

Victorian Budget 2022/23

Quarterly Financial Report No. 1

Presented by Tim Pallas MP
Treasurer of the State of Victoria



The Secretary
Department of Treasury and Finance
1 Treasury Place
Melbourne, Victoria, 3002
Australia
Tel: +61 3 9651 5111
Fax: +61 3 9651 2062
Website: dtf.vic.gov.au

Authorised by the Victorian Government
1 Treasury Place, Melbourne, 3002

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September 2022



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OVERVIEW

This financial report presents the financial results for the Victorian general government sector for the three months ended 30 September 2022, prepared in accordance with the *Financial Management Act 1994*.

FINANCIAL RESULTS FOR THE GENERAL GOVERNMENT SECTOR

For the three months to 30 September 2022, the net result from transactions for the general government sector recorded a deficit of \$1.4 billion. This result compares with a full-year revised budget deficit of \$10.2 billion.

Caution needs to be exercised in interpreting and drawing conclusions from variances against the full-year deficit in the revised budget, as the revised budget estimate includes forecast expenditure in the year associated with the recent severe flood event which is expected to be incurred in the course of the remaining nine months of 2022-23.

Caution also 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 and Commonwealth grants.

Revenue from transactions

Total revenue for the three months to 30 September 2022 was \$19.9 billion. This is 24.4 per cent of the full-year revised budget estimate and an increase of \$2 billion compared with the same period last year.

Taxation revenue was \$7.8 billion, or 25.2 per cent of the full-year revised budget estimate. Taxation revenue increased by \$824 million when compared with the same period last year. This was primarily due to an increase in payroll tax due to the strong labour market, and the introduction of the Mental Health and Wellbeing Levy which came into effect on 1 January 2022. Gambling taxes from electronic gaming machines also drove the increase due to the lifting of public health restrictions on in-person gambling venues when compared with the same period last year.

Grants revenue was \$9.3 billion, or 23.6 per cent of the full-year budget estimate. This is below the pro-rata budget, primarily due to the timing of Commonwealth grants. Grant revenue was \$567 million higher when compared with the same period last year. This was primarily driven by an increase in grants from the Commonwealth relating to the National Health Reform Agreement and the COVID-19 health response, and capital grants for road and rail projects, including for the Monash Freeway Upgrade – Stage 2 and the Shepparton Corridor Upgrade.

Revenue from the sale of goods and services was \$1.7 billion, or 27.9 per cent of the full-year revised budget estimate. The sale of goods and services was \$413 million higher when compared with the same period last year. This was above the pro-rata budget primarily due to the upfront recognition of the licence revenue from the VicRoads Modernisation Joint Venture (VicRoads Modernisation) for its right to deliver administrative and cash collection services for the Transport Accident Commission and the State Revenue Office.

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

Expenses from transactions

Total expenses to the end of September 2022 were \$21.3 billion, a decrease of \$3.1 billion compared with the same period last year. The decrease in total expenses mainly reflects the one-off impact in 2021-22 of the Government's response to COVID-19 to support businesses.

Total expenses were \$1.6 billion below pro-rata at 23.3 per cent of the budget estimate. The variance to the pro-rata budget for expenditure other than grants is primarily due to the timing of expenditure programs across departments. Also driving the variance is the forecast expenditure to meet the immediate needs of flood-affected communities and support the emergency response. This expenditure will be incurred in the remaining nine months of 2022-23.

Other economic flows

Other economic flows that are not included in the net result from transactions reflected a positive impact of \$5.3 billion for the three months to 30 September 2022. This was primarily due to the revaluation of the registration and licensing database as required by AASB 1059 *Service Concession Arrangements: Grantors* following the VicRoads Modernisation. There was also a remeasurement gain on the State's defined benefit superannuation liability of \$1.3 billion that primarily arose due to an increase in the bond yields that underlie the key superannuation valuation assumptions, partially offset by lower-than-expected investment returns on superannuation assets.

Balance sheet

Total assets increased by \$20.8 billion in the three months to 30 September 2022. This mainly reflects an increase in cash and deposits, primarily relating to the upfront proceeds of \$7.9 billion received from the VicRoads Modernisation, which have been used to establish the Victorian Future Fund. The VicRoads Modernisation also resulted in an increase in total assets due to the recognition and valuation of the registration and licensing database and the recognition of the State's minority interest in the joint venture. Also driving the increase in total assets was the Government's infrastructure investment program.

Total liabilities increased by \$16.8 billion to \$185.7 billion as at 30 September 2022. This increase was primarily due to an increase in payables resulting from the grant of a right to the operator liability recognised as part of the VicRoads Modernisation, and higher borrowings to fund the Government's infrastructure program and the operating deficit for the quarter.

Net debt decreased by \$3.5 billion to \$96.5 billion as at 30 September 2022. This was driven by the upfront proceeds from the VicRoads Modernisation transaction, partially offset by funding the Government's infrastructure program and the operating deficit for the quarter.

Cash flow statement

The net cash flows from operating activities was a surplus of \$7.6 billion for the three months to 30 September 2022. The net cash flows from operating activities improved by \$13.5 billion from the equivalent period in the prior year, primarily relating to the upfront proceeds of \$7.9 billion received from the VicRoads Modernisation, and the lower net result from transactions deficit compared with the prior year.

Government infrastructure investment

The State continues to deliver its infrastructure program to support economic activity and jobs, growing community needs and ongoing productivity improvements. Government infrastructure investment, which includes general government net infrastructure investment (net of asset sales) and estimated construction-related cash outflows for Partnerships Victoria projects, totalled \$4.8 billion for the three months to 30 September 2022 (\$3.8 billion for the corresponding period in 2021).

