



Building for Growth

Quarterly Financial Report No.1
30 September 2013

Presented by The Hon. Michael O'Brien MP
Treasurer of the State of Victoria



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Print managed by Finsbury Green

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ISSN 1440-6969

Published November 2013

Printed on recycled paper

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OVERVIEW

This financial report presents the Victorian general government sector financial statements prepared as a special purpose report for the three month period ending 30 September 2013.

Victoria's economic fundamentals remain strong, as reflected in the outcomes presented in this quarterly report. However, Victoria is confronted by global and national economic conditions that remain uncertain.

The Victorian economy grew below trend last year, with growth expected to head towards trend in 2013-14. Consumer spending is anticipated to pick up as household financial and property wealth improves. Improvements in the property market thus far in 2013 and lower interest rates are likely to support dwelling investment. Victoria's exports look set to improve further as agricultural exports rise, reflecting good seasonal conditions and some improvement in prices. So far, business investment has remained subdued as increased business confidence has not yet resulted in strong business conditions.

Employment in Victoria is growing, inflation is low and the unemployment rate, while having increased slightly over the past year, remains at historically low levels. Victoria continues to have the highest labour participation rate of all the non-mining states while net migration supports both population growth and economic activity.

There are some signs that the historic low level of interest rates is supporting interest-sensitive spending and asset values, particularly in the housing market. While the pace of borrowing overall has remained fairly subdued, there has been indication of an increase in the demand for new loans by households.

In contrast to local economic trends, growth in the global economy is expected to remain well below trend for the next two years. Strengthening activity in Japan, China and encouraging prospects for the United States are being offset by the ongoing weakness in the euro area and moderating growth in several emerging economies.

While the outlook for the Australian economy is positive, some sectors are facing challenges. The most immediate is the rebalancing of the economy away from its reliance on mining investment as a significant driver of growth. Fluctuating commodity prices and exchange rates are also challenging Australian producers supplying global markets.

The Government continues to take action to maintain Victoria's fiscal position and provide resilience to challenging economic conditions. Victoria's public finances are now the strongest in Australia.

The Government's commitment to a strong financial position provides a foundation for ongoing investment in Victorian infrastructure. The Government continues to make significant investments to deliver high quality services to the community, particularly in the transport, health and education sectors.

GENERAL GOVERNMENT SECTOR OUTCOME

Financial performance

The general government sector net result from transactions for the three month period to 30 September 2013 was a deficit of \$250 million. The Government continues to focus on more efficient operations and the 2013-14 first quarter result is consistent with the achievement of a net operating surplus of at least \$100 million. The first quarter result is influenced by seasonal factors such as the timing of certain revenue items, in particular:

- the majority of land tax revenue is not recognised until the March quarter;
- in contrast, the Fire Services Property Levy (FSPL) introduced in 2013-14, is fully recognised in the September quarter;
- dividends from public authorities are not recognised as revenue until determined, which is generally in October and April of each year; and
- some Commonwealth capital grants are not received until later in the year.

The FSPL is the primary driver of the improvement in the net result from transactions from a deficit of \$807 million for the first quarter of 2012-13 to a deficit of \$250 million in the first quarter 2013-14. This reflects the fact that the FSPL is recognised in the first quarter of the financial year where in the past the insurance and property owner contributions to fire services were recognised throughout the year.

Revenue for the quarter totalled \$12.3 billion. This represented 24.4 per cent of the full year estimates published in the *2013-14 Budget*, and was in line with expectations.

Taxation revenue for the quarter represents 26.1 per cent of the *2013-14 Budget* estimate. As mentioned above, the timing of land tax and the FSPL has significantly impacted on taxation revenue for the first quarter. In addition, land transfer duty, insurance and motor vehicle taxes were above pro rata, while payroll, gambling, growth areas infrastructure contribution and other taxes were below expectations.

Dividends and income tax equivalent and rate equivalent revenue for the first quarter is 9.6 per cent of the full year budget estimate. This is consistent with expectations and the usual pattern of receipt.

Interest and grants revenue were both approximately 23 per cent of their respective *2013-14 Budget* estimates. This below pro rata result from grants is due to the timing of this revenue from the Commonwealth Government and is consistent with *2013-14 Budget* expectations.

At 25 per cent of the full year budget estimate, total expenses from transactions of \$12.5 billion for the three months to 30 September 2013 were consistent with the *2013-14 Budget*, which moved to constrain expenditure growth to more sustainable levels, supporting Victoria's triple-A credit rating.

The comprehensive result showed a net gain of \$1.1 billion for the three month period to 30 September 2013, compared to a net loss of \$2.0 billion in the same period the previous year. This was mainly due to the net result from transactions discussed above and a \$1.4 billion actuarial gain on defined benefit superannuation attributable to favourable movements in the bond rates that are used to value the superannuation liability as well as better than expected investment returns on superannuation assets.

In the *2013-14 Budget*, the Victorian Government introduced the ‘government fiscal result’ measure to ensure that consistent, comprehensive and informed assessments can continue to be made of the State’s financial performance in light of the substantial change introduced by the revised Australian Accounting Standard AASB 119 *Employee Benefits* in reporting the State’s defined benefit superannuation interest expense. The government fiscal result is comparable to the ‘net result from transactions – net operating balance’ published in previous financial reports. The government fiscal result for the 2013 September quarter was a deficit of \$115 million, compared to a deficit of \$685 million for the same period last year. The 2013-14 result cannot be extrapolated from the quarterly result because the quarterly result is influenced by seasonal factors.

Financial position

Net assets increased by \$1.1 billion to \$121.1 billion for the three months to 30 September 2013. Total assets increased by \$559 million to \$189.2 billion in the quarter mainly driven by an increase on the value of the State’s equity investment in public non-financial corporations and increased investment in infrastructure. Total liabilities decreased by \$575 million, to \$68.1 billion, primarily reflecting a decrease in the superannuation liability attributable to favourable movements in the bond rates. This was partially offset by an increase in borrowings which are helping to finance the infrastructure program consistent with the Government’s sustained program of infrastructure construction.

Net debt increased by \$1.7 billion to \$21.5 billion in the quarter due to additional borrowings to help delivery of the Government’s infrastructure program in 2013-14. After allowing for timing differences affecting the net result for the September quarter, the increase is consistent with budget expectations for a total net debt of \$23.0 billion as at 30 June 2014.

