**Quarterly Financial Report No. 1**

**September 2019**



Presented by

**Tim Pallas MP**

Treasurer of the State of Victoria



Table of contents

Overview 1

General government sector outcome 1

Financial performance 1

Financial position 2

Cash flows 2

Infrastructure investment 2

Financial statements for the general government sector

Consolidated comprehensive operating statement 5

Consolidated balance sheet 6

Consolidated cash flow 7

Consolidated statement of changes in equity 8

[1. About this report 9](#_Toc23340229)

[2. How funds are raised 10](#_Toc23340230)

[3. How funds are spent 13](#_Toc23340231)

[4. Major assets and investments 17](#_Toc23340232)

[5. Other assets and liabilities 21](#_Toc23340233)

[6. Public account 22](#_Toc23340234)

[7. Other disclosures 25](#_Toc23340235)

[8. Results quarter by quarter – Victorian general government sector 29](#_Toc23340236)

Consolidated comprehensive operating statement for the past five quarters 29

Consolidated balance sheet as at the end of the past five quarters 30

Consolidated cash flow statement for the past five quarters 31

Style conventions 32

# Overview

This financial report presents the Victorian general government sector financial statements for the three‑month period ended 30 September 2019.

Against a backdrop of a recent downturn in the property market and heightened global uncertainty, the Victorian economy is performing well. This performance was reflected in the June quarter national accounts, which show Victoria’s state final demand expanded 1.9 per cent over the year to June 2019. While this represents a slowdown in growth compared with recent periods, it is still almost double the national average. High population growth and low interest rates are supporting economic activity. Public demand has been a key contributor to growth, supported by the Government’s strong and sustained pipeline of infrastructure spending.

Labour market conditions remain positive, with solid employment growth, record levels of labour force participation and a low unemployment rate. Victoria’s employment increased by 103 200 persons over the year to September 2019, the largest increase of all the states.

# General government sector outcome

### Financial performance

For the three months to 30 September 2019, the net result from transactions for the general government sector recorded a deficit of $805 million, compared with a surplus of $807 million for the first quarter in 2018‑19.

Caution needs to be taken in interpreting and projecting the potential annual outcome for the full year from this quarterly result due to the significant impact of the uneven recognition pattern of various major revenue items. These include land tax, the Fire Services Property Levy, Commonwealth grants and dividends from public corporations.

Revenue for the quarter totalled $16.5 billion, or 23.2 per cent of the full year budget. This is consistent with previous years and expectations for the current year to date, due to the timing of certain revenue items, in particular:

* land tax recognition is $782 million below the pro rata budget, as the majority of land tax is billed and recognised in the March quarter, offset by the Fire Services Property Levy tracking $506 million above the pro rata budget due to its billing in the September quarter;
* grant revenue is $701 million below the pro rata budget, primarily impacted by the timing of expected contributions from Public Financial Corporations; and
* dividends from public non-financial and financial corporations are lower than the pro rata budget for the quarter as they are typically declared during the second and fourth quarters of the relevant financial years.

Expenses from transactions totalled $17.3 billion for the September 2019 quarter, or 24.7 per cent of the budget for the year.

Significant expenditure categories include employee expenses and other operating expenses. These tracked close to pro rata for the September quarter, at 25.1 per cent and 24.3 per cent of the published budget respectively, in line with expectations and the timing of activity across departments.

Grant expense also tracked closely to pro rata budget for the September quarter, at 25.2 per cent of the published budget.

The comprehensive result includes other economic flows that are not included in the net result from transactions. The comprehensive result was a deficit of $1.8 billion for the quarter, compared with a $1.9 billion surplus over the same period in 2018-19. The comprehensive result includes a $976 million remeasurement loss on the State’s defined benefit superannuation liability, compared with a $1.2 billion gain over the same period in 2018-19. This is due to the movement in bond rates which are used to value the liability at the reporting date.

### Financial position

Total assets reduced by $792 million in the first quarter of 2019-20. This was mainly due to lower cash and deposits held, reflecting the Government’s infrastructure investment and the uneven timing of revenue collection.

Total liabilities increased by $994 million to $104.6 billion due to the remeasurement of the State’s defined benefit superannuation liability in line with bond rate movements, partially offset by lower advances received and payables.

Net debt increased by $3.2 billion to $32.5 billion over the quarter. This is consistent with expectations, driven mainly by funding for the Government’s infrastructure program. Net debt at 1 July 2019 increased by $6.9 billion as a result of adopting the new accounting standards, as outlined in section 7.4 of the financial report.

### Cash flows

The movements disclosed in the cash flow statement are consistent with the above‑mentioned drivers associated with the net result and the impact of the Government’s infrastructure program.

### Infrastructure investment

Net investment in infrastructure totalled $2.3 billion for the three months to September 2019 ($2.2 billion over the corresponding period in 2018). This investment supports the needs of Victoria’s growing population and aligns with full year budget expectations.

The Government’s infrastructure scorecard as at 30 September 2019

Major projects in progress include:

75 Level Crossing Removals by 2025;

Additional VLocity trains – standard gauge train component;

Ballarat Health Services expansion and redevelopment;

Building a world-class Geelong Performing Arts Centre;

Casey Hospital expansion;

Caulfield to Dandenong conventional signalling and power infrastructure upgrade;

Chandler Highway Upgrade;

Child Link;

Chisholm Road prison project;

City Loop fire and safety upgrade (Stage 2) and intruder alarm;

Community Safety Statement (Police Assistance Line/Online reporting);

Courts case management system;

Cranbourne Line duplication;

Cranbourne-Pakenham and Sunbury line upgrade;

Drysdale Bypass;

Echuca-Moama Bridge;

Family violence information sharing system reform (Central Information Point);

Frankston Hospital;

Frankston line stabling;

Goulburn Valley Health redevelopment;

Goulburn‑Murray Water Connections Project;

High Capacity Metro Trains Project;

Hurstbridge Line Upgrade – Stage 2;

Infringement Management and Enforcement Services (IMES) Reform Project IT solution;

M80 Ring Road upgrade;

Melbourne Airport Rail;

Melbourne Park redevelopment – Stage 2;

Melbourne Park redevelopment – Stage 3;

Men’s prison system capacity;

Metro Tunnel;

Metropolitan Network Modernisation Program;

Monash Freeway upgrade – Stage 2;

Mordialloc Freeway;

More E-Class trams and infrastructure;

Murray Basin Rail Project;

New Footscray Hospital;

New Schools Construction;

New Trains for Sunbury;

New youth justice facility;

The Government’s infrastructure scorecard as at 30 September 2019 *(continued)*

Non-urban train radio renewal;

North East Link;

Princes Highway duplication project – Winchelsea to Colac;

Public housing renewal program;

Public Safety – Police Response (Intelligence capability);

Public Safety – Police Response (Mobile technology solution);

Regional Rail Revival;

Royal Victorian Eye and Ear Hospital redevelopment;

Safe Digital Clinical Systems – Parkville Precinct electronic medical records;

Shepparton Corridor Upgrade – Stage 2;

Suburban Rail Loop;

Suburban Roads Upgrade;

Ten new community hospitals;

Tram Automatic Vehicle Monitoring system replacement;

Tram procurement and supporting infrastructure;

Victorian Heart Hospital;

Waurn Ponds Track Duplication – Stage 2;

West Gate Tunnel Project;

Western Highway duplication – Ballarat to Stawell;

Western Rail Plan;

Western Roads Upgrade;

Women’s prison system capacity;

Wyndham Vale Stabling Yard; and

Yan Yean Road duplication.

