



Victorian Budget

2011-12 Statement of Finances
(incorporating Quarterly Financial Report No. 3)

Budget Paper No. 5

Presented by Kim Wells MP
Treasurer of the State of Victoria

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Budget Paper No. 2 – Strategy and Outlook
Budget Paper No. 3 – Service Delivery
Budget Paper No. 4 – State Capital Program
Budget Paper No. 5 – Statement of Finances
(incorporating Quarterly Financial Report No. 3)
Victorian Budget Overview

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Statement of Finances

2011-12



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Kim Wells MP

Treasurer of the State of Victoria

for the information of Honourable Members

Budget Paper No. 5

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INTRODUCTION

Budget Paper No. 5 *Statement of Finances* provides financial details for the aggregated Victorian general government sector and other sectors comprising the State of Victoria (including the consolidated estimates for the State of Victoria). This information supports that presented in Budget Paper No. 2 *Strategy and Outlook*. Budget Paper No. 5 also includes the general government sector's financial outcomes for the nine months to 31 March 2011.

This budget paper takes into account the financial impacts of all policy decisions taken by the Victorian Government, as well as Commonwealth Government funding revisions and other information that affects the projected general government sector Estimated Financial Statements as at 21 April 2011, unless otherwise stated.

Budget Paper No. 5 forms part of a suite of budget papers.

The *Victorian Economic and Financial Statement* released on 14 April 2011 highlights the fiscal and economic challenges confronting the Government, including significant program and capital project cost pressures. The statement outlines the broad direction of reform the Government will pursue in order to address these challenges over time.

Budget Paper No. 2 *Strategy and Outlook* describes the State's economic and financial position and performance while also outlining the Government's fiscal and economic reform strategy.

Budget Paper No. 3 *Service Delivery* provides an overview of the goods and services to be funded by the Government and delivered by departments in the coming financial year and how these services support the Government's strategic priorities and objectives. This includes descriptions of new output and asset investment initiatives announced in the *2011-12 Budget* for the general government sector.

Budget Paper No. 4 *State Capital Program* is published to inform Parliament and the community about Victoria's capital program. Budget Paper No. 4 provides an overview of the asset investments funded by the Government and delivered by departments and controlled entities in the coming financial year.

Budget Paper No. 5 *Statement of Finances* (previously Budget Paper No. 4), incorporates several changes to content and presentation, aiming to improve the utility of the overall Budget Paper suite to Parliament and the community. More specifically, financial summary tables previously presented in Chapter 3 *Departmental Financial Statements* outlining total expenses by department, purchases of non-financial assets by department and Parliamentary authority for resources; are now presented in Budget Paper No. 3 *Service Delivery* to strengthen linkages between departmental service delivery objectives and targets, and the financial resources applied. *Historical and Forward Estimates Tables*, previously Appendix A, are also now available online on the Department of Treasury and Finance website as well as being presented in Appendix C, whilst previous Appendices B and C have been consolidated into the new Appendix B for improved ease of reference.

Budget Paper No. 5 consists of the following chapters and appendices.

Chapter 1 – Estimated Financial Statements and notes

This chapter presents the Estimated Financial Statements and accompanying notes for the Victorian general government sector for the period 2011-12 to 2014-15. The statements are presented in a format consistent with AASB 1049 *Whole of Government and General Government Sector Financial Reporting* issued by the Australian Accounting Standards Board (AASB). The statements also comply with the Uniform Presentation Framework (UPF) as it relates to the general government sector. Additional disclosures in relation to the UPF are included in Chapter 2.

The Estimated Financial Statements are consistent with the Government's fiscal strategy (see Budget Paper No. 2 *Chapter 1 Economic and Fiscal Overview*), in accordance with the requirements of the *Financial Management Act 1994*.

The Victorian Auditor-General has reviewed the Estimated Financial Statements for the Victorian general government sector and the Auditor-General's Review Report is presented at the beginning of Chapter 1.

Chapter 2 – Supplementary Uniform Presentation Framework tables

Chapter 2 forms part of the UPF along with Chapter 1, and provides additional sectoral estimates for the public non-financial corporation sector, the non-financial public sector, the public financial corporation sector and the whole of state. The presentation of estimates data for the public financial corporation sector and the whole of state is occurring for the first time as part of the budget papers. Information is also provided on Victoria's Loan Council Allocation estimates.

Chapter 3 – Departmental Estimated Financial Statements

Chapter 3 contains departmental financial statements for each department. This chapter should be read in conjunction with Budget Paper No. 3 *Service Delivery*.

The departmental financial statements are presented on a consolidated basis for all general government reporting entities within each departmental portfolio. They form the basis of the consolidated Estimated Financial Statements for the Victorian general government sector provided in Chapter 1.

The Premier allocates functions between departments and ministers. The most recent changes to the allocation were made on the 22 February 2011 (effective 1 January 2011) and have been reflected in this budget paper.

Chapter 4 – State revenue

Chapter 4 outlines the major categories of state revenue comprising both state sourced revenue (including taxes, fines and regulatory fees, dividends, income tax and rate equivalent revenue), and Commonwealth Government grants (both general and specific purpose). The estimates of Commonwealth grants represent the latest information available to the Victorian Government at the time of finalising Victoria's *2011-12 Budget*.

Chapter 5 – Tax expenditures and concessions

Chapter 5 provides an overview and forward estimates of tax expenditures as required by Section 23K of the *Financial Management Act 1994*. This chapter also outlines the estimated cost of Victorian Government concessions.

Chapter 6 – Contingent assets and contingent liabilities

Chapter 6 discloses information on the State's contingent assets and liabilities. It provides an overview of assets and liabilities that could arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the general government sector. This chapter discloses both quantifiable and non-quantifiable contingent assets and liabilities.

Appendix A – Public Account

Appendix A discloses information on the Public Account, which includes the estimated transactions and year-end balances of the Consolidated Fund and the Trust Fund. Details of estimated Consolidated Fund receipts, payments, special appropriations and annual departmental appropriations are also provided.

Appendix B – Revised 2010-11 Budget outcome incorporating the financial report for the March quarter

Appendix B presents the revised 2010-11 *Budget* outcome, which takes into account government policy decisions and economic developments affecting both revenue and expenses since the presentation of the 2010-11 *Budget* to Parliament in May 2010.

The quarterly financial report for the Victorian general government sector is also presented, incorporating the actual outcomes for the nine month period ended 31 March 2011, and quarter by quarter results for the preceding five quarters. The March year-to-date outcomes are compared with the full-year revised 2010-11 *Budget*.

Appendix C – Historical and forward estimates tables

The historical and forward estimates tables in Appendix C show the trends in general government sector aggregate cash flows over the periods 1986-87 to 2014-15 and the general government net results for the period 1996-97 to 2014-15.

The remaining tables show expenses for the general government sector classified by government purpose. The series is presented for the period 1961-62 to 2014-15.

Appendix D – Compliance index – Requirements of the *Financial Management Act 1994*

The *Financial Management Act 1994* requires the 2011-12 *Budget* to meet certain requirements as specified in the Act. The compliance index explains how these requirements are met with appropriate references to this document.

CHAPTER 1 – ESTIMATED FINANCIAL STATEMENTS AND NOTES

The following Estimated Financial Statements and accompanying explanatory notes set out the forecast financial results for the Victorian general government sector for the period 2011-12 to 2014-15.

The prospective nature of these statements reflects a number of judgements about the most likely operating and financial conditions for the Victorian general government sector. Variations in these assumed conditions, such as international developments and other risks to the national economy, from which Victoria would not be immune, may cause the Victorian general government sector actual result to differ from the projections. Accordingly, no guarantee is given that the financial results will be achieved. However, appropriate professional judgement has been applied in preparing the Estimated Financial Statements.

The Estimated Financial Statements have been prepared in accordance with the provisions of the *Financial Management Act 1994*. This Act requires the Estimated Financial Statements to be consistent with the financial policy objectives and strategies statement (see Budget Paper No. 2, Chapter 1 *Economic and Fiscal Overview*), in a manner and form determined by the Minister, having regard to appropriate financial reporting frameworks.

The statements, including the estimated Victorian general government sector's investment in other sectors, have been prepared having regard to applicable Australian Accounting Standards. As there is no specific Australian accounting standard or other authoritative pronouncement that prescribes the preparation and presentation of prospective financial statements, the Estimated Financial Statements have been prepared based on the principles set out in the New Zealand Financial Reporting Standard 42 *Prospective Financial Statements* (FRS 42).

The statements are presented in a manner consistent with the principles of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. This standard also complies with the Uniform Presentation Framework (UPF) as it relates to the general government sector. Additional disclosures in relation to the UPF are included in Chapter 2 *Supplementary Uniform Presentation Framework Tables*.

The Victorian Auditor-General has reviewed the Estimated Financial Statements and his review report follows.

AUDITOR-GENERAL'S REPORT

VAGO

Victorian Auditor-General's Office

INDEPENDENT REVIEW REPORT

Estimated Financial Statements

To the Members of the Parliament of Victoria

The Estimated Financial Statements

The accompanying estimated financial statements for the year ending 30 June 2012 and the three forward years ending 30 June 2013, 2014 and 2015 of the Victorian General Government Sector, which comprises the estimated comprehensive operating statement, estimated balance sheet, estimated cash flow statement, estimated statement of changes in equity, a statement of significant accounting policies and forecast assumptions and other explanatory information, and the supporting declaration, has been reviewed. The accompanying revised 2011 estimated balance sheet has also been reviewed. The remaining parts of the Budget Papers have not been subject to my review.

Treasurers' Responsibility for the Estimated Financial Statements

The Treasurer of Victoria, through the Secretary of the Department of Treasury and Finance, is responsible for the preparation and presentation of the estimated financial statements in accordance with sections 23H-23K of the *Financial Management Act 1994*.

Auditor's Responsibility

As required under section 16B of the *Audit Act 1994*, my responsibility is to express a conclusion on the estimated financial statements based on my review. The review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to the review of financial reports and prospective financial information in order to state whether, on the basis of the procedures described, anything has come to my attention that would cause me to not believe that the statements have been prepared on a basis consistent with the accounting policies on which they are stated to be based, are consistent with the target established for the key financial measure specified in Note 1, have been properly prepared on the basis of the assumptions stated in Note 1 and the methodologies used to determine those assumptions are reasonable. Those standards require compliance with the ethical requirements relevant to the review of financial reports.

The review has been limited primarily to inquiries of relevant personnel, analytical procedures and assessments of the reasonableness of the key methodologies, assumptions and processes upon which the estimated financial statements are based. A review is substantially less in scope than an audit and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, an audit opinion is not expressed.

Prospective financial information relates to events and actions that have not yet occurred and may not occur. While evidence may be available to support the assumptions and underlying data upon which prospective financial information is based, such evidence is generally future oriented and therefore less certain in nature. Accordingly, an opinion is not expressed on whether the forecasts will be achieved.

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

INDEPENDENT REVIEW REPORT (continued)

Electronic Publication the Estimated Financial Statements

It is our understanding that the estimated financial statements will be electronically presented on the Victorian Budget website. Responsibility for the electronic presentation of the estimated financial statements on the Victorian Budget website is that of the Secretary of the Department of Treasury and Finance. The security and controls over the information on the website should be addressed by the Department of Treasury and Finance to maintain the integrity of the data presented. The examination of the controls on the Victorian Budget website is beyond the scope of the review of the estimated financial statements.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the review, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Review Statement

Based on my review, which is not an audit, nothing has come to my attention that causes me to not believe that:

- the estimated financial statements have been prepared on a basis consistent with the accounting policies on which they are stated to be based;
- the estimated financial statements are consistent with the target established for the key financial measure specified in Note 1;
- the estimated financial statements have been properly prepared on the basis of the assumptions contained in Note 1; and
- the methodologies used to determine those assumptions are reasonable.

Actual results achieved by the Victorian General Government Sector may differ from those forecast in the estimated financial statements and the variation may be material. Accordingly, I express no opinion as to whether the forecasts will be achieved.

MELBOURNE
29 April 2011



D.D.R. Pearson
Auditor-General

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Auditing in the Public Interest

DEPARTMENT OF TREASURY AND FINANCE STATEMENT IN RELATION TO THE ESTIMATED FINANCIAL STATEMENTS

The Estimated Financial Statements for the Victorian general government sector have been prepared on the basis of the economic and fiscal information available to the Department of Treasury and Finance. Given the prospective nature of the Estimated Financial Statements, it has been necessary to apply the best professional judgement in preparing the Estimated Financial Statements.

In my opinion, the Estimated Financial Statements have been properly prepared consistent with the requirements of sections 23H–23K of the *Financial Management Act 1994* and take into account government decisions and other circumstances that have a material effect.



Grant Hehir
Secretary

Department of Treasury and Finance
28 April 2011

Table 1.1: Estimated comprehensive operating statement for the general government sector for the financial year ending 30 June

		(\$ million)			
		2011-12	2012-13	2013-14	2014-15
Notes		Budget	Estimate	Estimate	Estimate
Revenue from transactions					
Taxation revenue	2	15 387.9	15 986.5	16 669.4	17 520.2
Interest		575.5	845.1	846.1	845.0
Dividends and income tax equivalent and rate equivalent revenue	3	574.9	639.6	535.2	725.0
Sales of goods and services	4	6 465.8	6 587.6	6 698.6	6 831.7
Grants	5	22 516.6	22 906.6	23 710.6	24 436.6
Other revenue	6	1 918.4	1 841.5	1 850.9	1 812.2
Total revenue from transactions		47 439.2	48 806.9	50 310.8	52 170.8
Expenses from transactions					
Employee expenses		16 649.0	17 385.9	18 277.5	19 021.4
Superannuation interest expense	7a	880.6	900.3	907.4	906.1
Other superannuation expenses	7a	1 690.7	1 728.6	1 755.4	1 777.4
Depreciation	8	2 345.4	2 537.8	2 645.7	2 706.3
Interest expense	9	1 394.1	1 959.2	2 198.7	2 317.4
Other operating expenses	10	16 261.6	16 269.9	16 347.9	16 979.5
Grants and other transfers	11	8 077.3	7 875.4	8 017.7	8 281.6
Total expenses from transactions	12	47 298.8	48 657.1	50 150.2	51 989.7
Net result from transactions – net operating balance		140.4	149.7	160.6	181.0
Other economic flows included in net result					
Net gain on sale of non-financial assets		111.2	235.5	95.3	79.9
Net gain on financial assets or liabilities at fair value		1.7	1.7	1.7	1.7
Other (losses) from other economic flows	13	(189.2)	(192.5)	(194.6)	(193.1)
Total other economic flows included in net result		(76.3)	44.7	(97.5)	(111.5)
Net result		64.2	194.4	63.1	69.6
Other economic flows – other movements in equity					
Movement of non-financial asset reserves		4 518.8	1 843.3	6 642.4	2 670.6
Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets	14	(230.0)	463.6	331.0	(191.0)
Other movements in equity		0.8	3.5	4.1	4.1
Total other economic flows – other movements in equity		4 289.6	2 310.3	6 977.5	2 483.7
Comprehensive result – total change in net worth		4 353.7	2 504.7	7 040.6	2 553.3
FISCAL AGGREGATES					
Net operating balance		140.4	149.7	160.6	181.0
Less: Net acquisition of non-financial assets from transactions	15	2 709.7	2 156.6	73.8	463.8
Net lending/(borrowing)		(2 569.3)	(2 006.9)	86.8	(282.8)

Source: Department of Treasury and Finance

The accompanying notes form part of these Estimated Financial Statements.

Table 1.2: Estimated balance sheet as at 30 June

		(\$ million)				
		2011	2012	2013	2014	2015
Notes	Revised	Budget	Estimate	Estimate	Estimate	
Assets						
Financial assets						
		2 704.7	2 838.4	2 994.0	3 332.7	3 591.8
		297.0	4 510.3	4 475.3	4 434.0	4 386.7
	16	2 806.6	2 865.1	3 633.6	3 495.5	3 361.7
		2 756.9	2 749.5	2 825.8	2 918.1	3 023.4
		35.1	35.1	35.1	35.1	35.1
		68 083.6	70 145.0	72 622.6	74 306.8	74 775.6
	14	68 083.6	70 145.0	72 622.6	74 306.8	74 775.6
		76 684.0	83 143.5	86 586.4	88 522.2	89 174.3
Non-financial assets						
		304.8	292.1	253.3	227.0	188.3
		81.2	74.6	68.0	61.4	54.8
	17, 18	93 097.9	100 549.8	104 880.4	111 797.3	115 110.3
		767.0	717.6	691.0	619.1	559.3
		94 250.9	101 634.1	105 892.7	112 704.7	115 912.7
		170 934.9	184 777.6	192 479.1	201 226.9	205 087.0
	19b	170 934.9	184 777.6	192 479.1	201 226.9	205 087.0
Liabilities						
		478.7	478.2	478.2	478.2	478.2
		4 412.7	4 044.7	4 782.9	4 615.5	4 441.0
	20	17 187.3	26 435.0	30 581.0	32 195.8	33 676.9
	21	4 527.8	4 687.4	4 853.4	5 025.1	5 200.8
	7d	22 216.6	22 683.8	22 844.4	22 945.5	22 781.7
		700.2	683.5	669.3	656.3	644.6
		49 523.5	59 012.5	64 209.3	65 916.4	67 223.2
		121 411.4	125 765.1	128 269.9	135 310.5	137 863.8
		44 550.8	44 590.3	44 764.9	44 810.7	44 864.3
	22	76 816.1	81 130.4	83 460.5	90 455.3	92 955.0
		44.5	44.5	44.5	44.5	44.5
		121 411.4	125 765.1	128 269.9	135 310.5	137 863.8
		121 411.4	125 765.1	128 269.9	135 310.5	137 863.8
FISCAL AGGREGATES						
		27 160.5	24 131.0	22 377.2	22 605.8	21 951.1
		40 923.1	46 014.0	50 245.4	51 701.0	52 824.5
		11 907.4	16 814.9	20 764.1	21 989.1	23 153.2

Source: Department of Treasury and Finance

The accompanying notes form part of these Estimated Financial Statements.

Notes:

(a) The 2012 estimate and beyond reflect the recognition of the finance lease arrangement between the Government and Melbourne Water Corporation for the desalination plant.

(b) Balances from 2012-13 and beyond, include the revenue receivable associated with the issue of electronic gaming licences.

Table 1.3: Estimated cash flow statement for the financial year ending 30 June

(\$ million)

	Notes	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Cash flows from operating activities					
Receipts					
Taxes received		15 368.6	16 095.5	16 724.4	17 575.2
Grants		22 516.6	22 906.6	23 710.6	24 436.6
Sales of goods and services ^(a)		6 805.7	7 251.4	7 370.5	7 503.2
Interest received		543.0	812.9	845.8	844.5
Dividends and income tax equivalent and rate equivalent receipts		571.7	638.5	531.3	723.1
Other receipts		1 716.6	1 604.6	1 658.4	1 611.2
Total Receipts		47 522.2	49 309.5	50 841.0	52 693.8
Payments					
Payments for employees		(16 491.7)	(17 222.1)	(18 108.0)	(18 847.9)
Superannuation		(2 104.2)	(2 468.3)	(2 561.7)	(2 847.3)
Interest paid		(1 351.2)	(1 917.8)	(2 156.6)	(2 277.7)
Grants and subsidies		(8 103.3)	(7 890.4)	(8 038.7)	(8 300.6)
Goods and services ^(a)		(16 454.0)	(16 469.2)	(16 498.5)	(17 095.3)
Other payments		(535.6)	(562.6)	(596.7)	(633.0)
Total payments		(45 039.9)	(46 530.3)	(47 960.1)	(50 001.8)
Net cash flows from operating activities ^(a)		2 482.3	2 779.2	2 880.9	2 692.0
Cash flows from investing activities					
Purchases of non-financial assets	19a	(4 119.1)	(4 347.7)	(3 012.5)	(3 460.8)
Sales of non-financial assets		302.4	459.6	266.9	252.2
Cash flows from investments in non-financial assets		(3 816.7)	(3 888.1)	(2 745.6)	(3 208.6)
Net cash flows from investments in financial assets for policy purposes		(2 326.7)	(2 004.0)	(1 368.8)	(656.5)
Subtotal		(6 143.4)	(5 892.1)	(4 114.4)	(3 865.0)
Net cash flows from investments in financial assets for liquidity management purposes		9.8	(74.7)	(89.9)	(103.7)
Net cash flows from investing activities		(6 133.6)	(5 966.8)	(4 204.3)	(3 968.7)
Cash flows from financing activities					
Advances received (net)		(0.5)	..	..	..
Net borrowings		3 785.5	3 343.2	1 662.1	1 535.8
Net cash flows from financing activities		3 785.0	3 343.2	1 662.1	1 535.8
Net increase/(decrease) in cash and cash equivalents		133.7	155.5	338.7	259.1
Cash and cash equivalents at beginning of reporting period		2 704.7	2 838.4	2 994.0	3 332.7
Cash and cash equivalents at end of reporting period		2 838.4	2 994.0	3 332.7	3 591.8
FISCAL AGGREGATES					
Net cash flows from operating activities		2 482.3	2 779.2	2 880.9	2 692.0
Net cash flows from investments in non-financial assets		(3 816.7)	(3 888.1)	(2 745.6)	(3 208.6)
Cash surplus/(deficit)		(1 334.4)	(1 108.9)	135.4	(516.6)

Source: Department of Treasury and Finance

The accompanying notes form part of these estimated financial statements.

Note:

(a) Inclusive of goods and services tax.

Table 1.4: Estimated statement of changes in equity for the financial year ending 30 June

(\$ million)

	<i>Accumulated surplus/(deficit)</i>	<i>Non-controlling Interest</i>
2011-12		
Balance at 1 July 2011	44 550.8	44.5
Net Result for the year	64.2	..
Other comprehensive income for the year	(24.7)	..
Balance as at 30 June 2012	44 590.3	44.5
2012-13		
Balance at 1 July 2012	44 590.3	44.5
Net Result for the year	194.4	..
Other comprehensive income for the year	(19.7)	..
Balance as at 30 June 2013	44 764.9	44.5
2013-14		
Balance at 1 July 2013	44 764.9	44.5
Net Result for the year	63.1	..
Other comprehensive income for the year	(17.3)	..
Balance as at 30 June 2014	44 810.7	44.5
2014-15		
Balance at 1 July 2014	44 810.7	44.5
Net Result for the year	69.6	..
Other comprehensive income for the year	(16.0)	..
Balance as at 30 June 2015	44 864.3	44.5

Source: Department of Treasury and Finance

The accompanying notes form part of these estimated financial statements.

<i>Property, plant and equipment revaluation surplus</i>	<i>Investment in other sector entities revaluation surplus</i>	<i>Other reserves</i>	<i>Total</i>
34 351.4	41 544.4	920.3	121 411.4
..	..	..	64.2
4 518.8	(230.0)	25.5	4 289.6
38 870.2	41 314.5	945.7	125 765.1
38 870.2	41 314.5	945.7	125 765.1
..	..	..	194.4
1 843.3	463.6	23.2	2 310.3
40 713.4	41 778.0	969.0	128 269.9
40 713.4	41 778.0	969.0	128 269.9
..	..	..	63.1
6 642.4	331.0	21.4	6 977.5
47 355.8	42 109.0	990.4	135 310.5
47 355.8	42 109.0	990.4	135 310.5
..	69.6
2 670.6	(191.0)	20.1	2 483.7
50 026.5	41 918.1	1 010.5	137 863.8

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Note 1: Statement of significant accounting policies and forecast assumptions

The following summary sets out the basis applied in the preparation and presentation of these Estimated Financial Statements, which include the budget year and the estimates for the three subsequent years.

(A) Statement of compliance

These Estimated Financial Statements have been prepared in accordance with Section 23H-23K of the *Financial Management Act 1994*, having regard to Australian Accounting Standards (AAS). AASs include Interpretations issued by the Australian Accounting Standards Board (AASB).

In particular, the Estimated Financial Statements are presented in a manner consistent with the principles of AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049). However, the prospective nature of these Estimated Financial Statements means that some AAS disclosures are neither relevant nor practical and so these have been omitted. Further, where appropriate, those AAS paragraphs relevant to not-for-profit entities have been applied. Because AAS do not include pronouncements that prescribe the preparation and presentation of prospective financial statements, the Estimated Financial Statements have been prepared having regard to the principles set out in New Zealand Financial Reporting Standard 42 *Prospective Financial Statements*.

The Government Finance Statistics (GFS) information included in this report is based on the GFS manual published by the Australian Bureau of Statistics (ABS), *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 Cat. No. 5514.0*.

The information presented in the Estimated Financial Statements takes into account all policy decisions taken by the Victorian Government, as well as known Commonwealth Government funding revisions and circumstances that may have a material effect on the Estimated Financial Statements as at 21 April 2011.

(B) Basis of accounting, preparation and measurement

The Estimated Financial Statements have been prepared for the 2011-12 budget year in accordance with accounting policies expected to be used in preparing historically orientated general purpose financial statements for that year, and the same accounting policies have been used for the subsequent forecast years.

The accrual basis of accounting has been applied in the preparation of the Estimated 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.

The Estimated Financial Statements are presented in Australian dollars which is also the functional currency of the Victorian general government sector.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The Estimated Financial Statements have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets. Exceptions to the historical cost convention include:

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

As required by AASB 1049, the consolidated comprehensive operating statement distinguishes between 'transactions' and 'other economic flows' based on the principles in the ABS GFS manual. Transactions are defined as economic flows that arise as a result of government policy decisions, usually an interaction between two entities by mutual agreement. Taxation is regarded under GFS as mutually agreed between the government and the taxpayer. Transactions also include flows within an organisation such as depreciation because the owner is seen as simultaneously acting as the owner of the depreciating asset and the consumer of the service provided by the asset. Transactions may be settled in kind or for cash.

Economic flows are changes arising from market remeasurements or other changes in the volume of assets. They include gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

The detailed accounting policies applied in the preparation of the Estimated Financial Statements are consistent with those stated in the audited *2009-10 Annual Financial Report* published in the *2009-10 Financial Report* as presented to Parliament, unless otherwise stated.

To gain a better understanding of the terminology and key aggregates used in this report, a glossary of terms can be found in Note 38 of the *2009-10 Annual Financial Report*.

(C) Reporting entity

The Estimated Financial Statements are prepared for the Victorian general government sector which 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 within 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.

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 apply equally to the Victorian general government sector.

(D) Basis of consolidation

The Estimated Financial Statements present the consolidated assets and liabilities of all reporting entities in the Victorian general government sector, and their revenue, gains and expenses for the respective period, consistent with the principles of AASB 1049 and AASB 127 *Consolidated and Separate Financial Statements*.

Entities in the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors are not consolidated into the financial statements of the Victorian general government sector, but are accounted for as equity investments measured at the Government's proportional share of the carrying amount of net assets of the PNFC and PFC sector entities before consolidation eliminations. Where the carrying amount of the entities' net assets before consolidation eliminations is less than zero, the amount is not included.

Any change in the carrying amount of the investment from period to period is accounted for as if the change in carrying amount is a change in fair value and accounted for in a manner consistent with AASB 139 *Financial Instruments: Recognition and Measurement* and AASB 1049.

Where control of an entity is expected to be obtained during the financial period, its results are included in the estimated consolidated comprehensive operating statement from the date on which control will commence. Where control is expected to cease during a financial period, the entity's results are included for that part of the period for which control would exist. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in the Estimated Financial Statements.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

Summary of other key assumptions

The following section outlines the other key assumptions used in the preparation of the Estimated Financial Statements, having regard to the materiality of the relevant items in the context of the overall financial position of the State and the sensitivity of those items to changes in key economic assumptions.

Taxation revenue

The State's taxation revenue is forecast by a process that involves:

- an assessment of economic and other factors influencing the tax bases from which taxes are sourced (e.g. for payroll tax, an assessment of the outlook for employment and wages; for motor vehicle taxes, an assessment of the outlook for demand for vehicles; for gambling taxes, an assessment of the outlook for consumer spending);
- analysis of historical information and relationships using econometric and other statistical methods; and
- consultation with private sector economists, industry associations, and relevant government authorities.

Grant revenue and expenses

The forecast receipt of financial assistance from the Commonwealth is determined on the latest available information at the time of preparation of the Estimated Financial Statements, taking into account the payment schedules and escalation factors relevant to each type of grant.

Forecasts of goods and services tax (GST) grants are based on the State's assessment of the latest Commonwealth information on the national GST pool. Victoria's share of GST for 2011-12 is based on Victoria's assessed relativity for that year published by the Commonwealth Grants Commission and the Commonwealth Government's population projections. The Commonwealth Grants Commission calculates an assessed relativity as the average of the past three annual per capita relativities.

The Victorian Government forecasts future assessed relativities by assuming that annual per capita relativities will move over the forecast period to equal the current (2011-12) assessed relativity. These annual projections are then adjusted for the latest available estimates of non-GST Commonwealth grants and their distribution across states and territories to generate a preliminary estimate of assessed relativities. To reduce volatility in the projections, each preliminary estimate is then averaged with the current (2011-12) assessed relativity generating the final estimate of Victoria's assessed relativities for each year. The forecast GST share is based on these final estimated assessed relativities and the Commonwealth Government's population projections.

Grants and other transfer payments are forecast on the basis of known activity and adjusted by the appropriate economic parameters. Where payments are tied to third party revenue, such as Commonwealth grants for on-passing, forecasts are in line with estimated receipts.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

Sales of goods and services

Revenue from the sale of goods and the supply of services is forecast by taking into account all known factors, such as proposed fee increases imposed by departments and budget sector agencies in line with the *Cost Recovery Guidelines* (issued by Department of Treasury and Finance) and/or indexation as provided for under the *Monetary Units Act 2004*.

Employee expenses

Employee expenses are forecast on the basis of staffing profiles and current salaries, conditions and on-costs. For the forecast period, employee expenses are adjusted for approved wage agreements, with allowance made for further adjustments consistent with wages policy beyond the period of the agreements. Employee expense forecasts also reflect the impact of new initiatives.

Depreciation

Depreciation is forecast on the basis of known asset profiles, asset sales programs and approved new asset investment programs. The expense is based on the assumption that there will be no change in depreciation rates over the forecast period, but includes the estimated impact of future revaluation of assets. However, any future changes in depreciable lives, carrying value, residual value or methodology would result in a change in future depreciation expense.

Interest expense

Estimates for interest expense are based on the forecast level of outstanding Victorian general government sector debt and expected changes in non-current financial liabilities and provisions. Victorian general government sector debt is expected to mainly comprise a fixed rate facility from the Treasury Corporation of Victoria.

Other operating expenses

Other operating expenses mainly include supplies and service costs. Supplies and services expenses are forecast on the basis of experience and known activity changes, including the application of government policy such as savings strategies, changes in the method of service delivery, and the application of the appropriate economic parameters.

An allowance is made for emerging demand that may arise over the forecast period.

Superannuation

Future defined contribution superannuation expenses are based on assumptions regarding future salaries and legislated contribution rates.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

Future defined benefit superannuation expenses, and the superannuation liability at future balance dates, are estimated by the actuaries of the various defined benefit superannuation plans. These estimates are based on a number of demographic and financial assumptions.

The table below sets out the major financial assumptions used to estimate the superannuation expense and liability in respect of each defined benefit superannuation plan for the budget and forward estimates period.

The expected return on assets is based on long-term actuarial assumptions and is assumed to remain constant across the budget and forward estimates period. The discount and inflation rates that are adopted are based on prevailing long-term Commonwealth Government bonds (both nominal and inflation linked) which are also assumed to remain constant across the forward estimates period. Actual experience may differ significantly from assumptions which may cause significant variations in the reported superannuation liability. Any such variation would primarily be reported under 'other economic flows' in the consolidated comprehensive operating statement.

Superannuation assumptions

<i>Underlying assumptions for all listed schemes</i> ^(a)	<i>Per cent</i>
Discount rate ^(b)	5.6
Wages growth ^(c)	4.3
Inflation rate ^(d)	2.8
<i>Expected return on assets</i> ^(e)	
Emergency Services and State Super (ESSS)	8.0
Parliamentary Contributory Superannuation Fund	8.0
Health Super Fund Defined Benefit Scheme	6.0
Constitutionally Protected Schemes ^(f)	n.a.

Source: Department of Treasury and Finance

Notes:

- (a) All rates are nominal annual rates and are applicable to all the listed schemes.
- (b) The discount rate is based on the longest dated fixed interest Commonwealth Government bond rate. The rate stated above is an annual effective rate, gross of tax.
- (c) Wages growth is based on actuarial expectations.
- (d) The inflation rate assumed by the actuary reflects market expectations of price inflation as implied based on the relationship between the yields on Commonwealth Government bonds, both nominal and inflation linked. This ensures consistency with the prescribed (i.e. market based) discount rate.
- (e) The expected return on assets stated is gross of tax. Estimated tax payments are explicitly allowed for in the calculation process.
- (f) Pensions payable from constitutionally protected schemes are paid from the Consolidated Fund. These schemes hold no assets and thus there is no expected return on assets.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

Investments in other sector entities

Investments in other sector entities are estimated based on their audited net assets as at 30 June 2010, adjusted by management estimates of subsequent operating results, capital investments and distributions.

Land, buildings, infrastructure, plant and equipment

The value of non-financial physical assets will change during the forecast period to account for acquisitions, disposals and the impact of depreciation and revaluation.

New investments in assets are valued at the forecast purchase price or, where appropriate, recognised progressively over the estimated construction period.

The forward estimates include the estimated impact of revaluations of non-financial physical assets. These estimates have been derived based on examination and extrapolation of historical trends in asset revaluations by major asset class.

Borrowings

Estimates for borrowings are based on the ability to repay maturing debt and the need to finance capital expenditure. The forecast for finance lease liabilities across the forward estimates period relates primarily to the expected commissioning of public private partnerships.

Payables

Payables consist of accounts payable, unearned revenue including deferred revenue from concession arrangements and taxes such as goods and services tax and fringe benefit tax.

Estimates of accounts payables are based on known movements in contractual arrangements, other outstanding payables and historical experience.

Unearned income liability relating to concession arrangements will reduce each year as income is progressively brought to account over the remaining period of the concession term. The estimated changes in other components are based on historical experience.

The indemnity payable to the State Electricity Commission of Victoria, which relates to the electricity supply arrangements with Alcoa Australia Ltd's aluminium smelters at Point Henry and Portland, is estimated based on expected market aluminium prices and with reference to forecast electricity prices.

Employee benefits

Employee benefits are forecast on the basis of staffing profiles and current salaries and conditions. For the forecast period, employee benefits are adjusted for approved wage agreements with an allowance made for future movements.

Note 1: Statement of significant accounting policies and forecast assumptions (*continued*)

Service concession arrangements (otherwise referred to as public private partnerships)

The State sometimes enters into arrangements with the private sector to design, construct or upgrade assets used to provide public services. In addition, these arrangements may include operational and maintenance services for a specified period of time.

Prior to finalisation of tender arrangements, the forecasts assume that a project will be built directly by government. At the end of a tender phase, the forecasts are revised to reflect the actual provisions of the contracts. This typically includes payments by government allocated between a finance lease component for the asset use and a component accounted for as a commitment for the future operating and maintenance costs.

Some service concessions arrangements, such as user pays toll roads, also include the right of the State to receive the asset at the end of the lease period. As there is currently no authoritative accounting guidance to forecast the recognition and measurement of these assets, they are not recognised in the Estimated Financial Statements.

(H) Sensitivity analysis

Appendix B *Sensitivity Analysis* table contained in Budget Paper No. 2, provides an estimate of the impact on income, expenses, the net result from transactions and the net result associated with variations to forecasts of selected economic and financial variables.

Note 2: Taxation revenue

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Taxes on employers' payroll and labour force	4 735.4	5 041.7	5 353.9	5 687.3
Taxes on property				
Taxes on immovable property				
Land tax	1 342.6	1 469.3	1 433.1	1 560.4
Congestion levy	49.8	51.1	52.3	53.5
Metropolitan improvement levy	129.8	134.3	139.0	142.4
Property owner contributions to fire brigades	31.3	31.9	33.7	35.3
Total taxes on immovable property	1 553.4	1 686.6	1 658.0	1 791.7
Financial and capital transactions				
Land transfer duty	3 767.3	3 928.4	4 091.9	4 259.4
Growth areas infrastructure contribution	36.2	42.0	48.3	50.1
Other property duties	8.4	8.6	8.9	9.1
Financial accommodation levy	89.5	102.2	108.5	112.3
Total financial and capital transactions	3 901.4	4 081.3	4 257.6	4 430.9
Total taxes on property	5 454.9	5 767.9	5 915.6	6 222.6
Taxes on the provision of goods and services				
Gambling taxes				
Private lotteries	383.4	397.5	412.0	426.8
Electronic gaming machines	1 031.0	1 107.0	1 159.4	1 194.6
Casino	175.0	194.3	210.1	227.1
Racing	140.3	69.0	61.1	63.2
Other	13.6	13.8	13.1	13.4
Total gambling taxes	1 743.2	1 781.6	1 855.8	1 925.0
Levies on statutory corporations	73.7	..	..	..
Taxes on insurance	1 631.2	1 589.1	1 673.6	1 740.7
Total taxes on the provision of goods and services	3 448.1	3 370.7	3 529.3	3 665.7
Taxes on the use of goods and performance of activities				
Motor vehicle taxes				
Vehicle registration fees	960.8	1 009.4	1 061.3	1 116.6
Duty on vehicle registrations and transfers	607.1	622.2	641.0	664.4
Total motor vehicle taxes	1 567.9	1 631.6	1 702.3	1 780.9
Liquor licence fees	22.2	22.6	23.0	23.5
Other	159.4	152.0	145.2	140.2
Total taxes on the use of goods and performance of activities	1 749.5	1 806.2	1 870.6	1 944.6
Total taxation	15 387.9	15 986.5	16 669.4	17 520.2

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

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Dividends	415.6	481.8	360.2	543.3
Income tax equivalent revenue	153.7	152.1	169.4	176.1
Local government rate equivalent revenue	5.6	5.6	5.6	5.6
Total dividends and income tax equivalent and rate equivalent revenue	574.9	639.6	535.2	725.0

Note 4: Sales of goods and services

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Motor vehicle regulatory fees	161.7	162.0	129.9	132.2
Other regulatory fees ^(a)	364.1	362.1	350.8	358.7
Sale of goods	147.4	130.9	94.3	85.1
Provision of services	4 381.5	4 408.1	4 554.9	4 640.6
Rental	44.7	44.4	44.4	45.2
Refunds and reimbursements	61.8	63.1	64.4	64.4
Inter-sector capital asset charge	1 304.6	1 417.1	1 459.8	1 505.5
Total sales of goods and services	6 465.8	6 587.6	6 698.6	6 831.7

Note:

(a) Other regulatory fees now include administration fees associated with the issue of late fines, formerly classified as Other revenue.