Cash flows

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

FINANCIAL STATEMENTS FOR THE GENERAL GOVERNMENT SECTOR

Consolidated comprehensive operating statement for the period ended 30 September

(\$ million)

2012-13 Actual to Sept ^(a)		Notes	2013-14 Actual to Sept	Annual Budget
Revenue from transactions				
3 634.7	Taxation revenue	2	4 300.5	16 454.4
96.4	Interest		204.3	867.0
48.9	Dividends and income tax equivalent and rate equivalent revenue	3	64.5	671.5
1 568.6	Sales of goods and services	4	1 727.2	6 949.5
5 039.8	Grants	5	5 453.1	23 310.5
517.6	Other revenue	6	521.5	2 074.5
10 906.1	Total revenue from transactions		12 271.0	50 327.5
Expenses from transactions				
4 334.0	Employee expenses		4 388.4	17 947.1
305.3	Net superannuation interest expense ^(a)	7	266.7	1 129.2
458.7	Other superannuation expenses	7	478.7	1 901.8
552.3	Depreciation	8	611.6	2 377.7
326.6	Interest expense		525.9	2 176.9
3 993.2	Other operating expenses		4 189.1	16 573.0
1 742.9	Grants and other transfers		2 060.2	7 997.4
11 713.0	Total expenses from transactions	9	12 520.6	50 103.0
(806.9)	Net result from transactions – net operating balance		(249.6)	224.5
Other economic flows included in net result				
2.2	Net gain/(loss) on disposal of non-financial assets		(4.4)	111.3
0.8	Net gain/(loss) on financial assets or liabilities at fair value		22.2	(0.4)
(87.2)	Other gains/(losses) from other economic flows	10	(96.5)	(374.8)
(84.3)	Total other economic flows included in net result		(78.7)	(264.0)
(891.2)	Net result		(328.4)	(39.6)
Other economic flows – other comprehensive income				
Items that will not be reclassified to net result				
12.6	Changes in non-financial assets revaluation surplus		(72.9)	3 918.0
(956.0)	Remeasurement of superannuation defined benefit plans ^(a)		1 428.4	593.2
..	Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets		..	1 559.2
(178.0)	Other movements in equity		103.5	2.3
Items that may be reclassified subsequently to net result				
2.0	Net gain/(loss) on financial assets at fair value		3.4	1.0
(1 119.4)	Total other economic flows – other comprehensive income		1 462.4	6 073.5
(2 010.6)	Comprehensive result – total change in net worth		1 134.0	6 033.9

2012-13 Actual to Sept ^(a)		Notes	2013-14 Actual to Sept	Annual Budget
FISCAL AGGREGATES				
(806.9)	Net operating balance		(249.6)	224.5
186.3	Less: Net acquisition of non-financial assets from transactions	12	263.7	2 120.0
(993.2) Net lending/(borrowing)			(513.4)	(1 895.6)
GOVERNMENT FISCAL PARAMETER				
(806.9)	Net operating balance		(249.6)	224.5
121.5	Plus: Expected return on superannuation assets in excess of AASB 119 discount rate taken to other comprehensive income		135.1	593.2
(685.4) Government fiscal result			(114.6)	817.6

The accompanying notes form part of these financial statements.

Note:

(a) September 2012-13 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(E).

Consolidated balance sheet as at 30 September

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept ^(a)	Notes	1 Jul ^(a)	30 Sept	30 Jun ^(b)
Assets				
Financial assets				
3 548.3	Cash and deposits	3 962.0	3 286.6	4 150.2
300.9	Advances paid	4 626.8	4 644.1	4 584.6
4 430.0	Receivables	5 061.0	4 954.7	4 885.5
2 253.7	Investments, loans and placements	3 383.4	3 672.7	3 467.4
44.3	Investments accounted for using equity method	49.4	49.4	49.4
67 988.8	Investments in other sector entities	69 489.5	70 051.7	73 328.9
78 566.0	Total financial assets	86 572.1	86 659.2	90 466.0
Non-financial assets				
230.6	Inventories	192.1	212.6	192.6
131.6	Non-financial assets held for sale	142.1	72.2	135.5
97 734.7	Land, buildings, infrastructure, plant and equipment	100 804.0	101 082.5	106 072.6
1 108.9	Other non-financial assets	954.3	1 196.4	918.8
99 205.9	Total non-financial assets	102 092.5	102 563.7	107 319.6
177 771.9	Total assets	188 664.6	189 222.9	197 785.6
Liabilities				
404.8	Deposits held and advances received	449.0	422.6	455.9
5 347.4	Payables	5 958.4	5 357.8	5 670.3
22 671.5	Borrowing	31 345.2	32 688.2	34 711.3
5 294.1	Employee benefits	5 208.8	5 273.7	5 401.7
33 685.0	Superannuation	25 142.5	23 782.8	24 932.5
616.0	Other provisions	603.3	606.6	622.9
68 018.8	Total liabilities	68 707.4	68 131.9	71 794.4
109 753.1	Net assets	119 957.2	121 091.0	125 991.2
32 807.9	Accumulated surplus/(deficit)	43 174.7	44 361.2	43 719.6
76 895.2	Reserves	76 732.5	76 679.8	82 221.6
50.0	Non-controlling interest	50.0	50.0	50.0
109 753.1	Net worth	119 957.2	121 091.0	125 991.2
FISCAL AGGREGATES				
10 547.2	Net financial worth	17 864.7	18 527.3	18 671.6
57 441.6	Net financial liabilities	51 624.7	51 524.3	54 657.3
16 973.3	Net debt	19 822.1	21 507.4	22 964.9

The accompanying notes form part of these financial statements.

Notes:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

(b) Balances represent actual opening balances at 1 July 2013 plus 2013-14 budgeted movements.

Consolidated cash flow statement for the period ended 30 September

(\$ million)

