2014-15<sup>(c)</sup></b>						
Balance at 1 July 2014	43 635	50	41 965	42 187	640	128 477
Net result for the quarter	351	..	..	..	..	351
Other comprehensive income for the year	128	..	22	..	5	155
Transfer to accumulated surplus	392	..	(392)	..	..	..
<b>Total equity as at 30 September 2014</b>	<b>44 505</b>	<b>50</b>	<b>41 595</b>	<b>42 187</b>	<b>646</b>	<b>128 983</b>

The accompanying notes form part of these financial statements.

Notes:

- (a) Non-financial assets revaluation surplus relates to revaluation of land, buildings, infrastructure, plant and equipment.  
 (b) Balances represent actual opening balances at 1 July 2015 plus 2015-16 budgeted movements.  
 (c) September 2014-15 comparative figures have been restated to reflect more current information.

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## **Note 1: Summary of significant accounting policies**

This September Quarterly Financial Report presents the unaudited consolidated financial report for the general government sector for the three months ended 30 September 2015.

The accounting policies applied are consistent with those applied for the financial statements published in the *2014-15 Financial Report* for the State of Victoria. Because this quarterly financial report does not include all the notes normally included with the annual financial report, this report should be read in conjunction with the *2014-15 Financial Report*.

### **(A) Statement of compliance**

These financial statements have been prepared in accordance with section 26 of the *Financial Management Act 1994*, having regard to the recognition and measurement principles of the applicable Australian Accounting Standards (AAS) which include Interpretations issued by the Australian Accounting Standards Board (AASB). The financial statements are also presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where applicable, those paragraphs of AASs applicable to not-for-profit entities have been applied.

### **(B) Basis of accounting and measurement**

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, revenue and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

### **(C) Reporting entity**

The general government sector includes all government departments, offices and other government bodies engaged in providing services free of charge or at prices significantly below their cost of production. The primary function of entities in the general government sector is to provide public services (outputs), which are mainly non-market in nature, for the collective consumption of the community, and involve the transfer or redistribution of revenue that is financed mainly through taxes and other compulsory levies.

The general government sector is not a separate entity but represents a sector within the State of Victoria consolidated reporting entity. Unless otherwise noted, accounting policies applied by the State of Victoria apply equally to the general government sector.

### **(D) Basis of consolidation**

The September Quarterly Financial Report includes all reporting entities in the general government sector that are controlled by the State. Information on entities consolidated for the general government sector is included in Note 21. In the process of reporting the general government sector as a single economic entity, all material transactions and balances in the sector are eliminated.



## Note 2: Taxation revenue

(\$ million)

<i>2014-15</i>		<i>2015-16</i>	
<i>Actual</i>		<i>Actual</i>	<i>Annual</i>
<i>to Sep</i>		<i>to Sep</i>	<i>budget</i>
<b>1 326</b>	<b>Taxes on employers' payroll and labour force</b>	<b>1 357</b>	<b>5 408</b>
	<b>Taxes on property</b>		
	<b>Taxes on immovable property</b>		
12	Land tax	45	1 770
606	Fire Services Property Levy	653	628
3	Congestion levy	(5)	120
110	Metropolitan improvement levy	110	151
<b>732</b>	<b>Total taxes on immovable property</b>	<b>803</b>	<b>2 669</b>
	<b>Financial and capital transactions</b>		
1 192	Land transfer duty	1 450	5 028
4	Other property duties	..	2
..	Metropolitan Planning levy	3	17
33	Financial accommodation levy	29	151
22	Growth Areas Infrastructure Contribution	34	108
<b>1 252</b>	<b>Total financial and capital transactions</b>	<b>1 516</b>	<b>5 307</b>
<b>1 985</b>	<b>Total taxes on property</b>	<b>2 319</b>	<b>7 975</b>
	<b>Taxes on provision of goods and services</b>		
	<b>Gambling taxes</b>		
108	Public lotteries	108	421
275	Electronic gaming machines	278	1 088
49	Casino	51	240
20	Racing	19	83
6	Other	6	30
<b>458</b>	<b>Total gambling taxes</b>	<b>462</b>	<b>1 861</b>
<b>23</b>	<b>Levies on statutory corporations</b>	<b>23</b>	<b>112</b>
<b>318</b>	<b>Taxes on insurance</b>	<b>319</b>	<b>1 156</b>
<b>799</b>	<b>Total taxes on the provision of goods and services</b>	<b>804</b>	<b>3 130</b>
	<b>Taxes on the use of goods and performance of activities</b>		
	<b>Motor vehicle taxes</b>		
351	Vehicle registration fees	367	1 459
181	Duty on vehicle registrations and transfers	194	743
<b>532</b>	<b>Total motor vehicle taxes</b>	<b>561</b>	<b>2 202</b>
..	Liquor licence fees	..	22
69	Other	20	288
<b>601</b>	<b>Total taxes on the use of goods and performance of activities</b>	<b>581</b>	<b>2 512</b>
<b>4 711</b>	<b>Total taxation revenue</b>	<b>5 061</b>	<b>19 024</b>

### Note 3: Dividends and income tax equivalent and rate equivalent revenue

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
..	Dividends from PFC sector	..	620
1	Dividends from PNFC sector	6	216
7	Dividends from non-public sector	11	14
<b>8</b>	<b>Dividends</b>	<b>17</b>	<b>850</b>
29	Income tax equivalent revenue from PFC sector	2	124
15	Income tax equivalent revenue from PNFC sector	40	163
<b>43</b>	<b>Income tax equivalent revenue</b>	<b>42</b>	<b>287</b>
..	Local government rate equivalent revenue	..	8
<b>51</b>	<b>Total dividends and income tax equivalent and rate equivalent revenue</b>	<b>59</b>	<b>1 144</b>