The Government's infrastructure scorecard as at 30 September 2022

Major projects in progress include:

- A Pathway to More Acute Mental Health Beds
- Additional Acute Mental Health Beds in Regional Victoria
- Additional VLocity trains
- Ballarat Health Services expansion and redevelopment
- Barwon Heads Road Upgrade
- Barwon Women's and Children's Hospital
- Big Housing Build
- Building a World-Class Geelong Performing Arts Centre
- City Loop fire and safety upgrade (Stage 2) and intruder alarm
- Courts case management system
- E-Class Tram Infrastructure Program
- Echuca-Moama Bridge
- Expanding and improving bed-based forensic mental health services: Thomas Embling Hospital
- Frankston Hospital Redevelopment
- Frankston line stabling
- Geelong Convention and Exhibition Centre
- Geelong Fast Rail
- Goulburn Valley Health redevelopment
- Gippsland Line Upgrade – Stage 1
- High Capacity Metro Trains Project
- Homes Victoria Ground Lease Model Project 1
- Hurstbridge Line upgrade – Stage 2
- Kardinia Park Stadium – Stage 5 redevelopment
- Level Crossing Removal Project: 85 by 2025
- M80 Ring Road upgrade
- Melbourne Arts Precinct Transformation – Phase 1
- Melbourne Airport Rail
- Melbourne Park redevelopment – Stage 3
- Men's prison system capacity
- Metro Tunnel
- Metropolitan Network Modernisation program
- Monash Freeway Upgrade – Stage 2

The Government's infrastructure scorecard as at 30 September 2022 (continued)

- Murray Basin Rail Project
- New Footscray Hospital
- New Melton Hospital
- New metropolitan trains
- New schools (land acquisition, construction, relocatable buildings, school upgrades)
- New trains for Sunbury
- New Wyndham Law Court
- Next Generation Trams
- North East Link – Primary Package (Tunnels)
- North East Link – State and Freeway Packages
- Northern Hospital inpatient expansion – Stage 2
- Princes Highway East – Stage 3
- Public housing renewal program
- Public transport ticketing asset renewal
- Redevelopment of the Thomas Embling Hospital – Stage 2
- Royal Victorian Eye and Ear Hospital redevelopment
- Shepparton Corridor Upgrade – Stages 2 and 3
- South Dynon train maintenance facility
- Suburban Rail Loop
- Suburban Roads Upgrade
- Technology and resources to support Victoria's fines system
- Ten new community hospitals
- Tram infrastructure upgrades
- Victorian Heart Hospital
- Warrnambool Base Hospital Redevelopment
- Waurn Ponds Track Duplication – Stage 2
- West Gate Tunnel Project
- Western Highway duplication – Ballarat to Stawell
- Western Plains Correctional Centre
- Western Rail Plan
- Women's prison system capacity

CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT

For the period ended 30 September

(\$ million)

2021-22		2022-23		
actual			actual	revised
30 Sep		Notes	30 Sep	budget
Revenue and income from transactions				
7 018	Taxation ^(a)	2.1	7 842	31 166
133	Interest income		259	831
94	Dividends, income tax equivalent and rate equivalent income	2.2	88	559
1 283	Sales of goods and services	2.3	1 696	6 067
8 698	Grants	2.4	9 265	39 290
690	Other revenue and income	2.5	751	3 547
17 915	Total revenue and income from transactions ^(a)		19 900	81 460
Expenses from transactions				
7 882	Employee expenses		8 361	33 474
142	Net superannuation interest expense	3.3	172	719
969	Other superannuation	3.3	1 039	3 413
1 048	Depreciation	4.2	1 085	4 712
639	Interest expense		822	3 863
7 950	Grant expense		4 021	18 779
5 763	Other operating expenses		5 814	26 682
24 393	Total expenses from transactions	3.4	21 315	91 643
(6 477)	Net result from transactions – net operating balance ^(a)		(1 415)	(10 183)
Other economic flows included in net result				
27	Net gain/(loss) on disposal of non-financial assets		32	54
(33)	Net gain/(loss) on financial assets or liabilities at fair value		(7)	60
..	Share of net profit/(loss) from associates/joint venture entities		3	26
113	Other gains/(losses) from other economic flows	6.1	(5)	(479)
108	Total other economic flows included in net result		23	(339)
(6 369)	Net result ^(a)		(1 392)	(10 522)
Other economic flows – other comprehensive income				
Items that will not be reclassified to net result				
258	Changes in non-financial assets revaluation surplus		4 393	6 154
690	Remeasurement of superannuation defined benefits plans	3.3	1 284	1 872
(34)	Other movements in equity		(437)	21
Items that may be reclassified subsequently to net result				
18	Net gain/(loss) on financial assets at fair value		87	95
..	Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets		..	(3 869)
931	Total other economic flows – other comprehensive income		5 328	4 274
(5 439)	Comprehensive result – total change in net worth ^(a)		3 936	(6 248)
KEY FISCAL AGGREGATES ^(a)				
(6 477)	Net operating balance		(1 415)	(10 183)
2 483	Less: Net acquisition of non-financial assets from transactions	3.6	2 692	9 164
(8 960)	Net lending/(borrowing)		(4 106)	(19 347)

Note:

(a) The September 2021 taxation revenue and corresponding totals have been restated to reflect more current information.

CONSOLIDATED BALANCE SHEET

As at 30 September

(\$ million)