2012-13 Actual to Sept ^(a)	Notes	2013-14	
		Actual to Sept	Annual Budget
Cash flows from operating activities			
Receipts			
3 969.8	Taxes received	4 120.9	16 450.9
5 011.5	Grants	5 430.9	23 310.5
1 714.8	Sales of goods and services	1 955.8	7 631.3
98.1	Interest received	209.7	844.9
72.7	Dividends and income tax equivalent and rate equivalent receipts	209.0	650.4
282.2	Other receipts	482.1	1 784.9
11 149.1	Total receipts	12 408.3	50 672.9
Payments			
(4 085.6)	Payments for employees	(4 313.6)	(17 757.4)
(632.4)	Superannuation	(676.6)	(2 647.9)
(325.6)	Interest paid	(497.3)	(2 133.0)
(2 041.0)	Grants and subsidies	(2 325.4)	(8 118.3)
(4 432.3)	Goods and services ^(b)	(4 915.3)	(16 662.0)
(181.1)	Other payments	(181.9)	(622.8)
(11 698.0)	Total payments	(12 910.1)	(47 941.3)
(549.0)	Net cash flows from operating activities	(501.9)	2 731.6
		16b	
Cash flows from investing activities			
(764.5)	Purchases of non-financial assets	(769.6)	(4 868.9)
25.9	Sales of non-financial assets	24.3	420.2
(738.6)	Cash flows from investments in non-financial assets	(745.3)	(4 448.7)
(450.5)	Net cash flows from investments in financial assets for policy purposes	(417.9)	(1 377.3)
(1 189.1)	Sub-total	(1 163.2)	(5 826.0)
(28.0)	Net cash flows from investments in financial assets for liquidity management purposes ^(c)	(209.1)	(83.1)
(1 217.1)	Net cash flows from investing activities	(1 372.3)	(5 909.1)
Cash flows from financing activities			
9.5	Advances received (net)	..	..
74.4	Net borrowings	1 215.3	3 359.0
29.1	Deposits received (net)	(26.4)	6.8
..	Other financing (net)	..	..
113.0	Net cash flows from financing activities	1 188.8	3 365.7
(1 653.0)	Net increase/(decrease) in cash and cash equivalents	(685.4)	188.2
5 001.3	Cash and cash equivalents at beginning of reporting period	3 962.0	3 962.0
3 348.3	Cash and cash equivalents at end of reporting period	3 276.6	4 150.2
		16a	
FISCAL AGGREGATES			
(549.0)	Net cash flows from operating activities	(501.9)	2 731.6
(738.6)	Net cash flows from investments in non-financial assets	(745.3)	(4 448.7)
(1 287.6)	Cash surplus/(deficit)	(1 247.2)	(1 717.1)

The accompanying notes form part of these financial statements.

Notes:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

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

(c) A review of cash investments in 2012-13 reclassified some Australian dollar term deposits to cash and deposits.

Consolidated statement of changes in equity for the period ended 30 September

(\$ million)

	<i>Accumulated surplus/(deficit)</i>	<i>Non-controlling Interest</i>
2013-14		
Balance at 1 July 2013	43 174.7	50.0
Net result for the quarter	(328.4)	..
Other comprehensive income for the year	1 514.9	..
Transactions with owners in their capacity as owners	..	..
Total equity at end of period	44 361.2	50.0
Budget equity as at 30 June 2014	43 719.6	50.0
2012-13		
Balance at 1 July 2012	34 808.2	50.0
Net result for the quarter	(891.2)	..
Other comprehensive income for the year	(1 109.1)	..
Transactions with owners in their capacity as owners	..	..
Total equity at end of period	32 807.9	50.0

<i>Land, buildings, infrastructure, plant and equipment revaluation surplus</i>	<i>Investment in other sector entities revaluation surplus</i>	<i>Other reserves</i>	<i>Total</i>
37 663.1	38 148.1	921.3	119 957.2
..	..	..	( 328.4)
(72.9)	..	20.2	1 462.4
..
37 590.2	38 148.1	941.5	121 091.0
41 581.0	39 707.3	933.3	125 991.2
36 962.6	38 958.4	984.5	111 763.7
..	..	..	( 891.2)
12.6	..	(22.9)	(1 119.4)
..
36 975.2	38 958.4	961.6	109 753.1

Note 1: A summary of significant accounting policies

This *2013-14 Quarterly Financial Report* presents the unaudited special purpose financial report for the Victorian general government sector for the three months ended 30 September 2013. The purpose of this report is to provide users with progressive information about the sector's financial performance and financial position, compared with budget expectations.

The accounting policies applied are consistent with those applied for the financial statements published in the *2012-13 Financial Report for the State of Victoria*, which should be read in conjunction with these financial statements.

(A) Statement of compliance

The *2013-14 Quarterly Financial Report* has been prepared in accordance with Section 26 of the *Financial Management Act 1994*, with reference to relevant Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, the financial statements are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(B) Basis of accounting, preparation and measurement

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

(C) Reporting entity

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

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

The primary function of entities in the Victorian general government sector is to provide public services (outputs), which are mainly non-market in nature, for the collective consumption of the community, and involve the transfer or redistribution of revenue that is financed mainly through taxes and other compulsory levies.

These entities are not for profit entities and apply, where appropriate, those AAS paragraphs applicable to not-for-profit entities.

(D) Basis of consolidation

The *2013-14 Quarterly Financial Report* presents the consolidated assets and liabilities of all reporting entities in the Victorian general government sector, and their revenue and expenses for the respective period.

In the process of reporting the Victorian general government sector as a single economic entity, all material transactions and balances in the sector are eliminated.

Information on entities consolidated for the general government sector is included in Note 19.

(E) Change in superannuation comparative information

In accordance with the revised AASB 119 *Employee Benefits* (effective for the first time in the 2013-14 reporting period), the net superannuation interest expense is calculated using the discount rate (a long-term Commonwealth Government bond rate) without reference to the expected rate of investment return on plan assets, as was previously the case. As AASB 101 *Presentation of Financial Statements* requires the restatement of comparative information when a revised accounting standard is applied, this resulted in the net superannuation interest expense associated with the superannuation liabilities for the 2012-13 comparative quarter to be restated from \$184 million to \$305 million, an increase of \$121 million which also impacted on the net result from transactions.

In addition, the revised AASB 119 requires all re-measurements of superannuation defined benefit plans to be recognised in 'other economic flows – other comprehensive income' rather than in the net result. This resulted in the net result for the 2012-13 comparative period being restated to a deficit of \$891 million, an improvement of \$956 million, with a corresponding decrease in total 'other economic flows – other comprehensive income'.

However, the overall expense relating to defined benefit superannuation liabilities for the 2012-13 comparative quarter has not changed, as the comprehensive result for the period had remained at a deficit of \$2.0 billion as previously published.