# Consolidated comprehensive operating statement

For the period ended 30 September (a)(b) ($ million)

| 2018‑19 |  |  | 2019‑20 |
| --- | --- | --- | --- |
| actual30 Sep |  | Notes | actual30 Sep | publishedbudget |
|  | **Revenue from transactions** |  |  |  |
| 5 896 | Taxation revenue | 2.1 | 5 839 | 24 328 |
| 210 | Interest revenue |  | 160 | 719 |
| 82 | Dividends, income tax equivalent and rate equivalent revenue | 2.2 | 57 | 863 |
| 1 905 | Sales of goods and services | 2.3 | 1 947 | 8 030 |
| 7 923 | Grant revenue | 2.4 | 7 822 | 34 093 |
| 618 | Other revenue | 2.5 | 652 | 2 999 |
| **16 634** | **Total revenue from transactions** |  | **16 477** | **71 032** |
|  | **Expenses from transactions** |  |  |  |
| 6 081 | Employee expenses |  | 6 578 | 26 208 |
| 167 | Net superannuation interest expense | 3.3 | 141 | 565 |
| 671 | Other superannuation | 3.3 | 752 | 2 960 |
| 725 | Depreciation | 4.2 | 886 | 3 748 |
| 525 | Interest expense |  | 564 | 2 611 |
| 2 853 | Grant expense |  | 3 259 | 12 934 |
| 4 806 | Other operating expenses |  | 5 102 | 20 955 |
| **15 827** | **Total expenses from transactions** | 3.4 | **17 282** | **69 982** |
| **807** | **Net result from transactions – net operating balance** |  | **(805)** | **1 050** |
|  | **Other economic flows included in net result** |  |  |  |
| 5 | Net gain/(loss) on disposal of non‑financial assets |  | 9 | 40 |
| (4) | Net gain/(loss) on financial assets or liabilities at fair value |  | 1 | 25 |
| (116) | Other gains/(losses) from other economic flows | 7.1 | (171) | (388) |
| **(115)** | **Total other economic flows included in net result** |  | **(161)** | **(323)** |
| **692** | **Net result** |  | **(967)** | **726** |
|  | **Other economic flows – other comprehensive income** |  |  |  |
|  | **Items that will not be reclassified to net result** |  |  |  |
| 37 | Changes in non‑financial assets revaluation surplus |  | 229 | 3 204 |
| 1 213 | Remeasurement of superannuation defined benefits plans | 3.3 | (976) | 1 109 |
| 14 | Other movements in equity |  | (57) | 47 |
|  | **Items that may be reclassified subsequently to net result** |  |  |  |
| (12) | Net gain/(loss) on financial assets at fair value |  | (17) | 2 |
| .. | Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets |  | .. | 692 |
| **1 252** | **Total other economic flows – other comprehensive income** |  | **(821)** | **5 055** |
| **1 945** | **Comprehensive result – total change in net worth** |  | **(1 787)** | **5 782** |
|  |  |  |  |  |
|  | **KEY FISCAL AGGREGRATES** |  |  |  |
| **807** | **Net operating balance** |  | **(805)** | **1 050** |
| 1 039 | Less: Net acquisition of non‑financial assets from transactions | 3.6 | 859 | 3 889 |
| (231) | Net lending/(borrowing) |  | (1 664) | (2 839) |

The accompanying notes form part of these financial statements.

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors.

(b) Note 7.4 provides further information on the impact of the new accounting standards.

# Consolidated balance sheet

As at 30 September (a)(b) ($ million)

| 2018‑19 |  |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- | --- |
| actual30 Sep |  | Notes | opening1 Jul | actual30 Sep | revisedbudget (c) |
|  | **Assets** |  |  |  |  |
|  | **Financial assets** |  |  |  |  |
| 5 940 | Cash and deposits | 7.2 | 9 775 | 6 343 | 7 736 |
| 8 963 | Advances paid |  | 8 340 | 7 884 | 6 243 |
| 6 400 | Receivables | 5.1 | 6 651 | 6 405 | 6 914 |
| 3 940 | Investments, loans and placements |  | 2 539 | 3 000 | 2 968 |
| 52 | Investments accounted for using the equity method |  | 45 | 45 | 45 |
| 102 157 | Investments in other sector entities |  | 101 825 | 102 737 | 107 723 |
| **127 453** | **Total financial assets** |  | **129 176** | **126 414** | **131 629** |
|  | **Non‑financial assets** |  |  |  |  |
| 171 | Inventories |  | 165 | 177 | 172 |
| 391 | Non‑financial assets held for sale |  | 223 | 216 | 215 |
| 144 644 | Land, buildings, infrastructure, plant and equipment | 4.1 | 157 814 | 158 891 | 165 417 |
| 2 229 | Other non‑financial assets | 4.7 | 2 126 | 3 013 | 1 971 |
| **147 434** | **Total non‑financial assets** |  | **160 328** | **162 297** | **167 775** |
| **274 887** | **Total assets** | 4.8 | **289 503** | **288 711** | **299 404** |
|  | **Liabilities** |  |  |  |  |
| 5 530 | Deposits held and advances received |  | 5 146 | 4 688 | 3 215 |
| 14 062 | Payables | 5.2 | 15 935 | 15 911 | 16 430 |
| 34 146 | Borrowings |  | 44 864 | 45 044 | 51 237 |
| 6 893 | Employee benefits | 3.2 | 8 020 | 8 034 | 8 337 |
| 24 257 | Superannuation |  | 28 632 | 29 884 | 27 551 |
| 962 | Other provisions |  | 1 057 | 1 085 | 1 056 |
| **85 850** | **Total liabilities** |  | **103 653** | **104 647** | **107 826** |
| **189 038** | **Net assets** |  | **185 851** | **184 064** | **191 577** |
| 57 500 | Accumulated surplus/(deficit) |  | 55 565 | 77 321 | 57 449 |
| 131 538 | Reserves |  | 130 286 | 106 742 | 134 184 |
| **189 038** | **Net worth** |  | **185 851** | **184 064** | **191 633** |
|  |  |  |  |  |  |
|  | **FISCAL AGGREGATES** |  |  |  |  |
| 41 604 | Net financial worth |  | 25 523 | 21 767 | 23 802 |
| 60 554 | Net financial liabilities |  | 76 302 | 80 971 | 83 921 |
| 20 833 | Net debt |  | 29 355 | 32 506 | 37 506 |

The accompanying notes form part of these financial statements.

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

(c) Balances represent actual opening balances at 1 July 2019 plus 2019-20 budgeted movements.

# Consolidated cash flow statement

For the period ended 30 September (a) ($ million)

| 2018‑19 |  |  | 2019‑20 |
| --- | --- | --- | --- |
| actual30 Sep |  | Notes | actual30 Sep | revisedbudget |
|  | **Cash flows from operating activities** |  |  |  |
|  | **Receipts** |  |  |  |
| 5 994 | Taxes received |  | 5 870 | 24 098 |
| 7 927 | Grants |  | 7 827 | 34 118 |
| 2 127 | Sales of goods and services (b) |  | 2 333 | 8 774 |
| 209 | Interest received |  | 171 | 719 |
| 82 | Dividends, income tax equivalent and rate equivalent receipts |  | 98 | 857 |
| 3 348 | Other receipts |  | 516 | 2 134 |
| **19 686** | **Total receipts** |  | **16 815** | **70 701** |
|  | **Payments** |  |  |  |
| (6 211) | Payments for employees |  | (6 592) | (25 898) |
| (572) | Superannuation |  | (616) | (3 497) |
| (516) | Interest paid |  | (488) | (2 081) |
| (2 870) | Grants and subsidies |  | (3 255) | (12 927) |
| (5 687) | Goods and services (b) |  | (6 100) | (20 796) |
| (211) | Other payments |  | (216) | (801) |
| **(16 068)** | **Total payments** |  | **(17 267)** | **(65 999)** |
| **3 619** | **Net cash flows from operating activities** | 7.3 | **(452)** | **4 702** |
|  | **Cash flows from investing activities** |  |  |  |
|  | **Cash flows from investments in non‑financial assets** |  |  |  |
| (2 174) | Purchases of non‑financial assets | 3.5 | (2 310) | (13 102) |
| 45 | Sales of non‑financial assets |  | 42 | 825 |
| **(2 129)** | **Net cash flows from investments in non‑financial assets** |  | **(2 268)** | **(12 277)** |
| 729 | Net cash flows from investments in financial assets for policy purposes |  | 398 | 3 106 |
| **(1 400)** | **Sub‑total** |  | **(1 870)** | **(9 171)** |
| (35) | Net cash flows from investments in financial assets for liquidity management purposes |  | (489) | (361) |
| **(1 435)** | **Net cash flows from investing activities** |  | **(2 359)** | **(9 532)** |
|  | **Cash flows from financing activities** |  |  |  |
| (831) | Advances received (net) |  | (365) | (2 030) |
| (1 576) | Net borrowings |  | (165) | 4 821 |
| (94) | Deposits received (net) |  | (93) | .. |
| **(2 501)** | **Net cash flows from financing activities** |  | **(622)** | **2 791** |
| **(317)** | **Net increase/(decrease) in cash and cash equivalents** |  | **(3 432)** | **(2 039)** |
| 6 257 | Cash and cash equivalents at beginning of reporting period |  | 9 775 | 9 775 |
| **5 940** | **Cash and cash equivalents at end of the reporting period** |  | **6 343** | **7 736** |
|  |  |  |  |  |
|  | **FISCAL AGGREGATES** |  |  |  |
| 3 619 | Net cash flows from operating activities |  | (452) | 4 702 |
| (2 129) | Net cash flows from investments in non‑financial assets |  | (2 268) | (12 277) |
| 1 490 | Cash surplus/(deficit) |  | (2 719) | (7 575) |

The accompanying notes form part of these financial statements.