### Note 4: Sales of goods and services

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
62	Motor vehicle regulatory fees	63	229
116	Other regulatory fees	111	501
20	Sale of goods	20	69
1 025	Provision of services	1 015	4 114
15	Rental	17	59
9	Refunds and reimbursements	..	56
408	Inter-sector capital asset charge	435	1 752
<b>1 657</b>	<b>Total sales of goods and services</b>	<b>1 661</b>	<b>6 779</b>

### Note 5: Grant revenue

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
2 957	General purpose grants	3 183	12 770
751	Specific purpose grants for on-passing	745	3 389
1 924	Other specific purpose grants	2 058	9 270
<b>5 632</b>	<b>Total</b>	<b>5 987</b>	<b>25 428</b>
33	Other contributions and grants	24	151
<b>5 665</b>	<b>Total grant revenue</b>	<b>6 010</b>	<b>25 579</b>

## Note 6: Other revenue

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
4	Fair value of assets received free of charge or for nominal consideration	4	62
188	Fines	167	777
9	Royalties	14	51
72	Donations and gifts	65	304
7	Other non-property rental	6	20
286	Other miscellaneous revenue	308	956
<b>566</b>	<b>Total other revenue</b>	<b>564</b>	<b>2 171</b>

## Note 7: Superannuation

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
	<b>Defined benefit plans</b>		
258	Net superannuation interest expense	223	886
171	Current service cost	208	826
	Remeasurements:		
(126)	Expected return on superannuation assets excluding interest income	(243)	(962)
56	Other actuarial (gain)/loss on superannuation assets	691	..
(51)	Actuarial and other adjustments to unfunded superannuation liability	1 486	..
<b>308</b>	<b>Total (gain)/expense recognised in respect of defined benefit plans</b>	<b>2 366</b>	<b>750</b>
	<b>Defined contribution plans</b>		
292	Employer contributions to defined contribution plans	321	1 214
20	Other (including pensions)	25	62
<b>312</b>	<b>Total expense recognised in respect of defined contribution plans</b>	<b>346</b>	<b>1 276</b>
<b>621</b>	<b>Total superannuation (gain)/expense recognised in operating statement</b>	<b>2 711</b>	<b>2 026</b>
	<b>Represented by:</b>		
258	Superannuation interest expense	223	886
484	Other superannuation	554	2 102
<b>742</b>	<b>Superannuation expense from transactions</b>	<b>777</b>	<b>2 988</b>
<b>(121)</b>	<b>Remeasurement recognised in other comprehensive income</b>	<b>1 934</b>	<b>(962)</b>
<b>621</b>	<b>Total superannuation costs recognised in operating statement</b>	<b>2 711</b>	<b>2 026</b>

## Note 8: Depreciation

(\$ million)

2014-15		2015-16	
Actual to Sep		Actual to Sep	Annual budget
245	Buildings <sup>(a)</sup>	248	1 028
23	Leasehold buildings	28	98
10	Infrastructure systems	8	28
139	Plant, equipment and vehicles	136	657
144	Road and road networks	151	646
5	Cultural assets	4	25
32	Intangible produced assets	31	94
<b>597</b>	<b>Total depreciation<sup>(a)</sup></b>	<b>605</b>	<b>2 577</b>

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

## Note 9: Expenses by government purpose and by department

### (a) Total expenses by government purpose classification

(\$ million)

2014-15		2015-16	
Actual to Sep <sup>(a)</sup>		Actual to Sep	Annual budget
218	General public services <sup>(b)</sup>	423	1 920
1 362	Public order and safety	1 447	6 128
3 180	Education	3 424	14 042
3 510	Health	3 611	15 264
976	Social security and welfare	1 095	4 345
616	Housing and community amenities	631	3 170
198	Recreation and culture	171	647
17	Fuel and energy	42	185
72	Agriculture, forestry, fishing, and hunting	49	376
1 412	Transport and communications	1 537	6 313
377	Other economic affairs	233	820
498	Other purposes <sup>(b)</sup>	377	1 100
<b>12 438</b>	<b>Total expenses from transactions</b>	<b>13 040</b>	<b>54 310</b>

Notes:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

(b) 2015-16 Budget figures have been reclassified.

## Note 9: Expenses by government purpose and by department (continued)

### (b) Total expenses by department<sup>(a)</sup>

(\$ million)

2014-15 Actual to Sep <sup>(b)</sup>		2015-16 Actual to Sep	Annual budget
<b>Expenses from transactions</b>			
341	Economic Development, Jobs, Transport and Resources	2 034	8 088
3 564	Education and Training	3 802	15 550
486	Environment, Land, Water and Planning	634	2 946
3 924	Health and Human Services	5 129	21 362
929	Human Services	..	..
1 337	Justice and Regulation	1 380	5 596
179	Premier and Cabinet	85	433
1 673	Transport, Planning and Local Infrastructure	..	..
1 530	Treasury and Finance	1 629	6 654
43	Parliament	43	187
117	Courts	122	528
464	Regulatory bodies and other part funded agencies	481	1 928
<b>14 586</b>	<b>Total expenses by department</b>	<b>15 339</b>	<b>63 272</b>
(2 148)	Less eliminations and adjustments <sup>(c)</sup>	(2 299)	(8 962)
<b>12 438</b>	<b>Total expenses from transactions</b>	<b>13 040</b>	<b>54 310</b>

Notes:

(a) Effective 1 January 2015 several departments were renamed due to machinery of government changes:

- the Department of Education and Early Childhood Development was renamed the Department of Education and Training;
- the Department of Environment and Primary Industries was renamed the Department of Environment, Land, Water and Planning;
- the Department of Health was renamed the Department of Health and Human Services;
- the Department of Justice was renamed the Department of Justice and Regulation;
- the Department of State Development, Business and Innovation was renamed the Department of Economic Development, Jobs, Transport and Resources;
- the Department of Human Services was abolished; and
- the Department of Transport, Planning and Local Infrastructure was abolished.