Note 5: Grants

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
General purpose grants	10 944.8	11 571.0	12 104.9	12 705.8
Specific purpose grants for on-passing	2 567.1	2 726.8	2 901.5	3 049.4
Grants for specific purposes	8 892.1	8 513.7	8 609.9	8 587.6
Total	22 404.0	22 811.5	23 616.3	24 342.8
Other contributions and grants	112.7	95.1	94.2	93.8
Total Grants	22 516.6	22 906.6	23 710.6	24 436.6

Note 6: Other revenue

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Fair value of assets received free of charge or for nominal consideration	1.0	1.3	1.3	1.0
Fines				
Road safety camera fines	256.9	264.8	272.8	275.2
Police on the spot fines	140.3	153.1	155.5	157.5
Toll road evasion fines	109.7	111.6	113.9	116.2
Non-traffic statutory and court fines	38.2	39.2	38.6	39.3
Total fines^(a)	545.1	568.7	580.8	588.2
Royalties	47.1	47.7	48.8	50.0
Donations and gifts	297.7	239.8	251.6	246.8
Other non-property rental	25.5	25.5	25.6	25.9
Other miscellaneous revenue	1 002.0	958.5	942.7	900.3
Total other revenue	1 918.4	1 841.5	1 850.9	1 812.2

Note:

(a) Administration fees associated with the issue of late fines have been transferred to Other regulatory fees under Sales of goods and services.

Note 7: Superannuation

(a) Superannuation expense recognised in the operating statement

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Defined benefit plans				
Interest cost ^(a)	2 056.0	2 077.8	2 089.4	2 093.6
Expected return on plan assets (net of expenses) ^(a)	(1 175.4)	(1 177.5)	(1 182.0)	(1 187.5)
Superannuation interest expense	880.6	900.3	907.4	906.1
Current service cost ^(a)	663.9	659.0	635.6	611.7
Amortisation of past service cost ^(a)	..	..	..	..
Total expense recognised in respect of defined benefit plans	1 544.5	1 559.3	1 543.0	1 517.8
Defined contribution plans				
Employer contributions to defined contribution plans ^(a)	970.1	1 011.5	1 060.2	1 104.7
Other (including pensions) ^(a)	56.7	58.1	59.6	61.0
Total expense recognised in respect of defined contribution plans	1 026.8	1 069.6	1 119.8	1 165.7
Total superannuation expense recognised in operating statement	2 571.3	2 628.9	2 662.8	2 683.5
Represented by:				
Superannuation interest expense	880.6	900.3	907.4	906.1
Other superannuation	1 690.7	1 728.6	1 755.4	1 777.4
Superannuation expense from transactions	2 571.3	2 628.9	2 662.8	2 683.5
Superannuation expense from other economic flows	..	..	..	..
Total superannuation expense recognised in operating statement	2 571.3	2 628.9	2 662.8	2 683.5

Note:

(a) Superannuation expense from transactions.

(b) Reconciliation of the present value of the defined benefit obligation

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Opening balance of defined benefit obligation	38 200.6	38 647.0	38 923.9	39 061.6
Current service cost	663.9	659.0	635.6	611.7
Interest cost	2 056.0	2 077.8	2 089.4	2 093.6
Contributions by plan participants	195.5	183.9	172.2	160.0
Actuarial (gains)/losses	..	..	..	..
Benefits paid	(2 469.0)	(2 643.8)	(2 759.6)	(2 890.8)
Closing balance of defined benefit obligation	38 647.0	38 923.9	39 061.6	39 036.0

Note 7: Superannuation (*continued*)

(c) Reconciliation of the fair value of superannuation plan assets

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Opening balance of plan assets	15 983.9	15 963.2	16 079.5	16 116.1
Expected return on plan assets	1 175.4	1 177.5	1 182.0	1 187.5
Actuarial gains/(losses)	..	..	..	..
Employer contributions	1 077.4	1 398.7	1 441.9	1 681.6
Contributions by plan participants	195.5	183.9	172.2	160.0
Benefits paid (including tax paid)	(2 469.0)	(2 643.8)	(2 759.6)	(2 890.8)
Closing balance of plan assets	15 963.2	16 079.5	16 116.1	16 254.4

(d) Reconciliation of the superannuation liabilities

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
ESSS (including State Superannuation Fund)				
Defined benefit obligation	33 814.3	34 033.0	34 122.5	34 102.0
Tax liability ^(a)	2 805.8	2 838.7	2 860.9	2 842.5
Plan assets	(14 673.8)	(14 786.7)	(14 821.1)	(14 967.3)
Net liability/(asset)	21 946.2	22 085.0	22 162.3	21 977.1
Other funds ^(b)				
Defined benefit obligation	2 015.0	2 042.8	2 070.9	2 086.3
Tax liability ^(a)	11.9	9.4	7.3	5.3
Plan assets	(1 289.4)	(1 292.9)	(1 295.0)	(1 287.0)
Net liability/(asset)	737.5	759.4	783.2	804.5
Total superannuation				
Defined benefit obligation	35 829.3	36 075.8	36 193.4	36 188.3
Tax liability	2 817.7	2 848.1	2 868.2	2 847.7
Plan assets	(15 963.2)	(16 079.5)	(16 116.1)	(16 254.4)
Superannuation liability	22 683.8	22 844.4	22 945.5	22 781.7
Represented by:				
Current liability	900.0	958.8	1 216.1	1 246.5
Non-current liability	21 783.8	21 885.7	21 729.4	21 535.2

Notes:

(a) Tax liability represents the present value of future tax payments on investment income generated by superannuation assets plus the present value of future tax payments on expected future employer contributions.

(b) Other funds include constitutionally protected schemes, the Parliamentary Contributory Superannuation Fund and the State's share of liabilities of the Defined Benefit Scheme of the Health Super Fund.

Note 8: Depreciation

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Buildings ^(a)	1 003.5	1 116.4	1 186.1	1 169.7
Plant, equipment and infrastructure systems	661.4	677.0	683.8	690.3
Road networks	478.0	547.7	567.4	639.8
Other assets	17.0	17.8	18.2	18.4
Leased plant and equipment	28.9	29.0	29.0	29.0
Leasehold buildings	98.9	103.1	105.0	104.9
Intangible produced assets ^(b)	57.7	46.8	56.2	54.1
Total depreciation	2 345.4	2 537.8	2 645.7	2 706.3

Notes:

(a) Includes estimated depreciation on amounts not yet allocated to projects in 2011-12 to 2014-15.

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

Note 9: Interest expense

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Interest on long-term interest-bearing liabilities	944.0	1 176.6	1 366.8	1 491.1
Interest on short-term interest-bearing liabilities	43.9	49.4	49.5	49.6
Finance charges on finance leases	363.5	692.0	740.5	737.3
Discount interest on payables	42.7	41.1	41.8	39.5
Total interest expense	1 394.1	1 959.2	2 198.7	2 317.4

Note 10: Other operating expenses

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Purchase of supplies and consumables	8 185.9	8 011.3	7 983.2	8 332.9
Cost of goods sold	124.4	123.4	94.3	51.8
Finance expenses and fees	23.0	24.8	25.8	26.6
Purchase of services	6 351.3	6 483.0	6 541.3	6 802.2
Maintenance	800.6	816.2	848.3	865.7
Operating lease payments	224.3	232.2	241.9	250.9
Other	552.0	579.0	613.2	649.4
Total other operating expenses	16 261.6	16 269.9	16 347.9	16 979.5

Note 11: Grants and other transfers

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Current grants and other transfers expense				
Commonwealth Government	134.6	141.5	148.6	149.0
Local government	948.4	731.7	708.4	704.8
Private sector and not-for-profit on-passing	3 799.3	3 918.7	4 044.1	4 257.1
Other private sector and not-for-profit	386.8	349.6	392.2	412.9
Grants within the Victorian Government	2 400.9	2 442.7	2 489.0	2 529.3
Grants to other state governments	12.9	12.9	13.1	13.3
Total current grants and other transfers	7 682.9	7 597.0	7 795.3	8 066.3
Capital grants expense				
Local government	25.0	23.7	23.9	23.9
Private sector and not-for-profit on-passing	132.8	63.7	55.4	49.1
Other private sector and not-for-profit	236.6	191.1	143.1	142.3
Other grants	..	..	..	..
Total capital grants and other transfers	394.4	278.5	222.3	215.3
Total grants and other transfers	8 077.3	7 875.4	8 017.7	8 281.6

Note 12: Total expenses by government purpose and by department

(a) Expenses by government purpose classification

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
General public services	720.1	709.0	642.0	750.7
Public order and safety	5 137.8	5 307.4	5 454.5	5 577.1
Education	12 801.2	13 344.1	13 672.4	13 973.5
Health	12 704.6	12 923.9	13 500.3	13 805.3
Social security and welfare	3 062.9	3 015.7	2 730.7	3 193.2
Housing and community amenities	3 473.8	3 645.9	3 858.8	3 943.2
Recreation and culture	817.1	804.5	728.5	851.9
Fuel and energy	19.3	19.0	17.2	20.1
Agriculture, forestry, fishing and hunting	682.7	638.5	657.8	672.4
Mining, manufacturing, and construction	20.7	20.4	18.4	21.6
Transport and communications	4 738.5	4 843.5	5 292.6	5 409.6
Other economic affairs	510.7	502.8	455.3	532.4
Other purposes	2 609.4	2 882.6	3 121.7	3 238.8
Total expenses by government purpose classification ^(a)	47 298.8	48 657.1	50 150.2	51 989.7

Note:

(a) Classifications have been determined using ratios based on historical data and the impact of policy and non-policy estimate variations.

**Note 12: Total expenses by government purpose and by department
(continued)**

(b) Total expenditure by department including administered items ^(a)

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Expenses				
Education and Early Childhood Development	13 179.7	13 244.1	13 547.0	13 925.5
Health	14 605.7	14 737.0	15 099.2	15 446.1
Human Services	3 475.5	3 564.8	3 535.8	3 628.1
Business and Innovation	720.8	574.4	462.4	388.8
Justice	7 002.5	7 271.4	7 549.6	7 827.9
Planning and Community Development	1 084.4	962.1	905.7	898.6
Premier and Cabinet	631.1	627.3	639.6	652.4
Primary Industries	645.2	657.3	614.0	617.1
Sustainability and Environment	2 568.3	3 130.9	2 992.0	3 009.7
Transport	7 697.8	7 791.8	8 052.2	8 337.5
Treasury and Finance	44 240.1	43 717.9	45 745.8	48 070.7
Parliament	170.2	167.8	171.6	174.4
Contingencies not allocated to departments ^(b)	342.2	1 398.1	1 815.4	2 422.5
Regulatory bodies and other part funded agencies ^(c)	1 958.3	1 881.7	1 844.9	1 918.2
Total	98 321.8	99 726.6	102 975.2	107 317.6
<i>Less eliminations and adjustments ^(d)</i>	<i>(51 023.0)</i>	<i>(51 069.5)</i>	<i>(52 825.0)</i>	<i>(55 327.8)</i>
Total expenses ^(a)	47 298.8	48 657.1	50 150.2	51 989.7

Notes:

- (a) This table shows total expenses per department including administered items. The table in Note 12(a) presents the consolidated expenditure for government purpose classification on a consolidated basis.
- (b) This contingency includes a provision for programs lapsing, future demand growth, departmental underspending and items not yet formalised at the time of publication.
- (c) Other general government sector agencies, which receive less than 50 per cent of their revenue from appropriations and therefore are not allocated to departments.
- (d) Mainly comprising payroll tax, capital asset charge and inter-departmental transfers.

Note 13: Other gains/(losses) from other economic flows*(\$ million)*

	2011-12	2012-13	2013-14	2014-15
	<i>Budget</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
Net (increase) in provision for doubtful receivables	(72.1)	(73.6)	(72.0)	(76.5)
Amortisation of intangible non-produced assets	(10.3)	(10.5)	(10.5)	(10.5)
Net (increase) in bad debts	(95.4)	(97.0)	(102.4)	(102.4)
Other (losses)	(11.3)	(11.4)	(9.7)	(3.6)
Total other gains/(losses) from other economic flows	(189.2)	(192.5)	(194.6)	(193.1)

Note 14: Reconciliation of net gain on equity investments in other sector entities at proportional share of net assets*(\$ million)*

	2012	2013	2014	2015
	<i>Budget</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
Balance of investment in PNFC and PFC sectors at beginning of period	68 083.6	70 145.0	72 622.6	74 306.8
Net contributions to other sectors by owner	2 291.4	2 014.0	1 353.2	659.8
Revaluation gain/(loss) for period	(230.0)	463.6	331.0	(191.0)
Investment in other sector entities at end of period	70 145.0	72 622.6	74 306.8	74 775.6

Note 15: Net acquisition of non-financial assets from transactions*(\$ million)*

	2011-12	2012-13	2013-14	2014-15
	<i>Budget</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
Purchases of non-financial assets	4 119.1	4 347.7	3 012.5	3 460.8
Less: sale of non-financial assets	(302.4)	(459.6)	(266.9)	(252.2)
Less: depreciation	(2 345.4)	(2 537.8)	(2 645.7)	(2 706.3)
Plus: change in inventories	(12.8)	(38.7)	(26.4)	(38.7)
Plus: other movements in non-financial assets	1 251.2	845.0	0.2	0.2
Total net acquisition of non-financial assets	2 709.7	2 156.6	73.8	463.8

Note 16: Advances paid and investments, loans and placements

(\$ million)

	2011	2012	2013	2014	2015
	Revised	Budget	Estimate	Estimate	Estimate
Current advances paid and investments, loans and placements					
Loans and advances receivable	12.8	12.8	12.8	12.8	12.8
Equities and managed investment schemes	79.2	131.4	182.8	206.1	226.4
Australian dollar term deposits	1 947.5	1 917.0	1 962.6	2 041.4	2 136.5
Debt securities	10.4	9.5	9.5	9.5	9.4
Derivative financial instruments	3.7	4.1	3.7	4.1	3.7
Total current advances paid and investments, loans and placements	2 053.6	2 074.8	2 171.4	2 273.9	2 388.9
Non-current advances paid and investments, loans and placements					
Loans and advances receivable ^(a)	284.2	4 497.5	4 462.5	4 421.2	4 373.9
Equities and managed investment schemes	462.6	467.9	465.8	472.8	480.2
Australian dollar term deposits	88.7	58.5	40.4	23.2	6.1
Debt securities	164.8	161.1	161.1	161.1	161.1
Total non-current advances paid and investments, loans and placements	1 000.3	5 185.0	5 129.8	5 078.3	5 021.2
Total advances paid and investments, loans and placements	3 053.9	7 259.8	7 301.1	7 352.2	7 410.1

Note:

(a) The 2011-12 estimate and beyond reflect the recognition of the finance lease arrangement between the Government and Melbourne Water Corporation for the desalination plant.

Note 17: Land, buildings, infrastructure, plant and equipment

(\$ million)

	2011	2012	2013	2014	2015
	Revised	Budget	Estimate	Estimate	Estimate
Buildings (written down value)	21 662.3	24 126.5	26 720.4	28 027.2	30 634.1
Land and national parks	37 087.8	38 877.0	39 500.1	42 833.3	43 881.0
Infrastructure systems (written down value)	1 267.9	1 371.8	1 285.6	1 180.2	1 053.4
Plant, equipment and vehicles (written down value)	2 609.0	2 766.2	2 646.5	2 506.5	2 279.7
Roads and road networks (written down value)	19 092.9	21 384.1	22 702.8	24 470.2	24 033.2
Earthworks	6 479.2	7 127.5	7 127.5	7 885.6	7 885.6
Cultural assets (written down value)	4 898.7	4 896.7	4 897.5	4 894.3	5 343.3
Total land, buildings, infrastructure, plant and equipment	93 097.9	100 549.8	104 880.4	111 797.3	115 110.3

Note 18: Reconciliation of movements in land, buildings, infrastructure, plant and equipment

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
Carrying amount at the start of the year ^(a)	93 097.9	100 549.8	104 880.4	111 797.3
Additions ^(b)	9 552.7	5 142.1	2 974.4	3 419.0
Disposals at written down value ^(b)	(4 394.2)	(224.1)	(171.6)	(172.4)
Revaluations	4 518.8	1 843.3	6 642.4	2 690.6
Assets reclassified	62.3	60.4	61.1	28.0
Depreciation expense	(2 287.7)	(2 491.0)	(2 589.4)	(2 652.2)
Carrying amount at the end of the year	100 549.8	104 880.4	111 797.3	115 110.3

Notes:

- (a) Property, plant and equipment comprises land and buildings, infrastructure systems, plant, equipment, vehicles, road networks and cultural assets. Excludes movements in intangible assets, investment properties and other non-financial assets.
- (b) Includes assets acquired under finance lease arrangements. The 2011-12 estimate reflects the recognition of the finance lease arrangement between the Government and Melbourne Water Corporation for the desalination plant.

Note 19: Assets classified by government purpose and by department

(a) Purchases of non-financial assets by government purpose classification

(\$ million)

	2011-12	2012-13	2013-14	2014-15
	Budget	Estimate	Estimate	Estimate
General public services	305.9	192.4	167.7	132.4
Public order and safety	353.9	246.1	117.9	117.0
Education	940.4	474.2	278.3	256.1
Health	869.9	755.4	776.7	714.7
Social security and welfare	190.2	119.6	104.3	82.3
Housing and community amenities	239.7	134.1	54.2	54.0
Recreation and culture	206.0	129.6	112.9	89.2
Fuel and energy	0.6	0.4	0.3	0.2
Agriculture, forestry, fishing, and hunting	50.3	46.7	30.6	12.8
Mining, manufacturing, and construction	2.3	1.4	1.3	1.0
Transport and communications	1 202.3	1 004.2	477.4	298.3
Other economic affairs	9.5	6.0	5.2	4.1
Other purposes	2.9	1.9	1.6	1.3
Not allocated by purpose ^(a)	(254.9)	1 235.8	884.1	1 697.4
Total purchases of non-financial assets ^(b)	4 119.1	4 347.7	3 012.5	3 460.8

Notes:

- (a) Estimated amount available to be allocated to specific departments and projects. This includes departmental underspending, which may be subject to carryover.
- (b) Classifications have been determined using ratios based on historical data.

Note 19: Assets classified by government purpose and by department (continued)

(b) Purchase of non-financial assets by department

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Education and Early Childhood Development	963.2	478.3	275.4	253.2
Health	954.1	864.1	834.0	771.9
Human Services	72.6	30.6	28.1	27.9
Business and Innovation	31.4	5.9	5.9	5.9
Justice	348.7	202.4	133.7	132.7
Planning and Community Development	102.0	43.6	30.2	6.2
Premier and Cabinet	102.9	40.8	20.2	20.5
Primary Industries	48.4	45.1	26.0	8.2
Sustainability and Environment	212.8	130.0	129.1	123.8
Transport	1 204.7	1 068.8	453.4	224.3
Treasury and Finance	41.0	51.9	34.4	93.5
Parliament	7.5	3.3	3.3	3.3
Regulatory bodies and other part budget funded agencies	284.6	147.2	154.8	91.9
Contingencies not allocated to departments ^(a)	(254.9)	1 235.8	884.1	1 697.4
Total purchases of non-financial assets	4 119.1	4 347.7	3 012.5	3 460.8

Note:

(a) Amount available to be allocated to departments and projects in future budgets. This includes departmental underspending, which may be subject to carryover.

(c) Total assets by government purpose classification

(\$ million)

	2011-12 Budget	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
General public services	173.2	282.0	493.3	937.3
Public order and safety	6 585.4	6 780.2	6 997.8	6 908.8
Education	21 370.0	22 123.2	22 739.7	22 559.8
Health	10 920.0	11 420.9	11 892.4	12 621.7
Social security and welfare	97.2	158.4	277.0	526.2
Housing and community amenities	9 593.0	9 890.3	10 217.5	10 205.1
Recreation and culture	976.9	1 591.2	2 783.1	4 287.7
Fuel and energy	0.3	0.5	0.8	1.6
Agriculture, forestry, fishing, and hunting	694.9	708.7	724.3	699.4
Mining, manufacturing, and construction	..	..	..	..
Transport and communications	51 183.2	52 872.0	56 464.5	55 947.8
Other economic affairs	39.0	63.6	111.2	211.3
Other purposes	1.1	1.8	3.1	5.9
Not allocated by purpose ^(a)	83 143.5	86 586.4	88 522.2	90 174.3
Total assets ^(b)	184 777.6	192 479.1	201 226.9	205 087.0

Notes:

(a) Includes financial assets which are not able to be allocated by purpose.

(b) Classifications have been determined using ratios based on historical data.

Note 20: Borrowings

(\$ million)

	2011 <i>Revised</i>	2012 <i>Budget</i>	2013 <i>Estimate</i>	2014 <i>Estimate</i>	2015 <i>Estimate</i>
Current borrowings					
Domestic borrowings	727.6	725.6	723.6	722.1	720.6
Finance lease liabilities	139.3	123.8	153.3	175.8	198.4
Derivative financial instruments	5.0	5.4	5.0	5.4	5.0
Total current borrowings	871.9	854.8	881.8	903.3	924.0
Non-current borrowings					
Domestic borrowings	14 655.2	18 525.9	21 916.3	23 669.7	25 294.5
Finance lease liabilities	1 660.1	7 054.1	7 782.7	7 622.5	7 458.2
Derivative financial instruments	0.2	0.2	0.2	0.2	0.2
Total non-current borrowings	16 315.4	25 580.2	29 699.2	31 292.5	32 752.9
Total borrowings	17 187.3	26 435.0	30 581.0	32 195.8	33 676.9

Note 21: Employee benefits

(\$ million)

	2011 <i>Revised</i>	2012 <i>Budget</i>	2013 <i>Estimate</i>	2014 <i>Estimate</i>	2015 <i>Estimate</i>
Current					
Accrued salaries and wages ^(a)	1 297.0	1 328.5	1 361.8	1 395.4	1 428.3
Long service leave	2 752.6	2 850.6	2 952.4	3 056.7	3 164.3
Total current employee benefits	4 049.6	4 179.1	4 314.3	4 452.1	4 592.6
Non-current					
Long service leave	478.3	508.3	539.1	573.0	608.2
Total non-current employee benefits	478.3	508.3	539.1	573.0	608.2
Total employee benefits	4 527.9	4 687.4	4 853.4	5 025.1	5 200.8

Note:

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

Note 22: Reserves

	(\$ million)				
	2011	2012	2013	2014	2015
	Revised	Budget	Estimate	Estimate	Estimate
Property plant and equipment revaluation surplus	34 351.4	38 870.2	40 713.4	47 355.8	50 026.5
Available-for-sale investments revaluation surplus	28.4	28.4	28.4	28.4	28.4
Revaluation surplus for investments in PFC and PNFC entities	41 544.4	41 314.5	41 778.0	42 109.0	41 918.1
Other reserves	891.9	917.4	940.6	962.0	982.1
Total reserves	76 816.1	81 130.4	83 460.5	90 455.3	92 955.0

Note 23: Reconciliations to government finance statistics

Derivation of GFS cash surplus/(deficit) ^(a)

	(\$ million)			
	2011-12	2012-13	2013-14	2014-5
	Budget	Estimate	Estimate	Estimate
Cash surplus/(deficit)	(1 334.4)	(1 108.9)	135.4	(516.6)
Convergence differences:				
Less: acquisitions under finance leases and similar arrangements	(1 250.9)	(844.8)	..	..
Total convergence differences	(1 250.9)	(844.8)	..	..
GFS cash surplus/(deficit)	(2 585.4)	(1 953.7)	135.4	(516.6)

Note:

(a) Determined in accordance with the ABS GFS manual.

Note 24: Financial instruments – financial risk management objectives and policies

The *2009-10 Financial Report* (Note 32) contains a comprehensive disclosure of the State's (including the general government sector's) financial risk management objectives and policies.

There has been no substantive change to the accounting classification of financial assets and liabilities for the general government sector as reported in the *2009-10 Financial Report*.

Note 25: Controlled entities

Note 40 Controlled entities within the 2009-10 Financial Report contains a list of significant controlled entities which have been consolidated for the purposes of the financial report.

Following is a list of general government sector entities and entities included as investments by the general government sector that have changed since 1 July 2010. Unless otherwise noted below, all such entities are wholly owned.

	Entities included as investments in other sectors		
	General government	Public non-financial corporation	Public financial corporation
Controlled entities			
Department of Business and Innovation ^(a)	*		
Department of Education and Early Childhood Development	*		
Adult Community and Further Education Board ^(b)	*		
Adult Multicultural Education Services ^(b)	*		
Centre for Adult Education ^(b)	*		
Victorian Skills Commission ^(c)	*		
TAFEs including: ^(c)			
Bendigo Regional Institute of TAFE	*		
Box Hill Institute of TAFE	*		
Central Gippsland Institute of TAFE	*		
Chisholm Institute of TAFE	*		
Driver Education Centre Australia Ltd	*		
East Gippsland Institute of TAFE	*		
Gordon Institute of TAFE	*		
Goulburn Ovens Institute of TAFE	*		
Holmesglen Institute of TAFE	*		
International Fibre Centre Limited	*		
Kangan Batman Institute of TAFE	*		
Northern Melbourne Institute of TAFE	*		
Royal Melbourne Institute of Technology (TAFE Division)	*		
South West Institute of TAFE	*		
Sunraysia Institute of TAFE	*		
Swinburne University of Technology (TAFE Division)	*		
University of Ballarat (TAFE Division)	*		
Victoria University TAFE Division	*		
William Angliss Institute of TAFE	*		
Wodonga Institute of TAFE	*		
Department of Human Services			
Queen Victoria Women's Centre ^(d)		*	
Department of Planning and Community Development	*		
Regional Development Victoria ^(e)	*		

	Entities included as investments in other sectors		
	General government	Public non-financial corporation	Public financial corporation
Controlled entities			
Department of Transport			
Linking Melbourne Authority ^(a)	*		
Port of Melbourne Corporation ^(a)		*	

Notes:

(a) *Entity name changes:*

- on 1 July 2010 the Southern and Eastern Integrated Transport Authority became the Linking Melbourne Authority;
- on 1 September 2010 the Port of Hastings Corporation was merged with the Port of Melbourne Corporation; and
- on 1 January 2011 the Department of Innovation Industry and Regional Development became the Department of Business and Innovation.

(b) *Entities moved as a result of the machinery of government changes effective 1 January 2011 from the Department of Planning and Community Development to the Department of Education and Early Childhood Development.*

(c) *Entities moved as a result of the machinery of government changes effective 1 January 2011 from Department of Business and Innovation to the Department of Education and Early Childhood Development.*

(d) *Queen Victoria Women's Centre moved as a result of the machinery of government changes effective 1 January 2011 from the Department of Planning and Community Development to the Department of Human Services.*

(e) *Regional Development Victoria moved as a result of the machinery of government changes effective 1 January 2011 from the Department of Business and Innovation to the Department of Planning and Community Development.*

CHAPTER 2 – SUPPLEMENTARY UNIFORM PRESENTATION FRAMEWORK TABLES

Chapter 2 forms part of the Uniform Presentation Framework along with Chapter 1, and provides additional information of sectoral financial statements for the public non-financial corporations sector, the non-financial public sector, and the public financial corporations sector. In addition, information for the whole of state has been included, representing the consolidated estimates of the general government, the non-financial public and the public financial sectors. The presentation of estimates data for the public financial corporations sector and whole of state is occurring for the first time.

These financial statements are also presented in a format consistent with AASB 1049 Whole of Government and General Government Sector Financial Reporting, which has been adopted as the presentation framework under the Uniform Presentation Framework. In addition, the chapter includes the Loan Council Allocation estimates (the government's net call on financial markets in a given financial year to meet its budget obligations), and details of Victoria's infrastructure projects with private sector investment where contracts are expected to be signed in 2011-12.

Table 2.1: Public non-financial corporations sector comprehensive operating statement

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Revenue						
Interest	63.7	71.5	55.9	58.3	57.5	65.7
Dividends	28.9	70.0	76.0	76.1	79.2	82.3
Sales of goods and services	4 030.9	4 380.7	4 845.5	5 359.8	5 633.1	5 770.3
Grants	2 933.3	2 509.0	2 482.6	2 522.2	2 500.1	2 541.1
Other current revenue	601.4	506.1	533.0	522.3	515.6	547.5
Total revenue	7 658.1	7 537.3	7 993.0	8 538.8	8 785.5	9 007.0
Expenses						
Employee expenses	857.6	921.5	940.4	966.5	999.1	1 047.2
Other superannuation	86.6	73.1	74.9	76.7	78.7	81.7
Depreciation	1 496.1	1 708.6	1 843.8	2 004.6	2 074.1	2 115.3
Interest expense	534.7	661.0	974.7	1 306.6	1 333.7	1 371.0
Other operating expenses	3 691.8	4 055.4	4 002.2	3 985.2	4 157.7	4 231.5
Grants and other transfers	464.9	535.3	315.6	242.7	134.5	129.0
Other property expenses	131.9	114.3	96.4	85.6	118.7	145.3
Total expenses	7 263.5	8 069.3	8 248.1	8 667.9	8 896.6	9 121.1
Net result from transactions – net operating balance	394.6	(532.0)	(255.0)	(129.1)	(111.2)	(114.1)
Other economic flows included in net result						
Net gain/(loss) on sale of non-financial assets	(8.8)	17.2	5.3	(0.8)	0.1	..
Net gain/(loss) on financial assets or liabilities at fair value	(132.4)	253.5	40.7	34.7	19.6	13.6
Net actuarial gains/(losses) of superannuation defined benefits plans	14.4	..	..	..	..	..
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends	50.9	..	..	..	..	..
Other gains/(losses) from other economic flows	140.7	(301.8)	(49.8)	(29.8)	(3.3)	1.5
Total other economic flows included in net result	64.9	(31.0)	(3.8)	4.2	16.4	15.0
Net result	459.4	(563.0)	(258.8)	(124.9)	(94.7)	(99.1)
Other economic flows – other movements in equity						
Net gain/(loss) on financial assets at fair value	10.0	11.9	(1.5)	(2.4)	(2.2)	(2.4)
Revaluations of non-financial assets	2 854.8	1 062.8	(13.2)	675.3	347.9	(65.2)
Other movements in equity	(14.8)	(34.6)	..	..	7.2	7.2
Total other economic flows – other movements in equity	2 849.9	1 040.1	(14.8)	672.8	353.0	(60.4)
Comprehensive result – total change in net worth	3 309.3	477.0	(273.6)	547.9	258.3	(159.5)

Table 2.1: Public non-financial corporations sector comprehensive operating statement (continued)

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
FISCAL AGGREGATES						
Net operating balance	394.6	(532.0)	(255.0)	(129.1)	(111.2)	(114.1)
Less: net acquisition of non-financial assets from transactions ^(a)	2 891.0	3 173.8	7 426.0	1 725.1	1 163.8	744.4
Net lending/(borrowing)	(2 496.4)	(3 705.8)	(7 681.0)	(1 854.2)	(1 275.0)	(858.5)

Source: Department of Treasury and Finance

Note:

(a) The 2011-12 estimate and beyond reflect the recognition of the finance lease arrangement between the Government and Melbourne Water Corporation for the desalination plant.

Table 2.2: Non-financial public sector comprehensive operating statement

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Revenue						
Taxation revenue	13 547.9	14 664.6	15 145.0	15 801.0	16 472.0	17 314.1
Interest	381.6	418.7	409.4	413.8	419.7	426.3
Dividends and income tax equivalents and rate equivalents	99.6	231.2	252.4	279.0	306.8	353.7
Sales of goods and services	8 323.5	9 088.8	9 549.2	10 249.8	10 543.8	10 760.7
Grants	22 712.5	21 980.8	22 514.5	22 901.9	23 707.0	24 433.2
Other current revenue	2 569.2	2 276.2	2 400.9	2 313.3	2 316.0	2 309.2
Total revenue	47 634.3	48 660.3	50 271.4	51 958.7	53 765.3	55 597.3
Expenses						
Employee expenses	16 221.2	16 971.8	17 548.9	18 310.8	19 233.7	20 023.8
Superannuation interest expense	867.7	931.6	880.6	900.3	907.4	906.1
Other superannuation	1 613.4	1 751.4	1 765.6	1 805.3	1 834.1	1 859.1
Depreciation	3 365.8	3 825.4	4 189.2	4 542.4	4 719.7	4 821.6
Interest expense	1 362.3	1 639.5	2 352.6	3 248.2	3 514.4	3 669.9
Other operating expenses	16 802.8	17 818.8	18 096.2	17 945.3	18 104.6	18 751.7
Grants and other transfers	6 634.0	6 112.3	5 836.3	5 518.4	5 572.4	5 787.8
Total expenses	46 867.3	49 050.9	50 669.6	52 270.8	53 886.3	55 820.2
Net result from transactions – net operating balance	767.0	(390.5)	(398.2)	(312.1)	(121.0)	(222.9)
Other economic flows included in net result						
Net gain/(loss) on sale of non-financial assets	(49.2)	80.3	116.5	234.7	95.5	79.8
Net gain/(loss) on financial assets or liabilities at fair value	(68.4)	255.2	42.5	36.4	21.3	15.3
Net actuarial gains/(losses) of superannuation defined benefits plans	(1 435.8)	848.4	..	..	..	..
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends	49.6	..	..	..	..	..
Other (losses) from other economic flows	(4 488.1)	(171.1)	(260.0)	(259.0)	(245.5)	(238.5)
Total other economic flows included in net result	(5 991.9)	1 012.9	(101.0)	12.1	(128.7)	(143.3)
Net result	(5 224.9)	622.3	(499.2)	(299.9)	(249.7)	(366.3)

**Table 2.2: Non-financial public sector comprehensive operating statement
(continued)**

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Other economic flows – other movements in equity						
Net gain/(loss) on financial assets at fair value	25.1	11.9	(1.5)	(2.4)	(2.2)	(2.4)
Revaluations of non-financial assets	6 768.1	2 188.3	4 424.7	2 597.5	7 053.4	2 668.5
Net gain on equity investments in other sector entities at proportional share of net assets	(483.0)	1 035.8	303.4	189.1	229.2	264.6
Other movements in equity	265.2	(22.0)	0.8	3.5	11.4	11.3
Total other economic flows – other movements in equity	6 575.4	3 214.0	4 727.3	2 787.6	7 291.8	2 942.0
Comprehensive result – total change in net worth	1 350.6	3 836.3	4 228.1	2 487.6	7 042.1	2 575.7
FISCAL AGGREGATES						
Net operating balance	767.0	(390.5)	(398.2)	(312.1)	(121.0)	(222.9)
Less: net acquisition of non-financial assets from transactions ^(a)	5 747.3	5 731.7	10 249.6	3 771.7	1 037.5	1 090.1
Net lending/(borrowing)	(4 980.3)	(6 122.2)	(10 647.7)	(4 083.8)	(1 158.5)	(1 313.1)

Source: Department of Treasury and Finance

Note:

(a) The 2011-12 estimate and beyond reflect the recognition of the finance for the desalination plant.

