**2013‑14 Mid‑Year Financial Report**

**(incorporating Quarterly Financial Report No. 2)**



**March 2014**

Presented by

**The Hon. Michael O’Brien MP**

Treasurer of the State of Victoria

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Chapter 1 – Mid‑year results for the State of Victoria, including the general government sector

The *2013‑14 Mid‑Year Financial Report* presents the financial results for the State of Victoria, including the general government sector, for the six months to 31 December 2013. This report has been prepared in accordance with the *Financial Management Act 1994* and applicable accounting standards.

The actual results presented in this report are compared with the revised budget estimates as published in the *2013‑14 Budget Update*. The likely 2013‑14 full‑year results cannot be extrapolated from the half‑year results. In particular, they do not include the impact of significant revenue items recognised in the second half of the financial year. Land tax revenue is mainly recognised in the March quarter, and certain grants from the Commonwealth Government are expected to be received later in the year.

For the six month period to 31 December 2013, the general government sector recorded a net result from transactions of a deficit of $351.1 million. However, the sector remains on track to achieve the government’s operating surplus target.

The State of Victoria recorded a net result from transactions of a deficit of $804.5 million. After taking into account income derived from investment assets in the public financial corporations (PFC) sector, and other economic flows, the State achieved a net result of a surplus of $2.2 billion.

Global economic conditions have improved marginally, particularly for key Victorian trading partners, including China, the US and Japan. The Australian dollar has also remained below parity with the United States dollar. Victoria’s close links to Asia remain a growing opportunity for Victorian business and knowledge services, food and agricultural products, education and tourism industries. Challenges facing the global and domestic economy are also continuing.

In the first half of 2013‑14, the Victorian economy benefited from higher than expected population growth and elevated consumer sentiment, which was reflected in the relative good performance of the retail sector and increasing strength in the property market. However, businesses remained cautious in undertaking significant investments as demand from both consumers and other businesses grew at a moderate pace. Moderate growth in employment continues despite challenging economic circumstances. Victoria continues to have the highest labour force participation rate of all the non‑mining states.

Victoria’s record of strong financial management has ensured it retains a stable triple‑A credit rating from both major ratings agencies – the only Australian state to do so. Sound state finances are supporting record infrastructure investment necessary to boost productivity while keeping debt at manageable levels.

# State of Victoria – overview

The State of Victoria comprises the general government sector, the public non‑financial corporations (PNFC) sector and the PFC sector.

The general government sector consists of all government departments and other public sector agencies that are controlled and largely financed by taxes and Commonwealth grants. The general government sector is primarily responsible for delivering government policy as set out in the annual budget.

The PNFC and PFC sectors comprise a wide range of entities which provide services while meeting commercial principles through cost recovery via user charges and fees. The largest Victorian PNFCs are those providing water, housing, transport and port services. Victoria’s PFCs can be categorised into two broad types: those that provide services to the general public and businesses (such as the statutory insurers); and those that provide financial services, such as the Treasury Corporation of Victoria and the Rural Finance Corporation.

Due to transactions between the sectors, not all transactions in each sector will affect the overall State of Victoria outcome.

The financial position of the non‑financial public sector (NFPS) is also of particular significance considering the material level of investment in infrastructure by that sector. The NFPS is equivalent to the general government sector plus the PNFC sector after eliminating transactions between the two sectors.

Net infrastructure investment for the State of Victoria for the six months to 31 December 2013 was $3.4 billion, driven mainly by the $2.8 billion investment by the general government sector. Cash surpluses generated from operating activities are applied, in the first instance, to the funding of infrastructure investment.

Net debt for the NFPS was $37.1 billion, or 10.5 per cent of gross state product (GSP), at 31 December 2013, largely reflecting the significant amount of infrastructure investment in the general government and PNFC sectors.

# Financial performance

For the six months to 31 December 2013, the general government sector recorded a net result from transactions of a deficit of $351.1 million. However, the general government sector remains on track to achieve a net operating surplus consistent with the estimates presented in the *2013‑14 Budget Update*. The result is influenced by seasonal factors (including the changed timing of revenue recognition arising from the introduction of the Fire Services Property Levy in 2013‑14) but is otherwise broadly consistent with the previous year. The consolidated State of Victoria net result from transactions is a deficit of $804.5 million. However, after incorporating gains from other economic flows, mainly reflecting strong investment returns and valuation gains on liabilities from the PFC sector, the net result for the State was a surplus of $2.2 billion.

Table 1.1: Summary comprehensive operating statement for the period ending 31 December(a)

($ million)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | | | | |  | |  |  | | General government | | | | | | | |  | |  |
|  | 2012‑13 | | 2013‑14 | 2013‑14 | |  | | | | 2012‑13 | | | | 2013‑14 | | 2013‑14 | | |  | | | |
|  | Actual to Dec | | Actual to Dec | Revised estimate | | % | | | | Actual to Dec | | | | Actual to Dec | | Revised estimate | | | % | | | |
| **Revenue from transactions** |  | |  |  | |  | | | |  | | | |  | |  | | |  | | | |
| Taxation revenue | 7 059.1 | | 7 940.1 | 16 071.6 | | 49.4 | | | | 7 192.7 | | | | 8 103.8 | | 16 495.4 | | | 49.1 | | | |
| Interest revenue | 517.3 | | 460.2 | 960.6 | | 47.9 | | | | 257.1 | | | | 420.8 | | 842.2 | | | 50.0 | | | |
| Dividends (b) | 258.5 | | 383.5 | 592.3 | | 64.7 | | | | 697.7 | | | | 223.1 | | 570.0 | | | 39.1 | | | |
| Sales of goods and services | 6 437.9 | | 7 061.7 | 13 968.1 | | 50.6 | | | | 3 591.7 | | | | 3 425.2 | | 6 721.2 | | | 51.0 | | | |
| Grants | 10 521.5 | | 11 249.1 | 23 134.9 | | 48.6 | | | | 10 580.2 | | | | 11 282.2 | | 23 251.8 | | | 48.5 | | | |
| Other revenue | 1 253.0 | | 1 244.3 | 2 546.9 | | 48.9 | | | | 1 040.5 | | | | 1 033.8 | | 2 142.5 | | | 48.3 | | | |
| **Total revenue** | **26 047.2** | | **28 338.9** | **57 274.4** | | **49.5** | | | | **23 360.0** | | | | **24 488.8** | | **50 023.0** | | | **49.0** | | | |
|  |  | |  |  | |  | | | |  | | | |  | |  | | |  | | | |
| **Expenses** |  | |  |  | |  | | | |  | | | |  | |  | | |  | | | |
| Employee expenses | 9 375.3 | | 9 373.1 | 18 812.9 | | 49.8 | | | | 8 889.8 | | | | 8 882.3 | | 17 814.3 | | | 49.9 | | | |
| Superannuation (c) | 1 560.2 | | 1 568.3 | 3 009.0 | | 52.1 | | | | 1 502.9 | | | | 1 510.6 | | 2 898.1 | | | 52.1 | | | |
| Depreciation | 2 023.4 | | 2 129.7 | 4 368.6 | | 48.8 | | | | 1 092.7 | | | | 1 171.8 | | 2 408.9 | | | 48.6 | | | |
| Interest expense | 1 141.1 | | 1 474.4 | 2 902.9 | | 50.8 | | | | 753.0 | | | | 1 061.9 | | 2 168.0 | | | 49.0 | | | |
| Other operating expenses | 11 631.0 | | 12 153.3 | 24 600.4 | | 49.4 | | | | 7 930.3 | | | | 8 307.0 | | 16 723.5 | | | 49.7 | | | |
| Grants and other transfers | 2 486.3 | | 2 444.8 | 4 999.2 | | 48.9 | | | | 3 858.8 | | | | 3 906.3 | | 7 788.4 | | | 50.2 | | | |
| **Total expenses** | **28 217.4** | | **29 143.4** | **58 693.0** | | **49.7** | | | | **24 027.7** | | | | **24 839.9** | | **49 801.3** | | | **49.9** | | | |
| **Net result from transactions – net operating balance** | **((2 170.2)** | | **( 804.5)** | **(1 418.6)** | | **n.a** | | | | **( 667.7)** | | | | **( 351.1)** | | **221.8** | | | **n.a** | | | |
| Total other economic flows included in net result | 1 808.5 | | 2 964.7 | 1 345.1 | | n.a | | | | ( 153.5) | | | | ( 109.2) | | ( 163.6) | | | n.a | | | |
| **Net result** | **( 361.7)** | | **2 160.2** | **( 73.4)** | | **n.a** | | | | **( 821.2)** | | | | **( 460.3)** | | **58.1** | | | **n.a** | | | |
| **Other economic flows – other comprehensive income** | | | | |  | | |  | | |  | |  | |  | |  |  | | |  | |
| **Items that will not be reclassified to net result** | | | | |  | | |  | | |  | |  | |  | |  |  | | |  | |
| Changes in non‑financial assets revaluation surplus | ( 19.9) | | ( 342.5) | 2 674.3 | | n.a | | | | 10.4 | | | | ( 297.6) | | 813.8 | | | n.a | | | |
| Remeasurement of superannuation defined benefits plans (d) | 1 216.5 | | 2 444.4 | 1 830.3 | | n.a | | | | 1 211.4 | | | | 2 429.2 | | 1 834.5 | | | n.a | | | |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets | .. | | .. | .. | | n.a | | | | 158.1 | | | | 1 110.9 | | 1 683.9 | | | n.a | | | |
| Other movements in equity | ( 270.4) | | 286.0 | ( 25.6) | | n.a | | | | ( 29.2) | | | | 276.1 | | 7.6 | | | n.a | | | |
| **Items that may be reclassified subsequently to net result** |  | |  |  | |  | | | |  | | | |  | |  | | |  | | | |
| Net gain/(loss) on financial assets at fair value | 10.4 | | 51.8 | 24.4 | | n.a | | | | ( 4.2) | | | | 29.2 | | 1.0 | | | n.a | | | |
| **Total other economic flows – other comprehensive income** | **936.6** | | **2 439.7** | **4 503.3** | | **n.a** | | | | **1 346.5** | | | | **3 547.9** | | **4 340.7** | | | **n.a** | | | |
| **Comprehensive result – total change in net worth** | **574.9** | | **4 599.9** | **4 429.9** | | **n.a** | | | | **525.3** | | | | **3 087.6** | | **4 398.8** | | | **n.a** | | | |

Source: Department of Treasury and Finance

Notes:

(a) This is an abbreviated statement. The full consolidated and disaggregated operating statement is reported in Chapter 2.

(b) Includes income tax equivalent and rate equivalent revenue.

(c) Comprises superannuation interest expense and other superannuation expenses. The comparative figures for 2012‑13 have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

(d) The comparative figures for 2012‑13 have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

## General government sector

### Revenue

Revenue from transactions for the period totalled $24.5 billion, which is 49 per cent of the revised budget revenue.

Total taxation revenue was $8.1 billion, or 49.1 per cent of the expected total for the year. Taxation revenue is influenced by seasonal factors such as recognition of land tax revenue in the March quarter and recognition of the Fire Services Property Levy in the first quarter of the financial year. The Fire Services Property Levy was introduced in 2013‑14 and replaced the insurance and property owner contributions to fire services recognised continually throughout the year.

Grants revenue was $11.3 billion, 48.5 per cent of the revised budget estimate. This is slightly below pro rata, mainly due to National Partnership Payments from the Commonwealth, which are expected to be paid in the second half of the year, including some capital grants related to the Regional Rail Link.

Dividends and tax equivalent revenues for the half year were 39.1 per cent of the revised budget estimate and reflect the timing of PFC dividends. Partial dividends from PNFCs were received in the first half of the year and it is expected that the balance will be received in the second half of the year. Dividend income was significantly lower than the six months to 31 December 2012, mainly reflecting reduced profits for State’s PNFC and PFC sector entities for the 2012‑13 financial year.

The other sources of general government revenue represent a relatively small component of total revenue.

### Expenses

Total expenses were $24.8 billion, or 49.9 per cent of the revised budget estimate. All categories of general government operating expenses were generally in line with the pro rata revised budget estimates.

## State of Victoria

### Revenue

Total revenue for the State of Victoria was $28.3 billion, of which $24.5 billion before eliminations was reflected in the general government sector. The balance is explained below, noting that not all transactions in the PNFC and PFC sectors will affect the overall State outcome.

Total revenue for the State was 8.8 per cent higher than the corresponding six month period in 2012‑13. Within the PNFC sector, revenue increased by 13.6 per cent to $4.7 billion. In particular, the water sector experienced strong growth in sales revenue with a new regulatory water pricing path set by the Essential Services Commission (ESC). The price path has been determined by the ESC to provide a sustainable revenue stream for the water corporations to meet increased costs (including costs associated with the desalination plant).

The PFC sector recorded a 7.2 per cent increase in revenue compared with the corresponding period in 2012‑13. Revenue for the six months to 31 December 2013 represented 49.8 per cent of the revised budget estimate. The increase included growth in premium revenue for the State’s insurers, and also higher investment income, arising from improved investment returns.

Other components of revenue were generally in line with the actual result for the corresponding period ending 31 December 2012.

### Expenses

Total expenditure for the State increased by 3.3 per cent to $29.1 billion for the six months to 31 December 2013. Of this, $24.8 billion was incurred by the general government sector as previously highlighted.

Within the PNFC sector, total expenses increased by 12.3 per cent to $4.6 billion compared with the corresponding six month period to 31 December 2012. This included the costs in the water sector associated with the desalination plant, which was commissioned in December 2012.

Depreciation and interest costs also increased, reflecting the significant capital expenditure undertaken in recent years, including on the desalination plant.

Within the PFC sector, total expenses increased by 2.7 per cent. Expenses for the six months to 31 December 2013 represented 49.9 per cent of the revised budget estimate. The increase compared with the six months to 31 December 2012 included higher interest costs associated with an increase in borrowings raised to fund infrastructure investment.

### Other economic flows and net result

Total other economic flows contributed $3.0 billion towards the net result for the State of a surplus of $2.2 billion.

This included $2.5 billion in gains from the PFC sector, largely driven by strong investment returns resulting from favourable financial market conditions. Further, the sector benefited from valuation gains on its liabilities associated with increases in the underlying bond rates used to value the insurance and debt liabilities.

# Financial position

Comparative analysis on the financial position of the State of Victoria and general government sector is based on movements between 30 June 2013 and 31 December 2013.

Table 1.2: Summary balance sheet as at 31 December 2013(a)

($ million)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | | |  |  | General government | | |  |
|  | Jun  2013 | | Dec  2013 | Actual movement | Jun  2013 | | | Dec  2013 | Actual movement | |
| **Assets** |  | |  |  |  | | |  |  | |
| Non‑financial assets | 192 570.0 | | 194 114.9 | 1 544.8 | 102 092.5 | | | 102 834.0 | 741.5 | |
| Financial assets | 43 486.5 | | 46 665.6 | 3 179.0 | 86 783.0 | | | 88 687.5 | 1 904.6 | |
| **Total assets** | **236 056.6** | | **240 780.4** | **4 723.9** | **188 875.5** | | | **191 521.5** | **2 646.0** | |
| **Liabilities** |  | |  |  |  | | |  |  | |
| Superannuation | 25 225.4 | | 22 912.2 | (2 313.3) | 25 142.5 | | | 22 846.7 | (2 295.8) | |
| Borrowings | 47 437.0 | | 50 267.6 | 2 830.6 | 31 345.3 | | | 33 695.2 | 2 349.9 | |
| Other liabilities | 39 762.0 | | 39 365.8 | ( 396.2) | 12 219.6 | | | 11 724.1 | ( 495.5) | |
| **Total liabilities** | **112 424.5** | | **112 545.6** | **121.2** | **68 707.4** | | | **68 266.0** | **( 441.4)** | |
| **Net assets** | **123 632.1** | | **128 234.8** | **4 602.7** | **120 168.1** | | | **123 255.5** | **3 087.4** | |

Source: Department of Treasury and Finance

Note:

(a) This is an abbreviated balance sheet statement. The full consolidated and disaggregated balance sheet is reported in Chapter 2.

## State of Victoria

The net assets for the State of Victoria increased by $4.6 billion during the period to 31 December 2013. This included the previously mentioned impact of favourable market conditions on the valuation of the State’s assets and debt and insurance liabilities. It also included a $2.3 billion reduction in the valuation of the State’s superannuation liability, primarily due to remeasurement gains on the superannuation liability which are attributable to better than expected investment returns on superannuation assets (approximately $1 billion), and to increases in the bond rates that are used to value the superannuation liability (approximately $1.1 billion).

Total assets of the State increased by $4.7 billion to $240.8 billion, which primarily comprised growth in financial assets. The State’s financial assets benefited from continued capital growth associated with favourable financial market conditions.

Total liabilities for the State increased by $121.2 million to $112.5 billion. Borrowings increased in line with the State’s capital expenditure program, which was largely offset by a fall in the value of the superannuation liability (as noted above) and other liabilities.

# Cash flows

Table 1.3 shows how cash generated from operating activities is applied, in the first instance, to funding the capital investment program. The net investment in fixed assets includes cash injected by the general government sector into the PNFC sector and used for the purchase of fixed assets.

Table 1.3: Application of cash resources for the general government sector

($ million)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 2013‑14 | |
|  | Actual  to Dec | | Revised estimate |
| **Net result from transactions – net operating balance** | **( 351.1)** | | **221.8** |
| Add back: Non‑cash revenues and expenses (net) (a) | 610.7 | | 2 351.5 |
| **Net cash flow from operating activities** | **259.5** | | **2 573.2** |
| Less: |  | |  |
| **Net investment in fixed assets** |  | |  |
| Purchases of non‑financial assets | 1 942.5 | | 4 185.2 |
| Net cash flows from investments in financial assets for policy purposes | 909.3 | | 1 526.6 |
| Sale of non‑financial assets | ( 88.3) | | ( 407.7) |
| **Net investment in fixed assets** | **2 763.5** | | **5 304.1** |
| Finance leases (b) | 109.5 | | 111.0 |
| Other investment activities (net) | ( 88.5) | | 38.9 |
| **Decrease/(increase) in net debt** | **(2 524.9)** | | **(2 880.8)** |

Source: Department of Treasury and Finance

Notes:

(a) Includes depreciation, non‑cash movements in liabilities for superannuation and employee benefits.

(b) Reflects the recognition of new finance lease arrangements in the general government sector, which are being delivered under the Partnerships Victoria model, with an equivalent increase in fixed assets following completion and handover to the State.

### Infrastructure investment

The State continues to deliver its record infrastructure program to support growing community needs and ongoing productivity improvement. For the six months to 31 December 2013, net investment in fixed assets for the State totalled $3.4 billion, with $2.8 billion invested by the general government sector. For the general government sector and the State this represents 52 per cent and 44 per cent of the revised budget estimates respectively.

**The Government’s infrastructure scorecard to mid‑year 2013‑14**

Major projects completed so far this year include:

* Dandenong Hospital – mental health redevelopment and expansion;
* Olivia Newton‑John Cancer and Wellness Centre – Stage 2B; and
* Sunshine Hospital – expansion and redevelopment – Stage 3.

Major projects in progress include:

* Box Hill Hospital;
* Bendigo Hospital;
* Victorian Comprehensive Cancer Centre;
* Monash Children’s Hospital;
* Royal Victorian Eye and Ear Hospital;
* Geelong Hospital upgrade;
* redevelopment of Melbourne Park;
* new trains, trams and associated infrastructure for Melbourne commuters;
* regional rolling stock;
* Regional Rail Link;
* M80 upgrade;
* Mitcham Road and Rooks Road, Mitcham level crossing removal project;
* Springvale Road, Springvale level crossing removal project;
* Shrine of Remembrance; and
* Koo Wee Rup bypass.

Major projects that commenced procurement in 2013‑14 include:

* Ravenhall Prison;
* East‑West Link – Stage 1; and
* Road Safety Strategy 2013‑2022.

# Financial sustainability

## General government sector

As shown in Table 1.4, general government sector net debt increased to $22.3 billion at 31 December 2013, with borrowings increasing by $2.4 billion reflecting the delivery of a substantial infrastructure investment program. Overall however, net financial liabilities declined during the six month period, due to the fall in the superannuation liability following the better than expected investment returns on superannuation assets as well as the impact of favourable bond rate movements. As a result, the ratio on net financial liabilities to GSP declined from 15.3 per cent to 14.6 per cent during the six month period.

Table 1.4: General government sector net debt and net financial liabilities as at 31 December 2013

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | Opening | | Closing | Actual | % |
|  | | 1 Jul 2013 | | 31 Dec 2013 | movement | change |
| **Assets** | |  | |  |  |  |
| Cash and deposits | | 3 962.0 | | 3 432.7 | ( 529.2) | ( 13.4) |
| Advances paid | | 4 626.8 | | 4 600.8 | ( 26.0) | ( 0.6) |
| Investments, loans and placements | | 3 383.4 | | 3 820.5 | 437.1 | 12.9 |
| **Total** | | **11 972.2** | | **11 854.0** | **( 118.2)** | **( 1.0)** |
| **Liabilities** | |  | |  |  |  |
| Deposits held and advances received | | 449.0 | | 505.8 | 56.8 | 12.6 |
| Borrowings | | 31 345.3 | | 33 695.2 | 2 349.9 | 7.5 |
| **Total** | | **31 794.3** | | **34 201.0** | **2 406.7** | **7.6** |
| **Net debt (a)** | | **19 822.1** | | **22 347.0** | **2 524.9** | **12.7** |
| Superannuation liability | | 25 142.5 | | 22 846.7 | (2 295.8) | ( 9.1) |
| **Net debt plus superannuation liabilities** | | **44 964.6** | | **45 193.7** | **229.1** | **0.5** |
| Other liabilities (net) (b) | | 6 660.2 | | 6 302.8 | ( 357.4) | ( 5.4) |
| **Net financial liabilities (c)** | | **51 624.7** | | **51 496.4** | **( 128.3)** | **( 0.2)** |
|  | (*per cent)* | |  | |  |  |
| **Net debt to GSP (d)** | | **5.9** | | **6.3** |  |  |
| **Net debt plus superannuation liabilities to GSP (d)** | | **13.3** | | **12.8** |  |  |
| **Net financial liabilities to GSP (d)** | | **15.3** | | **14.6** |  |  |

Source: Department of Treasury and Finance

Notes:

(a) The sum of borrowings, deposits held and advances received less the sum of cash and deposits, advances paid, and investments, loans and placements.

(b) Includes other employee entitlements, provisions and other liabilities, less other non‑equity financial assets.