The two abolished departments had their functions and operations transferred to other Victorian government departments. Functions and operations of the Department of Human Services were transferred to the Department of Health and Human Services and to the Department of Premier and Cabinet. Functions and operations of the Department of Transport, Planning and Local Infrastructure were transferred to the Department of Environment, Land, Water and Planning, the Department of Health and Human Services and to the Department of Economic Development, Jobs, Transport and Resources. Certain functions and operations of continuing Victorian government departments were also transferred amongst departments as part of the machinery of government changes. Controlled entities which have been transferred as part of the machinery of government changes are listed under their new portfolio departments.

(b) September 2014-15 comparative figures have been restated to reflect more current information

(c) The annual budget includes contingencies not allocated to departments.

## Note 10: Other gains/(losses) from other economic flows

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
(82)	Net (increase)/decrease in provision for doubtful receivables	(88)	(181)
..	Amortisation of intangible non-produced assets	(1)	..
(6)	Bad debts written off	(6)	(153)
(2)	Other gains/(losses)	(29)	16
<b>(90)</b>	<b>Total other gains/(losses) from other economic flows</b>	<b>(124)</b>	<b>(318)</b>

## Note 11: Net acquisition of non-financial assets from transactions

(\$ million)

2014-15 Actual to Sep		2015-16	
		Actual to Sep	Annual budget
887	Purchases of non-financial assets (including change in inventories)	948	4 552
(36)	Less: Sales of non-financial assets	(22)	(322)
(597)	Less: Depreciation <sup>(a)</sup>	(605)	(2 577)
(182)	Plus: Other movements in non-financial assets <sup>(a)</sup>	(249)	(287)
<b>72</b>	<b>Total net acquisition of non-financial assets from transactions</b>	<b>72</b>	<b>1 366</b>

Note:

(a) September 2014-15 actual comparative figures and 2015-16 Budget figures have been restated to reflect more current information.

## Note 12: Receivables

(\$ million)

<i>2014-15</i>			<i>2015-16</i>	
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Budget</i>
<i>30 Sep</i>		<i>1 Jul</i>	<i>30 Sep</i>	<i>30 Jun</i>
	<b>Contractual</b>			
694	Sales of goods and services	675	846	674
28	Accrued investment income	17	23	17
1 147	Other receivables	1 262	1 306	1 124
(71)	Provision for doubtful contractual receivables	(69)	(85)	(67)
	<b>Statutory</b>			
5	Sales of goods and services	2	2	3
2 257	Taxes receivables	2 492	2 669	2 361
1 728	Fines and regulatory fees	1 761	1 803	2 040
243	GST input tax credits recoverable	255	196	255
(864)	Provision for doubtful statutory receivables	(838)	(863)	(1 004)
<b>5 169</b>	<b>Total receivables</b>	<b>5 555</b>	<b>5 897</b>	<b>5 404</b>
	<b>Represented by:</b>			
4 235	Current receivables	4 447	4 785	4 329
934	Non-current receivables	1 109	1 112	1 076

## Note 13: Land, buildings, infrastructure, plant and equipment

### (a) Total land, buildings, infrastructure, plant and equipment (net carrying amount)<sup>(a)</sup>

(\$ million)

2014-15		2015-16		
Actual		Opening	Actual	Budget
30 Sep <sup>(b)</sup>		1 Jul	30 Sep	30 Jun
26 005	Buildings	25 976	25 932	26 225
2 400	Buildings leasehold	2 476	2 465	3 463
37 575	Land and national parks	40 699	40 712	41 072
1 268	Infrastructure systems	1 299	1 410	1 314
2 544	Plant, equipment and vehicles	2 465	2 380	2 382
22 071	Roads and road networks	21 485	21 441	21 941
7 685	Earthworks	7 690	7 690	7 831
5 488	Cultural assets	5 496	5 497	5 506
<b>105 037</b>	<b>Total land, buildings, infrastructure, plant and equipment</b>	<b>107 586</b>	<b>107 527</b>	<b>109 733</b>

Notes:

(a) Net carrying amount shown for all line items except land and earthworks.

(b) September 2014-15 comparative figures have been restated to reflect more current information.

### (b) Land and buildings

(\$ million)

2014-15		2015-16		
Actual		Opening	Actual	Budget
30 Sep <sup>(a)</sup>		1 Jul	30 Sep	30 Jun
27 743	Buildings	28 236	28 432	29 543
(1 738)	Accumulated depreciation	(2 260)	(2 500)	(3 318)
<b>26 005</b>	<b>Buildings (net carrying amount)</b>	<b>25 976</b>	<b>25 932</b>	<b>26 225</b>
2 820	Buildings leasehold	2 967	2 991	4 050
(420)	Buildings leasehold accumulated depreciation	(491)	(526)	(588)
<b>2 400</b>	<b>Buildings leasehold (net carrying amount)</b>	<b>2 476</b>	<b>2 465</b>	<b>3 463</b>
35 891	Land	39 637	39 651	39 919
1 684	National parks and other 'land only' holdings	1 062	1 062	1 153
<b>37 575</b>	<b>Land and national parks</b>	<b>40 699</b>	<b>40 712</b>	<b>41 072</b>
<b>65 981</b>	<b>Total land and buildings</b>	<b>69 151</b>	<b>69 109</b>	<b>70 760</b>

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information.