Table 2.3: Public financial corporations sector comprehensive operating statement

(\$ million)

	2009-10 Actual	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Revenue						
Interest	1 769.0	1 954.1	2 252.4	2 576.4	2 830.1	3 018.6
Dividends	392.3	455.1	337.8	355.5	382.8	396.0
Sales of goods and services	3 280.4	3 402.3	3 555.1	3 760.7	3 966.5	4 177.9
Grants ^(a)	99.0	..	..	..	..	..
Other current revenue	22.0	28.7	22.2	25.4	26.1	26.8
Total revenue	5 562.8	5 840.2	6 167.6	6 718.0	7 205.5	7 619.3
Expenses						
Employee expenses	267.5	286.4	294.4	307.4	319.0	331.2
Other superannuation	23.9	23.2	24.0	24.9	25.9	26.8
Depreciation	26.7	31.6	37.8	42.9	47.6	49.7
Interest expense	1 332.3	1 547.9	1 856.8	2 164.0	2 393.5	2 555.4
Other operating expenses	3 908.9	3 907.3	4 086.1	4 456.2	4 656.3	4 862.2
Grants and other transfers ^(a)	106.4	7.4	7.7	7.9	8.1	8.4
Other property expenses	11.0	13.0	16.7	17.7	18.9	20.8
Total expenses	5 676.7	5 816.8	6 323.5	7 021.0	7 469.3	7 854.5
Net result from transactions – net operating balance ^(b)	(114.0)	23.4	(155.9)	(303.1)	(263.9)	(235.2)
Other economic flows included in net result						
Net (loss) on sale of non-financial assets	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net gain on financial assets or liabilities at fair value	255.6	1 233.2	791.9	801.1	849.7	922.3
Other (losses) from other economic flows	(566.3)	(75.9)	(141.9)	(104.2)	(125.1)	(148.5)
Total other economic flows included in net result	(311.1)	1 157.1	650.0	696.8	724.5	773.8
Net result	(425.1)	1 180.5	494.1	393.7	460.7	538.6
Other economic flows – other movements in equity						
Revaluations of non-financial assets	1.2	..	(11.2)	..	..	..
Other movements in equity	0.1	..	..	..	..	..
Total other economic flows – other movements in equity	1.3	..	(11.2)	..	..	..
Comprehensive result – total change in net worth	(423.8)	1 180.5	482.9	393.7	460.7	538.6
FISCAL AGGREGATES						
Net operating balance	(114.0)	23.4	(155.9)	(303.1)	(263.9)	(235.2)
Less: net acquisition of non-financial assets from transactions	(9.6)	22.5	10.6	10.4	3.7	(0.2)
Net lending/(borrowing) ^(c)	(104.4)	0.9	(166.5)	(313.4)	(267.6)	(235.0)

Source: Department of Treasury and Finance

**Table 2.3: Public financial corporations sector comprehensive operating statement
(continued)**

Notes:

- (a) *Estimates from 2010-11 onwards exclude grants received by the Rural Finance Corporation (RFC) from the general government sector for on-passing to the private sector as the RFC is acting as an agent of the general government sector. Therefore such grants are not recognised by RFC.*
- (b) *Capital gains on the investment portfolios of the State's insurance agencies (Victorian Workcover Authority, Transport Accident Commission and Victorian Managed Insurance Authority) are classified as other economic flows. As these capital gains are available to fund claims expenses, the Net Result provides a more meaningful reflection of the underlying operating performance of the PFC sector than the Net Results from Transactions.*
- (c) *2009-10 actual figure is different from the 2009-10 Annual Financial Report due to a correction.*

Table 2.4: State of Victoria comprehensive operating statement

(\$ million)

	2009-10 Actual	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Revenue						
Taxation revenue	13 534.6	14 650.6	15 130.3	15 785.7	16 456.4	17 297.9
Interest	982.9	879.2	880.3	898.2	924.4	952.9
Dividends and rate equivalents	422.7	525.3	414.1	432.0	462.4	478.9
Sales of goods and services	11 024.2	11 846.4	12 438.0	13 284.2	13 733.9	14 111.4
Grants	22 606.6	21 884.1	22 415.4	22 820.4	23 625.4	24 352.0
Other current revenue	2 591.3	2 305.0	2 423.2	2 338.6	2 342.1	2 336.0
Total revenue	51 162.4	52 090.7	53 701.3	55 559.3	57 544.6	59 529.1
Expenses						
Employee expenses	16 218.3	16 987.7	17 567.0	18 336.2	19 263.8	20 051.9
Superannuation interest expense	867.7	931.6	880.6	900.3	907.4	906.1
Other superannuation	1 637.4	1 774.6	1 789.6	1 830.3	1 860.0	1 886.0
Depreciation	3 392.5	3 857.0	4 227.0	4 585.4	4 767.3	4 871.3
Interest expense	1 527.0	1 694.9	2 422.8	3 311.3	3 571.8	3 722.6
Other operating expenses	20 292.0	21 263.0	21 709.4	21 895.8	22 216.7	23 033.7
Grants and other transfers	6 632.8	6 112.3	5 836.3	5 518.4	5 572.4	5 787.8
Total expenses	50 567.6	52 621.0	54 432.7	56 377.8	58 159.4	60 259.4
Net result from transactions – Net operating balance	594.7	(530.3)	(731.4)	(818.5)	(614.8)	(730.3)
Other economic flows included in net result						
Net gain/(loss) on sale of non-financial assets	(49.5)	80.2	116.4	234.6	95.4	79.7
Net gain on financial assets or liabilities at fair value	187.2	1 488.4	834.4	837.5	871.0	937.6
Net actuarial gains/(losses) of superannuation defined benefits plans	(1 435.8)	848.4	..	..	..	..
Share of net profit/(loss) from associates, excluding dividends	49.6	..	..	..	..	..
Other gains/(losses) from other economic flows	(5 023.8)	178.3	(250.1)	(249.2)	(235.6)	(228.6)
Total other economic flows included in net result	(6 272.4)	2 595.3	700.7	822.9	730.8	788.7
Net result	(5 677.7)	2 064.9	(30.7)	4.4	116.0	58.5
Other economic flows – Other movements in equity						
Net gain/(loss) on financial assets at fair value	25.1	11.9	(1.5)	(2.4)	(2.2)	(2.4)
Revaluations of non-financial assets	6 769.3	2 188.3	4 413.4	2 597.5	7 053.4	2 668.5
Other movements in equity	265.3	(22.0)	0.8	3.5	11.4	11.3
Total other economic flows – Other movements in equity	7 059.7	2 178.2	4 412.7	2 598.5	7 062.6	2 677.4

Table 2.4: State of Victoria comprehensive operating statement (continued)

(\$ million)

	2009-10 Actual	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Comprehensive result – Total change in net worth	1 382.0	4 243.2	4 381.9	2 602.9	7 178.6	2 735.9
FISCAL AGGREGATES						
Net operating balance	594.7	(530.3)	(731.4)	(818.5)	(614.8)	(730.3)
Less: net acquisition of non-financial assets from transactions	5 737.7	5 754.8	10 264.9	3 783.1	1 041.3	1 089.9
Net lending/(borrowing)	(5 143.0)	(6 285.2)	(10 996.3)	(4 601.6)	(1 656.1)	(1 820.2)

Source: Department of Treasury and Finance

Table 2.5: Public non-financial corporations balance sheet

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Assets						
Financial assets						
Cash and deposits	678.1	679.6	791.7	990.1	1 215.3	1 380.0
Advances paid	89.4	106.3	73.1	69.3	72.1	74.9
Receivables	1 137.3	761.4	687.4	814.6	906.1	995.2
Investments, loans and placements	1 696.1	1 478.2	1 249.8	1 081.2	902.4	781.8
Investments accounted for using equity method	498.1	465.6	465.6	465.6	465.6	465.6
Total financial assets	4 098.9	3 491.1	3 267.6	3 420.9	3 561.5	3 697.6
Non-financial assets						
Inventories	661.3	712.3	824.4	806.5	788.8	908.3
Non-financial assets held for sale	16.6	0.5	..	5.9	11.0	16.1
Land, buildings, infrastructure, plant and equipment	74 253.1	78 302.8	85 178.4	87 541.4	88 957.4	89 337.4
Other non-financial assets	810.2	897.7	1 008.8	1 023.3	1 075.9	1 148.1
Total non-financial assets	75 741.2	79 913.3	87 011.6	89 377.2	90 833.2	91 409.9
Total assets	79 840.1	83 404.3	90 279.2	92 798.0	94 394.7	95 107.5
Liabilities						
Deposits held and advances received	360.6	371.7	383.8	394.7	401.5	407.9
Payables	1 337.4	1 149.1	1 008.8	977.4	910.7	865.4
Borrowings	8 946.6	10 388.1	15 837.9	16 220.2	16 594.3	17 220.3
Employee benefits	268.7	295.9	304.3	313.3	324.1	334.5
Superannuation	63.5	51.9	49.5	49.6	49.6	39.7
Other provisions	4 686.7	4 434.6	4 236.6	4 107.0	3 940.3	3 878.1
Total liabilities	15 663.5	16 691.3	21 820.9	22 062.3	22 220.6	22 745.8
Net assets	64 176.6	66 713.0	68 458.3	70 735.7	72 174.1	72 361.7
Accumulated surplus	6 084.1	5 399.9	4 897.2	4 514.8	4 271.4	3 884.1
Reserves	58 092.5	61 313.1	63 561.1	66 220.9	67 902.7	68 477.6
Net worth	64 176.6	66 713.0	68 458.3	70 735.7	72 174.1	72 361.7
FISCAL AGGREGATES						
Net financial worth	(11 564.6)	(13 200.2)	(18 553.2)	(18 641.5)	(18 659.1)	(19 048.2)
Net financial liabilities	11 564.6	13 200.2	18 553.2	18 641.5	18 659.1	19 048.2
Net debt	6 843.7	8 495.7	14 107.1	14 474.4	14 806.1	15 391.4

Source: Department of Treasury and Finance

Table 2.6: Non-financial public sector balance sheet

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Assets						
Financial assets						
Cash and deposits	3 899.5	3 384.3	3 630.1	3 984.0	4 547.9	4 971.8
Advances paid	113.3	134.0	96.8	92.9	95.0	91.2
Receivables	3 646.3	3 641.0	3 660.0	4 552.5	4 539.3	4 531.9
Investments, loans and placements	4 321.9	4 232.1	3 996.3	3 904.0	3 817.5	3 802.2
Investments accounted for using equity method	533.2	500.7	500.7	500.7	500.7	500.7
Investments in other sector entities	313.8	1 370.6	1 686.7	1 886.9	2 132.7	2 413.9
Total financial assets	12 828.0	13 262.7	13 570.6	14 921.0	15 633.1	16 311.7
Non-financial assets						
Inventories	929.7	1 017.1	1 116.5	1 059.9	1 015.8	1 096.6
Non-financial assets held for sale	108.1	81.7	74.6	73.9	72.4	70.9
Land, buildings, infrastructure, plant and equipment	163 671.0	171 398.8	185 726.3	192 420.0	200 752.9	204 445.8
Other non-financial assets	1 425.2	1 513.1	1 569.9	1 545.1	1 454.3	1 380.9
Total non-financial assets	166 134.0	174 010.7	188 487.3	195 098.9	203 295.3	206 994.2
Total assets	178 962.0	187 273.4	202 057.9	210 019.9	218 928.5	223 305.9
Liabilities						
Deposits held and advances received	587.8	571.4	572.5	572.2	571.6	570.5
Payables	5 620.5	5 402.9	4 914.2	5 621.3	5 399.5	5 182.0
Borrowings	22 557.6	27 574.0	38 068.6	42 645.9	44 689.7	46 857.8
Employee benefits	4 626.5	4 823.8	4 991.6	5 166.7	5 349.2	5 535.3
Superannuation	22 597.7	22 268.6	22 733.3	22 894.0	22 995.1	22 821.4
Other provisions	1 791.7	1 616.3	1 533.2	1 387.7	1 149.1	989.1
Total liabilities	57 781.9	62 257.0	72 813.4	78 287.7	80 154.2	81 955.9
Net assets	121 180.1	125 016.4	129 244.5	131 732.1	138 774.2	141 350.0
Accumulated surplus	6 118.5	6 693.6	6 169.7	5 850.0	5 575.0	5 184.7
Reserves	115 017.1	118 278.3	123 030.3	125 837.6	133 154.7	136 120.8
Non-controlling interest	44.5	44.5	44.5	44.5	44.5	44.5
Net worth	121 180.1	125 016.4	129 244.5	131 732.1	138 774.2	141 350.0
FISCAL AGGREGATES						
Net financial worth	(44 953.9)	(48 994.3)	(59 242.8)	(63 366.7)	(64 521.1)	(65 644.2)
Net financial liabilities	45 267.7	50 364.9	60 929.5	65 253.6	66 653.8	68 058.1
Net debt	14 810.7	20 395.1	30 917.9	35 237.2	36 800.8	38 563.1

Source: Department of Treasury and Finance

Table 2.7: Public financial corporations sector balance sheet

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Assets						
Financial assets						
Cash and deposits	3 688.2	3 744.7	3 706.7	3 784.9	3 914.7	4 206.1
Advances paid	1 424.0	1 443.5	1 573.7	1 700.2	1 802.6	1 911.1
Investments, loans and placements ^(a)	23 237.7	25 761.4	27 977.0	31 800.1	34 250.0	36 681.9
Loans receivable from non-financial public sector ^(a) ^(b)	18 592.7	23 850.3	27 468.4	28 620.1	29 333.2	30 605.9
Receivables ^(a)	1 470.0	1 415.5	1 408.5	1 463.5	1 482.2	1 509.7
Total financial assets	48 412.6	56 215.4	62 134.2	67 368.7	70 782.8	74 914.9
Non-financial assets						
Land, buildings, infrastructure, plant and equipment	77.4	86.6	80.4	82.0	81.7	77.7
Other non-financial assets	1 968.3	1 568.5	1 437.3	1 337.3	1 211.4	1 062.4
Total non-financial assets	2 045.8	1 655.1	1 517.7	1 419.3	1 293.1	1 140.1
Total assets	50 458.4	57 870.5	63 651.9	68 787.9	72 075.9	76 055.0
Liabilities						
Deposits held and advances received	4 911.4	4 738.8	4 470.3	4 359.1	4 240.1	4 266.1
Payables	1 532.9	1 764.7	1 833.2	1 932.8	2 001.4	2 075.2
Borrowings ^(c)	25 651.1	31 809.5	36 844.1	40 915.5	43 092.9	45 704.5
Employee benefits	60.1	60.6	64.9	67.4	69.2	70.4
Other provisions	17 970.8	18 126.3	18 752.8	19 626.2	20 539.6	21 524.8
Total liabilities	50 126.3	56 499.9	61 965.2	66 901.0	69 943.2	73 641.1
Net assets	332.1	1 370.6	1 686.7	1 886.9	2 132.7	2 413.9
Accumulated surplus/(deficit)	(688.0)	313.8	642.2	829.7	1 082.7	1 345.6
Reserves	1 020.1	1 056.8	1 044.5	1 057.2	1 050.0	1 068.3
Net worth	332.1	1 370.6	1 686.7	1 886.9	2 132.7	2 413.9
FISCAL AGGREGATES						
Net financial worth	(1 713.6)	(284.5)	169.0	467.6	839.6	1 273.8
Net financial liabilities	1 713.6	284.5	(169.0)	(467.6)	(839.6)	(1 273.8)
Net debt ^(d)	(16 380.2)	(18 251.5)	(19 411.4)	(20 630.6)	(21 967.6)	(23 434.5)

Source: Department of Treasury and Finance

Notes:

- (a) Changes to the 2009-10 actual figures as published in the 2009-10 Annual Financial Report are due to reclassifications.
- (b) Loans receivable from the non-financial public sector are measured at amortised cost.
- (c) Borrowings with the private sector are measured at market value.
- (d) Changes to the 2009-10 actual figures as published in the 2009-10 Annual Financial Report and estimates from 2010-11 onwards include loans receivable from non-financial public sector, to more appropriately reflect the nature of these balances.

Table 2.8: State of Victoria balance sheet

(\$ million)

	2009-10 Actual	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Assets						
Financial assets						
Cash and deposits	4 711.5	5 581.7	5 558.1	6 114.1	6 884.2	7 745.7
Advances paid	1 527.7	1 577.5	1 670.5	1 793.1	1 897.6	2 002.3
Receivables	5 058.3	4 906.5	4 918.5	5 865.9	5 871.5	5 891.6
Investments, loans and placements	25 299.4	26 988.0	27 902.1	28 831.4	29 728.8	30 794.0
Investments accounted for using equity method	533.2	500.7	500.7	500.7	500.7	500.7
Total financial assets	37 130.1	39 554.4	40 549.8	43 105.2	44 882.8	46 934.4
Non-financial assets						
Inventories	929.7	1 017.1	1 116.5	1 059.9	1 015.8	1 096.6
Non-financial assets held for sale	108.1	81.7	74.6	73.9	72.4	70.9
Land, buildings, infrastructure, plant and equipment	163 746.1	171 483.1	185 804.5	192 499.7	200 832.2	204 521.3
Other non-financial assets	1 554.7	1 671.3	1 749.0	1 738.2	1 656.3	1 592.2
Total non-financial assets	166 338.7	174 253.2	188 744.6	195 371.7	203 576.8	207 280.9
Total assets	203 468.8	213 807.6	229 294.4	238 476.9	248 459.6	254 215.3
Liabilities						
Deposits held and advances received	1 478.8	1 449.3	1 450.4	1 450.0	1 449.4	1 450.7
Payables	6 975.6	6 989.7	6 568.0	7 373.4	7 218.5	7 072.9
Borrowings	28 580.3	34 839.4	45 184.6	49 892.9	51 892.2	54 217.7
Employee benefits	4 686.7	4 884.4	5 056.5	5 234.1	5 418.5	5 605.7
Superannuation	22 597.7	22 268.6	22 733.3	22 894.0	22 995.1	22 821.4
Other provisions	19 759.2	19 742.5	20 285.9	21 013.8	21 688.6	22 513.8
Total liabilities	84 078.2	90 173.9	101 278.7	107 858.3	110 662.4	113 682.2
Net assets	119 390.6	123 633.7	128 015.7	130 618.6	137 797.2	140 533.0
Accumulated surplus	48 299.9	50 301.9	50 260.3	50 243.4	50 357.9	50 390.6
Reserves	71 046.2	73 287.4	77 710.9	80 330.7	87 394.8	90 097.9
Non-controlling interest	44.5	44.5	44.5	44.5	44.5	44.5
Net worth	119 390.6	123 633.7	128 015.7	130 618.6	137 797.2	140 533.0
FISCAL AGGREGATES						
Net financial worth	(46 948.1)	(50 619.4)	(60 728.9)	(64 753.1)	(65 779.6)	(66 747.9)
Net financial liabilities	46 948.1	50 619.4	60 728.9	64 753.1	65 779.6	66 747.9
Net debt	(1 479.5)	2 141.5	11 504.3	14 604.4	14 831.1	15 126.4

Source: Department of Treasury and Finance

Table 2.9: Public non-financial corporations sector cash flow statement

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Cash flows from operating activities						
Receipts						
Grants	2 970.0	2 577.9	2 513.4	2 542.7	2 526.0	2 556.1
Sales of goods and services ^(a)	4 401.3	4 762.3	5 275.8	5 848.1	6 144.7	6 309.2
Interest	60.2	61.6	45.3	62.5	63.0	71.3
Dividends	29.0	70.0	76.0	76.1	79.2	82.3
Other receipts	300.8	306.1	415.4	198.5	201.8	213.6
Total receipts	7 761.2	7 777.9	8 325.9	8 727.9	9 014.7	9 232.5
Payments						
Payments for employees	(819.0)	(894.5)	(932.4)	(957.8)	(988.6)	(1 037.2)
Superannuation	(86.0)	(84.7)	(77.3)	(76.7)	(78.7)	(91.7)
Interest ^(b)	(503.5)	(655.6)	(969.3)	(1 302.5)	(1 330.1)	(1 367.3)
Grants	(398.9)	(470.7)	(248.4)	(174.8)	(63.3)	(46.7)
Goods and services ^(a)	(2 949.9)	(3 459.6)	(3 105.5)	(3 082.0)	(3 239.2)	(3 250.3)
Other payments ^(b)	(1 299.2)	(1 464.7)	(1 611.1)	(1 573.1)	(1 679.7)	(1 750.6)
Total payments	(6 056.6)	(7 029.9)	(6 944.0)	(7 166.8)	(7 379.7)	(7 543.8)
Net cash flows from operating activities	1 704.6	748.0	1 381.9	1 561.1	1 635.1	1 688.7
Cash flows from investing activities						
Non-financial assets						
Purchases of non-financial assets	(4 262.8)	(4 779.4)	(4 863.1)	(3 598.0)	(3 106.6)	(2 569.6)
Sales of non-financial assets	129.3	144.5	115.5	61.8	72.3	72.7
Cash flows from investments in non-financial assets	(4 133.5)	(4 634.9)	(4 747.7)	(3 536.2)	(3 034.3)	(2 496.8)
Net cash flows from investments in financial assets for policy purposes	(1.8)	(16.9)	33.1	3.7	(10.9)	(10.9)
Net cash flows from investments in financial assets for liquidity purposes	(407.3)	399.5	153.6	19.3	(53.2)	(44.4)
Net cash flows from investing activities	(4 542.6)	(4 252.3)	(4 560.9)	(3 513.2)	(3 098.3)	(2 552.1)
Cash flows from financing activities						
Advances received (net)	17.6	26.5	10.5	11.3	7.4	5.1
Net borrowings	1 544.8	1 435.0	1 234.8	362.4	289.8	571.6
Deposits received (net)	8.1	(15.5)	1.6	(0.3)	(0.6)	1.2
Other financing (net)	1 230.2	2 059.4	2 042.9	1 768.5	1 320.4	391.1
Net cash flows from financing activities	2 800.7	3 505.5	3 289.7	2 141.9	1 617.0	969.0
Net increase/(decrease) in cash and cash equivalents	(37.3)	1.2	110.7	189.8	153.8	105.7

Table 2.9: Public non-financial corporations sector cash flow statement (continued)

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Cash and cash equivalents at beginning of reporting period	715.2	677.9	679.1	789.8	979.7	1 133.4
Cash and cash equivalents at end of reporting period ^(c)	677.9	679.1	789.8	979.7	1 133.4	1 239.1
FISCAL AGGREGATES						
Net cash flows from operating activities	1 704.6	748.0	1 381.9	1 561.1	1 635.1	1 688.7
Cash flows from investments in non-financial assets	(4 133.5)	(4 634.9)	(4 747.7)	(3 536.2)	(3 034.3)	(2 496.8)
Dividends paid	(248.4)	(86.6)	(243.9)	(257.5)	(139.2)	(280.2)
Cash (deficit)	(2 677.2)	(3 973.5)	(3 609.6)	(2 232.6)	(1 538.5)	(1 088.3)

Source: Department of Treasury and Finance

Notes:

- (a) These items are inclusive of goods and service tax.
- (b) Reclassification of capital asset charge from interest to other payments has required re-presentation of the 2009-10 actual results.
- (c) Cash and cash equivalents at the end of reporting period does not equal to cash and deposit on the balance sheet. This is due to the overdraft being included on the cash flow statement.

Table 2.10: Non-financial public sector cash flow statement

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Cash flows from operating activities						
Receipts						
Taxes	13 678.9	14 717.6	15 125.6	15 910.0	16 527.0	17 369.0
Grants	22 609.9	21 683.3	22 525.6	22 913.3	23 715.6	24 435.1
Sales of goods and services ^(a)	9 563.1	9 998.1	10 319.5	11 401.8	11 727.3	11 971.1
Interest	368.3	386.9	377.4	381.8	419.7	426.0
Dividends and income tax equivalent and rate equivalents	99.5	231.2	252.4	279.0	306.8	353.7
Other receipts	1 862.0	1 875.0	2 052.4	1 767.9	1 795.0	1 753.5
Total receipts	48 181.6	48 892.1	50 652.8	52 653.7	54 491.4	56 308.5
Payments						
Payments for employees	(16 113.8)	(16 777.1)	(17 383.6)	(18 138.2)	(19 053.6)	(19 840.3)
Superannuation	(2 068.9)	(2 163.6)	(2 181.5)	(2 544.9)	(2 640.4)	(2 939.0)
Interest	(1 255.3)	(1 583.0)	(2 304.3)	(3 202.7)	(3 468.7)	(3 626.5)
Grants	(6 555.2)	(5 810.4)	(5 848.5)	(5 530.4)	(5 582.3)	(5 790.9)
Goods and services ^(a)	(17 088.1)	(18 594.2)	(18 717.2)	(18 689.1)	(18 858.1)	(19 469.5)
Other payments	(440.7)	(454.8)	(536.2)	(563.2)	(597.3)	(633.6)
Total payments	(43 522.0)	(45 383.2)	(46 971.3)	(48 668.5)	(50 200.5)	(52 299.8)
Net cash flows from operating activities	4 659.6	3 508.9	3 681.5	3 985.2	4 290.9	4 008.7
Cash flows from investing activities						
Purchases of non-financial assets	(8 924.0)	(9 525.5)	(9 008.1)	(7 835.8)	(5 919.0)	(5 906.3)
Sales of non-financial assets	316.7	373.5	329.8	521.4	339.2	325.0
Cash flows from investments in non-financial assets	(8 607.3)	(9 152.0)	(8 678.3)	(7 314.4)	(5 579.8)	(5 581.3)
Net cash flows from investments in financial assets for policy purposes	189.6	(41.6)	24.4	(7.3)	(26.8)	(20.8)
Net cash flows from investments in financial assets for liquidity purposes	(405.3)	273.3	163.4	(55.4)	(143.1)	(148.0)
Net cash flows from investing activities	(8 823.1)	(8 920.4)	(8 490.4)	(7 377.1)	(5 749.7)	(5 750.2)
Cash flows from financing activities						
Advances received (net)	(0.5)	(0.8)	(0.5)	..	..	(2.3)
Net borrowings	4 437.4	4 912.3	5 052.3	3 737.6	1 951.9	2 107.3
Deposits received (net)	(0.2)	(15.6)	1.6	(0.4)	(0.6)	1.2
Other financing (net)	65.4	..	..	..	..	..
Net cash flows from financing activities	4 502.0	4 896.0	5 053.4	3 737.2	1 951.3	2 106.3

Table 2.10: Non-financial public sector cash flow statement (continued)

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Net increase/(decrease) in cash and cash equivalents	338.6	(515.4)	244.4	345.4	492.5	364.8
Cash and cash equivalents at beginning of reporting period	3 560.7	3 899.3	3 383.8	3 628.3	3 973.6	4 466.1
Cash and cash equivalents at end of reporting period ^(b)	3 899.3	3 383.8	3 628.3	3 973.6	4 466.1	4 830.9
FISCAL AGGREGATES						
Net cash flows from operating activities	4 659.6	3 508.9	3 681.5	3 985.2	4 290.9	4 008.7
Net cash flows from investments in non-financial assets	(8 607.3)	(9 152.0)	(8 678.3)	(7 314.4)	(5 579.8)	(5 581.3)
Cash (deficit)	(3 947.7)	(5 643.1)	(4 996.8)	(3 329.2)	(1 288.9)	(1 572.6)

Source: Department of Treasury and Finance

Notes:

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

(b) Cash and cash equivalents at the end of reporting period does not equal to cash and deposit on the balance sheet. This is due to the overdraft being included on the cash flow statement.

Table 2.11: Public financial corporations sector cash flow statement

(\$ million)

	2009-10 Actual	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Cash flows from operating activities						
Receipts						
Grants	99.0	..	..	..	..	..
Sales of goods and services ^(a)	3 705.6	3 671.1	3 971.2	4 133.3	4 394.5	4 618.7
Interest	1 547.8	1 794.8	2 093.1	2 417.1	2 670.8	2 859.3
Dividends	392.3	455.1	337.8	355.5	382.8	396.0
Other receipts	48.2	353.7	54.8	40.0	43.9	45.4
Total receipts	5 793.0	6 274.7	6 456.9	6 945.9	7 492.0	7 919.5
Payments						
Payments for employees	(265.9)	(286.0)	(290.1)	(304.9)	(317.2)	(330.0)
Superannuation	(23.9)	(23.2)	(24.0)	(24.9)	(25.9)	(26.8)
Interest	(1 225.9)	(1 504.6)	(1 813.6)	(2 120.9)	(2 350.5)	(2 512.5)
Grants	(106.4)	(7.4)	(7.7)	(7.9)	(8.1)	(8.4)
Goods and services ^(a)	(3 411.7)	(3 602.9)	(3 841.7)	(3 927.9)	(4 142.0)	(4 293.8)
Other payments	(11.7)	(13.2)	(16.1)	(17.9)	(19.0)	(20.9)
Total payments	(5 045.4)	(5 437.2)	(5 993.3)	(6 404.4)	(6 862.8)	(7 192.4)
Net cash flows from operating activities	747.5	837.5	463.6	541.5	629.2	727.1
Cash flows from investing activities						
Purchases of non-financial assets	(19.0)	(54.7)	(64.7)	(53.9)	(51.9)	(50.0)
Sales of non-financial assets	1.9	0.6	16.4	0.6	0.6	0.6
Cash flows from investments in non-financial assets	(17.1)	(54.1)	(48.3)	(53.3)	(51.3)	(49.4)
Net cash flows from investments in financial assets for policy purposes	(210.9)	(19.5)	(130.2)	(126.5)	(102.4)	(108.5)
Net cash flows from investments in financial assets for liquidity purposes	(4 860.8)	(6 509.4)	(4 881.8)	(4 013.7)	(2 153.3)	(2 622.1)
Net cash flows from investing activities	(5 088.9)	(6 582.9)	(5 060.3)	(4 193.5)	(2 307.1)	(2 780.1)
Cash flows from financing activities						
Advances received (net)	(402.2)	(159.4)	(268.5)	(111.2)	(119.0)	26.0
Net borrowings	4 624.2	6 117.1	4 998.8	4 035.8	2 141.6	2 575.8
Deposits received (net)	788.0	(13.2)	..	..	..	..
Other financing (net)	(42.6)	(142.7)	(171.5)	(194.5)	(214.9)	(257.3)
Net cash flows from financing activities	4 967.4	5 801.9	4 558.7	3 730.2	1 807.7	2 344.4
Net increase/(decrease) in cash and cash equivalents	626.1	56.5	(38.0)	78.2	129.8	291.4
Cash and cash equivalents at beginning of reporting period	3 062.1	3 688.2	3 744.7	3 706.7	3 784.9	3 914.7

Table 2.11: Public financial corporations sector cash flow statement (*continued*)

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Cash and cash equivalents at end of reporting period	3 688.2	3 744.7	3 706.7	3 784.9	3 914.7	4 206.1
FISCAL AGGREGATES						
Net cash flows from operating activities	747.5	837.5	463.6	541.5	629.2	727.1
Net cash flows from investments in non-financial assets	(17.1)	(54.1)	(48.3)	(53.3)	(51.3)	(49.4)
Dividends paid	(59.2)	(163.0)	(179.5)	(204.6)	(231.5)	(273.9)
Cash surplus	671.2	620.4	235.7	283.6	346.4	403.7

Source: Department of Treasury and Finance

Note:

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

Table 2.12: State of Victoria cash flow statement

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Cash flows from operating activities						
Receipts						
Taxes received	13 665.6	14 703.6	15 111.0	15 894.7	16 511.4	17 352.9
Grants	22 503.9	21 586.6	22 426.5	22 831.7	23 634.0	24 353.9
Sales of goods and services ^(a)	12 689.1	13 024.5	13 624.3	14 808.9	15 345.5	15 762.6
Interest	811.2	688.1	689.0	707.0	765.2	793.4
Dividends and rate equivalents receipts	422.6	525.3	414.1	432.0	462.4	478.9
Other receipts	1 878.1	2 193.8	2 107.2	1 807.9	1 838.9	1 798.9
Total receipts	51 970.5	52 722.1	54 372.1	56 482.2	58 557.3	60 540.5
Payments						
Payments for employees	(16 109.3)	(16 792.5)	(17 397.4)	(18 161.2)	(19 081.9)	(19 867.2)
Superannuation	(2 092.8)	(2 186.8)	(2 205.5)	(2 569.9)	(2 666.3)	(2 965.8)
Interest paid	(1 371.3)	(1 595.1)	(2 331.2)	(3 222.7)	(3 483.1)	(3 636.2)
Grants and subsidies	(6 554.0)	(5 810.4)	(5 848.5)	(5 530.4)	(5 582.3)	(5 790.9)
Goods and services ^(a)	(20 081.5)	(21 733.9)	(22 087.7)	(22 112.8)	(22 457.7)	(23 185.0)
Other payments	(440.7)	(454.8)	(536.2)	(563.2)	(597.3)	(633.6)
Total payments	(46 649.7)	(48 573.5)	(50 406.5)	(52 160.1)	(53 868.7)	(56 078.7)
Net cash flows from operating activities	5 320.8	4 148.6	3 965.6	4 322.1	4 688.6	4 461.8
Cash flows from investing activities						
Purchases of non-financial assets	(8 943.1)	(9 580.8)	(9 077.6)	(7 890.6)	(5 970.8)	(5 956.3)
Sales of non-financial assets	318.6	374.1	346.2	522.0	339.7	325.5
Cash flows from investments in non-financial assets	(8 624.5)	(9 206.7)	(8 731.4)	(7 368.7)	(5 631.1)	(5 630.8)
Net cash flows from investments in financial assets for policy purposes	4.8	(49.7)	(93.0)	(122.6)	(112.6)	(112.7)
Net cash flows from investments in financial assets for liquidity management purposes	58.8	(106.4)	(34.5)	(116.1)	(117.2)	(146.0)
Net cash flows from investing activities	(8 560.9)	(9 362.9)	(8 858.9)	(7 607.3)	(5 860.9)	(5 889.5)
Cash flows from financing activities						
Advances received (net)	(1 631.3)	(0.8)	(0.5)	..	..	..
Net borrowings	4 413.7	6 113.7	4 867.2	3 833.0	1 871.6	2 228.9
Deposits received (net)	787.8	(28.7)	1.6	(0.4)	(0.6)	1.2
Other financing (net)	65.4	..	..	..	..	..
Net cash flows from financing activities	3 635.7	6 084.2	4 868.3	3 832.6	1 871.0	2 230.1

Table 2.12: State of Victoria cash flow statement (continued)

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Net increase/(decrease) in cash and cash equivalents	395.5	869.9	(25.0)	547.4	698.7	802.5
Cash and cash equivalents at beginning of reporting period	4 315.8	4 711.4	5 581.3	5 556.3	6 103.7	6 802.4
Cash and cash equivalents at end of reporting period ^(b)	4 711.4	5 581.3	5 556.3	6 103.7	6 802.4	7 604.8
FISCAL AGGREGATES						
Net cash flows from operating activities	5 320.8	4 148.6	3 965.6	4 322.1	4 688.6	4 461.8
Net cash flows from investments in non-financial assets	(8 624.5)	(9 206.7)	(8 731.4)	(7 368.7)	(5 631.1)	(5 630.8)
Cash (deficit)	(3 303.7)	(5 058.1)	(4 765.8)	(3 046.5)	(942.5)	(1 168.9)

Source: Department of Treasury and Finance

Notes:

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

(b) Cash and cash equivalents at the end of reporting period does not equal to cash and deposit on the balance sheet. This is due to the overdraft being included on the cash flow statement.

Table 2.13: Public non-financial corporations sector statement of changes in equity

(\$ million)

	<i>Equity at 1 Jul</i>	<i>Total comprehensive result</i>	<i>Transactions with owners in their capacity as owners</i>	<i>Dividends</i>	<i>Equity at 30 Jun</i>
2009-10 Actual					
Accumulated surplus/(deficit)	5 886.6	459.4		(248.4)	6 097.6
Other movements in equity	..	(13.5)			(13.5)
Contributed capital	22 437.7		1 279.4		23 717.0
Physical asset revaluation reserve	30 630.3	2 854.8			33 485.0
Net movements in other reserves	881.8	8.6			890.4
Total equity at end of the period	59 836.3	3 309.3	1 279.4	(248.4)	64 176.6
2010-11 Revised					
Accumulated surplus/(deficit)	6 084.1	(563.0)		(86.6)	5 434.5
Other movements in equity		(2.1)			(2.1)
Adjustment for change in accounting policy	..	(32.5)			(32.5)
Contributed capital	23 717.0		2 146.0		25 863.0
Physical asset revaluation reserve	33 485.0	1 062.8			34 547.8
Net movements in other reserves	890.4	11.9			902.3
Total equity at end of the period	64 176.6	477.0	2 146.0	(86.6)	66 713.0
2011-12 Estimate					
Accumulated surplus/(deficit)	5 399.9	(258.8)		(243.9)	4 897.2
Contributed capital	25 863.0		2 262.8		28 125.8
Physical asset revaluation reserve	34 547.8	(13.2)			34 534.5
Net movements in other reserves	902.3	(1.5)			900.8
Total equity at end of the period	66 713.0	(273.6)	2 262.8	(243.9)	68 458.3
2012-13 Estimate					
Accumulated surplus/(deficit)	4 897.2	(124.9)		(257.5)	4 514.8
Contributed capital	28 125.8		1 987.0		30 112.8
Physical asset revaluation reserve	34 534.5	675.3			35 209.8
Net movements in other reserves	900.8	(2.4)			898.3
Total equity at end of the period	68 458.3	547.9	1 987.0	(257.5)	70 735.7

**Table 2.13: Public non-financial corporations sector statement of changes in equity
(continued)**

(\$ million)

	Equity at 1 Jul	Total comprehensive result	Transactions with owners in their capacity as owners	Dividends	Equity at 30 Jun
2013-14 Estimate					
Accumulated surplus/(deficit)	4 514.8	(94.7)		(140.6)	4 279.5
Other movements in equity		(8.0)			(8.0)
Contributed capital	30 112.8		1 320.7		31 433.5
Physical asset revaluation reserve	35 209.8	347.9			35 557.8
Net movements in other reserves	898.3	13.1			911.4
Total equity at end of the period	70 735.7	258.3	1 320.7	(140.6)	72 174.1
2014-15 Estimate					
Accumulated surplus/(deficit)	4 271.4	(99.1)		(280.2)	3 892.1
Other movements in equity		(8.0)			(8.0)
Contributed capital	31 433.5		627.3		32 060.8
Physical asset revaluation reserve	35 557.8	(65.2)			35 492.5
Net movements in other reserves	911.4	12.9			924.3
Total equity at end of the period	72 174.1	(159.5)	627.3	(280.2)	72 361.7

Source: Department of Treasury and Finance

Table 2.14: Non-financial public sector statement of changes in equity

(\$ million)

	<i>Equity at 1 Jul</i>	<i>Total comprehensive result</i>	<i>Transactions with owners in their capacity as owners</i>	<i>Equity at 30 Jun</i>
2009-10 Actual				
Accumulated surplus/(deficit)	55 846.8	(5 224.9)		50 622.0
Other movements in equity	..	174.7		174.7
Non-controlling interest	39.5		5.0	44.5
Physical asset revaluation reserve	61 651.5	6 768.1		68 419.6
Net movements in other reserves	1 669.9	115.6		1 785.5
Accumulated net gain (loss) on equity investments in other sector entities	616.8	(483.0)		133.8
Total equity at end of the period	119 824.5	1 350.6	5.0	121 180.1
2010-11 Revised				
Accumulated surplus/(deficit)	50 796.7	622.3		51 419.0
Other movements in equity		(14.7)		(14.7)
Adjustment for change in accounting policy	..	(32.5)		(32.5)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	68 419.6	2 188.3		70 607.9
Net movements in other reserves	1 785.5	37.1		1 822.6
Accumulated net gain (loss) on equity investments in other sector entities	133.8	1 035.8		1 169.6
Total equity at end of the period	121 180.1	3 836.3	..	125 016.4
2011-12 Estimate				
Accumulated surplus/(deficit)	51 371.8	(499.2)		50 872.6
Other movements in equity		(24.7)		(24.7)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	70 607.9	4 424.7		75 032.6
Net movements in other reserves	1 822.6	24.0		1 846.5
Accumulated net gain (loss) on equity investments in other sector entities	1 169.6	303.4		1 473.0
Total equity at end of the period	125 016.4	4 228.1	..	129 244.5
2012-13 Estimate				
Accumulated surplus/(deficit)	50 847.9	(299.9)		50 548.0
Other movements in equity		(19.7)		(19.7)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	75 032.6	2 597.5		77 630.0
Net movements in other reserves	1 846.5	20.8		1 867.3
Accumulated net gain (loss) on equity investments in other sector entities	1 473.0	189.1		1 662.1
Total equity at end of the period	129 244.5	2 487.6	..	131 732.1

Table 2.14: Non-financial public sector statement of changes in equity (continued)

(\$ million)

	Equity at 1 Jul	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 Jun
2013-14 Estimate				
Accumulated surplus/(deficit)	50 528.2	(249.7)		50 278.6
Other movements in equity		(25.3)		(25.3)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	77 630.0	7 053.4		84 683.5
Net movements in other reserves	1 867.3	34.5		1 901.8
Accumulated net gain (loss) on equity investments in other sector entities	1 662.1	229.2		1 891.2
Total equity at end of the period	131 732.1	7 042.1	..	138 774.2
2014-15 Estimate				
Accumulated surplus/(deficit)	50 253.2	(366.3)		49 886.9
Other movements in equity		(24.0)		(24.0)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	84 683.5	2 668.5		87 352.0
Net movements in other reserves	1 901.8	32.9		1 934.8
Accumulated net gain (loss) on equity investments in other sector entities	1 891.2	264.6		2 155.8
Total equity at end of the period	138 774.2	2 575.7	..	141 350.0

Source: Department of Treasury and Finance

Table 2.15: Public financial corporations sector statement of changes in equity

(\$ million)

	<i>Equity at 1 Jul</i>	<i>Total comprehensive result</i>	<i>Transactions with owners in their capacity as owners</i>	<i>Dividends</i>	<i>Equity at 30 Jun</i>
2009-10 Actual					
Accumulated surplus/(deficit)	(117.7)	(425.1)		(59.2)	(601.9)
Other movements in equity		(86.1)			(86.1)
Contributed capital	162.4		16.6		179.0
Physical asset revaluation reserve	10.0	1.2			11.2
Net movements in other reserves	743.8	86.2			829.9
Total equity at end of the period	798.5	(423.8)	16.6	(59.2)	332.1
2010-11 Estimate					
Accumulated surplus/(deficit)	(688.0)	1 180.5		(163.0)	329.5
Other movements in equity		(15.7)			(15.7)
Contributed capital	179.0		21.0		200.0
Physical asset revaluation reserve	11.2	..			11.2
Net movements in other reserves	829.9	15.7			845.7
Total equity at end of the period	332.1	1 180.5	21.0	(163.0)	1 370.6
2011-12 Estimate					
Accumulated surplus/(deficit)	313.8	494.1		(179.5)	628.3
Other movements in equity		13.9			13.9
Contributed capital	200.0		12.8		212.7
Physical asset revaluation reserve	11.2	(11.2)			..
Net movements in other reserves	845.7	(13.9)			831.8
Total equity at end of the period	1 370.6	482.9	12.8	(179.5)	1 686.7
2012-13 Estimate					
Accumulated surplus/(deficit)	642.2	393.7		(204.6)	831.3
Other movements in equity		(1.6)			(1.6)
Contributed capital	212.7		11.2		223.9
Physical asset revaluation reserve	..	..			..
Net movements in other reserves	831.8	1.6			833.3
Total equity at end of the period	1 686.7	393.7	11.2	(204.6)	1 886.9

**Table 2.15: Public financial corporations sector statement of changes in equity
(continued)**

(\$ million)

	Equity at 1 Jul	Total comprehensive result	Transactions with owners in their capacity as owners	Dividends	Equity at 30 Jun
2013-14 Estimate					
Accumulated surplus/(deficit)	829.7	460.7		(231.5)	1 058.9
Other movements in equity		23.8			23.8
Contributed capital	223.9		16.6		240.5
Physical asset revaluation reserve	..	..			..
Net movements in other reserves	833.3	(23.8)			809.5
Total equity at end of the period	1 886.9	460.7	16.6	(231.5)	2 132.7
2014-15 Estimate					
Accumulated surplus/(deficit)	1 082.7	538.6		(273.9)	1 347.3
Other movements in equity		(1.7)			(1.7)
Contributed capital	240.5		16.6		257.1
Physical asset revaluation reserve	..	..			..
Net movements in other reserves	809.5	1.7			811.2
Total equity at end of the period	2 132.7	538.6	16.6	(273.9)	2 413.9

Source: Department of Treasury and Finance

Table 2.16: State of Victoria statement of changes in equity

(\$ million)

	Equity at 1 Jul	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 Jun
2009-10 Actual				
Accumulated surplus/(deficit)	53 888.9	(5 677.7)		48 211.2
Other movements in equity		88.7		88.7
Non-controlling interest	39.5		5.0	44.5
Physical asset revaluation reserve	61 661.6	6 769.3		68 430.8
Net movements in other reserves	2 413.6	201.8		2 615.4
Total equity at end of the period	118 003.6	1 382.0	5.0	119 390.6
2010-11 Estimate				
Accumulated surplus/(deficit)	48 299.9	2 064.9		50 364.8
Other movements in equity		(30.5)		(30.5)
Adjustment for change in accounting policy	..	(32.5)		(32.5)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	68 430.8	2 188.3		70 619.1
Net movements in other reserves	2 615.4	52.8		2 668.2
Total equity at end of the period	119 390.6	4 243.2	..	123 633.7
2011-12 Estimate				
Accumulated surplus/(deficit)	50 301.9	(30.7)		50 271.1
Other movements in equity		(10.8)		(10.8)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	70 619.1	4 413.4		75 032.6
Net movements in other reserves	2 668.2	10.1		2 678.3
Total equity at end of the period	123 633.7	4 381.9	..	128 015.7
2012-13 Estimate				
Accumulated surplus/(deficit)	50 260.3	4.4		50 264.7
Other movements in equity		(21.3)		(21.3)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	75 032.6	2 597.5		77 630.0
Net movements in other reserves	2 678.3	22.4		2 700.6
Total equity at end of the period	128 015.7	2 602.9	..	130 618.6
2013-14 Estimate				
Accumulated surplus/(deficit)	50 243.4	116.0		50 359.4
Other movements in equity		(1.5)		(1.5)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	77 630.0	7 053.4		84 683.5
Net movements in other reserves	2 700.6	10.7		2 711.4
Total equity at end of the period	130 618.6	7 178.6	..	137 797.2

Table 2.16: State of Victoria statement of changes in equity (continued)

(\$ million)

	Equity at 1 Jul	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 Jun
2014-15 Estimate				
Accumulated surplus/(deficit)	50 357.9	58.5		50 416.3
Other movements in equity		(25.7)		(25.7)
Non-controlling interest	44.5		..	44.5
Physical asset revaluation reserve	84 683.5	2 668.5		87 352.0
Net movements in other reserves	2 711.4	34.6		2 746.0
Total equity at end of the period	137 797.2	2 735.9	..	140 533.0

Source: Department of Treasury and Finance

Table 2.17: Derivation of public non-financial corporations sector GFS cash surplus/(deficit)

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Cash surplus/(deficit)	(2 677.2)	(3 973.5)	(3 609.6)	(2 232.6)	(1 538.5)	(1 088.3)
Convergence differences:						
Acquisitions under finance leases and similar arrangements ^(a)	(0.5)	..	(4 203.0)	..	..	..
GFS cash surplus/(deficit)^(b)	(2 677.7)	(3 973.5)	(7 812.6)	(2 232.6)	(1 538.5)	(1 088.3)

Source: Department of Treasury and Finance

Notes:

- (a) The 2011-12 estimate and beyond reflect the recognition of the finance lease arrangement between the Government and Melbourne Water Corporation for the desalination plant.
- (b) Determined in accordance with ABS GFS manual.