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors.

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

# Consolidated statement of changes in equity

For the period ended 30 September (a) ($ million)

|  | Accumulated surplus/(deficit) | Non‑financial assets revaluation surplus | Investment in other sector entities revaluation surplus | Other reserves | Total |
| --- | --- | --- | --- | --- | --- |
| **2019‑20** |  |  |  |  |  |
| Balance at 1 July 2019 before new accounting standards | 52 473 | 65 454 | 63 697 | 1 020 | 182 644 |
| Impact of new accounting standards | 3 092 | 115 | .. | .. | 3 207 |
| Restated balance at 1 July 2019 (b) | 55 565 | 65 569 | 63 697 | 1 020 | 185 851 |
| Net result for the year | (967) | .. | .. | .. | (967) |
| Other comprehensive income for the year | (952) | 229 | .. | (98) | (821) |
| Transfer to/(from) accumulated surplus | 23 675 | (23 675) | .. | .. | .. |
| **Balance at 30 September 2019** | **77 321** | **42 123** | **63 697** | **922** | **184 064** |
| **Budget equity as at 30 June 2020 (c)** | **57 449** | **68 773** | **64 390** | **1 021** | **191 633** |
| **2018‑19** |  |  |  |  |  |
| Balance at 1 July 2018 before new accounting standards (d) | 52 626 | 64 084 | 66 351 | 1 055 | 184 116 |
| Impact of new accounting standards | 2 977 | .. | .. | .. | 2 977 |
| Restated balance at 1 July 2018 (e) | 55 603 | 64 084 | 66 351 | 1 055 | 187 093 |
| Net result for the year (e) | 692 | .. | .. | .. | 692 |
| Other comprehensive income for the year (e) | 1 204 | 37 | .. | 11 | 1 252 |
| Transfer to/(from) accumulated surplus | .. | .. | .. | .. | .. |
| Balance at 30 September 2018 (d)(e) | 57 500 | 64 121 | 66 351 | 1 066 | 189 038 |

The accompanying notes form part of these financial statements.

Notes:

(a) Note 7.4 provides further information on the impact of the new accounting standards.

(b) The 1 July 2019 balance has been restated resulting from the application of the AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not‑for‑Profit Entities, AASB 16 Leases and AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(c) Balances represent actual opening balances at 1 July 2019 plus 2019-20 budgeted movements.

(d) The 1 July 2018 balance has been restated resulting from the application of AASB 9 Financial Instruments.

(e) The 1 July 2018 balance and the September 2018 comparative figure have been restated resulting from the application of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

# About this report

### Basis of preparation

This September Quarterly Financial Report presents the unaudited financial report for the general government sector for the three months ended 30 September 2019.

Except as indicated below, the detailed accounting policies applied in preparing the quarterly financial report are consistent with those applied for the financial statements published in the *2018-19 Financial Report* for the State of Victoria. This quarterly financial report does not include all the notes normally included with the annual financial report, this report should be read in conjunction with the *2018-19 Financial Report*.

Several new accounting standards issued by the Australian Accounting Standards Board (AASB) have been applied for the first time in this financial report. These are:

* AASB 15 *Revenue from Contracts with Customers*;
* AASB 1058 *Income of Not-for-profits Entities*;
* AASB 16 *Leases*; and
* AASB 1059 *Service Concession Arrangements: Grantors*.

The transitional impacts of adopting these standards have been reflected in the opening balance of accumulated surplus/(deficit), as presented in the statement of changes in equity on page 8.

Note 7.4 further outlines the actual impacts of the new accounting standards.

Full presentation and disclosure of transition to the new accounting standards will be reflected in the *2019-20 Financial Report* of the State of Victoria.

### Statement of compliance

These financial statements have been prepared in accordance with section 26 of the *Financial Management Act 1994*, having regard to the recognition and measurement principles of the applicable Australian Accounting Standards (AAS) and Interpretations issued by the AASB.

The financial statements are also presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

### Basis of accounting and measurement

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

### Reporting entity

The 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. 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, which is financed mainly through taxes and other compulsory levies.

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

### Basis of consolidation

The September Quarterly Financial Report includes all reporting entities in the general government sector that are controlled by the State. Information on entities consolidated for the general government sector is included in Note 7.5. In the process of reporting the general government sector as a single economic entity, all material transactions and balances in the sector are eliminated.

# How funds are raised

### Introduction

This section presents the sources and amounts of revenue raised by the general government sector.

Revenue from transactions is recognised to the extent that it is probable the economic benefits will flow to the entity and the revenue can be reliably measured at fair value.

## Taxation revenue

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| **1 616** | **Taxes on employers’ payroll and labour force** | **1 727** | **6 537** |
|  | **Taxes on immovable property** |  |  |
| 77 | Land tax | 133 | 3 659 |
| 644 | Fire Services Property Levy | 683 | 709 |
| 2 | Congestion levy | .. | 101 |
| 122 | Metropolitan improvement levy | 137 | 183 |
| **845** | **Total taxes on property** | **954** | **4 653** |
|  | **Gambling taxes** |  |  |
| 142 | Public lotteries | 166 | 444 |
| 296 | Electronic gaming machines | 294 | 1 140 |
| 54 | Casino | 59 | 238 |
| 17 | Racing and other sports betting | 39 | 140 |
| 7 | Other | 3 | 13 |
|  | **Financial and capital transactions** |  |  |
| 1 682 | Land transfer duty | 1 385 | 5 896 |
| 5 | Metropolitan planning levy | 6 | 22 |
| 34 | Financial accommodation levy | 38 | 178 |
| 76 | Growth areas infrastructure contribution | 59 | 285 |
| **35** | **Levies on statutory corporations** | **34** | **157** |
| **387** | **Taxes on insurance** | **413** | **1 479** |
| **2 737** | **Total taxes on the provision of goods and services** | **2 496** | **9 992** |
|  | **Motor vehicle taxes** |  |  |
| 410 | Vehicle registration fees | 377 | 1 784 |
| 230 | Duty on vehicle registrations and transfers | 208 | 1 029 |
| **..** | **Liquor licence fees** | **..** | **26** |
| **59** | **Other** | **77** | **307** |
| **699** | **Total taxes on the use of goods and performance of activities** | **662** | **3 146** |
| 5 896 | Total taxation revenue | 5 839 | 24 328 |

## Dividends, income tax equivalent and rate equivalent revenue

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| .. | Dividends from PFC sector | .. | 132 |
| .. | Dividends from PNFC sector | .. | 385 |
| 21 | Dividends from non‑public sector | 30 | 107 |
| **21** | **Dividends** | **30** | **624** |
| 2 | Income tax equivalent revenue from PFC sector | 3 | 8 |
| 58 | Income tax equivalent revenue from PNFC sector | 25 | 224 |
| **60** | **Income tax equivalent revenue** | **27** | **232** |
| .. | Local government rate equivalent revenue | .. | 7 |
| 82 | Total dividends, income tax equivalent and rate equivalent revenue | 57 | 863 |

## Sales of goods and services

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 57 | Motor vehicle regulatory fees | 59 | 242 |
| 122 | Other regulatory fees | 105 | 579 |
| 20 | Sale of goods | 33 | 99 |
| 1 129 | Provision of services | 1 129 | 4 630 |
| 19 | Rental | 24 | 86 |
| .. | Refunds and reimbursements | 1 | 11 |
| 557 | Inter‑sector capital asset charge | 596 | 2 384 |
| 1 905 | Total sales of goods and services | 1 947 | 8 030 |

## Grant revenue

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 4 324 | General purpose grants | 4 316 | 17 535 |
| 896 | Specific purpose grants for on‑passing | 953 | 3 936 |
| 2 367 | Other specific purpose grants | 2 503 | 11 026 |
| **7 587** | **Total** | **7 773** | **32 497** |
| 336 | Other contributions and grants | 49 | 1 596 |
| 7 923 | Total grant revenue | 7 822 | 34 093 |

## Other revenue

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| .. | Fair value of assets received free of charge or for nominal consideration | 16 | 56 |
| 205 | Fines | 177 | 822 |
| 25 | Royalties | 13 | 110 |
| 59 | Donations and gifts (a) | 39 | 209 |
| 9 | Other non‑property rental | 9 | 28 |
| 111 | Other revenue – Education | 125 | 651 |
| 27 | Other revenue – Health (a) | 55 | 220 |
| 45 | Revenue related to economic service concession arrangements (b) | 86 | 337 |
| 137 | Other miscellaneous revenue | 132 | 566 |
| 618 | Total other revenue (b) | 652 | 2 999 |

Notes:

(a) The September 2018 comparative figures have been reclassified to reflect more current information.