## Note 13: Land, buildings, infrastructure, plant and equipment (*continued*)

### (c) Plant, equipment, vehicles and infrastructure systems

(\$ million)

2014-15		2015-16		
Actual		Opening	Actual	Budget
30 Sep <sup>(a)</sup>		1 Jul	30 Sep	30 Jun
1 743	Infrastructure systems	1 747	1 866	1 790
(475)	Accumulated depreciation	(448)	(456)	(476)
<b>1 268</b>	<b>Infrastructure systems (net carrying amount)</b>	<b>1 299</b>	<b>1 410</b>	<b>1 314</b>
5 901	Plant, equipment and vehicles	5 973	5 978	6 442
(3 557)	Accumulated depreciation	(3 674)	(3 757)	(4 207)
<b>2 344</b>	<b>Plant, equipment and vehicles (net carrying amount)</b>	<b>2 299</b>	<b>2 222</b>	<b>2 235</b>
413	Leased plant, equipment and vehicles	373	373	373
(213)	Accumulated depreciation	(207)	(215)	(226)
<b>200</b>	<b>Leased plant, equipment and vehicles (net carrying amount)</b>	<b>166</b>	<b>158</b>	<b>147</b>
<b>3 812</b>	<b>Total plant, equipment, vehicles and infrastructure systems</b>	<b>3 764</b>	<b>3 790</b>	<b>3 696</b>

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information

### (d) Roads, road infrastructure and earthworks

(\$ million)

2014-15		2015-16		
Actual		Opening	Actual	Budget
30 Sep		1 Jul	30 Sep	30 Jun
38 005	Roads and road infrastructure	39 568	39 672	40 670
(15 934)	Accumulated depreciation	(18 084)	(18 232)	(18 730)
<b>22 071</b>	<b>Roads and road infrastructure (net carrying amount)</b>	<b>21 485</b>	<b>21 441</b>	<b>21 941</b>
7 685	Earthworks	7 690	7 690	7 831
<b>29 756</b>	<b>Total roads, road infrastructure and earthworks</b>	<b>29 175</b>	<b>29 130</b>	<b>29 772</b>

### (e) Cultural assets

(\$ million)

2014-15		2015-16		
Actual		Opening	Actual	Budget
30 Sep		1 Jul	30 Sep	30 Jun
5 614	Cultural assets	5 633	5 636	5 652
(126)	Accumulated depreciation	(137)	(139)	(146)
<b>5 488</b>	<b>Total cultural assets</b>	<b>5 496</b>	<b>5 497</b>	<b>5 506</b>

## Note 14: Other non-financial assets

(\$ million)

2014-15		2015-16		
Actual		Opening	Actual	Budget
30 Sep <sup>(a)</sup>		1 Jul	30 Sep	30 Jun
1 250	Intangible produced assets	1 287	1 252	1 337
(554)	Accumulated depreciation	(701)	(693)	(796)
102	Intangible non-produced assets	154	143	154
(49)	Accumulated amortisation	(69)	(62)	(69)
<b>749</b>	<b>Total intangibles</b>	<b>670</b>	<b>640</b>	<b>625</b>
137	Investment properties	69	69	62
5	Biological assets <sup>(b)</sup>	4	4	5
493	Other assets	295	502	285
<b>1 384</b>	<b>Total other non-financial assets</b>	<b>1 038</b>	<b>1 215</b>	<b>977</b>

Notes:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

(b) The majority of biological assets comprises of commercial forests and also includes any living animal, plant or agricultural produce, which is the harvested product of biological assets.

## Note 15: Assets by government purpose and by department

### (a) Purchases of non-financial assets by department<sup>(a)</sup>

(\$ million)

2014-15 Actual to Sep		2015-16 Actual to Sep	Annual budget
1	Economic Development, Jobs, Transport and Resources	521	2 194
107	Education and Training	48	488
24	Environment, Land, Water and Planning	1	61
170	Health and Human Services	78	873
7	Human Services	..	..
151	Justice and Regulation	221	567
8	Premier and Cabinet	2	16
353	Transport, Planning and Local Infrastructure	..	..
6	Treasury and Finance	13	38
2	Parliament	2	5
1	Courts	4	53
22	Regulatory bodies and other part funded agencies	27	168
36	Adjustments <sup>(b)</sup>	29	89
<b>887</b>	<b>Total purchases of non-financial assets</b>	<b>948</b>	<b>4 552</b>

Notes:

(a) Effective 1 January 2015 several departments were renamed due to machinery of government changes:

- the Department of Education and Early Childhood Development was renamed the Department of Education and Training;
- the Department of Environment and Primary Industries was renamed the Department of Environment, Land, Water and Planning;
- the Department of Health was renamed the Department of Health and Human Services;
- the Department of Justice was renamed the Department of Justice and Regulation;
- the Department of State Development, Business and Innovation was renamed the Department of Economic Development, Jobs, Transport and Resources;
- the Department of Human Services was abolished; and
- the Department of Transport, Planning and Local Infrastructure was abolished.

The two abolished departments had their functions and operations transferred to other Victorian government departments. Functions and operations of the Department of Human Services were transferred to the Department of Health and Human Services and to the Department of Premier and Cabinet. Functions and operations of the Department of Transport, Planning and Local Infrastructure were transferred to the Department of Environment, Land, Water and Planning, the Department of Health and Human Services and to the Department of Economic Development, Jobs, Transport and Resources. Certain functions and operations of continuing Victorian government departments were also transferred amongst departments as part of the machinery of government changes. Controlled entities which have been transferred as part of the machinery of government changes are listed under their new portfolio departments.