(c) Total liabilities less financial assets (excluding investments in other sector entities).

(d) Ratios to GSP may vary from publications year‑to‑year due to revisions to the ABS GSP data.

## Non‑financial public sector

Table 1.5 includes indicators used to assess financial sustainability of the NFPS (comprising the general government and PNFC sectors), which is significant for the State’s credit rating. As shown below, net debt increased, with borrowings used to fund capital expenditure requirements. However, growth in investment assets and falls in the valuation of the superannuation liability have resulted in a reduction to net financial liabilities.

As a result, the ratio of net financial liabilities to GSP declined from 19.7 per cent to 18.7 per cent during the six month period.

Table 1.5: Non‑financial public sector net debt and net financial liabilities as at 31 December 2013

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | Opening | | Closing | Actual | % |
|  | | 1 Jul 2013 | | 31 Dec 2013 | movement | change |
| **Assets** | |  | |  |  |  |
| Cash and deposits | | 4 759.9 | | 4 508.5 | ( 251.4) | ( 5.3) |
| Advances paid | | 72.1 | | 43.6 | ( 28.4) | ( 39.5) |
| Investments, loans and placements | | 4 439.6 | | 4 761.8 | 322.2 | 7.3 |
| **Total** | | **9 271.5** | | **9 313.9** | **42.4** | **0.5** |
| **Liabilities** | |  | |  |  |  |
| Deposits held and advances received | | 583.4 | | 638.9 | 55.5 | 9.5 |
| Borrowings | | 43 272.9 | | 45 769.6 | 2 496.7 | 5.8 |
| **Total** | | **43 856.3** | | **46 408.5** | **2 552.2** | **5.8** |
| **Net debt (a)** | | **34 584.8** | | **37 094.6** | **2 509.8** | **7.3** |
| Superannuation liability | | 25 225.4 | | 22 912.2 | (2 313.3) | ( 9.2) |
| **Net debt plus superannuation liabilities** | | **59 810.2** | | **60 006.8** | **196.5** | **0.3** |
| Other liabilities (net) (b) | | 6 593.3 | | 5 967.0 | ( 626.3) | ( 9.5) |
| **Net financial liabilities (c)** | | **66 403.5** | | **65 973.7** | **( 429.8)** | **( 0.6)** |
|  | (*per cent)* | |  | |  |  |
| **Net debt to GSP (d)** | | **10.2** | | **10.5** |  |  |
| **Net debt plus superannuation liabilities to GSP (d)** | | **17.7** | | **17.0** |  |  |
| **Net financial liabilities to GSP (d)** | | **19.7** | | **18.7** |  |  |

Source: Department of Treasury and Finance

Notes:

(a) The sum of borrowings, deposits held and advances received less the sum of cash and deposits, advances paid, and investments, loans and placements.

(b) Includes other employee entitlements, provisions and other liabilities, less other non‑equity financial assets.

(c) Total liabilities less financial assets (excluding investments in other sector entities).

(d) Ratios to GSP may vary from publications year‑to‑year due to revisions to the ABS GSP data.

Chapter 2 – Mid‑year financial report

## Consolidated comprehensive operating statement for the six months ended 31 December

($ million)

|  |  | | | |  | State of Victoria | |  | | General  government sector | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Notes | | | | 2013 | | 2012 | 2013 | | | | | | 2012 |
| **Revenue from transactions** |  | | | |  | |  |  | | | | | |  |
| Taxation revenue | 3 | | | | 7 940.1 | | 7 059.1 | 8 103.8 | | | | | | 7 192.7 |
| Interest revenue |  | | | | 460.2 | | 517.3 | 420.8 | | | | | | 257.1 |
| Dividends and income tax equivalent and rate equivalent revenue | 4 | | | | 383.5 | | 258.5 | 223.1 | | | | | | 697.7 |
| Sales of goods and services | 5 | | | | 7 061.7 | | 6 437.9 | 3 425.2 | | | | | | 3 591.7 |
| Grants | 6 | | | | 11 249.1 | | 10 521.5 | 11 282.2 | | | | | | 10 580.2 |
| Other revenue | 7 | | | | 1 244.3 | | 1 253.0 | 1 033.8 | | | | | | 1 040.5 |
| **Total revenue from transactions** |  | | | | **28 338.9** | | **26 047.2** | **24 488.8** | | | | | | **23 360.0** |
| **Expenses from transactions** |  | | | |  | |  |  | | | | | |  |
| Employee expenses |  | | | | 9 373.1 | | 9 375.3 | 8 882.3 | | | | | | 8 889.8 |
| Net superannuation interest expense (a) | 8a | | | | 530.3 | | 544.1 | 530.3 | | | | | | 544.1 |
| Other superannuation | 8a | | | | 1 037.9 | | 1 016.1 | 980.2 | | | | | | 958.8 |
| Depreciation | 9 | | | | 2 129.7 | | 2 023.4 | 1 171.8 | | | | | | 1 092.7 |
| Interest expense | 10 | | | | 1 474.4 | | 1 141.1 | 1 061.9 | | | | | | 753.0 |
| Grants and other transfers | 11 | | | | 2 444.8 | | 2 486.3 | 3 906.3 | | | | | | 3 858.8 |
| Other operating expenses |  | | | | 12 153.3 | | 11 631.0 | 8 307.0 | | | | | | 7 930.3 |
| **Total expenses from transactions (a)** | 12 | | | | **29 143.4** | | **28 217.4** | **24 839.9** | | | | | | **24 027.7** |
| **Net result from transactions – net operating balance (a)** |  | | | | **( 804.5)** | | **(2 170.2)** | **( 351.1)** | | | | | | **( 667.7)** |
| **Other economic flows included in net result** |  | | | |  | |  |  | | | | | |  |
| Net gain/(loss) on disposal of non‑financial assets | | | |  | 18.6 | | ( 16.0) | 20.3 | | | | | | 19.9 |
| Net gain/(loss) on financial assets or liabilities at fair value | | |  | | 2 064.2 | | 1 169.6 | 40.6 | | | | | | 0.8 |
| Share of net profit/(loss) from associates/joint venture entities, excluding dividends | | | |  | 0.1 | | 0.2 | 0.1 | | | | | | 0.2 |
| Other gains/(losses) from other economic flows | | 13 | | | 881.8 | | 654.7 | ( 170.2) | | | | | | ( 174.3) |
| **Total other economic flows included in net result (a)** |  | | | | **2 964.7** | | **1 808.5** | **( 109.2)** | | | | | | **( 153.5)** |
| **Net result (a)** |  | | | | **2 160.2** | | **( 361.7)** | **( 460.3)** | | | | | | **( 821.2)** |
| **Other economic flows – other comprehensive income** | | | | | | | | |  | |  |  |  |  |
| **Items that will not be reclassified to net result** | | | | | | | | |  | |  |  |  |  |
| Changes in non‑financial assets revaluation surplus |  | | | | ( 342.5) | | ( 19.9) | ( 297.6) | | | | | | 10.4 |
| Remeasurement of superannuation defined benefits plans (a) | 8a | | | | 2 444.4 | | 1 216.5 | 2 429.2 | | | | | | 1 211.4 |

Consolidated comprehensive operating statement for the six months ended 31 December *(continued)*

($ million)

|  |  | | |  | State of Victoria | | | |  | General  government sector | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Notes | | | 2013 | | | | 2012 | 2013 | | 2012 |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets |  | | | .. | | | | .. | 1 110.9 | | 158.1 |
| Other movements in equity |  | | | 286.0 | | | | ( 270.4) | 276.1 | | ( 29.2) |
| **Items that may be reclassified subsequently to net result** | | | | | |  |  |  |  | |  |
| Net gain/(loss) on financial assets at fair value | |  | | 51.8 | | | | 10.4 | 29.2 | | ( 4.2) |
| **Total other economic flows – other comprehensive income (a)** |  | | | **2 439.7** | | | | **936.6** | **3 547.9** | | **1 346.5** |
| **Comprehensive result – total change in net worth** | | |  | **4 599.9** | | | | **574.9** | **3 087.6** | | **525.3** |
|  |  | | |  | | | |  |  | |  |
| **KEY FISCAL AGGREGATES** |  | | |  | | | |  |  | |  |
| **Net operating balance (a)** |  | | | **( 804.5)** | | | | **(2 170.2)** | **( 351.1)** | | **( 667.7)** |
| Less: Net acquisition of non‑financial assets from transactions | 2 | | | 1 439.8 | | | | 5 803.0 | 823.5 | | 608.9 |
| **Net lending/(borrowing) (a)** |  | | | (2 244.4) | | | | (7 973.2) | (1 174.6) | | (1 276.6) |
|  |  | | |  | | | |  |  | |  |
| **GOVERNMENT FISCAL PARAMETER** |  | | |  | | | |  |  | |  |
| **Net operating balance** |  | | | ( 804.5) | | | | (2 170.2) | ( 351.1) | | ( 667.7) |
| Plus: Expected return on superannuation assets in excess of AASB 119 discount rate taken to other comprehensive income |  | | | 272.8 | | | | 319.1 | 272.8 | | 319.1 |
| **Government fiscal result** |  | | | ( 531.7) | | | | (1 851.1) | ( 78.3) | | ( 348.6) |

The accompanying notes form part of these financial statements.

Note:

(a) December 2012 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

## Consolidated balance sheet as at 31 December

($ million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | State of Victoria | |  | General  government sector | |
|  |  | Dec | | Jun | Dec | | Jun |
|  | Notes | 2013 | | 2013 | 2013 | | 2013 |
| **Assets** |  |  | |  |  | |  |
| **Financial assets** |  |  | |  |  | |  |
| Cash and deposits |  | 6 998.5 | | 6 252.9 | 3 432.7 | | 3 962.0 |
| Advances paid |  | 1 708.9 | | 1 727.3 | 4 600.8 | | 4 626.8 |
| Receivables | 14 | 6 524.5 | | 7 871.9 | 4 866.2 | | 5 061.0 |
| Investments, loans and placements |  | 29 767.6 | | 25 968.4 | 3 820.5 | | 3 383.4 |
| Investments accounted for using the equity method | 15 | 1 666.1 | | 1 666.1 | 49.4 | | 49.4 |
| Investments in other sector entities (a) |  | .. | | .. | 71 917.9 | | 69 700.4 |
| **Total financial assets (a)** |  | **46 665.6** | | **43 486.5** | **88 687.5** | | **86 783.0** |
| **Non‑financial assets** |  |  | |  |  | |  |
| Inventories | 16 | 832.0 | | 871.0 | 183.9 | | 192.1 |
| Non‑financial assets held for sale | 17 | 94.8 | | 173.0 | 69.2 | | 142.1 |
| Land, buildings, infrastructure, plant and equipment | 18a | 190 757.5 | | 189 473.0 | 101 318.8 | | 100 804.0 |
| Other non‑financial assets | 19 | 2 430.5 | | 2 053.1 | 1 262.0 | | 954.3 |
| **Total non‑financial assets** |  | **194 114.9** | | **192 570.0** | **102 834.0** | | **102 092.5** |
| **Total assets (a)** | 20 | **240 780.4** | | **236 056.6** | **191 521.5** | | **188 875.5** |
| **Liabilities** |  |  | |  |  | |  |
| Deposits held and advances received |  | 2 104.4 | | 2 088.9 | 505.8 | | 449.0 |
| Payables |  | 8 425.7 | | 8 506.0 | 5 469.6 | | 5 958.4 |
| Borrowings | 21 | 50 267.6 | | 47 437.0 | 33 695.2 | | 31 345.3 |
| Employee benefits | 22 | 5 508.6 | | 5 624.7 | 5 124.7 | | 5 208.8 |
| Superannuation | 8b | 22 912.2 | | 25 225.4 | 22 846.7 | | 25 142.5 |
| Other provisions | 23 | 23 327.1 | | 23 542.4 | 624.0 | | 603.3 |
| **Total liabilities** |  | **112 545.6** | | **112 424.5** | **68 266.0** | | **68 707.4** |
| **Net assets (a)** |  | **128 234.8** | | **123 632.1** | **123 255.5** | | **120 168.1** |
| Accumulated surplus/(deficit) (a) |  | 48 208.1 | | 43 354.5 | 45 457.6 | | 43 174.7 |
| Reserves (a) |  | 79 976.7 | | 80 227.6 | 77 747.9 | | 76 943.4 |
| Non‑controlling interest |  | 50.0 | | 50.0 | 50.0 | | 50.0 |
| **Net worth (a)** |  | **128 234.8** | | **123 632.1** | **123 255.5** | | **120 168.1** |
|  |  |  | |  |  | |  |
| **FISCAL AGGREGATES** |  |  | |  |  | |  |
| Net financial worth |  | (65 880.1) | | (68 937.9) | 20 421.5 | | 18 075.6 |
| Net financial liabilities |  | 65 880.1 | | 68 937.9 | 51 496.4 | | 51 624.7 |
| Net debt |  | 13 897.0 | | 15 577.3 | 22 347.0 | | 19 822.1 |

The accompanying notes form part of these financial statements.

Note:

(a) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

## Consolidated statement of cash flows for the six months ended 31 December

($ million)

|  |  | |  | State of Victoria | | |  | General  government sector | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Notes | | 2013 | | | 2012 | 2013 | | 2012 |
| **Cash flows from operating activities** |  | |  | | |  |  | |  |
| **Receipts** |  | |  | | |  |  | |  |
| Taxes received |  | | 8 108.8 | | | 7 499.1 | 8 272.5 | | 7 632.8 |
| Grants |  | | 11 343.8 | | | 10 908.1 | 11 280.0 | | 10 550.0 |
| Sales of goods and services (a) |  | | 8 799.3 | | | 8 125.0 | 3 950.7 | | 3 511.2 |
| Interest received |  | | 408.7 | | | 561.0 | 411.8 | | 248.7 |
| Dividends and income tax equivalent and rate equivalent receipts |  | | 543.8 | | | 258.4 | 386.9 | | 732.9 |
| Other receipts |  | | 952.7 | | | 905.9 | 563.5 | | 776.6 |
| **Total receipts** |  | | **30 157.2** | | | **28 257.4** | **24 865.4** | | **23 452.3** |
| **Payments** |  | |  | | |  |  | |  |
| Payments for employees |  | | (9 446.3) | | | (9 379.9) | (8 924.7) | | (8 881.1) |
| Superannuation |  | | (1 437.1) | | | (1 318.0) | (1 377.2) | | (1 253.9) |
| Interest paid |  | | (1 435.4) | | | (1 154.8) | (1 020.9) | | ( 726.1) |
| Grants and subsidies |  | | (2 619.4) | | | (3 297.7) | (4 058.3) | | (4 185.5) |
| Goods and services (a) |  | | (12 499.7) | | | (11 461.2) | (8 890.5) | | (8 242.1) |
| Other payments |  | | ( 334.4) | | | ( 336.8) | ( 334.2) | | ( 334.3) |
| **Total payments** |  | | **(27 772.3)** | | | **(26 948.6)** | **(24 605.9)** | | **(23 623.0)** |
| **Net cash flows from operating activities** | 24b | | **2 384.8** | | | **1 308.8** | **259.5** | | **( 170.8)** |
| **Cash flows from investing activities** |  | |  | | |  |  | |  |
| Purchases of non‑financial assets |  | | (3 571.6) | | | (3 394.5) | (1 942.5) | | (1 605.5) |
| Sales of non‑financial assets |  | | 208.3 | | | 129.6 | 88.3 | | 72.3 |
| Cash flows from investments in non‑financial assets | |  | (3 363.3) | | | (3 264.8) | (1 854.2) | | (1 533.1) |
| Net cash flows from investments in financial assets for policy purposes |  | | ( 49.8) | | | ( 34.6) | ( 909.3) | | ( 796.9) |
| **Sub‑total** |  | | **(3 413.1)** | | | **(3 299.5)** | **(2 763.5)** | | **(2 330.1)** |
| Net cash flows from investments in financial assets for liquidity management purposes |  | | (1 507.0) | | | 287.8 | ( 311.5) | | ( 187.2) |
| **Net cash flows from investing activities** |  | | **(4 920.1)** | | | **(3 011.7)** | **(3 074.9)** | | **(2 517.2)** |
| **Cash flows from financing activities** |  | |  | | |  |  | |  |
| Advances received (net) |  | | 34.8 | | | 314.7 | .. | | 4.7 |
| Net borrowings |  | | 3 262.6 | | | 1 489.0 | 2 229.5 | | 2 523.6 |
| Deposits received (net) |  | | ( 19.4) | | | 568.9 | 56.7 | | 9.2 |
| Other financing (net) |  | | 3.0 | | | ( 16.6) | .. | | .. |
| **Net cash flows from financing activities** |  | | **3 280.9** | | | **2 356.0** | **2 286.1** | | **2 537.5** |
| **Net increase/(decrease) in cash and cash equivalents** |  | | **745.7** | | | **653.1** | **( 529.2)** | | **( 150.5)** |
| Cash and cash equivalents at beginning of reporting period (b) |  | | | | 6 252.9 | 6 055.6 | 3 962.0 | | 5 001.3 |
| **Cash and cash equivalents at end of reporting period (b)** | 24a | | **6 998.5** | | | **6 708.8** | **3 432.7** | | **4 850.8** |
|  |  | |  | | |  |  | |  |
| **FISCAL AGGREGATES** |  | |  | | |  |  | |  |
| Net cash flows from operating activities |  | | 2 384.8 | | | 1 308.8 | 259.5 | | ( 170.8) |
| Net cash flows from investments in non‑financial assets |  | | (3 363.3) | | | (3 264.8) | (1 854.2) | | (1 533.1) |
| **Cash surplus/(deficit)** |  | | **( 978.4)** | | | **(1 956.0)** | **(1 594.6)** | | **(1 703.9)** |

The accompanying notes form part of these financial statements.

Notes:

(a) Inclusive of goods and services tax.

(b) Review of Cash Investments in 2012‑13 has reclassified some Australian Dollar Term Deposits held in 2011‑12 to Cash and Deposits.

## Statement of changes in equity for the six months ended 31 December

($ million)

| State of Victoria | Accumulated surplus/(deficit) (a) | Non‑controlling interest |
| --- | --- | --- |
| **2013** |  |  |
| Balance at 1 July 2013 | 43 354.5 | 50.0 |
| Net result for the six months | 2 160.2 | .. |
| Other comprehensive income for the six months | 2 693.4 | .. |
| Transactions with owners in their capacity as owners | .. | .. |
| **Balance as at 31 December 2013** | **48 208.1** | **50.0** |
| **2012** |  |  |
| Balance at 1 July 2012 | 32 613.5 | 50.0 |
| Net result for the six months | ( 361.7) | .. |
| Other comprehensive income for the six months | 1 048.4 | .. |
| Transactions with owners in their capacity as owners | .. | .. |
| **Balance equity as at 31 December 2012** | **33 300.2** | **50.0** |

The accompanying notes form part of the financial statements.

Note:

(a) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

($ million)

| General government sector | Accumulated surplus/(deficit) | Non‑controlling interest |
| --- | --- | --- |
| **2013** |  |  |
| Balance at 1 July 2013 | 43 174.7 | 50.0 |
| Net result for the six months | ( 460.3) | .. |
| Other comprehensive income for the six months | 2 743.3 | .. |
| Transactions with owners in their capacity as owners | .. | .. |
| **Balance as at 31 December 2013** | **45 457.6** | **50.0** |
| **2012** |  |  |
| Balance at 1 July 2012 | 34 808.2 | 50.0 |
| Net result for the six months | ( 821.2) | .. |
| Other comprehensive income for the six months | 1 173.9 | .. |
| Transactions with owners in their capacity as owners | .. | .. |
| **Balance as at 31 December 2012** | **35 161.0** | **50.0** |

The accompanying notes form part of the financial statements.

Note:

(a) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

| Land, buildings, infrastructure,  plant and equipment  revaluation surplus (a) | Other  reserves  (a) | Total |
| --- | --- | --- |
|  |  |  |
| 78 440.1 | 1 790.5 | 123 635.1 |
| .. | .. | 2 160.2 |
| ( 342.5) | 88.6 | 2 439.6 |
| .. | .. | .. |
| **78 097.6** | **1 879.1** | **128 234.8** |
|  |  |  |
| 77 644.7 | 2 549.4 | 112 857.6 |
| .. | .. | ( 361.7) |
| ( 19.6) | ( 92.2) | 936.6 |
| .. | .. | .. |
| **77 625.1** | **2 457.2** | **113 432.6** |

| Land, buildings, infrastructure, plant and equipment revaluation surplus | Investment in other  sector entities  revaluation surplus (a) | Other  reserves | Total |
| --- | --- | --- | --- |
|  |  |  |  |
| 37 663.1 | 38 359.0 | 921.3 | 120 168.1 |
| .. | .. | .. | ( 460.3) |
| ( 297.6) | 1 110.9 | ( 8.9) | 3 547.7 |
| .. | .. | .. | .. |
| **37 365.5** | **39 469.9** | **912.5** | **123 255.5** |
|  |  |  |  |
| 36 962.6 | 39 169.3 | 984.5 | 111 974.6 |
| .. | .. | .. | ( 821.2) |
| 10.7 | 158.1 | 3.7 | 1 346.5 |
| .. | .. | .. | .. |
| **36 973.3** | **39 327.4** | **988.2** | **112 499.9** |

# Notes to the financial statements

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Note 1. Summary of significant accounting policies

This *Mid‑Year Financial Report* presents the unaudited general purpose consolidated interim financial statements of the State of Victoria (the State) and the Victorian general government sector. The report also incorporates the quarterly financial report of the general government sector for the quarter ended 31 December 2013.

Because this interim financial report does not include all the notes normally included with the annual financial report, this report should be read in conjunction with the *2012‑13 Financial Report for the State of Victoria*, Chapter 4 *Annual Financial Report* (the AFR).

Since the issuance of the 2012‑13 AFR, the following relevant Accounting Standards have become operative for the 2013‑14 financial year:

* AASB 119 *Employee Benefits (Revised 2011)*

The revised AASB 119 has changed the way in which the defined benefit superannuation expenses are presented in the comprehensive operating statement. The net interest cost is now calculated using the discount rate (a long term Government bond rate) without reference to the expected rate of investment return on plan assets, as was previously the case. The revised Standard also tightens the requirements for classifying short‑term employee benefits. As a result of the revision to the Standard, employee benefits that are not expected to be settled wholly within 12 months are required to be classified as long‑term employee benefits and measured at present value similar to long service leave.