2021-22		2022-23			
actual			opening	actual	revised
30 Sep		Notes	1 Jul	30 Sep	budget
Assets					
Financial assets					
15 786	Cash and deposits ^{(a)(b)}	6.2	10 985	22 544	11 118
5 284	Advances paid		4 934	5 025	5 326
8 142	Receivables and contract assets ^{(a)(c)}	5.1	8 416	8 041	7 904
3 017	Investments, loans and placements		3 370	3 472	12 549
10	Investments accounted for using the equity method		10	1 221	1 219
73 288	Investments in other sector entities		89 162	89 414	89 226
105 527	Total financial assets ^{(a)(c)}		116 876	129 716	127 342
Non-financial assets					
849	Inventories		1 262	1 130	753
183	Non-financial assets held for sale		171	154	187
198 442	Land, buildings, infrastructure, plant and equipment ^(a)	4.1	225 771	229 316	238 100
3 860	Other non-financial assets	4.7	3 313	7 859	7 342
203 333	Total non-financial assets		230 516	238 459	246 382
308 860	Total assets ^{(a)(c)}		347 392	368 175	373 724
Liabilities					
2 366	Deposits held and advances received		1 835	1 762	1 386
15 731	Payables	5.2	17 567	27 048	26 416
381	Contract liabilities	5.2	342	358	338
103 944	Borrowings		117 421	125 758	143 651
9 642	Employee benefits	3.2	9 859	9 911	10 099
26 894	Superannuation		19 756	18 845	17 461
1 542	Other provisions		2 082	2 026	2 090
160 500	Total liabilities		168 861	185 707	201 441
148 360	Net assets ^{(a)(c)}		178 531	182 468	172 283
52 746	Accumulated surplus/(deficit)		52 827	52 290	44 198
95 614	Reserves		125 704	130 178	128 085
148 360	Net worth ^{(a)(c)}		178 531	182 468	172 283
FISCAL AGGREGATES ^{(a)(c)}					
(54 973)	Net financial worth		(51 985)	(55 991)	(74 099)
128 262	Net financial liabilities		141 147	145 405	163 326
82 224	Net debt		99 968	96 479	116 045

Notes:

(a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and transferred from the PNFC sector to be amalgamated into the Department of Environment, Land, Water and Planning (DELWP) to form a business unit within DELWP, Recycling Victoria. This has resulted in the 1 July 2022 opening balance not equalling the 30 June closing balance.

(b) The increase in cash and deposits from the 1 July 2022 opening balance is primarily due to the \$7.9 billion received from the VicRoads Modernisation Joint Venture, which has been used to establish the Victorian Future Fund.

(c) The September 2021 receivables and contract assets and corresponding totals have been restated to reflect more current information.

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 September

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
		Notes	
Cash flows from operating activities			
Receipts			
6 932	Taxes received		7 962 31 439
8 758	Grants		9 307 39 283
1 709	Sales of goods and services ^(a)		2 097 6 634
130	Interest received		235 780
94	Dividends, income tax equivalent and rate equivalent receipts		88 888
483	Other receipts		8 171 10 381
18 106	Total receipts		27 859 89 406
Payments			
(7 618)	Payments for employees		(8 282) (33 241)
(746)	Superannuation		(838) (4 554)
(578)	Interest paid		(724) (3 556)
(8 280)	Grants and subsidies		(4 190) (18 764)
(6 547)	Goods and services ^(a)		(6 033) (25 996)
(236)	Other payments		(240) (1 415)
(24 004)	Total payments		(20 307) (87 525)
(5 898)	Net cash flows from operating activities		7 552 1 880
Cash flows from investing activities			
Cash flows from investments in non-financial assets			
(3 041)	Purchases of non-financial assets	3.5	(3 500) (14 681)
44	Sales of non-financial assets		73 423
(2 996)	Net cash flows from investments in non-financial assets		(3 426) (14 259)
78	Net cash flows from investments in financial assets for policy purposes		(391) (1 755)
(2 918)	Sub-total		(3 818) (16 014)
(69)	Net cash flows from investments in financial assets for liquidity management purposes		(71) (9 079)
(2 987)	Net cash flows from investing activities		(3 889) (25 092)
Cash flows from financing activities			
(499)	Advances received (net)		(111) (448)
10 486	Net borrowings		7 968 23 794
74	Deposits received (net)		38 ..
10 062	Net cash flows from financing activities		7 896 23 346
1 177	Net increase/(decrease) in cash and cash equivalents		11 559 133
14 609	Cash and cash equivalents at beginning of the reporting period		10 985 10 985
15 786	Cash and cash equivalents at end of the reporting period	6.2	22 544 11 118
FISCAL AGGREGATES			
(5 898)	Net cash flows from operating activities		7 552 1 880
(2 996)	Net cash flows from investments in non-financial assets		(3 426) (14 259)
(8 894)	Cash surplus/(deficit)		4 126 (12 378)

Note:

(a) These items include goods and services tax.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September

(\$ million)

	Accumulated surplus/(deficit)	Non-financial assets revaluation surplus	Investment in other sector entities revaluation surplus	Other reserves	Total
2022-23					
Balance at 1 July 2022 ^(a)	52 827	79 719	44 815	1 170	178 531
Net result for the year	(1 392)	..	..	..	(1 392)
Other comprehensive income for the year	854	4 393	..	81	5 328
Total equity as at 30 September 2022	52 290	84 112	44 815	1 250	182 468
Budget equity as at 30 June 2023	44 198	85 874	40 946	1 265	172 283
2021-22					
Balance at 1 July 2021	58 642	61 017	32 981	1 159	153 799
Net result for the year ^(b)	(6 369)	..	..	..	(6 369)
Other comprehensive income for the year	473	258	..	200	931
Total equity as at 30 September 2021 ^(b)	52 746	61 275	32 981	1 358	148 360

Notes:

(a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and transferred from the PNFC sector to be amalgamated into DELWP to form a business unit within DELWP, Recycling Victoria. This has resulted in the 1 July 2022 opening balance not equalling the 30 June closing balance.

(b) The September 2021 figures have been restated to reflect more current information.

1. 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 2022.

The detailed accounting policies applied in preparing the quarterly financial report are consistent with those applied for the financial statements published in the 2021-22 *Financial Report* for the State of Victoria.

This quarterly financial report does not include all of the notes normally included with the annual financial report, and therefore should be read in conjunction with the 2021-22 *Financial Report*.

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 Australian Accounting Standards Board (AASB).

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

Where applicable, those paragraphs of 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 6.3. In the process of reporting the general government sector as a single economic entity, all material transactions and balances in the sector are eliminated.