(b) Annual budget includes contingencies not allocated to departments and estimated departmental underspend.

## Note 15: Assets by government purpose and by department *(continued)*

### (b) Total assets classified by government purpose

(\$ million)

2014-15		2015-16	
Actual to Sep <sup>(a)</sup>		Actual to Sep	Budget 30 Jun <sup>(a)</sup>
1 013	General public services	1 160	1 114
8 699	Public order and safety	8 754	8 999
18 405	Education	19 060	19 114
12 848	Health	12 214	13 382
1 089	Social security and welfare	2 039	1 899
7 253	Housing and community amenities	7 140	7 153
8 276	Recreation and culture	8 090	8 448
28	Fuel and energy	46	11
625	Agriculture, forestry, fishing, and hunting	557	686
47 529	Transport and communications	49 269	49 534
956	Other economic affairs	727	690
2	Other purposes	2	2
92 918	Not allocated by purpose	100 477	100 397
<b>199 638</b>	<b>Total assets</b>	<b>209 534</b>	<b>211 431</b>

Note:

(a) September 2014-15 actual comparative figures and 2015-16 Budget figures have been restated to reflect more current information

## Note 16: Payables

(\$ million)

2014-15 Actual 30 Sep <sup>(a)</sup>		Opening 1 Jul	2015-16 Actual 30 Sep	Budget 30 Jun
<b>Contractual</b>				
1 060	Accounts payable	1 158	1 238	1 146
1 932	Accrued expenses	2 172	1 673	1 972
2 080	Unearned income	2 332	2 405	2 273
<b>Statutory</b>				
39	Accrued taxes payable	43	39	44
<b>5 112</b>	<b>Total payables</b>	<b>5 704</b>	<b>5 355</b>	<b>5 434</b>
<b>Represented by:</b>				
3 425	Current payables	3 776	3 424	3 605
1 687	Non-current payables	1 928	1 931	1 829

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

## Note 17: Employee benefits

(\$ million)

2014-15 Actual 30 Sep <sup>(a)</sup>		Opening 1 Jul	2015-16 Actual 30 Sep	Budget 30 Jun
<b>Current</b>				
1 756	Accrued salaries and wages	2 035	1 951	2 089
3 030	Long service leave	2 858	3 005	2 991
<b>4 786</b>	<b>Total current employee benefits and on-costs</b>	<b>4 893</b>	<b>4 956</b>	<b>5 080</b>
<b>Non-current</b>				
677	Long service leave	712	719	773
<b>677</b>	<b>Total non-current employee benefits and on-costs</b>	<b>712</b>	<b>719</b>	<b>773</b>
<b>5 463</b>	<b>Total employee benefits and on-costs</b>	<b>5 605</b>	<b>5 675</b>	<b>5 852</b>

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

## Note 18: Cash flow information

### (a) Reconciliation of cash and cash equivalents

(\$ million)

2014-15 Actual to Sep	2015-16 Actual to Sep
1 928 Cash	1 567
2 249 Deposits at call <sup>(a)</sup>	2 494
<b>4 177 Cash and cash equivalents<sup>(a)</sup></b>	<b>4 061</b>
.. Bank overdraft	..
<b>4 177 Balances as per cash flow statement<sup>(a)</sup></b>	<b>4 061</b>

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

### (b) Reconciliation of net result to net cash flows from operating activities

(\$ million)

2014-15 Actual to Sep <sup>(a)</sup>	2015-16 Actual to Sep
<b>351 Net result</b>	<b>353</b>
<b>Non-cash movements</b>	
597 Depreciation and amortisation	606
3 Revaluation of investments	29
.. Assets (received)/provided free of charge	..
(1) Assets not previously recognised	3
.. Revaluation of assets	(3)
1 Discount/premium on other financial assets/borrowings	..
<b>600 Non-cash items total</b>	<b>635</b>
<b>Movements included in investing and financing activities</b>	
(23) Net gain/loss from sale of investments	(2)
(5) Net revenues from sale of non-financial assets	13
<b>(28) Items Included in investing and financing activities total</b>	<b>11</b>
<b>Movements in assets and liabilities</b>	
19 Increase/(decrease) in provision for doubtful debts	40
(376) Increase/(decrease) in payables	(193)
197 Increase/(decrease) in employee benefits	70
50 Increase/(decrease) in superannuation	5
(31) Increase/(decrease) in other provisions	(54)
(247) (Increase)/decrease in receivables	(382)
(203) (Increase)/decrease in other non-financial assets	(205)
<b>(592) Changes in assets and liabilities total</b>	<b>(719)</b>
<b>332 Net cash flows from operating activities</b>	<b>280</b>

Note:

(a) September 2014-15 comparative figures have been restated to reflect more current information.