Table 2.18: Derivation of non-financial public sector GFS cash surplus/(deficit)

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Cash surplus/(deficit)	(3 947.7)	(5 643.1)	(4 996.8)	(3 329.2)	(1 288.9)	(1 572.6)
Convergence differences:						
Acquisitions under finance leases and similar arrangements ^(a)	(74.9)	(121.0)	(5 453.9)	(844.8)	..	..
GFS cash surplus/(deficit)^(b)	(4 022.7)	(5 764.1)	(10 450.7)	(4 174.0)	(1 288.9)	(1 572.6)

Source: Department of Treasury and Finance

Notes:

- (a) The 2011-12 estimate reflects the recognition of the finance lease for the desalination plant.
- (b) Determined in accordance with ABS GFS manual.

Table 2.19: Derivation of public financial corporations sector GFS cash surplus/(deficit)

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Cash surplus/(deficit)	671.2	620.4	235.7	283.6	346.4	403.7
Convergence differences:						
Acquisitions under finance leases and similar arrangements	..	..	..	..	..	..
GFS cash surplus/(deficit) ^(a)	671.2	620.4	235.7	283.6	346.4	403.7

Source: Department of Treasury and Finance

Note:

(a) Determined in accordance with ABS GFS manual.

Table 2.20: Derivation of whole of state sector GFS cash surplus/(deficit)

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Cash surplus/(deficit)	(3 303.7)	(5 058.1)	(4 765.8)	(3 046.5)	(942.5)	(1 168.9)
Convergence differences:						
Acquisitions under finance leases and similar arrangements ^(a)	(74.9)	(121.0)	(5 453.9)	(844.8)	..	..
GFS cash surplus/(deficit) ^(b)	(3 378.7)	(5 179.1)	(10 219.8)	(3 891.3)	(942.5)	(1 168.9)

Source: Department of Treasury and Finance

Notes:

(a) The 2011-12 estimate reflects the recognition of the finance lease for the desalination plant.

(b) Determined in accordance with ABS GFS manual.

Table 2.21: Net acquisition of non-financial assets – Public non-financial corporations sector

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Purchases of non-financial assets	4 262.8	4 779.4	4 863.1	3 598.0	3 106.6	2 569.6
Less: Sales of non-financial assets	(129.3)	(144.5)	(115.5)	(61.8)	(72.3)	(72.7)
Less: Depreciation	(1 496.1)	(1 708.6)	(1 843.8)	(2 004.6)	(2 074.1)	(2 115.3)
Plus: Change in inventories	(14.7)	50.9	112.1	(17.9)	(17.7)	119.4
Plus: Other movements in non-financial assets	268.2	196.5	4 410.0	211.4	221.3	243.4
Total net acquisition of non-financial assets ^(a)	2 891.0	3 173.8	7 426.0	1 725.1	1 163.8	744.4

Source: Department of Treasury and Finance

Note:

(a) The 2011-12 estimate reflects the recognition of the finance lease arrangement between the Government and Melbourne Water Corporation for the desalination plant.

Table 2.22: Net acquisition of non financial assets – Non-financial public sector

	(\$ million)					
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Revised	Estimate	Estimate	Estimate	Estimate
Purchases of non-financial assets	8 924.0	9 525.5	9 008.1	7 835.8	5 919.0	5 906.3
Less: Sales of non-financial assets	(316.7)	(373.5)	(329.8)	(521.4)	(339.2)	(325.0)
Less: Depreciation	(3 365.8)	(3 825.4)	(4 189.2)	(4 542.4)	(4 719.7)	(4 821.6)
Plus: Change in inventories	4.5	87.4	99.4	(56.6)	(44.0)	80.8
Plus: Other movements in non-financial assets	501.3	317.8	5 661.2	1 056.4	221.5	249.7
Total net acquisition of non-financial assets ^(a)	5 747.3	5 731.7	10 249.6	3 771.7	1 037.5	1 090.1

Source: Department of Treasury and Finance

Note:

(a) The 2011-12 estimate reflects the recognition of the finance lease for the desalination plant.

Table 2.23: Net acquisition of non-financial assets – Public financial corporations sector

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Purchases of non-financial assets	19.0	54.7	64.7	53.9	51.9	50.0
Less: Sales of non-financial assets	(1.9)	(0.6)	(16.4)	(0.6)	(0.6)	(0.6)
Less: Depreciation	(26.7)	(31.6)	(37.8)	(42.9)	(47.6)	(49.7)
Total net acquisition of non-financial assets	(9.6)	22.5	10.6	10.4	3.7	(0.2)

Source: Department of Treasury and Finance

Table 2.24: Net acquisition of non-financial assets – State of Victoria

(\$ million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Purchases of non-financial assets	8 943.1	9 580.8	9 077.6	7 890.6	5 970.8	5 956.3
Less: Sales of non-financial assets	(318.6)	(374.1)	(346.2)	(522.0)	(339.7)	(325.5)
Less: Depreciation	(3 392.5)	(3 857.0)	(4 227.0)	(4 585.4)	(4 767.3)	(4 871.3)
Plus: Change in inventories	4.5	87.4	99.4	(56.6)	(44.0)	80.8
Plus: Other movements in non-financial assets	501.3	317.8	5 661.2	1 056.4	221.5	249.7
Total net acquisition of non-financial assets ^(a)	5 737.7	5 754.8	10 264.9	3 783.1	1 041.3	1 089.9

Source: Department of Treasury and Finance

Note:

(a) The 2011-12 estimate reflects the recognition of the finance lease for the desalination plant.

VICTORIA'S 2011-12 LOAN COUNCIL ALLOCATION

As required under the UPF, Victoria is required to publish its Loan Council Allocation (LCA) estimates. The LCA is a measure of the Government's net call on financial markets in a given financial year to meet its budget obligations. The method of public release is the responsibility of each individual jurisdiction. Victoria discloses its LCA information through the Financial Report for the State of Victoria, Budget Paper No. 5 *Statement of Finances*, and its budget update.

Table 2.25 compares the Victorian 2011-12 LCA nomination approved by the Loan Council in April 2011 (based on *2010-11 Budget Update* estimates), with the 2011-12 LCA budget estimate (based on *2011-12 Budget* estimates).

Table 2.25: Loan Council Allocation

	(\$ million)	
	2011-12 Nomination	Budget Estimate
General government cash deficit (+)	607.2	1 334.4
Public non-financial corporations sector cash deficit (+)	2 692.4	3 609.6
Non-financial public sector cash deficit (+) ^(a)	3 319.4	4 996.8
Acquisitions under finance leases and similar arrangements	5 278.9	5 453.9
ABS GFS cash deficit(+)	8 598.3	10 450.7
Net cash flows from investments in financial assets for policy purposes ^(b)	4.5	24.4
Memorandum items ^(c)	666.5	668.4
Loan Council Allocation	9 260.3	11 094.7
Tolerance limit ^(d)	1 018.6	1 013.1

Notes:

- (a) *The sum of the cash deficit of the general government sector and the public non-financial corporations sector does not directly equal the non-financial public sector cash deficit due to inter-sectoral transfers, which are netted out in the calculation of the non-financial public sector figure. The non-financial public sector cash deficit excludes finance lease acquisitions.*
- (b) *The ABS GFS cash deficit is adjusted to include in the LCA the impact of net cash flows from investments in financial assets for policy purposes.*
- (c) *The ABS GFS cash deficit is adjusted to include in the LCA the impact of memorandum items, which include certain transactions that have many of the characteristics of public sector borrowings but do not constitute formal borrowings (e.g. operating leases). They also include, where appropriate, transactions that the Loan Council has agreed should not be included in the LCA (e.g. the over/under funding of employers' emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities).*
- (d) *A tolerance limit equal to 2 per cent of total non-financial public sector cash receipts from operating activities applies to the movement between a jurisdiction's LCA nomination and LCA budget estimate (calculated using estimates in the 2010-11 Budget Update), and again between the LCA budget estimate and LCA outcome (calculated using estimates in the 2011-12 Budget). The tolerance limit applying to the movement between Victoria's 2011-12 LCA nomination and its LCA budget estimate is \$1 018.6 million (2 per cent of \$50 929.0 million). The tolerance limit applying to the movement between Victoria's 2011-12 LCA budget estimate and LCA outcome is \$1 013.1 million (2 per cent of \$50 652.8 million).*

As part of the Loan Council arrangements, the Loan Council has agreed that if at any time a state or territory finds that it is likely to exceed its tolerance limit, in either direction, it is required to make a public explanation. Victoria's 2011-12 LCA budget estimate of \$11.1 billion exceeded the tolerance limit established under the LCA nomination process, primarily due to a \$1.7 billion increase in the non-financial public sector cash deficit as a result of higher infrastructure investment in both the general government sector and public non-financial corporations sector, as well as a downward revision to the general government sector's projected net cash flows from operating activities.

In the interests of transparency, the State is also required to disclose the details of new infrastructure projects with private sector involvement that are expected to be contracted during the LCA year, and to report the full contingent exposure, if any. Exposure is to be measured by the Government's termination liabilities in a case of private sector default and disclosed as a footnote to, rather than a component of the LCA. The amount payable will not exceed the fair market value of the project (which is usually calculated by an independent valuer) less any costs incurred by the Government as a result of the default.

Listed below are details of the public private partnership (PPP) project which is expected to be contracted during the 2011-12 financial year.

Victorian Comprehensive Cancer Centre

The Victorian Comprehensive Cancer Centre (VCCC) is a new world class facility that will bring together seven clinical and research members: the Peter McCallum Cancer Centre; the Ludwig Institute for Cancer Research; Melbourne Health (the Royal Melbourne Hospital); the University of Melbourne; the Walter and Eliza Hall Institute of Medical Research; the Royal Women's Hospital; and the Royal Children's Hospital. The VCCC aims to drive leadership and innovation in the fields of cancer treatment, research and education by having the largest concentration of cancer clinicians and researchers in the southern hemisphere, ranking it among the top cancer centres in the world. Capital costs of the project are to be funded by the Commonwealth and Victorian Governments, contributing \$426 million and \$429 million, respectively, and will be complemented by the sale of surplus assets, partner contributions and philanthropic donations. A private consortium will design, build, finance and maintain the VCCC facilities, with responsibility of all core clinical, research and education services to be retained by the project members, including the State. Financial close is now expected to occur in the first quarter of 2011-12, and construction completed by late 2015.

There are no other PPP projects that are currently expected to be signed during the 2011-12 financial year.

CHAPTER 3 – DEPARTMENTAL FINANCIAL STATEMENTS

This chapter should be read in conjunction with Budget Paper No. 3 *Service Delivery* which provides an overview of the goods and services funded by the Government and delivered by departments in the coming financial year.

The following tables help to assess each department's forecast financial performance:

- The comprehensive operating statement provides details of the department's revenue and expenses on an accrual basis reflecting the cost of providing its outputs.
- The balance sheet shows all controlled assets and liabilities of the department. The difference between these represents the net asset position, which is an indicator of the State's equity interest in the department.
- The cash flow statement shows all movements of cash (cash receipts and payments). The cash impact of financing and investing activities on departmental resources is also shown in this statement.
- The statement of changes in equity adds together the net result from transactions from the operating statement and items directly recognised in equity, such as the revaluation of property, plant and equipment, to present total changes in equity.
- The administered items statement provides details of the department's administered revenue and expenses, and its administered assets and liabilities. By their nature, most if not all administered items are expensed and paid in cash in the year in which the item is recognised. Therefore an administered departmental cash flow statement is not provided.

DEPARTMENT OF BUSINESS AND INNOVATION

Table 3.3.1: Operating statement

(\$ million)

	2009-10	2010-11	2010-11	2010-11	2011-12
	Actual	Budget	Adjusted ^(a)	Revised	Budget
Net result from continuing operations					
Income from transactions					
Output appropriations	2 035.0	1 973.3	1 188.5	1 234.2	522.9
Interest	39.5	32.3	19.3	22.9	2.5
Sale of goods and services	551.1	545.4	320.5	320.5	..
Grants	113.1	19.3	61.5	82.9	16.7
Fair value of assets and services received free of charge or for nominal consideration	16.4	..	..	..	..
Other income	74.2	26.6	24.2	117.4	109.7
Total income from transactions	2 829.2	2 596.9	1 614.0	1 777.9	651.8
Expenses from transactions					
Employee benefits	1 082.0	1 090.0	573.7	574.6	105.3
Depreciation and amortisation	84.9	100.0	59.7	45.9	6.0
Interest expense	0.1	..	0.1	0.1	..
Grants and other transfers	587.8	504.3	404.3	474.7	232.7
Capital asset charge	205.0	219.2	114.2	114.2	9.5
Other operating expenses	719.8	646.6	476.9	515.5	314.1
Total expenses from transactions	2 679.7	2 560.1	1 628.7	1 725.0	667.7
Net result from transactions (net operating balance)	149.5	36.8	(14.7)	52.9	(15.9)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(10.4)	..	(0.2)	(0.2)	..
Net gain/(loss) on financial instruments and statutory receivables/payables	0.6	0.1	(0.6)	(1.0)	(0.2)
Other gains/(losses) from economic flows	(0.1)	..	(0.2)	(0.2)	..
Total other economic flows included in net result	(9.9)	0.1	(1.1)	(1.4)	(0.2)
Net result	139.6	36.9	(15.8)	51.5	(16.1)
Other economic flows – other non-owner changes in equity					
Asset revaluation reserve	19.3	28.9	(4.1)	58.1	..
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(29.3)	..	..	..	..
Other	3.8	10.5	(241.5)	..	..
Total other economic flows – other non-owner changes in equity	(6.2)	39.4	(245.6)	58.1	..
Comprehensive result	133.4	76.3	(261.4)	109.6	(16.1)

Sources: Departments of Business and Innovation and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.3.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun				
	2010 Actual	2011 Budget	2011 Adjusted ^(a)	2011 Revised	2012 Budget
Assets					
Financial assets					
Cash and deposits	299.0	266.7	34.0	65.9	65.9
Receivables	259.4	267.5	107.2	130.6	136.1
Other financial assets	575.7	619.2	171.4	213.0	187.0
Investments accounted for using equity method	35.0	40.0	40.0	35.0	35.0
Total financial assets	1 169.1	1 193.4	352.6	444.4	424.0
Non-financial assets					
Inventories	53.6	54.1	48.4	48.4	48.4
Non-financial assets classified as held for sale, including disposal group assets	12.2	9.3	8.4	8.4	8.4
Property, plant and equipment	2 650.2	2 839.1	270.2	241.7	267.1
Biological assets	5.1	9.9	..	..	..
Investment properties	..	..	..	..	..
Intangible assets	6.5	6.2	..	..	..
Other	64.3	66.5	38.0	34.0	34.0
Total non-financial assets	2 792.0	2 985.2	365.0	332.5	357.9
Total assets	3 961.0	4 178.6	717.7	776.9	781.9
Liabilities					
Payables	335.5	297.4	99.8	98.1	88.1
Borrowings	8.4	8.9	6.4	6.4	6.4
Provisions	185.3	186.5	29.1	29.1	29.2
Total liabilities	529.2	492.8	135.3	133.6	123.7
Net assets	3 431.8	3 685.8	582.3	643.3	658.2
Equity					
Accumulated surplus/(deficit)	1 334.1	1 382.2	(50.0)	17.3	1.2
Reserves	1 220.5	1 248.7	28.0	28.0	28.0
Contributed capital	877.2	1 054.9	604.4	598.0	629.1
Total equity	3 431.8	3 685.8	582.3	643.3	658.2

Sources: Departments of Business and Innovation and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.3.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Cash flows from operating activities					
Receipts					
Receipts from Government	2 121.1	1 987.2	1 252.5	1 244.2	532.9
Receipts from other entities	530.4	580.1	372.3	514.2	6.7
Goods and Services Tax recovered from ATO	0.2	..	3.2	8.6	..
Interest received	36.7	32.3	22.2	25.9	2.5
Other receipts	73.2	(20.1)	(2.1)	35.1	99.7
Total receipts	2 761.7	2 579.6	1 648.1	1 828.0	641.8
Payments					
Payments of grants and other transfers	(588.1)	(504.3)	(400.9)	(467.3)	(232.7)
Payments to suppliers and employees	(1 736.4)	(1 757.0)	(1 130.2)	(1 368.8)	(419.4)
Goods and Services Tax paid to the ATO	1.5	..	(3.2)	(4.8)	..
Capital asset charge	(205.0)	(219.2)	(114.2)	(114.2)	(9.5)
Interest and other costs of finance paid	(0.1)	..	(0.1)	(0.1)	..
Total payments	(2 528.0)	(2 480.5)	(1 648.6)	(1 955.3)	(661.6)
Net cash flows from/(used in) operating activities	233.6	99.0	(0.4)	(127.3)	(19.9)
Cash flows from investing activities					
Net investment	42.1	(58.9)	163.0	355.9	20.4
Payments for non-financial assets	(223.5)	(245.6)	(161.1)	(161.1)	(31.4)
Proceeds from sale of non-financial assets	10.8	..	1.2	1.2	..
Net loans to other parties	2.7	..	(4.4)	..	..
Net (purchase)/disposal of investments – policy purposes	(5.0)	(5.0)	(5.0)	..	..
Net cash flow from/(used in) investing activities	(172.9)	(309.5)	(6.4)	195.9	(11.0)
Cash flows from financing activities					
Owner contributions by State Government	(10.9)	177.7	(257.9)	(297.1)	31.1
Repayment of finance leases	0.1	0.7	1.0	(0.6)	..
Net borrowings	(13.2)	(0.1)	(1.4)	(4.1)	(0.2)
Net cash flows from/(used in) financing activities	(24.0)	178.2	(258.3)	(301.8)	30.9
Net increase/(decrease) in cash and cash equivalents	36.7	(32.3)	(265.0)	(233.1)	..
Cash and cash equivalents at the beginning of the financial year	262.3	299.0	299.0	299.0	65.9
Cash and cash equivalents at the end of the financial year	299.0	266.7	34.0	65.9	65.9

Sources: Departments of Business and Innovation and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.3.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	1 222.1	875.4	27.7	1 171.3	3 296.5
Comprehensive result	112.0	..	2.2	19.3	133.4
Transactions with owners in their capacity as owners	..	1.9	..	..	1.9
Closing balance 30 June 2010 (actual)	1 334.1	877.2	29.9	1 190.6	3 431.8
Comprehensive result	48.1	..	(0.7)	28.9	76.3
Transactions with owners in their capacity as owners	..	177.7	..	..	177.7
Closing balance 30 June 2011 (budget)	1 382.2	1 054.9	29.2	1 219.5	3 685.8
Comprehensive result	(257.2)	..	..	(4.1)	(261.4)
Transactions with owners in their capacity as owners ^(a)	..	(2 588.1)	..	..	(2 588.1)
Closing balance 30 June 2011 (adjusted)^(a)	1 076.8	(1 710.8)	29.8	1 186.5	582.3
Comprehensive result	81.4	..	(29.9)	58.1	109.6
Transactions with owners in their capacity as owners	..	(2 898.2)	..	..	(2 898.2)
Closing balance 30 June 2011 (revised)	1 415.5	(2 020.9)	..	1 248.7	643.3
Comprehensive result	(16.1)	..	..	..	(16.1)
Transactions with owners in their capacity as owners	..	31.1	..	..	31.1
Closing balance 30 June 2012 (estimate)	1 399.4	(1 989.8)	..	1 248.7	658.2

Sources: Departments of Business and Innovation and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.3.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Administered income					
Appropriations – Payments made on behalf of the State	54.0	54.0	54.0	54.0	54.0
Sale of goods and services	1.3	1.2	1.2	2.7	2.7
Grants	5.9	5.0	5.0	5.0	5.0
Interest	15.8	15.3	15.3	15.3	15.0
Other income	2.6	2.1	2.1	0.6	0.6
Total administered income	79.6	77.5	77.5	77.5	77.2
Administered expenses					
Expenses on behalf of the State	53.6	32.0	32.0	32.0	32.0
Grants and other transfers	3.4	8.0	8.0	8.0	8.0
Payments into the consolidated fund	27.4	11.6	11.6	13.1	13.1
Total administered expenses	84.4	51.6	51.6	53.1	53.1
Income less expenses	(4.8)	25.9	25.9	24.4	24.1
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(99.6)	5.3	5.3	5.3	5.3
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total other economic flows included in net result	(99.7)	5.2	5.2	5.2	5.2
Net result	(104.5)	31.1	31.1	29.6	29.3
Administered assets					
Cash and deposits	(0.1)	..	..	..	..
Receivables	304.9	320.2	320.2	318.7	332.2
Non-financial assets classified as held for sale including disposal group assets	17.4	17.4	17.4	17.4	17.4
Total administered assets	322.2	337.6	337.6	336.1	349.6
Administered liabilities					
Payables	92.7	90.9	90.9	90.9	89.1
Borrowings	460.6	446.6	446.6	446.6	432.6
Total administered liabilities	553.3	537.5	537.5	537.5	521.7
Net assets	(231.1)	(199.9)	(199.9)	(201.4)	(172.1)

Sources: *Departments of Business and Innovation and Treasury and Finance*

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.3.6: Payments made on behalf of the State*(\$ million)*

Accounts	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Finance lease interest	32.0	32.0	32.0	32.0
Grants to Government public non-financial corporations – within portfolio	8.0	8.0	8.0	8.0
Finance lease liability	14.0	14.0	14.0	14.0
Total	54.0	54.0	54.0	54.0

*Sources: Departments of Business and Innovation and Treasury and Finance**Note:**(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.*

DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT

Table 3.4.1: Operating statement

	(\$ million)				
	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Net result from continuing operations					
Income from transactions					
Output appropriations	7 342.9	7 898.7	8 681.0	8 625.4	9 787.9
Special appropriations	179.2	72.3	72.3	69.3	37.1
Interest	25.2	30.7	40.1	37.2	46.7
Sale of goods and services	151.8	144.4	410.8	420.6	745.4
Grants	72.5	18.0	18.0	5.0	..
Fair value of assets and services received free of charge or for nominal consideration	0.1	..	..	..	..
Other income	466.0	514.5	520.6	487.8	532.6
Total income from transactions	8 237.9	8 678.5	9 742.7	9 645.2	11 149.6
Expenses from transactions					
Employee benefits	4 595.2	4 712.9	5 263.6	5 273.2	5 930.9
Depreciation and amortisation	209.6	271.9	317.6	286.7	391.9
Interest expense	3.1	7.5	8.8	8.8	14.1
Grants and other transfers	727.6	716.6	797.0	790.7	1 053.6
Capital asset charge	808.2	894.9	1 000.5	1 000.5	1 219.6
Other operating expenses	1 871.5	2 011.4	2 204.8	2 176.4	2 380.1
Total expenses from transactions	8 215.0	8 615.1	9 592.3	9 536.3	10 990.2
Net result from transactions (net operating balance)	22.8	63.4	150.4	109.0	159.5
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	4.1	(9.4)	(4.9)	2.7	0.3
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.5)	..	(0.1)	(0.1)	(0.9)
Other gains/(losses) from economic flows	(4.2)	..	(1.0)	(1.0)	(1.2)
Total other economic flows included in net result	(0.6)	(9.4)	(5.9)	1.6	(1.8)
Net result	22.2	54.0	144.5	110.5	157.7
Other economic flows – other non-owner changes in equity					
Asset revaluation reserve ^(b)	(158.0)	(9.2)	1 047.4	1 047.4	(9.2)
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	0.4	..	..	..	..
Other	(0.8)	..	1 300.7	1 300.7	..
Total other economic flows – other non-owner changes in equity	(158.4)	(9.2)	2 348.1	2 348.1	(9.2)
Comprehensive result	(136.2)	44.8	2 492.6	2 458.6	148.5

Sources: *Departments of Education and Early Childhood Development and Treasury and Finance*

Notes:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

(b) For 2010-11 Adjusted and Revised, the asset revaluation reserve has been impacted by the machinery of government changes.

Table 3.4.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun				
	2010 Actual	2011 Budget	2011 Adjusted ^(a)	2011 Revised	2012 Budget
Assets					
Financial assets					
Cash and deposits	673.3	675.8	1 009.7	1 042.5	1 025.2
Receivables	1 013.0	1 081.1	1 212.2	1 178.2	1 285.6
Other financial assets	118.8	124.0	269.2	266.9	220.4
Total financial assets	1 805.1	1 880.8	2 491.1	2 487.6	2 531.2
Non-financial assets					
Inventories	..	..	6.0	6.0	6.2
Non-financial assets classified as held for sale, including disposal group assets	41.2	41.2	41.2	41.2	41.2
Property, plant and equipment	12 572.3	14 457.1	17 069.7	17 107.7	17 665.1
Biological assets	..	..	5.0	5.0	0.4
Investment properties	..	..	1.3	1.3	1.4
Intangible assets	7.5	7.5	13.3	13.9	17.1
Other	38.9	39.1	68.2	67.9	67.6
Total non-financial assets	12 659.9	14 544.9	17 204.7	17 243.0	17 799.0
Total assets	14 465.0	16 425.7	19 695.8	19 730.5	20 330.1
Liabilities					
Payables	592.1	601.5	808.4	809.7	833.7
Borrowings	82.0	203.0	207.0	207.0	200.8
Provisions	1 136.9	1 191.5	1 350.2	1 318.3	1 348.0
Total liabilities	1 811.1	1 996.0	2 365.7	2 335.0	2 382.6
Net assets	12 653.9	14 429.8	17 330.1	17 395.6	17 947.5
Equity					
Accumulated surplus/(deficit)	1 258.4	1 312.4	2 560.3	2 526.4	2 684.1
Reserves	4 707.1	4 697.9	5 897.7	5 897.7	5 888.5
Contributed capital	6 688.5	8 419.5	8 872.1	8 971.5	9 375.0
Total equity	12 653.9	14 429.8	17 330.1	17 395.6	17 947.5

Sources: Departments of Education and Early Childhood Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.4.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Cash flows from operating activities					
Receipts					
Receipts from Government	7 558.5	7 975.7	8 758.0	8 699.4	9 823.2
Receipts from other entities	176.4	153.7	347.7	342.7	752.7
Interest received	25.2	30.7	40.0	37.1	46.7
Other receipts	453.3	511.5	542.8	513.8	542.8
Total receipts	8 213.3	8 671.6	9 688.5	9 593.0	11 165.4
Payments					
Payments of grants and other transfers	(734.0)	(714.8)	(798.5)	(792.3)	(1 051.5)
Payments to suppliers and employees	(6 483.7)	(6 662.3)	(7 113.4)	(7 124.8)	(8 275.0)
Capital asset charge	(808.2)	(894.9)	(1 000.5)	(1 000.5)	(1 219.6)
Interest and other costs of finance paid	(3.1)	(7.5)	(8.8)	(8.8)	(14.1)
Total payments	(8 029.0)	(8 279.4)	(8 921.1)	(8 926.3)	(10 560.2)
Net cash flows from/(used in) operating activities	184.3	392.2	767.3	666.6	605.2
Cash flows from investing activities					
Net investment	(167.0)	(66.4)	(250.6)	(216.4)	(66.9)
Payments for non-financial assets	(1 298.6)	(2 056.7)	(2 190.7)	(2 189.3)	(963.2)
Proceeds from sale of non-financial assets	3.4	2.4	20.0	18.6	6.3
Net loans to other parties	(0.1)	..	(4.3)	(4.3)	4.0
Net cash flow from/(used in) investing activities	(1 462.4)	(2 120.7)	(2 425.5)	(2 391.4)	(1 019.8)
Cash flows from financing activities					
Owner contributions by State Government	1 209.8	1 731.0	1 990.6	2 090.0	403.5
Repayment of finance leases	..	..	1.5	1.5	(3.6)
Net borrowings	9.2	..	2.5	2.5	(2.5)
Net cash flows from/(used in) financing activities	1 219.0	1 731.0	1 994.6	2 094.0	397.3
Net increase/(decrease) in cash and cash equivalents	(59.0)	2.5	336.4	369.2	(17.3)
Cash and cash equivalents at the beginning of the financial year	732.3	673.3	673.3	673.3	1 042.5
Cash and cash equivalents at the end of the financial year	673.3	675.8	1 009.7	1 042.5	1 025.2

Sources: Departments of Education and Early Childhood Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.4.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	1 236.6	5 528.7	..	4 865.0	11 630.3
Comprehensive result	21.8	..	..	(158.0)	(136.2)
Transactions with owners in their capacity as owners	..	1 159.8	..	..	1 159.8
Closing balance 30 June 2010 (actual)	1 258.4	6 688.5	..	4 707.1	12 653.9
Comprehensive result	54.0	..	..	(9.2)	44.8
Transactions with owners in their capacity as owners	..	1 731.0	..	..	1 731.0
Closing balance 30 June 2011 (budget)	1 312.4	8 419.5	..	4 697.9	14 429.8
Comprehensive result	1 301.9	..	143.2	1 047.4	2 492.6
Transactions with owners in their capacity as owners	..	2 183.6	..	..	2 183.6
Closing balance 30 June 2011 (adjusted)^(a)	2 560.3	8 872.1	143.2	5 754.5	17 330.1
Comprehensive result	1 268.0	..	143.2	1 047.4	2 458.6
Transactions with owners in their capacity as owners	..	2 283.0	..	..	2 283.0
Closing balance 30 June 2011 (revised)	2 526.4	8 971.5	143.2	5 754.5	17 395.6
Comprehensive result	157.7	..	..	(9.2)	148.5
Transactions with owners in their capacity as owners	..	403.5	..	..	403.5
Closing balance 30 June 2012 (estimate)	2 684.1	9 375.0	143.2	5 745.3	17 947.5

Sources: Departments of Education and Early Childhood Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.4.5: Administered items statement

(\$ million)

	2009-10	2010-11	2010-11	2010-11	2011-12
	Actual	Budget	Adjusted ^(a)	Revised	Budget
Administered income					
Sale of goods and services	1.3	2.4	2.4	2.4	2.5
Grants	2 663.7	2 307.1	2 307.1	2 458.4	2 154.9
Interest	0.1	0.1	0.1	0.1	0.1
Other income	1.4	1.2	1.2	1.2	1.5
Total administered income	2 666.6	2 310.7	2 310.7	2 462.0	2 159.0
Administered expenses					
Expenses on behalf of the State	0.9	..	..	..	..
Grants and other transfers	2 659.7	2 307.2	2 307.2	2 453.5	2 155.0
Payments into the consolidated fund	(28.1)	38.9	38.9	43.9	34.5
Total administered expenses	2 632.4	2 346.1	2 346.1	2 497.4	2 189.6
Income less expenses	34.1	(35.4)	(35.4)	(35.4)	(30.6)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(32.8)	35.4	35.4	35.4	30.6
Total other economic flows included in net result	(32.8)	35.4	35.4	35.4	30.6
Net result	1.4	0.1	0.1	0.1	0.1
Administered assets					
Cash and deposits	0.6	0.6	0.6	0.6	0.7
Receivables	1.7	1.7	1.7	1.7	1.7
Other financial assets	1.6	1.6	1.6	1.6	1.6
Total administered assets	3.8	3.9	3.9	3.9	3.9
Administered liabilities					
Payables	..	..	..	..	..
Total administered liabilities	..	..	..	..	..
Net assets	3.8	3.9	3.9	3.9	3.9

Sources: Departments of Education and Early Childhood Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

DEPARTMENT OF HEALTH

Table 3.5.1: Operating statement

	(\$ million)				
	2009-10	2010-11	2010-11	2010-11	2011-12
	Actual	Budget ^(a)	Adjusted ^(b)	Revised	Budget
Net result from continuing operations					
Income from transactions					
Output appropriations	6 991.5	9 796.5	9 799.8	9 950.8	10 590.4
Special appropriations	941.0	1 252.6	1 252.6	1 251.4	1 265.6
Interest	37.3	57.4	57.4	57.4	57.6
Sale of goods and services	1 053.2	1 377.2	1 377.2	1 431.3	1 431.0
Grants	286.5	224.4	224.4	361.4	478.4
Fair value of assets and services received free of charge or for nominal consideration	0.9	..	..	..	..
Other income	300.1	330.3	330.3	350.5	351.8
Total income from transactions	9 610.5	13 038.3	13 041.6	13 402.8	14 174.8
Expenses from transactions					
Employee benefits	5 079.3	7 218.9	7 219.8	6 993.2	7 136.5
Depreciation and amortisation	582.3	675.6	675.6	754.6	822.9
Interest expense	31.3	35.0	35.0	41.7	41.3
Grants and other transfers	155.3	143.6	145.1	152.0	166.4
Capital asset charge	440.8	626.6	626.6	626.8	701.1
Other operating expenses	3 504.2	4 515.6	4 516.4	4 963.0	5 216.4
Total expenses from transactions	9 793.2	13 215.3	13 218.5	13 531.4	14 084.7
Net result from transactions (net operating balance)	(182.8)	(176.9)	(176.9)	(128.6)	90.1
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(5.9)	..	..	..	(40.0)
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	(1.4)	..	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	(6.3)	..	..	..	..
Other gains/(losses) from economic flows	10.8	(8.2)	(8.2)	(10.1)	(10.2)
Total other economic flows included in net result	(2.8)	(8.2)	(8.2)	(10.1)	(50.2)
Net result	(185.5)	(185.1)	(185.1)	(138.7)	39.9
Other economic flows – other non-owner changes in equity					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	0.1	..	..	..	..
Asset revaluation reserve	2 975.5	650.0	650.0	182.9	208.2
Financial assets available-for-sale reserve:	29.4	..	..	..	..
Other	13.4	..	..	..	..
Total other economic flows – other non-owner changes in equity	3 018.5	650.0	650.0	182.9	208.2
Comprehensive result	2 832.9	464.9	464.9	44.2	248.0