Note 2: Taxation revenue

(\$ million)

2012-13		2013-14	
Actual to Sept		Actual to Sept	Annual Budget
1 238.9	Taxes on employers' payroll and labour force	1 270.7	5 110.9
	Taxes on property		
	Taxes on immovable property		
(3.0)	Land tax	35.3	1 564.6
..	Fire Services Property Levy	610.9	610.9
(0.2)	Congestion levy	(0.5)	93.5
95.3	Metropolitan improvement levy	105.6	141.3
9.5	Property owners contribution to fire brigades	..	..
101.6	Total taxes on immovable property	751.3	2 410.2
	Financial and capital transactions		
782.0	Land transfer duty	950.9	3 459.5
3.2	Other property duties	0.8	8.1
26.6	Financial accommodation levy	29.3	132.8
9.7	Growth areas infrastructure contribution	1.6	64.3
821.5	Total financial and capital transactions	982.5	3 664.7
923.1	Total taxes on property	1 733.8	6 074.9
	Taxes on the provision of goods and services		
	Gambling taxes		
104.6	Private lotteries	96.3	410.1
311.5	Electronic gaming machines	254.0	1 154.4
46.0	Casino	48.5	230.6
20.5	Racing	20.4	91.3
3.8	Other	4.9	20.2
486.4	Total gambling taxes	424.1	1 906.6
13.9	Levies on statutory corporations	22.9	117.5
452.9	Taxes on insurance	305.7	1 049.8
953.2	Total taxes on the provision of goods and services	752.7	3 073.8
	Taxes on the use of goods and performance of activities		
	Motor vehicle taxes		
300.3	Vehicle registration fees	314.3	1 239.7
161.8	Duty on vehicle registrations and transfers	170.3	661.1
462.1	Total motor vehicle taxes	484.7	1 900.8
..	Liquor license fees	..	23.5
57.4	Other	58.5	270.6
519.5	Total taxes on the use of goods and performance of activities	543.3	2 194.8
3 634.7	Total taxation revenue	4 300.5	16 454.4

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

(\$ million)

2012-13 Actual to Sept		2013-14	
		Actual to Sept	Annual Budget
10.4	Dividends	6.4	449.4
38.6	Income tax equivalent revenue	58.1	216.8
..	Local government rate equivalent revenue	..	5.3
48.9	Total dividends and income tax equivalent and rate equivalent revenue	64.5	671.5

Note 4: Sale of goods and services

(\$ million)

2012-13 Actual to Sept		2013-14	
		Actual to Sept	Annual Budget
40.5	Motor vehicle regulatory fees	53.8	227.3
97.5	Other regulatory fees	123.6	402.3
25.5	Sale of goods	20.7	108.4
1 042.9	Provision of services	1 133.0	4 565.1
11.1	Rental	13.4	53.7
(0.9)	Refunds and reimbursements	1.6	68.3
352.0	Inter-sector capital asset charge	381.1	1 524.4
1 568.6	Total sales of goods and services	1 727.2	6 949.5

Note 5: Grants

(\$ million)

2012-13 Actual to Sept		2013-14	
		Actual to Sept	Annual Budget
2 768.1	General purpose grants	2 837.9	11 297.2
576.3	Specific purpose grants for on-passing	611.8	2 977.9
1 664.1	Grants for specific purposes	1 985.2	8 904.6
5 008.5	Total	5 434.9	23 179.8
31.3	Other contributions and grants	18.2	130.7
5 039.8	Total grants	5 453.1	23 310.5

Note 6: Other revenue

(\$ million)

2012-13		2013-14	
Actual to Sept		Actual to Sept	Annual Budget
0.3	Fair value of assets received free of charge or for nominal consideration	4.3	1.8
174.3	Fines	154.1	714.9
13.2	Royalties	11.8	47.5
55.8	Donations and gifts	62.9	235.7
7.9	Other non-property rental	6.5	21.0
266.0	Other miscellaneous income	281.9	1 053.6
517.6	Total other revenue	521.5	2 074.5

Note 7: Superannuation

(\$ million)

2012-13		2013-14	
Actual to Sept ^(a)		Actual to Sept	Annual Budget
Defined benefit plans			
305.3	Net superannuation interest expense ^(a)	266.7	1 129.2
178.3	Current service cost	181.4	763.8
Return on plan assets, excluding amount included in net superannuation interest			
(121.5)	Expected return on superannuation assets excluding interest income	(135.1)	(593.2)
(391.5)	Other actuarial (gain)/loss on superannuation assets	(629.9)	..
1 468.9	Actuarial and other adjustments to defined benefit obligation	(663.5)	..
1 439.6	Total (gain)/costs recognised in respect of defined benefit plans	(980.3)	1 299.8
Defined contribution plans			
261.4	Employer contributions to defined contribution plans	277.1	1 078.4
19.0	Other (including pensions)	20.1	59.6
280.4	Total expense recognised in respect of defined contribution plans	297.2	1 138.0
1 720.0	Total superannuation (gain)/expense recognised in operating statement	(683.0)	2 437.9
Represented by:			
305.3	Net superannuation interest expense ^(a)	266.7	1 129.2
458.7	Other superannuation	478.7	1 901.8
764.0	Superannuation expense from transactions	745.4	3 031.0
956.0	Remeasurement recognised in other comprehensive income	(1 428.4)	(593.2)
1 720.0	Total superannuation (gain)/expense recognised in operating statement	(683.0)	2 437.9

Note:

(a) September 2012-13 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(E).

Note 8: Depreciation

(\$ million)

2012-13		2013-14	
Actual to Sept		Actual to Sept	Annual Budget
245.5	Buildings	294.5	1 039.8
141.5	Plant, equipment and vehicles	138.0	669.0
7.3	Infrastructure systems	9.3	25.1
131.4	Road networks	140.4	569.3
5.5	Cultural assets	5.2	19.0
21.1	Intangible produced assets	24.3	55.4
552.3	Total depreciation	611.6	2 377.7

Note 9: Total expenses by department

(\$ million)

2012-13		2013-14	
Actual to Sept		Actual to Sept	Annual Budget
Expenses from transactions			
3 481.2	Education and Early Childhood Development	3 520.8	14 018.7
302.8	Environment and Primary Industries ^(a)	615.9	2 353.1
3 603.7	Health	3 963.1	15 469.7
873.9	Human Services	922.7	3 666.4
1 091.3	Justice	1 300.7	5 459.9
41.5	Parliament	42.3	172.9
163.7	Premier and Cabinet	178.4	671.3
178.9	State Development, Business and Innovation ^(a)	258.6	1 108.5
1 453.8	Transport, Planning and Local Infrastructure ^(a)	1 697.8	7 156.0
1 510.0	Treasury and Finance	1 570.4	6 456.3
473.5	Regulatory bodies and other part funded agencies	435.2	1 920.2
206.8	Planning and Community Development	..	..
111.5	Primary Industries	..	..
(1 779.6)	Less eliminations	(1 985.3)	(8 350.1)
11 713.0	Total expense from transactions	12 520.6	50 103.0

Note:

(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.