## Note 19: Public Account

### (a) Consolidated fund receipts and payments

(\$ million)

2014-15 Actual to Sep		2015-16 Actual to Sep	Annual budget
	<b>Receipts</b>		
4 571	Taxation	4 883	19 324
207	Fines and regulatory fees	199	887
3 788	Grants received	3 986	17 128
1 414	Sales of goods and services	1 449	5 721
123	Interest received	123	536
50	Public authority receipts	38	1 129
56	Other receipts	51	306
<b>10 208</b>	<b>Total operating activities</b>	<b>10 729</b>	<b>45 031</b>
314	Total inflows from investing and financing	696	3 166
<b>10 522</b>	<b>Total receipts</b>	<b>11 425</b>	<b>48 198</b>
	<b>Payments to departments</b>		
277	Economic Development, Jobs, Transport and Resources	2 122	8 996
2 701	Education and Training	2 972	11 412
540	Environment, Land, Water and Planning	456	1 891
2 890	Health and Human Services	4 085	14 186
1 472	Justice and Regulation	1 643	5 908
156	Premier and Cabinet	80	399
864	Treasury and Finance	953	5 377
40	Parliament	42	174
67	Courts	131	538
974	Human Services <sup>(a)</sup>	..	..
1 753	Transport, Planning and Local Infrastructure <sup>(a)</sup>	..	..
<b>11 734</b>	<b>Total payments<sup>(b)</sup></b>	<b>12 483</b>	<b>48 883</b>
<b>(1 212)</b>	<b>Net receipts/(payments)<sup>(b)</sup></b>	<b>(1 058)</b>	<b>(686)</b>

Notes:

- (a) Effective 1 January 2015 several departments were renamed due to machinery of government changes:
- the Department of Education and Early Childhood Development was renamed the Department of Education and Training;
  - the Department of Environment and Primary Industries was renamed the Department of Environment, Land, Water and Planning;
  - the Department of Health was renamed the Department of Health and Human Services;
  - the Department of Justice was renamed the Department of Justice and Regulation;
  - the Department of State Development, Business and Innovation was renamed the Department of Economic Development, Jobs, Transport and Resources;
  - the Department of Human Services was abolished; and
  - the Department of Transport, Planning and Local Infrastructure was abolished.
- The two abolished departments had their functions and operations transferred to other Victorian government departments. Functions and operations of the Department of Human Services were transferred to the Department of Health and Human Services and to the Department of Premier and Cabinet. Functions and operations of the Department of Transport, Planning and Local Infrastructure were transferred to the Department of Environment, Land, Water and Planning, the Department of Health and Human Services and to the Department of Economic Development, Jobs, Transport and Resources. Certain functions and operations of continuing Victorian government departments were also transferred amongst departments as part of the machinery of government changes. Controlled entities which have been transferred as part of the machinery of government changes are listed under their new portfolio departments.
- (b) 2015-16 Budget figures have been restated to reflect more current information.

## Note 19: Public Account (continued)

### (b) Trust fund cash flow statement

(\$ million)

2014-15 Actual to Sep		2015-16 Actual to Sep	Annual budget
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
156	Taxation	157	325
12	Regulatory fees and fines	8	30
4 109	Grants received <sup>(a)</sup>	4 315	15 643
122	Sale of goods and services	22	165
25	Interest received	29	106
3 104	Net transfers from consolidated fund	2 452	7 672
18	Other receipts	23	141
<b>7 545</b>	<b>Total receipts</b>	<b>7 005</b>	<b>24 082</b>
<b>Payments</b>			
(35)	Employee benefits	(36)	(192)
(3)	Superannuation	(3)	(14)
(6 828)	Grants paid <sup>(a)</sup>	(6 384)	(21 194)
(576)	Supplies and consumables	(583)	(2 265)
(2)	Interest paid	(1)	(8)
<b>(7 444)</b>	<b>Total payments</b>	<b>(7 007)</b>	<b>(23 673)</b>
<b>102</b>	<b>Net cash flows from operating activities</b>	<b>(2)</b>	<b>409</b>
<b>Cash flows from investing activities</b>			
11	Proceeds from sale of property, plant and equipment	9	36
(9)	Purchases of property, plant and equipment	4	(35)
(38)	Other investing activities	(28)	(83)
<b>(36)</b>	<b>Net cash flows from investing activities</b>	<b>(15)</b>	<b>(81)</b>
<b>Cash flows from financing activities</b>			
8	Net proceeds (repayments) from borrowings	(457)	(29)
<b>8</b>	<b>Net cash flows from financing activities</b>	<b>(457)</b>	<b>(29)</b>
<b>75</b>	<b>Net cash inflow/(outflow)</b>	<b>(474)</b>	<b>299</b>

Note:

(a) 2015-16 Budget figures have been restated to reflect more current information.



## Note 19: Public Account (continued)

### (c) Reconciliation of cash flows to balances held

(\$ million)

	Balances held at 30 Jun 2015	Sep movement YTD	Balances held at 30 Sep 2015
<b>Cash and deposits</b>			
Cash balances outside the Public Account	1	(1)	..
Deposits held with the Public Account – specific trusts	806	97	903
Other balances held in the Public Account	3 397	(1 624)	1 773
<b>Total cash and deposits</b>	<b>4 204</b>	<b>(1 527)</b>	<b>2 677</b>
<b>Investments</b>			
Investments held with the Public Account – specific trusts	681	(206)	476
<b>Total investments</b>	<b>681</b>	<b>(206)</b>	<b>476</b>
<b>Total fund balances</b>	<b>4 884</b>	<b>(1 732)</b>	<b>3 152</b>
<b>Less funds held outside the Public Account</b>			
Cash	1	(1)	..
<b>Total fund balances held outside the Public Account</b>	<b>1</b>	<b>(1)</b>	<b>..</b>
<b>Total funds held in the Public Account<sup>(a)</sup></b>	<b>4 884</b>	<b>(1 731)</b>	<b>3 152</b>

Note:

(a) See Note 19(d) below for details of securities and investments including amounts held in the Public Account on behalf of trust accounts.