* AASB 13 *Fair Value Measurement*

The State is reviewing its existing policies for measuring fair values, in particular, the valuation of non‑financial assets in light of the new AASB 13 requirements. A comprehensive process is currently in progress to identify any material measurement implications on the State’s asset classes and additional disclosures are expected in the 2013‑14 AFR. It has been preliminarily assessed that the application of AASB 13 will not materially impact the fair value measurements of the State, and the disclosures relating to the ‘fair value hierarchy’ will be provided in the individual notes relating to the assets at the end of the financial year.

* AASB 2012‑2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

Amendments to AASB 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* will be applied for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

1. Statement of compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB), other than the disclosures noted above, which will be included in the 2013‑14 AFR. 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* and AASB 134 *Interim Financial Reporting*.

Note 1. Summary of significant accounting policies *(continued)*

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

The Government Finance Statistics (GFS) information included in this report is based on the GFS manual published by the Australian Bureau of Statistics.

The *Mid‑Year Financial Report* was authorised for publication by the Secretary of the Department of Treasury and Finance on 7 March 2014.

1. Basis of accounting preparation and measurement

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

These financial statements are presented in Australian dollars. The report has been prepared in accordance with the historical cost convention except for:

* general government sector investments in other sector entities which are measured at net asset value;
* non‑financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
* productive trees in commercial native forests, which are recognised at their fair value less cost to sell;
* derivative financial instruments, managed investment schemes, certain debt securities and investment properties after initial recognition, which are measured at fair value with changes reflected in the consolidated comprehensive operating statement (fair value through profit and loss);
* certain liabilities, most notably unfunded superannuation and insurance claim provisions, which are subject to an actuarial assessment; and
* available‑for‑sale investments which are measured at fair value with movements reflected in ‘other economic flows – other comprehensive income’.

1. Reporting entity

The State of Victoria reporting entity includes government departments, public non‑financial corporations (PNFCs), public financial corporations (PFCs) and other government controlled entities. The State and most of its subsidiary entities are not‑for‑profit entities. These entities are classified into sectors according to the System of National Accounts as described below. The general government sector is not a separate reporting entity but represents a sector within the State of Victoria reporting entity, and reports in accordance with AASB 1049.

##### System of National Accounts

(i) General government

The Victorian general government sector includes all government departments, offices and other bodies engaged in providing services free of charge, or at prices significantly below their cost of production.

Note 1. Summary of significant accounting policies *(continued)*

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, and are financed mainly through taxes as well as other compulsory levies.

(ii) Public non‑financial corporations

The primary function of entities in the government PNFC sector is to provide goods and services in a competitive market that is non‑regulatory and non‑financial in nature. Such entities are financed mainly through sales to the consumer of these goods and services.

(iii) Public financial corporations

The government controlled PFC sector comprises entities engaged primarily in the provision of financial intermediation services, and have one or more of the following characteristics:

* they perform a central borrowing function;
* they provide insurance services;
* they accept call, term or savings deposits; or
* they have the ability to incur liabilities and acquire financial assets in the market on their own account.

Disaggregated information about these sectors is presented in Note 2 *Disaggregated information*. This information is provided because there are differences between general government activities and those of the public sector entities in the PNFC and the PFC sectors. Disclosure of this information assists users of the financial statements to determine the effects of differing activities on the financial position of the State. It also assists users to identify the resources used in the provision of a range of goods and services, and the extent to which the State has recovered the costs of these resources from revenues attributable to those activities.

Basis of consolidation

In accordance with AASB 1049 and AASB 127 *Consolidated and Separate Financial Statements:*

* The consolidated financial statements of the State incorporate the assets and liabilities of all reporting entities that are controlled by the State as at 31 December 2013 and the revenue and expenses of entities controlled by the State for the part of the reporting period in which control existed.
* The consolidated financial statements of the Victorian general government sector incorporates the assets and liabilities, revenue and expenses of entities classified as general government. Entities in the PNFC and PFC sectors are not consolidated into the financial statements of the general government sector, but are accounted for as equity investments measured at the Government’s proportional share of the carrying amount of net assets of the PNFC sector and PFC sector entities before consolidation eliminations. Any change in the carrying amount of the investment from period to period is accounted for as if the change in carrying amount is a change in fair value, and accounted for in a manner consistent with AASB 139 *Financial Instruments: Recognition and Measurement*. Where the carrying amount of the entity’s net assets before consolidation eliminations of an entity in the sectors is less than zero, the amount is not included.

Entities not controlled by the State, including local government authorities, universities and denominational hospitals, are not consolidated into the financial statements for the State.

Note 1. Summary of significant accounting policies *(continued)*

Where control of an entity is obtained during the financial period, its results are included in the consolidated comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity’s results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements for the State and general government sector, all material transactions and balances between consolidated government controlled entities are eliminated.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and do not form part of the revenue and expenses of the relevant sectors of government.

Details of significant changes to entities consolidated by the State are shown in Note 29 *Controlled entities* in this *Mid‑Year Financial Report*.

1. Prospective accounting changes

Certain new and revised accounting standards have been published but are not effective for the 2013‑14 reporting period. They include:

* AASB 9 *Financial Instruments,* operative for annual reporting periods beginning on or after 1 January 2017. This standard simplifies requirements for the classification and measurement of financial assets and replaces these requirements in AASB 139 *Financial Instruments*: *Recognition and Measurement.* AASB is currently undertaking further changes to AASB 9 and, once finalised, the State will assess the reporting impacts.
* AASB 10 *Consolidated Financial Statements*, operative for annual reporting periods beginning on or after 1 January 2014 for not‑for‑profit (NFP) entities. Once applicable, this Standard replaces those requirements in AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities*. Similar to AASB 127, the new Standard focuses on ‘control’ in determining whether an entity needs to consolidate another entity. However, the criteria to assess ‘control’ under the new Standard have changed. Three criteria are required to assess whether control exists, including the entity’s right over an investee; the entity’s exposure or rights to variable returns from an investee; and the ability to affect those returns through power over an investee. In light of the NFP implementation guidance AASB 2013‑8 *Australian Implementation Guidance for Not‑for‑Profit Entities – Control and Structured Entities* (operative from 2014‑15 reporting period onwards), the State will reassess its relationships with other entities that they are required to consolidate and consider the potential implications.
* AASB 11 *Joint Arrangements*, operative for annual reporting periods beginning on or after 1 January 2014 for NFP entities. This Standard requires entities that have an interest in arrangements that are jointly controlled to assess whether the arrangement is a joint operation or joint venture. If the arrangement is assessed to be a joint operation, it shall be accounted for in accordance with AASB 11. If the arrangement is assessed to be a joint venture, it shall be accounted for in accordance with AASB 128 *Investments in Associates and Joint Ventures* (see below). AASB 11 replaces those requirements in AASB 131 *Interests in Joint Ventures*. In light of the NFP implementation guidance, the State will reassess the potential implications.

Note 1. Summary of significant accounting policies *(continued)*

* AASB 12 *Disclosure of Interests in Other Entities*, operative for annual reporting periods beginning on or after 1 January 2014 for NFP entities. This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 *Separate Financial Statements* and AASB 131. In light of the NFP implementation guidance to AASB 12, the State will consider the potential disclosure implications where relevant.
* AASB 127 *Separate Financial Statements*, operative for annual reporting periods beginning on or after 1 January 2014 for NFP entities. This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
* AASB 128 *Investments in Associates and Joint Ventures*, operative for annual reporting periods beginning on or after 1 January 2014 for NFP entities. This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
* AASB 1055 *Budgetary Reporting*, operative for annual reporting periods beginning on or after 1 July 2014. This Standard sets out the budgetary reporting requirements for the whole of government, the general government sector, as well as for NFP entities in the general government sector to the extent that separate budgetary information is presented to Parliament. From the whole of government and general government sector’s perspective, this Standard replicates the budgetary disclosure requirements that currently exist in AASB 1049 *Whole of Government and General Government Sector Financial Reporting* and therefore is not expected to have any significant implications on reporting.
* AASB 2012‑3 *Amendments to Australian Accounting Standard – Offsetting Financial Assets and Financial Liabilities*, operative for annual reporting periods beginning on or after 1 January 2014. The standard removes the current inconsistency in applying some of the offsetting criteria of AASB 132 *Financial Instruments: Presentation,* including clarifying the meaning of ‘currently has a legally enforceable right of set‑off’.
* AASB 2013‑3 *Amendments to AASB 136 Recoverable Amount Disclosure for Non‑financial Assets*, operative for annual reporting periods beginning on or after 1 January 2014. This Standard amends the disclosure requirements in AASB 136 *Impairment of Assets*, including additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal, and the disclosure of the discount rates that have been used if the recoverable amount was measured using a present value technique.
* AASB 2013‑9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.* Among other things, one significant revision in this Amending Standard is the further deferral of the effective date for AASB 9 *Financial Instruments* to 1 January 2017.

Several other amending standards and AASB interpretations have been issued that are applicable for future reporting periods are considered to have limited impact on public sector reporting.

There is no intention to early adopt the above accounting standards.

1. Rounding

All amounts in the financial report have been rounded to the nearest $100 000 unless otherwise stated. Figures in this financial report may not add due to rounding.

Note 2. Disaggregated information

Disaggregated operating statement for the six months ended 31 December

($ million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | General  government sector | | |  | Public non‑financial corporations | |
|  | 2013 | | 2012 | 2013 | | | 2012 |
| **Revenue from transactions** |  | |  |  | | |  |
| Taxation revenue | 8 103.8 | | 7 192.7 | .. | | | .. |
| Interest revenue | 420.8 | | 257.1 | 31.1 | | | 40.6 |
| Dividends and income tax equivalent and rate equivalent revenue | 223.1 | | 697.7 | 40.0 | | | 37.2 |
| Sales of goods and services | 3 425.2 | | 3 591.7 | 2 920.3 | | | 2 447.9 |
| Grants | 11 282.2 | | 10 580.2 | 1 480.0 | | | 1 384.6 |
| Other revenue | 1 033.8 | | 1 040.5 | 198.3 | | | 202.1 |
| **Total revenue** | **24 488.8** | | **23 360.0** | **4 669.7** | | | **4 112.4** |
| **Expenses from transactions** |  | |  |  | | |  |
| Employee expenses | 8 882.3 | | 8 889.8 | 519.3 | | | 516.3 |
| Net superannuation interest expense (a) | 530.3 | | 544.1 | .. | | | .. |
| Other superannuation | 980.2 | | 958.8 | 45.7 | | | 44.5 |
| Depreciation | 1 171.8 | | 1 092.7 | 938.0 | | | 913.1 |
| Interest expense | 1 061.9 | | 753.0 | 595.6 | | | 398.5 |
| Other operating expenses | 8 307.0 | | 7 930.3 | 2 295.0 | | | 2 088.7 |
| Grants and other transfers | 3 906.3 | | 3 858.8 | 118.0 | | | 109.8 |
| Other property expenses | .. | | .. | 70.4 | | | 10.6 |
| **Total expenses (a)** | **24 839.9** | | **24 027.7** | **4 582.0** | | | **4 081.5** |
| **Net result from transactions – net operating balance (a)** | **( 351.1)** | | **( 667.7)** | **87.7** | | | **30.9** |
| **Other economic flows included in net result** |  | |  |  | | |  |
| Net gain/(loss) on disposal of non‑financial assets | 20.3 | | 19.9 | ( 1.8) | | | ( 35.8) |
| Net gain/(loss) on financial assets or liabilities at fair value | 40.6 | | 0.8 | ( 48.1) | | | 42.9 |
| Share of net profit/(loss) from associates/joint venture entities, excluding dividends | 0.1 | | 0.2 | .. | | | .. |
| Other gains/(losses) from other economic flows | ( 170.2) | | ( 174.3) | 97.1 | | | ( 63.0) |
| **Total other economic flows included in net result (a)** | **( 109.2)** | | **( 153.5)** | **47.3** | | | **( 55.9)** |
| **Net result (a)** | **( 460.3)** | | **( 821.2)** | **134.9** | | | **( 25.0)** |
| **Other economic flows – other comprehensive income** |  | |  |  | | |  |
| **Items that will not be reclassified to net result** |  | |  |  | | |  |
| Changes in non‑financial assets revaluation surplus | ( 297.6) | | 10.4 | ( 6.6) | | | ( 3.0) |
| Remeasurement of superannuation defined benefits plans (a) | 2 429.2 | | 1 211.4 | 15.2 | | | 5.1 |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets | 1 110.9 | | 158.1 | .. | | | .. |
| Other movements in equity | 276.1 | | ( 29.2) | ( 3.1) | | | 22.8 |
| **Items that may be reclassified subsequently to net result** |  | |  |  | | |  |
| Net gain/(loss) on financial assets at fair value | 29.2 | | ( 4.2) | 22.5 | | | 14.6 |
| **Total other economic flows – other comprehensive income (a)** | **3 547.9** | | **1 346.5** | **28.0** | | | **39.6** |
| **Comprehensive result – total change in net worth** | **3 087.6** | | **525.3** | **163.0** | | | **14.5** |
|  |  | |  |  | | |  |
| **FISCAL AGGREGATES** |  | |  |  | | |  |
| **Net operating balance (a)** | **( 351.1)** | | **( 667.7)** | **87.7** | | | **30.9** |
| **Net acquisition of non‑financial assets** |  | |  |  | | |  |
| Purchases of non‑financial assets (including change in inventories) | 1 942.5 | | 1 605.5 | 1 622.9 | | | 1 778.3 |
| Less: Sales of non‑financial assets | ( 88.3) | | ( 72.3) | ( 102.0) | | | ( 56.5) |
| Less: Depreciation and amortisation | (1 171.8) | | (1 092.7) | ( 938.0) | | | ( 913.1) |
| Plus: Other movements in non‑financial assets | 141.1 | | 168.4 | 65.2 | | | 4 390.9 |
| **Less: Net acquisition of non‑financial assets** | 823.5 | | 608.9 | 648.1 | | | 5 199.5 |
| **Net lending/(borrowing)** | **(1 174.6)** | | **(1 276.6)** | **( 560.5)** | | | **(5 168.7)** |

Note:

(a) December 2012 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Public  financial corporations | |  | Inter‑sector eliminations | |  | Consolidated | |
| 2013 | | 2012 | 2013 | | 2012 | 2013 | | 2012 |
|  | |  |  | |  |  | |  |
| .. | | .. | ( 163.7) | | ( 133.6) | 7 940.1 | | 7 059.1 |
| 1 233.5 | | 1 211.5 | (1 225.1) | | ( 992.0) | 460.2 | | 517.3 |
| 339.3 | | 219.3 | ( 218.9) | | ( 695.8) | 383.5 | | 258.5 |
| 1 928.0 | | 1 833.4 | (1 211.8) | | (1 435.1) | 7 061.7 | | 6 437.9 |
| .. | | 1.8 | (1 513.0) | | (1 445.1) | 11 249.1 | | 10 521.5 |
| 12.2 | | 10.4 | .. | | .. | 1 244.3 | | 1 253.0 |
| **3 513.0** | | **3 276.5** | **(4 332.6)** | | **(4 701.6)** | **28 338.9** | | **26 047.2** |
|  | |  |  | |  |  | |  |
| 147.5 | | 146.3 | ( 176.1) | | ( 177.1) | 9 373.1 | | 9 375.3 |
| .. | | .. | .. | | .. | 530.3 | | 544.1 |
| 12.0 | | 12.7 | .. | | .. | 1 037.9 | | 1 016.1 |
| 19.9 | | 17.6 | .. | | .. | 2 129.7 | | 2 023.4 |
| 1 042.0 | | 981.5 | (1 225.1) | | ( 992.0) | 1 474.4 | | 1 141.1 |
| 2 684.2 | | 2 646.4 | (1 132.9) | | (1 034.4) | 12 153.3 | | 11 631.0 |
| .. | | .. | (1 579.5) | | (1 482.3) | 2 444.8 | | 2 486.3 |
| 10.7 | | 8.8 | ( 81.1) | | ( 19.4) | .. | | .. |
| **3 916.3** | | **3 813.4** | **(4 194.7)** | | **(3 705.1)** | **29 143.4** | | **28 217.4** |
| **( 403.3)** | | **( 536.9)** | **( 137.8)** | | **( 996.4)** | **( 804.5)** | | **(2 170.2)** |
|  | |  |  | |  |  | |  |
| .. | | ( 0.1) | .. | | .. | 18.6 | | ( 16.0) |
| 2 071.7 | | 1 125.9 | .. | | .. | 2 064.2 | | 1 169.6 |
| .. | | .. | .. | | .. | 0.1 | | 0.2 |
| 418.3 | | 515.9 | 536.6 | | 376.2 | 881.8 | | 654.7 |
| **2 490.0** | | **1 641.7** | **536.6** | | **376.2** | **2 964.7** | | **1 808.5** |
| **2 086.8** | | **1 104.8** | **398.8** | | **( 620.2)** | **2 160.2** | | **( 361.7)** |
|  | |  |  | |  |  | |  |
|  | |  |  | |  |  | |  |
| ( 12.9) | | .. | ( 25.3) | | ( 27.3) | ( 342.5) | | ( 19.9) |
| .. | | .. | .. | | .. | 2 444.4 | | 1 216.5 |
| .. | | .. | (1 110.9) | | ( 158.1) | .. | | .. |
| 12.9 | | ( 19.3) | .. | | ( 244.7) | 286.0 | | ( 270.4) |
|  | |  |  | |  |  | |  |
| .. | | .. | .. | | .. | 51.8 | | 10.4 |
| **..** | | **( 19.3)** | **(1 136.2)** | | **( 430.2)** | **2 439.7** | | **936.6** |
| **2 086.8** | | **1 085.5** | **( 737.4)** | | **(1 050.4)** | **4 599.9** | | **574.9** |
|  | |  |  | |  |  | |  |
|  | |  |  | |  |  | |  |
| **( 403.3)** | | **( 536.9)** | **( 137.8)** | | **( 996.4)** | **( 804.5)** | | **(2 170.2)** |
|  | |  |  | |  |  | |  |
| 17.9 | | 10.8 | ( 11.8) | | .. | 3 571.6 | | 3 394.5 |
| ( 18.1) | | ( 0.8) | .. | | .. | ( 208.3) | | ( 129.6) |
| ( 19.9) | | ( 17.6) | .. | | .. | (2 129.7) | | (2 023.4) |
| .. | | .. | .. | | 2.3 | 206.3 | | 4 561.6 |
| ( 20.0) | | ( 7.7) | ( 11.7) | | 2.3 | 1 439.8 | | 5 803.0 |
| **( 383.2)** | | **( 529.2)** | **( 126.1)** | | **( 998.7)** | **(2 244.4)** | | **(7 973.2)** |

Note 2. Disaggregated information *(continued)*

Disaggregated balance sheet as at 31 December

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | General  government sector | |  | Public non‑financial corporations | |
|  | Dec | | Jun | Dec | | Jun |
|  | 2013 | | 2013 | 2013 | | 2013 |
| **Assets** |  | |  |  | |  |
| **Financial assets** |  | |  |  | |  |
| Cash and deposits | 3 432.7 | | 3 962.0 | 1 075.8 | | 797.9 |
| Advances paid | 4 600.8 | | 4 626.8 | 49.1 | | 50.4 |
| Receivables | 4 866.9 | | 5 061.0 | 1 375.7 | | 1 312.3 |
| Investments, loans and placements | 3 820.5 | | 3 383.4 | 941.4 | | 1 056.2 |
| Loans receivable from non‑financial public sector (a) | .. | | .. | .. | | .. |
| Investments accounted for using the equity method | 48.7 | | 49.4 | 1 319.2 | | 1 319.2 |
| Investments in other sector entities (b) | 71 917.9 | | 69 700.4 | .. | | .. |
| **Total financial assets (b)** | **88 687.5** | | **86 783.0** | **4 761.2** | | **4 536.0** |
| **Non‑financial assets** |  | |  |  | |  |
| Inventories | 183.9 | | 192.1 | 648.1 | | 678.9 |
| Non‑financial assets held for sale | 69.2 | | 142.1 | 22.5 | | 4.5 |
| Land, buildings, infrastructure, plant and equipment | 101 318.8 | | 100 804.0 | 89 374.1 | | 88 605.2 |
| Other non‑financial assets | 1 262.0 | | 954.3 | 1 127.5 | | 1 065.3 |
| **Total non‑financial assets** | **102 834.0** | | **102 092.5** | **91 172.2** | | **90 353.9** |
| **Total assets (b)** | **191 521.5** | | **188 875.5** | **95 933.4** | | **94 889.9** |
| **Liabilities** |  | |  |  | |  |
| Deposits held and advances received | 505.8 | | 449.0 | 419.9 | | 420.0 |
| Payables | 5 469.6 | | 5 958.4 | 1 628.7 | | 1 568.6 |
| Borrowings | 33 695.2 | | 31 345.3 | 16 396.6 | | 16 249.7 |
| Employee benefits | 5 124.7 | | 5 208.8 | 308.8 | | 326.4 |
| Superannuation | 22 846.7 | | 25 142.5 | 65.5 | | 83.0 |
| Other provisions (b) | 624.0 | | 603.3 | 8 156.3 | | 8 491.1 |
| **Total liabilities (b)** | **68 266.0** | | **68 707.4** | **26 975.9** | | **27 138.8** |
| **Net assets (b) (c)** | **123 255.5** | | **120 168.1** | **68 957.5** | | **67 751.1** |
| Accumulated surplus/(deficit) (b) | 45 457.6 | | 43 174.7 | 5 217.9 | | 5 151.8 |
| Other reserves (b) | 77 747.9 | | 76 943.4 | 63 739.6 | | 62 599.3 |
| Non‑controlling interest | 50.0 | | 50.0 | .. | | .. |
| **Net worth (b) (c)** | **123 255.5** | | **120 168.1** | **68 957.5** | | **67 751.1** |
|  |  | |  |  | |  |
| **FISCAL AGGREGATES** |  | |  |  | |  |
| Net financial worth (b) | 20 421.5 | | 18 075.6 | (22 214.7) | | (22 602.9) |
| Net financial liabilities (b) | 51 496.4 | | 51 624.7 | 22 214.7 | | 22 602.9 |
| Net debt | 22 347.0 | | 19 822.1 | 14 750.3 | | 14 765.3 |

Notes:

(a) Loans receivable from the non‑financial public sector are reported at amortised cost.