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

(\$ million)

2012-13 Actual to Sept		2013-14	
		Actual to Sept	Annual Budget
(82.4)	Net (increase)/decrease in provision for doubtful receivables	(78.1)	(267.7)
(3.8)	Amortisation of intangible non-produced assets	(2.6)	(10.5)
(3.1)	Net (increase)/decrease in bad debts	(4.2)	(114.1)
2.1	Other gains/(losses)	(11.6)	17.4
(87.2)	Total other gains/(losses) from other economic flows	(96.5)	(374.8)

Note 11: Receivables

(\$ million)

2012-13 Actual 30 Sept ^(a)		Opening 1 Jul ^(a)	2013-14	
			Actual 30 Sept	Budget 30 Jun
	Contractual			
585.4	Sales of goods and services	718.9	687.0	709.5
52.9	Accrued investment income	223.9	79.3	245.1
1 396.0	Other receivables	1 093.4	1 020.3	1 055.0
(68.3)	Provision for doubtful contractual receivables	(68.5)	(73.5)	(68.4)
	Statutory			
9.2	Sales of goods and services	1.5	0.3	1.5
1 677.1	Taxes receivables	2 113.4	2 259.2	1 978.6
1 323.6	Fines and regulatory fees	1 518.1	1 602.4	1 763.8
203.6	GST input tax credits recoverable	285.7	242.5	286.4
(749.5)	Provision for doubtful statutory receivables	(825.5)	(862.7)	(1 085.9)
4 430.0	Total receivables	5 061.0	4 954.7	4 885.5
	Represented by:			
3 677.2	Current receivables	3 882.9	3 811.3	3 735.8
752.8	Non-current receivables	1 178.1	1 143.4	1 149.6

Note:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

Note 12: Net acquisition of non-financial assets from transactions

(\$ million)

2012-13 Actual 30 Sept		2013-14	
		Actual 30 Sept	Budget 30 Jun
764.5	Purchases of non-financial assets	769.6	4 868.9
(25.9)	Less: Sales of non-financial assets	(24.3)	(420.2)
(552.3)	Less: Depreciation	(611.6)	(2 377.7)
..	Plus: Other movements in non-financial assets	130.0	48.9
186.3	Total net acquisition of non-financial assets	263.7	2 120.0

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

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

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept ^(a)		1 Jul ^(a)	30 Sept	30 Jun
24 286.5	Buildings	24 418.1	24 755.0	26 954.9
(3 461.2)	Buildings accumulated depreciation ^(b)	(2 707.9)	(2 970.8)	(3 744.9)
20 825.3	Buildings (written down value) ^(b)	21 710.2	21 784.2	23 210.0
2 870.3	Buildings leasehold	2 696.8	2 697.3	2 833.8
(386.3)	Buildings leasehold accumulated depreciation ^(b)	(405.0)	(426.8)	(492.2)
2 484.0	Buildings leasehold (written down value) ^(b)	2 291.8	2 270.5	2 341.7
36 651.5	Land and national parks	37 465.7	37 546.3	37 746.4
2 316.8	Infrastructure systems (written down value)	2 291.0	2 298.1	2 335.1
2 421.6	Plant, equipment and vehicles (written down value)	2 920.0	3 035.3	2 802.5
20 302.2	Roads and road networks (written down value)	21 027.9	21 053.6	23 679.9
7 279.4	Earthworks	7 638.8	7 638.8	8 496.1
5 453.8	Cultural assets (written down value)	5 458.7	5 455.7	5 461.0
97 734.7	Total land, buildings, infrastructure, plant and equipment	100 804.0	101 082.5	106 072.6

Notes:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

(b) Accumulated depreciation of building leasehold assets is now separately disclosed from accumulated depreciation of buildings in line with the 2012-13 Annual Financial Report.

(b) Land, national parks and buildings

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept		1 Jul ^(a)	30 Sept	30 Jun
24 286.5	Buildings	24 418.1	24 755.0	26 954.9
(3 461.2)	Accumulated depreciation ^(a)	(2 707.9)	(2 970.8)	(3 744.9)
20 825.3	Buildings (written down value) ^(a)	21 710.2	21 784.2	23 210.0
2 870.3	Buildings leasehold	2 696.8	2 697.3	2 833.8
(386.3)	Buildings leasehold accumulated depreciation ^(a)	(405.0)	(426.8)	(492.2)
2 484.0	Buildings leasehold (written down value) ^(a)	2 291.8	2 270.5	2 341.7
34 963.5	Land	35 780.2	35 860.8	35 959.6
1 688.0	National parks and other 'land only' holdings	1 685.5	1 685.5	1 786.8
36 651.5	Land and national parks	37 465.7	37 546.3	37 746.4
59 960.9	Total land and buildings	61 467.7	61 601.0	63 298.1

Note:

(a) Accumulated depreciation of building leasehold assets is now separately disclosed from accumulated depreciation of buildings in line with the 2012-13 Annual Financial Report.

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

(c) Plant equipment and vehicles, and infrastructure systems

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept ^(a)		1 Jul	30 Sept	30 Jun
2 730.7	Infrastructure systems	2 744.4	2 761.3	2 813.3
(414.0)	Accumulated depreciation	(453.3)	(463.2)	(478.2)
2 316.8	Infrastructure systems (written down value)	2 291.0	2 298.1	2 335.1
5 496.2	Plant, equipment and vehicles	6 000.9	6 114.5	6 352.8
..	Accumulated depreciation	(3 203.5)	(3 315.8)	(3 670.5)
368.2	Leased plant, equipment and vehicles	289.3	426.3	314.0
..	Accumulated depreciation	(166.7)	(189.7)	(193.8)
2 421.6	Plant, equipment and vehicles (written down value)	2 920.0	3 035.3	2 802.5
4 738.4	Total plant, equipment and vehicles, and infrastructure systems	5 211.0	5 333.4	5 137.5

Note:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

(d) Road networks and earthworks

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept ^(a)		1 Jul	30 Sept	30 Jun
35 099.9	Roads and roads infrastructure	36 219.2	36 385.3	41 226.3
(14 797.7)	Accumulated depreciation	(15 191.3)	(15 331.6)	(17 546.3)
20 302.2	Roads and roads infrastructure (written down value)	21 027.9	21 053.6	23 679.9
7 279.4	Earthworks	7 638.8	7 638.8	8 496.1
27 581.6	Total road networks and earthworks	28 666.6	28 692.4	32 176.1

Note:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

(e) Cultural assets

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept		1 Jul	30 Sept	30 Jun
5 548.8	Cultural assets	5 569.8	5 571.2	5 590.8
(95.0)	Accumulated depreciation	(111.1)	(115.5)	(129.8)
5 453.8	Total cultural assets	5 458.7	5 455.7	5 461.0