2. HOW FUNDS ARE RAISED

Introduction

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

Revenue and income recognition are determined by the State based on the substance of the relevant arrangement in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 1059 *Service Concession Arrangements: Grantors*.

2.1 Taxation

(\$ million)

2021-22 actual 30 Sep		2022-23	
		actual 30 Sep	revised budget
	TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE		
1 583	Payroll tax ^(a)	1 830	7 145
..	Mental Health and Wellbeing Levy	199	858
1 583	Total taxes on employers' payroll and labour force ^(a)	2 029	8 003
	TAXES ON IMMOVABLE PROPERTY		
162	Land tax	188	5 158
745	Fire Services Property Levy	766	800
(6)	Congestion levy	(4)	117
147	Metropolitan improvement levy	147	202
1 049	Total taxes on property	1 097	6 276
	TAXES ON THE PROVISION OF GOODS AND SERVICES		
	Gambling taxes ^(b)		
155	Public lotteries	136	636
167	Electronic gaming machines	353	1 348
9	Casino	48	183
66	Racing and other sports betting	65	309
2	Other	4	14
	Financial and capital transactions		
2 571	Land transfer duty	2 506	8 064
5	Metropolitan planning levy	6	22
39	Financial accommodation levy	39	160
46	Growth areas infrastructure contribution	97	320
38	Levies on statutory corporations	38	173
477	Taxes on insurance	521	1 846
3 576	Total taxes on the provision of goods and services	3 814	13 078
	TAXES ON THE USE OF GOODS AND PERFORMANCE OF ACTIVITIES		
	Motor vehicle taxes		
436	Vehicle registration fees	481	1 976
258	Duty on vehicle registrations and transfers	291	1 176
..	Liquor licence fees	..	27
116	Other	130	629
810	Total taxes on the use of goods and performance of activities	902	3 808
7 018	Total taxation ^(a)	7 842	31 166

Notes:

(a) The 2021 figure has been restated to reflect more current information.

(b) The public lotteries, electronic gaming machines, casino, racing and other sports betting and other gambling taxes balances include gambling licence revenue to 30 September 2022 of \$41.9 million (30 September 2021: \$39.3 million) recognised under AASB 15. The balance of these items is recognised under AASB 1058.

2.2 Dividends, income tax equivalent and rate equivalent income

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
..	Dividends from PFC sector	..	60
..	Dividends from PNFC sector	..	100
23	Dividends from non-public sector	20	150
23	Dividends	20	310
1	Income tax equivalent income from PFC sector	2	8
69	Income tax equivalent income from PNFC sector	66	235
71	Income tax equivalent income	68	244
..	Local government rate equivalent income	..	5
94	Total dividends, income tax equivalent and rate equivalent income	88	559

2.3 Sales of goods and services

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
Amounts recognised as revenue from contracts with customers (AASB 15)			
18	Sale of goods	24	91
1 010	Provision of services	1 415	5 052
Amounts recognised as income of not-for-profit entities (AASB 1058)			
72	Motor vehicle regulatory fees	55	190
160	Other regulatory fees	184	639
1	Refunds and reimbursements	..	..
Amounts recognised as lease income (AASB 16)			
22	Rental	17	94
1 283	Total sales of goods and services	1 696	6 067

2.4 Grants ^(a)

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
4 487	General purpose grants	4 434	18 403
1 104	Specific purpose grants for on-passing	1 132	4 704
3 040	Specific purpose grants	3 692	15 756
8 631	Total	9 257	38 864
68	Other contributions and grants	8	426
8 698	Total grants	9 265	39 290

Note:

(a) Grants predominantly relate to grants from the Commonwealth Government which are recognised under AASB 1058.

2.5 Other revenue and income

(\$ million)

2021-22		2022-23	
<i>actual</i>		<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>30 Sep</i>	<i>budget</i>
Amounts recognised as revenue from contracts with customers (AASB 15)			
25	Royalties	35	140
67	Other revenue – health	77	248
138	Other miscellaneous revenue	184	812
Amounts recognised as income of not-for-profit entities (AASB 1058)			
156	Fair value of assets received free of charge or for nominal consideration	87	384
148	Fines	136	857
41	Donations and gifts	43	209
48	Other income – education	87	386
Amounts recognised as lease income (AASB 16)			
7	Other non-property rental	9	29
Revenue items accounted for under AASB 1059			
61	Revenue related to economic service concession arrangements	92	483
690	Total other revenue and income	751	3 547

3. HOW FUNDS ARE SPENT

Introduction

This section represents 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 2022.

3.1 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. Employee expenses are recognised in the period in which the employee provides the services.

Employee benefits (balance sheet)

As part of annual 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, significant judgement is applied in determining expected future wage and salary levels, experience of employee departures and periods of service. Future payments expected to be made after 12 months 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 2022.

3.2 Employee benefits (balance sheet)

(\$ million)

2021-22 actual 30 Sep		opening 1 Jul	2022-23 actual 30 Sep	revised budget
	Current			
708	Accrued salaries and wages	772	874	787
100	Other employee benefits	209	184	141
2 482	Annual leave	2 563	2 549	2 581
5 178	Long service leave	5 240	5 209	5 387
8 468	Total current employee benefits and on-costs	8 785	8 817	8 896
	Non-current			
1 174	Long service leave	1 074	1 094	1 203
1 174	Total non-current employee benefits and on-costs	1 074	1 094	1 203
9 642	Total employee benefits and on-costs	9 859	9 911	10 099

3.3 Superannuation (operating statement)

(\$ million)