Sources: Departments of Health and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.5.2: Balance sheet

(\$ million)

	<i>Estimated as at 30 Jun</i>				
	2010 <i>Actual</i>	2011 <i>Budget</i> ^(a)	2010-11 <i>Adjusted</i> ^(b)	2011 <i>Revised</i>	2012 <i>Budget</i>
Assets					
Financial assets					
Cash and deposits	487.0	526.3	526.3	503.2	535.0
Receivables	717.9	723.9	723.9	720.8	1 005.7
Other financial assets	756.2	756.2	756.2	756.2	756.2
Investments accounted for using equity method	6.2	6.2	6.2	6.2	6.2
Total financial assets	1 967.3	2 012.7	2 012.7	1 986.4	2 303.1
Non-financial assets					
Inventories	73.6	73.6	73.6	73.6	73.6
Non-financial assets classified as held for sale, including disposal group assets	4.2	4.2	4.2	4.2	4.2
Property, plant and equipment	9 186.3	9 913.8	9 913.8	9 242.7	10 365.8
Investment properties	20.4	20.4	20.4	20.4	20.4
Intangible assets	69.9	38.1	38.1	36.1	2.1
Other	28.1	28.1	28.1	28.1	28.1
Total non-financial assets	9 382.4	10 078.1	10 078.1	9 405.0	10 494.2
Total assets	11 349.8	12 090.7	12 090.7	11 391.4	12 797.3
Liabilities					
Payables	1 040.7	1 041.2	1 041.2	1 041.2	1 041.7
Borrowings	436.5	424.1	424.1	409.5	1 234.4
Provisions	1 728.7	1 745.0	1 745.0	1 752.6	1 774.6
Total liabilities	3 205.8	3 210.2	3 210.2	3 203.2	4 050.7
Net assets	8 144.0	8 880.5	8 880.5	8 188.2	8 746.5
Equity					
Accumulated surplus/(deficit)	(174.5)	(359.6)	(359.6)	(313.2)	(273.3)
Reserves	3 000.2	3 650.3	3 650.3	3 183.2	3 391.3
Contributed capital	5 318.2	5 589.8	5 589.8	5 318.2	5 628.5
Total equity	8 144.0	8 880.5	8 880.5	8 188.2	8 746.5

Sources: Departments of Health and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.5.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget ^(a)	2010-11 Adjusted ^(b)	2010-11 Revised	2011-12 Budget
Cash flows from operating activities					
Receipts					
Receipts from Government	8 147.3	11 256.3	11 259.6	11 474.3	12 250.4
Receipts from other entities	887.0	1 358.3	1 358.3	1 480.4	1 474.0
Interest received	33.1	57.4	57.4	57.4	57.6
Dividends received	0.7	..	..	..	..
Other receipts	347.9	360.4	360.4	384.7	386.8
Total receipts	9 416.0	13 032.3	13 035.6	13 396.8	14 168.8
Payments					
Payments of Grants and other transfers	(107.2)	(143.6)	(145.1)	(152.0)	(166.4)
Payments to suppliers and employees	(6 244.4)	(11 717.7)	(11 719.4)	(11 931.8)	(12 330.4)
Capital asset charge	(440.8)	(626.6)	(626.6)	(626.8)	(701.1)
Interest and other costs of finance paid	(30.8)	(35.0)	(35.0)	(41.7)	(41.3)
Total payments	(6 823.2)	(12 522.8)	(12 526.1)	(12 752.3)	(13 239.3)
Net cash flows from/(used in) operating activities	2 592.8	509.5	509.5	644.5	929.6
Cash flows from investing activities					
Net investment	(1 105.4)	..	..	3.1	(278.9)
Payments for non-financial assets	(645.5)	(769.4)	(769.4)	(644.4)	(954.1)
Proceeds from sale of non-financial assets	23.0	40.0	40.0	40.0	40.0
Net loans to other parties	(0.1)	..	..	..	..
Net (purchase)/disposal of investments – policy purposes	(6.0)	..	..	..	..
Net cash flow from/(used in) investing activities	(1 734.0)	(729.5)	(729.5)	(601.3)	(1 193.0)
Cash flows from financing activities					
Owner contributions by State Government	(959.3)	271.6	271.6	..	310.3
Repayment of finance leases	319.4	(12.4)	(12.4)	(12.4)	(12.4)
Net borrowings	268.5	..	..	(14.6)	(2.8)
Dividends paid	(0.2)	..	..	..	..
Net cash flows from/(used in) financing activities	(371.7)	259.2	259.2	(27.0)	295.2
Net increase/(decrease) in cash and cash equivalents	487.0	39.3	39.3	16.2	31.8
Cash and cash equivalents at the beginning of the financial year	..	487.0	487.0	487.0	503.2
Cash and cash equivalents at the end of the financial year	487.0	526.3	526.3	503.2	535.0

Sources: Departments of Health and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.5.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	..	..	..	..	..
Comprehensive result	(174.5)	..	24.7	2 975.5	2 825.7
Transactions with owners in their capacity as owners	..	5 318.2	..	..	5 318.2
Closing balance 30 June 2010 (actual)	(174.5)	5 318.2	24.7	2 975.5	8 144.0
Comprehensive result	(185.1)	..	..	650.0	464.9
Transactions with owners in their capacity as owners	..	271.6	..	..	271.6
Closing balance 30 June 2011 (budget) ^(a)	(359.6)	5 589.8	24.7	3 625.6	8 880.5
Comprehensive result	(185.1)	..	..	650.0	464.9
Transactions with owners in their capacity as owners	..	271.6	..	..	271.6
Closing balance 30 June 2011 (adjusted) ^(b)	(359.6)	5 589.8	24.7	3 625.6	8 880.5
Comprehensive result	(138.7)	..	..	182.9	44.2
Transactions with owners in their capacity as owners	..	..	..	..	..
Closing balance 30 June 2011 (revised)	(313.2)	5 318.2	24.7	3 158.5	8 188.2
Comprehensive result	39.9	..	..	208.2	248.0
Transactions with owners in their capacity as owners	..	310.3	..	..	310.3
Closing balance 30 June 2012 (estimate)	(273.3)	5 628.5	24.7	3 366.6	8 746.5

Sources: Department of Health and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.5.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget ^(a)	2010-11 Adjusted ^(b)	2010-11 Revised	2011-12 Budget
Administered income					
Sale of goods and services	270.4	343.8	343.8	342.5	341.2
Grants	136.7	173.4	173.4	170.2	68.6
Other income	6.0	4.6	4.6	4.6	69.7
Total administered income	413.1	521.8	521.8	517.4	479.5
Administered expenses					
Expenses on behalf of the State	4.2	0.4	0.4	4.6	1.8
Payments into the consolidated fund	368.6	522.9	522.9	514.3	519.2
Total administered expenses	372.8	523.3	523.3	518.9	521.0
Income less expenses	40.3	(1.5)	(1.5)	(1.5)	(41.5)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	0.6	1.5	1.5	1.5	41.5
Total other economic flows included in net result	0.6	1.5	1.5	1.5	41.5
Net result	41.0	..	..	..	..
Administered assets					
Cash and deposits	(0.1)	..	..	..	..
Receivables	41.0	41.0	41.0	41.0	41.0
Other	41.0	41.0	41.0	41.0	41.0
Total administered assets	82.0	82.0	82.0	82.0	82.0
Administered liabilities					
Payables	41.0	41.0	41.0	41.0	41.0
Total administered liabilities	41.0	41.0	41.0	41.0	41.0
Net assets	41.0	41.0	41.0	41.0	41.0
Equity					
Accumulated surplus/(deficit)	41.0	41.0	41.0	41.0	41.0
Total equity	41.0	41.0	41.0	41.0	41.0

Sources: Departments of Health and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

DEPARTMENT OF HUMAN SERVICES

Table 3.6.1: Operating statement

	(\$ million)				
	2009-10	2010-11	2010-11	2010-11	2011-12
	Actual	Budget ^(a)	Adjusted ^(b)	Revised	Budget
Net result from continuing operations					
Income from transactions					
Output appropriations	6 026.6	3 300.6	3 330.7	3 111.1	3 315.1
Special appropriations	392.3	63.9	63.9	63.9	63.9
Interest	16.7	0.2	0.2	0.4	0.4
Sale of goods and services	324.7	15.5	15.5	15.2	15.6
Grants	54.1	5.9	5.9	17.1	3.6
Fair value of assets and services received free of charge or for nominal consideration	12.4	..	..	..	..
Other income	99.0	0.4	0.4	0.6	0.6
Total income from transactions	6 925.8	3 386.7	3 416.8	3 208.3	3 399.3
Expenses from transactions					
Employee benefits	2 309.9	694.6	698.3	747.8	764.5
Depreciation and amortisation	134.2	40.1	40.1	34.2	35.2
Interest expense	3.4	3.1	3.1	3.1	3.1
Grants and other transfers	1 304.6	857.0	879.8	668.8	651.5
Capital asset charge	196.2	50.5	50.5	50.9	53.1
Other operating expenses	2 660.3	1 736.0	1 739.6	1 698.3	1 886.5
Total expenses from transactions	6 608.6	3 381.4	3 411.5	3 203.1	3 394.0
Net result from transactions (net operating balance)	317.3	5.3	5.3	5.3	5.3
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(9.2)	(3.8)	(3.8)	(3.8)	(3.8)
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	..	..	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	..	..	..	..	..
Other gains/(losses) from economic flows	23.8	(0.1)	(0.1)	(0.1)	(0.1)
Total other economic flows included in net result	14.6	(3.8)	(3.8)	(3.8)	(3.8)
Net result	331.9	1.4	1.4	1.4	1.4
Other economic flows – Other non-owner changes in equity					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(11.4)	..	..	..	..
Asset revaluation reserve	(2 766.6)	118.4	118.4	118.4	..
Financial assets available-for-sale reserve:	(11.8)	..	..	..	..
Other	(0.5)	..	..	..	..
Total other economic flows – Other non-owner changes in equity	(2 790.3)	118.4	118.4	118.4	..
Comprehensive result	(2 458.5)	119.8	119.8	119.8	1.4

Sources: Departments of Human Services and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.6.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun				
	2010 Actual	2010-11 Budget ^(a)	2010-11 Adjusted ^(b)	2011 Revised	2012 Budget
Assets					
Financial assets					
Cash and deposits	12.6	19.8	19.8	19.8	27.0
Receivables	132.7	155.2	155.2	143.2	159.4
Other financial assets	5.5	5.5	5.5	5.5	5.5
Investments accounted for using equity method	..	..	..	..	..
Total financial assets	150.8	180.5	180.5	168.5	192.0
Non-financial assets					
Inventories	0.3	0.3	0.3	0.3	0.3
Non-financial assets classified as held for sale, including disposal group assets	1.4	1.4	1.4	1.4	1.4
Property, plant and equipment	727.2	891.7	891.7	878.8	917.2
Investment properties	..	..	..	..	..
Intangible assets	18.1	13.3	13.3	13.3	8.4
Other	12.4	12.4	12.4	12.4	12.4
Total non-financial assets	759.3	919.0	919.0	906.1	939.6
Total assets	910.1	1 099.5	1 099.5	1 074.6	1 131.6
Liabilities					
Payables	69.6	71.2	71.2	71.2	72.8
Borrowings	47.0	48.5	48.5	48.5	50.1
Provisions	182.2	199.8	199.8	197.9	215.9
Total liabilities	298.8	319.5	319.5	317.6	338.7
Net assets	611.3	780.0	780.0	757.0	793.0
Equity					
Accumulated surplus/(deficit)	304.1	305.5	305.5	305.5	307.0
Contributed capital and Reserves	307.2	474.5	474.5	451.5	486.0
Total equity	611.3	780.0	780.0	757.0	793.0

Sources: Departments of Human Services and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.6.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget ^(a)	2010-11 Adjusted ^(b)	2010-11 Revised	2011-12 Budget
Cash flows from operating activities					
Receipts					
Receipts from Government	6 465.9	3 365.0	3 395.1	3 175.4	3 379.5
Receipts from other entities	444.7	7.0	7.0	17.9	4.4
Interest received	19.3	0.2	0.2	0.4	0.4
Dividends received	0.5	..	..	..	..
Other receipts	146.8	20.1	20.1	20.2	20.6
Total receipts	7 077.2	3 392.3	3 422.4	3 213.9	3 404.9
Payments					
Payments of grants and other transfers	(1 357.4)	(857.0)	(879.8)	(668.8)	(651.5)
Payments to suppliers and employees	(7 265.9)	(2 411.4)	(2 418.7)	(2 428.8)	(2 631.5)
Capital asset charge	(196.2)	(50.5)	(50.5)	(50.9)	(53.1)
Interest and other costs of finance paid	(3.8)	(3.1)	(3.1)	(3.1)	(3.1)
Total payments	(8 823.3)	(3 322.0)	(3 352.1)	(3 151.6)	(3 339.2)
Net cash flows from/(used in) operating activities	(1 746.1)	70.2	70.2	62.3	65.7
Cash flows from investing activities					
Net investment	926.0	(28.1)	(28.1)	(17.4)	(21.9)
Payments for non-financial assets	(75.6)	(85.3)	(85.3)	(79.1)	(72.6)
Proceeds from sale of non-financial assets	11.6	..	..	..	..
Net loans to other parties	0.1	..	..	..	..
Net (purchase)/disposal of investments – policy purposes	6.0	..	..	..	..
Net cash flow from/(used in) investing activities	868.1	(113.4)	(113.4)	(96.6)	(94.5)
Cash flows from financing activities					
Owner contributions by State Government	942.1	48.9	48.9	38.6	34.5
Repayment of finance leases	(324.4)	..	..	..	..
Net borrowings	(329.9)	1.5	1.5	2.8	1.5
Net cash flows from/(used in) financing activities	287.7	50.4	50.4	41.4	36.1
Net increase/(decrease) in cash and cash equivalents	(590.3)	7.2	7.2	7.2	7.3
Cash and cash equivalents at the beginning of the financial year	602.8	12.6	12.6	12.6	19.8
Cash and cash equivalents at the end of the financial year	12.6	19.8	19.8	19.8	27.0

Sources: Departments of Human Services and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.6.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	(16.4)	4 646.0	543.4	3 205.7	8 378.7
Comprehensive result	320.5	..	(12.3)	(2 766.6)	(2 458.5)
Transactions with owners in their capacity as owners	..	(5 308.9)	..	..	(5 308.9)
Closing balance 30 June 2010 (actual)	304.1	(662.9)	531.1	439.0	611.3
Comprehensive result	1.4	..	..	118.4	119.8
Transactions with owners in their capacity as owners	..	48.9	..	..	48.9
Closing balance 30 June 2011 (budget) ^(a)	305.5	(614.0)	531.1	557.4	780.0
Comprehensive result	1.4	..	..	118.4	119.8
Transactions with owners in their capacity as owners	..	48.9	..	..	48.9
Closing balance 30 June 2011 (adjusted) ^(b)	305.5	(614.0)	531.1	557.4	780.0
Comprehensive result	1.4	..	..	118.4	119.8
Transactions with owners in their capacity as owners	..	25.9	..	..	25.9
Closing balance 30 June 2011 (revised)	305.5	(637.0)	531.1	557.4	757.0
Comprehensive result	1.4	..	..	..	1.4
Transactions with owners in their capacity as owners	..	34.5	..	..	34.5
Closing balance 30 June 2012 (estimate)	307.0	(602.5)	531.1	557.4	793.0

Sources: Departments of Human Services and Treasury and Finance

Notes:

(a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.

(b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.6.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget ^(a)	2010-11 Adjusted ^(b)	2010-11 Revised	2011-12 Budget
Administered income					
Fair value of assets and services received free of charge or for nominal consideration	3.7	..	..	..	..
Sale of goods and services	78.0	9.4	9.4	10.0	10.3
Grants	120.1	51.0	51.0	52.3	56.5
Other income	25.8	0.8	0.8	0.8	0.8
Total administered income	227.7	61.2	61.2	63.1	67.6
Administered expenses					
Expenses on behalf of the State	2.1	0.8	0.8	0.8	0.8
Payments into the consolidated fund	199.4	14.7	14.7	15.8	80.7
Total administered expenses	201.5	15.5	15.5	16.6	81.6
Income less expenses	26.2	45.7	45.7	46.5	(13.9)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	8.5	4.3	4.3	3.5	13.9
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.1)	..	..	..	..
Total other economic flows included in net result	8.5	4.3	4.3	3.5	13.9
Net result	34.7	50.0	50.0	50.0	..
Administered assets					
Cash and deposits	0.3	0.3	0.3	0.3	0.3
Receivables	4.7	4.7	4.7	4.7	4.7
Other financial assets	0.8	0.8	0.8	0.8	0.8
Total administered assets	5.7	5.7	5.7	5.7	5.7
Administered liabilities					
Payables	10.7	10.7	10.7	10.7	10.7
Provisions	4.1	4.1	4.1	4.1	4.1
Total administered liabilities	14.9	14.9	14.9	14.9	14.9
Net assets	(9.2)	(9.2)	(9.2)	(9.2)	(9.2)

Sources: Departments of Human Services and Treasury and Finance

Notes:

- (a) The 2010-11 budget reflects the full impact of the machinery of government change that occurred on 1 October 2009.
 (b) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

DEPARTMENT OF JUSTICE

Table 3.7.1: Operating statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Net result from continuing operations				
Income from transactions				
Output appropriations	3 538.2	3 884.4	3 868.2	4 121.7
Special appropriations	98.0	143.1	144.9	130.0
Interest	80.0	94.1	99.9	99.9
Sale of goods and services	4.6	2.8	7.4	6.1
Grants	58.9	47.6	71.4	87.4
Fair value of assets and services received free of charge or for nominal consideration	1.2	..	..	..
Other income	26.3	25.1	22.6	22.4
Total income from transactions	3 807.2	4 197.1	4 214.5	4 467.5
Expenses from transactions				
Employee benefits	2 032.7	2 117.9	2 129.0	2 232.8
Depreciation and amortisation	135.6	189.3	162.1	193.3
Interest expense	43.8	42.0	42.1	46.4
Grants and other transfers	359.8	367.2	406.6	390.7
Capital asset charge	150.9	173.7	171.5	186.9
Other operating expenses	1 103.6	1 322.1	1 318.0	1 380.1
Total expenses from transactions	3 826.4	4 212.3	4 229.3	4 430.2
Net result from transactions (net operating balance)	(19.2)	(15.3)	(14.8)	37.2
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	3.7	13.6	10.7	10.7
Other gains/(losses) from economic flows	(0.5)	..	..	..
Total other economic flows included in net result	3.1	13.6	10.7	10.7
Net result	(16.0)	(1.7)	(4.1)	48.0
Other economic flows – other non-owner changes in equity				
Asset revaluation reserve	(10.6)	130.1	130.1	..
Other	1.2	..	..	..
Total other economic flows – other non-owner changes in equity	(9.4)	130.1	130.1	..
Comprehensive result	(25.4)	128.4	126.1	48.0

Sources: Departments of Justice and Treasury and Finance

Table 3.7.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun			
	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Assets				
Financial assets				
Cash and deposits	134.6	147.9	146.3	158.7
Receivables	618.8	672.6	660.9	716.4
Other financial assets	384.0	371.5	376.8	417.9
Total financial assets	1 137.4	1 192.0	1 184.0	1 293.0
Non-financial assets				
Inventories	11.1	11.1	11.1	11.1
Non-financial assets classified as held for sale, including disposal group assets	11.4	4.7	4.7	5.1
Property, plant and equipment	2 403.8	2 665.8	2 565.5	2 938.4
Intangible assets	67.7	66.2	68.5	68.2
Other	7.6	7.6	7.6	7.6
Total non-financial assets	2 501.6	2 755.5	2 657.5	3 030.4
Total assets	3 638.9	3 947.5	3 841.4	4 323.4
Liabilities				
Payables	237.7	258.3	258.3	279.0
Borrowings	478.7	455.0	451.1	658.9
Provisions	578.4	593.5	593.5	608.6
Total liabilities	1 294.8	1 306.7	1 302.9	1 546.4
Net assets	2 344.2	2 640.7	2 538.5	2 777.0
Equity				
Accumulated surplus/(deficit)	608.7	606.9	604.6	652.6
Reserves	424.0	554.1	554.1	554.1
Contributed capital	1 311.5	1 479.7	1 379.8	1 570.3
Total equity	2 344.2	2 640.7	2 538.5	2 777.0

Sources: Departments of Justice and Treasury and Finance

Table 3.7.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Cash flows from operating activities				
Receipts				
Receipts from Government	3 641.8	4 031.0	4 017.7	4 255.9
Receipts from other entities	66.3	54.2	80.7	96.7
Interest received	77.9	93.1	99.0	99.3
Other receipts	21.6	18.5	16.2	15.5
Total receipts	3 807.6	4 196.9	4 213.5	4 467.4
Payments				
Payments of grants and other transfers	(360.5)	(367.9)	(406.6)	(391.2)
Payments to suppliers and employees	(3 127.3)	(3 404.5)	(3 411.5)	(3 577.5)
Capital asset charge	(150.9)	(173.7)	(171.5)	(186.9)
Interest and other costs of finance paid	(43.6)	(41.8)	(41.8)	(46.1)
Total payments	(3 682.2)	(3 988.0)	(4 031.4)	(4 201.7)
Net cash flows from/(used in) operating activities	125.4	208.9	182.1	265.6
Cash flows from investing activities				
Net investment	31.2	(40.4)	(33.9)	(96.2)
Payments for non-financial assets	(297.4)	(336.4)	(211.1)	(353.6)
Proceeds from sale of non-financial assets	31.7	36.9	34.0	34.0
Net loans to other parties	1.4	..	..	..
Net cash flow from/(used in) investing activities	(233.1)	(339.9)	(211.1)	(415.8)
Cash flows from financing activities				
Owner contributions by State Government	172.7	168.2	68.3	190.5
Repayment of finance leases	(17.1)	(22.4)	(22.4)	(22.4)
Net borrowings	(14.2)	(1.4)	(5.3)	(5.7)
Net cash flows from/(used in) financing activities	141.4	144.4	40.7	162.5
Net increase/(decrease) in cash and cash equivalents	33.6	13.3	11.7	12.4
Cash and cash equivalents at the beginning of the financial year	101.0	134.6	134.6	146.3
Cash and cash equivalents at the end of the financial year	134.6	147.9	146.3	158.7

Sources: Departments of Justice and Treasury and Finance

Table 3.7.4: Statement of changes in equity

(\$ million)

	<i>Accumulated surplus/(deficit)</i>	<i>Contributions by owner</i>	<i>Other reserves</i>	<i>Asset revaluation reserve</i>	<i>Total Equity</i>
Opening balance 1 July 2009	623.5	1 146.9	..	434.6	2 205.0
Comprehensive result	(14.8)	..	..	(10.6)	(25.4)
Transactions with owners in their capacity as owners	..	164.6	..	..	164.6
Closing balance 30 June 2010 (actual)	608.7	1 311.5	..	424.0	2 344.2
Comprehensive result	(1.7)	..	..	130.1	128.4
Transactions with owners in their capacity as owners	..	168.2	..	..	168.2
Closing balance 30 June 2011 (budget)	606.9	1 479.7	..	554.1	2 640.7
Comprehensive result	(4.1)	..	..	130.1	126.1
Transactions with owners in their capacity as owners	..	68.3	..	..	68.3
Closing balance 30 June 2011 (revised)	604.6	1 379.8	..	554.1	2 538.5
Comprehensive result	48.0	..	..	..	48.0
Transactions with owners in their capacity as owners	..	190.5	..	..	190.5
Closing balance 30 June 2012 (estimate)	652.6	1 570.3	..	554.1	2 777.0

Sources: Departments of Justice and Treasury and Finance

Table 3.7.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Administered income				
Appropriations – Payments made on behalf of the State	43.4	52.3	52.3	54.5
Special appropriations	44.2	48.3	62.5	57.2
Sale of goods and services	147.6	136.4	150.7	150.3
Grants	4.0	4.3	4.0	19.5
Interest	0.6	..	..	..
Other income	2 330.3	2 432.5	2 402.9	2 489.2
Total administered income	2 570.0	2 673.9	2 672.4	2 770.7
Administered expenses				
Expenses on behalf of the State	34.8	13.3	13.0	13.1
Grants and other transfers	37.1	43.8	57.9	52.6
Payments into the consolidated fund	2 335.6	2 457.0	2 506.8	2 507.4
Total administered expenses	2 407.6	2 514.2	2 577.7	2 573.0
Income less expenses	162.5	159.7	94.7	197.6
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	8.5	1.5	1.5	0.7
Net gain/(loss) on financial instruments and statutory receivables/payables	(182.6)	(162.4)	(162.7)	(164.8)
Total other economic flows included in net result	(174.1)	(160.9)	(161.2)	(164.1)
Net result	(11.6)	(1.2)	(66.5)	33.5
Comprehensive result	(11.6)	(1.2)	(66.5)	33.5
Administered assets				
Cash and deposits	73.2	72.4	72.7	72.3
Receivables	590.8	587.8	582.8	613.8
Other assets	6.9	9.6	8.9	10.8
Total administered assets	670.9	669.7	664.4	696.9
Administered liabilities				
Payables	175.7	175.7	235.7	234.7
Provisions	1.9	1.9	1.9	2.0
Total administered liabilities	177.6	177.6	237.6	236.6
Net assets	493.3	492.1	426.8	460.3

Sources: Departments of Justice and Treasury and Finance

Table 3.7.6: Payments made on behalf of the State*(\$ million)*

<i>Accounts</i>	<i>2010-11 Budget</i>	<i>2010-11 Revised</i>	<i>2011-12 Budget</i>
Tattersalls duty payments to other jurisdictions	52.3	52.3	54.5
Total	52.3	52.3	54.5

Sources: Departments of Justice and Treasury and Finance

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

Table 3.8.1: Operating statement

(\$ million)

	2009-10	2010-11	2010-11	2010-11	2011-12
	Actual	Budget	Adjusted ^(a)	Revised	Budget
Net result from continuing operations					
Income from transactions					
Output appropriations	419.4	456.2	422.8	471.0	515.1
Special appropriations	97.4	102.6	53.2	59.0	8.5
Interest	2.3	2.4	1.4	1.4	8.5
Sale of goods and services	2.5	..	..	..	0.9
Grants	60.3	3.8	28.6	65.4	62.2
Fair value of assets received free of charge or for nominal consideration	..	..	218.0	218.0	..
Other income	1.1	0.5	0.8	0.8	0.3
Total income from transactions	582.9	565.5	724.7	815.5	595.4
Expenses from transactions					
Employee benefits	101.5	104.4	102.1	101.1	94.9
Depreciation and amortisation	6.2	6.0	5.9	5.9	5.9
Interest expense	0.3	..	..	..	..
Grants and other transfers	402.5	381.0	349.7	411.8	422.6
Capital asset charge	5.8	6.5	5.8	5.8	6.3
Other operating expenses	82.9	70.3	70.0	95.9	73.3
Total expenses from transactions	599.2	568.3	533.5	620.4	602.9
Net result from transactions (net operating balance)	(16.3)	(2.8)	191.2	195.1	(7.4)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(0.9)	..	..	..	..
Other gains/(losses) from economic flows	(0.1)	..	..	..	..
Total other economic flows included in net result	(0.9)	..	..	..	..
Net result	(17.2)	(2.8)	191.2	195.1	(7.4)
Other economic flows – other non-owner changes in equity					
Total other economic flows – other non-owner changes in equity	1.1	..	..	..	9.4
Comprehensive result	(16.1)	(2.8)	191.2	195.1	2.0

Sources: Departments of Planning and Community Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.8.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun				
	2010 Actual	2011 Budget	2011 Adjusted ^(a)	2011 Revised	2012 Budget
Assets					
Financial assets					
Cash and deposits	76.0	66.7	80.1	85.4	93.9
Receivables	63.8	66.6	68.7	67.3	69.6
Other financial assets	..	3.0	152.5	152.5	136.6
Total financial assets	139.8	136.4	301.3	305.2	300.1
Non-financial assets					
Inventories	0.2	0.2	0.2	0.2	0.2
Property, plant and equipment	189.8	292.6	289.4	256.5	360.0
Intangible assets	15.1	17.8	17.8	19.5	21.5
Other	0.4	0.4	0.4	0.4	0.4
Total non-financial assets	205.4	310.9	307.7	276.6	382.1
Total assets	345.2	447.3	609.1	581.8	682.2
Liabilities					
Payables	50.8	50.8	56.8	56.8	56.8
Borrowings	5.2	5.2	5.2	5.2	5.2
Provisions	24.3	24.3	24.9	24.9	24.9
Total liabilities	80.3	80.3	86.9	86.9	86.9
Net assets	264.9	367.0	522.2	494.9	595.3
Equity					
Accumulated surplus/(deficit)	(7.9)	(10.7)	183.3	187.2	179.8
Reserves	15.8	15.8	15.8	15.8	25.2
Contributed capital	257.0	361.9	323.1	292.0	390.4
Total equity	264.9	367.0	522.2	494.9	595.3

Sources: Departments of Planning and Community Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.8.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2011 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Cash flows from operating activities					
Receipts					
Receipts from Government	517.0	558.8	476.0	530.0	523.6
Receipts from other entities	61.0	3.8	25.7	62.5	63.1
Interest received	2.3	2.4	1.4	1.4	8.5
Other receipts	5.1	0.5	1.0	1.0	..
Total receipts	585.4	565.5	504.1	594.9	595.1
Payments					
Payments of grants and other transfers	(401.5)	(381.0)	(349.4)	(411.5)	(422.3)
Payments to suppliers and employees	(183.7)	(174.8)	(165.6)	(190.5)	(168.2)
Capital asset charge	(5.8)	(6.5)	(5.8)	(5.8)	(6.3)
Interest and other costs of finance paid	(0.3)	..	..	..	..
Total payments	(591.2)	(562.3)	(520.9)	(607.8)	(596.7)
Net cash flows from/(used in) operating activities	(5.8)	3.3	(16.8)	(12.9)	(1.6)
Cash flows from investing activities					
Net investment	44.8	(5.9)	(155.1)	(153.7)	13.6
Payments for non-financial assets	(59.2)	(111.5)	(108.1)	(77.0)	(102.0)
Net loans to other parties	..	..	..	..	..
Net cash flow from/(used in) investing activities	(14.5)	(117.4)	(263.3)	(230.7)	(88.3)
Cash flows from financing activities					
Owner contributions by State Government	51.6	104.9	284.1	253.0	98.4
Net borrowings	(8.0)	..	..	..	..
Net cash flows from/(used in) financing activities	43.6	104.9	284.1	253.0	98.4
Net increase/(decrease) in cash and cash equivalents	23.3	(9.3)	4.1	9.4	8.5
Cash and cash equivalents at the beginning of the financial year	52.7	76.0	76.0	76.0	85.4
Cash and cash equivalents at the end of the financial year	76.0	66.7	80.1	85.4	93.9

Sources: Departments of Planning and Community Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.8.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	8.5	223.8	(1.8)	17.2	247.7
Comprehensive result	(17.2)	..	1.1	..	(16.1)
Other transfers	1.1	..	(1.1)	..	..
Transactions with owners in their capacity as owners	..	33.3	..	..	33.3
Closing balance 30 June 2010 (actual)	(7.6)	257.0	(1.8)	17.2	264.9
Comprehensive result	(2.8)	..	..	..	(2.8)
Transactions with owners in their capacity as owners	..	104.9	..	..	104.9
Closing balance 30 June 2011 (budget)	(10.3)	361.9	(1.8)	17.2	367.0
Comprehensive result	191.2	..	..	..	191.2
Transactions with owners in their capacity as owners	..	66.1	..	..	66.1
Closing balance 30 June 2011 (adjusted)^(a)	183.6	323.1	(1.8)	17.2	522.2
Comprehensive result	195.1	..	..	..	195.1
Transactions with owners in their capacity as owners	..	34.9	..	..	34.9
Closing balance 30 June 2011 (revised)	187.5	292.0	(1.8)	17.2	494.9
Comprehensive result	(7.4)	..	..	9.4	2.0
Transactions with owners in their capacity as owners	..	98.4	..	..	98.4
Closing balance 30 June 2012 (estimate)	180.1	390.4	(1.8)	26.6	595.3

Sources: Departments of Planning and Community Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.8.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2011 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Administered income					
Appropriations – Payments made on behalf of the State	0.5	0.9	0.9	0.9	0.9
Sale of goods and services	0.1	0.7	0.7	2.2	0.7
Grants	466.1	470.1	470.1	369.7	477.8
Other	2.7	..	..	..	..
Total administered income	469.4	471.7	471.7	372.8	479.3
Administered expenses					
Expenses on behalf of the State	0.1	..	..	..	..
Grants and other transfers	464.8	471.0	471.0	370.6	478.6
Payments into consolidated fund	6.4	0.7	0.7	2.8	2.9
Total administered expenses	471.3	471.7	471.7	373.4	481.5
Income less expenses	(1.9)	..	..	( 0.6)	(2.2)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	1.5	..	..	0.6	2.2
Total other economic flows included in net result	1.5	..	..	0.6	2.2
Net result	(0.4)	..	..	..	..
Other economic flows – other non-owner changes in equity					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	1.2	..	..	..	..
Other	0.2	..	..	..	..
Total other economic flows – Other non-owner changes in equity	1.4	..	..	..	..
Comprehensive result	1.0	..	..	..	..
Administered assets					
Cash and deposits	1.5	1.5	1.5	1.5	1.5
Total administered assets	1.5	1.5	1.5	1.5	1.5
Administered liabilities					
Payables	0.1	0.1	0.1	0.1	0.1
Total administered liabilities	0.1	0.1	0.1	0.1	0.1
Net assets	1.4	1.4	1.4	1.4	1.4

Sources: Departments of Planning and Community Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.10.6: Payments made on behalf of the State*(\$ million)*

	2010-11 Budget	2011 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Anzac Day administered trust	0.9	0.9	0.9	0.9
Total	0.9	0.9	0.9	0.9

Sources: Departments of Planning and Community Development and Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

DEPARTMENT OF PREMIER AND CABINET

Table 3.9.1: Operating statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Net result from continuing operations				
Income from transactions				
Output appropriations	558.1	532.6	548.5	555.2
Special appropriations	6.7	6.6	6.6	6.6
Interest	5.7	2.2	2.4	2.7
Sale of goods and services	48.3	44.2	44.8	39.8
Grants	25.8	16.3	15.7	9.1
Fair value of assets and services received free of charge or for nominal consideration	2.9	0.5	1.3	1.3
Other income	42.8	48.3	45.1	35.5
Total income from transactions	690.3	650.7	664.4	650.0
Expenses from transactions				
Employee benefits	207.3	204.2	217.8	209.8
Depreciation and amortisation	46.1	50.4	48.4	50.3
Interest expense	0.2	..	..	..
Grants and other transfers	97.5	89.9	99.5	105.0
Capital asset charge	98.0	98.7	98.7	98.7
Other operating expenses	207.2	173.3	170.8	166.4
Total expenses from transactions	656.4	616.4	635.1	630.2
Net result from transactions (net operating balance)	33.8	34.3	29.3	19.8
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(0.3)	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	(2.9)	..	0.1	0.1
Other gains/(losses) from economic flows	..	..	..	..
Total other economic flows included in net result	(3.2)	..	0.1	0.1
Net result	30.6	34.3	29.4	19.9
Other economic flows – other non-owner changes in equity				
Asset revaluation reserve	(60.9)	..	521.6	..
Financial assets available-for-sale reserve:	5.7	..	..	..
Other	59.9	1.2	3.2	3.6
Total other economic flows – other non-owner changes in equity	4.7	1.2	524.9	3.6
Comprehensive result	35.3	35.5	554.2	23.5

Sources: Departments of Premier and Cabinet and Treasury and Finance

Table 3.9.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun			
	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Assets				
Financial assets				
Cash and deposits	53.2	51.1	50.8	46.2
Receivables	92.4	122.2	120.0	147.5
Other financial assets	69.5	84.1	78.3	90.4
Total financial assets	215.2	257.4	249.2	284.1
Non-financial assets				
Inventories	4.2	4.2	4.1	4.2
Property, plant and equipment	5 507.1	5 548.1	6 073.5	6 134.1
Intangible assets	3.1	3.0	3.1	3.1
Other	2.0	2.0	2.0	2.0
Total non-financial assets	5 516.3	5 557.2	6 082.7	6 143.3
Total assets	5 731.5	5 814.6	6 331.9	6 427.4
Liabilities				
Payables	48.3	48.3	47.7	48.1
Borrowings	3.7	3.7	3.3	3.7
Provisions	42.3	43.6	43.6	44.9
Total liabilities	94.3	95.6	94.6	96.7
Net assets	5 637.2	5 719.0	6 237.2	6 330.8
Equity				
Accumulated surplus/(deficit)	84.8	84.8	95.7	93.8
Reserves	3 929.5	3 965.0	4 472.8	4 498.3
Contributed capital	1 622.9	1 669.2	1 668.7	1 738.7
Total equity	5 637.2	5 719.0	6 237.2	6 330.8

Sources: Departments of Premier and Cabinet and Treasury and Finance

Table 3.9.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Cash flows from operating activities				
Receipts				
Receipts from Government	568.5	539.2	555.1	561.8
Receipts from other entities	71.2	59.2	59.5	47.7
Interest received	5.8	2.2	2.4	2.7
Other receipts	47.3	49.6	46.8	36.7
Total receipts	692.8	650.1	663.8	648.9
Payments				
Payments of grants and other transfers	(91.8)	(89.9)	(99.5)	(105.0)
Payments to suppliers and employees	(437.4)	(375.1)	(386.1)	(372.7)
Capital asset charge	(98.0)	(98.7)	(98.7)	(98.7)
Interest and other costs of finance paid	(0.2)	..	..	..
Total payments	(627.4)	(563.7)	(584.3)	(576.4)
Net cash flows from/(used in) operating activities	65.3	86.5	79.5	72.5
Cash flows from investing activities				
Net investment	(2.6)	(41.3)	(34.3)	(39.2)
Payments for non-financial assets	(69.0)	(90.6)	(90.4)	(107.9)
Proceeds from sale of non-financial assets	0.8	..	..	..
Net loans to other parties	..	..	..	..
Net cash flow from/(used in) investing activities	(70.7)	(131.9)	(124.7)	(147.1)
Cash flows from financing activities				
Owner contributions by State Government	11.9	46.3	45.8	70.0
Repayment of finance leases	..	..	..	..
Net borrowings	(3.7)	(3.0)	(3.1)	(0.1)
Net cash flows from/(used in) financing activities	8.3	43.3	42.8	69.9
Net increase/(decrease) in cash and cash equivalents	2.9	(2.1)	(2.4)	(4.7)
Cash and cash equivalents at the beginning of the financial year	50.3	53.2	53.2	50.8
Cash and cash equivalents at the end of the financial year	53.2	51.1	50.8	46.2

Sources: Departments of Premier and Cabinet and Treasury and Finance

Table 3.9.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	90.9	1 611.0	173.9	3 714.2	5 589.9
Comprehensive result	(6.1)	..	102.4	(60.9)	35.3
Transactions with owners in their capacity as owners	..	11.9	..	..	11.9
Closing balance 30 June 2010 (actual)	84.7	1 622.9	276.2	3 653.3	5 637.2
Comprehensive result	..	..	35.5	..	35.5
Transactions with owners in their capacity as owners	..	46.3	..	..	46.3
Closing balance 30 June 2011 (budget)	84.8	1 669.2	311.7	3 653.3	5 719.0
Comprehensive result	11.0	..	21.6	521.6	554.2
Transactions with owners in their capacity as owners	..	45.8	..	..	45.8
Closing balance 30 June 2011 (revised)	95.7	1 668.7	297.8	4 174.9	6 237.2
Comprehensive result	(1.9)	..	25.5	..	23.5
Transactions with owners in their capacity as owners	..	70.0	..	..	70.0
Closing balance 30 June 2012 (estimate)	93.8	1 738.7	323.3	4 174.9	6 330.8

Sources: Departments of Premier and Cabinet and Treasury and Finance

Table 3.9.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Administered income				
Appropriations – Payments made on behalf of the State	30.7	..	9.3	..
Sale of goods and services	0.5	0.6	0.6	0.6
Grants	..	0.4	0.4	..
Other income	1.9	0.3	0.3	0.3
Total administered income	33.2	1.3	10.5	0.9
Administered expenses				
Expenses on behalf of the State	23.9	..	9.3	..
Payments into the consolidated fund	3.1	1.3	1.3	0.9
Total administered expenses	27.0	1.3	10.5	0.9
Income less expenses	6.2	..	..	..
Other economic flows included in net result				
Total other economic flows included in net result	..	..	..	..
Net result	6.2	..	..	..
Administered assets				
Cash and deposits	..	..	..	..
Receivables	1.4	1.4	1.4	1.4
Property, plant and equipment	1.4	1.4	1.4	1.4
Total administered assets	2.8	2.8	2.8	2.8
Administered liabilities				
Payables	1.1	1.1	1.1	1.1
Provisions	0.8	0.8	0.8	0.8
Total administered liabilities	2.0	2.0	2.0	2.0
Net assets	0.8	0.8	0.8	0.8

Sources: Departments of Premier and Cabinet and Treasury and Finance

Table 3.9.6: Payments made on behalf of the State*(\$ million)*

Accounts	2010-11 Budget	2010-11 Revised	2011-12 Budget
Royal Commission into 2009 Victorian Bushfires	..	9.3	..
Total	..	9.3	..