Note 14: Other non-financial assets

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept		1 Jul	30 Sept	30 Jun
871.0	Intangibles produced assets	1 062.1	987.3	1 093.9
(371.9)	Accumulated depreciation	(476.3)	(452.4)	(535.9)
105.5	Intangible non-produced assets	168.1	135.3	168.1
(64.8)	Accumulated amortisation	(90.0)	(92.5)	(100.5)
539.9	Total intangibles	663.8	577.7	625.5
42.2	Investment properties	53.5	53.5	53.6
6.8	Biological assets ^(a)	41.8	3.6	42.7
520.1	Other assets	195.1	561.5	197.1
1 108.9	Total other non-financial assets	954.3	1 196.4	918.8

Note:

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

Note 15: Employee benefits

(\$ million)

2012-13		2013-14		
Actual		Opening	Actual	Budget
30 Sept		1 Jul	30 Sept	30 Jun
Current				
1 702.4	Accrued salaries and wages ^(a)	1 622.3	1 718.3	1 658.5
2 778.9	Long service leave	2 965.6	2 710.2	3 084.5
4 481.3	Total current employee benefits	4 588.0	4 428.5	4 743.0
Non-current				
812.8	Long service leave	620.9	845.2	658.7
812.8	Total non-current employee benefits	620.9	845.2	658.7
5 294.1	Total other employee benefits	5 208.8	5 273.7	5 401.7

Note:

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

Note 16: Cash flow information

(a) Reconciliation of cash and cash equivalents

(\$ million)

2012-13 Actual to Sept ^(a)		2013-14 Actual to Sept
1 153.9	Cash	1 505.4
2 394.4	Deposits at call	1 781.2
3 548.3	Cash and cash equivalents	3 286.6
(200.0)	Bank overdraft	(10.0)
3 348.3	Balances as per cash flow statement	3 276.6

Note:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

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

(\$ million)

2012-13 Actual to Sept ^(a)		2013-14 Actual to Sept
(891.2)	Net result	(328.4)
	Non-cash movements	
556.1	Depreciation and amortisation	614.2
(1.1)	Revaluation of investments	(22.1)
..	Assets (received)/provided free of charge	(0.1)
(0.7)	Assets not previously recognised	9.7
(3.9)	Revaluation of assets	0.1
1.1	Discount/premium on other financial assets/borrowings	0.9
..	Bad/doubtful debts	..
..	Foreign currency dealings	..
..	Unrealised (gains)/losses on borrowings	..
..	Discounting of assets and liabilities	..
	Movements included in investing and financing activities	
0.3	Net gain/loss from sale of investments	(2.4)
(2.2)	Net revenues from sale of non-financial assets	4.4
..	Net revenues from sale of investments	..
	Movements in assets and liabilities	
54.9	Increase/(decrease) in provision for doubtful debts	42.3
3 013.1	Increase/(decrease) in payables	(659.8)
251.0	Increase/(decrease) in employee benefits	64.9
131.6	Increase/(decrease) in superannuation	68.8
(19.4)	Increase/(decrease) in other provisions	7.8
..	Increase/(decrease) in other liabilities	..
(3 273.5)	(Increase)/decrease in receivables	64.0
(365.0)	(Increase)/decrease in other non-financial assets	(366.4)
859.4	Changes in assets and liabilities total	(778.4)
(549.0)	Net cash flows from operating activities	(501.9)

Note:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

Note 17: Public account

(a) Consolidated Fund receipts and payments

(\$ million)

2012-13 Actual to Sept		2013-14 Actual to Sept	Annual Budget
	Receipts		
3 890.1	Taxation	4 104.9	16 783.6
215.5	Fines and regulatory fees	162.7	799.4
4 313.6	Grants received	3 767.3	16 020.8
1 141.4	Sales of goods and services	1 327.4	5 347.7
13.4	Interest received	137.4	490.1
71.5	Public authority receipts	207.9	646.8
54.0	Other receipts	78.2	388.4
9 699.7	Total operating activities	9 786.0	40 476.7
485.0	Total inflows from investing and financing	1 809.7	4 567.8
10 184.6	Total receipts	11 595.7	45 044.5
	Payments to departments		
2 827.2	Education and Early Childhood Development	2 867.2	10 235.1
300.4	Environment and Primary Industries ^(a)	924.0	2 459.5
3 572.7	Health	2 956.2	9 515.8
853.0	Human Services	876.3	3 699.7
1 141.4	Justice	1 379.0	6 083.9
208.8	Planning and Community Development	..	..
141.4	Premier and Cabinet	142.1	591.9
108.6	Primary Industries	..	..
118.3	State Development, Business and Innovation ^(a)	207.3	993.9
1 721.5	Transport, Planning and Local Infrastructure ^(a)	2 026.8	8 160.2
905.9	Treasury and Finance	892.5	4 649.0
36.6	Parliament	40.9	156.6
11 935.7	Total payments	12 312.4	46 545.5
(1 751.1)	Net receipts/(payments)	(716.7)	(1 501.0)

Note:

(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.

Note 17: Public Account *(continued)*

(b) Trust Fund cash flow statement

(\$ million)

2012-13 Actual to Sept		2013-14 Actual to Sept	Annual Budget
	Cash flows from operating activities		
	Receipts		
132.0	Taxation	153.7	292.8
11.1	Regulatory fees and fines	12.9	47.8
759.2	Grants received	3 233.0	6 892.6
158.5	Sale of goods and services	177.1	907.2
27.3	Interest received	24.2	102.1
3 334.6	Net transfers from consolidated fund	3 043.0	9 518.3
21.9	Other receipts	43.2	148.2
4 444.7	Total receipts	6 687.2	17 909.1
	Payments		
(30.8)	Employee benefits	(32.5)	(167.3)
(3.2)	Superannuation	(2.9)	(12.2)
(3 795.8)	Grants paid	(6 050.8)	(15 627.1)
(531.0)	Supplies and consumables	(516.7)	(1 978.8)
(3.2)	Interest paid	(2.4)	(14.8)
(4 363.9)	Total payments	(6 605.4)	(17 800.1)
80.7	Net cash flows from operating activities	81.8	109.0
	Cash flows from investing activities		
11.0	Proceeds from sale of property, plant and equipment	6.1	39.7
(29.8)	Purchases of property, plant and equipment	(10.0)	(25.7)
32.7	Other investing activities	22.7	(76.7)
14.0	Net cash flows from investing activities	18.8	(62.7)
	Cash flows from financing activities		
(315.1)	Net proceeds (repayments) from borrowings	(449.6)	(17.3)
(315.1)	Net cash flows from financing activities	(449.6)	(17.3)
(220.4)	Net cash inflow/(outflow)	(349.0)	29.0