(b) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

(c) The net assets and net worth of the public financial corporations sectors incorporates the impact of Treasury Corporation of Victoria’s external loan liabilities being reported at market value while the corresponding assets, that is lending to the non‑financial public sector, being reported at amortised cost. This mismatch has contributed to the negative net asset position of the sector for June 2013.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Public  financial corporations | |  | Inter‑sector eliminations | |  | Consolidated | |
| Dec | | Jun | Dec | | Jun | Dec | | Jun |
| 2013 | | 2013 | 2013 | | 2013 | 2013 | | 2013 |
|  | |  |  | |  |  | |  |
|  | |  |  | |  |  | |  |
| 4 633.7 | | 4 158.4 | (2 143.6) | | (2 665.4) | 6 998.5 | | 6 252.9 |
| 1 688.6 | | 1 674.5 | (4 629.6) | | (4 624.4) | 1 708.9 | | 1 727.3 |
| 1 918.7 | | 3 122.3 | (1 636.0) | | (1 623.7) | 6 525.2 | | 7 871.9 |
| 27 426.9 | | 23 935.9 | (2 421.2) | | (2 407.1) | 29 767.6 | | 25 968.4 |
| 35 897.3 | | 33 501.6 | (35 897.3) | | (33 501.6) | .. | | .. |
| .. | | .. | 297.4 | | 297.4 | 1 665.3 | | 1 666.1 |
| .. | | .. | (71 917.9) | | (69 700.4) | .. | | .. |
| **71 565.2** | | **66 392.7** | **(118 348.3)** | | **(114 225.1)** | **46 665.6** | | **43 486.5** |
|  | |  |  | |  |  | |  |
| .. | | .. | .. | | .. | 832.0 | | 871.0 |
| 3.1 | | 26.4 | .. | | .. | 94.8 | | 173.0 |
| 64.6 | | 63.8 | .. | | .. | 190 757.5 | | 189 473.0 |
| 1 031.2 | | 1 710.2 | ( 990.3) | | (1 676.7) | 2 430.5 | | 2 053.1 |
| **1 099.0** | | **1 800.4** | **( 990.3)** | | **(1 676.7)** | **194 114.9** | | **192 570.0** |
| **72 664.1** | | **68 193.1** | **(119 338.6)** | | **(115 901.8)** | **240 780.4** | | **236 056.6** |
|  | |  |  | |  |  | |  |
| 5 412.7 | | 5 986.4 | (4 234.0) | | (4 766.5) | 2 104.4 | | 2 088.9 |
| 2 661.4 | | 2 138.5 | (1 334.0) | | (1 159.6) | 8 425.7 | | 8 506.0 |
| 41 063.5 | | 38 303.9 | (40 887.7) | | (38 461.9) | 50 267.6 | | 47 437.0 |
| 75.1 | | 89.5 | .. | | .. | 5 508.6 | | 5 624.7 |
| .. | | .. | .. | | .. | 22 912.2 | | 25 225.4 |
| 22 290.5 | | 22 527.5 | (7 743.8) | | (8 079.5) | 23 327.1 | | 23 542.4 |
| **71 503.3** | | **69 045.9** | **(54 199.6)** | | **(52 467.6)** | **112 545.6** | | **112 424.5** |
| **1 160.8** | | **( 852.8)** | **(65 139.0)** | | **(63 434.3)** | **128 234.8** | | **123 632.1** |
| 200.9 | | (1 765.4) | (2 668.3) | | (3 206.4) | 48 208.1 | | 43 354.5 |
| 959.9 | | 912.6 | (62 470.7) | | (60 227.8) | 79 976.7 | | 80 227.6 |
| .. | | .. | .. | | .. | 50.0 | | 50.0 |
| **1 160.8** | | **( 852.8)** | **(65 139.0)** | | **(63 434.3)** | **128 234.8** | | **123 632.1** |
|  | |  |  | |  |  | |  |
|  | |  |  | |  |  | |  |
| 61.8 | | (2 653.2) | (64 148.7) | | (61 757.5) | (65 880.1) | | (68 937.9) |
| ( 61.8) | | 2 653.2 | (7 769.2) | | (7 942.8) | 65 880.1 | | 68 937.9 |
| (23 170.2) | | (18 980.1) | ( 30.0) | | ( 30.0) | 13 897.0 | | 15 577.3 |

Note 2. Disaggregated information *(continued)*

Disaggregated statement of cash flows for the six months ended 31 December

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | General government sector | |  | Public non‑financial corporations | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| **Cash flows from operating activities** |  | |  |  | |  |
| **Receipts** |  | |  |  | |  |
| Taxes received | 8 272.5 | | 7 632.8 | .. | | .. |
| Grants | 11 280.0 | | 10 550.0 | 1 591.2 | | 1 364.9 |
| Sales of goods and services (a) | 3 950.7 | | 3 511.2 | 3 194.2 | | 2 834.0 |
| Interest received | 411.8 | | 248.7 | 16.9 | | 48.4 |
| Dividends and income tax equivalent and rate equivalent receipts | 386.9 | | 732.9 | 40.2 | | 37.0 |
| Other receipts | 563.5 | | 776.6 | 133.2 | | 55.1 |
| **Total receipts** | **24 865.4** | | **23 452.3** | **4 975.8** | | **4 339.4** |
| **Payments** |  | |  |  | |  |
| Payments for employees | (8 924.7) | | (8 881.1) | ( 536.6) | | ( 523.2) |
| Superannuation | (1 377.2) | | (1 253.9) | ( 47.9) | | ( 51.4) |
| Interest paid | (1 020.9) | | ( 726.1) | ( 554.2) | | ( 390.3) |
| Grants and subsidies | (4 058.3) | | (4 185.5) | ( 63.8) | | ( 112.8) |
| Goods and services (a) | (8 890.5) | | (8 242.1) | (1 917.9) | | (1 663.6) |
| Other payments | ( 334.2) | | ( 334.3) | ( 931.8) | | ( 964.4) |
| **Total payments** | **(24 605.9)** | | **(23 623.0)** | **(4 052.3)** | | **(3 705.6)** |
| **Net cash flows from operating activities** | **259.5** | | **( 170.8)** | **923.5** | | **633.9** |
| **Cash flows from investing activities** |  | |  |  | |  |
| Purchases of non‑financial assets | (1 942.5) | | (1 605.5) | (1 622.9) | | (1 778.3) |
| Sales of non‑financial assets | 88.3 | | 72.3 | 102.0 | | 56.5 |
| Cash flows from investments in non‑financial assets | (1 854.2) | | (1 533.1) | (1 521.0) | | (1 721.7) |
| Net cash flows from investments in financial assets for policy purposes | ( 909.3) | | ( 796.9) | ( 1.2) | | 3.0 |
| **Sub‑total** | **(2 763.5)** | | **(2 330.1)** | **(1 522.2)** | | **(1 718.7)** |
| Net cash flows from investments in financial assets for liquidity management purposes | ( 311.5) | | ( 187.2) | 78.6 | | ( 2.5) |
| **Net cash flows from investing activities** | **(3 074.9)** | | **(2 517.2)** | **(1 443.6)** | | **(1 721.2)** |
| **Cash flows from financing activities** |  | |  |  | |  |
| Advances received (net) | .. | | 4.7 | ( 0.3) | | ( 3.8) |
| Net borrowings | 2 229.5 | | 2 523.6 | 155.2 | | 480.5 |
| Deposits received (net) | 56.7 | | 9.2 | 0.2 | | 60.3 |
| Other financing (net) | .. | | .. | 642.9 | | 684.9 |
| **Net cash flows from financing activities** | **2 286.1** | | **2 537.5** | **798.0** | | **1 221.9** |
| **Net increase/(decrease) in cash and cash equivalents** | **( 529.2)** | | **( 150.5)** | **277.9** | | **134.5** |
| Cash and cash equivalents at beginning of reporting period (b) | | 3 962.0 | 5 001.3 | 797.9 | | 773.8 |
| **Cash and cash equivalents at end of reporting period (b)** | **3 432.7** | | **4 850.8** | **1 075.7** | | **908.3** |
|  |  | |  |  | |  |
| **FISCAL AGGREGATES** |  | |  |  | |  |
| Net cash flows from operating activities | 259.5 | | ( 170.8) | 923.5 | | 633.9 |
| Dividends | .. | | .. | ( 63.7) | | ( 157.4) |
| Net cash flows from investments in non‑financial assets | (1 854.2) | | (1 533.1) | (1 521.0) | | (1 721.7) |
| **Cash surplus/(deficit)** | **(1 594.6)** | | **(1 703.9)** | **( 661.2)** | | **(1 245.2)** |

Notes:

(a) Inclusive of goods and services tax.

(b) Review of Cash Investments in 2012‑13 has reclassified some Australian Dollar Term Deposits held in 2011‑12 to Cash and Deposits.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Public  financial corporations | |  | Inter‑sector eliminations | |  | Consolidated | |
| 2013 | | 2012 | 2013 | | 2012 | 2013 | | 2012 |
|  | |  |  | |  |  | |  |
|  | |  |  | |  |  | |  |
| .. | | .. | ( 163.7) | | ( 133.6) | 8 108.8 | | 7 499.1 |
| .. | | 1.8 | (1 527.4) | | (1 008.6) | 11 343.8 | | 10 908.1 |
| 2 764.8 | | 2 879.6 | (1 110.4) | | (1 099.9) | 8 799.3 | | 8 125.0 |
| 1 172.5 | | 1 054.5 | (1 192.4) | | ( 790.6) | 408.7 | | 561.0 |
| 499.5 | | 219.3 | ( 382.9) | | ( 730.9) | 543.8 | | 258.4 |
| 279.9 | | 33.9 | ( 23.8) | | 40.2 | 952.7 | | 905.9 |
| **4 716.7** | | **4 189.2** | **(4 400.7)** | | **(3 723.5)** | **30 157.2** | | **28 257.4** |
|  | |  |  | |  |  | |  |
| ( 161.0) | | ( 152.8) | 176.1 | | 177.1 | (9 446.3) | | (9 379.9) |
| ( 12.0) | | ( 12.7) | .. | | .. | (1 437.1) | | (1 318.0) |
| (1 052.6) | | ( 926.6) | 1 192.4 | | 888.1 | (1 435.4) | | (1 154.8) |
| .. | | .. | 1 502.7 | | 1 000.6 | (2 619.4) | | (3 297.7) |
| (1 962.8) | | (1 825.6) | 271.5 | | 270.0 | (12 499.7) | | (11 461.2) |
| ( 11.8) | | ( 9.1) | 943.4 | | 971.0 | ( 334.4) | | ( 336.8) |
| **(3 200.2)** | | **(2 926.9)** | **4 086.1** | | **3 306.9** | **(27 772.3)** | | **(26 948.6)** |
| **1 516.5** | | **1 262.3** | **( 314.6)** | | **( 416.6)** | **2 384.8** | | **1 308.8** |
|  | |  |  | |  |  | |  |
| ( 17.9) | | ( 10.8) | 11.8 | | .. | (3 571.6) | | (3 394.5) |
| 18.1 | | 0.8 | .. | | .. | 208.3 | | 129.6 |
| 0.1 | | ( 9.9) | 11.7 | | .. | (3 363.3) | | (3 264.8) |
| ( 14.2) | | ( 38.1) | 874.9 | | 797.4 | ( 49.8) | | ( 34.6) |
| **( 14.1)** | | **( 48.0)** | **886.6** | | **797.3** | **(3 413.1)** | | **(3 299.5)** |
| (3 684.0) | | (1 524.2) | 2 409.8 | | 2 001.7 | (1 507.0) | | 287.8 |
| **(3 698.0)** | | **(1 572.3)** | **3 296.5** | | **2 799.1** | **(4 920.1)** | | **(3 011.7)** |
|  | |  |  | |  |  | |  |
| 39.5 | | 234.8 | ( 4.3) | | 79.0 | 34.8 | | 314.7 |
| 3 303.7 | | 1 284.2 | (2 425.8) | | (2 799.3) | 3 262.6 | | 1 489.0 |
| ( 613.2) | | ( 793.4) | 536.8 | | 1 292.8 | ( 19.4) | | 568.9 |
| ( 73.1) | | ( 440.5) | ( 566.7) | | ( 261.0) | 3.0 | | ( 16.6) |
| **2 656.8** | | **285.1** | **(2 460.0)** | | **(1 688.5)** | **3 280.9** | | **2 356.0** |
| **475.2** | | **( 24.8)** | **521.8** | | **693.9** | **745.7** | | **653.1** |
| 4 158.4 | | 5 045.2 | (2 665.4) | | (4 764.7) | 6 252.9 | | 6 055.6 |
| **4 633.7** | | **5 020.4** | **(2 143.6)** | | **(4 070.7)** | **6 998.5** | | **6 708.8** |
|  | |  |  | |  |  | |  |
|  | |  |  | |  |  | |  |
| 1 516.5 | | 1 262.3 | ( 314.6) | | ( 416.6) | 2 384.8 | | 1 308.8 |
| ( 75.6) | | ( 440.7) | 139.3 | | 598.0 | .. | | .. |
| 0.1 | | ( 9.9) | 11.7 | | .. | (3 363.3) | | (3 264.8) |
| **1 440.9** | | **811.7** | **( 163.6)** | | **181.4** | **( 978.4)** | | **(1 956.0)** |

Note 2. Disaggregated information *(continued)*

Disaggregated statement of changes in equity as at 31 December

($ million)

| 2012 | Accumulated surplus/(deficit) (a) | Contribution by owners |
| --- | --- | --- |
| **General government sector** |  |  |
| Balance at 1 July 2012 | 34 808.2 | .. |
| Net result for the six months | ( 821.2) | .. |
| Other comprehensive income for the six months | 1 173.9 | .. |
| Transactions with owners in their capacity as owners | .. | .. |
| **Balance as at 31 December 2012** | **35 161.0** | **..** |
| **PNFC sector** |  |  |
| Balance at 1 July 2012 | 6 118.4 | 27 854.1 |
| Net result for the six months | ( 25.0) | .. |
| Other comprehensive income for the six months | 12.4 | .. |
| Dividends paid | ( 157.4) | .. |
| Transactions with owners in their capacity as owners | .. | 1 288.3 |
| **Balance as at 31 December 2012** | **5 948.4** | **29 142.4** |
| **PFC sector** |  |  |
| Balance at 1 July 2012 | (4 675.8) | 254.9 |
| Net result for the six months | 1 104.8 | .. |
| Other comprehensive income for the six months | 106.8 | .. |
| Dividends paid | ( 440.7) | .. |
| Transactions with owners in their capacity as owners | .. | 16.8 |
| **Balance as at 31 December 2012** | **(3 904.9)** | **271.7** |
| Eliminations | (1 905.8) | (29 414.1) |
| **Total whole of government** | **35 298.7** | **..** |

Note:

(a) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

| Non‑controlling interest | Land, buildings, infrastructure, plant and equipment revaluation surplus | Investment in other sector entities revaluation surplus (a) | Other  reserves (a) | Total |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| 50.0 | 36 962.6 | 39 169.3 | 984.5 | 111 974.6 |
| .. | .. | .. | .. | ( 821.2) |
| .. | 10.7 | 158.1 | 3.7 | 1 346.5 |
| .. | .. | .. | .. | .. |
| **50.0** | **36 973.3** | **39 327.4** | **988.2** | **112 499.9** |
|  |  |  |  |  |
| .. | 31 887.3 | .. | 827.8 | 66 687.6 |
| .. | .. | .. | .. | ( 25.0) |
| .. | ( 3.0) | .. | 30.2 | 39.6 |
| .. | .. | .. | .. | ( 157.4) |
| .. | .. | .. | .. | 1 288.3 |
| **..** | **31 884.3** | **..** | **857.9** | **67 833.0** |
|  |  |  |  |  |
| .. | 16.0 | .. | 737.2 | (3 667.7) |
| .. | .. | .. | .. | 1 104.8 |
| .. | .. | .. | ( 126.1) | ( 19.3) |
| .. | .. | .. | .. | ( 440.7) |
| .. | .. | .. | .. | 16.8 |
| **..** | **16.0** | **..** | **611.1** | **(3 006.0)** |
| .. | 6 675.4 | (39 327.4) | 77.6 | (63 894.4) |
| **50.0** | **75 549.0** | **..** | **2 534.8** | **113 432.6** |

Note 2. Disaggregated information (*continued*)

Disaggregated statement of changes in equity as at 31 December

($ million)

| *2013* | Accumulated surplus/(deficit) (a) | Contribution by owners |
| --- | --- | --- |
| **General government sector** |  |  |
| Balance at 1 July 2013 | 43 174.7 | .. |
| Net result for the six months | ( 460.3) | .. |
| Other comprehensive income for the six months | 2 743.3 | .. |
| Transactions with owners in their capacity as owners | .. | .. |
| **Balance as at 31 December 2013** | **45 457.6** | **..** |
| **PNFC sector** |  |  |
| Balance at 1 July 2013 | 5 151.8 | 30 624.9 |
| Net result for the six months | 134.9 | .. |
| Other comprehensive income for the six months | ( 5.1) | .. |
| Dividends paid | ( 63.7) | .. |
| Transactions with owners in their capacity as owners | .. | 1 107.1 |
| **Balance as at 31 December 2013** | **5 217.9** | **31 732.0** |
| **PFC sector** |  |  |
| Balance at 1 July 2013 | (1 765.4) | 251.8 |
| Net result for the six months | 2 086.8 | .. |
| Other comprehensive income for the six months | ( 44.8) | .. |
| Dividends paid | ( 75.6) | .. |
| Transactions with owners in their capacity as owners | .. | 2.5 |
| **Balance as at 31 December 2013** | **200.9** | **254.3** |
| Eliminations | (2 668.3) | (31 986.3) |
| **Total whole of government** | **48 208.1** | **..** |

Note:

(a) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

| Non‑controlling interest | Land, buildings, infrastructure, plant and equipment revaluation surplus | Investment in other sector entities revaluation surplus (a) | Other  reserves (a) | Total |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| 50.0 | 37 663.1 | 38 359.0 | 921.3 | 120 168.1 |
| .. | .. | .. | .. | ( 460.3) |
| .. | ( 297.6) | 1 110.9 | ( 8.9) | 3 547.7 |
| .. | .. | .. | .. | .. |
| **50.0** | **37 365.5** | **39 469.9** | **912.5** | **123 255.5** |
|  |  |  |  |  |
| .. | 31 754.1 | .. | 220.3 | 67 751.1 |
| .. | .. | .. | .. | 134.9 |
| .. | ( 6.6) | .. | 39.8 | 28.0 |
| .. | .. | .. | .. | ( 63.7) |
| .. | .. | .. | .. | 1 107.1 |
| **..** | **31 747.5** | **..** | **260.1** | **68 957.5** |
|  |  |  |  |  |
| .. | 15.0 | .. | 645.9 | ( 852.8) |
| .. | .. | .. | .. | 2 086.8 |
| .. | ( 12.9) | .. | 57.7 | .. |
| .. | .. | .. | .. | ( 75.6) |
| .. | .. | .. | .. | 2.5 |
| **..** | **2.1** | **..** | **703.6** | **1 160.8** |
| .. | 8 982.6 | (39 469.9) | 3.0 | (65 139.0) |
| **50.0** | **78 097.6** | **..** | **1 879.1** | **128 234.8** |

Note 3. Taxation

($ million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | | |  | General  government sector | |
|  | 2013 | | | 2012 | 2013 | | 2012 |
| **Taxes on employers’ payroll and labour force** | **2 487.4** | | | **2 414.7** | **2 520.0** | | **2 447.8** |
| **Taxes on property** |  | | |  |  | |  |
| **Taxes on immovable property** |  | | |  |  | |  |
| Land tax | 52.2 | | | ( 8.4) | 72.7 | | 9.1 |
| Fire Services Property Levy (a) | 610.9 | | | .. | 610.9 | | .. |
| Congestion levy | ( 0.5) | | | 0.4 | ( 0.5) | | 0.4 |
| Metropolitan improvement levy | 141.2 | | | 133.3 | 141.2 | | 133.3 |
| Property owner contributions to fire brigades (a) | .. | | | 18.9 | .. | | 18.9 |
| **Total taxes on immovable property** | **803.8** | | | **144.3** | **824.2** | | **161.7** |
| **Financial and capital transactions** |  | | |  |  | |  |
| Land transfer duty | 2 059.9 | | | 1 613.0 | 2 059.9 | | 1 613.0 |
| Other property duties | 5.4 | | | 6.8 | 5.4 | | 6.8 |
| Financial accommodation levy | .. | | | .. | 56.6 | | 49.9 |
| Growth Areas Infrastructure Contribution | 51.9 | | | 28.6 | 51.9 | | 28.6 |
| **Total financial and capital transactions** | **2 117.2** | | | **1 648.4** | **2 173.8** | | **1 698.3** |
| **Total taxes on property** | **2 921.0** | | | **1 792.7** | **2 998.0** | | **1 860.0** |
| **Taxes on the provision of goods and services** |  | | |  |  | |  |
| **Gambling taxes** |  | | |  |  | |  |
| Private lotteries | 203.0 | | | 230.0 | 203.0 | | 230.0 |
| Electronic gaming machines (b) | 500.7 | | | 559.1 | 500.7 | | 559.1 |
| Casino | 96.7 | | | 93.0 | 96.7 | | 93.0 |
| Racing (b) | 43.5 | | | 49.9 | 43.5 | | 49.9 |
| Other (b) | 9.9 | | | 9.6 | 9.9 | | 9.6 |
| **Total gambling taxes** | **853.7** | | | **941.6** | **853.7** | | **941.6** |
| **Levies on statutory corporations** | **..** | | | **..** | **52.7** | | **32.3** |
| **Taxes on insurance (a)** | **563.2** | | | **854.0** | **563.2** | | **854.0** |
| **Total taxes on the provision of goods and services** | **1 416.9** | | | **1 795.6** | **1 469.6** | | **1 827.8** |
| **Taxes on the use of goods and performance of activities** | | |  |  |  | |  |
| **Motor vehicle taxes** |  | | |  |  | |  |
| Vehicle registration fees | 622.6 | | | 591.2 | 623.9 | | 592.2 |
| Duty on vehicle registrations and transfers | 337.8 | | | 323.7 | 337.8 | | 323.7 |
| **Total motor vehicle taxes** | **960.4** | | | **914.9** | **961.7** | | **915.9** |
| **Franchise taxes** | **14.0** | | | **12.7** | **14.0** | | **12.7** |
| **Other** | **140.4** | | | **128.5** | **140.4** | | **128.5** |
| **Total taxes on the use of goods and performance of activities** | **1 114.9** | | | **1 056.1** | **1 116.2** | | **1 057.1** |
| **Total taxation revenue** | **7 940.1** | | | **7 059.1** | **8 103.8** | | **7 192.7** |

Notes:

(a) These balances reflect the general government’s introduction of the new property‑based Fire Services Property Levy from 1 July 2013, which replaces the current insurance and property owner contributions to the fire brigades.