2021-22		2022-23	
<i>actual</i>		<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>30 Sep</i>	<i>budget</i>
Defined benefit plans			
142	Net superannuation interest expense	172	719
375	Current service cost	357	988
Remeasurements:			
(313)	Expected return on superannuation assets excluding interest income	(248)	(836)
(5)	Other actuarial (gain)/loss on superannuation assets	407	407
(372)	Actuarial and other adjustments to unfunded superannuation liability	(1 443)	(1 443)
(172)	Total expense recognised in respect of defined benefit plans	(755)	(165)
Defined contribution plans			
570	Employer contributions to defined contribution plans	660	2 357
24	Other (including pensions)	22	67
594	Total expense recognised in respect of defined contribution plans	682	2 424
422	Total superannuation (gain)/expense recognised in operating statement	(73)	2 260
Represented by:			
142	Net superannuation interest expense	172	719
969	Other superannuation	1 039	3 413
1 111	Superannuation expense from transactions	1 211	4 132
(690)	Remeasurement recognised in other comprehensive income	(1 284)	(1 872)
422	Total superannuation costs recognised in operating statement	(73)	2 260

3.4 Total expenses by classification of the functions of government (COFOG) and by portfolio department

Total expenses from transactions by classification of the functions of government

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep ^(a)		30 Sep	budget
1 567	General public services	1 532	7 593
2 748	Public order and safety	2 589	12 437
4 845	Economic affairs	991	4 595
267	Environmental protection	247	1 119
479	Housing and community amenities	422	2 158
6 434	Health	7 137	28 930
209	Recreation, culture and religion	286	1 421
4 535	Education	4 850	20 872
1 727	Social protection	1 884	8 204
1 760	Transport	1 743	7 390
(178)	Not allocated by purpose	(366)	(3 077)
24 393	Total expenses from transactions	21 315	91 643

Note:

(a) The September 2021 figures have been reclassified between various expenses by COFOG classifications to more correctly reflect the nature of the transactions.

Total expenses from transactions by portfolio department

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
Expenses from transactions			
4 794	Education and Training	4 994	21 302
866	Environment, Land, Water and Planning	1 077	4 328
1 782	Families, Fairness and Housing	1 914	7 826
6 498	Health	7 276	28 592
5 002	Jobs, Precincts and Regions	787	4 392
2 628	Justice and Community Safety	2 389	9 888
173	Premier and Cabinet	250	1 106
1 787	Transport	1 785	7 147
2 334	Treasury and Finance	2 511	11 552
79	Parliament	81	357
188	Courts	201	877
744	Regulatory bodies and other part budget funded agencies ^(a)	791	3 486
26 876	Total expenses by department	24 057	100 852
(2 483)	Less eliminations and adjustments ^(b)	(2 742)	(9 209)
24 393	Total expenses from transactions	21 315	91 643

Notes:

(a) Other general government sector agencies not allocated to departments.

(b) Mainly comprising payroll tax and inter-departmental transfers. The revised budget also includes contingencies not allocated to departments and departmental underspend estimates.

3.5 Purchases of non-financial assets by portfolio department

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
529	Education and Training	461	3 316
55	Environment, Land, Water and Planning	59	417
1	Families, Fairness and Housing	13	128
94	Health	387	2 235
36	Jobs, Precincts and Regions	17	384
318	Justice and Community Safety	190	1 011
1	Premier and Cabinet	2	41
2 046	Transport	2 228	11 738
3	Treasury and Finance	3	216
6	Parliament	5	28
5	Courts	76	222
23	Regulatory bodies and other part funded agencies ^(a)	7	211
3 116	Total purchases of non-financial assets by department	3 447	19 945
(76)	Eliminations and adjustments ^(b)	52	(5 264)
3 041	Total purchases of non-financial assets	3 500	14 681

Notes:

(a) Other general government sector agencies not allocated to departments.

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

3.6 Net acquisition of non-financial assets from transactions

(\$ million)

2021-22		2022-23	
actual		actual	revised
30 Sep		30 Sep	budget
2 981	Purchases of non-financial assets (including change in inventories)	3 368	14 174
(44)	Less: Sales of non-financial assets	(73)	(423)
(1 048)	Less: Depreciation and amortisation	(1 085)	(4 712)
594	Plus/(less): Other movements in non-financial assets	482	125
2 483	Total net acquisition of non-financial assets from transactions	2 692	9 164

4. 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.

4.1 Total land, buildings, infrastructure, plant and equipment

(\$ million)

2021-22		2022-23		
actual		opening	actual	revised
30 Sep		1 Jul ^(a)	30 Sep	budget
46 758	Buildings	52 468	52 992	54 426
77 885	Land and national parks	93 099	93 340	94 476
16 034	Infrastructure systems	19 826	21 306	25 680
4 723	Plant, equipment and vehicles	5 360	5 529	6 506
36 480	Roads and road infrastructure	38 019	39 268	40 213
10 023	Earthworks	10 231	10 231	10 035
6 539	Cultural assets	6 768	6 649	6 765
198 442	Total land, buildings, infrastructure, plant and equipment	225 771	229 316	238 100

Note:

(a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and transferred from the PNFC sector to be amalgamated into the Department of Environment, Land, Water and Planning (DELWP) to form a business unit within DELWP, Recycling Victoria. This has resulted in the 1 July 2022 opening balance not equalling the 30 June closing balance.

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: buildings, infrastructure, plant and equipment

(\$ million)

2021-22		2022-23		
actual		opening	actual	revised
30 Sep		1 Jul	30 Sep	budget
8 329	Buildings	8 573	8 505	8 185
2	Infrastructure systems	1	1	1
503	Plant, equipment and vehicles	489	454	401
8 834	Total right-of-use assets: buildings, infrastructure, plant and equipment	9 063	8 960	8 587

Total service concession assets: land, buildings, infrastructure, plant and equipment

(\$ million)

2021-22		2022-23		
actual		opening	actual	revised
30 Sep		1 Jul	30 Sep	budget
1 998	Buildings	1 965	1 949	1 927
2 876	Land and national parks	3 353	3 353	3 353
5 788	Infrastructure systems	6 929	7 290	8 590
819	Plant, equipment and vehicles	1 151	1 207	1 430
11 194	Roads and road infrastructure ^(a)	13 129	13 693	15 242
924	Earthworks ^(a)	916	916	916
23 600	Total service concession assets: land, buildings, infrastructure, plant and equipment	27 444	28 406	31 457

Note:

(a) The September 2021 figures have been reclassified between roads and road infrastructure and earthworks.