(b) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. This revenue relates to ‘economic’ service concession arrangements and reflects the progressive unwinding of the ‘grant of right to operate liability’ over the remaining period of the arrangement.

# How funds are spent

### Introduction

This section accounts for the major components of expenditure incurred by the general government sector towards the delivery of services and on capital or infrastructure projects during the period, as well as any related obligations outstanding as at 30 September 2019.

## Employee expenses and provision for outstanding employee benefits

### Employee expenses (operating statement)

Employee expenses in the operating statement are a major component of operating costs and include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements and redundancy payments. The majority of employee expenses in the operating statement are wages and salaries. Increases in employee expenses are mainly attributable to increased service delivery in the health, education, and community safety sectors as well as salary growth in line with enterprise bargaining agreements.

### Employee expenses (balance sheet)

As part of operations, the State provides for benefits accruing to employees but payable in future periods in respect of wages and salaries, annual leave and long service leave, and related on-costs for services rendered to the reporting date. In measuring employee benefits, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted to reflect the estimated timing and amount of benefit payment. The table below shows the key components of this provision as at 30 September 2019.

## Employee benefits (balance sheet)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
|  | **Current** |  |  |  |
| 409 | Accrued salaries and wages | 656 | 580 | 670 |
| 85 | Other employee benefits | 84 | 68 | 84 |
| 1 632 | Annual leave | 1 758 | 1 792 | 1 794 |
| 3 919 | Long service leave | 4 474 | 4 527 | 4 617 |
| **6 044** | **Total current employee benefits and on‑costs** | **6 971** | **6 967** | **7 164** |
|  | **Non‑current** |  |  |  |
| 849 | Long service leave | 1 048 | 1 067 | 1 173 |
| **849** | **Total non‑current employee benefits and on‑costs** | **1 048** | **1 067** | **1 173** |
| 6 893 | Total employee benefits and on‑costs | 8 020 | 8 034 | 8 337 |

## Superannuation (operating statement)

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
|  | **Defined benefit plans** |  |  |
| 167 | Net superannuation interest expense | 141 | 565 |
| 231 | Current service cost | 272 | 1 093 |
|  | Remeasurements: |  |  |
| (256) | Expected return on superannuation assets excluding interest income | (277) | (1 109) |
| (40) | Other actuarial (gain)/loss on superannuation assets | (15) | .. |
| (917) | Actuarial and other adjustments to unfunded superannuation liability | 1 267 | .. |
| **(815)** | **Total expense recognised in respect of defined benefit plans** | **1 389** | **549** |
|  | **Defined contribution plans** |  |  |
| 419 | Employer contributions to defined contribution plans | 465 | 1 794 |
| 20 | Other (including pensions) | 15 | 73 |
| **440** | **Total expense recognised in respect of defined contribution plans** | **481** | **1 868** |
| **(375)** | **Total superannuation (gain)/expense recognised in operating statement** | **1 869** | **2 416** |
|  | **Represented by:** |  |  |
| 167 | Net superannuation interest expense | 141 | 565 |
| 671 | Other superannuation | 752 | 2 960 |
| **838** | **Superannuation expense from transactions** | **893** | **3 526** |
| **(1 213)** | **Remeasurement recognised in other comprehensive income** | **976** | **(1 109)** |
| (375) | Total superannuation costs recognised in operating statement | 1 869 | 2 416 |

## Total expenses by classification of the functions of government (COFOG)and by portfolio department (a)(b)

(a) Total expenses by classification of the functions of government ($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 970 | General public services | 983 | 3 821 |
| 1 920 | Public order and safety | 2 102 | 8 611 |
| 365 | Economic affairs | 397 | 1 991 |
| 157 | Environmental protection | 173 | 840 |
| 458 | Housing and community amenities | 514 | 2 083 |
| 4 803 | Health | 5 237 | 20 977 |
| 186 | Recreation, culture and religion | 180 | 927 |
| 3 968 | Education | 4 178 | 16 939 |
| 1 163 | Social protection | 1 341 | 5 535 |
| 2 020 | Transport | 2 239 | 9 164 |
| (183) | Not allocated by purpose | (62) | (907) |
| 15 827 | Total expenses by COFOG | 17 282 | 69 982 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) The September 2018 comparative figures and 2019-20 Budget figures have been restated to reflect more current information.

(b) Total expenses by portfolio department (a) ($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
|  | **Expenses from transactions** |  |  |
| 4 495 | Education and Training | 4 823 | 19 255 |
| 677 | Environment, Land, Water and Planning (b) | 748 | 3 472 |
| 6 336 | Health and Human Services | 6 945 | 27 923 |
| .. | Jobs, Precincts and Regions | 490 | 2 403 |
| 1 845 | Justice and Community Safety (b) | 1 998 | 8 047 |
| 151 | Premier and Cabinet | 154 | 671 |
| 2 542 | Transport (b) | 2 281 | 9 224 |
| 1 805 | Treasury and Finance | 1 959 | 7 764 |
| 52 | Parliament | 56 | 244 |
| 157 | Courts | 166 | 710 |
| 573 | Regulatory bodies and other part funded agencies (c) | 639 | 2 470 |
| **18 631** | **Total expenses by department (b)** | **20 259** | **82 182** |
| (2 804) | *Less eliminations and adjustments (d)* | (2 977) | (12 200) |
| 15 827 | Total expenses (b) | 17 282 | 69 982 |

Notes:

(a) On 29 November 2018, the Premier announced various machinery of government changes effective from 1 January 2019. Please see Note 9.8 in the 2018-19 Financial Report for further details.

(b) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(c) Other general government sector agencies, which receive less than 50 per cent of their revenue from appropriations and therefore are not allocated to departments.

(d) Mainly comprising payroll tax, capital asset charge and inter‑departmental transfers. The budget also includes departmental underspend estimates

## Purchases of non-financial assets by portfolio department (a)

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 378 | Education and Training | 329 | 1 758 |
| 17 | Environment, Land, Water and Planning | 21 | 144 |
| 125 | Health and Human Services | 131 | 1 134 |
| .. | Jobs, Precincts and Regions | 18 | 160 |
| 177 | Justice and Community Safety | 89 | 1 058 |
| 1 | Premier and Cabinet | 2 | 14 |
| 1 387 | Transport (b) | 1 539 | 6 887 |
| 5 | Treasury and Finance | 2 | 33 |
| 3 | Parliament | 3 | 2 |
| 11 | Courts | 16 | 83 |
| 46 | Regulatory bodies and other part funded agencies (c) | 32 | 265 |
| **2 148** | **Total purchases of non‑financial assets by department** | **2 183** | **11 538** |
| 26 | *Eliminations and adjustments (d)* | 127 | 1 564 |
| 2 174 | Total purchases of non‑financial assets | 2 310 | 13 102 |

Notes:

(a) On 29 November 2018, the Premier announced various machinery of government changes effective from 1 January 2019.

Please see Note 9.8 in the 2018-19 Financial Report for the State of Victoria for further details.

(b) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(c) Other general government sector agencies, which receive less than 50 per cent of their revenue from appropriations and therefore are not allocated to departments.

(d) Budget includes contingencies not allocated to departments and estimated departmental underspend.

## Net acquisition of non-financial assets from transactions (a)

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 2 173 | Purchases of non‑financial assets (including change in inventories) | 2 320 | 13 105 |
| (45) | Less: Sales of non‑financial assets | (42) | (825) |
| (725) | Less: Depreciation and amortisation | (886) | (3 748) |
| (365) | Plus/(less): Other movements in non‑financial assets | (533) | (4 643) |
| 1 039 | Total net acquisition of non‑financial assets from transactions | 859 | 3 889 |

Note:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

# Major assets and investments

### Introduction

This section outlines those assets the general government sector controls, reflecting investing activities in the current period and prior years.