### (d) Details of securities held

(\$ million)

2014-15 Actual to Sep		2015-16 Opening 1 Jul	Actual 30 Sep
1 304	Amounts invested on behalf of specific trust accounts	1 487	1 379
1 300	General account balances	3 397	1 773
<b>2 604</b>	<b>Total Public Account</b>	<b>4 884</b>	<b>3 152</b>
	<b>Represented by:</b>		
1 304	Stocks and securities	1 487	1 379
1 052	Cash and investments	2 087	498
<b>2 356</b>	<b>Total stock, securities, cash and investments</b>	<b>3 574</b>	<b>1 877</b>
	Add cash advanced for:		
248	Advances pursuant to sections 36 and 37 of the <i>Financial Management Act 1994</i>	1 310	1 275
<b>2 604</b>	<b>Total Public Account</b>	<b>4 884</b>	<b>3 152</b>

## **Note 20: Glossary of technical terms**

The *2014-15 Financial Report* for the State of Victoria (Note 40) contains a comprehensive summary of the major technical terms used in this report.

## **Note 21: Controlled entities**

Note 42 Controlled Entities in the *2014-15 Financial Report* for the State of Victoria contains a list of significant controlled entities which have been consolidated for the purposes of the financial report.

The following are changes from 1 July 2015, of general government sector entities which have been consolidated for the purposes of the financial report:

- in the 2015-16 financial year, the Domestic (HH) Indemnity Fund and Housing Guarantee Claims and Linking Melbourne Authority ceased to exist; and
- effective from 22 September 2015, the Victorian Competition and Efficiency Commission ceased to exist.

## RESULTS QUARTER BY QUARTER – VICTORIAN GENERAL GOVERNMENT SECTOR

### Consolidated comprehensive operating statement for the past five quarters

(\$ million)

	2014-15			2015-16	
	Sep	Dec	Mar	Jun	Sep
<b>Revenue from transactions</b>					
Taxation revenue	4 711	4 054	5 476	4 098	5 061
Interest revenue	205	200	203	219	203
Dividends and income tax equivalent and rate equivalent revenue	51	616	63	383	59
Sales of goods and services	1 657	1 676	1 711	1 439	1 661
Grant revenue	5 665	6 057	6 742	6 039	6 010
Other revenue	566	588	496	857	564
<b>Total revenue from transactions</b>	<b>12 855</b>	<b>13 190</b>	<b>14 692</b>	<b>13 035</b>	<b>13 559</b>
<b>Expenses from transactions</b>					
Employee expenses	4 510	4 809	4 628	4 887	4 768
Net superannuation interest expense	258	254	250	276	223
Other superannuation	484	551	483	461	554
Depreciation	597	601	612	616	605
Interest expense	523	525	511	543	513
Grant expense	2 003	2 128	2 646	1 753	2 172
Other operating expenses	4 063	4 277	4 154	5 157	4 204
<b>Total expenses from transactions</b>	<b>12 438</b>	<b>13 144</b>	<b>13 283</b>	<b>13 693</b>	<b>13 040</b>
<b>Net result from transactions – net operating balance</b>	<b>417</b>	<b>47</b>	<b>1 409</b>	<b>(658)</b>	<b>519</b>
<b>Other economic flows included in net result</b>					
Net gain/(loss) on disposal of non-financial assets	5	21	21	(15)	(13)
Net gain/(loss) on financial assets or liabilities at fair value	19	15	46	(28)	(29)
Share of net profit/(loss) from associates/joint venture entities	..	..	..	(3)	..
Other gains/(losses) from other economic flows	(90)	(243)	(162)	(53)	(124)
<b>Total other economic flows included in net result</b>	<b>(66)</b>	<b>(207)</b>	<b>(94)</b>	<b>(99)</b>	<b>(166)</b>
<b>Net result</b>	<b>351</b>	<b>(160)</b>	<b>1 315</b>	<b>(757)</b>	<b>353</b>
<b>Other economic flows – other comprehensive income</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in non-financial assets revaluation surplus	22	37	(135)	2 601	32
Remeasurement of superannuation defined benefits plans	121	(2 586)	(1 971)	4 987	(1 934)
Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets	..	3	..	4 223	..
Other movements in equity	14	(21)	(622)	481	2
<b>Items that may be reclassified subsequently to net result</b>					
Net gain/(loss) on financial assets at fair value	(2)	(32)	(12)	2	(3)
<b>Total other economic flows – other comprehensive income</b>	<b>155</b>	<b>(2 599)</b>	<b>(2 740)</b>	<b>12 293</b>	<b>(1 903)</b>
<b>Comprehensive result – total change in net worth</b>	<b>506</b>	<b>(2 759)</b>	<b>(1 426)</b>	<b>11 536</b>	<b>(1 550)</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>Net operating balance</b>	<b>417</b>	<b>47</b>	<b>1 409</b>	<b>(658)</b>	<b>519</b>
Less: Net acquisition of non-financial assets from transactions	72	373	87	(240)	72
<b>Net lending/(borrowing)</b>	<b>345</b>	<b>(327)</b>	<b>1 322</b>	<b>(418)</b>	<b>447</b>

## Consolidated balance sheet as at the end of the past five quarters

(\$ million)