Sources: Departments of Premier and Cabinet and Treasury and Finance

DEPARTMENT OF PRIMARY INDUSTRIES

Table 3.10.1: Operating statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Net result from continuing operations				
Income from transactions				
Output appropriations	501.7	467.9	512.6	486.4
Special appropriations	..	..	15.0	..
Interest	4.0	1.1	0.7	0.7
Sale of goods and services	35.2	30.9	19.8	13.7
Grants	0.2	..	11.1	17.3
Other income	10.1	10.0	9.8	10.2
Total income from transactions	551.2	509.9	569.0	528.4
Expenses from transactions				
Employee benefits	195.4	188.3	194.0	201.2
Depreciation and amortisation	23.0	22.0	22.0	26.8
Interest expense	7.8	..	..	11.1
Grants and other transfers	136.9	91.1	127.2	45.6
Capital asset charge	17.2	17.9	17.9	33.2
Other operating expenses	179.7	191.7	210.8	212.8
Total expenses from transactions	560.0	510.9	571.9	530.7
Net result from transactions (net operating balance)	(8.8)	(1.0)	(2.9)	(2.3)
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(6.3)	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	0.3	..	..	..
Other gains/(losses) from economic flows	0.6	..	..	..
Total other economic flows included in net result	(5.4)	..	..	..
Net result	(14.3)	(1.0)	(2.9)	(2.3)
Other economic flows – other non-owner changes in equity				
Asset revaluation reserve	..	..	..	..
Financial assets available-for-sale reserve:	..	..	..	..
Other	1.1	..	..	..
Total other economic flows – other non-owner changes in equity	1.1	..	..	..
Comprehensive result	(13.2)	(1.0)	(2.9)	(2.3)

Sources: Departments of Primary Industries and Treasury and Finance

Table 3.10.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun			
	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Assets				
Financial assets				
Cash and deposits	59.5	58.8	57.0	55.1
Receivables	172.4	170.8	166.3	166.5
Other financial assets	16.2	15.8	15.8	15.4
Total financial assets	248.1	245.4	239.1	237.0
Non-financial assets				
Inventories	0.3	0.3	0.3	0.3
Non-financial assets classified as held for sale, including disposal group assets	6.1	6.1	6.1	6.1
Property, plant and equipment	372.5	378.4	378.0	574.7
Biological assets	1.8	1.8	1.8	1.8
Other	0.9	0.9	0.9	0.9
Total non-financial assets	381.6	387.5	387.1	583.8
Total assets	629.6	632.9	626.2	820.8
Liabilities				
Payables	152.4	128.1	128.1	98.3
Borrowings	71.2	76.8	82.4	266.9
Provisions	61.9	62.0	62.0	62.2
Total liabilities	285.4	266.9	272.5	427.4
Net assets	344.2	366.1	353.7	393.4
Equity				
Accumulated surplus/(deficit)	(14.5)	(15.5)	(17.4)	(19.7)
Reserves	37.8	37.8	37.8	37.8
Contributed capital	320.9	343.7	333.2	375.2
Total equity	344.2	366.1	353.7	393.4

Sources: Departments of Primary Industries and Treasury and Finance

Table 3.10.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Cash flows from operating activities				
Receipts				
Receipts from Government	501.7	467.9	527.6	486.4
Receipts from other entities	47.9	41.6	41.4	41.9
Interest received	4.0	1.1	0.7	0.7
Other receipts	0.4	..	..	..
Total receipts	554.1	510.6	569.7	529.1
Payments				
Payments of grants and other transfers	(136.9)	(91.1)	(127.2)	(45.6)
Payments to suppliers and employees	(354.7)	(404.1)	(429.0)	(443.6)
Capital asset charge	(17.2)	(17.9)	(17.9)	(33.2)
Interest and other costs of finance paid	(7.8)	..	..	(11.1)
Total payments	(516.6)	(513.1)	(574.0)	(533.5)
Net cash flows from/(used in) operating activities	37.5	(2.5)	(4.3)	(4.4)
Cash flows from investing activities				
Net investment	(12.4)	1.3	5.8	(0.5)
Payments for non-financial assets	(26.2)	(28.0)	(27.6)	(48.4)
Proceeds from sale of non-financial assets	7.0	..	..	..
Net cash flow from/(used in) investing activities	(31.6)	(26.7)	(21.8)	(48.9)
Cash flows from financing activities				
Owner contributions by State Government	17.1	22.9	12.3	42.0
Repayment of finance leases	(0.7)	5.6	11.3	9.4
Net borrowings	(9.4)	..	..	..
Net cash flows from/(used in) financing activities	7.1	28.5	23.6	51.4
Net increase/(decrease) in cash and cash equivalents	13.0	(0.6)	(2.5)	(1.9)
Cash and cash equivalents at the beginning of the financial year	46.5	59.5	59.5	57.0
Cash and cash equivalents at the end of the financial year	59.5	58.8	57.0	55.1

Sources: Departments of Primary Industries and Treasury and Finance

Table 3.10.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	(1.3)	304.7	0.1	37.8	341.2
Comprehensive result	(13.2)	..	..	..	(13.2)
Transactions with owners in their capacity as owners	..	16.1	..	..	16.1
Closing balance 30 June 2010 (actual)	(14.5)	320.9	0.1	37.8	344.2
Comprehensive result	(1.0)	..	..	..	(1.0)
Transactions with owners in their capacity as owners	..	22.9	..	..	22.9
Closing balance 30 June 2011 (budget)	(15.5)	343.7	0.1	37.8	366.1
Comprehensive result	(2.9)	..	..	..	(2.9)
Transactions with owners in their capacity as owners	..	12.3	..	..	12.3
Closing balance 30 June 2011 (revised)	(17.4)	333.2	0.1	37.8	353.7
Comprehensive result	(2.3)	..	..	..	(2.3)
Transactions with owners in their capacity as owners	..	42.0	..	..	42.0
Closing balance 30 June 2012 (estimate)	(19.7)	375.2	0.1	37.8	393.4

Sources: Departments of Primary Industries and Treasury and Finance

Table 3.10.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Administered income				
Sale of goods and services	58.6	45.9	59.0	52.3
Grants	9.5	10.7	11.4	11.2
Interest	..	..	..	..
Other income	51.8	51.9	50.4	51.4
Total administered income	120.0	108.5	120.8	114.9
Administered expenses				
Expenses on behalf of the State	25.1	..	..	..
Payments into the Consolidated Fund	135.8	108.2	120.5	114.6
Total administered expenses	160.9	108.2	120.5	114.6
Income less expenses	(40.9)	0.3	0.3	0.3
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(0.7)	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	16.6	..	..	..
Total other economic flows included in net result	15.9	..	..	..
Net result	(25.0)	0.3	0.3	0.3
Other economic flows – other non-owner changes in equity				
Other	(1.1)	..	..	..
Total other economic flows – other non-owner changes in equity	(1.1)	..	..	..
Comprehensive result	(26.1)	0.3	0.3	0.3
Administered assets				
Cash and deposits	2.5	2.8	2.8	3.1
Receivables	33.9	33.9	33.9	33.9
Other financial assets	..	..	..	..
Total administered assets	36.5	36.8	36.8	37.1
Administered liabilities				
Payables	22.0	22.0	22.0	22.0
Total administered liabilities	22.0	22.0	22.0	22.0
Net assets	14.5	14.8	14.8	15.1

Sources: Departments of Primary Industries and Treasury and Finance

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

Table 3.11.1: Operating statement

(\$ million)

	2009-10	2010-11	2010-11	2011-12
	Actual	Budget	Revised	Budget
Net result from continuing operations				
Income from transactions				
Output appropriations	1 117.3	1 045.5	1 104.4	1 164.5
Special appropriations	3.7	..	..	..
Interest	5.7	4.0	5.8	6.6
Sale of goods and services	73.9	31.5	76.0	41.6
Grants	67.0	24.1	52.9	96.8
Fair value of assets and services received free of charge or for nominal consideration	0.2	..	..	..
Other income	249.1	233.5	261.0	305.1
Total income from transactions	1 516.9	1 338.6	1 500.1	1 614.6
Expenses from transactions				
Employee benefits	307.9	271.4	330.2	319.5
Depreciation and amortisation	46.6	48.8	44.8	49.7
Interest expense	1.8	0.4	0.4	2.4
Grants and other transfers	610.8	513.3	618.0	596.2
Capital asset charge	70.5	73.8	74.6	76.4
Other operating expenses	399.6	438.3	441.8	471.4
Total expenses from transactions	1 437.1	1 345.9	1 509.7	1 515.6
Net result from transactions (net operating balance)	79.8	(7.4)	(9.7)	99.0
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(412.3)	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.6)	(0.1)	(0.6)	(0.6)
Other gains/(losses) from economic flows	(0.8)	..	..	..
Total other economic flows included in net result	(413.7)	(0.1)	(0.6)	(0.6)
Net result	(333.9)	(7.4)	(10.2)	98.5
Other economic flows – other non-owner changes in equity				
Asset revaluation reserve	(91.2)	..	..	..
Other	(155.9)	(11.8)	(11.8)	..
Total other economic flows – other non-owner changes in equity	(247.1)	(11.8)	(11.8)	..
Comprehensive result	(581.0)	(19.2)	(22.0)	98.5

Sources: Departments of Sustainability and Environment and Treasury and Finance

Table 3.11.2: Balance Sheet

(\$ million)

	Estimated as at 30 Jun			
	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Assets				
Financial assets				
Cash and deposits	256.5	245.5	251.4	242.7
Receivables	217.7	250.5	184.5	269.5
Other financial assets	86.8	84.8	104.9	120.5
Total financial assets	561.0	580.8	540.7	632.7
Non-financial assets				
Inventories	13.6	13.6	13.6	13.6
Non-financial assets classified as held for sale including disposal group assets	0.4	0.4	0.4	0.4
Property, plant and equipment	8 408.9	8 464.2	8 477.4	8 645.1
Intangible assets	64.3	59.5	61.2	56.7
Other	2.6	2.6	2.6	2.6
Total non-financial assets	8 489.8	8 540.3	8 555.2	8 718.3
Total assets	9 050.8	9 121.0	9 095.9	9 351.1
Liabilities				
Payables	159.4	160.3	160.3	161.2
Borrowings	29.4	29.4	29.4	20.6
Provisions	150.3	153.2	153.1	156.0
Total liabilities	339.1	342.9	342.8	337.8
Net assets	8 711.7	8 778.1	8 753.1	9 013.2
Equity				
Accumulated surplus/(deficit)	(152.3)	(171.5)	(174.3)	(75.8)
Reserves	6 487.9	6 487.9	6 487.9	6 487.9
Contributed capital	2 376.1	2 461.7	2 439.5	2 601.1
Total equity	8 711.7	8 778.1	8 753.1	9 013.2

Sources: Departments of Sustainability and Environment and Treasury and Finance

Table 3.11.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Cash flows from operating activities				
Receipts				
Receipts from Government	1 157.9	1 057.0	1 125.9	1 174.1
Receipts from other entities	292.9	261.7	352.4	416.0
Interest received	5.5	4.0	5.8	6.6
Other receipts	44.1	10.0	10.0	11.5
Total receipts	1 500.4	1 332.7	1 494.1	1 608.2
Payments				
Payments of grants and other transfers	(651.9)	(513.3)	(618.4)	(596.2)
Payments to suppliers and employees	(706.4)	(706.1)	(768.6)	(787.3)
Capital asset charge	(70.5)	(73.8)	(74.6)	(76.4)
Interest and other costs of finance paid	(2.3)	(0.1)	(0.1)	(2.2)
Total payments	(1 431.0)	(1 293.4)	(1 461.7)	(1 462.0)
Net cash flows from/(used in) operating activities	69.4	39.3	32.4	146.2
Cash flows from investing activities				
Net investment	85.9	(4.9)	(21.6)	(30.7)
Payments for non-financial assets	(5.4)	(119.3)	(110.7)	(212.8)
Proceeds from sale of non-financial assets	0.5	..	..	..
Net cash flow from/(used in) investing activities	81.0	(124.2)	(132.3)	(243.5)
Cash flows from financing activities				
Owner contributions by State Government	(68.5)	93.9	52.1	161.6
Net borrowings	(18.9)	(20.0)	42.7	(72.9)
Net cash flows from/(used in) financing activities	(87.4)	73.9	94.8	88.7
Net increase/(decrease) in cash and cash equivalents	62.9	(11.0)	(5.1)	(8.7)
Cash and cash equivalents at the beginning of the financial year	193.5	256.5	256.5	251.4
Cash and cash equivalents at the end of the financial year	256.5	245.5	251.4	242.7

Sources: Departments of Sustainability and Environment and Treasury and Finance

Table 3.11.4: Statement of changes in equity

(\$ million)

	<i>Accumulated surplus/(deficit)</i>	<i>Contributions by owner</i>	<i>Other reserves</i>	<i>Asset revaluation reserve</i>	<i>Total Equity</i>
Opening balance 1 July 2009	337.4	2 314.9	..	6 579.1	9 231.5
Comprehensive result	(489.8)	..	..	(91.2)	(581.0)
Transactions with owners in their capacity as owners	..	61.2	..	..	61.2
Closing balance 30 June 2010 (actual)	(152.3)	2 376.1	..	6 487.9	8 711.7
Comprehensive result	(19.2)	..	..	..	(19.2)
Transactions with owners in their capacity as owners	..	85.6	..	..	85.6
Closing balance 30 June 2011 (budget)	(171.5)	2 461.7	..	6 487.9	8 778.1
Comprehensive result	(22.0)	..	..	..	(22.0)
Transactions with owners in their capacity as owners	..	63.4	..	..	63.4
Closing balance 30 June 2011 (revised)	(174.3)	2 439.5	..	6 487.9	8 753.1
Comprehensive result	98.5	..	..	..	98.5
Transactions with owners in their capacity as owners	..	161.6	..	..	161.6
Closing balance 30 June 2012 (estimate)	(75.8)	2 601.1	..	6 487.9	9 013.2

Sources: Departments of Sustainability and Environment and Treasury and Finance

Table 3.11.5: Administered items statement

(\$ million)

	2009-10	2010-11	2010-11	2011-12
	Actual	Budget	Revised	Budget
Administered income				
Appropriations – Payments made on behalf of the State	28.3	29.5	29.5	281.9
Fair value of assets and services received free of charge or for nominal consideration	57.4	..	..	..
Sale of goods and services	140.3	288.5	307.0	658.0
Grants	9.4	11.4	8.1	22.2
Interest	..	2.2	2.2	207.0
Other income	174.1	194.2	181.9	178.8
Total administered income	409.4	525.9	528.9	1 348.0
Administered expenses				
Expenses on behalf of the State	7.4	..	..	260.1
Grants and other transfers	30.4	29.5	29.5	21.8
Payments into the consolidated fund	655.6	494.1	550.2	770.8
Total administered expenses	693.4	523.7	579.8	1 052.7
Income less expenses	(284.0)	2.2	(50.9)	295.3
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(30.2)	..	0.7	..
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.3)	..	..	..
Total other economic flows included in net result	(30.5)	..	0.7	..
Net result	(314.5)	2.2	(50.2)	295.2
Other economic flows – other non-owner changes in equity				
Asset revaluation reserve	14.5	..	..	..
Total other economic flows – other non-owner changes in equity	14.5	..	..	..
Comprehensive result	(300.0)	2.2	(50.2)	295.2
Administered assets				
Cash and deposits	1.0	1.0	1.0	1.0
Receivables	118.5	120.7	120.7	4 323.7
Other financial assets	0.1	0.1	0.1	0.1
Other	100.5	100.5	100.5	100.5
Property, plant and equipment	543.6	553.6	543.6	543.6
Intangible assets	76.5	76.5	76.5	76.5
Total administered assets	840.2	852.4	842.4	5 045.4
Administered liabilities				
Payables	326.6	326.6	379.0	83.7
Borrowings	..	..	..	4 203.0
Total administered liabilities	326.6	326.6	379.0	4 286.7
Net assets	513.6	525.8	463.4	758.6

Sources: Departments of Sustainability and Environment and Treasury and Finance

Table 3.12.6: Payments made on behalf of the State*(\$ million)*

<i>Accounts</i>	<i>2010-11 Budget</i>	<i>2010-11 Revised</i>	<i>2011-12 Budget</i>
Murray-Darling Basin contribution	29.5	29.5	30.9
Victorian Desalination Project finance lease liability	..	..	251.0
Total	29.5	29.5	281.9

Sources: Departments of Sustainability and Environment and Treasury and Finance

DEPARTMENT OF TRANSPORT

Table 3.12.1: Operating statement

(\$ million)

	2009-10	2010-11	2010-11	2011-12
	Actual	Budget	Revised	Budget
Net result from continuing operations				
Income from transactions				
Output appropriations	4 461.5	4 801.9	4 739.4	5 240.1
Special appropriations	1.3	2.0	2.0	2.0
Interest	4.0	1.4	1.5	1.5
Sale of goods and services	507.5	703.2	691.3	744.0
Grants	298.5	231.2	269.7	282.5
Fair value of assets and services received free of charge or for nominal consideration	19.9	..	..	..
Other income	111.9	101.5	134.0	165.7
Total income from transactions	5 404.6	5 841.2	5 837.9	6 435.8
Expenses from transactions				
Employee benefits	376.5	383.7	391.7	405.2
Depreciation and amortisation	435.9	503.6	513.6	534.6
Interest expense	32.1	32.2	32.2	32.4
Grants and other transfers	1 751.3	1 770.1	1 825.9	1 982.7
Capital asset charge	75.7	78.4	78.4	79.7
Other operating expenses	2 418.6	2 761.4	2 734.1	2 929.3
Total expenses from transactions	5 090.0	5 529.2	5 575.8	5 963.9
Net result from transactions (net operating balance)	314.6	312.0	262.1	471.8
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(21.1)	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.8)	(0.4)	(0.4)	(0.4)
Other gains/(losses) from economic flows	(1.4)	..	..	..
Total other economic flows included in net result	(23.2)	(0.4)	(0.4)	(0.4)
Net result	291.4	311.6	261.7	471.4
Other economic flows – other non-owner changes in equity				
Asset revaluation reserve	3 764.7	..	..	4 142.3
Other	14 668.5	11.8	11.8	..
Total other economic flows – other non-owner changes in equity	18 433.2	11.8	11.8	4 142.3
Comprehensive result	18 724.5	323.3	273.4	4 613.7

Sources: Departments of Transport and Treasury and Finance

Table 3.12.2: Balance Sheet

(\$ million)

	Estimated as at 30 June			
	2010 Actual	2011 Budget	2011 Revised	2012 Budget
Assets				
Financial assets				
Cash and deposits	523.4	559.4	530.4	554.9
Receivables	656.1	644.2	603.6	600.3
Other financial assets	50.0	50.0	50.0	50.0
Total financial assets	1 229.5	1 253.6	1 184.0	1 205.2
Non-financial assets				
Inventories	8.9	8.9	9.5	9.5
Non-financial assets classified as held for sale, including disposal group assets	..	..	..	..
Property, plant and equipment	42 984.1	43 597.7	43 570.5	48 351.2
Investment properties	..	..	..	..
Intangible assets	32.7	32.7	32.7	32.7
Other	10.6	10.6	10.6	10.6
Total non-financial assets	43 036.3	43 649.9	43 623.3	48 404.0
Total assets	44 265.8	44 903.5	44 807.3	49 609.2
Liabilities				
Payables	779.7	762.7	776.8	754.8
Borrowings	374.4	377.0	377.0	379.1
Provisions	383.7	402.1	402.1	421.7
Total liabilities	1 537.8	1 541.8	1 555.9	1 555.5
Net assets	42 728.0	43 361.6	43 251.4	48 053.6
Equity				
Accumulated surplus/(deficit)	15 469.6	15 792.9	15 743.0	16 214.4
Reserves	11 431.2	11 431.2	11 431.2	15 573.6
Contributed capital	15 827.3	16 137.5	16 077.2	16 265.7
Total equity	42 728.0	43 361.6	43 251.4	48 053.6

Sources: Departments of Transport and Treasury and Finance

Table 3.12.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Cash flows from operating activities				
Receipts				
Receipts from Government	4 462.8	4 803.9	4 744.1	5 242.8
Receipts from other entities	855.4	976.8	1 008.9	1 077.6
Interest received	4.0	1.4	1.5	1.5
Other receipts	118.6	58.8	83.1	113.5
Total receipts	5 440.8	5 840.9	5 837.6	6 435.4
Payments				
Payments of grants and other transfers	(1 746.1)	(1 770.1)	(1 825.9)	(1 982.7)
Payments to suppliers and employees	(2 648.4)	(3 126.1)	(3 092.8)	(3 320.2)
Capital asset charge	(75.7)	(78.4)	(78.4)	(79.7)
Interest and other costs of finance paid	(32.1)	(32.2)	(32.2)	(32.4)
Total payments	(4 502.4)	(5 006.7)	(5 029.2)	(5 415.0)
Net cash flows from/(used in) operating activities	938.5	834.2	808.3	1 020.4
Cash flows from investing activities				
Net investment	(105.1)	1.7	48.2	(6.5)
Payments for non-financial assets	(1 195.3)	(1 146.7)	(1 134.0)	(1 204.7)
Proceeds from sale of non-financial assets	18.9	12.0	16.0	15.0
Net cash flow from/(used in) investing activities	(1 281.5)	(1 133.0)	(1 069.8)	(1 196.2)
Cash flows from financing activities				
Owner contributions by State Government	50.3	322.0	261.7	188.5
Repayment of finance leases ^(a)	370.7	2.6	2.6	2.1
Net borrowings	64.7	10.1	4.2	9.7
Net cash flows from/(used in) financing activities	485.6	334.7	268.5	200.2
Net increase/(decrease) in cash and cash equivalents	142.5	36.0	7.0	24.4
Cash and cash equivalents at the beginning of the financial year	380.9	523.4	523.4	530.4
Cash and cash equivalents at the end of the financial year	523.4	559.4	530.4	554.9

Sources: Departments of Transport and Treasury and Finance

Note:

(a) The 2009-10 actual reflects the transfer of responsibilities of the former Southern Cross Station authority to the departments. The authority was abolished on 31 July 2009.

Table 3.12.4: Statement of changes in equity

(\$ million)

	<i>Accumulated surplus/(deficit)</i>	<i>Contributions by owner</i>	<i>Other reserves</i>	<i>Asset revaluation reserve</i>	<i>Total Equity</i>
Opening balance 1 July 2009	509.7	15 075.7	..	7 666.5	23 251.9
Comprehensive result	14 959.9	..	..	3 764.7	18 724.5
Transactions with owners in their capacity as owners	..	751.6	..	..	751.6
Closing balance 30 June 2010 (actual)	15 469.6	15 827.3	..	11 431.2	42 728.0
Comprehensive result	323.3	..	..	..	323.3
Transactions with owners in their capacity as owners	..	310.3	..	..	310.3
Closing balance 30 June 2011 (budget)	15 792.9	16 137.5	..	11 431.2	43 361.6
Comprehensive result	273.4	..	..	..	273.4
Transactions with owners in their capacity as owners	..	250.0	..	..	250.0
Closing balance 30 June 2011 (revised)	15 743.0	16 077.2	..	11 431.2	43 251.4
Comprehensive result	471.4	..	..	4 142.3	4 613.7
Transactions with owners in their capacity as owners	..	188.5	..	..	188.5
Closing balance 30 June 2012 (estimate)	16 214.4	16 265.7	..	15 573.6	48 053.6

Sources: Departments of Transport and Treasury and Finance

Table 3.12.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Administered income				
Sale of goods and services	2.7	0.9	0.9	0.9
Grants	48.1	..	20.1	..
Other income	1 566.7	1 628.5	1 687.2	1 729.2
Total administered income	1 617.5	1 629.4	1 708.1	1 730.1
Administered expenses				
Expenses on behalf of the State	30.8	31.2	31.2	31.7
Grants and other transfers	48.1	..	20.1	..
Payments into the consolidated fund	1 587.8	1 602.0	1 660.7	1 702.1
Total administered expenses	1 666.7	1 633.2	1 711.9	1 733.8
Income less expenses	(49.2)	(3.9)	(3.9)	(3.7)
Other economic flows included in net result				
Net gain/(loss) on financial instruments and statutory receivables/payables	(6.8)	..	..	..
Total other economic flows included in net result	(6.8)	..	..	..
Net result	(56.0)	(3.9)	(3.9)	(3.7)
Other economic flows – other non-owner changes in equity				
Total other economic flows – other non-owner changes in equity	..	..	..	..
Comprehensive result	(56.0)	(3.9)	(3.9)	(3.7)
Administered assets				
Cash and deposits	7.6	7.6	7.6	7.6
Receivables	27.1	27.1	27.1	27.1
Total administered assets	34.6	34.6	34.6	34.6
Administered liabilities				
Payables	339.4	343.3	343.3	347.0
Total administered liabilities	339.4	343.3	343.3	347.0
Net assets	(304.8)	(308.7)	(308.7)	(312.4)

Sources: Departments of Transport and Treasury and Finance

DEPARTMENT OF TREASURY AND FINANCE

Table 3.13.1: Operating statement

(\$ million)

	2009-10	2010-11	2010-11	2010-11	2011-12
	Actual	Budget	Adjusted ^(a)	Revised	Budget
Net result from continuing operations					
Income from transactions					
Output appropriations	280.5	234.8	235.7	254.5	240.8
Special appropriations	..	..	49.4	49.4	109.6
Interest	15.6	12.5	13.9	13.4	14.6
Sale of goods and services	105.4	94.5	94.5	123.4	135.1
Grants	2.0	..	..	..	..
Fair value of assets and services received free of charge or for nominal consideration	2.9	..	..	..	..
Other income	15.6	24.3	24.0	28.4	28.4
Total income from transactions	422.0	366.1	417.6	469.2	528.5
Expenses from transactions					
Employee benefits	138.9	134.6	136.5	145.9	154.6
Depreciation and amortisation	38.0	30.5	30.6	34.3	51.1
Interest expense	13.0	12.8	12.8	12.4	13.7
Grants and other transfers	16.2	10.7	55.4	70.6	105.8
Capital asset charge	24.7	18.4	18.4	18.4	16.5
Other operating expenses	200.7	152.5	152.7	178.8	175.9
Total expenses from transactions	431.5	359.6	406.5	460.4	517.5
Net result from transactions (net operating balance)	(9.4)	6.5	11.1	8.8	10.9
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(0.4)	..	..	..	..
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.4)	..	..	..	..
Other gains/(losses) from economic flows	..	..	..	..	..
Total other economic flows included in net result	(0.8)	..	..	..	..
Net result	(10.2)	6.5	11.1	8.8	10.9
Other economic flows – other non-owner changes in equity					
Asset revaluation reserve	(0.9)	15.7	15.7	15.7	43.3
Other	0.3	..	..	..	..
Total other economic flows – other non-owner changes in equity	(0.6)	15.7	15.7	15.7	43.3
Comprehensive result	(10.8)	22.2	26.8	24.5	54.2

Source: Department of Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.13.2: Balance sheet

(\$ million)

	Estimated as at 30 Jun				
	2010 Actual	2011 Budget	2011 Adjusted ^(a)	2011 Revised	2012 Budget
Assets					
Financial assets					
Cash and deposits	68.0	67.6	146.1	150.5	155.8
Receivables	366.7	363.3	324.8	320.4	347.2
Other financial assets	..	..	..	..	..
Total financial assets	434.8	431.0	470.9	471.0	502.9
Non-financial assets					
Inventories	10.2	10.2	10.2	10.2	10.2
Property, plant and equipment	227.2	250.0	253.0	308.9	348.2
Intangible assets	21.0	39.9	39.9	43.1	36.7
Other	6.9	6.9	6.9	8.4	8.4
Total non-financial assets	265.4	307.0	310.0	370.7	403.6
Total assets	700.2	738.0	780.9	841.7	906.5
Liabilities					
Payables	100.9	101.6	101.6	102.1	102.1
Borrowings	232.3	238.0	238.0	238.0	237.1
Provisions	36.0	38.3	38.3	38.9	41.2
Total liabilities	369.3	377.9	378.0	379.0	380.4
Net assets	330.9	360.1	403.0	462.7	526.1
Equity					
Accumulated surplus/(deficit)	141.7	148.2	152.8	150.5	161.5
Reserves	80.3	96.0	96.0	96.0	139.3
Contributed capital	108.9	115.9	154.2	216.2	225.3
Total equity	330.9	360.1	403.0	462.7	526.1

Source: Department of Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.13.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Cash flows from operating activities					
Receipts					
Receipts from Government	280.5	234.8	285.2	304.0	350.4
Receipts from other entities	18.4	..	..	..	..
Interest received	15.6	12.5	13.9	13.4	14.6
Other receipts	98.6	127.5	127.0	150.6	165.3
Total receipts	413.2	374.8	426.1	468.0	530.3
Payments					
Payments of grants and other transfers	(32.9)	(19.4)	(64.4)	(72.5)	(107.6)
Payments to suppliers and employees	(313.6)	(284.8)	(286.9)	(321.7)	(328.2)
Capital asset charge	(24.7)	(18.4)	(18.4)	(18.4)	(16.5)
Interest and other costs of finance paid	(13.1)	(12.8)	(12.8)	(12.4)	(13.7)
Total payments	(384.3)	(335.5)	(382.6)	(425.0)	(466.0)
Net cash flows from/(used in) operating activities	28.9	39.3	43.5	42.9	64.3
Cash flows from investing activities					
Net investment	(16.8)	3.4	42.4	48.4	(26.7)
Payments for non-financial assets	(42.6)	(66.5)	(69.5)	(130.1)	(41.0)
Proceeds from sale of non-financial assets	0.7	..	..	0.5	..
Net loans to other parties	4.6	(8.8)	(8.8)	(8.8)	0.9
Net cash flow from/(used in) investing activities	(54.1)	(71.9)	(35.9)	(90.0)	(66.9)
Cash flows from financing activities					
Owner contributions by State Government	14.1	17.0	55.3	114.5	9.6
Net borrowings	14.9	15.1	15.1	15.1	(1.9)
Net cash flows from/(used in) financing activities	29.1	32.1	70.4	129.6	7.7
Net increase/(decrease) in cash and cash equivalents	3.9	(0.4)	78.0	82.5	5.2
Cash and cash equivalents at the beginning of the financial year	64.2	68.0	68.0	68.0	150.5
Cash and cash equivalents at the end of the financial year	68.0	67.6	146.1	150.5	155.8

Source: Department of Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.13.4: Statement of changes in equity

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owner	Other reserves	Asset revaluation reserve	Total Equity
Opening balance 1 July 2009	151.6	93.8	..	81.2	326.6
Comprehensive result	(9.9)	..	..	(0.9)	(10.8)
Transactions with owners in their capacity as owners	..	15.1	..	..	15.1
Closing balance 30 June 2010 (actual)	141.7	108.9	..	80.3	330.9
Comprehensive result	6.5	..	..	15.7	22.2
Transactions with owners in their capacity as owners	..	7.0	..	..	7.0
Closing balance 30 June 2011 (budget)	148.2	115.9	..	96.0	360.1
Comprehensive result	11.1	..	..	15.7	26.8
Transactions with owners in their capacity as owners	..	45.3	..	..	45.3
Closing balance 30 June 2011 (adjusted)^(a)	152.8	154.2	..	96.0	403.0
Comprehensive result	8.8	..	..	15.7	24.5
Transactions with owners in their capacity as owners	..	107.3	..	..	107.3
Closing balance 30 June 2011 (revised)	150.5	216.2	..	96.0	462.7
Comprehensive result	10.9	..	..	43.3	54.2
Transactions with owners in their capacity as owners	..	9.1	..	..	9.1
Closing balance 30 June 2012 (estimate)	161.5	225.3	..	139.3	526.1

Source: Department of Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.13.5: Administered items statement

	(\$ million)				
	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Administered income					
Appropriations – Payments made on behalf of the State	1 521.3	2 532.8	2 532.8	2 101.8	2 783.3
Special Appropriations	1 185.5	2 167.0	2 167.0	2 180.1	3 668.5
Resources received free of charge or for nominal consideration	..	..	..	..	..
Sale of goods and services	7.4	33.4	33.4	30.5	33.0
Grants	21 426.0	21 818.4	21 818.4	20 981.5	20 807.3
Interest	6.4	41.0	41.0	20.0	20.0
Other income	14 126.7	14 935.3	14 935.3	15 275.7	16 040.8
Total administered income	38 273.5	41 527.8	41 527.8	40 589.6	43 352.9
Administered expenses					
Expenses on behalf of the State	1 844.2	2 912.9	2 912.9	2 424.5	2 868.9
Grants and other transfers	3 766.4	2 838.6	2 838.6	3 233.7	3 074.9
Payments into the consolidated fund	35 972.7	36 098.6	36 098.6	35 283.1	37 778.8
Total administered expenses	41 583.3	41 850.0	41 850.0	40 941.3	43 722.6
Income less expenses	(3 309.8)	(322.1)	(322.1)	(351.6)	(369.7)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	3.3	42.4	42.4	4.0	49.5
Net actuarial gains/(losses) of superannuation defined benefit plans	(1 450.2)	..	..	848.4	..
Net gain/(loss) on financial instruments and statutory receivables/payables	139.1	16.1	16.1	314.7	(9.1)
Total other economic flows included in net result	(1 307.7)	58.5	58.5	1 167.1	40.4
Net result	(4 617.5)	(263.6)	(263.6)	815.5	(329.3)
Other economic flows – other non-owner changes in equity					
Financial assets available-for-sale reserve	(1.1)	..	..	..	..
Other	5.8	..	..	..	..
Total other economic flows – other non-owner changes in equity	4.7	..	..	..	..
Comprehensive result	(4 612.8)	(263.6)	(263.6)	815.5	(329.3)
Administered assets					
Cash and deposits	1 473.8	3 799.1	3 799.1	3 517.0	5 685.8
Receivables	122.1	816.9	816.9	1 543.9	3 258.8
Other financial assets	0.5	0.5	0.5	0.5	0.5
Property, plant and equipment	..	146.9	146.9	73.7	179.2
Total administered assets	1 596.4	4 763.3	4 763.3	5 135.0	9 124.3

Table 3.13.5: Administered items statement (continued)

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Adjusted ^(a)	2010-11 Revised	2011-12 Budget
Administered liabilities					
Payables	742.9	697.2	697.2	264.8	244.4
Borrowings	11 472.4	14 539.1	14 539.1	14 983.7	18 854.7
Provisions	12.3	12.3	12.3	12.3	12.3
Other	22 534.1	22 933.4	22 933.4	22 216.6	22 683.8
Total administered liabilities	34 761.8	38 182.0	38 182.0	37 477.4	41 795.2
Net assets	(33 165.4)	(33 418.7)	(33 418.7)	(32 342.4)	(32 670.9)

Source: Department of Treasury and Finance

Note:

(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.