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

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 30 891 | Buildings | 43 321 | 43 095 | 44 228 |
| 4 828 | Leased buildings | .. | .. | .. |
| 59 265 | Land and national parks | 58 294 | 58 308 | 59 464 |
| 3 299 | Infrastructure systems | 5 157 | 5 407 | 6 210 |
| 2 998 | Plant, equipment and vehicles | 3 378 | 3 402 | 3 150 |
| 208 | Leased plant, equipment and vehicles | .. | .. | .. |
| 29 473 | Roads and road infrastructure | 33 105 | 34 095 | 37 474 |
| 8 039 | Earthworks | 8 899 | 8 916 | 9 238 |
| 5 644 | Cultural assets | 5 661 | 5 669 | 5 653 |
| 144 644 | Total land, buildings, infrastructure, plant and equipment | 157 814 | 158 891 | 165 417 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

The following two tables are subsets of total land, buildings, infrastructure, plant and equipment by right of use (leased) assets and service concession assets.

Total right of use (leased) assets: land, buildings, infrastructure, plant and equipment (a) ($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| .. | Buildings | 8 181 | 7 913 | 7 696 |
| .. | Infrastructure systems | 6 | 5 | 6 |
| .. | Plant, equipment and vehicles | 563 | 573 | 321 |
| .. | Total right of use assets: land, buildings, infrastructure, plant and equipment | 8 750 | 8 491 | 8 023 |

Note:

(a) AASB 16 Leases has been applied for the first time from 1 July 2019.

Total service concession assets: land, buildings, infrastructure, plant and equipment ($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 1 703 | Buildings | 1 829 | 1 970 | 1 668 |
| 916 | Land and national parks | 921 | 919 | 975 |
| 1 991 | Infrastructure systems | 3 236 | 3 583 | 4 686 |
| 188 | Plant, equipment and vehicles | 170 | 168 | 88 |
| 7 911 | Roads and road infrastructure | 9 263 | 9 917 | 11 255 |
| 12 710 | Total service concession assets: land, buildings, infrastructure, plant and equipment | 15 420 | 16 556 | 18 673 |

## Depreciation (a)

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 296 | Buildings | 457 | 1 940 |
| 41 | Leased buildings | .. | .. |
| 9 | Infrastructure systems | 13 | 61 |
| 136 | Plant, equipment and vehicles | 161 | 708 |
| 7 | Leased plant, equipment and vehicles | .. | .. |
| 199 | Roads and road infrastructure | 215 | 852 |
| 5 | Cultural assets | 3 | 22 |
| 33 | Intangible produced assets (b) | 37 | 165 |
| 725 | Total depreciation | 886 | 3 748 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) Amortisation of intangible non-produced assets is included under other gains/(losses) from other economic flows.

The following two tables are subsets of total depreciation expense.

Depreciation of right of use (leased) assets (a) ($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| .. | Buildings | 118 | 607 |
| .. | Infrastructure systems | .. | 12 |
| .. | Plant, equipment and vehicles | 28 | 122 |
| .. | Total depreciation of right of use assets | 146 | 740 |

Note:

(a) AASB 16 Leases has been applied for the first time from 1 July 2019.

Depreciation of service concession assets ($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| 10 | Buildings | 14 | 30 |
| 5 | Plant, equipment and vehicles | 4 | 28 |
| 43 | Roads and road infrastructure | 48 | 183 |
| .. | Intangible produced assets | .. | 1 |
| 58 | Total depreciation of service concession assets | 66 | 243 |

## Land and buildings (a)(b)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 33 475 | Buildings | 45 097 | 45 274 | 48 117 |
| (2 584) | Accumulated depreciation | (1 776) | (2 179) | (3 889) |
| **30 891** | **Buildings (net carrying amount)** | **43 321** | **43 095** | **44 228** |
| 5 501 | Leased buildings | .. | .. | .. |
| (673) | Leased buildings accumulated depreciation | .. | .. | .. |
| **4 828** | **Leased buildings (net carrying amount)** | **..** | **..** | **..** |
| 58 032 | Land | 57 074 | 57 089 | 58 254 |
| 1 233 | National parks and other ’land only’ holdings | 1 219 | 1 219 | 1 210 |
| **59 265** | **Land and national parks** | **58 294** | **58 308** | **59 464** |
| 94 983 | Total land and buildings | 101 614 | 101 403 | 103 692 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

## Plant, equipment, vehicles, and infrastructure systems (a)(b)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 3 794 | Infrastructure systems | 5 728 | 5 991 | 6 843 |
| (495) | Accumulated depreciation | (572) | (585) | (633) |
| **3 299** | **Infrastructure systems (net carrying amount)** | **5 157** | **5 407** | **6 210** |
| 7 132 | Plant, equipment and vehicles | 7 932 | 8 084 | 8 235 |
| (4 135) | Accumulated depreciation | (4 554) | (4 682) | (5 086) |
| 492 | Leased plant, equipment and vehicles | .. | .. | .. |
| (283) | Accumulated depreciation | .. | .. | .. |
| **3 206** | **Plant, equipment and vehicles (net carrying amount)** | **3 378** | **3 402** | **3 150** |
| 6 505 | Total plant, equipment and vehicles, and infrastructure systems | 8 534 | 8 808 | 9 360 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

## Roads, road infrastructure and earthworks (a)(b)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 49 831 | Roads and roads infrastructure | 56 569 | 57 732 | 62 513 |
| (20 359) | Accumulated depreciation | (23 463) | (23 638) | (25 038) |
| **29 473** | **Roads and road infrastructure (net carrying amount)** | **33 105** | **34 095** | **37 474** |
| 8 039 | Earthworks | 8 899 | 8 916 | 9 238 |
| 37 512 | Total roads, road infrastructure and earthworks | 42 004 | 43 011 | 46 712 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

## Cultural assets

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 5 821 | Cultural assets | 5 850 | 5 860 | 5 865 |
| (177) | Accumulated depreciation | (189) | (191) | (211) |
| 5 644 | Total cultural assets | 5 661 | 5 669 | 5 653 |

## Other non-financial assets (a)(b)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
| 1 972 | Intangible produced assets | 2 197 | 2 220 | 2 211 |
| (1 042) | Accumulated depreciation | (1 085) | (1 120) | (1 201) |
| .. | Service concession assets – intangible produced | 251 | 251 | 248 |
| .. | Accumulated depreciation | (1) | (1) | (1) |
| 119 | Intangible non‑produced assets | 109 | 109 | 110 |
| (41) | Accumulated amortisation | (40) | (42) | (45) |
| **1 008** | **Total intangibles** | **1 430** | **1 417** | **1 321** |
| 186 | Investment properties | 280 | 280 | 280 |
| 2 | Biological assets | 2 | 2 | 4 |
| 1 032 | Other assets | 414 | 1 314 | 366 |
| 2 229 | Total other non‑financial assets | 2 126 | 3 013 | 1 971 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

## Total assets by classification of the functions of government (COFOG) (a)(b)

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | revisedbudget |
| 2 273 | General public services | 2 491 | 2 407 |
| 9 678 | Public order and safety | 11 956 | 12 458 |
| 1 240 | Economic affairs | 1 329 | 1 265 |
| 11 955 | Environmental protection | 11 631 | 11 769 |
| 1 796 | Housing and community amenities | 2 265 | 2 198 |
| 16 244 | Health | 20 083 | 20 010 |
| 7 334 | Recreation, culture and religion | 7 561 | 7 683 |
| 27 489 | Education | 27 451 | 28 442 |
| 1 750 | Social protection | 2 415 | 2 361 |
| 67 895 | Transport | 75 534 | 81 646 |
| 127 233 | Not allocated by purpose (c) | 125 992 | 129 164 |
| 274 887 | Total assets by COFOG | 288 711 | 299 404 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors.

(b) The September 2018 comparative figures have been restated to reflect more current information.

(c) Represents financial assets which are not able to be allocated by purpose. This mainly includes balances relating to the general government sector’s investment in other sector entities.

# Other assets and liabilities

### Introduction

This section sets out other assets and liabilities that arise from the general government sector’s operations.