(b) December 2012 comparative figures have been restated due to a reclassification between gambling taxes.

Note 4. Dividends and income tax equivalent and rate equivalent revenues

(a) Dividends and income tax equivalent and rate equivalent revenue

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Dividends from PFC sector | .. | | .. | 75.6 | | 440.7 |
| Dividends from PNFC sector | .. | | .. | 63.7 | | 157.4 |
| Dividends from non‑public sector | 347.2 | | 223.7 | 4.2 | | 1.9 |
| Dividends | **347.2** | | **223.7** | **143.5** | | **599.9** |
| Income tax equivalent from PFC sector | .. | | .. | 11.3 | | 9.8 |
| Income tax equivalent from PNFC sector | .. | | .. | 68.3 | | 88.0 |
| Income tax equivalent | **..** | | **..** | **79.6** | | **97.8** |
| Local government rate equivalent revenue | .. | | .. | .. | | .. |
| Other dividends (a) | 36.3 | | 34.8 | .. | | .. |
| **Total dividends and income tax equivalent and rate equivalent revenue** | **383.5** | | **258.5** | **223.1** | | **697.7** |

Note:

(a) Dividends from Snowy Hydro received by State Electricity Commission of Victoria.

(b) Dividends by entity

($ million)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | General  government sector | |
|  | 2013 | | 2012 |
| **Public financial corporations** |  | |  |
| Victorian WorkCover Authority | .. | | 192.5 |
| Transport Accident Commission | .. | | 176.0 |
| Treasury Corporation of Victoria | 56.3 | | 54.7 |
| Rural Finance Corporation of Victoria | 16.2 | | 15.3 |
| State Trustees Ltd | 0.5 | | .. |
| Victorian Funds Management Corporation | 2.6 | | 2.2 |
| **Dividends from PFC sector** | **75.6** | | **440.7** |
|  |  | |  |
| **Public non‑financial corporations** |  | |  |
| Melbourne Water Corporation | .. | | .. |
| City West Water Corporation | 4.7 | | 18.0 |
| South East Water Corporation | 16.0 | | 48.9 |
| Yarra Valley Water Corporation | 17.7 | | 53.0 |
| Port of Melbourne Corporation | 24.4 | | 21.2 |
| State Electricity Commission of Victoria (Shell) | .. | | .. |
| Others | 0.9 | | 16.2 |
| **Dividends from PNFC sector** | **63.7** | | **157.4** |

Note 5. Sale of goods and services

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Motor vehicle regulatory fees | 109.5 | | 84.3 | 109.5 | | 84.3 |
| Other regulatory fees | 259.0 | | 226.5 | 250.6 | | 219.2 |
| Sale of goods | 315.0 | | 236.2 | 40.8 | | 68.8 |
| Provision of services | 6 267.4 | | 5 807.8 | 2 228.7 | | 2 487.5 |
| Rental | 40.2 | | 37.6 | 28.3 | | 26.3 |
| Refunds and reimbursements | 70.6 | | 45.5 | 5.0 | | 1.5 |
| Inter‑sector capital asset charge | .. | | .. | 762.2 | | 704.0 |
| **Total sale of goods and services** | **7 061.7** | | **6 437.9** | **3 425.2** | | **3 591.7** |

Note 6. Grants

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| General purpose grants | 5 760.9 | | 5 600.9 | 5 760.9 | | 5 600.9 |
| Specific purpose grants for on‑passing | 1 349.5 | | 1 263.0 | 1 349.5 | | 1 263.0 |
| Other specific purpose grants | 4 137.9 | | 3 656.6 | 4 132.2 | | 3 655.0 |
| Total | 11 248.3 | | 10 520.6 | 11 242.5 | | 10 518.9 |
| Other contributions and grants | 0.9 | | 0.9 | 39.6 | | 61.3 |
| **Total grants** | **11 249.1** | | **10 521.5** | **11 282.2** | | **10 580.2** |

Note 7. Other revenue

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Fair value of assets received free of charge or for nominal consideration | 74.0 | | 78.6 | 8.8 | | 1.4 |
| Fines | 319.6 | | 356.5 | 316.9 | | 354.3 |
| Royalties | 32.8 | | 30.7 | 27.6 | | 24.9 |
| Donations and gifts | 148.9 | | 146.0 | 135.7 | | 133.8 |
| Other non‑property rental | 44.0 | | 44.7 | 14.5 | | 16.0 |
| Other miscellaneous revenue | 624.9 | | 596.4 | 530.3 | | 510.0 |
| **Total other revenue** | **1 244.3** | | **1 253.0** | **1 033.8** | | **1 040.5** |

Note 8. Superannuation

(a) Superannuation expense recognised in the operating statement

($ million)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | State of Victoria | |
|  | 2013 | | 2012 (a) |
| **Defined benefit plans** |  | |  |
| Net superannuation interest expense | 530.3 | | 544.1 |
| Current service cost | 367.1 | | 432.6 |
| Expected return on superannuation assets excluding interest income | ( 272.8) | | ( 319.1) |
| Other actuarial (gain)/loss on superannuation assets | (1 037.8) | | ( 612.9) |
| Actuarial and other adjustments to unfunded superannuation liability | (1 133.8) | | ( 284.5) |
| **Total (gain)/expenses recognised in respect of defined benefit plans** | **(1 547.0)** | | **( 239.8)** |
| **Defined contribution plans** |  | |  |
| Employer contributions to defined contribution plans | 630.6 | | 539.7 |
| Other (including pensions) | 40.2 | | 43.8 |
| **Total expense recognised in respect of defined contribution plans** | **670.9** | | **583.5** |
| **Total superannuation (gain)/expense recognised in operating statement** | **( 876.2)** | | **343.7** |
| **Represented by:** |  | |  |
| Net superannuation interest expense | 530.3 | | 544.1 |
| Other superannuation | 1 037.9 | | 1 016.1 |
| **Superannuation expense from transactions** | **1 568.3** | | **1 560.2** |
| **Remeasurement recognised in other comprehensive income** | **(2 444.4)** | | **(1 216.5)** |
| **Total superannuation costs recognised in operating statement** | **( 876.2)** | | **343.7** |

Note:

(a) December 2012 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

(b) Superannuation liabilities

($ million)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | State of Victoria | |
|  | Dec | | Jun |
|  | *2013* | | 2013 |
| Current liability | 997.3 | | 1 014.5 |
| Non‑current liability | 21 914.9 | | 24 210.9 |
| **Total superannuation liability** | **22 912.2** | | **25 225.4** |
| **Represented by:** |  | |  |
| Emergency Services and State Super | 21 837.8 | | 24 042.5 |
| Other funds | 1 074.4 | | 1 182.9 |

Note 9. Depreciation

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Buildings | 704.8 | | 650.5 | 537.3 | | 482.9 |
| Infrastructure systems (a) | 617.0 | | 555.6 | 17.4 | | 15.4 |
| Plant, equipment and vehicles (a) | 429.2 | | 465.5 | 275.2 | | 279.5 |
| Road and road networks | 283.1 | | 267.5 | 280.7 | | 265.2 |
| Cultural assets | 10.8 | | 10.6 | 10.8 | | 10.6 |
| Intangible produced assets (b) | 84.8 | | 73.8 | 50.4 | | 39.2 |
| **Total depreciation** | **2 129.7** | | **2 023.4** | **1 171.8** | | **1 092.7** |

Notes:

(a) December 2012 comparative figures have been restated due to a reclassification of Depreciation – Infrastructure Leasehold from ‘Plant, equipment and vehicles’ to ‘Infrastructure systems’.

(b) Amortisation of intangible non‑produced assets is included under other economic flows.

Note 10. Interest expense

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Interest on short‑term interest‑bearing liabilities | 24.8 | | 26.9 | 29.2 | | 11.5 |
| Interest on long‑term interest‑bearing liabilities | 1 002.3 | | 869.1 | 612.3 | | 558.6 |
| Finance charges on finance leases | 427.6 | | 194.8 | 389.7 | | 156.3 |
| Discount interest on payables | 19.7 | | 50.3 | 30.6 | | 26.7 |
| **Total interest expense** | **1 474.4** | | **1 141.1** | **1 061.9** | | **753.0** |

Note 11. Grants and other transfers

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| **Current grants expense** |  | |  |  | |  |
| Commonwealth Government | 100.5 | | 76.1 | 100.5 | | 76.0 |
| Local government on‑passing | 239.6 | | 313.3 | 239.6 | | 313.2 |
| Private sector and not‑for‑profit on‑passing (a) | 1 202.8 | | 1 128.1 | 1 202.8 | | 1 128.1 |
| Other private sector and not‑for‑profit (a) | 760.1 | | 818.2 | 748.0 | | 807.4 |
| Grants within the Victorian Government | .. | | .. | 1 476.3 | | 1 382.9 |
| Grants to other state governments | 0.5 | | 1.7 | 0.4 | | 1.7 |
| **Total current grants and other transfers** | **2 303.5** | | **2 337.3** | **3 767.6** | | **3 709.3** |
| **Capital grants expense** |  | |  |  | |  |
| Commonwealth Government | .. | | .. | .. | | .. |
| Local government on‑passing | 89.3 | | 78.9 | 89.3 | | 78.9 |
| Private sector and not‑for‑profit on‑passing | 40.8 | | 65.2 | 37.8 | | 56.5 |
| Other private sector and not‑for‑profit | 0.4 | | 4.8 | 0.4 | | 4.8 |
| Grants within the Victorian Government | .. | | .. | 0.5 | | 9.2 |
| Other grants | 10.8 | | .. | 10.8 | | .. |
| **Total capital grants and other transfers** | **141.3** | | **149.0** | **138.7** | | **149.5** |
| **Total grants and other transfers** | **2 444.8** | | **2 486.3** | **3 906.3** | | **3 858.8** |

Note:

(a) December 2012 comparative figures have been restated due to a reclassification of grants between ‘Private sector grants and not‑for‑profit on‑passing’ and ‘Other private sector and not‑for‑profit’.

Note 12. Expenses by government purpose and by department

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

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| General public services (b) | 3 489.8 | | 3 566.0 | 592.6 | | 695.6 |
| Public order and safety | 2 450.6 | | 2 355.3 | 2 603.0 | | 2 481.6 |
| Education | 6 494.3 | | 6 424.9 | 6 537.5 | | 6 443.8 |
| Health | 6 691.3 | | 6 317.4 | 6 859.2 | | 6 474.0 |
| Social security and welfare | 1 935.7 | | 1 859.8 | 1 959.0 | | 1 990.3 |
| Housing and community amenities | 2 638.8 | | 2 200.0 | 1 242.4 | | 1 084.2 |
| Recreation and culture | 688.6 | | 765.9 | 340.2 | | 455.7 |
| Fuel and energy | 54.6 | | 23.4 | 50.7 | | 15.0 |
| Agriculture, forestry, fishing, and hunting | 241.4 | | 256.4 | 192.4 | | 212.9 |
| Mining, manufacturing, and construction | .. | | .. | .. | | .. |
| Transport and communications | 2 484.6 | | 2 566.7 | 2 807.7 | | 2 740.5 |
| Other economic affairs | 490.2 | | 511.6 | 574.3 | | 438.1 |
| Other purposes | 1 483.6 | | 1 369.9 | 1 080.8 | | 996.1 |
| **Total expenses from transactions (b)** | **29 143.4** | | **28 217.4** | **24 839.9** | | **24 027.7** |

Notes:

(a) Note 40 of the 2012‑13 Financial Report for the State of Victoria provides definitions and descriptions of government purpose classifications.

(b) December 2012 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

(b) Total expenses by department

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Education and Early Childhood Development | 7 212.1 | | 7 124.3 | 7 212.1 | | 7 124.3 |
| Environment and Primary Industries (a) | 4 345.6 | | 3 529.8 | 1 591.8 | | 1 362.3 |
| Health | 7 877.2 | | 7 508.1 | 7 835.7 | | 7 472.9 |
| Human Services | 2 266.6 | | 2 198.6 | 1 836.1 | | 1 791.9 |
| Justice | 3 984.7 | | 3 572.8 | 3 909.9 | | 3 500.6 |
| Parliament | 96.3 | | 95.3 | 96.3 | | 95.3 |
| Premier and Cabinet | 382.2 | | 385.8 | 335.4 | | 327.3 |
| State Development, Business and Innovation (a) | 711.6 | | 467.6 | 600.9 | | 354.2 |
| Transport, Planning and Local Infrastructure (a) | 6 289.5 | | 5 551.1 | 4 636.1 | | 4 022.0 |
| Treasury and Finance (b) | 26 858.4 | | 26 628.7 | 22 275.1 | | 22 367.1 |
| Regulatory bodies and other part budget funded agencies | | 941.8 | 972.1 | 941.8 | | 972.1 |
| Planning and Community Development (c) | .. | | 471.3 | .. | | 374.6 |
| Primary Industries (c) | .. | | 419.2 | .. | | 352.7 |
| **Total (b)** | **60 966.0** | | **58 924.8** | **51 271.1** | | **50 117.3** |
| Less eliminations and adjustments | (31 822.5) | | (30 707.4) | (26 431.2) | | (26 089.6) |
| **Total expenses (b)** | **29 143.4** | | **28 217.4** | **24 839.9** | | **24 027.7** |

Notes:

(a) Effective 9 April 2013, several departments were renamed due to machinery of government changes:

* the Department of Sustainability and Environment became the Department of Environment and Primary Industries;
* the Department of Business and Innovation became the Department of State Development, Business and Innovation; and
* the Department of Transport became the Department of Transport, Planning and Local Infrastructure.

(b) December 2012 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

(c) Effective 1 July 2013, the following departments ceased to exist and had their functions and operations transferred to other Victorian government departments:

* Department of Planning and Community Development; and
* Department of Primary Industries.

Note 13. Other gains/(losses) from other economic flows

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Net gain/(loss) from revaluation of biological assets | ( 28.0) | | 16.3 | ( 26.8) | | 18.2 |
| Net (increase)/decrease in provision for doubtful receivables | ( 115.7) | | ( 165.2) | ( 114.8) | | ( 161.3) |
| Amortisation of intangible non‑produced assets | ( 12.9) | | ( 12.5) | ( 7.2) | | ( 7.7) |
| Bad debts written off | ( 54.2) | | ( 23.6) | ( 44.0) | | ( 18.0) |
| Other gains/(losses) | 1 092.7 | | 839.7 | 22.6 | | ( 5.4) |
| **Total other gains/(losses) from other economic flows** | **881.8** | | **654.7** | **( 170.2)** | | **( 174.3)** |

Note 14. Receivables

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec | | Jun | Dec | | Jun |
|  | 2013 | | 2013 | 2013 | | 2013 |
| **Contractual** |  | |  |  | |  |
| Sales of goods and services | 1 222.7 | | 1 215.9 | 721.9 | | 709.8 |
| Accrued investment income | 84.9 | | 234.5 | 19.2 | | 185.3 |
| Other receivables | 1 723.6 | | 2 126.9 | 1 279.0 | | 1 102.1 |
| Provision for doubtful contractual receivables | ( 147.5) | | ( 145.9) | ( 70.1) | | ( 68.5) |
| **Statutory** |  | |  |  | |  |
| Sales of goods and services | 325.7 | | 905.1 | .. | | .. |
| Taxes receivables | 1 835.2 | | 2 113.4 | 1 873.6 | | 2 152.1 |
| Fines and regulatory fees | 1 693.4 | | 1 519.9 | 1 693.4 | | 1 519.9 |
| GST input tax credits recoverable | 645.3 | | 727.5 | 207.9 | | 285.7 |
| Provision for doubtful statutory receivables | ( 858.8) | | ( 825.5) | ( 858.8) | | ( 825.5) |
| **Total receivables** | **6 524.5** | | **7 871.9** | **4 866.2** | | **5 061.0** |
| **Represented by:** |  | |  |  | |  |
| Current receivables | 5 074.2 | | 5 393.3 | 3 688.2 | | 3 882.9 |
| Non‑current receivables | 1 450.3 | | 2 478.6 | 1 178.0 | | 1 178.1 |

Note 15. Investments accounted for using the equity method

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Ownership interest  (per cent) | |  | State of Victoria  ($ million) | |  | General government sector  ($ million) | |
|  | Dec | | Jun | Dec | | Jun | Dec | | Jun |
| Name of company | 2013 | | 2013 | 2013 | | 2013 | 2013 | | 2013 |
| The Australian Regenerative Medicine Institute | 21.0% | | 21.0% | 35.0 | | 35.0 | 35.0 | | 35.0 |
| National E‑Conveyancing Development Ltd | 24.0% | | 24.0% | 14.4 | | 14.4 | 14.4 | | 14.4 |
| Snowy Hydro Ltd | 29.0% | | 29.0% | 1 616.6 | | 1 616.6 | .. | | .. |
|  |  | |  | **1 666.1** | | **1 666.1** | **49.4** | | **49.4** |

Note 16. Inventories

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec | | Jun | Dec | | Jun |
|  | 2013 | | 2013 | 2013 | | 2013 |
| **At cost** |  | |  |  | |  |
| Raw materials | 7.7 | | 5.3 | 7.1 | | 4.7 |
| Work in progress | 35.2 | | 52.7 | 5.7 | | 4.4 |
| Finished goods | 47.8 | | 48.2 | 5.8 | | 5.4 |
| Consumable stores | 187.8 | | 149.7 | 124.9 | | 113.5 |
| Land and other assets held as inventory (a) | 546.2 | | 598.6 | 40.3 | | 60.3 |
| **At net realisable value** |  | |  |  | |  |
| Raw materials | .. | | .. | .. | | .. |
| Finished goods | 2.2 | | 7.9 | 0.1 | | 0.1 |
| Consumable stores | 5.1 | | 4.9 | .. | | .. |
| Land and other assets held as inventory | .. | | 3.8 | .. | | 3.8 |
| **Total inventories** | **832.0** | | **871.0** | **183.9** | | **192.1** |

Note:

(a) Include inventory held for distribution.

Note 17. Non‑financial assets classified as held for sale

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec | | Jun | Dec | | Jun |
|  | 2013 | | 2013 | 2013 | | 2013 |
| Land | 89.5 | | 87.9 | 63.8 | | 68.7 |
| Buildings | 5.3 | | 12.5 | 5.3 | | 0.9 |
| Infrastructure, plant, equipment and vehicles | .. | | 3.2 | .. | | 3.2 |
| Other | 0.1 | | 69.3 | 0.1 | | 69.3 |
| **Total non‑financial assets held for sale** | **94.8** | | **173.0** | **69.2** | | **142.1** |

Note 18. Land, buildings, infrastructure, plant and equipment

(a) Total land, buildings, infrastructure, plant and equipment

($ million)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Public Administration | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Buildings (written down value) | 2 080.0 | | | 2 059.8 | 983.9 | | 1 032.1 | |
| Land and national parks | 1 425.6 | | | 1 402.1 | 965.0 | | 946.6 | |
| Buildings leasehold (written down value) | 68.8 | | | 72.5 | 36.4 | | 39.1 | |
| Infrastructure systems (written down value) | 82.8 | | | 81.5 | 74.1 | | 74.6 | |
| Plant, equipment and vehicles (written down value) | 404.0 | | | 406.2 | 229.0 | | 235.2 | |
| Roads and road networks (written down value) | 24.8 | | | 22.6 | .. | | .. | |
| Earthworks | 0.1 | | | 0.5 | .. | | .. | |
| Cultural assets (written down value) | 358.1 | | | 200.7 | 358.1 | | 200.7 | |
| **Total land, buildings, infrastructure, plant and equipment** | **4 444.2** | | | **4 245.8** | **2 646.6** | | **2 528.3** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Community Housing | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Buildings (written down value) | 8 503.6 | | | 8 486.5 | .. | | .. | |
| Land and national parks | 9 488.5 | | | 9 511.6 | .. | | .. | |
| Buildings leasehold | 4.1 | | | 4.1 | .. | | .. | |
| Infrastructure systems (written down value) | .. | | | .. | .. | | .. | |
| Plant, equipment and vehicles (written down value) | 0.4 | | | 0.5 | .. | | .. | |
| Roads (written down value) | .. | | | .. | .. | | .. | |
| Earthworks | .. | | | .. | .. | | .. | |
| Cultural assets (written down value) | .. | | | .. | .. | | .. | |
| **Total land, buildings, infrastructure, plant and equipment** | **17 996.6** | | | **18 002.7** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Total | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Buildings (written down value) | 37 161.5 | | | 36 004.9 | 21 871.2 | | 21 708.8 | |
| Land and national parks | 54 425.3 | | | 55 437.0 | 37 559.6 | | 37 465.7 | |
| Buildings leasehold | 2 299.2 | | | 2 339.1 | 2 252.0 | | 2 291.9 | |
| Infrastructure systems (written down value) | 54 227.2 | | | 53 370.7 | 2 292.7 | | 2 291.0 | |
| Plant, equipment and vehicles (written down value) | 8 234.6 | | | 8 070.0 | 3 043.8 | | 2 921.3 | |
| Roads (written down value) | 21 166.4 | | | 21 097.9 | 21 111.8 | | 21 027.9 | |
| Earthworks | 7 638.9 | | | 7 639.2 | 7 638.8 | | 7 638.8 | |
| Cultural assets (written down value) | 5 604.5 | | | 5 514.1 | 5 549.1 | | 5 458.7 | |
| **Total land, buildings, infrastructure, plant and equipment** | **190 757.5** | | | **189 473.0** | **101 318.8** | | **100 804.0** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Education | | | | |  |  |  | Health and Welfare | | | | |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | | |  | General  government sector | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| 8 384.8 | | | 8 423.1 | 8 384.8 | | 8 423.1 | | 6 915.0 | | | 6 797.0 | 6 899.7 | | 6 781.6 | |
| 7 846.3 | | | 7 784.5 | 7 846.3 | | 7 784.5 | | 1 961.9 | | | 1 967.1 | 1 958.1 | | 1 963.2 | |
| 205.9 | | | 216.1 | 205.9 | | 216.1 | | 1 141.0 | | | 1 154.2 | 1 141.0 | | 1 154.2 | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| 629.5 | | | 631.2 | 629.5 | | 631.2 | | 1 047.0 | | | 1 020.9 | 1 046.9 | | 1 020.9 | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| 10.1 | | | 9.5 | 10.1 | | 9.5 | | 5.5 | | | 5.5 | 5.5 | | 5.5 | |
| **17 076.6** | | | **17 064.4** | **17 076.6** | | **17 064.4** | | **11 070.3** | | | **10 944.7** | **11 051.1** | | **10 925.4** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Transportation and Communication | | | | |  |  | Public Safety and Environment | | | | |  |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | |  | General  government sector | | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | Jun  2013 | Dec  2013 | | Jun  2013 | | |
| 4 578.0 | | | 4 728.9 | 508.8 | | 521.1 | | 6 700.1 | | 5 509.6 | 5 093.9 | | 4 950.8 | | |
| 21 332.5 | | | 21 315.1 | 17 493.5 | | 17 473.9 | | 12 370.5 | | 13 456.6 | 9 296.7 | | 9 297.5 | | |
| 39.1 | | | 42.6 | 36.4 | | 39.8 | | 840.4 | | 849.5 | 832.3 | | 842.6 | | |
| 15 077.0 | | | 14 252.0 | 402.4 | | 370.2 | | 39 067.4 | | 39 037.3 | 1 816.1 | | 1 846.2 | | |
| 5 040.3 | | | 4 852.6 | 295.1 | | 143.2 | | 1 113.4 | | 1 158.7 | 843.3 | | 890.9 | | |
| 21 111.8 | | | 21 027.9 | 21 111.8 | | 21 027.9 | | 29.9 | | 47.5 | .. | | .. | | |
| 7 638.8 | | | 7 638.8 | 7 638.8 | | 7 638.8 | | .. | | .. | .. | | .. | | |
| 1.7 | | | 1.7 | 1.2 | | 1.2 | | 5 229.1 | | 5 296.6 | 5 174.2 | | 5 241.7 | | |
| **74 819.0** | | | **73 859.5** | **47 488.0** | | **47 216.1** | | **65 350.8** | | **65 355.8** | **23 056.6** | | **23 069.8** | | |