Table 3.13.6: Payments made on behalf of the State

(\$ million)

<i>Accounts</i>	<i>2010-11 Budget</i>	<i>2010-11 Adjusted ^(a)</i>	<i>2010-11 Revised</i>	<i>2011-12 Budget</i>
Superannuation and pension payments	16.4	16.4	16.4	16.4
Interest	730.1	730.1	756.5	939.9
Current and capital grants	508.6	508.6	588.3	570.2
Operating supplies and consumables	878.7	878.7	374.5	598.1
Other	399.0	399.0	366.1	658.7
Total	2 532.8	2 532.8	2 101.8	2 783.3

*Source: Department of Treasury and Finance**Note:**(a) The 2010-11 adjusted estimates include the 2010-11 Budget adjusted for machinery of government changes.*

PARLIAMENT

Table 3.14.1: Operating statement

(\$ million)

	2009-10	2010-11	2010-11	2011-12
	Actual	Budget	Revised	Budget
Net result from continuing operations				
Income from transactions				
Output appropriations	118.9	125.5	117.4	129.2
Special appropriations	39.6	40.1	41.3	23.9
Sale of goods and services	1.3	..	..	..
Grants	0.1	0.1	0.1	0.1
Fair value of assets and services received free of charge or for nominal consideration	0.1	0.3	0.3	..
Other income	..	..	..	..
Total income from transactions	160.1	165.9	159.0	153.2
Expenses from transactions				
Employee benefits	97.2	95.2	96.3	79.4
Depreciation and amortisation	5.4	6.6	6.6	6.6
Interest expense	0.3	0.3	0.3	0.3
Grants and other transfers	..	..	..	..
Capital asset charge	1.7	1.9	1.9	2.1
Other operating expenses	52.5	62.0	53.9	64.4
Total expenses from transactions	157.1	165.9	159.0	152.9
Net result from transactions (net operating balance)	3.0	..	..	0.3
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	0.1	..	..	..
Other gains/(losses) from economic flows	..	..	..	..
Total other economic flows included in net result	0.1	..	..	..
Net result	3.2	..	..	0.3
Other economic flows – other non-owner changes in equity				
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(0.3)	..	..	..
Asset revaluation reserve	..	..	..	..
Other	..	..	..	..
Total other economic flows – other non-owner changes in equity	(0.3)	..	..	..
Comprehensive result	2.8	..	..	0.3

Sources: Parliament of Victoria and Department of Treasury and Finance

Table 3.14.2: Balance sheet

(\$ million)

	<i>Estimated as at 30 Jun</i>			
	<i>2010 Actual</i>	<i>2011 Budget</i>	<i>2011 Revised</i>	<i>2012 Budget</i>
Assets				
Financial assets				
Receivables	52.9	58.4	56.1	63.9
Total financial assets	52.9	58.4	56.1	63.9
Non-financial assets				
Inventories	0.1	0.1	0.1	0.1
Non-financial assets classified as held for sale, including disposal group assets	0.1	0.1	0.1	0.1
Property, plant and equipment	220.1	220.9	223.2	224.0
Intangible assets	0.4	0.4	0.4	0.4
Other	1.4	1.7	1.7	2.0
Total non-financial assets	222.1	223.2	225.5	226.6
Total assets	275.1	281.5	281.5	290.5
Liabilities				
Payables	6.2	7.1	7.1	8.1
Borrowings	3.8	4.0	4.0	4.2
Provisions	13.6	17.0	17.0	20.4
Total liabilities	23.7	28.1	28.1	32.7
Net assets	251.4	253.4	253.4	257.7
Equity				
Accumulated surplus/(deficit)	30.6	30.6	30.6	30.9
Reserves	55.4	55.4	55.4	55.4
Contributed capital	165.5	167.5	167.5	171.5
Total equity	251.4	253.4	253.4	257.7

Sources: Parliament of Victoria and Department of Treasury and Finance

Table 3.14.3: Statement of cash flows

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Cash flows from operating activities				
Receipts				
Receipts from Government	158.5	165.6	158.6	153.1
Receipts from other entities	1.5	0.1	0.1	0.1
Other receipts	0.2	..	..	..
Total receipts	160.3	165.6	158.7	153.2
Payments				
Payments of grants and other transfers	..	..	..	..
Payments to suppliers and employees	(147.9)	(152.9)	(145.9)	(139.7)
Capital asset charge	(1.7)	(1.9)	(1.9)	(2.1)
Interest and other costs of finance paid	(0.3)	(0.3)	(0.3)	(0.3)
Total payments	(149.9)	(155.1)	(148.1)	(142.1)
Net cash flows from/(used in) operating activities	10.4	10.6	10.6	11.0
Cash flows from investing activities				
Net investment	1.1	(5.4)	(3.1)	(7.8)
Payments for non-financial assets	(12.1)	(7.4)	(9.7)	(7.5)
Proceeds from sale of non-financial assets	1.2	..	..	..
Net cash flow from/(used in) investing activities	(9.8)	(12.8)	(12.8)	(15.3)
Cash flows from financing activities				
Owner contributions by State Government	(0.3)	2.0	2.0	4.0
Net borrowings	(0.1)	0.2	0.2	0.2
Net cash flows from/(used in) financing activities	(0.5)	2.2	2.2	4.2
Net increase/(decrease) in cash and cash equivalents	0.1	..	..	..
Cash and cash equivalents at the beginning of the financial year	(1.0)	(0.9)	(0.9)	(0.9)
Cash and cash equivalents at the end of the financial year	(0.9)	(0.9)	(0.9)	(0.9)

Sources: Parliament of Victoria and Department of Treasury and Finance

Table 3.14.4: Statement of changes in equity

(\$ million)

	<i>Accumulated surplus/(deficit)</i>	<i>Contributions by owner</i>	<i>Other reserves</i>	<i>Asset revaluation reserve</i>	<i>Total Equity</i>
Opening balance 1 July 2009	27.7	165.5	..	55.4	248.6
Comprehensive result	2.8	..	..	..	2.8
Transactions with owners in their capacity as owners	..	..	..	..	..
Closing balance 30 June 2010 (actual)	30.6	165.5	..	55.4	251.4
Comprehensive result	..	..	..	..	..
Transactions with owners in their capacity as owners	..	2.0	..	..	2.0
Closing balance 30 June 2011 (budget)	30.6	167.5	..	55.4	253.4
Comprehensive result	..	..	..	..	..
Transactions with owners in their capacity as owners	..	2.0	..	..	2.0
Closing balance 30 June 2011 (revised)	30.6	167.5	..	55.4	253.4
Comprehensive result	..	..	..	..	..
Transactions with owners in their capacity as owners	..	4.0	..	..	4.0
Closing balance 30 June 2012 (estimate)	30.6	171.5	..	55.4	257.4

Sources: Parliament of Victoria and Department of Treasury and Finance

Table 3.14.5: Administered items statement

(\$ million)

	2009-10 Actual	2010-11 Budget	2010-11 Revised	2011-12 Budget
Administered income				
Sale of goods and services	20.8	20.1	20.1	20.6
Other income	0.1	..	..	..
Total administered income	20.9	20.1	20.1	20.6
Administered expenses				
Payments into the Consolidated Fund	21.4	16.9	16.9	17.3
Total administered expenses	21.4	16.9	16.9	17.3
Income less expenses	(0.6)	3.2	3.2	3.3
Other economic flows included in net result				
Total other economic flows included in net result	..	..	..	..
Net result	(0.6)	3.2	3.2	3.3
Total other economic flows – Other non-owner changes in equity	..	..	..	..
Comprehensive result	(0.6)	3.2	3.2	3.3
Administered assets				
Receivables	3.8	7.1	7.1	10.4
Total administered assets	3.8	7.1	7.1	10.4
Administered liabilities				
Total administered liabilities	..	..	..	..
Net assets	3.8	7.1	7.1	10.4

Sources: Parliament of Victoria and Department of Treasury and Finance

CHAPTER 4 – STATE REVENUE

SUMMARY OF GENERAL GOVERNMENT REVENUE

This chapter describes the major categories of revenue, comprising both state-sourced revenue and Commonwealth Government grants, and examines the expected movement in revenue between the 2010-11 revised estimates and the 2011-12 *Budget* estimates.

As shown in Table 4.1, general government sector revenue is expected to increase by \$2 billion in 2011-12 to \$47.4 billion.

Table 4.1: General government sector revenue including grants

(\$ million)

	2009-10 <i>Actual</i>	2010-11 <i>Revised</i>	2011-12 <i>Budget</i>	Change % ^(a)
Taxation	13 740.5	14 877.3	15 387.9	3.4
Interest	333.5	365.0	575.5	57.7
Dividends, income tax and rate equivalent revenue	485.6	408.0	574.9	40.9
Sales of goods and services	5 289.5	5 969.9	6 465.8	8.3
Other revenue	2 018.4	1 820.6	1 918.4	5.4
Grants	22 717.8	21 997.4	22 516.6	2.4
Total revenue from transactions	44 585.3	45 438.3	47 439.2	4.4

Source: Department of Treasury and Finance

Note:

(a) *Per cent change between 2010-11 and 2011-12.*

Taxation revenue in 2011-12 is expected to be \$15.4 billion, an increase of \$511 million or 3.4 per cent on the 2010-11 revised estimate. This increase primarily reflects:

- growth in payroll tax revenue due to higher than expected growth in employment and wages;
- increased revenue from taxes on insurance reflecting an expected increase in insurance contributions to fire brigades and in non-life insurance revenue. The increase in contributions to fire brigades reflects continued investment in the state's fire services. The growth in non-life insurance revenue is driven by growth in the economy and premium rate increases due to rising risks from natural disasters;
- an increase in gambling tax revenue in line with household consumption expenditure growth and the impact of changes to Crown Casino's licence conditions and taxation arrangements; and
- higher motor vehicle taxes which is underpinned by an increasing volume of cars and motorcycles stimulated by improved affordability and an increase in registration fees in line with the CPI.
- The increase in these taxation revenues is partly offset by a decrease in taxes on property in 2011-12, both land transfer duty and land tax. Revenue from land transfer duty is expected to weaken in 2011-12, reflecting lower property market turnover due in part to the impact of higher interest rates and the impact of new policy measures. The decline in land tax reflects the impact of a small carryover of revenue into 2010-11, combined with the continued disaggregation of land holdings which incur a lower rate of tax.

Interest revenue is estimated to be \$576 million in 2011-12. This will be \$211 million or 57.7 per cent higher than the 2010-11 revised estimates, primarily reflecting the interest payment associated with the finance lease arrangement for the Victorian desalination plant.

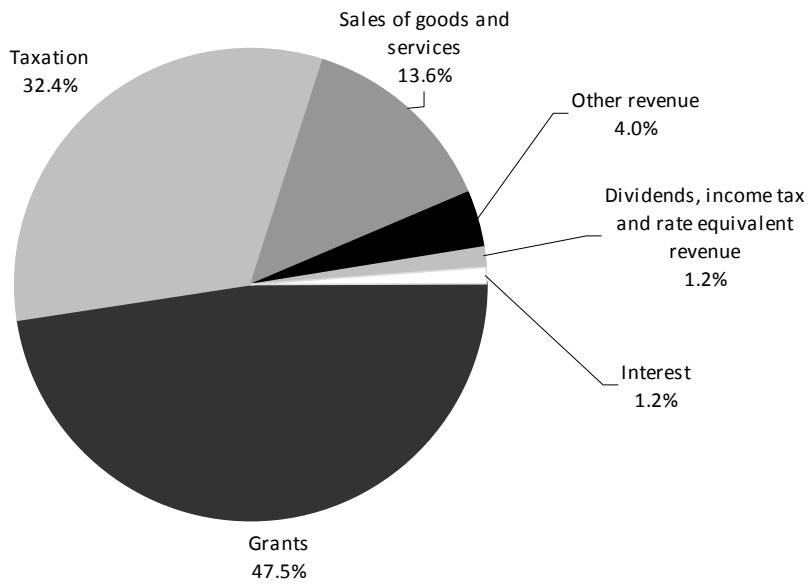
Dividend, income tax and rate equivalent revenue is expected to be \$575 million in 2011-12, which is \$167 million (40.9 per cent) higher than the 2010-11 revised estimate, mainly reflecting higher dividend revenue due to the deferral of dividends from the metropolitan water businesses.

Revenue from sales of goods and services is estimated to be \$6.5 billion in 2011-12, an increase of 8.3 per cent or \$496 million on the 2010-11 revised estimate. This is driven by the one-off impact of payments from Melbourne Water Corporation which were previously recognised as revenue in 2009-10 and 2010-11 and will now be recognised as revenue in 2011-12 when the desalination plant is commissioned.

Total grants revenue is estimated to increase by \$519 million or 2.4 per cent to \$22.5 billion in 2011-12. This is largely due to an increase in specific purpose grants for on-passing and goods and services tax (GST) grants.

In 2011-12 other revenue is expected to be \$1.9 billion or \$98 million (5.4 per cent) higher than the 2010-11 revised estimate. This is mainly due to increases in donations and gifts as well as fines.

Chart 4.1: General government sector revenue including grants in 2011-12



Source: Department of Treasury and Finance

STATE SOURCED REVENUE

Taxation

Taxation revenue in 2011-12 is estimated to be \$511 million higher than the 2010-11 revised estimate (Table 4.2), reflecting the recent strength in the labour market, continued economic and population growth and other factors.

Table 4.2: Taxation estimates

(\$ million)				
	2009-10 Actual	2010-11 Revised	2011-12 Budget	Change % ^(a)
Taxes on employers' payroll and labour force	4 055.8	4 415.5	4 735.4	7.2
Taxes on property				
Land tax	1 177.7	1 379.7	1 342.6	(2.7)
Congestion levy	47.2	48.4	49.8	2.8
Land transfer duty	3 603.9	3 902.4	3 767.3	(3.5)
Other property duties	7.0	8.2	8.4	2.9
Metropolitan improvement levy	122.8	125.4	129.8	3.5
Property owner contributions to fire brigades	34.4	28.4	31.3	10.1
Financial accommodation levy	51.8	71.0	89.5	26.0
Growth areas infrastructure contribution		27.1	36.2	33.6
	5 044.6	5 590.6	5 454.9	(2.4)
Gambling taxes				
Private lotteries	356.0	364.4	383.4	5.2
Electronic gaming machines	985.0	1 000.3	1 031.0	3.1
Casino	151.1	157.1	175.0	11.3
Racing	129.3	132.1	140.3	6.2
Other	10.3	13.0	13.6	4.6
	1 631.6	1 666.9	1 743.2	4.6
Levies on statutory corporations	69.4	73.7	73.7	0
Taxes on insurance				
Non-life insurance	718.3	763.5	824.9	8.0
Life insurance	6.6	5.7	5.9	2.8
Duty on compulsory third party premiums	139.8	148.4	154.8	4.3
Insurance contributions to fire brigades	538.1	557.6	645.6	15.8
	1 402.8	1 475.3	1 631.2	10.6
Motor vehicle taxes				
Motor vehicle registration fees	864.2	917.4	960.8	4.7
Duty on vehicle registrations and transfers	572.7	594.1	607.1	2.2
	1 436.9	1 511.4	1 567.9	3.7
Other taxes				
Liquor licence fees	23.3	21.7	22.2	2.2
Transurban concession fees	27.8	27.4	27.9	2.1
Landfill levy	48.4	94.9	131.5	38.5
	99.5	144.0	181.6	26.1
Total taxation	13 740.5	14 877.3	15 387.9	3.4

Source: Department of Treasury and Finance

Note:

(a) Per cent change between 2010-11 and 2011-12.

Payroll tax

Payroll tax is levied on taxable Victorian wages, defined to include salaries and wages, commissions, bonuses, taxable fringe benefits and payments to some contractors. Since July 2010, payroll tax of 4.9 per cent has been levied on businesses with a taxable total Australian wage bill above an annual tax-free threshold of \$550 000.

Around 33 000 businesses in Victoria pay payroll tax. Victorian businesses operating with annual payrolls valued between \$5.5 million and \$17.95 million pay the lowest payroll tax in Australia.

Since 1 July 2007, Victoria and NSW have harmonised payroll tax legislation including common definitions and exemptions (excluding rates and thresholds), to streamline administration and reduce compliance costs for businesses. Tasmania, South Australia and the Northern Territory have since joined with Victoria and NSW to harmonise their legislation, with other jurisdictions following with respect to eight main provisions of the law.

As of April 2011, 37 joint Victorian and NSW revenue office revenue rulings have been published, most of which have now been adopted by other jurisdictions. The Payroll Tax Harmonisation Committee has been established by all the jurisdictions in Australia, to oversee the design, implementation and maintenance of an administrative framework. The Committee has established key protocols designed to assist revenue offices by articulating processes to ensure taxpayers who employ people across jurisdictions are dealt with consistently and without the need to repeat basic interactions with multiple offices.

In 2011-12, payroll tax revenue is estimated to be \$4.7 billion, an increase of \$320 million (7.2 per cent) over the revised 2010-11 estimate. Both job advertisements and vacancies suggest a strong labour market with continuing increases in employment and wages.

Taxes on property

Land tax

Land tax is an annual tax assessed on the aggregated taxable value of all land in Victoria. Certain categories of land are exempt under the *Land Tax Act 2005*. In 2011-12, exemptions for land used for charitable purposes, for primary production, and as the principal place of residence of the owner will be valued at more than \$2 billion (see Chapter 5 *Tax Expenditures and Concessions* for more details).

Land valuations are conducted biennially by local councils and the Valuer-General. Valuations made at 1 January 2010 will be used for both the 2011 and 2012 land tax years.

Table 4.3 shows the land tax rates that are applicable for the 2012 land tax year (the 2011-12 budget year).

Table 4.3: 2012 land tax rates^(a)**General land tax rates**

<i>Value of property</i>	<i>Land tax payable</i>
\$0 to \$249 999	Nil
\$250 000 to \$599 999	\$275 plus 0.2% of the value in excess of \$250 000
\$600 000 to \$ 999 999	\$975 plus 0.5% of the value in excess of \$600 000
\$1 000 000 to \$1 799 999	\$2 975 plus 0.8% of the value in excess of \$1 000 000
\$1 800 000 to \$2 999 999	\$9 375 plus 1.3% of the value in excess of \$1 800 000
\$3 000 000 and over	\$24 975 plus 2.25% of the value in excess of \$3 000 000

Trusts land tax rates ^{(a)(b)}

<i>Value of property</i>	<i>Land tax payable</i>
\$0 to \$24 999	Nil
\$25 000 to \$249 999	\$82 plus 0.375% of the value in excess of \$25 000
\$250 000 to \$599 999	\$926 plus 0.575% of the value in excess of \$250 000
\$600 000 to \$ 999 999	\$2 938 plus 0.875% of the value in excess of \$600 000
\$1 000 000 to \$1 799 999	\$6 438 plus 1.175% of the value in excess of \$1 000 000
\$1 800 000 to \$2 999 999	\$15 838 plus 0.7614% of the value in excess of \$1 800 000
\$3 000 000 and over	\$24 975 plus 2.25% of the value in excess of \$3 000 000

Source: Land Tax Act 2005

Notes:

- (a) *The 2012 land tax rates will apply in the 2012 assessment year, which is based upon property ownership as at midnight 31 December 2011.*
- (b) *Certain trusts are subject to a land tax surcharge of 0.375 per cent (on top of the ordinary land tax rates). The surcharge is phased out for site values between \$1.8 million and \$3 million to ensure that the rate on trusts is the same as standard land tax rates on land values above \$3 million.*

Land tax revenue is expected to be \$1.3 billion in 2011-12, slightly below the 2010-11 revised estimate of \$1.4 billion. This decline reflects the impact of a small carryover of revenue into 2010-11, combined with the continued disaggregation of land holdings which incur a lower rate of tax.

Congestion levy

The Congestion levy is an annual charge on owners of long-stay off-street car parking spaces in Melbourne's central business district and adjacent areas such as Southbank, Docklands and the St Kilda Road precincts.

The levy is subject to indexation based on the Consumer Price Index (CPI) and for 2011 is \$880 per car parking space. An exception is the area bounded by Montague Street, the West Gate Freeway, City Link and the Yarra River for which the levy is currently set at \$400. The \$400 rate will be reviewed pending the outcome of a review of parking requirements in planning schemes. Various car parking spaces are exempt from the levy, including short-stay parking spaces, parking spaces used exclusively for residential purposes, and certain other parking spaces such as those used by ambulances and charitable institutions.

Congestion levy revenue in 2011-12 is expected to be \$49.8 million, 2.8 per cent higher than the 2010-11 revised estimate, in line with the CPI indexation.

Land transfer duty

Duty is payable on any transaction that results in a change of beneficial ownership of land and associated real assets. Properties bought as a principal place of residence attract a lower marginal rate for certain dutiable values.

The current rates of conveyancing duty are shown in Table 4.4.

Table 4.4: Duty on land transfers

General land transfer duty rates

<i>Value of property transferred</i>	<i>Duty payable</i>
Up to \$25 000	1.4% of the value of the property
\$25 001 to \$130 000	\$350 plus 2.4% of the value in excess of \$25 000
\$130 001 to \$960 000	\$2 870 plus 6% of the value in excess of \$130 000
\$960 001 and over	5.5% of the value of the property

Land transfer duty rates for principal place of residence purchases

<i>Value of property transferred</i>	<i>Duty payable</i>
Up to \$25 000	1.4% of the value of the property
\$25 001 to \$130 000	\$350 plus 2.4% of the value in excess of \$25 000
\$130 001 to \$440 000	\$2 870 plus 5% of the value in excess of \$130 000
\$440 001 to \$550 000	\$18 370 plus 6% of the value in excess of \$440 000
\$550 001 to \$960 000	\$28 070 plus 6% of the value in excess of \$550 000
\$960 001 and over	5.5% of the value of the property

Source: Duties Act 2000

There is a land transfer duty exemption for homes transferred into special disability trusts in recognition of the particular nature of the arrangements for people with a severe disability.

From 1 July 2011, eligible pensioners and concession card holders will receive a full duty concession on property valued up to \$330 000, with a partial concession available for property worth up to \$750 000. This concession will also become available to holders of the Commonwealth seniors health card.

For contracts settled from 1 July 2011, eligible first homebuyers will begin to receive a series of discounts on land transfer duty. This initiative will reduce land transfer duty payable for first homebuyers purchasing principal places of residence valued up to \$600 000.

Table 4.5: Discounts on land transfer duty

	<i>1 July 2011</i>	<i>1 January 2013</i>	<i>1 January 2014</i>	<i>1 September 2014</i>
Land transfer duty cut	20%	10%	10%	10%
		(30% cumulative)	(40% cumulative)	(50% cumulative)

Source: Department of Treasury and Finance

From 1 July 2011, farmers under the age of 35 buying their first farm property will receive a full land transfer duty exemption on purchases worth up to \$300 000, while purchases worth up to \$400 000 will receive some duty reduction. This initiative intends to address the issues of an ageing farm labour force and fewer young people entering the industry.

Land transfer duty revenue is expected to decrease by \$135 million or 3.5 per cent in 2011-12, reflecting the effects of new policy measures and the stabilisation of the property market. The combination of interest rate rises beginning in the second half of 2009, an easing in first home owner demand and concerns about affordability are expected to continue to depress volumes in 2011-12. However, the cooling of the residential market is offset partly by an upturn in the commercial and industrial property sectors.

Landholder duty

Victoria will reform land rich duty provisions in the *Duties Act 2000* to introduce a simpler set of provisions known as the 'landholder duty' model. Currently, the purchase of a large share of a private company, private unit trust scheme or wholesale unit trust scheme, where more than 60 per cent of the assets are land, is subject to transfer duty as if the land were being purchased directly. This tax is known as 'land rich' duty.

The landholder duty model will remove the incentive for the complex structures that have evolved in commercial transactions and bring Victoria into line with most of the other states and territories. The change to the landholder duty model will eliminate the need for complex valuations and calculations in relation to the proportion of assets represented by land.

The Government will consult with industry ahead of the introduction of the new provisions to commence on 1 July 2012. This change is expected to raise revenue of approximately \$50 million to \$75 million a year from 2012-13.

Other property duties

This category includes revenue from minor duties such as duty on declarations of trust over properties other than land, which is currently set at \$200, and duty on the sale of certain livestock with revenue directed to a trust fund relating to disease control.

This revenue also includes any minor adjustments relating to property taxes that have been abolished in recent years.

Revenue from other property duties is estimated to be 2.9 per cent higher in 2011-12 than the revised 2010-11 estimate, in line with CPI indexation.

Metropolitan improvement levy

The Metropolitan improvement levy is charged on all properties in the metropolitan area and is provided to the Department of Sustainability and Environment for the management of metropolitan parks, open spaces and waterways. The rate is determined taking into consideration the amount expected to be disbursed from the Parks and Reserves Trust Account for these purposes.

Revenue in 2011-12 is estimated to be \$130 million or \$4.4 million (3.5 per cent) higher than the 2010-11 revised estimate due to both annual indexation of the levy and an increase in the number of properties in the metropolitan area.

Property owner contributions to fire brigades

Municipal councils wholly or partly within the metropolitan area serviced by the Metropolitan Fire and Emergency Services Board are collectively required by legislation to contribute 12.5 per cent of the Metropolitan Fire and Emergency Services Board's approved annual budget.

Revenue in 2011-12 is expected to be \$31 million, \$2.9 million higher than the 2010-11 revised estimate.

Financial accommodation levy

The financial accommodation levy (FAL) applies to government-owned entities declared to be leviable authorities under the *Financial Management Act 1994*. The purpose of the levy is to remove the market advantage that government entities may otherwise experience in borrowing, by virtue of their sovereign status, thereby ensuring that borrowings are valued appropriately in decisions on the financing of capital projects.

Revenue from the FAL is expected to be \$90 million in 2011-12, which is \$19 million (26 per cent) higher than the 2010-11 revised estimate of \$71 million. This increase is mainly due to the expected increase in borrowings by water corporations to fund capital projects.

Growth Areas Infrastructure Contribution

The Growth Areas Infrastructure Contribution (GAIC) scheme commenced on 1 July 2010. It will partly fund the provision of infrastructure in growth areas and enable more timely provision of facilities and services. The GAIC applies to land brought into the Urban Growth Boundary in recent years that are zoned for urban development.

Monies received from the GAIC will be allocated into two funds, the Growth Areas Public Transport Fund and the Building New Communities Fund, which will support the provision of public transport and community infrastructure in the new growth areas.

Revenue from the GAIC is expected to be \$36 million in 2011-12, which is 33.6 per cent higher than the 2010-11 revised estimate of \$27 million.

Gambling taxes

Gambling taxes are imposed on public lotteries, electronic gaming machines (EGMs), the Crown Casino, racing, and some other forms of gambling. The taxes are typically in the form of a percentage of net expenditure, with the tax rate varying according to the category of gambling. Net expenditure is equal to the amount gambled less prizes or refunds to players. In the case of EGMs, there is also an annual health benefit levy of \$4 333 per machine in operation. Gambling tax figures also reflect revenue associated with the gaming and Keno licence premiums.

Most gambling tax revenue is transferred by standing appropriation to the Hospitals and Charities Fund, the Mental Health Fund or the Community Support Fund. In 2011-12, it is estimated that 82 per cent (\$1.4 billion) of total gambling taxation revenue will be transferred by standing appropriation to these funds.

Overall, gambling taxes are expected to increase by \$76 million (4.6 per cent) in 2011-12, compared with the 2010-11 revised estimate. As mentioned above, this is in line with household consumption expenditure growth and the impact of changes to the Casino's licence conditions.

To enable the Victorian wagering licensee to compete effectively with interstate operators, a concessional tax rate applies to commissions attributable to premium customers (i.e. those customers who invest more than \$3 million in Victorian totalisators conducted by the licensee in a financial year). The concession was introduced by the *Gambling Regulation (Premium Customer) Regulations 2011* and made under sections 4.6.3(6) and 11.2.1 of the *Gambling Regulation Act 2003*.

A new regulatory model will apply to the post-2012 gambling licences, with new licences applying to EGMs, Keno and wagering. There will also be a newly created monitoring licence. EGMs will transition from the current gaming operator duopoly to a system where venue operators are licensed to own and operate gaming machines in their own right.

The new 10-year EGM entitlements were allocated via a pre-auction club offer and a competitive gaming auction in 2010 and will commence on 16 August 2012. A new 10-year Keno licence was awarded on 25 March 2011 and will commence on 15 April 2012. The licences for wagering activities and monitoring, the allocation of which is still being determined, will commence in August 2012.

From August 2012, the tax applying to wagering will be reduced to support the post-2012 licensing arrangements and provide the Victorian racing industry with additional funding from wagering. The Government will also introduce a new progressive tax system for EGMs post-2012 applying to each venue's average monthly net expenditure per gaming machine.

Levies on statutory corporations

Water corporations are required to pay an annual environmental contribution to fund water related initiatives that seek to promote the sustainable management of water, and to address adverse environmental impacts associated with water use.

The environmental contribution levy is estimated to raise \$286 million between 1 July 2008 and 30 June 2012. A decision on whether to continue the environmental contribution levy beyond 1 July 2012 has yet to be made.

Taxes on insurance

Non-life insurance

Duty is payable on the gross value of premiums on general insurance business at a rate of 10 per cent. General insurance is insurance that is applicable to property in Victoria or a risk, contingency or event that may occur within, or partly in, Victoria including damage to motor vehicles and insurance against loss of home or contents. The definition of general insurance includes insurance in respect of trauma and disabilities but excludes health insurance, life

Exemptions from payment of this duty relate to policies against damage by hail to cereal and fruit crops, workers' compensation premiums, commercial marine hull insurance, private guarantee fidelity insurance schemes, insurance businesses carried on by organisations registered under Part VI of the *Commonwealth National Health Act 1953* and transport insurance policies. Reinsurance policies are not subject to duty.

Non-life insurance revenue is expected to increase by \$61 million (8 per cent) in 2011-12 compared with the 2010-11 revised estimate. The increase in non-life insurance reflects higher domestic insurance (both domestic and commercial premium rates are higher). This is on account of rising global risks from natural disasters and higher volume due to growth in the economy.

Life insurance

Life insurance is any insurance or assurance in respect of life or lives, or an event or contingency relating to or depending on a life or lives, of persons living in Victoria. Temporary or term life insurance is taxed once at a 5 per cent rate when the policy starts. For whole-of-life insurance, duty is payable on the sum insured.

Life insurance revenue is expected to rise by \$0.2 million (2.8 per cent) in 2011-12 compared with the 2010-11 revised estimate, which is broadly in line with the expected growth in the economy.

Duty on compulsory third party premiums

Duty is payable on the value of compulsory third party motor vehicle insurance premiums at a rate of 10 per cent.

Compulsory third party premium duty revenue is expected to increase by \$6.4 million (4.3 per cent) in 2011-12 compared with the 2010-11 revised estimate. This reflects an anticipated rise in the volume of motor vehicle registrations, as well as indexation with the CPI.

Insurance contributions to fire brigades

Victoria partly funds fire services through an insurance based funding model. Insurance companies generally choose to recover their contributions through an insurance industry fire services levy imposed on premiums.

The level of required contributions by insurance companies to the approved annual budget of the Victorian fire services is prescribed under Section 37 of the *Metropolitan Fire Brigades Act 1958* (75 per cent) and Section 76 of the *Country Fire Authority Act 1958* (77.5 per cent).

The legislation also prescribes that non residential property owners who choose to either self insure or insure off shore, are required to pay a contribution to whichever fire service covers the area in which their property is located.

In 2011-12, revenue from insurance contributions to fire services is anticipated to increase by \$88 million (15.8 per cent) compared to the 2010-11 revised estimate. This is driven by investment in the State's Fire and Emergency Services as part of the *2011-12 Budget* and incremental implementation of recommendations from the 2009 Victoria's Bushfires Royal Commission final report.

Motor vehicle taxes

Vehicle registration fees

Motor vehicle registration fees are fees charged when a vehicle is registered and vary according to vehicle type and use of the vehicle. Pensioner and health care card holders receive a 50 per cent concession on their motor vehicle registration fee while Department of Veteran's Affairs gold card holders receive free motor vehicle registration.

Duty on vehicle registrations and transfers

Duty is levied on the transfer and registration of motor vehicles, motorcycles and trailers in Victoria. The duty is levied on the market value or purchase price (whichever is greater) of the vehicle, at a progressive rate on new passenger cars, and at a flat rate for other vehicles. Victoria currently has the lowest stamp duty of the major states on new, conventionally powered passenger cars valued up to \$57 466, which includes the most common Australian-made family cars. The rate scale is shown in Table 4.6.

Table 4.6: Motor vehicle duty rate

<i>Market value of vehicle</i>	<i>Duty payable</i>
For motor vehicles not previously registered:	
Passenger cars ^(a)	
\$0 to \$57 466	\$5 per \$200 or part thereof on entire price
\$57 467 or more	\$10 per \$200 or part thereof on entire price
Other vehicles	
All values	\$5 per \$200 or part thereof on entire price
For motor vehicles previously registered, regardless of location:	
All values	\$8 per \$200 or part thereof on entire price

Source: Duties Act 2000 and Department of Treasury and Finance

(a) This threshold is indexed to the Commonwealth Luxury Car Tax Threshold, which may increase on 1 July 2011.

Aggregate motor vehicle taxation revenue in 2011-12 is expected to grow by \$57 million (3.7 per cent) compared with the 2010-11 revised estimate.

Of this, registration fee revenue is forecast to increase by \$43 million (4.7 per cent) in 2011-12, due to the increasing stock of cars and motorcycles registered and annual indexation of registration fees in line with the CPI.

Revenue from duty on motor vehicle registrations and transfers is expected to increase by \$13 million (2.2 per cent) in 2011-12 compared with the 2010-11 revised estimate driven by strong sales, arising from improved affordability.

Other taxes

Other tax revenue includes the landfill levy, concession fees paid in advance by Transurban with respect to Melbourne CityLink and Liquor licence fees. Revenue from these sources is expected to increase by 26.1 per cent to \$182 million in 2011-12.

In the 2011-12 Budget, landfill revenue is expected to increase by 38.5 per cent in 2011-12 to \$132 million as progressive increases in the landfill levy rate have been brought forward by one year. These increases provide incentives to reduce the level of waste and foster best practice in waste management.

Interest revenue

Interest revenue is estimated to be \$576 million in 2011-12. This will be \$211 million or 57.7 per cent higher than the 2010-11 revised estimates, primarily reflecting the interest payment associated with the finance lease arrangement for the Victorian desalination plant.

Dividends, income tax and rate equivalent revenue

This category of revenue comprises dividends, income tax and rate equivalent revenue received by the State from government business enterprises and other sources as detailed in Table 4.7.

Table 4.7: Dividends, income tax and rate equivalent revenue

(\$ million)

	2009-10 Actual	2010-11 Revised	2011-12 Budget	Change % ^(a)
Dividends	309.1	236.0	415.6	76.1
Income tax equivalent revenue	171.9	166.8	153.7	(7.8)
Local government rate equivalent revenue	4.6	5.2	5.6	7.7
Total dividends, income tax and rate equivalent revenue	485.6	408.0	574.9	40.9

Source: Department of Treasury and Finance

Note:

(a) Per cent change between 2010-11 and 2011-12.

Dividend, income tax and rate equivalent revenue is expected to be \$575 million in 2011-12, which is \$167 million (40.9 per cent) higher than the 2010-11 revised estimate, mainly driven by higher dividend revenue.

Total dividend revenue is expected to increase by \$180 million (76.1 per cent) in 2011-12. This is largely due to the deferral of the 2010-11 interim dividends from the metropolitan water businesses into 2011-12. There is potential for the profitability of the metropolitan water businesses for 2010-11 to vary materially from the businesses' forecasts due to a range of factors including climatic conditions (which impact on water usage) and residential land development activity. It is proposed that a single dividend be payable by the metropolitan water businesses in October 2011 in respect of 2010-11, and in light of their full year results.

Total income tax equivalent revenue is expected to decrease by \$13 million (7.8 per cent) in 2011-12 as compared with the 2010-11 revised estimate. This is mainly a result of lower forecast taxable income for Port of Melbourne Corporation, City West Water Limited and Melbourne Water Corporation.

Sales of goods and services

Revenue from sales of goods and services is estimated to be \$6.5 billion in 2011-12, an increase of 8.3 per cent or \$496 million on the 2010-11 revised estimate. Factors contributing to this change include:

- the one-off impact of payments from Melbourne Water Corporation which were previously recognised as revenue in 2009-10 and 2010-11 and will now be recognised as revenue in 2011-12 when the desalination plant is commissioned, consistent with the accounting treatment in the *2009-10 Financial Report*; and
- an increase in inter-sector capital asset charge revenue from VicTrack reflecting increased VicTrack asset values due to additional capital expenditure.

Note 4 of the Estimated Financial Statements, Budget Paper No. 5 Chapter 1 *Estimated Financial Statements and Notes*, provides a breakdown of sales of goods and services by major category.

Other revenue

Other revenue includes the fair value of assets received free of charge, fines, royalties, donations and gifts and other miscellaneous income. These are shown in Table 4.8.

Table 4.8: Other revenue

(\$ million)				
	2009-10	2010-11	2011-12	Change
	Actual	Revised	Budget	% ^(a)
Fines				
Road safety camera fines	229.6	249.1	256.9	3.1
Police on the spot fines	117.5	136.6	140.3	2.7
Toll road evasion fines	84.2	102.0	109.7	7.5
Non-traffic statutory and court fines ^(b)	106.8	33.8	38.2	13.0
Total fines	538.1	521.5	545.1	4.5
Fair value of assets received free of charge or for nominal consideration	161.6	1.3	1.0	(19.1)
Royalties	46.7	46.3	47.1	1.6
Donations and gifts	261.7	243.6	297.7	22.2
Other non property rental	28.2	25.4	25.5	0.2
Other miscellaneous income	982.1	982.5	1 002.0	2.0
Other current revenue	2 018.4	1 820.6	1 918.4	5.4

Source: Department of Treasury and Finance

Notes:

(a) Per cent change between 2010-11 and 2011-12.

(b) Reduced revenue from 2009-10 to 2010-11 is due to the reconciliation of administration fees associated with the issue of late fines from Other revenue to the sales of goods and services.

In 2011-12 other revenue is expected to be \$1.9 billion, or \$98 million higher than the 2010-11 revised estimate. This is mainly due to increases in donations and gifts as well as fines and other miscellaneous revenue.

Donations and gifts are expected to increase by \$54 million (22.2 per cent) to \$298 million in 2011-12, predominantly due to increased contributions for the new Royal Children's Hospital.

Fines revenue is expected to increase by \$24 million or 4.5 per cent to \$545 million in 2011-12 compared to 2010-11 revised budget. This is mainly due to the impact of CPI indexation. Traffic camera and on the spot fines are expected to increase in line with the impact of indexation and increased patronage.

GRANTS

Summary information on the estimates for the various grants categories for the 2010-11 revised estimate and the 2011-12 Budget estimate are shown in Table 4.9.

The detailed estimates provided in this chapter represent the latest information available to the Victorian Government at the time of finalisation of the 2011-12 Budget.

Table 4.9: Grants

(\$ million)

	2009-10 Actual	2010-11 Revised	2011-12 Budget	Change % ^(a)
General purpose grants	10 043.3	10 654.2	10 944.8	2.7
Specific purpose grants for on-passing	3 099.4	2 355.1	2 567.1	9.0
Grants for specific purposes	9 448.0	8 861.6	8 892.1	0.3
Total	22 590.6	21 870.9	22 404.0	2.4
Other contributions and grants	127.1	126.5	112.7	(10.9)
Total grants	22 717.8	21 997.4	22 516.6	2.4

Source: Department of Treasury and Finance

Note:

(a) Per cent change between 2010-11 and 2011-12.

Total grants are expected to increase by \$519 million or 2.4 per cent between 2011-12 and 2010-11 revised estimate. This largely reflects comparable increases in general purpose grants (GST) and specific purpose grants for on-passing of \$291 million and \$212 million respectively.

The increase in GST grants is driven by a higher national GST pool in 2011-12 compared to 2010-11. The current estimate for 2011-12 GST grants has been revised down by \$811 million since 2010-11 Budget Update (as described below).