Note 17: Public Account (continued)

(c) Reconciliation of cash flows to balances held

(\$ million)

	Balances held at 30 Jun 2013	Sept movement YTD	Balances held at 30 Sept 2013
Cash and deposits			
Cash balances outside the Public Account	(0.2)	(0.1)	(0.2)
Deposits held with the Public Account – specific trusts	544.9	196.4	741.3
Other balances held in the Public Account	2 763.3	(1 265.1)	1 498.2
Total cash and deposits	3 308.1	(1 068.8)	2 239.3
Investments			
Investments held with the Public Account – specific trusts	586.8	(25.1)	561.7
Total investments	586.8	(25.1)	561.7
Total fund balances	3 894.9	(1 093.9)	2 801.0
Less funds held outside the Public Account			
Cash	(0.2)	(0.1)	(0.2)
Total fund balances held outside the Public Account	(0.2)	(0.1)	(0.2)
Total funds held in the Public Account ^(a)	3 895.0	(1 093.9)	2 800.8

Note:

(a) See Note 17 (d) below for details of securities and investments including amounts held in the Public Account on behalf of trust accounts.

(d) Details of securities held

(\$ million)

2012-13 Actual to Sept		2013-14 Opening 1 Jul	Actual 30 Sept
1 166.7	Amounts invested on behalf of specific trust accounts	1 131.7	1 303.0
689.5	General account balances	2 763.3	1 497.8
1 856.2	Total public account	3 895.0	2 800.8
	Represented by:		
1 166.7	Stocks and securities	1 131.7	1 303.0
159.3	Cash and investments	2 269.1	1 244.9
1 326.0	Total stock, securities, cash and investments	3 400.9	2 547.9
	Add cash advanced for:		
530.2	Advances pursuant to sections 36 and 37 of the <i>Financial Management Act 1994</i>	494.2	252.8
1 856.2	Total public account	3 895.0	2 800.8

Note 18: Glossary of technical terms

The 2012-13 *Financial Report for the State of Victoria* (Note 39) contains a comprehensive summary of the major technical terms used in this report.

Note 19: Controlled entities

Note 41 Controlled entities in 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 financial report.

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

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) 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.
- (c) 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.

Notes (continued):

- (d) Effective from 29 August 2013, CenITex was transferred from the Department of Treasury and Finance to the Department of State Development, Business and Innovation.*
- (e) 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.*
- (f) 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.*
- (g) At 30 June 2013, the Public Transport Ticketing Body ceased to exist and its operations transferred to Public Transport Victoria, a general government entity.*
- (h) 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.*
- (i) On 1 July 2013, Victorian Building Authority commenced operations.*

RESULTS QUARTER BY QUARTER – VICTORIAN GENERAL GOVERNMENT SECTOR

Consolidated operating statement for the past five quarters

(\$ million)

	2012-13				2013-14
	Sept	Dec	Mar	Jun	Sept
Revenue					
Taxation revenue	3 634.7	3 558.0	4 791.6	3 546.4	4 300.5
Interest	96.4	160.7	229.0	214.6	204.3
Dividends and income tax equivalent and rate equivalent revenue	48.9	648.8	36.7	607.3	64.5
Sales of goods and services	1 568.6	2 023.1	1 598.7	1 678.9	1 727.2
Grants	5 039.8	5 540.4	5 976.2	5 345.8	5 453.1
Other revenue	517.6	522.9	501.7	726.2	521.5
Total revenue	10 906.1	12 453.9	13 133.7	12 119.2	12 271.0
Expenses					
Employee expenses	4 334.0	4 555.9	4 279.6	4 619.0	4 388.4
Net superannuation interest expense ^(a)	305.3	238.9	266.1	269.0	266.7
Other superannuation expenses	458.7	500.1	491.0	474.2	478.7
Depreciation	552.3	540.4	556.9	604.7	611.6
Interest expense	326.6	426.4	488.3	534.0	525.9
Other operating expenses	3 993.2	3 937.1	3 760.4	4 403.4	4 189.1
Grants and other transfers	1 742.9	2 115.9	2 315.4	1 839.7	2 060.2
Total expenses	11 713.0	12 314.6	12 157.7	12 744.1	12 520.6
Net result from transactions – net operating balance	(806.9)	139.2	976.0	(624.9)	(249.6)
Other economic flows included in net result					
Net gain/(loss) on sale of non-financial assets	2.2	17.8	2.8	(2.0)	(4.4)
Net gain/(loss) on financial assets or liabilities at fair value	0.8	..	1.5	17.1	22.2
Net actuarial gains/(losses) on superannuation defined benefit plans ^(a)	..	..	18.3	(18.3)	..
Share of net profit/(loss) from associates/joint venture entities, excluding dividends	..	0.2	..	4.6	..
Other gains/(losses) from other economic flows	(87.2)	(87.1)	(120.5)	32.6	(96.5)
Total other economic flows included in net result	(84.3)	(69.2)	(97.9)	34.0	(78.7)
Net result	(891.2)	70.1	878.1	(590.8)	(328.4)
Other economic flows – other comprehensive income					
Items that will not be reclassified to net result					
Changes in non-financial assets revaluation surplus	12.6	(2.1)	0.1	689.9	(72.9)
Remeasurement of superannuation defined benefit plans ^(a)	(956.0)	2 167.4	2 837.3	3 899.0	1 428.4
Net gain on equity investments in other sector entities at proportional share of net assets	..	158.1	1 150.4	(2 118.8)	..
Other movements in equity	(178.0)	148.8	(8.6)	907.2	103.5

	2012-13				2013-14
	Sept	Dec	Mar	Jun	Sept
Items that may be reclassified subsequently to net result					
Net gain/(loss) on financial assets at fair value	2.0	(6.2)	2.8	21.6	3.4
Total other economic flows – other comprehensive income	(1 119.4)	2 466.0	3 982.1	3 398.9	1 462.4
Comprehensive result – total change in net worth	(2 010.6)	2 536.0	4 860.2	2 808.0	1 134.0
FISCAL AGGREGATES					
Net operating balance	(806.9)	139.2	976.0	(624.9)	(249.6)
Less: Net acquisition of non-financial assets from transactions	186.3	238.6	1 219.4	1 039.8	263.7
Net lending/(borrowing)	(993.2)	(99.4)	(243.4)	(1 664.6)	(513.4)

Note:

(a) Quarterly figures for financial year 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(E).