## Receivables (a)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
|  | **Contractual** |  |  |  |
| 1 150 | Sales of goods and services | 912 | 1 002 | 918 |
| 19 | Accrued investment income | 27 | 15 | 27 |
| 640 | Other receivables | 888 | 881 | 962 |
| (108) | Allowance for impairment losses of contractual receivables | (138) | (139) | (138) |
|  | **Statutory** |  |  |  |
| 3 | Sales of goods and services | 5 | 6 | 5 |
| 3 016 | Taxes receivable | 3 363 | 3 252 | 3 438 |
| 2 629 | Fines and regulatory fees | 2 881 | 2 974 | 3 002 |
| 323 | GST input tax credits recoverable | 419 | 250 | 420 |
| (1 271) | Allowance for impairment losses of statutory receivables | (1 706) | (1 836) | (1 721) |
| **6 400** | **Total receivables** | **6 651** | **6 405** | **6 914** |
|  | **Represented by:** |  |  |  |
| 6 086 | Current receivables | 6 329 | 6 078 | 6 493 |
| 314 | Non‑current receivables | 322 | 327 | 421 |

Note:

(a) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

## Payables (a)(b)

($ million)

| 2018‑19 |  |  | 2019‑20 |  |
| --- | --- | --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep | revisedbudget |
|  | **Contractual** |  |  |  |
| 1 387 | Accounts payable | 1 827 | 1 908 | 1 795 |
| 2 200 | Accrued expenses | 2 918 | 2 533 | 2 920 |
| 8 552 | Grant of right to operate liability (a) | 9 402 | 9 587 | 10 110 |
| 1 589 | Unearned income | 1 729 | 1 810 | 1 545 |
|  | **Statutory** |  |  |  |
| 333 | Accrued taxes payable | 59 | 72 | 60 |
| **14 062** | **Total payables** | **15 935** | **15 911** | **16 430** |
|  | **Represented by:** |  |  |  |
| 4 769 | Current payables | 5 568 | 5 470 | 5 526 |
| 9 292 | Non‑current payables | 10 367 | 10 441 | 10 905 |

Notes:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

(b) Note 7.4 provides further information on the impact of the new accounting standards on the 2018-19 comparative figures and the 1 July 2019 opening balances.

# Public account

### Introduction

This section discloses information in respect of the Public Account, in accordance with the requirements of the *Financial Management Act 1994*.

## Consolidated fund receipts and payments (a)

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
|  | **Receipts** |  |  |
| 5 999 | Taxation | 5 881 | 24 437 |
| 184 | Fines and regulatory fees | 175 | 922 |
| 5 310 | Grants received | 5 089 | 22 871 |
| 1 560 | Sales of goods and services  (b) | 1 078 | 7 480 |
| 110 | Interest received | 119 | 484 |
| 60 | Dividends, income tax equivalent and rate equivalent receipts | 68 | 751 |
| 3 282 | Other receipts  (b) | 159 | 665 |
| **16 505** | **Total operating activities** | **12 569** | **57 610** |
| 24 | Total inflows from investing and financing | 1 267 | 9 172 |
| **16 528** | **Total receipts** | **13 836** | **66 783** |
|  | **Payments to departments** |  |  |
| 3 876 | Education and Training | 3 996 | 15 413 |
| 608 | Environment, Land, Water and Planning | 652 | 2 754 |
| 4 972 | Health and Human Services | 5 965 | 18 002 |
| .. | Jobs, Precincts and Regions | 382 | 2 338 |
| 2 067 | Justice and Community Services | 2 113 | 8 510 |
| 167 | Premier and Cabinet | 176 | 643 |
| 2 419 | Transport | 3 136 | 12 704 |
| 2 394 | Treasury and Finance | 1 224 | 10 612 |
| 58 | Parliament | 65 | 226 |
| 158 | Courts | 178 | 735 |
| **16 717** | **Total payments** | **17 886** | **71 935** |
| (189) | Net receipts/(payments) | (4 051) | (5 152) |

Notes:

(a) On 29 November 2018, the Premier announced various machinery of government changes effective from 1 January 2019. Please see Note 9.8 in the 2018-19 Financial Report for further details.

(b) The September 2018 comparative figures have been reclassified to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors.

## Trust fund cash flow statement

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
|  | **Cash flows from operating activities** |  |  |
|  | **Receipts** |  |  |
| 176 | Taxation | 199 | 422 |
| 20 | Regulatory fees and fines | 16 | 72 |
| 4 560 | Grants received | 5 695 | 17 893 |
| 24 | Sale of goods and services | 282 | 510 |
| 53 | Interest received | 31 | 155 |
| 12 | Dividends received | 24 | 90 |
| 1 087 | Net transfers from consolidated fund | 734 | 4 204 |
| 89 | Other receipts | 69 | 97 |
| **6 021** | **Total receipts** | **7 050** | **23 445** |
|  | **Payments** |  |  |
| (66) | Payments for employees | (77) | (263) |
| (5) | Superannuation | (6) | (18) |
| (4 955) | Grants and subsidies | (5 217) | (19 851) |
| (542) | Goods and services | (671) | (1 713) |
| (3) | Interest paid | (2) | (10) |
| **(5 571)** | **Total payments** | **(5 973)** | **(21 855)** |
| **450** | **Net cash flows from operating activities** | **1 076** | **1 590** |
|  | **Cash flows from investing activities** |  |  |
| (53) | Purchases of property, plant and equipment | (51) | (2 715) |
| 13 | Proceeds from sale of property, plant and equipment | 11 | 58 |
| 826 | Net proceeds from customer loans | 465 | 1 878 |
| (731) | Other investing activities | (448) | (675) |
| **55** | **Net cash flows from investing activities** | **(21)** | **(1 454)** |
|  | **Cash flows from financing activities** |  |  |
| (870) | Net proceeds (repayments) from borrowings | (343) | 49 |
| **(870)** | **Net cash flows from financing activities** | **(343)** | **49** |
| (366) | Net cash inflow/(outflow) | 712 | 186 |

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

($ million)

|  | Balancesheld at30 Jun 2019 | MarmovementYTD | Balancesheld at30 Sep 2019 |
| --- | --- | --- | --- |
| **Cash and deposits** |  |  |  |
| Cash and balances outside of the Public Account | .. | (11) | (11) |
| Deposits held with the Public Account – specific trusts | 19 | (2) | 17 |
| Other balances held in the Public Account | 4 424 | (3 648) | 775 |
| **Total cash and deposits** | **4 443** | **(3 661)** | **781** |
| **Investments** |  |  |  |
| Investments held with the Public Account – specific trusts | 1 016 | 381 | 1 397 |
| **Total investments** | **1 016** | **381** | **1 397** |
| **Total fund balances** | **5 459** | **(3 280)** | **2 178** |
| **Less funds held outside the public account** |  |  |  |
| Cash | .. | (11) | (11) |
| **Total fund balances held outside the Public Account** | **..** | **(11)** | **(11)** |
| Total fund balances held in the Public Account | 5 459 | (3 269) | 2 189 |

Note:

(a) See Note 6.4 for details of securities and investments including amounts held in the Public Account on behalf of trust accounts.

## Details of securities held

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | opening1 Jul | actual30 Sep |
| 2 422 | Amounts invested on behalf of specific trust accounts | 1 035 | 1 414 |
| 2 228 | General account balances | 4 424 | 775 |
| **4 650** | **Total Public Account** | **5 459** | **2 189** |
|  | **Represented by:** |  |  |
| 3 766 | Stock, securities, cash and investments | 4 527 | 1 635 |
|  | Add cash advanced for: |  |  |
| .. | Temporary Advance from the Treasury Corporation of Victoria to the Consolidated Fund pursuant to section 38 of the *Financial Management Act 1994* | 350 | .. |
| 884 | Advances pursuant to sections 36 and 37 of the *Financial Management Act 1994* | 582 | 554 |
| 4 650 | Total Public Account | 5 459 | 2 189 |

# Other disclosures

### Introduction

This section includes several additional disclosures that assist the understanding of this financial report.