Note 18. Land, buildings, infrastructure, plant and equipment *(continued)*

(b) Land and buildings

($ million)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Public Administration | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Buildings | 2 153.5 | | | 2 178.6 | 1 019.5 | | 1 125.9 | |
| *Accumulated depreciation* | ( 73.5) | | | ( 118.8) | ( 35.6) | | ( 93.8) | |
| **Buildings (written down value)** | **2 080.0** | | | **2 059.8** | **983.9** | | **1 032.1** | |
| **Buildings leasehold (written down value)** | **68.8** | | | **72.5** | **36.4** | | **39.1** | |
| Land | 1 425.6 | | | 1 402.1 | 965.0 | | 946.6 | |
| National parks and other ‘land only’ holdings | .. | | | .. | .. | | .. | |
| **Land and national parks** | **1 425.6** | | | **1 402.1** | **965.0** | | **946.6** | |
| **Total land and buildings** | **3 574.4** | | | **3 534.5** | **1 985.4** | | **2 017.8** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Community Housing | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Buildings | 9 191.1 | | | 9 093.5 | .. | | .. | |
| *Accumulated depreciation* | ( 687.4) | | | ( 607.1) | .. | | .. | |
| **Buildings (written down value)** | **8 503.6** | | | **8 486.5** | **..** | | **..** | |
| **Buildings leasehold** | **4.1** | | | **4.1** | **..** | | **..** | |
| Land | 9 488.5 | | | 9 511.6 | .. | | .. | |
| National parks and other ‘land only’ holdings | .. | | | .. | .. | | .. | |
| **Land and national parks** | **9 488.5** | | | **9 511.6** | **..** | | **..** | |
| **Total land and buildings** | **17 996.2** | | | **18 002.2** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Total | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Buildings | 41 455.9 | | | 39 753.0 | 24 962.7 | | 24 421.3 | |
| *Accumulated depreciation* | (4 294.4) | | | (3 748.2) | (3 091.5) | | (2 712.5) | |
| **Buildings (written down value)** | **37 161.5** | | | **36 004.9** | **21 871.2** | | **21 708.8** | |
| **Buildings leasehold** | **2 299.2** | | | **2 339.1** | **2 252.0** | | **2 291.9** | |
| Land | 52 739.8 | | | 53 751.5 | 35 874.1 | | 35 780.2 | |
| National parks and other ‘land only’ holdings | 1 685.5 | | | 1 685.5 | 1 685.5 | | 1 685.5 | |
| **Land and national parks** | **54 425.3** | | | **55 437.0** | **37 559.6** | | **37 465.7** | |
| **Total land and buildings** | **93 886.0** | | | **93 781.0** | **61 682.7** | | **61 466.4** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Education | | | | |  |  |  | Health and Welfare | | | | |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | | |  | General  government sector | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| 8 503.5 | | | 8 423.1 | 8 503.5 | | 8 423.1 | | 9 426.7 | | | 9 081.6 | 9 411.1 | | 9 066.0 | |
| ( 118.7) | | | .. | ( 118.7) | | .. | | (2 511.7) | | | (2 284.7) | (2 511.4) | | (2 284.4) | |
| **8 384.8** | | | **8 423.1** | **8 384.8** | | **8 423.1** | | **6 915.0** | | | **6 797.0** | **6 899.7** | | **6 781.6** | |
| **205.9** | | | **216.1** | **205.9** | | **216.1** | | **1 141.0** | | | **1 154.2** | **1 141.0** | | **1 154.2** | |
| 7 846.3 | | | 7 784.5 | 7 846.3 | | 7 784.5 | | 1 961.9 | | | 1 967.1 | 1 958.1 | | 1 963.2 | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| **7 846.3** | | | **7 784.5** | **7 846.3** | | **7 784.5** | | **1 961.9** | | | **1 967.1** | **1 958.1** | | **1 963.2** | |
| **16 437.0** | | | **16 423.7** | **16 437.0** | | **16 423.7** | | **10 017.9** | | | **9 918.3** | **9 998.7** | | **9 899.1** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Transportation and Communication | | | | |  |  | Public Safety and Environment | | | | |  |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | |  | General  government sector | | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | Jun  2013 | Dec  2013 | | Jun  2013 | | |
| 4 830.1 | | | 4 926.2 | 536.1 | | 538.4 | | 7 351.1 | | 6 050.0 | 5 492.5 | | 5 267.8 | | |
| ( 252.1) | | | ( 197.3) | ( 27.3) | | ( 17.3) | | ( 651.0) | | ( 540.4) | ( 398.6) | | ( 317.0) | | |
| **4 578.0** | | | **4 728.9** | **508.8** | | **521.1** | | **6 700.1** | | **5 509.6** | **5 093.9** | | **4 950.8** | | |
| **39.1** | | | **42.6** | **36.4** | | **39.8** | | **840.4** | | **849.5** | **832.3** | | **842.6** | | |
| 21 332.5 | | | 21 315.1 | 17 493.5 | | 17 473.9 | | 10 685.0 | | 11 771.1 | 7 611.2 | | 7 612.0 | | |
| .. | | | .. | .. | | .. | | 1 685.5 | | 1 685.5 | 1 685.5 | | 1 685.5 | | |
| **21 332.5** | | | **21 315.1** | **17 493.5** | | **17 473.9** | | **12 370.5** | | **13 456.6** | **9 296.7** | | **9 297.5** | | |
| **25 949.5** | | | **26 086.6** | **18 038.7** | | **18 034.9** | | **19 911.0** | | **19 815.7** | **15 222.9** | | **15 090.9** | | |

Note 18. Land, buildings, infrastructure, plant and equipment *(continued)*

(c) Plant, equipment and infrastructure systems

($ million)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | Public Administration | | | | |  |
|  | |  | State of Victoria | | |  | General  government sector | | |
|  | | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Infrastructure systems | 90.3 | | | | 84.5 | 75.8 | | 75.7 | |
| *Accumulated* *depreciation* | ( 7.5) | | | | ( 3.0) | ( 1.7) | | ( 1.1) | |
| Leased infrastructure systems | .. | | | | .. | .. | | .. | |
| *Accumulated depreciation* | .. | | | | .. | .. | | .. | |
| **Infrastructure systems (written down value)** | **82.8** | | | | **81.5** | **74.1** | | **74.6** | |
| Plant, equipment and vehicles | 715.1 | | | | 693.7 | 414.4 | | 409.2 | |
| *Accumulated depreciation* | ( 311.0) | | | | ( 287.5) | ( 185.4) | | ( 174.0) | |
| Leased plant, equipment and vehicles | .. | | | | .. | .. | | .. | |
| Accumulated depreciation | .. | | | | .. | .. | | .. | |
| **Plant, equipment and vehicles (written down value)** | **404.0** | | | | **406.2** | **229.0** | | **235.2** | |
| **Total plant, equipment and vehicles, and infrastructure systems** | | | **486.9** | | **487.7** | **303.1** | | **309.8** | |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | Community Housing | | | | |  |
|  |  | State of Victoria | | | |  | General  government sector | | |
|  | Dec  2013 | | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Infrastructure systems | .. | | | | .. | .. | | .. | |
| *Accumulated depreciation* | .. | | | | .. | .. | | .. | |
| Leased infrastructure systems | .. | | | | .. | .. | | .. | |
| *Accumulated depreciation* | .. | | | | .. | .. | | .. | |
| **Infrastructure systems (written down value)** | **..** | | | | **..** | **..** | | **..** | |
| Plant, equipment and vehicles | 8.1 | | | | 8.1 | .. | | .. | |
| *Accumulated depreciation* | ( 7.6) | | | | ( 7.6) | .. | | .. | |
| Leased plant, equipment and vehicles | .. | | | | .. | .. | | .. | |
| Accumulated depreciation | .. | | | | .. | .. | | .. | |
| **Plant, equipment and vehicles (written down value)** | **0.4** | | | | **0.5** | **..** | | **..** | |
| **Total plant, equipment and vehicles, and infrastructure systems** | | | **0.4** | | **0.5** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | Total | | | | |  |
|  |  | State of Victoria | | | |  | General  government sector | | |
|  | Dec  2013 | | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Infrastructure systems | 53 665.4 | | | | 52 191.5 | 2 761.5 | | 2 744.4 | |
| *Accumulated depreciation* | (4 108.0) | | | | (3 547.1) | ( 468.8) | | ( 453.3) | |
| Leased infrastructure systems | 4 794.3 | | | | 4 809.1 | .. | | .. | |
| *Accumulated depreciation* | ( 124.5) | | | | ( 82.8) | .. | | .. | |
| **Infrastructure systems (written down value)** | **54 227.2** | | | | **53 370.7** | **2 292.7** | | **2 291.0** | |
| Plant, equipment and vehicles | 11 414.0 | | | | 10 968.9 | 6 252.3 | | 5 991.0 | |
| *Accumulated depreciation* | (4 380.0) | | | | (4 001.5) | (3 448.0) | | (3 194.2) | |
| Leased plant, equipment and vehicles | 1 481.2 | | | | 1 345.2 | 436.5 | | 300.6 | |
| Accumulated depreciation | ( 280.6) | | | | ( 242.7) | ( 197.1) | | ( 176.1) | |
| **Plant, equipment and vehicles (written down value)** | **8 234.6** | | | | **8 070.0** | **3 043.8** | | **2 921.3** | |
| **Total plant, equipment and vehicles, and infrastructure systems** | | | **62 461.8** | | **61 440.7** | **5 336.5** | | **5 212.4** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Education | | | | |  |  |  | Health and Welfare | | | | |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | | |  | General  government sector | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| **..** | | | **..** | **..** | | **..** | | **..** | | | **..** | **..** | | **..** | |
| 1 463.1 | | | 1 414.0 | 1 463.1 | | 1 414.0 | | 2 468.0 | | | 2 308.7 | 2 467.6 | | 2 308.1 | |
| ( 838.5) | | | ( 782.8) | ( 838.5) | | ( 782.8) | | (1 513.9) | | | (1 377.2) | (1 513.5) | | (1 376.8) | |
| 12.1 | | | .. | 12.1 | | .. | | 122.4 | | | 118.4 | 122.4 | | 118.4 | |
| ( 7.2) | | | .. | ( 7.2) | | .. | | ( 29.6) | | | ( 29.0) | ( 29.6) | | ( 29.0) | |
| **629.5** | | | **631.2** | **629.5** | | **631.2** | | **1 047.0** | | | **1 020.9** | **1 046.9** | | **1 020.9** | |
| **629.5** | | | **631.2** | **629.5** | | **631.2** | | **1 047.0** | | | **1 020.9** | **1 046.9** | | **1 020.9** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Transportation and Communication | | | | |  |  | Public Safety and Environment | | | | |  |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | |  | General  government sector | | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | Jun  2013 | Dec  2013 | | Jun  2013 | | |
| 16 008.4 | | | 14 992.2 | 424.1 | | 384.2 | | 37 566.7 | | 37 114.9 | 2 261.6 | | 2 284.4 | | |
| ( 934.5) | | | ( 743.6) | ( 21.7) | | ( 14.0) | | (3 166.0) | | (2 800.6) | ( 445.4) | | ( 438.2) | | |
| 6.7 | | | 6.6 | .. | | .. | | 4 787.6 | | 4 802.4 | .. | | .. | | |
| ( 3.6) | | | ( 3.3) | .. | | .. | | ( 120.9) | | ( 79.5) | .. | | .. | | |
| **15 077.0** | | | **14 252.0** | **402.4** | | **370.2** | | **39 067.4** | | **39 037.3** | **1 816.1** | | **1 846.2** | | |
| 4 403.5 | | | 4 230.3 | 232.4 | | 184.7 | | 2 356.2 | | 2 314.2 | 1 674.7 | | 1 674.9 | | |
| ( 431.6) | | | ( 355.6) | ( 44.7) | | ( 41.5) | | (1 277.4) | | (1 190.8) | ( 865.9) | | ( 819.0) | | |
| 1 155.4 | | | 1 044.4 | 111.0 | | .. | | 191.3 | | 182.4 | 191.0 | | 182.1 | | |
| ( 87.0) | | | ( 66.6) | ( 3.7) | | .. | | ( 156.7) | | ( 147.2) | ( 156.7) | | ( 147.1) | | |
| **5 040.3** | | | **4 852.6** | **295.1** | | **143.2** | | **1 113.4** | | **1 158.7** | **843.3** | | **890.9** | | |
| **20 117.2** | | | **19 104.6** | **697.6** | | **513.4** | | **40 180.8** | | **40 195.9** | **2 659.4** | | **2 737.1** | | |

Note 18. Land, buildings, infrastructure, plant and equipment *(continued)*

(d) Road networks and earthworks

($ million)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Public Administration | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Roads and roads infrastructure | 29.0 | | | 25.9 | .. | | .. | |
| *Accumulated depreciation* | ( 4.2) | | | ( 3.3) | .. | | .. | |
| **Roads (written down value)** | **24.8** | | | **22.6** | **..** | | **..** | |
| **Earthworks** | **0.1** | | | **0.5** | **..** | | **..** | |
| **Total road networks and earthworks** | **24.8** | | | **23.0** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Community Housing | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Roads and roads infrastructure | .. | | | .. | .. | | .. | |
| *Accumulated depreciation* | .. | | | .. | .. | | .. | |
| **Roads (written down value)** | **..** | | | **..** | **..** | | **..** | |
| **Earthworks** | **..** | | | **..** | **..** | | **..** | |
| **Total road networks and earthworks** | **..** | | | **..** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Total | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| Roads and roads infrastructure | 36 648.0 | | | 36 295.8 | 36 583.8 | | 36 219.2 | |
| *Accumulated depreciation* | (15 481.6) | | | (15 197.9) | (15 472.0) | | (15 191.3) | |
| **Roads (written down value)** | **21 166.4** | | | **21 097.9** | **21 111.8** | | **21 027.9** | |
| **Earthworks** | **7 638.9** | | | **7 639.2** | **7 638.8** | | **7 638.8** | |
| **Total road networks and earthworks** | **28 805.3** | | | **28 737.2** | **28 750.5** | | **28 666.6** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Education | | | | |  |  |  | Health and Welfare | | | | |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | | |  | General  government sector | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| .. | | | .. | .. | | .. | | .. | | | .. | .. | | .. | |
| **..** | | | **..** | **..** | | **..** | | **..** | | | **..** | **..** | | **..** | |
| **..** | | | **..** | **..** | | **..** | | **..** | | | **..** | **..** | | **..** | |
| **..** | | | **..** | **..** | | **..** | | **..** | | | **..** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Transportation and Communication | | | | |  |  | Public Safety and Environment | | | | |  |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | |  | General  government sector | | | |
| Dec  2013 | | | Jun  2013 | Dec  2013 | | Jun  2013 | | Dec  2013 | | Jun  2013 | Dec  2013 | | Jun  2013 | | |
| 36 583.8 | | | 36 219.2 | 36 583.8 | | 36 219.2 | | 35.2 | | 50.8 | .. | | .. | | |
| (15 472.0) | | | (15 191.3) | (15 472.0) | | (15 191.3) | | ( 5.3) | | ( 3.3) | .. | | .. | | |
| **21 111.8** | | | **21 027.9** | **21 111.8** | | **21 027.9** | | **29.9** | | **47.5** | **..** | | **..** | | |
| **7 638.8** | | | **7 638.8** | **7 638.8** | | **7 638.8** | | **..** | | **..** | **..** | | **..** | | |
| **28 750.5** | | | **28 666.6** | **28 750.5** | | **28 666.6** | | **29.9** | | **47.5** | **..** | | **..** | | |

Note 18. Land, buildings, infrastructure, plant and equipment *(continued)*

(e) Cultural assets

($ million)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Public Administration | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  *2013* | | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | |
| Cultural assets | 375.6 | | | 212.3 | 375.6 | | 212.3 | |
| *Accumulated depreciation* | ( 17.5) | | | ( 11.6) | ( 17.5) | | ( 11.6) | |
| **Total cultural assets** | **358.1** | | | **200.7** | **358.1** | | **200.7** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Community Housing | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  *2013* | | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | |
| Cultural assets | .. | | | .. | .. | | .. | |
| *Accumulated depreciation* | .. | | | .. | .. | | .. | |
| **Total cultural assets** | **..** | | | **..** | **..** | | **..** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Total | | | | |  |
|  |  | State of Victoria | | |  | General  government sector | | |
|  | Dec  *2013* | | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | |
| Cultural assets | 5 723.0 | | | 5 625.2 | 5 667.6 | | 5 569.8 | |
| *Accumulated depreciation* | ( 118.5) | | | ( 111.1) | ( 118.5) | | ( 111.1) | |
| **Total cultural assets** | **5 604.5** | | | **5 514.1** | **5 549.1** | | **5 458.7** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Education | | | | |  |  |  | Health and Welfare | | | | |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | | |  | General  government sector | | |
| Dec  *2013* | | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | | Dec  *2013* | | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | |
| 30.3 | | | 31.9 | 30.3 | | 31.9 | | 5.5 | | | 5.5 | 5.5 | | 5.5 | |
| ( 20.2) | | | ( 22.4) | ( 20.2) | | ( 22.4) | | .. | | | .. | .. | | .. | |
| **10.1** | | | **9.5** | **10.1** | | **9.5** | | **5.5** | | | **5.5** | **5.5** | | **5.5** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Transportation and Communication | | | | |  |  | Public Safety and Environment | | | | |  |  |
|  | State of Victoria | | |  | General  government sector | | |  | State of Victoria | |  | General  government sector | | | |
| Dec  *2013* | | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | | Dec  *2013* | | Jun  *2013* | Dec  *2013* | | Jun  *2013* | | |
| 2.0 | | | 2.0 | 1.4 | | 1.4 | | 5 309.6 | | 5 373.5 | 5 254.7 | | 5 318.7 | | |
| ( 0.3) | | | ( 0.2) | ( 0.3) | | ( 0.2) | | ( 80.5) | | ( 76.9) | ( 80.5) | | ( 76.9) | | |
| **1.7** | | | **1.7** | **1.2** | | **1.2** | | **5 229.1** | | **5 296.6** | **5 174.2** | | **5 241.7** | | |

Note 19. Other non‑financial assets

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec  *2013* | | Jun  *2013* | Dec  *2013* | | Jun  *2013* |
| Intangible produced assets | 1 902.6 | | 1 799.1 | 1 126.2 | | 1 062.1 |
| *Accumulated depreciation* | ( 872.0) | | ( 799.0) | ( 510.9) | | ( 476.3) |
| Intangible non‑produced assets | 805.4 | | 813.7 | 136.8 | | 168.1 |
| *Accumulated amortisation* | ( 192.3) | | ( 178.3) | ( 98.5) | | ( 90.0) |
| **Total intangibles** | **1 643.8** | | **1 635.4** | **653.6** | | **663.8** |
| Investment properties | 173.9 | | 70.6 | 156.9 | | 53.5 |
| Biological assets (a) | 56.4 | | 63.8 | 3.6 | | 41.8 |
| Other assets | 556.4 | | 283.2 | 448.0 | | 195.1 |
| **Total other non‑financial assets** | **2 430.5** | | **2 053.1** | **1 262.0** | | **954.3** |

Note:

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

Note 20. Assets by government purpose and by department

(a) Purchases of non‑financial assets by purpose(a)

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | 2013 | | 2012 | 2013 | | 2012 |
| General public services | 28.2 | | 188.2 | 10.4 | | 11.2 |
| Public order and safety | 225.0 | | 180.7 | 225.0 | | 180.7 |
| Education | 215.1 | | 307.8 | 215.1 | | 307.8 |
| Health | 529.6 | | 306.7 | 529.6 | | 306.7 |
| Social security and welfare | 37.1 | | 29.7 | 37.1 | | 29.7 |
| Housing and community amenities | 802.1 | | 1 012.3 | 54.9 | | 11.0 |
| Recreation and culture | 123.4 | | 117.5 | 38.8 | | 6.9 |
| Fuel and energy | 13.5 | | 0.6 | 13.5 | | 0.6 |
| Agriculture, forestry, fishing, and hunting | 6.2 | | 7.5 | 6.2 | | 11.7 |
| Mining, manufacturing, and construction | .. | | .. | .. | | .. |
| Transport and communications | 1 571.7 | | 1 225.9 | 792.7 | | 721.6 |
| Other economic affairs | 19.2 | | 17.4 | 19.2 | | 17.4 |
| Other purposes | 0.4 | | 0.1 | 0.1 | | 0.1 |
| **Total purchases of non‑financial assets** | **3 571.6** | | **3 394.5** | **1 942.5** | | **1 605.5** |

Note:

(a) Note 40 of the 2012‑13 Financial Report for the State of Victoria provides definitions and descriptions of government purpose classifications.