4.2 Depreciation

(\$ million)

2021-22		2022-23	
<i>actual</i>		<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>30 Sep</i>	<i>budget</i>
539	Buildings	577	2 490
9	Infrastructure systems	10	53
187	Plant, equipment and vehicles	196	888
240	Roads and road infrastructure	235	967
5	Cultural assets	4	16
67	Intangible produced assets	63	298
1 048	Total depreciation	1 085	4 712

The following two tables are subsets of total depreciation expense.

Depreciation of right-of-use (leased) assets

(\$ million)

2021-22		2022-23	
<i>actual</i>		<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>30 Sep</i>	<i>budget</i>
161	Buildings	160	764
29	Plant, equipment and vehicles	29	127
190	Total depreciation of right-of-use assets	189	891

Depreciation of service concession assets

(\$ million)

2021-22		2022-23	
<i>actual</i>		<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>30 Sep</i>	<i>budget</i>
18	Buildings	16	47
5	Plant, equipment and vehicles	6	28
55	Roads and road infrastructure	51	199
..	Intangible produced assets	..	1
79	Total depreciation of service concession assets	74	276

4.3 Land and buildings

(\$ million)

2021-22		2022-23		
actual 30 Sep		opening 1 Jul ^(a)	actual 30 Sep	revised budget
51 819	Buildings	56 666	57 722	61 325
(5 060)	Accumulated depreciation	(4 198)	(4 730)	(6 899)
46 758	Buildings (net carrying amount)	52 468	52 992	54 426
76 218	Land	91 089	91 331	92 475
1 667	National parks and other 'land only' holdings	2 010	2 010	2 000
77 885	Land and national parks	93 099	93 340	94 476
124 644	Total land and buildings	145 567	146 333	148 901

Note:

(a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and transferred from the PNFC sector to be amalgamated into the Department of Environment, Land, Water and Planning (DELWP) to form a business unit within DELWP, Recycling Victoria. This has resulted in the 1 July 2022 opening balance not equalling the 30 June closing balance.

4.4 Plant, equipment and vehicles, and infrastructure systems

(\$ million)

2021-22		2022-23		
actual 30 Sep		opening 1 Jul ^(a)	actual 30 Sep	revised budget
16 572	Infrastructure systems	20 380	21 870	26 287
(538)	Accumulated depreciation	(554)	(564)	(608)
16 034	Infrastructure systems (net carrying amount)	19 826	21 306	25 680
10 157	Plant, equipment and vehicles	11 074	11 324	12 918
(5 434)	Accumulated depreciation	(5 714)	(5 795)	(6 412)
4 723	Plant, equipment and vehicles (net carrying amount)	5 360	5 529	6 506
20 757	Total plant, equipment and vehicles, and infrastructure systems	25 186	26 835	32 185

Note:

(a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and transferred from the PNFC sector to be amalgamated into the Department of Environment, Land, Water and Planning (DELWP) to form a business unit within DELWP, Recycling Victoria. This has resulted in the 1 July 2022 opening balance not equalling the 30 June closing balance.

4.5 Roads, road infrastructure and earthworks

(\$ million)

2021-22		2022-23		
actual 30 Sep		opening 1 Jul	actual 30 Sep	revised budget
37 840	Roads and roads infrastructure	40 098	41 583	43 267
(1 361)	Accumulated depreciation	(2 080)	(2 314)	(3 054)
36 480	Roads and road infrastructure (net carrying amount)	38 019	39 268	40 213
10 023	Earthworks	10 231	10 231	10 035
46 502	Total roads, road infrastructure and earthworks	48 250	49 500	50 248

4.6 Cultural assets

(\$ million)

2021-22		2022-23		
<i>actual</i>		<i>opening</i>	<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>1 Jul</i>	<i>30 Sep</i>	<i>budget</i>
6 764	Cultural assets	6 952	6 748	6 966
(225)	Accumulated depreciation	(184)	(100)	(201)
6 539	Total cultural assets	6 768	6 649	6 765

4.7 Other non-financial assets

(\$ million)

2021-22		2022-23		
<i>actual</i>		<i>opening</i>	<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>1 Jul</i>	<i>30 Sep</i>	<i>budget</i>
2 829	Intangible produced assets	3 035	3 020	3 249
(1 441)	Accumulated depreciation	(1 634)	(1 691)	(1 916)
485	Service concession assets – intangible produced	512	4 612	4 612
..	Accumulated depreciation	..	..	(1)
111	Intangible non-produced assets	78	78	80
(53)	Accumulated amortisation	(55)	(56)	(60)
1 931	Total intangibles	1 936	5 964	5 964
303	Investment properties	320	320	302
2	Biological assets	5	5	7
1 623	Other assets	1 052	1 570	1 070
3 860	Total other non-financial assets	3 313	7 859	7 342

5. OTHER ASSETS AND LIABILITIES

Introduction

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

5.1 Receivables and contract assets

(\$ million)

2021-22		2022-23		
actual		opening	actual	revised
30 Sep		1 Jul	30 Sep	budget
Contractual				
923	Sales of goods and services ^(a)	741	870	720
8	Accrued investment income	18	31	20
1 269	Other receivables	1 725	1 587	1 382
(180)	Allowance for impairment losses of contractual receivables	(202)	(204)	(199)
Statutory				
6	Sales of goods and services	11	11	11
4 713	Taxes receivable ^(b)	5 156	5 083	4 968
2 742	Fines and regulatory fees	2 728	2 740	2 750
382	GST input tax credits recoverable	607	408	605
737	Other receivables	..	..	..
(2 458)	Allowance for impairment losses of statutory receivables	(2 368)	(2 486)	(2 352)
Other				
..	Contract assets	1	..	1
8 142	Total receivables and contract assets ^{(a)(b)}	8 416	8 041	7 904
Represented by:				
7 649	Current receivables and contract assets ^{(a)(b)}	7 902	7 526	7 393
493	Non-current receivables and contract assets	514	514	512

Notes:

(a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and transferred from the PNFC sector to be amalgamated into DELWP to form a business unit within DELWP, Recycling Victoria. This has resulted in the 1 July 2022 opening balance not equalling the 30 June closing balance.