## Other gains/(losses) from other economic flows

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep | publishedbudget |
| (109) | Net (increase)/decrease in allowances for credit losses | (143) | (192) |
| (1) | Amortisation of intangible non‑produced assets | (1) | (6) |
| (2) | Bad debts written off | (1) | (169) |
| (3) | Other gains/(losses) | (26) | (21) |
| (116) | Total other gains/(losses) from other economic flows | (171) | (388) |

## Reconciliation of cash and cash equivalents

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual30 Sep |  | actual30 Sep |
| 1 748 | Cash | 1 036 |
| 4 191 | Deposits at call | 5 307 |
| **5 940** | **Cash and cash equivalents** | **6 343** |
| .. | Bank overdraft | .. |
| 5 940 | Balances as per cash flow statement | 6 343 |

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

($ million)

| 2018‑19 |  | 2019‑20 |
| --- | --- | --- |
| actual to Sep |  | actualto Sep |
| **692** | **Net result** | **(967)** |
|  | **Non‑cash movements** |  |
| 726 | Depreciation and amortisation | 887 |
| 30 | Interest accretion | 69 |
| 4 | Revaluation of investments | 2 |
| .. | Assets (received)/provided free of charge | 4 |
| 1 | Discount/premium on other financial assets/borrowings | 1 |
| .. | Foreign currency dealings | (3) |
| **760** | **Non‑cash items total** | **959** |
|  | Movements included in investing and financing activities |  |
| .. | Net gain/loss from sale of investments | (2) |
| (5) | Net gain/loss from sale of non‑financial assets | (9) |
| **(5)** | **Items included in investing and financing activities total** | **(11)** |
|  | Movements in assets and liabilities |  |
| 102 | Increase/(decrease) in provision for doubtful debts | 132 |
| 2 515 | Increase/(decrease) in payables | (91) |
| (127) | Increase/(decrease) in employee benefits | 14 |
| 265 | Increase/(decrease) in superannuation | 277 |
| (70) | Increase/(decrease) in other provisions | 30 |
| (8) | (Increase)/decrease in receivables | 115 |
| (506) | (Increase)/decrease in other non‑financial assets | (910) |
| **2 171** | **Changes in assets and liabilities total** | **(433)** |
| 3 619 | Net cash flows from operating activities | (452) |

Note:

(a) The September 2018 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

## Adoption of the new Accounting Standards

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

* AASB 15 *Revenue from Contracts with Customers*;
* AASB 1058 *Income of Not-for-Profit Entities*;
* AASB 16 *Leases; and*
* AASB 1059 *Service Concession Arrangements: Grantors.*

The scope, high level requirements and estimated impacts of these new standards were outlined in Note 1.7.2 of the Estimated Financial Statements for 2019-20, presented in Chapter 1 of 2019-20 Budget Paper No. 5 *Statement of Finances*.

The transitional impacts of applying the new accounting standards are reported in the tables below.

## Transitional impacts of the new Accounting Standards

**($ million)**

|  | Before newaccounting standards | Net impact of new accounting standards | After newaccounting standards |
| --- | --- | --- | --- |
|  | 2018‑19actual 30 Sep | 2018‑19actual 30 Sep | 2018‑19actual 30 Sep |
| **Comprehensive operating statement** |  |  |  |
| Revenue from transactions | **16 589** | **45** | **16 634** |
| Expenses from transactions | **15 757** | **70** | **15 827** |
| **Net result from transactions – net operating balance** | **832** | **(25)** | **807** |
| **Total other economic flows included in net result** | **(115)** | **..** | **(115)** |
| Net result | 718 | (25) | 692 |

($ million)

|  | Before newaccounting standards | Net impact ofnew accounting standards | After newaccounting standards |
| --- | --- | --- | --- |
|  | Opening 1 July 2018 | 2018‑19 actual 30 Sep | Opening 1 July 2019 | Opening 1 July 2018 | 2018‑19 actual 30 Sep | Opening 1 July 2019 | Opening 1 July 2018 | 2018‑19 actual 30 Sep | Opening 1 July 2019 |
| **Total assets** | **264 294** | **265 065** | **273 439** | **9 242** | **9 822** | **16 064** | **273 536** | **274 887** | **289 503** |
| Financial liabilities | 40 207 | 37 746 | 43 061 | 1 541 | 1 930 | 6 948 | 41 748 | 39 676 | 50 009 |
| Other liabilities | 39 971 | 41 255 | 47 734 | 4 724 | 4 919 | 5 909 | 44 695 | 46 174 | 53 643 |
| **Total liabilities** | **80 178** | **79 001** | **90 795** | **6 265** | **6 849** | **12 858** | **86 443** | **85 850** | **103 653** |
| **Net debt** | **20 003** | **18 677** | **22 407** | **1 767** | **2 156** | **6 948** | **21 770** | **20 833** | **29 355** |
| **Net worth** | **184 116** | **186 064** | **182 644** | **2 977** | **2 973** | **3 207** | **187 093** | **189 038** | **185 851** |
| Accumulated surplus/(deficit) | 52 574 | 54 496 | 52 473 | 3 029 | 3 004 | 3 092 | 55 603 | 57 500 | 55 565 |

## Controlled entities

Note 9.8 Controlled entities in the *2018-19 Financial Report* for the State of Victoria lists significant controlled entities, which were consolidated in that financial report.

The following are changes from 1 July 2019 of general government sector entities, which have been consolidated in this financial report:

|  |
| --- |
| General government |
| Department of Health and Human Services NCN Health (a)Great Ocean Road Health (b) | **Department of Premier and Cabinet**Portable Long Service Authority (c)Department of Transport (d) |

Notes:

(a) Effective from 1 July 2019, Numurkah District Health Service, Cobram District Health and Nathalia District Hospital were amalgamated into NCN Health.

(b) Effective from 1 July 2019, Lorne Community Hospital and Otway Health were amalgamated into Great Ocean Road Health.

(c) The Portable Long Service Authority was established under the Long Service Benefits Portability Act 2018, and by Order of the Governor in Council, commenced on 1 July 2019.

(d) Effective from 1 July 2019, the Public Transport Development Authority and Roads Corporation (with the exception of registration and licensing and some heavy vehicle functions) were consolidated into the Department of Transport.

## Glossary of technical terms

The *2018-19 Financial Report* for the State of Victoria (Note 9.9) summarises the major technical terms used in this report.

# Results quarter by quarter – Victorian general government sector

### Introduction

This section includes the comprehensive operating statement, balance sheet and cash flow statement for the past five quarters in accordance with the requirements of the *Financial Management Act 1994*.

Consolidated comprehensive operating statement for the past five quarters (a) ($ million)

|  | 2018‑19 |  |  |  | 2019‑20 |
| --- | --- | --- | --- | --- | --- |
|  | Sep | Dec | Mar | Jun | Sep |
| **Revenue from transactions** |  |  |  |  |  |
| Taxation revenue | 5 896 | 5 030 | 7 763 | 4 896 | 5 839 |
| Interest revenue | 210 | 206 | 191 | 209 | 160 |
| Dividends, income tax equivalent and rate equivalent revenue | 82 | 248 | 97 | 603 | 57 |
| Sales of goods and services | 1 905 | 1 926 | 1 896 | 1 970 | 1 947 |
| Grant revenue | 7 923 | 7 878 | 9 165 | 8 337 | 7 822 |
| Other revenue | 618 | 857 | 609 | 1 258 | 652 |
| **Total revenue from transactions** | **16 634** | **16 145** | **19 721** | **17 274** | **16 477** |
| **Expenses from transactions** |  |  |  |  |  |
| Employee expenses | 6 081 | 6 213 | 6 196 | 6 916 | 6 578 |
| Net superannuation interest expense | 167 | 180 | 170 | 172 | 141 |
| Other superannuation | 671 | 711 | 690 | 725 | 752 |
| Depreciation | 725 | 735 | 743 | 844 | 886 |
| Interest expense | 525 | 575 | 546 | 606 | 564 |
| Grant expense | 2 853 | 3 127 | 3 858 | 3 516 | 3 259 |
| Other operating expenses | 4 806 | 5 101 | 4 812 | 6 263 | 5 102 |
| **Total expenses from transactions** | **15 827** | **16 642** | **17 014** | **19 041** | **17 282** |
| **Net result from transactions – net operating balance** | **807** | **(497)** | **2 707** | **(1 767)** | **(805)** |
| **Other economic flows included in net result** |  |  |  |  |  |
| Net gain/(loss) on disposal of non‑financial assets | 5 | (55) | (15) | 27 | 9 |
| Net gain/(loss) on financial assets or liabilities at fair value | (4) | (195) | 72 | 91 | 1 |
| Share of net profit/(loss) from associates/joint venture entities | .. | .. | 1 | .. | .. |
| Other gains/(losses) from other economic flows | (116) | (190) | (166) | (449) | (171) |
| **Total other economic flows included in net result** | **(115)** | **(439)** | **(109)** | **(330)** | **(161)** |
| **Net result** | **692** | **(936)** | **2 598** | **(2 098)** | **(967)** |
| **Other economic flows – other comprehensive income** |  |  |  |  |  |
| **Items that will not be reclassified to net result** |  |  |  |  |  |
| Changes in non‑financial assets revaluation surplus | 37 | 13 | 114 | 4 114 | 229 |
| Remeasurement of superannuation defined benefits plans | 1 213 | (2 304) | (1 087) | (1 192) | (976) |
| Other movements in equity | 14 | 249 | 7 | 51 | (57) |
| **Items that may be reclassified subsequently to net result** |  |  |  |  |  |
| Net gain/(loss) on financial assets at fair value | (12) | (36) | (15) | (2) | (17) |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets | .. | (1 240) | .. | (1 414) | .. |
| **Total other economic flows – other comprehensive income** | **1 252** | **(3 319)** | **(982)** | **1 557** | **(821)** |
| **Comprehensive result – total change in net worth** | **1 945** | **(4 255)** | **1 617** | **(541)** | **(1 787)** |
|  |  |  |  |  |  |
| **KEY FISCAL AGGREGATES** |  |  |  |  |  |
| **Net operating balance** | **807** | **(497)** | **2 707** | **(1 767)** | **(805)** |
| Less: Net acquisition of non‑financial assets from transactions | 1 039 | 1 422 | 738 | 2 232 | 859 |
| Net lending/(borrowing) | (231) | (1 919) | 1 968 | (3 999) | (1 664) |