Note 20. Assets by government purpose and by department *(continued)*

(b) Purchases of non‑financial assets by department

($ million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | | |  | General  government sector | |
|  | 2013 | | | 2012 | 2013 | | 2012 |
| Education and Early Childhood Development | 253.7 | | | 333.1 | 253.7 | | 333.1 |
| Environment and Primary Industries (a) | 655.4 | | | 954.9 | 34.4 | | 53.7 |
| Health | 526.6 | | | 327.4 | 520.2 | | 331.8 |
| Human Services | 180.1 | | | 137.4 | 11.1 | | 3.2 |
| Justice | 240.8 | | | 153.6 | 240.3 | | 150.7 |
| Parliament | 6.8 | | | 4.1 | 6.8 | | 4.1 |
| Premier and Cabinet | 9.4 | | | 12.5 | 5.4 | | 13.7 |
| State Development, Business and Innovation (a) | 25.6 | | | 35.1 | 20.6 | | 29.3 |
| Transport, Planning and Local Infrastructure (a) | 1 575.7 | | | 1 325.9 | 752.5 | | 721.6 |
| Treasury and Finance | 22.9 | | | 22.7 | 2.9 | | 25.8 |
| Regulatory bodies and other part budget funded agencies | | | 95.7 | 32.8 | 95.7 | | 32.8 |
| Planning and Community Development (b) | .. | | | 153.5 | .. | | 14.7 |
| Primary Industries (b) | .. | | | 7.5 | .. | | 11.7 |
| Adjustments (c) | (21.0) | | | (106.1) | (0.9) | | (120.6) |
| **Total** | **3 571.6** | | | **3 394.5** | **1 942.5** | | **1 605.5** |

Notes:

(a) Effective 9 April 2013, several departments were renamed due to machinery of government changes:

* the Department of Sustainability and Environment became the Department of Environment and Primary Industries;
* the Department of Business and Innovation became the Department of State Development, Business and Innovation; and
* the Department of Transport became the Department of Transport, Planning and Local Infrastructure.

(b) Effective 1 July 2013, the following departments ceased to exist and had their functions and operations transferred to other Victorian government departments:

* Department of Planning and Community Development; and
* Department of Primary Industries.

(c) Represents adjustments for transfers between portfolio departments.

(c) Total assets classified by government purpose(a)

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec 2013 | | Jun 2013 | Dec 2013 | | Jun 2013 (b) |
| General public services | 1 185.9 | | 1 414.6 | 1 106.5 | | 1 256.0 |
| Public order and safety | 7 103.0 | | 6 893.2 | 7 103.0 | | 6 893.2 |
| Education | 17 329.5 | | 17 352.8 | 17 329.5 | | 17 352.8 |
| Health | 10 674.0 | | 10 398.1 | 10 654.8 | | 10 378.9 |
| Social security and welfare | 854.7 | | 855.1 | 854.7 | | 855.1 |
| Housing and community amenities | 67 286.2 | | 67 806.2 | 7 925.2 | | 7 924.0 |
| Recreation and culture | 12 733.2 | | 12 034.7 | 8 426.6 | | 8 438.3 |
| Fuel and energy | 32.2 | | 16.2 | 14.4 | | .. |
| Agriculture, forestry, fishing, and hunting | 868.1 | | 895.5 | 804.4 | | 836.2 |
| Mining, manufacturing, and construction | .. | | .. | .. | | .. |
| Transport and communications | 75 098.1 | | 74 044.7 | 47 669.5 | | 47 304.2 |
| Other economic affairs | 943.3 | | 851.4 | 943.3 | | 851.4 |
| Other purposes | 6.7 | | 7.6 | 2.2 | | 2.5 |
| Not allocated by purpose (c) | 46 665.6 | | 43 486.5 | 88 687.5 | | 86 783.0 |
| **Total assets** | **240 780.4** | | **236 056.6** | **191 521.5** | | **188 875.5** |

Notes:

(a) Note 40 of the 2012‑13 Financial Report for the State of Victoria provides definitions and descriptions of government purpose classifications.

(b) June 2013 comparative figures have been restated to reflect the correction of balances between deferred tax liability accounts.

(c) Represents financial assets not able to be allocated by purpose.

Note 21. Borrowings

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec  *2013* | | Jun  *2013* | Dec  *2013* | | Jun  *2013* |
| **Current borrowings** |  | |  |  | |  |
| Domestic borrowings | 2 766.7 | | 1 046.6 | 2 766.9 | | 2 599.8 |
| Foreign currency borrowings | 536.2 | | 432.7 | .. | | .. |
| Finance lease liabilities | 137.2 | | 135.8 | 71.2 | | 74.9 |
| Derivative financial instruments | 842.9 | | 695.0 | .. | | .. |
| **Total current borrowings** | **4 282.9** | | **2 310.2** | **2 838.2** | | **2 674.7** |
| **Non‑current borrowings** |  | |  |  | |  |
| Domestic borrowings | 36 865.2 | | 35 950.1 | 22 843.0 | | 20 703.2 |
| Foreign currency borrowings | 97.4 | | 98.2 | .. | | .. |
| Finance lease liabilities | 8 722.5 | | 8 724.5 | 8 021.3 | | 7 958.4 |
| Derivative financial instruments | 299.5 | | 354.0 | ( 7.2) | | 9.0 |
| **Total non‑current borrowings** | **45 984.7** | | **45 126.8** | **30 857.1** | | **28 670.6** |
| **Total borrowings** | **50 267.6** | | **47 437.0** | **33 695.2** | | **31 345.3** |

Note 22. Employee benefits

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec  *2013* | | Jun  *2013* | Dec  *2013* | | Jun  *2013* |
| **Current** |  | |  |  | |  |
| Accrued salaries and wages (a) | 1 674.9 | | 1 801.4 | 1 527.0 | | 1 622.3 |
| Long service leave | 2 900.6 | | 3 150.0 | 2 722.8 | | 2 962.2 |
| **Total current employee benefits** | **4 575.4** | | **4 951.4** | **4 249.8** | | **4 584.6** |
| **Non‑current** |  | |  |  | |  |
| Long service leave | 933.2 | | 673.3 | 874.9 | | 624.3 |
| **Total non‑current employee benefits** | **933.2** | | **673.3** | **874.9** | | **624.3** |
| **Total employee benefits** | **5 508.6** | | **5 624.7** | **5 124.7** | | **5 208.8** |

Note:

(a) Includes accrued annual leave, payroll tax and other similar on‑costs.

Note 23. Other provisions

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec  *2013* | | Jun  *2013* | Dec  *2013* | | Jun  *2013* |
| **Provision for insurance claims** |  | |  |  | |  |
| Victorian WorkCover Authority | 1 922.2 | | 1 891.8 | .. | | .. |
| Transport Accident Commission | 1 081.3 | | 1 063.6 | .. | | .. |
| Victorian Managed Insurance Authority | 348.1 | | 375.0 | .. | | .. |
| Other agencies | 16.2 | | 17.4 | 12.0 | | 12.9 |
| **Current provision for insurance claims** | **3 367.9** | | **3 347.8** | **12.0** | | **12.9** |
| Onerous contracts | 47.2 | | 126.4 | .. | | .. |
| Other provisions | 312.3 | | 297.4 | 207.1 | | 180.3 |
| **Total current other provisions** | **3 727.4** | | **3 771.6** | **219.2** | | **193.2** |
| **Non‑current provision for insurance claims** |  | |  |  | |  |
| Victorian WorkCover Authority | 8 570.5 | | 8 545.0 | .. | | .. |
| Transport Accident Commission | 8 807.0 | | 8 966.8 | .. | | .. |
| Victorian Managed Insurance Authority | 1 551.9 | | 1 589.4 | .. | | .. |
| Other agencies | 28.9 | | 30.0 | 27.6 | | 28.5 |
| **Non‑current provision for insurance claims** | **18 958.3** | | **19 131.2** | **27.6** | | **28.5** |
| Onerous contracts | 207.4 | | 211.5 | .. | | .. |
| Other provisions | 433.9 | | 428.2 | 377.3 | | 381.6 |
| **Total non‑current other provisions** | **19 599.7** | | **19 770.9** | **404.9** | | **410.1** |
| **Total other provisions** | **23 327.1** | | **23 542.4** | **624.0** | | **603.3** |

Note 24. Cash flow information

(a) Reconciliation of cash

($ million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | State of Victoria | |  | General  government sector | |
|  | Dec | | Dec | Dec | | Dec |
|  | 2013 | | 2012 | 2013 | | 2012 |
| Cash | 1 924.9 | | 2 161.4 | 1 567.0 | | 1 862.0 |
| Deposits at call (a) | 5 073.6 | | 4 548.8 | 1 865.7 | | 2 988.8 |
| **Cash and cash equivalents (a)** | **6 998.5** | | **6 710.1** | **3 432.7** | | **4 850.8** |
| Bank overdraft | .. | | ( 1.4) | .. | | .. |
| **Balances as per cash flow statement (a)** | **6 998.5** | | **6 708.8** | **3 432.7** | | **4 850.8** |

Note:

(a) December 2012 comparative figures have been restated due to a correction for deposits at call.

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

($ million)

|  |  | State of Victoria | | |  | General  government sector | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dec | | | Dec | Dec | | Dec |
|  | 2013 | | | 2012 | 2013 | | 2012 |
| **Net result (a)** | **2 160.2** | | | **( 361.7)** | **( 460.3)** | | **( 821.2)** |
| **Non‑cash movements** |  | | |  |  | |  |
| Depreciation and amortisation | 2 142.6 | | | 2 036.0 | 1 179.0 | | 1 100.4 |
| Revaluation of investments | (1 457.9) | | | ( 915.8) | ( 40.1) | | ( 1.2) |
| Assets (received)/provided free of charge | ( 62.8) | | | ( 78.2) | 2.4 | | ( 1.0) |
| Assets not previously recognised | ( 5.3) | | | ( 3.1) | ( 5.0) | | ( 3.1) |
| Revaluation of assets | 31.7 | | | 13.2 | 30.2 | | 11.6 |
| Discount/premium on other financial assets/borrowings | ( 44.6) | | | ( 37.8) | 3.6 | | 3.6 |
| Bad/doubtful debts | 0.1 | | | .. | .. | | .. |
| Foreign currency dealings | 0.1 | | | ( 0.2) | 0.1 | | ( 0.1) |
| Unrealised (gains)/losses on borrowings | ( 452.5) | | | ( 45.7) | .. | | .. |
| Discounting of assets and liabilities | .. | | | ( 0.6) | .. | | .. |
| **Movements included in investing and financing activities** | | |  |  |  | |  |
| Net gain/loss from sale of investments | ( 216.2) | | | ( 209.9) | ( 0.7) | | 0.4 |
| Net revenues from sale of non‑financial assets | ( 24.4) | | | 13.7 | ( 20.3) | | ( 22.2) |
| Net revenues from sale of investments | 65.2 | | | 6.1 | .. | | .. |
| **Movements in assets and liabilities** |  | | |  |  | |  |
| Increase/(decrease) in provision for doubtful debts | 34.9 | | | 105.4 | 34.9 | | 103.0 |
| Increase/(decrease) in payables | 452.8 | | | 1 099.7 | ( 437.2) | | 258.9 |
| Increase/(decrease) in employee benefits | ( 116.1) | | | ( 22.2) | ( 84.2) | | ( 8.8) |
| Increase/(decrease) in superannuation (a) | 131.2 | | | 242.2 | 133.4 | | 249.0 |
| Increase/(decrease) in other provisions | ( 210.4) | | | ( 116.0) | 25.7 | | ( 49.2) |
| (Increase)/decrease in receivables | 263.8 | | | ( 84.7) | 158.5 | | ( 691.4) |
| (Increase)/decrease in other non‑financial assets | ( 307.5) | | | ( 331.6) | ( 260.4) | | ( 299.5) |
| **Net cash flows from operating activities** | **2 384.8** | | | **1 308.8** | **259.5** | | **( 170.8)** |

Note:

(a) December 2012 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

Note 25. Financial instruments

The *2012‑13 Financial Report for the State of Victoria* (Note 32) contains a comprehensive disclosure of the State’s (including the general government sector’s) financial risk management objectives and policies.

There has been no substantive change to the accounting classification of financial assets and liabilities reported in the *2012‑13 Financial Report for the State of Victoria*.

Note 26. Commitments

Commitments include those operating, capital and other commitments contracted as at balance date but not recognised as liabilities, arising from non‑cancellable, contractual or statutory sources, and which embody obligations to sacrifice future economic benefits.

Reference to the *2012‑13 Financial Report for the State of Victoria* (Note 33) should be made for details of commitments as at 30 June 2013.

As at 31 December 2013, the following additional material commitments were recorded for the State of Victoria:

* Contracts for the Roads and Services works package (around $76 million excluding GST) and Maritime works package (around $400 million excluding GST) were executed, representing key components of the Port Capacity Project ($1.6 billion). The roads and services contract will deliver to the Webb Dock precinct important ‘backbone’ infrastructure that will enable the fast tracking of additional container capacity for Victoria. The maritime works contract will deliver improved waterside infrastructure to Webb Dock including a new 920 metre wharf at Webb Dock West.
* Transport related commitments to Metro Trains and Yarra Trams have increased by an estimated $780 million to recognise the introduction of the revenue reset payments from 1 January 2014 to November 2017. These arrangements replace the previous payment arrangements where operators were paid the New Ticketing System guarantee payments and do not represent a net increase in costs. Under the new revenue sharing agreements, Metro Trains and Yarra Trams will receive a share of the actual farebox revenue. The State will also make a revenue reset payment based on the gap between the operators’ contracted revenue and the actual revenue measured in the calendar year 2013. This will be reset on 1 July 2015 based on the 2014‑15 actual revenue result.

There was no other material change in commitments for the State during this mid‑year reporting period.

Note 27. Contingent assets and contingent liabilities

### Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non‑occurrence of one or more uncertain future events not wholly within the control of the entity.

Reference to the *2012‑13 Financial Report for the State of Victoria* (Note 34) should be made for details of contingent assets as at 30 June 2013.

There was no material change in contingent assets for the State during this mid‑year reporting period.

### Contingent liabilities

A contingent liability is:

* a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non‑occurrence of one or more uncertain future events not wholly within the control of the entity; or
* a present obligation that arises from past events but is not recognised because:
  + it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  + the amount of the obligation cannot be measured with sufficient reliability.

Reference to the *2012‑13 Financial Report for the State of Victoria* (Note 34) should be made for details of contingent liabilities as at 30 June 2013.

The following item has changed materially with regards to the contingent liabilities disclosed at 30 June 2013:

* VicRoads has received a contract variation claim from the contractor of the Western Highway project for additional costs of up to $52 million, which is disputed by the State.

There was no other material change in contingent liabilities for the State during this mid‑year reporting period.

Note 28. Public Account disclosure

(a) Consolidated fund receipts and payments

($ million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2012‑13 |  |  |  | 2013‑14 | |
| Actual |  |  | Actual | | Revised |
| to Dec |  |  | to Dec | | Budget |
|  |  | **Receipts** |  | |  |
| 7 415.1 |  | Taxation | 8 304.9 | | 16 830.0 |
| 343.2 |  | Fines and regulatory fees | 288.4 | | 836.9 |
| 8 108.7 |  | Grants received | 7 829.9 | | 16 237.9 |
| 2 579.2 |  | Sales of goods and services | 2 652.6 | | 5 262.2 |
| 83.3 |  | Interest received | 271.1 | | 523.7 |
| 730.9 |  | Public authority receipts | 382.8 | | 610.2 |
| 226.0 |  | Other receipts | 213.2 | | 361.2 |
| **19 486.2** |  | **Total operating activities** | **19 942.9** | | **40 662.1** |
| 2 877.5 |  | Total inflows from investing and financing | 2 460.7 | | 4 532.5 |
| **22 363.7** |  | **Total receipts** | **22 403.6** | | **45 194.6** |
|  |  | **Payments to departments** |  | |  |
| 5 615.5 |  | Education and Early Childhood Development | 5 534.6 | | 10 388.3 |
| 580.6 |  | Environment and Primary Industries (a) | 1 348.8 | | 2 482.7 |
| 5 998.8 |  | Health | 5 304.8 | | 9 539.9 |
| 1 927.7 |  | Human Services | 1 851.4 | | 3 726.5 |
| 2 302.0 |  | Justice | 2 729.9 | | 5 795.0 |
| 77.4 |  | Parliament | 84.1 | | 156.7 |
| 344.1 |  | Planning and Community Development (b) | .. | | .. |
| 281.1 |  | Premier and Cabinet | 300.3 | | 599.4 |
| 240.5 |  | Primary Industries (b) | .. | | .. |
| 293.8 |  | State Development, Business and Innovation (a) | 380.7 | | 984.0 |
| 3 638.4 |  | Transport, Planning and Local Infrastructure (a) | 4 101.5 | | 8 137.4 |
| 1 972.7 |  | Treasury and Finance | 1 681.5 | | 4 818.6 |
| **23 272.6** |  | **Total payments** | **23 317.5** | | **46 628.4** |
| **( 908.9)** |  | **Net receipts/(payments)** | **( 913.9)** | | **(1 433.8)** |

Notes:

(a) Effective 9 April 2013, several departments were renamed due to machinery of government changes:

* Department of Sustainability and Environment became the Department of Environment and Primary Industries;
* Department of Business and Innovation became the Department of State Development, Business and Innovation; and
* Department of Transport became the Department of Transport, Planning and Local Infrastructure.

(b) Effective 1 July 2013, the following departments ceased to exist and had their functions and operations transferred to other Victorian government departments:

* Department of Planning and Community Development; and
* Department of Primary Industries.

Note 28. Public Account disclosure *(continued)*

(b) Trust fund statement cash flows

($ million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2012‑13 |  |  |  | 2013‑14 | |
| Actual |  |  | Actual | | Revised |
| to Dec (a) |  |  | to Dec | | Budget |
|  |  | **Cash flows from operating activities** |  | |  |
|  |  | **Receipts** |  | |  |
| 207.6 |  | Taxation | 250.4 | | 292.4 |
| 26.5 |  | Regulatory fees and fines | 21.4 | | 49.1 |
| 3 645.9 |  | Grants received | 6 033.6 | | 10 730.8 |
| 374.3 |  | Sale of goods and services | 407.0 | | 652.9 |
| 53.1 |  | Interest received | 46.1 | | 91.1 |
| 5 845.9 |  | Net transfers from consolidated fund | 5 486.8 | | 9 541.6 |
| 32.4 |  | Other receipts | 49.7 | | 149.8 |
| **10 185.7** |  | **Total receipts** | **12 295.1** | | **21 507.6** |
|  |  | **Payments** |  | |  |
| ( 75.9) |  | Employee benefits | ( 69.5) | | ( 166.4) |
| ( 6.9) |  | Superannuation | ( 5.9) | | ( 12.3) |
| (9 173.2) |  | Grants paid | (11 238.5) | | (19 383.2) |
| ( 924.9) |  | Supplies and consumables | ( 984.9) | | (2 007.7) |
| ( 6.2) |  | Interest paid | ( 4.7) | | ( 14.7) |
| **(10 187.1)** |  | **Total payments** | **(12 303.6)** | | **(21 584.3)** |
| **( 1.4)** |  | **Net cash flows from operating activities** | **( 8.6)** | | **( 76.6)** |
|  |  | **Cash flows from investing activities** |  | |  |
| 28.0 |  | Proceeds from sale of property, plant and equipment | 19.7 | | 33.9 |
| ( 27.7) |  | Purchases of property, plant and equipment | ( 18.3) | | ( 29.8) |
| ( 33.3) |  | Other investing activities | ( 2.3) | | ( 73.8) |
| **( 32.7)** |  | **Net cash flows from investing activities** | **( 0.9)** | | **( 69.8)** |
|  |  | **Cash flows from financing activities** |  | |  |
| ( 268.1) |  | Net proceeds (repayments) from borrowings | ( 467.7) | | ( 17.3) |
| **( 268.1)** |  | **Net cash flows from financing activities** | **( 467.7)** | | **( 17.3)** |
| **( 302.2)** |  | **Net cash inflow/(outflow)** | **( 477.1)** | | **( 163.7)** |

Note:

(a) December 2012 comparative figures have been restated due to a reclassification of deposits and advances.