(b) The September 2021 figures have been restated to reflect more current information.

5.2 Payables and contract liabilities

(\$ million)

2021-22		2022-23		
actual		opening	actual	revised
30 Sep		1 Jul	30 Sep	budget
Contractual				
907	Accounts payable	838	1 293	844
3 968	Accrued expenses	5 152	5 046	4 727
9 650	Grant of a right to the operator liability	10 305	19 255	19 705
1 175	Unearned income	1 203	1 412	1 070
Statutory				
31	Accrued taxes payable	69	42	71
Other				
381	Contract liabilities	342	358	338
16 111	Total payables and contract liabilities	17 909	27 406	26 754
Represented by:				
6 160	Current payables and contract liabilities	7 260	7 975	7 001
9 951	Non-current payables and contract liabilities	10 649	19 431	19 753

6. OTHER DISCLOSURES

Introduction

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

6.1 Other gains/(losses) from other economic flows

(\$ million)

2021-22 <i>actual</i> 30 Sep		2022-23	
		<i>actual</i> 30 Sep	<i>revised</i> <i>budget</i>
112	Net (increase)/decrease in allowances for credit losses	(8)	(21)
(1)	Amortisation of intangible non-produced assets	..	(7)
(3)	Bad debts written off	(4)	(398)
5	Other gains/(losses)	8	(54)
113	Total other gains/(losses) from other economic flows	(5)	(479)

6.2 Reconciliation of cash and cash equivalents

(\$ million)

2021-22 <i>actual</i> 30 Sep		2022-23 <i>actual</i> 30 Sep
8 769	Cash	6 394
7 017	Deposits at call	16 150
15 786	Cash and cash equivalents	22 544
..	Bank overdraft	..
15 786	Balances as per cash flow statement	22 544

6.3 Controlled entities

Note 9.8 in Chapter 4 of the *2021-22 Financial Report* for the State of Victoria lists significant controlled entities that were consolidated in that financial report.

The following are changes in general government sector entities since 1 July 2022, which have also been incorporated in this financial report:

General government sector

Department of Environment, Land, Water and Planning ^(a)

Department of Jobs, Precincts and Regions

Victoria 2026 Pty Ltd ^(b)

Department of Transport ^(c)

Safe Transport Victoria (STV) ^(d)

VicRoads Modernisation including: ^(e)

- CP Services Victoria Pty Ltd
- R&L Services Victoria Pty Ltd
- Victorian R&L Services Trust
- Victorian CP Services Trust

Notes:

- (a) On 1 July 2022, the seven Waste and Resource Recovery Groups were abolished and amalgamated into DELWP to form a business unit within DELWP, Recycling Victoria.
- (b) On 7 September 2022, the Victorian Commonwealth Games Organising Committee was established as Victoria 2026 Pty Ltd to organise, host and manage the 2026 Commonwealth Games.
- (c) Effective from August 2022, VicHoldCo was dissolved.
- (d) On 1 July 2022, Commercial Passenger Vehicles Victoria and Transport Safety Victoria came together as a new entity, Safe Transport Victoria (STV), to create a new regulator to manage safety, compliance, accreditation and registration for commercial passenger vehicles, buses and the marine sector.
- (e) On 15 August 2022, the majority interest in the corporate trustees was transferred to the joint venture partner as part of the financial close of the VicRoads Modernisation process, with the State retaining an interest in the joint venture.

6.4 Glossary of technical terms

Note 9.9 in Chapter 4 of the *2021-22 Financial Report* for the State of Victoria summarises the major technical terms used in this report.

7. 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 (\$ million)

	2021-22				2022-23
	Sep	Dec	Mar	Jun	Sep
Revenue and income from transactions					
Taxation	7 018	5 936	9 994	7 599	7 842
Interest income	133	132	130	162	259
Dividends, income tax equivalent and rate equivalent income	94	296	64	430	88
Sales of goods and services	1 283	1 274	1 394	1 694	1 696
Grants	8 698	12 224	10 604	10 279	9 265
Other revenue and income	690	988	856	1 053	751
Total revenue and income from transactions	17 915	20 850	23 042	21 216	19 900
Expenses from transactions					
Employee expenses	7 882	8 226	7 740	8 391	8 361
Net superannuation interest expense	142	100	119	120	172
Other superannuation	969	923	952	1 068	1 039
Depreciation	1 048	1 079	1 063	1 118	1 085
Interest expense	639	747	658	826	822
Grant expense	7 950	6 677	4 955	5 481	4 021
Other operating expenses	5 763	6 600	6 967	8 612	5 814
Total expenses from transactions	24 393	24 352	22 454	25 615	21 315
Net result from transactions – net operating balance	(6 477)	(3 502)	588	(4 399)	(1 415)
Other economic flows included in net result					
Net gain/(loss) on disposal of non-financial assets	27	9	10	(31)	32
Net gain/(loss) on financial assets or liabilities at fair value	(33)	15	52	121	(7)
Share of net profit/(loss) from associates/joint venture entities	..	..	..	5	3
Other gains/(losses) from other economic flows	113	(164)	60	105	(5)
Total other economic flows included in net result	108	(141)	123	200	23
Net result	(6 369)	(3 643)	710	(4 200)	(1 392)
Other economic flows – other comprehensive income					
Items that will not be reclassified to net result					
Changes in non-financial assets revaluation surplus	258	95	110	18 240	4 393
Remeasurement of superannuation defined benefits plans	690	(854)	3 233	4 723	1 284
Other movements in equity	(34)	21	(6)	(33)	(437)
Items that may be reclassified subsequently to net result					
Net gain/(loss) on financial assets at fair value	18	(37)	(59)	34	87
Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets	..	(1 193)	48	12 980	..
Total other economic flows – other comprehensive income	931	(1 969)	3 326	35 943	5 328
Comprehensive result – total change in net worth	(5 439)	(5 612)	4 036	31 743	3 936
KEY FISCAL AGGREGATES					
Net operating balance	(6 477)	(3 502)	588	(4 399)	(1 415)
Less: Net acquisition of non-financial assets from transactions	2 483	3 707	2 976	1 583	2 692
Net lending/(borrowing)	(8 960)	(7 209)	(2 388)	(5 982)	(4 106)