Note:

(a) The 2018-19 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

Consolidated balance sheet at the end of the past five quarters (a) ($ million)

|  | 2018‑19 |  |  |  | 2019‑20 |
| --- | --- | --- | --- | --- | --- |
|  | Sep | Dec | Mar | Jun | Sep |
| **Assets** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and deposits | 5 940 | 4 567 | 5 722 | 9 775 | 6 343 |
| Advances paid | 8 963 | 8 692 | 8 441 | 8 340 | 7 884 |
| Receivables | 6 400 | 5 738 | 8 376 | 6 628 | 6 405 |
| Investments, loans and placements | 3 940 | 3 965 | 5 059 | 2 539 | 3 000 |
| Investments accounted for using the equity method | 52 | 53 | 45 | 45 | 45 |
| Investments in other sector entities | 102 157 | 102 040 | 102 979 | 101 825 | 102 737 |
| **Total financial assets** | **127 453** | **125 055** | **130 621** | **129 153** | **126 414** |
| **Non‑financial assets** |  |  |  |  |  |
| Inventories | 171 | 177 | 177 | 165 | 177 |
| Non‑financial assets held for sale | 391 | 361 | 345 | 223 | 216 |
| Land, buildings, infrastructure, plant and equipment | 144 644 | 146 444 | 147 582 | 154 358 | 158 891 |
| Other non‑financial assets | 2 229 | 2 301 | 2 152 | 2 190 | 3 013 |
| **Total non‑financial assets** | **147 434** | **149 283** | **150 256** | **156 937** | **162 297** |
| **Total assets** | **274 887** | **274 338** | **280 877** | **286 089** | **288 711** |
| **Liabilities** |  |  |  |  |  |
| Deposits held and advances received | 5 530 | 5 330 | 5 140 | 5 146 | 4 688 |
| Payables | 14 062 | 13 875 | 14 500 | 15 923 | 15 911 |
| Borrowings | 34 146 | 35 555 | 39 013 | 41 438 | 45 044 |
| Employee benefits | 6 893 | 7 141 | 7 056 | 8 020 | 8 034 |
| Superannuation | 24 257 | 26 600 | 27 699 | 28 632 | 29 884 |
| Other provisions | 962 | 1 053 | 1 070 | 1 072 | 1 085 |
| **Total liabilities** | **85 850** | **89 555** | **94 477** | **100 230** | **104 647** |
| **Net assets** | **189 038** | **184 783** | **186 400** | **185 859** | **184 064** |
| Accumulated surplus/(deficit) | 57 500 | 54 478 | 55 997 | 55 573 | 77 321 |
| Reserves | 131 538 | 130 305 | 130 403 | 130 286 | 106 742 |
| **Net worth** | **189 038** | **184 783** | **186 400** | **185 859** | **184 064** |
|  |  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net financial worth | 41 604 | 35 500 | 36 144 | 28 922 | 21 767 |
| Net financial liabilities | 60 554 | 66 540 | 66 835 | 72 903 | 80 971 |
| Net debt | 20 833 | 23 661 | 24 932 | 25 930 | 32 506 |

Note:

(a) The 2018-19 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

Consolidated cash flow statement for the past five quarters (a) ($ million)

|  | 2018‑19 |  |  |  | 2019‑20 |
| --- | --- | --- | --- | --- | --- |
|  | Sep | Dec | Mar | Jun | Sep |
| **Cash flows from operating activities** |  |  |  |  |  |
| **Receipts** |  |  |  |  |  |
| Taxes received | 5 994 | 5 631 | 5 058 | 6 550 | 5 870 |
| Grants | 7 927 | 7 877 | 9 163 | 8 386 | 7 827 |
| Sales of goods and services (b) | 2 127 | 1 960 | 2 320 | 1 874 | 2 333 |
| Interest received | 209 | 203 | 194 | 203 | 171 |
| Dividends, income tax equivalent and rate equivalent receipts | 82 | 298 | 97 | 563 | 98 |
| Other receipts | 3 348 | 378 | 283 | 945 | 516 |
| **Total receipts** | **19 686** | **16 348** | **17 115** | **18 522** | **16 815** |
| **Payments** |  |  |  |  |  |
| Payments for employees | (6 211) | (5 994) | (6 369) | (6 158) | (6 592) |
| Superannuation | (572) | (853) | (848) | (1 156) | (616) |
| Interest paid | (516) | (509) | (512) | (541) | (488) |
| Grants and subsidies | (2 870) | (3 173) | (3 852) | (3 330) | (3 255) |
| Goods and services (b) | (5 687) | (5 003) | (4 382) | (4 952) | (6 100) |
| Other payments | (211) | (202) | (174) | (204) | (216) |
| **Total payments** | **(16 068)** | **(15 734)** | **(16 137)** | **(16 341)** | **(17 267)** |
| **Net cash flows from operating activities** | **3 619** | **614** | **977** | **2 181** | **(452)** |
| **Cash flows from investing activities** |  |  |  |  |  |
| **Cash flows from investments in non‑financial assets** |  |  |  |  |  |
| Purchases of non‑financial assets | (2 174) | (2 766) | (1 937) | (2 980) | (2 310) |
| Sales of non‑financial assets | 45 | 39 | 53 | 106 | 42 |
| **Net cash flows from investments in non‑financial assets** | **(2 129)** | **(2 726)** | **(1 884)** | **(2 874)** | **(2 268)** |
| Net cash flows from investments in financial assets for policy purposes | 729 | 156 | 298 | 261 | 398 |
| **Sub‑total** | **(1 400)** | **(2 570)** | **(1 585)** | **(2 613)** | **(1 870)** |
| Net cash flows from investments in financial assets for liquidity management purposes | (35) | (123) | (1 036) | 2 825 | (489) |
| **Net cash flows from investing activities** | **(1 435)** | **(2 693)** | **(2 621)** | **212** | **(2 359)** |
| **Cash flows from financing activities** |  |  |  |  |  |
| Advances received (net) | (831) | (258) | (251) | (50) | (365) |
| Net borrowings | (1 576) | 907 | 2 988 | 1 656 | (165) |
| Deposits received (net) | (94) | 59 | 62 | 56 | (93) |
| **Net cash flows from financing activities** | **(2 501)** | **707** | **2 798** | **1 661** | **(622)** |
| **Net increase/(decrease) in cash and cash equivalents** | **(317)** | **(1 372)** | **1 154** | **4 053** | **(3 432)** |
| Cash and cash equivalents at beginning of the reporting period | 6 257 | 5 940 | 4 567 | 5 722 | 9 775 |
| **Cash and cash equivalents at end of the reporting period** | **5 940** | **4 567** | **5 722** | **9 775** | **6 343** |
|  |  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net cash flows from operating activities | 3 619 | 614 | 977 | 2 181 | (452) |
| Net cash flows from investments in non‑financial assets | (2 129) | (2 726) | (1 884) | (2 874) | (2 268) |
| Cash surplus/(deficit) | 1 490 | (2 112) | (907) | (693) | (2 719) |

Notes:

(a) The 2018-19 comparative figures have been restated to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 7.4 for further details.

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

# Style conventions

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

The notation used in the tables is as follows:

n.a. not available or not applicable

1 billion 1 000 million

1 basis point 0.01 per cent

.. zero, or rounded to zero

(xxx.x) negative numbers