	2014-15			2015-16	
	Sep	Dec	Mar	Jun	Sep
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	4 177	4 171	4 609	4 282	4 061
Advances paid	4 576	4 578	4 573	4 572	4 567
Receivables	5 169	5 001	6 727	5 555	5 897
Investments, loans and placements	3 077	3 351	3 397	3 406	3 440
Investments accounted for using the equity method	44	47	47	45	44
Investments in other sector entities	75 875	76 170	76 357	82 181	82 467
<b>Total financial assets</b>	<b>92 918</b>	<b>93 317</b>	<b>95 711</b>	<b>100 040</b>	<b>100 477</b>
<b>Non-financial assets</b>					
Inventories	154	148	147	144	146
Non-financial assets held for sale	147	145	130	175	169
Land, buildings, infrastructure, plant and equipment	105 037	105 317	104 682	107 586	107 527
Other non-financial assets	1 384	1 480	1 325	1 038	1 215
<b>Total non-financial assets</b>	<b>106 721</b>	<b>107 091</b>	<b>106 284</b>	<b>108 944</b>	<b>109 057</b>
<b>Total assets</b>	<b>199 638</b>	<b>200 408</b>	<b>201 994</b>	<b>208 985</b>	<b>209 534</b>
<b>Liabilities</b>					
Deposits held and advances received	454	424	529	518	471
Payables	5 112	5 813	6 182	5 704	5 355
Borrowings	32 847	33 018	33 286	34 069	34 597
Employee benefits	5 463	5 399	5 601	5 605	5 675
Superannuation	26 181	28 844	30 881	25 947	27 885
Other provisions	598	687	717	807	754
<b>Total liabilities</b>	<b>70 655</b>	<b>74 184</b>	<b>77 196</b>	<b>72 650</b>	<b>74 738</b>
<b>Net assets</b>	<b>128 983</b>	<b>126 224</b>	<b>124 798</b>	<b>136 335</b>	<b>134 796</b>
Accumulated surplus/(deficit)	44 505	41 722	41 078	45 788	44 237
Reserves	84 428	84 452	83 670	90 496	90 509
Non-controlling interest	50	50	50	50	50
<b>Net worth</b>	<b>128 983</b>	<b>126 224</b>	<b>124 798</b>	<b>136 335</b>	<b>134 796</b>
<b>FISCAL AGGREGATES</b>					
Net financial worth	22 263	19 133	18 514	27 390	25 739
Net financial liabilities	53 613	57 037	57 843	54 791	56 728
Net debt	21 471	21 343	21 236	22 327	23 000

## Consolidated cash flow statement for the past five quarters

(\$ million)

	2014-15			2015-16	
	Sep	Dec	Mar	Jun	Sep
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Taxes received	4 586	4 781	4 277	4 773	4 887
Grants	5 664	6 056	6 698	6 082	6 008
Sales of goods and services <sup>(a)</sup>	1 805	2 105	1 501	1 591	1 782
Interest received	194	191	193	235	193
Dividends and income tax equivalent and rate equivalent receipts	57	619	71	268	49
Other receipts	412	592	164	816	439
<b>Total receipts</b>	<b>12 718</b>	<b>14 343</b>	<b>12 902</b>	<b>13 764</b>	<b>13 359</b>
<b>Payments</b>					
Payments for employees	(4 313)	(4 917)	(4 482)	(4 908)	(4 730)
Superannuation	(692)	(728)	(667)	(684)	(773)
Interest paid	(510)	(510)	(513)	(529)	(531)
Grants and subsidies	(2 180)	(2 136)	(2 634)	(1 614)	(2 185)
Goods and services <sup>(a)</sup>	(4 515)	(4 425)	(3 526)	(4 370)	(4 666)
Other payments	(176)	(163)	(138)	(581)	(194)
<b>Total payments</b>	<b>(12 386)</b>	<b>(12 879)</b>	<b>(11 958)</b>	<b>(12 686)</b>	<b>(13 078)</b>
<b>Net cash flows from operating activities</b>	<b>332</b>	<b>1 465</b>	<b>944</b>	<b>1 078</b>	<b>280</b>
<b>Cash flows from investing activities</b>					
Purchases of non-financial assets	(887)	(1 231)	(869)	(1 407)	(948)
Sales of non-financial assets	36	86	63	213	22
<b>Cash flows from investments in non-financial assets</b>	<b>(851)</b>	<b>(1 145)</b>	<b>(806)</b>	<b>(1 194)</b>	<b>(926)</b>
Net cash flows from investments in financial assets for policy purposes	208	(164)	(58)	(845)	18
<b>Sub-total</b>	<b>(643)</b>	<b>(1 309)</b>	<b>(864)</b>	<b>(2 039)</b>	<b>(908)</b>
Net cash flows from investments in financial assets for liquidity management purposes	(14)	(302)	(15)	(39)	(74)
<b>Net cash flows from investment activities</b>	<b>(657)</b>	<b>(1 611)</b>	<b>(879)</b>	<b>(2 078)</b>	<b>(982)</b>
<b>Cash flows from financing activities</b>					
Advances received (net)	..	1	..	(1)	..
Net borrowings	(108)	171	267	684	528
Deposits received (net)	28	(31)	105	(10)	(47)
<b>Net cash flows from financing activities</b>	<b>(81)</b>	<b>140</b>	<b>372</b>	<b>673</b>	<b>481</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(405)</b>	<b>(6)</b>	<b>438</b>	<b>(327)</b>	<b>(220)</b>
Cash and cash equivalents at beginning of reporting period	4 582	4 177	4 171	4 609	4 282
<b>Cash and cash equivalents at end of the reporting period</b>	<b>4 177</b>	<b>4 171</b>	<b>4 609</b>	<b>4 282</b>	<b>4 061</b>
<b>FISCAL AGGREGATES</b>					
Net cash flows from operating activities	332	1 465	944	1 078	280
Net cash flows from investments in non-financial assets	(851)	(1 145)	(806)	(1 194)	(926)
<b>Cash surplus/(deficit)</b>	<b>(519)</b>	<b>320</b>	<b>138</b>	<b>(116)</b>	<b>(646)</b>

Note:

(a) These items are inclusive of goods and services tax.

## STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage changes in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

n.a. or na	not available or not applicable
1 billion	1 000 million
1 basis point	0.01 per cent
..	zero, or rounded to zero
(xxx.x)	negative numbers

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