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

	2021-22				2022-23
	Sep	Dec	Mar	Jun	Sep
Assets					
Financial assets					
Cash and deposits	15 786	13 119	13 573	10 974	22 544
Advances paid	5 284	4 931	4 695	4 929	5 025
Receivables and contract assets	8 142	6 721	9 470	8 406	8 041
Investments, loans and placements	3 017	5 108	3 374	3 370	3 472
Investments accounted for using the equity method	10	10	10	10	1 221
Investments in other sector entities	73 288	73 292	73 576	89 162	89 414
Total financial assets	105 527	103 181	104 697	116 851	129 716
Non-financial assets					
Inventories	849	879	1 154	1 262	1 130
Non-financial assets held for sale	183	181	171	171	154
Land, buildings, infrastructure, plant and equipment	198 442	202 492	206 017	225 770	229 316
Other non-financial assets	3 860	4 002	3 494	3 313	7 859
Total non-financial assets	203 333	207 555	210 836	230 516	238 459
Total assets	308 860	310 736	315 533	347 367	368 175
Liabilities					
Deposits held and advances received	2 366	2 036	1 916	1 831	1 762
Payables	15 731	15 791	16 192	17 551	27 048
Contract liabilities	381	375	323	342	358
Borrowings	103 944	110 693	114 353	117 420	125 758
Employee benefits	9 642	9 873	9 942	9 857	9 911
Superannuation	26 894	27 749	24 566	19 756	18 845
Other provisions	1 542	1 470	1 457	2 082	2 026
Total liabilities	160 500	167 987	168 749	168 839	185 707
Net assets	148 360	142 749	146 784	178 528	182 468
Accumulated surplus/(deficit)	52 746	48 331	52 271	52 824	52 290
Reserves	95 614	94 417	94 514	125 704	130 178
Net worth	148 360	142 749	146 784	178 528	182 468
FISCAL AGGREGATES					
Net financial worth	(54 973)	(64 806)	(64 052)	(51 988)	(55 991)
Net financial liabilities	128 262	138 098	137 628	141 149	145 405
Net debt	82 224	89 571	94 627	99 978	96 479

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

	2021-22			2022-23	
	Sep	Dec	Mar	Jun	Sep
Cash flows from operating activities					
Receipts					
Taxes received	6 932	6 771	7 614	8 970	7 962
Grants	8 758	12 937	10 653	10 373	9 307
Sales of goods and services ^(a)	1 709	1 230	1 412	1 930	2 097
Interest received	130	131	130	157	235
Dividends, income tax equivalent and rate equivalent receipts	94	288	72	96	88
Other receipts	483	634	396	393	8 171
Total receipts	18 106	21 992	20 276	21 919	27 859
Payments					
Payments for employees	(7 618)	(8 043)	(7 540)	(8 133)	(8 282)
Superannuation	(746)	(1 022)	(1 020)	(1 275)	(838)
Interest paid	(578)	(665)	(620)	(728)	(724)
Grants and subsidies	(8 280)	(6 654)	(4 957)	(4 729)	(4 190)
Goods and services ^(a)	(6 547)	(6 786)	(7 082)	(7 110)	(6 033)
Other payments	(236)	(282)	(182)	(320)	(240)
Total payments	(24 004)	(23 451)	(21 401)	(22 294)	(20 307)
Net cash flows from operating activities	(5 898)	(1 459)	(1 124)	(376)	7 552
Cash flows from investing activities					
Cash flows from investments in non-financial assets					
Purchases of non-financial assets	(3 041)	(3 728)	(3 304)	(5 095)	(3 500)
Sales of non-financial assets	44	45	58	128	73
Net cash flows from investments in non-financial assets	(2 996)	(3 683)	(3 246)	(4 967)	(3 426)
Net cash flows from investments in financial assets for policy purposes	78	(52)	(7)	28	(391)
Sub-total	(2 918)	(3 735)	(3 253)	(4 939)	(3 818)
Net cash flows from investments in financial assets for liquidity management purposes	(69)	(2 117)	1 891	(33)	(71)
Net cash flows from investing activities	(2 987)	(5 852)	(1 361)	(4 972)	(3 889)
Cash flows from financing activities					
Advances received (net)	(499)	(403)	(260)	232	(111)
Net borrowings	10 486	4 975	3 060	2 834	7 968
Deposits received (net)	74	72	140	(317)	38
Net cash flows from financing activities	10 062	4 644	2 939	2 750	7 896
Net increase/(decrease) in cash and cash equivalents	1 177	(2 667)	454	(2 598)	11 559
Cash and cash equivalents at beginning of the reporting period	14 609	15 786	13 119	13 573	10 985
Cash and cash equivalents at end of the reporting period	15 786	13 119	13 573	10 974	22 544
FISCAL AGGREGATES					
Net cash flows from operating activities	(5 898)	(1 459)	(1 124)	(376)	7 552
Net cash flows from investments in non-financial assets	(2 996)	(3 683)	(3 246)	(4 967)	(3 426)
Cash surplus/(deficit)	(8 894)	(5 142)	(4 371)	(5 343)	4 126

Note:

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

STYLE CONVENTIONS

The source of data for tables and charts is the Department of Treasury and Finance unless specified otherwise. 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

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