Note 28. Public Account disclosure *(continued)*

(c) Reconciliation of cash flows to balances held

($ million)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Balances | Dec | Balances |
|  | held at | movement | held at |
|  | 30 Jun 2013 | YTD | 30 Dec 2013 |
| **Cash and deposits** |  |  |  |
| Cash balances outside the Public Account | ( 0.2) | 1.8 | 1.6 |
| Deposits held with the Public Account – specific trusts | 544.9 | 172.3 | 717.2 |
| Other balances held in the Public Account | 2 763.3 | (1 581.5) | 1 181.8 |
| **Total cash and deposits** | **3 308.1** | **(1 407.4)** | **1 900.6** |
| **Investments** |  |  |  |
| Investments held with the Public Account – specific trusts | 586.8 | 11.1 | 597.9 |
| **Total investments** | **586.8** | **11.1** | **597.9** |
| **Total fund balances** | **3 894.9** | **(1 396.4)** | **2 498.5** |
| **Less funds held outside the Public Account** |  |  |  |
| Cash | ( 0.2) | 1.8 | 1.6 |
| **Total fund balances held outside the Public Account** | **( 0.2)** | **1.8** | **1.6** |
| **Total funds held in the Public Account (a)** | **3 895.0** | **(1 394.6)** | **2 500.1** |

Note:

(a) See Note 28 (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 in the Public Account

($ million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2012‑13 |  |  |  | 2013‑14 | |
| Actual |  |  | Opening | | Actual |
| to Dec |  |  | 1 Jul | | 30 Dec |
| 1 196.1 |  | Amounts invested on behalf of specific trust accounts | 1 131.7 | | 1 315.1 |
| 1 421.4 |  | General account balances | 2 763.3 | | 1 185.0 |
| **2 617.5** |  | **Total public account** | **3 895.0** | | **2 500.1** |
|  |  | **Represented by:** |  | |  |
| 1 196.1 |  | Stocks and securities | 1 131.7 | | 1 315.1 |
| 1 222.9 |  | Cash and investments | 2 269.1 | | 954.8 |
| **2 419.0** |  | **Total stock, securities, cash and investments** | **3 400.9** | | **2 269.9** |
|  |  | Add cash advanced for: |  | |  |
| 198.6 |  | Advances pursuant to sections 36 and 37 of the *Financial Management Act 1994* | 494.2 | | 230.2 |
| **2 617.5** |  | **Total public account** | **3 895.0** | | **2 500.1** |

Note 29. Controlled entities

Note 41 *Controlled Entities* in the *Annual Financial Report* of the *2012‑13 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 is a list of changes from 1 July 2013, of general government sector entities which have been consolidated for the purposes of the estimated financial statements.

|  |  | Entities included as  investments in other sectors | |
| --- | --- | --- | --- |
| Controlled entities (a) | General government | Public non‑financial corporation | Public financial corporation |
| **Department of Education and Early Childhood Development (b)** |  |  |  |
|  |  |  |  |
| **Department of Environment and Primary Industries** |  |  |  |
| Veterinary Practitioners Registration Board of Victoria (c) | \* |  |  |
| Agriculture Victoria Services Pty Ltd (c) |  | \* |  |
| Dairy Food Safety Victoria (c) |  | \* |  |
| Murray Valley Citrus Board (c) |  | \* |  |
| Murray Valley Wine Grape Industry Development Committee (c) |  | \* |  |
| Northern Victorian Fresh Tomato Industry Development Committee (c) |  | \* |  |
| Phytogene Pty Ltd (c) |  | \* |  |
| PrimeSafe (c) |  | \* |  |
| VicForests (c) |  | \* |  |
| Victorian Strawberry Industry Development Committee (c) |  | \* |  |
|  |  |  |  |
| **Department of Premier and Cabinet** |  |  |  |
| Shrine of Remembrance Trustees (d) | \* |  |  |
| Victorian Aboriginal Heritage Council (d) | \* |  |  |
| Victorian Veterans Council (d) | \* |  |  |
|  |  |  |  |
| **Department of State Development, Business and Innovation** |  |  |  |
| CenITex (e) | \* |  |  |
| Energy Safe Victoria (f) | \* |  |  |
| Regional Development Victoria (g) | \* |  |  |
|  |  |  |  |
| **Department of Transport, Planning and Local Infrastructure (h)(i)** |  |  |  |
| Architects Registration Board of Victoria (j) | \* |  |  |
| Metropolitan Planning Authority (k) | \* |  |  |
| Heritage Council (j) | \* |  |  |
| Melbourne Cricket Ground Trust (j) | \* |  |  |
| Victorian Building Authority (j)(l) | \* |  |  |
| Victorian Institute of Sport Limited (j) | \* |  |  |
| Victorian Institute of Sport Trust (j) | \* |  |  |
| Melbourne and Olympic Parks Trust (j) |  | \* |  |
| State Sport Centres Trust (j) |  | \* |  |
| Urban Renewal Authority Victoria (Places Victoria) (j) |  | \* |  |
|  |  |  |  |

Notes:

(a) Effective 1 July 2013, the following departments ceased to exist and had their functions and operations transferred to other Victorian government departments:

* Department of Planning and Community Development; and
* Department of Primary Industries.

(b) The Education and Training Reform Amendment (Dual Sector Universities) Bill 2013 was enacted and gave effect to the deconsolidation of the four dual sector TAFE divisions of universities from 1 January 2014:

* Royal Melbourne Institute of Technology;
* Swinburne University of Technology;
* University of Ballarat ; and
* Victoria University.

(c) Entities moved as a result of the machinery of government changes effective 1 July 2013 from the Department of Primary Industries to the Department of Environment and Primary Industries.

(d) Entities moved as a result of the machinery of government changes effective 1 July 2013 from the Department of Planning and Community Development to the Department of Premier and Cabinet.

(e) Effective from 29 August 2013, CenITex was transferred from the Department of Treasury and Finance to the Department of State Development, Business and Innovation.

(f) Entity moved as a result of the machinery of government changes effective 1 July 2013 from the Department of Primary Industries to the Department of State Development, Business and Innovation.

(g) Entity moved as a result of the machinery of government changes effective 1 July 2013 from the Department of Planning and Community Development to the Department of State Development, Business and Innovation.

(h) At 30 June 2013, the Public Transport Ticketing Body ceased to exist and its operations transferred to Public Transport Victoria, a general government entity.

(i) Effective 1 July 2013, the Building Commission and Plumbing Industry Commission ceased to exist and operations were transferred to the Victorian Building Authority.

(j) Entity moved as a result of the machinery of government changes effective 1 July 2013 from the Department of Planning and Community Development to the Department of Transport, Planning and Local Infrastructure.

(k) Effective 9 October, the Growth Areas Authority was renamed the Metropolitan Planning Authority.

(l) On 1 July 2013, the Victorian Building Authority commenced operations.

Appendix A – General government sector quarterly financial report

Table A.1: Operating statement for the past five quarters

($ million)

|  |  | | 2012‑13 | | |  | 2013‑14 | | | | | | |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dec | | | | Mar | Jun | | | Sept | | | Dec | | |
| **Revenue from transactions** |  | | | |  |  | | |  | | |  | | |
| Taxation revenue | 3 558.0 | | | | 4 791.6 | 3 546.4 | | | 4 300.5 | | | 3 803.3 | | |
| Interest revenue | 160.7 | | | | 229.0 | 214.6 | | | 204.3 | | | 216.5 | | |
| Dividends and income tax equivalent and rate equivalent revenue | 648.8 | | | | 36.7 | 607.3 | | | 64.5 | | | 158.6 | | |
| Sales of goods and services | 2 023.1 | | | | 1 598.7 | 1 678.9 | | | 1 727.2 | | | 1 698.0 | | |
| Grants | 5 540.4 | | | | 5 976.2 | 5 345.8 | | | 5 453.1 | | | 5 829.1 | | |
| Other revenue | 522.9 | | | | 501.7 | 726.2 | | | 521.5 | | | 512.3 | | |
| **Total revenue from transactions** | **12 453.9** | | | | **13 133.7** | **12 119.2** | | | **12 271.0** | | | **12 217.8** | | |
| **Expenses from transactions** |  | | | |  |  | | |  | | |  | | |
| Employee expenses | 4 555.9 | | | | 4 279.6 | 4 619.0 | | | 4 388.4 | | | 4 493.9 | | |
| Net superannuation interest expense (a) | 238.9 | | | | 266.1 | 269.0 | | | 266.7 | | | 263.6 | | |
| Other superannuation | 500.1 | | | | 491.0 | 474.2 | | | 478.7 | | | 501.6 | | |
| Depreciation | 540.4 | | | | 556.9 | 604.7 | | | 611.6 | | | 560.1 | | |
| Interest expense | 426.4 | | | | 488.3 | 534.0 | | | 525.9 | | | 536.0 | | |
| Grants and other transfers | 2 115.9 | | | | 2 315.4 | 1 839.7 | | | 2 060.2 | | | 1 846.1 | | |
| Other operating expenses | 3 937.1 | | | | 3 760.4 | 4 403.4 | | | 4 189.1 | | | 4 117.9 | | |
| **Total expenses from transactions (a)** | **12 314.6** | | | | **12 157.7** | **12 744.1** | | | **12 520.6** | | | **12 319.3** | | |
| **Net result from transactions – net operating balance (a)** | **139.2** | | | | **976.0** | **( 624.9)** | | | **( 249.6)** | | | **( 101.5)** | | |
| **Other economic flows included in net result** | | | |  |  |  | | |  | | |  | | |
| Net gain/(loss) on sale of non‑financial assets | 17.8 | | | | 2.8 | ( 2.0) | | | ( 4.4) | | | 24.8 | | |
| Net gain/(loss) on financial assets or liabilities at fair value | .. | | | | 1.5 | 17.1 | | | 22.2 | | | 18.4 | | |
| Share of net profit/(loss) from associates/joint venture entities, excluding dividends | | 0.2 | | | .. | 4.6 | | | .. | | | 0.1 | | |
| Other gains/(losses) from other economic flows | | ( 87.1) | | | ( 120.5) | 32.6 | | | ( 96.5) | | | ( 73.7) | | |
| **Total other economic flows included in net result (a)** | **( 69.2)** | | | | **( 116.2)** | **52.3** | | | **( 78.7)** | | | **( 30.4)** | | |
| **Net result (a)** | **70.0** | | | | **859.8** | **( 572.5)** | | | **( 328.4)** | | | **( 131.9)** | | |
| **Other economic flows – other comprehensive income** | | | | | | |  |  | |  |  | |  | |
| **Items that will not be reclassified to net result** | | | | | | |  |  | |  |  | |  | |
| Changes in non‑financial assets revaluation surplus | ( 2.1) | | | | 0.1 | 689.9 | | | ( 72.9) | | | ( 224.7) | | |
| Remeasurement of superannuation defined benefit plans (a) | 2 167.4 | | | | 2 855.6 | 3 880.7 | | | 1 428.4 | | | 1 000.8 | | |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets (b) | 158.1 | | | | 1 150.4 | (2 118.8) | | | .. | | | 1 110.9 | | |
| Other movements in equity | 148.8 | | | | ( 8.6) | 907.2 | | | 103.5 | | | 172.6 | | |

Table A.1: Operating statement for the past five quarters *(continued)*

($ million)

|  |  | | 2012‑13 | | | |  | 2013‑14 | | |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dec | | | Mar | | | Jun | | Sept | Dec | |
| **Items that may be reclassified subsequently to net result** | | | | |  |  |  | |  |  | |
| Net gain/(loss) on financial assets at fair value | ( 6.2) | | | 2.8 | | | 21.6 | | 3.4 | 25.8 | |
| **Total other economic flows – other comprehensive income (a)** | **2 466.0** | | | **4 000.4** | | | **3 380.6** | | **1 462.4** | **2 085.5** | |
| **Comprehensive result – total change in net worth** | | **2 536.0** | | **4 860.2** | | | **2 808.0** | | **1 134.0** | **1 953.5** | |
|  |  | | |  | | |  | |  |  | |
| **FISCAL AGGREGATES** |  | | |  | | |  | |  |  | |
| **Net operating balance** | **139.2** | | | **976.0** | | | **( 624.9)** | | **( 249.6)** | **( 101.5)** | |
| Less: Net acquisition of non‑financial assets from transactions | 422.6 | | | 1 035.4 | | | 1 039.8 | | 263.7 | 559.7 | |
| **Net lending/(borrowing)** | **( 283.3)** | | | **( 59.4)** | | | **(1 664.6)** | | **( 513.4)** | **(661.2)** | |

Note:

(a) December 2013 comparative figures have been restated to reflect a revised accounting standard, AASB 119 Employee Benefits, which changed the way defined benefit superannuation expenses are calculated and presented. Refer to Note 1.

Table A.2: Balance sheet as at the end of the quarter, 31 December 2013

($ million)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2012‑13 | |  | 2013‑14 | | |  | |
|  | Dec | | Mar | Jun | | Sept | Dec | |
| **Assets** |  | |  |  | |  |  | |
| **Financial assets** |  | |  |  | |  |  | |
| Cash and deposits | 4 850.8 | | 4 004.6 | 3 962.0 | | 3 286.6 | 3 432.7 | |
| Advances paid | 4 640.1 | | 4 631.9 | 4 626.8 | | 4 644.1 | 4 600.8 | |
| Receivables | 4 792.8 | | 5 730.3 | 5 061.0 | | 4 954.7 | 4 866.2 | |
| Investments, loans and placements | 2 389.2 | | 2 468.9 | 3 383.4 | | 3 672.7 | 3 820.5 | |
| Investments accounted for using equity method | 45.6 | | 45.6 | 49.4 | | 49.4 | 49.4 | |
| Investments in other sector entities (a) | 69 168.5 | | 70 593.6 | 69 700.4 | | 70 051.7 | 71 917.9 | |
| **Total financial assets (a)** | **85 887.1** | | **87 474.9** | **86 783.0** | | **86 659.2** | **88 687.5** | |
| **Non‑financial assets** |  | |  |  | |  |  | |
| Inventories | 235.8 | | 236.4 | 192.1 | | 212.6 | 183.9 | |
| Non‑financial assets held for sale | 127.2 | | 123.6 | 142.1 | | 72.2 | 69.2 | |
| Land, buildings, infrastructure, plant and equipment | 98 036.4 | | 99 254.6 | 100 804.0 | | 101 082.5 | 101 318.8 | |
| Other non‑financial assets | 1 045.3 | | 933.2 | 954.3 | | 1 196.4 | 1 262.0 | |
| **Total non‑financial assets** | **99 444.7** | | **100 547.8** | **102 092.5** | | **102 563.7** | **102 834.0** | |
| **Total assets (a)** | 185 331.9 | | 188 022.7 | 188 875.5 | | 189 222.9 | 191 521.5 | |
|  |  | |  |  | |  |  | |
| **Liabilities** |  | |  |  | |  |  | |
| Deposits held and advances received | 380.1 | | 402.3 | 449.0 | | 422.6 | 505.8 | |
| Payables | 5 774.8 | | 5 329.5 | 5 958.4 | | 5 357.8 | 5 469.6 | |
| Borrowing | 29 414.0 | | 30 161.3 | 31 345.3 | | 32 688.2 | 33 695.2 | |
| Employee benefits | 5 034.3 | | 5 152.9 | 5 208.8 | | 5 273.7 | 5 124.7 | |
| Superannuation | 31 635.1 | | 28 902.2 | 25 142.5 | | 23 782.8 | 22 846.7 | |
| Other provisions | 593.6 | | 714.4 | 603.3 | | 606.6 | 624.0 | |
| **Total liabilities** | **72 831.9** | | **70 662.6** | **68 707.4** | | **68 131.9** | **68 266.0** | |
| **Net assets (a)** | **112 499.9** | | **117 360.1** | **120 168.1** | | **121 091.0** | **123 255.5** | |
| Accumulated surplus/(deficit) (a) | 35 161.0 | | 38 855.7 | 43 174.7 | | 44 361.2 | 45 457.6 | |
| Reserves (a) | 77 288.9 | | 78 454.4 | 76 943.4 | | 76 679.8 | 77 747.9 | |
| Non‑controlling interest | 50.0 | | 50.0 | 50.0 | | 50.0 | 50.0 | |
| **Net worth (a)** | **112 499.9** | | **117 360.1** | **120 168.1** | | **121 091.0** | **123 255.5** | |
|  |  | |  |  | |  |  | |
| **FISCAL AGGREGATES** |  | |  |  | |  |  | |
| Net financial worth | 13 055.2 | | 16 812.3 | 18 075.6 | | 18 527.3 | 20 421.5 | |
| Net financial liabilities | 56 113.3 | | 53 781.3 | 51 624.7 | | 51 524.3 | 51 496.4 | |
| Net debt | 17 914.0 | | 19 458.1 | 19 822.1 | | 21 507.4 | 22 347.0 | |

Note:

(a) June 2013 comparative figures have been restated due to the reclassification of deferred tax liability balances.

Table A.3: Statement of cash flows for the past five quarters

($ million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | 2012‑13 |  | 2013‑14 |  |
|  | Dec | Mar | Jun | Sept | Dec |
| **Cash flows from operating activities** |  |  |  |  |  |
| **Receipts** |  |  |  |  |  |
| Taxes received | 3 662.9 | 3 471.2 | 4 128.0 | 4 120.9 | 4 151.7 |
| Grants | 5 538.5 | 5 976.8 | 5 465.1 | 5 430.9 | 5 849.1 |
| Sales of goods and services (a) | 1 796.4 | 1 674.2 | 1 947.0 | 1 955.8 | 1 994.9 |
| Interest received | 150.7 | 204.4 | 221.6 | 209.7 | 202.1 |
| Dividends and income tax equivalent and rate equivalent receipts | 660.3 | 31.1 | 434.9 | 209.0 | 177.9 |
| Other receipts | 494.4 | 799.4 | 152.8 | 482.1 | 81.4 |
| **Total receipts** | **12 303.2** | **12 157.0** | **12 349.4** | **12 408.3** | **12 457.1** |
| **Payments** |  |  |  |  |  |
| Payments for employees | (4 795.5) | (4 150.3) | (4 532.1) | (4 313.6) | (4 611.1) |
| Superannuation | ( 621.5) | ( 634.4) | ( 622.2) | ( 676.6) | ( 700.6) |
| Interest paid | ( 400.5) | ( 476.0) | ( 500.5) | ( 497.3) | ( 523.6) |
| Grants and subsidies | (2 144.6) | (2 675.4) | (1 335.6) | (2 325.4) | (1 732.9) |
| Goods and services (a) | (3 809.8) | (3 380.2) | (4 069.7) | (4 915.3) | (3 975.2) |
| Other payments | ( 153.1) | ( 133.8) | ( 133.1) | ( 181.9) | ( 152.3) |
| **Total payments** | **(11 925.0)** | **(11 450.0)** | **(11 193.3)** | **(12 910.1)** | **(11 695.7)** |
| **Net cash flows from operating activities** | **378.2** | **707.0** | **1 156.1** | **( 501.9)** | **761.4** |
| **Cash flows from investing activities** |  |  |  |  |  |
| Purchases of non‑financial assets | ( 840.9) | ( 872.5) | (1 655.2) | ( 769.6) | (1 172.9) |
| Sales of non‑financial assets | 46.4 | 44.9 | 130.8 | 24.3 | 64.1 |
| Cash flows from investments in non‑financial assets | ( 794.5) | ( 827.6) | (1 524.5) | ( 745.3) | (1 108.8) |
| Net cash flows from investments in financial assets for policy purposes | ( 346.4) | ( 667.7) | 147.8 | ( 417.9) | ( 491.5) |
| **Sub‑total** | **(1 141.0)** | **(1 495.2)** | **(1 376.7)** | **(1 163.2)** | **(1 600.3)** |
| Net cash flows from investments in financial assets for liquidity management purposes | ( 159.2) | ( 81.1) | ( 905.7) | ( 209.1) | ( 102.4) |
| **Net cash flows from investing activities** | **(1 300.2)** | **(1 576.4)** | **(2 282.3)** | **(1 372.3)** | **(1 702.6)** |
| **Cash flows from financing activities** |  |  |  |  |  |
| Advances received (net) | ( 4.8) | ( 1.9) | ( 3.0) | .. | .. |
| Net borrowings | 2 449.2 | ( 0.4) | 1 036.9 | 1 215.3 | 1 014.2 |
| Deposits received (net) | ( 19.9) | 24.1 | 49.7 | ( 26.4) | 83.1 |
| Other financing (net) | .. | 1.4 | .. | .. | .. |
| **Net cash flows from financing activities** | **2 424.5** | **23.2** | **1 083.6** | **1 188.8** | **1 097.3** |
| **Net increase/(decrease) in cash and cash equivalents** | **1 502.5** | **( 846.2)** | **( 42.6)** | **( 685.4)** | **156.1** |
| Cash and cash equivalents at beginning of reporting period | 3 348.3 | 4 850.8 | 4 004.6 | 3 962.0 | 3 276.6 |
| **Cash and cash equivalents at end of reporting period** | **4 850.8** | **4 004.6** | **3 962.0** | **3 276.6** | **3 432.7** |
|  |  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net cash flows from operating activities | 378.2 | 707.0 | 1 156.1 | ( 501.9) | 761.4 |
| Net cash flows from investments in non‑financial assets | ( 635.5) | ( 986.6) | (1 524.5) | ( 745.3) | (1 108.8) |
| **Cash surplus/(deficit)** | **( 257.4)** | **( 279.6)** | **( 368.4)** | **(1 247.2)** | **( 347.4)** |

Note:

(a) Inclusive of goods and services tax.

Appendix B – *Financial Management Act 1994* compliance index

The *Financial Management Act 1994* requires of the Minister to prepare a *Mid‑Year Financial Report* and a *Quarterly Financial Report* for tabling in Parliament. These reports have been prepared in accordance with applicable Australian Accounting Standards and the *Financial Management Act 1994*.

The *Financial Management Act 1994* specifies that these reports must meet certain requirements. The following compliance index explains how these requirements are met, together with appropriate references in this document.

| Financial Management Act Reference | Requirement | Comments/reference |
| --- | --- | --- |
| Section 25(1) | The Minister must prepare a mid‑year report for each financial year. | Refer to Chapter 2 |
| Section 25(2) | The mid‑year report:  (a) must be prepared in the manner and form determined by the Minister, having regard to appropriate financial reporting frameworks; | Manner is in accordance with Australian Accounting Standards and Ministerial Directions. Form is Operating Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes. Refer to Chapter 2 |
|  | (b) must present fairly the financial position of the State and the Victorian general government sector at midnight on 31 December in the financial year and: | Refer Chapter 2, Balance Sheet, page 13 |
|  | (i) the transactions on the Public Account; | Refer Chapter 2, Note 28, pages 61‑63 |
|  | (ii) the transactions of the Victorian general government sector; and | Refer Chapter 2, Operating Statement, pages 11‑12, Statement of Cash Flows, pages 14‑15, Notes 2‑7, pages 24‑36, Notes 9‑24, pages 38‑58 |
|  | (iii) other financial transactions of the State  in respect of the period of six months ending on that day. | Refer Chapter 2, Operating Statement, pages 11‑12, Statement of Cash Flows, pages 14‑15 and Notes 2‑24, pages 24‑58 |
| Section 26(1) | The Minister must prepare a quarterly financial report for each quarter of each financial year. | Refer Appendix A, pages 67‑70 |
| Section 26(2) | A quarterly financial report comprises: |  |
|  | (a) a statement of financial performance of the Victorian general government sector for the quarter; | Refer Appendix A, Operating statement, Table A.1 pages 67‑68 |
|  | (b) a statement of the financial position of the Victorian general government sector at the end of the quarter; | Refer Appendix A, Balance sheet, Table A.2 page 69 |
|  | (c) a statement of cash flows of the Victorian general government sector for the quarter; and | Refer Appendix A, Statement of cash flows, Table A.3 page 70 |
|  | (d) a statement of the accounting policies on which the statements required by paragraphs (a), (b) and (c) are based. | Refer Chapter 2, Note 1, pages 19‑23 |
| Section 26(2A) | A quarterly financial report must be prepared in the manner and form determined by the Minister, having regard to appropriate financial reporting frameworks. | Manner is a financial report for the general government sector. Form is Operating Statement, Balance Sheet, Statement of Cash Flows.  Refer to Appendix A |
| Section 26(2B) | The quarterly financial report for the quarter ending on 31 December in a financial year must include, in addition to the statements referred to in subsection (2)(a) to (d) for that quarter, those statements for the period of six months ending on that 31 December. | Refer to Chapter 2, Operating Statement, pages 11‑12, Balance Sheet, page 13 and Statement of Cash Flows, pages 14‑15 |

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 and charts is as follows:

n.a. or na not available or not applicable

Cat. No. catalogue number

1 billion 1 000 million

1 basis point 0.01 per cent

.. zero, or rounded to zero

ongoing continuing output, program, project etc.

tbd to be determined

(xxx.x) negative numbers

ytd year to date