Consolidated balance sheet as at the end of the quarter

(\$ million)

	Sept ^(a)	2012-13			2013-14
		Dec	Mar	Jun ^(a)	Sept
Assets					
Financial assets					
Cash and deposits	3 548.3	4 850.8	4 004.6	3 962.0	3 286.6
Advances paid	300.9	4 640.1	4 631.9	4 626.8	4 644.1
Receivables	4 430.0	4 792.8	5 730.3	5 061.0	4 954.7
Investments, loans and placements	2 253.7	2 389.2	2 468.9	3 383.4	3 672.7
Investments accounted for using equity method	44.3	45.6	45.6	49.4	49.4
Investments in other sector entities	67 988.8	68 957.6	70 382.7	69 489.5	70 051.7
Total financial assets	78 566.0	85 676.2	87 264.0	86 572.1	86 659.2
Non-financial assets					
Inventories	230.6	235.8	236.4	192.1	212.6
Non-financial assets held for sale	131.6	127.2	123.6	142.1	72.2
Land, buildings, infrastructure, plant and equipment	97 734.7	98 036.4	99 254.6	100 804.0	101 082.5
Other non-financial assets	1 108.9	1 045.3	933.2	954.3	1 196.4
Total non-financial assets	99 205.9	99 444.7	100 547.8	102 092.5	102 563.7
Total assets	177 771.9	185 121.0	187 811.8	188 664.6	189 222.9
Liabilities					
Deposits held and advances received	404.8	380.1	402.3	449.0	422.6
Payables	5 347.4	5 774.8	5 329.5	5 958.4	5 357.8
Borrowing	22 671.5	29 414.0	30 161.3	31 345.3	32 688.2
Employee benefits	5 294.1	5 034.3	5 152.9	5 208.8	5 273.7
Superannuation	33 685.0	31 635.1	28 902.2	25 142.5	23 782.8
Other provisions	616.0	593.6	714.4	603.3	606.6
Total liabilities	68 018.8	72 831.9	70 662.6	68 707.4	68 131.9
Net assets	109 753.1	112 289.0	117 149.2	119 957.2	121 091.0
Accumulated surplus/(deficit)	32 807.9	35 161.0	38 855.7	43 174.7	44 361.2
Reserves	76 895.2	77 078.0	78 243.5	76 732.5	76 679.8
Non-controlling interest	50.0	50.0	50.0	50.0	50.0
Net worth	109 753.1	112 289.0	117 149.2	119 957.2	121 091.0
FISCAL AGGREGATES					
Net financial worth	10 547.2	12 844.3	16 601.4	17 864.7	18 527.3
Net financial liabilities	57 441.6	56 113.3	53 781.3	51 624.7	51 524.3
Net debt	16 973.3	17 914.0	19 458.1	19 822.1	21 507.4

Note:

(a) Restated balances reflecting amendments disclosed in the 2012-13 Annual Financial Report.

Consolidated cash flow statement for the past five quarters

(\$ million)

	2012-13				2013-14
	Sept	Dec	Mar	Jun	Sept
Cash flows from operating activities					
Receipts					
Taxes received	3 969.8	3 662.9	3 471.2	4 128.0	4 120.9
Grants	5 011.5	5 538.5	5 976.8	5 465.1	5 430.9
Sales of goods and services ^(a)	1 714.8	1 796.4	1 674.2	1 947.0	1 955.8
Interest received	98.1	150.7	204.4	221.6	209.7
Dividends and income tax equivalent and rate equivalent receipts	72.7	660.3	31.1	434.9	209.0
Other receipts	282.2	494.4	799.4	152.8	482.1
Total receipts	11 149.1	12 303.2	12 157.0	12 349.4	12 408.3
Payments					
Payments for employees	(4 085.6)	(4 795.5)	(4 150.3)	(4 532.1)	(4 313.6)
Superannuation	(632.4)	(621.5)	(634.4)	(622.2)	(676.6)
Interest paid	(325.6)	(400.5)	(476.0)	(500.5)	(497.3)
Grants and subsidies	(2 041.0)	(2 144.6)	(2 675.4)	(1 335.6)	(2 325.4)
Goods and services ^(a)	(4 432.3)	(3 809.8)	(3 380.2)	(4 069.7)	(4 915.3)
Other payments	(181.1)	(153.1)	(133.8)	(133.1)	(181.9)
Total payments	(11 698.0)	(11 925.0)	(11 450.0)	(11 193.3)	(12 910.1)
Net cash flows from operating activities	(549.0)	378.2	707.0	1 156.1	(501.9)
Cash flows from investing activities					
Purchases of non-financial assets	(764.5)	(681.9)	(1 031.5)	(1 655.2)	(769.6)
Sales of non-financial assets	25.9	46.4	44.9	130.8	24.3
Cash flows from investments in non-financial assets	(738.6)	(635.5)	(986.6)	(1 524.5)	(745.3)
Net cash flows from investments in financial assets for policy purposes	(450.5)	(505.4)	(508.7)	147.8	(417.9)
Sub-total	(1 189.1)	(1 141.0)	(1 495.2)	(1 376.7)	(1 163.2)
Net cash flows from investments in financial assets for liquidity management purposes	(28.0)	(159.2)	(81.1)	(905.7)	(209.1)
Net cash flows from investing activities	(1 217.1)	(1 300.2)	(1 576.4)	(2 282.3)	(1 372.3)
Cash flows from financing activities					
Advances received (net)	9.5	(4.8)	(1.9)	(3.0)	..
Net borrowings	74.4	2 449.2	(0.4)	1 038.3	1 215.3
Deposits received (net)	29.1	(19.9)	24.1	49.7	(26.4)
Other financing (net)	..	..	1.4	(1.4)	..
Net cash flows from financing activities	113.0	2 424.5	23.2	1 083.6	1 188.8
Net increase/(decrease) in cash and cash equivalents	(1 653.0)	1 502.5	(846.2)	(42.6)	(685.4)
Cash and cash equivalents at beginning of reporting period	5 001.3	3 348.3	4 850.8	4 004.6	3 962.0
Cash and cash equivalents at end of reporting period	3 348.3	4 850.8	4 004.6	3 962.0	3 276.6
FISCAL AGGREGATES					
Net cash flows from operating activities	(549.0)	378.2	707.0	1 156.1	(501.9)
Net cash flows from investments in non-financial assets	(738.6)	(635.5)	(986.6)	(1 524.5)	(745.3)
Cash surplus/(deficit)	(1 287.6)	(257.4)	(279.6)	(368.4)	(1 247.2)

Note:

(a) Inclusive of goods and services tax.

STYLE CONVENTIONS

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

The notation used in the tables is as follows:

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

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Quarterly Financial Report No.1
30 September 2013
dtf.vic.gov.au

Department of **Treasury and Finance**