The increase in specific purpose grants for on-passing is mainly driven by grants for non-government schools under the *National Education Agreement* and financial assistance grants to local governments.

General purpose grants

In accordance with the 2008 *Intergovernmental Agreement on Federal Financial Relations*, the states and territories receive all GST grants. The distribution of GST grants between the states and territories is determined by the GST relativities combined with the size of the national GST pool. The GST relativities are decided by the Commonwealth Treasurer and informed by the recommendations of the Commonwealth Grants Commission (CGC).

The Council of Australian Governments (COAG) agreement of 11 February 2011 on National Health Reform removed the prospective requirement, agreed in April 2010, for a portion of GST grants to be dedicated to the provision of health care services.

Compared to previous forecasts GST has been revised down by \$4.1 billion over five years, comprising of a \$2.5 billion reduction in GST relativities and a \$1.6 billion reduction from changes to the pool (as described below).

Outcomes from Commonwealth Grants Commission 2011 Update report

The CGC's recommendations are underpinned by the principle of horizontal fiscal equalisation (HFE). Victoria supports an appropriate system of HFE that takes account of the challenges faced by smaller jurisdictions in providing services.

Every year the CGC updates its recommended GST relativities consistent with the terms of reference handed down by the Commonwealth Treasurer. The CGC's *2011 Update* recommends a reduction in Victoria's GST share to 22.5 per cent of the total GST pool in 2011-12. This compares with a relativity of 23.4 per cent in 2010-11 and a population share of approximately 25 per cent. As a result, Victoria will lose \$498 million in GST grants in 2011-12 and \$2.5 billion over the forward estimates.

Victoria has significant concerns with the latest CGC recommendations. The redistribution is very substantial, creates a shock to Victoria's budget position and undermines the principle of HFE. An appropriate system of HFE should promote good public policy, not penalise states which deliver much needed reform to areas of government service delivery, and should produce stable and predictable outcomes.

Review of the distribution of GST grants

The Prime Minister announced a review of the GST distribution and the appropriate form of HFE on 30 March 2011. The media release announcing the Review (which reflect some of Victoria's considerable concerns with the CGC's current methodology) state that the Review seeks to provide a simpler, fairer, more predictable and more efficient distribution of GST to the states and territories.

The review will provide an interim report to the Commonwealth Treasurer by February 2012 and a final report by September 2012. The GST relativities for 2011-12 and 2012-13 will be based on the current CGC methodology and not be affected by the review.

Revisions to the national GST pool

The forecasts of the national GST pool for 2010-11 onwards have been revised downwards since Victoria's *2010-11 Budget Update*, reflecting the latest Commonwealth information on the national GST pool. The decline in the forecast total pool is due to the weaker outlook for national consumption and dwelling investment, and the incorporation of a trend decline in the proportion of consumption subject to GST. The national GST pool is now forecast to be \$48.6 billion in 2011-12, compared to \$50 billion at the time of the *2010-11 Budget Update*. Slower growth in the overall GST pool has reduced Victoria's GST grants by \$313 million in 2011-12 and \$1.6 billion over the five years from 2010-11 to 2014-15.

OTHER COMMONWEALTH GRANTS

Grants for specific purposes (including specific purpose grants for on-passing) are expected to be \$11.5 billion in 2011-12, an increase of \$242 million (2.2 per cent) on the 2010-11 revised estimate.

Table 4.10: Payments for specific purposes and grants for on-passing

(\$ million)

	2010-11 Revised	2011-12 Budget	Change %
National Affordable Housing Agreement	276.7	288.2	4.2
National Agreement for Skills and Workforce Development	333.3	337.9	1.4
National Disability Agreement	246.9	288.1	16.7
National Education Agreement consisting of:			
Government schools	813.7	872.7	7.3
Non-government schools	1 985.8	2 089.3	5.2
National Healthcare Agreement	2 921.0	3 147.3	7.7
Nation Building – Economic Stimulus Plan			
Nation Building and Jobs Plan	203.2	63.8	(68.6)
Building the Education Revolution consisting of:			
Primary Schools for the 21st Century – Government schools	857.0	78.4	(90.9)
Primary Schools for the 21st Century – Non-government schools	457.3	42.8	(90.6)
National Partnerships			
Activity based funding	..	11.0	..
Aged Care Assessment	18.7	18.7	..
Ballarat Regional Integrated Cancer Centre	3.0	32.0	966.7
Better TAFE Facilities	2.4	..	..
Caring for Our Country	31.2	29.1	(6.7)
Certain concessions for pensioners and seniors card holders	60.8	62.7	3.1
Commonwealth First Home Owner Boost	15.5	0.7	(95.5)
Digital Mammography	11.4	15.3	34.1
Early Childhood Education	19.3	59.1	206.2
Elective Surgery Waiting List Reduction Program	63.7	..	..
Essential Vaccines	61.3	60.8	(0.9)
Exceptional Circumstances Interest Rate Subsidy	39.6	..	..
Expansion of Gippsland Cancer Care Centre	5.0	5.0	..
Helping public patients in hospitals waiting for nursing home places	9.5	9.5	..
Home and community care	301.5	322.6	7.0
Home and community care services for veterans	4.3	4.3	..
Homelessness	24.9	25.9	3.9
Indigenous Early Childhood Development	6.7	3.6	(46.6)
Literacy and Numeracy	31.3	31.3	..
Low Socio-Economic Status School Communities	37.6	68.8	82.9
Melbourne Metro 1	..	15.0	..
Nation Building – AusLink (Road and Rail)	287.3	700.7	143.9
National Disaster Resilience Program	4.0	4.1	2.5
National Quality Agenda on Early Childhood Education and Care	1.3	3.2	146.2

Table 4.10: Payments for specific purposes and grants for on-passing (continued)

(\$ million)

	2010-11 Revised	2011-12 Budget	Change %
National Secondary School Computer Fund Digital Education			
Revolution consisting of:			
Government Schools	14.8	29.6	100.0
Non-government Schools	9.4	19.8	110.6
National Solar Schools Plan	9.3	4.5	(51.6)
Natural Disaster Relief	83.6	515.0	516.0
Plan for Perinatal Depression	1.5	2.2	50.0
Preventive Health	2.7	18.2	574.1
Productivity Places Program	105.2	120.0	14.1
Regional Rail Link	247.0	448.0	81.4
Remote Indigenous Housing	2.5	2.5	..
Seamless National Economy	..	49.6	..
Statewide Enhancements to Regional Cancer Services	7.7	0.8	(89.6)
TAFE fee waivers for childcare qualifications	11.4	10.0	(12.3)
Teacher Quality	8.6	54.9	538.4
Trade Training Centres in Schools	45.7	36.8	(19.5)
Victorian Comprehensive Cancer Centre	98.9	67.0	(32.3)
Victorian Cytology Service	7.3	7.7	5.5
Victorian Legal Aid	42.4	43.6	2.8
Water for the Future	103.3	10.9	(89.4)
Youth Attainment and Transitions	17.0	29.4	72.8
COAG – National Health and Hospitals Reform			
Expanding Multi-Purpose Services	5.2	3.6	(30.8)
Improving Public Hospital Services	251.4	143.3	(43.0)
Supporting Long Stay Older Patients	..	26.9	..
National Jobs Fund – Victorian Bushfire Reconstruction and Recovery Plan	7.0	..	..
Other payments to the States			
Housing Affordability Fund	..	54.1	..
Interstate Road Transport	18.5	19.2	3.8
Commonwealth Own Purpose Expenses			
Highly Specialised Drugs Program – Department of Health	158.0	60.0	(62.0)
Commonwealth Government Grants to Local Government			
Financial assistance grants to local government (operating)	269.8	348.9	29.3
Identified local roads grants to local government	99.5	128.8	29.5
Other	453.6	512.0	12.9
Total	11 216.7	11 459.2	2.2

Source: Department of Treasury and Finance

National Affordable Housing Agreement

Funding is provided to support the provision of affordable, safe and sustainable housing that contributes to economic and social participation in the community.

National Agreement for Skills and Workforce Development

The *National Agreement for Skills and Workforce Development* provides support for the delivery of publicly funded training services.

National Disability Agreement

Funding is provided to contribute to the overall objective of ensuring that people with a disability and their carers have an enhanced quality of life and participate as valued members of the community.

National Education Agreement – government and non-government schools

The *National Education Agreement* provides support for government and non-government school services.

In 2011-12, grants for the *National Education Agreement* are estimated to be \$3 billion, an increase of \$163 million (5.8 per cent) compared to the 2010-11 revised estimates of \$2.8 billion, which is due to indexation as determined by the movement in the Average Government School Recurrent Cost.

National Healthcare Agreement

Funding is provided under the *National Healthcare Specific Purpose Payment (SPP)* to support state health care services. This funding will be provided on an on-going basis and indexed by a growth factor as specified in the *Intergovernmental Agreement on Federal Financial Relations*. The *National Healthcare SPP* is linked to the *National Healthcare Agreement* that defines the objectives, outcomes, outputs and performance measures, and clarifies the roles and responsibilities that guide the Commonwealth and the states in delivery of services across the health sector.

Nation Building – Economic Stimulus Plan

Nation Building and Jobs Plan

Funding is provided under the *Nation Building – Economic Stimulus Plan* to increase the supply of social housing once completed. The one-off injection of funding will enable construction of around 4 500 new dwellings in Victoria and the refurbishment of existing stock that would otherwise be unavailable for occupancy.

The decline in funding in 2011-12 reflects cessation of the *Nation Building – Economic Stimulus Plan* initiative past this year.

Building the Education Revolution – government and non-government schools

Funding is provided as part of the Commonwealth Government's *Nation Building – Economic Stimulus Plan (Building the Education Revolution)*. This remaining funding is for *Primary Schools for the 21st Century* for construction of major new infrastructure. Non-government schools also participate in the *Building the Education Revolution* program.

In 2011-12, funding for initiatives within *Building the Education Revolution* is estimated to total \$121 million, a decrease of \$1.2 billion (90.8 per cent) compared to the 2010-11 revised estimates of \$1.3 billion. The Commonwealth's economic stimulus package was designed to increase immediate spending in the economy from 2009-10 year, with a subsequent winding down of the package as projects are completed.

National Partnerships

Activity Based Funding

Funding is provided to assist the State with the development and implementation of nationally consistent activity-based funding – a management tool that has the potential to enhance public accountability and drive technical efficiency in the delivery of health services.

Aged Care Assessment

Funding is provided for the *Aged Care Assessment Program (ACAP)* to comprehensively assess the needs of frail, older people and assist them to gain access to the most appropriate types of health and aged care. An ACAP assessment is mandatory for entry to Commonwealth funded residential care facilities, the Transition Care Program and Commonwealth packaged care which includes Community Aged Care Packages (CACP), Extended Aged Care at Home (EACH) and EACH Dementia (EACHD). Aged Care Assessment Services also direct frail, older people who have complex social and medical problems into appropriate health and aged care services including restorative care options.

Ballarat Regional Integrated Cancer Centre

Funding is provided to help establish a new state-of-the-art regional cancer centre in Ballarat. The new cancer centre will expand and enhance radiotherapy services for the Grampians Region and integrate Ballarat Health Services' cancer services into a patient-friendly and high-quality facility which supports multidisciplinary clinical and supportive care. It will provide a colocated, integrated cancer service with increased capacity for outpatient radiotherapy and chemotherapy services. Four bunkers, fitted with two new linear accelerators and the relocated existing linear accelerator, will provide the facilities to meet current and future demand for radiotherapy services.

Better TAFE Facilities

Funding is provided as part of the Commonwealth Government's *National Building – Economic Stimulus Plan* (Better TAFE Facilities). Funding provides support to assist TAFE institutes to address immediate maintenance needs, small capital works and the purchase of plant and equipment with a focus on modernising and improving the quality of teaching and learning across the TAFE sector. The Commonwealth's economic stimulus package was designed to increase immediate spending in the economy from 2009-10 year, with a subsequent winding down of the package as projects are completed.

Caring for Our Country

Caring for our Country is the way the Commonwealth Government funds environmental management of natural resources. Caring for our Country helps communities, farmers and other land managers protect the natural environment. Funding of \$27.5 million is expected to be provided to Victoria in 2011-12 for base funding to Catchment Management Authorities, with a further \$1.6 million expected under the competitive component.

Certain concessions for pensioners and seniors card holders

This payment provides ongoing funding and provision of certain concessions for pensioners and seniors card holders, being rebates made available to pensioners for council/land and water rates, utilities including energy and sewerage, motor vehicle registration and public transport.

Commonwealth First Home Owner Boost

On 14 October 2008, the Commonwealth announced the *First Home Owner Boost*, which provides one-off financial assistance to eligible first home-buyers of \$7 000 for an established home and \$14 000 for a new home or a newly constructed home. The *First Home Owner Boost* was reduced on 1 October 2009 to \$3 500 for an established home and \$7 000 for a new home or a newly constructed home, and terminated on the 31 December 2009. As such, *First Home Owner Boost* revenue is expected to decrease from \$16 million in 2010-11 to \$0.7 million in 2011-12.

Digital mammography

Funding is provided under the *National Partnership Agreement on Health Infrastructure* to assist in the roll-out of digital mammography technology for breast screening services in Victoria as part of the BreastScreen Australia program. This enables analogue mammography machinery to be replaced with digital mammography systems.

Early childhood education

Funding is provided to assist Victoria to work towards the COAG's target of access to 15 hours of early childhood education a week for all children in the year before school by 2013.

In 2011-12, grants for early childhood education are estimated to be \$59 million, an increase of \$40 million (206.2 per cent) compared to the 2010-11 revised estimates of \$19 million, which is due to an additional step-up funding to achieve the 2013 targets.

Elective Surgery Waiting List Reduction Program

Funding is provided to increase physical capacity and elective surgery throughput by redeveloping facilities, purchasing surgical equipment and technology and developing innovation initiatives.

Essential Vaccines

Funding is provided for the Essential Vaccines Program to improve the health and wellbeing of Victorians through the cost-effective delivery of immunisation programs, reducing the incidence of vaccine preventable diseases in the Australian population.

Exceptional Circumstances Interest Rate Subsidy (ECIRS)

Funding is provided for grant payments for drought assistance for farmers and farm related small businesses in drought declared areas in Victoria.

The decrease relates to the completion of the ECIRS drought assistance program in Victoria for the areas of exceptional circumstances declaration for Victoria, which ceased by 30 April 2011.

Expansion of Gippsland Cancer Care Centre

Funding is provided to expand and enhance radiotherapy services for the Gippsland Region and to integrate Latrobe Regional Health Services' cancer services into a patient-friendly and high-quality facility which supports multidisciplinary clinical and supportive care.

Helping Public Patients in Hospitals Waiting for Nursing Home Places

The Helping Public Patients in Hospitals Waiting for Nursing Home Places program is an initiative aimed at improving care outcomes for older patients in public hospitals who no longer require acute care or rehabilitation and who are waiting for residential aged care.

Home and Community Care

Funding is provided to expand the Home and Community Care (HACC) Program in Victoria. HACC delivers a range of integrated home and community care services to frail older people, people with disabilities and their carers. Services funded by the program include home care, respite, nursing, allied health, personal care, social support and meals. Local councils, district nursing services, community health services and non-government organisations deliver these services, either in the home or in community centres. The Department of Veterans' Affairs makes a small contribution to the Victorian HACC Program.

Homelessness

Funding is provided through the *National Partnership Agreement on Homelessness* which commits the Commonwealth and states to work together to assist people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion.

Actions undertaken by individual jurisdictions are linked to a national strategic approach focused on three key themes of investing in effective prevention and early intervention, breaking the cycle of homelessness, and reforming the homelessness service system to improve integration between mainstream and homeless specific services and enhance service quality.

Indigenous early childhood development

Funding is provided to address the high levels of disadvantage experienced by Indigenous children in Victoria and provides funding for two children and family centres, additional maternal and child health services, antenatal care services for Indigenous women under 20 and teenage reproductive and sexual health programs.

Literacy and numeracy

This funding consists of eligible payments that the State can receive for a range of systematic reforms to improve the quality of teaching and leadership in Victorian government schools, improve educational outcomes and reduce educational inequities. Non-government schools also participate in this National Partnership.

Low socio-economic status school communities

Funding is provided to support a suite of school and community reforms designed to provide high-quality teaching for participating schools, increase flexibility for principals, strengthen school accountability and improve partnerships between schools and the community. Non-government schools also participate in this National Partnership.

In 2011-12, grants for the low socio-economic school communities are estimated to be \$69 million, an increase of \$31 million (83 per cent) compared to the 2010-11 revised estimates of \$38 million, which is due to an increase in the total funding pool provided by the Commonwealth following the implementation of reforms.

Melbourne Metro 1

As part of the Commonwealth Government's *2009-10 Budget*, \$40 million in development funding was provided for planning of a proposed rail tunnel between Dynon Road in the west and St Kilda Road at Domain.

Nation Building – AusLink (Road and Rail)

In early 2009, the State and Commonwealth Governments entered into a memorandum of understanding for agreed rail and road projects to be delivered under the Nation Building Program (which includes National Network construction projects, formerly named AusLink II). Over the program timeframe 2009 to 2014, the Commonwealth Government will make a funding contribution of over \$2 billion toward the agreed projects.

National Disaster Resilience Program

This Program aims to identify and address natural disaster risk priorities across the nation. Funding is provided by the Commonwealth for initiatives to create safer and sustainable communities by better enabling them to withstand the effects of floods, storms, fires and other natural disasters.

National Quality Agenda on Early Childhood Education and Care

The *National Quality Agenda for Early Childhood Education and Care* provides funding to support the establishment of a jointly governed and unified National Quality Framework. The framework aims to improve the quality of early childhood services, provide parents with information about the quality of early childhood services, and reduce the administrative burden for early childhood services.

National Secondary School Computer Fund Digital Education Revolution

Funding is provided to government and non-government schools to provide new information technology equipment for all secondary schools with students in Years 9 to 12 through the National Secondary School Computer Fund.

In 2011-12, grants for the National Secondary School Computer Fund Digital Education Revolution are estimated to be \$49 million, an increase of \$25 million (104.1 per cent) compared to the 2010-11 revised estimates of \$24 million. This is a result of concluding the first phase of the program of achieving a 1:1 ratio of student to computer by 31 December 2011, and moving into the next phase where funding is provided to replace the additional computers purchased through the Fund.

National Solar Schools Plan

The National Solar Schools Program offers grants to install solar and other renewable power systems, solar hot water systems, rainwater tanks and a range of energy efficiency measures.

Natural Disaster Relief

The Natural Disaster Relief grant applies to the natural disasters declared in Victoria. The expected increase in grants in 2011-12 is driven by an increase in claims following recent extreme weather conditions, particularly bushfires and floods.

Plan for Perinatal Depression

Funding is provided to improve prevention and early detection of antenatal and postnatal depression and provide better support and treatment for expectant and new mothers experiencing depression.

Preventive Health

Funding is provided for the *National Partnership Agreement on Preventive Health* (NPAPH) to address the rising prevalence of lifestyle-related chronic diseases by reducing the prevalence of overweight and obesity, increasing fruit and vegetable consumption, increasing physical activity in children and adults, and reducing tobacco and alcohol use in adults. The NPAPH aims to promote healthy behaviours by working with pre-schools, schools, workplaces and communities (supported by social marketing activities). As part of the NPAPH, Victoria is required to develop implementation plans for *Healthy Workers, Healthy Children* and *Social Marketing – Measure Up*.

Productivity Places Program

The Productivity Places Program provides for Victoria and the Commonwealth Government to work together to increase the number of people with skills and trades qualifications, as well as the number of people with higher level qualifications.

In 2011-12, grants for the Productivity Places Program are estimated to be \$120 million, an increase of \$15 million (14.1 per cent) compared to the 2010-11 revised estimates of \$105 million, which is due to the forecast number of places to be funded.

Regional Rail Link

In May 2009, the Commonwealth Government announced a contribution of \$3.2 billion to the Regional Rail Link project to be provided over six years from 2008-09 to 2013-14.

The project will construct a dual track link of up to 50 kilometres from West Werribee to central Melbourne's Southern Cross Station, via Sunshine. This includes construction of a new rail line from Werribee to Deer Park, new stations at Tarneit and Wyndham Vale, and duplication of existing tracks between Sunshine and Kensington. The project will deliver capacity for an extra 9 000 regional and suburban passengers every hour and will allow regional rail services to run express into Melbourne, increasing transport capacity and reliability for Geelong, Ballarat and Bendigo. The Commonwealth has announced that \$500 million of its contribution will be deferred until the 2015-16 year, beyond the forward estimates.

Remote Indigenous housing

Funding is provided through the *National Partnership Agreement on Remote Indigenous Housing* to facilitate the transfer of responsibility for Indigenous community housing organisations' properties from the Commonwealth to Victoria.

Seamless National Economy

On 29 November 2008, COAG signed an *Intergovernmental Agreement (National Partnership Agreement to Deliver a Seamless National Economy)*, aimed at delivering more consistent regulation across jurisdictions. The agreement includes the 27 deregulation priorities agreed by COAG in March 2008, the eight priority areas for competition reform agreed by COAG in July 2008, and regulatory reform that continues to develop and enhance existing processes for regulation making and review to increase the efficiency of regulation.

Under the *National Partnership Agreement to Deliver a Seamless National Economy*, Victoria will be eligible for \$50 million in reward payments from the Commonwealth in 2011-12. This will follow an assessment process set out under the National Partnership Agreement that involves the COAG Reform Council advising the Commonwealth on the achievement of key milestones, as set out in the Implementation Plan, for the 27 deregulation priorities covered by this reform.

Statewide enhancements to regional cancer services

Funding is provided to undertake statewide enhancements to existing regional cancer services in Victoria, to benefit areas including Bendigo, Traralgon and Albury-Wodonga.

TAFE fee waivers for childcare qualifications

Funding is provided to develop a child care workforce with high level qualifications to provide a strong foundation for the health and educational development of children, by ensuring that TAFE and other government providers do not levy compulsory regulated fees on students undertaking eligible child care qualifications.

Teacher quality

Funding is provided for measures to improve and maintain the quality of the teaching workforce. Non-government schools also participate in this *National Partnership on Improving Teacher Quality*.

In 2011-12, grants for teacher quality are estimated to be \$55 million, an increase of \$46 million (538.4 per cent) compared to the 2010-11 revised estimate of \$8.6 million. The increase in funding captures eligible payments that the State could potentially receive.

Trade training centres in schools

Funding is provided to build new or upgrade existing, trade or vocational education and training facilities.

In 2011-12, grants for trade training centres in schools are estimated to be \$37 million, a decrease of \$9 million (19.5 per cent) compared to the 2010-11 revised estimates of \$46 million. This is due to additional funding being received in 2009-10 for this initiative as part of the Commonwealth's economic stimulus package, which was designed to increase immediate spending in 2009-10, resulting in a drop in funding in subsequent years as the projects reach completion.

Victorian Comprehensive Cancer Centre

Funding is provided to develop the *Victorian Comprehensive Cancer Centre*. The Centre will drive leadership and innovation in the fields of cancer treatment, research and education by having the largest concentration of cancer clinicians and researchers in the southern hemisphere, ranking it among the top 10 cancer centres in the world. The Commonwealth has recently advised that \$50 million of its contribution will be deferred beyond the forward estimates.

Victorian Cytology Service

Funding is provided to the Victorian Cytology Service to report on cervical cytology tests. It is the largest single laboratory reporting Pap tests in Australia, examining approximately 300 000 Pap smears a year, which represents just over half of the smears taken annually in Victoria. The Victorian Cytology Service aims to prevent the morbidity and mortality from cervical cancer among Victorian women by functioning as a national centre of excellence in the accurate and cost-effective reporting of cytology specimens.

Victorian Legal Aid

The *National Partnership Agreement on Legal Aid* provides funding for a share of the service delivery costs of Victoria Legal Aid on Commonwealth law matters.

Water for the Future

Water for the Future is the Commonwealth's long-term initiative to better balance the water needs of communities, farmers and the environment. It contains a suite of urban and rural policies and programs, including significant funding for water purchasing, irrigation modernisation, desalination, recycling, and stormwater capture. In the *2010-11 Mid-Year Economic and Fiscal Outlook*, the Commonwealth reclassified funding under Water for the Future from Commonwealth own purpose expense to payments to the states. This resulted in an increase in revenue received in 2010-11.

Under Water for the Future, the Commonwealth is estimated to contribute to a number of Victorian projects in 2011-12, including the Barwon Water – Shell Recycling Plant, the Black Rock water recycling project, the National Groundwater Action Plan and enhancements to Victoria's water registry systems.

Youth Attainment and Transitions

This initiative provides funding to increase participation of young people in education and training, increase attainment levels, and improve successful transition from schools.

In 2011-12, grants for the youth attainment and transition are estimated to be \$29 million, an increase of \$12 million (72.8 per cent) compared to the 2010-11 revised estimates of \$17 million. This increase in funding captures eligible payments that the State could potentially receive.

COAG – National Health and Hospitals Reform

Expanding Multi-Purpose Services

Multi-Purpose Services provide a combination of services including acute-care, residential aged care, community health, home and community care and other health related services. Funding is provided over three years to establish new and increase the capacity of existing, multi-purpose service facilities.

Improving public hospital services

On 13 February 2011 COAG agreed to work in partnership on national health reforms to deliver better outcomes for patients and to secure the long-term sustainability of Australia's health system.

This reform will contribute to improved public patient access to elective surgery, emergency departments and sub acute care services by improving efficiency and capacity in public hospitals.

Supporting long stay older patients

Commonwealth funding will be redirected from high care residential aged care places to states to provide similar levels of care for long stay older patients in public hospitals.

Victorian Bushfire Reconstruction and Recovery Plan

Funding is provided to June 2011 to contribute to the reconstruction and recovery of Victorian communities affected by the bushfires in February 2009.

Other payments to the states

Housing Affordability Fund

Funding is provided for the renewal of inner city public housing estates at Prahran, Richmond and Fitzroy. The Housing Affordability Fund (HAF) is designed to increase housing supply, particularly for those on the lowest incomes, and is vital to improve housing affordability, by reducing the costs incurred by homebuyers as a result of planning delays and infrastructure costs.

Interstate Road Transport

The Federal Interstate Registration Scheme (FIRS) levies registration charges on vehicles engaged in interstate trade and commerce under the *Interstate Road Transport Act 1985*. The Commonwealth Government pays a share of revenue collected under the FIRS scheme to states and territories, to cover the costs of maintenance and upkeep on roads used by motor vehicles registered under this Act.

Commonwealth Own Purpose Expenses

Highly Specialised Drugs Program – Department of Health

Highly specialised drugs are medicines for the treatment of chronic conditions which, because of their clinical use or other special features, are restricted to supply through public or private hospitals having access to appropriate specialist facilities. To prescribe these drugs as pharmaceutical benefit items, medical practitioners are required to be affiliated with these specialist hospital units. A general practitioner or non-specialist hospital doctor may only prescribe highly specialised drugs to provide maintenance therapy under the guidance of the treating specialist. The *Highly Specialised Drugs Program* is a joint initiative of the Australian Government and the states and territories.

Commonwealth Government Grants to Local Government

Financial assistance grants to local government (operating)

An equal per capita basis is used for distributing total assistance to the states and territories pursuant to the *Local Government (Financial Assistance) Act 1995*. These grants are estimated to increase by 29.3 per cent to \$349 million in 2011-12.

The variance from the 2010-11 revised estimate to the *2011-12 Budget* estimate reflects lower receipts in 2010-11, as 25 per cent of the 2010-11 payment was received in 2009-10. The variance also allows for the indexation of the grants pool in line with inflation and population growth.

Identified local roads grants to local government

Funding to local councils is provided on a per capita and road length basis pursuant to the *Local Government (Financial Assistance) Act 1995*. These grants are estimated to increase by 29.5 per cent to \$129 million in 2011-12.

The variance from the 2010-11 revised estimate to the *2011-12 Budget* estimate reflects lower receipts in 2010-11, as 25 per cent of the 2010-11 payment was received in 2009-10. The variance also allows for the indexation of the grants pool in line with inflation and population growth.

CHAPTER 5 – TAX EXPENDITURES AND CONCESSIONS

TAX EXPENDITURES

Tax expenditures are tax concessions granted to certain taxpayers, activities or assets that are a deviation from the normal taxation treatment. They include tax-free thresholds and can also take the form of exempting or applying a lower rate, deductions or rebate of a tax for a certain class of taxpayer, activity or asset (this excludes generally applying marginal tax rates).

Table 5.1 shows aggregate tax expenditure estimates excluding the effect of tax-free thresholds for land tax and payroll tax by the main categories of tax for the period 2010-11 to 2014-15. Tax expenditures are expected to increase by \$488 million over this period, reflecting the growth in property prices and the economy more generally.

In particular, land tax expenditures are expected to grow in line with the land tax revenue profile, while estimates of payroll tax expenditures are anticipated to increase moderately, reflecting expected employment and wages growth.

The slight fall in land tax expenditures forecast in 2011-12 reflects the small ongoing disaggregation in land holdings, as well as a small carryover in revenue from 2009-10 to 2010-11.

Table 5.1: Aggregate tax expenditures (excluding thresholds) by type of tax

(\$ million)

<i>Description</i>	<i>2010-11 Estimate</i>	<i>2011-12 Estimate</i>	<i>2012-13 Estimate</i>	<i>2013-14 Estimate</i>	<i>2014-15 Estimate</i>
Land tax	2 257	2 186	2 382	2 322	2 529
Payroll tax	887	923	958	993	1 029
Gambling tax	74	77	82	85	88
Motor vehicle taxes	87	90	94	97	102
Other land transfer duties ^(a)	387	320	336	375	426
Congestion levy	34	35	36	36	37
Total estimated tax expenditures	3 725	3 631	3 887	3 908	4 212

Source: Department of Treasury and Finance

Note:

(a) *Principally duty on land transfers.*

Table 5.2 lists the estimated individual tax expenditures that can be costed for the period 2010-11 to 2014-15 (including tax-free thresholds). The total value of tax assistance provided by the Government is estimated at \$5.7 billion in 2011-12, increasing to \$6.2 billion by 2014-15 driven mainly by estimated increases in land tax expenditures.

Other land transfer duties includes two new concessions for first homebuyers of properties valued up to \$600 000 and for farmers under 35 years of age purchasing their first farms. It also includes an extension of land transfer duty concessions for eligible seniors.

Table 5.2: Tax expenditures that can be costed (including thresholds)

<i>Description</i>	<i>(\$ million)</i>				
	<i>2010-11 Estimate</i>	<i>2011-12 Estimate</i>	<i>2012-13 Estimate</i>	<i>2013-14 Estimate</i>	<i>2014-15 Estimate</i>
Land tax					
Crown property (right of Victoria)	205	199	217	211	230
Principal place of residence	1 086	1 052	1 146	1 118	1 218
Land held in trust for public or municipal purposes or vested in any municipality	146	142	154	151	164
Land used by a charitable institution	65	63	69	67	73
Commonwealth land	187	181	197	192	209
Land used for primary production	292	283	308	300	327
Land vested in a public statutory authority	171	166	181	176	192
Land used for the CityLink network	21	20	22	21	23
Land used for EastLink	10	10	10	10	10
Assessment on a single holding basis for land owned by a municipality	4	3	4	4	4
Partial exemption for non-profit organisations solely for social, sporting, cultural or literary purposes; or horse, pony or harness racing	5	4	5	5	5
Assessment on a single holding basis for land owned by a charity	7	7	7	7	8
Retirement villages	16	16	17	17	18
Non-profit organisation providing outdoor cultural or sporting recreation (excluding horse, pony or harness racing)	29	28	31	30	32
Associations of ex-servicemen	1	1	1	1	1
Caravan parks	4	4	4	4	4
Residential care facilities	8	8	8	8	9
Low cost accommodation	1	1	1	1	1
Aggregated site value below tax free threshold	68	66	72	70	77
Total land tax expenditures	2 325	2 253	2 454	2 392	2 606
Payroll tax					
Wages paid by public hospitals	272	283	293	304	315
Wages paid by a public benevolent institution/charity	245	255	265	274	284
Wages paid by a non-profit, non-public school	141	146	152	157	163
Commonwealth departments/agencies (not transport and communication)	38	39	40	42	43

Table 5.2: Tax expenditures that can be costed (including thresholds) (continued)

(\$ million)

Description	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Wages paid by non-profit hospitals	54	56	58	60	62
Municipal councils (not wages for trading activities)	114	118	123	127	132
Fringe benefits excluded from <i>Fringe Benefits Tax Assessment Act 1986 (Cwlth)</i>	15	17	18	18	19
Religious institutions	5	5	5	5	5
Construction industry leave entitlements paid by CoINVEST	2	2	2	2	2
Paid maternity leave	1	1	1	1	1
Government school councils	..	..	1	1	1
Wages paid to employees participating in voluntary emergency service work	..	..	..	..	..
Employers' payroll below \$550 000	1 966	1 978	1 974	1 964	1 947
Total payroll tax expenditures	2 853	2 901	2 932	2 957	2 976
Congestion levy tax					
Residential	2	2	2	2	2
Commercial and private	13	13	13	14	14
Short-stay car parks	20	20	21	21	22
Total congestion levy tax expenditures	34	35	36	36	37
Gambling tax					
Clubs pay lower tax rate on net cash balance (electronic gaming machines)	74	77	82	85	88
Total gambling tax expenditures	74	77	82	85	88
Motor vehicle tax					
Motor vehicle registration fee for eligible beneficiaries	71	74	77	80	84
Registration fee for primary production vehicle (4.5 tonnes or less)	13	14	14	14	15
Exemption for non-commercial vehicle owned by incapacitated war service pensioners	1	1	1	2	2
Motor vehicle duty concession for incapacitated and disabled persons	..	..	..	..	..
Motor registration discount for hybrid cars	..	1	1	1	2
Total motor vehicle tax expenditures	87	90	94	97	102
Other land transfer duties ^(a)					
Land transfer duty concession for first homebuyers of properties valued up to \$600 000	..	71	86	121	166
Land transfer duty concession for farmers under 35 years of age	..	3	3	3	3
Land transfer duty for corporate reconstruction	250	100	100	100	104

Table 5.2: Tax expenditures that can be costed (including thresholds) (continued)

(\$ million)

<i>Description</i>	<i>2010-11 Estimate</i>	<i>2011-12 Estimate</i>	<i>2012-13 Estimate</i>	<i>2013-14 Estimate</i>	<i>2014-15 Estimate</i>
Land Transfer Duty concession for first homebuyers with families	..	..	..	..	..
Land transfer duty concession for pensioners and concession card holders	47	57	58	59	60
Land transfer duty for principal place of residence	90	88	89	91	93
Total other land transfer duties expenditures	387	320	336	375	426
Total estimated tax expenditures	5 758	5 675	5 932	5 942	6 235

*Source: Department of Treasury and Finance**Note:**(a) Principally duty on land transfers.*

Table 5.3 provides the ratio of tax expenditure to revenue by the main categories of tax in 2010-11. The ratio of tax expenditures (excluding thresholds) to tax revenue in 2010-11 is estimated at 25.0 per cent, up from 23.2 per cent in 2009-10. In 2010-11, the ratio of land tax expenditures to tax revenue is estimated to have risen, driven by an increase in principal place of residence exemptions for land tax. The relative importance of land tax increased over the same period from 8.9 per cent of total taxation revenue to 9.3 per cent.

Table 5.3: Estimated aggregate tax expenditures (excluding thresholds) and tax revenue in 2010-11

(\$ million)

<i>Description</i>	<i>Tax expenditure</i>	<i>Tax revenue</i>	<i>Ratio</i>
Land tax	2 257	1 380	1.64
Payroll tax	887	4 415	0.20
Gambling tax	74	1 667	0.04
Motor vehicle taxes	87	1 511	0.06
Other land transfer duties ^(a)	387	3 911	0.10
Congestion levy	34	48	0.70
Other/miscellaneous	..	1 945	..
Total for items estimated	3 725	14 877	0.25

Source: Department of Treasury and Finance

Note:

(a) *Principally duty on land transfers.*

Table 5.4 provides a grouping of estimated tax expenditures to particular persons or entities based on the legal incidence of state taxes. In 2010-11 there was a significant one-off increase in tax expenditures for businesses relating to stamp duty relief for corporate reconstruction, due to a small number of high-value business asset transfers. This is expected to return to historic levels from 2011-12 and is driving the forecast decline in aggregate expenditures for 2011-12.

Table 5.4: Aggregate tax expenditures (excluding thresholds) classified by persons or entities affected

(\$ million)

Description	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Business	334	186	190	190	198
Construction industry	2	2	2	2	2
Charitable organisations	318	325	341	348	365
Educational institutions	141	147	153	158	164
Gambling clubs	74	77	82	85	88
Commonwealth and state government	600	584	634	621	675
Local government	264	264	281	281	300
Hospitals	326	339	352	364	378
Pensioners/concession card holders	136	149	154	159	164
Property owners	1 185	1 220	1 331	1 339	1 487
Primary producers	305	299	325	318	345
Religious institutions	5	5	5	5	5
Sporting, recreation and cultural organisations	33	32	35	34	38
Other	2	2	2	2	3
Total for items estimated	3 725	3 631	3 887	3 908	4 212

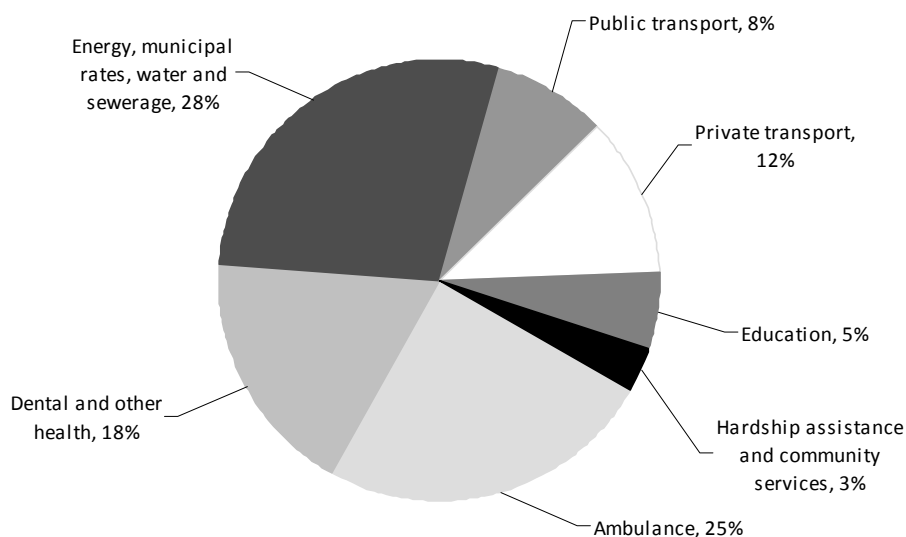
Source: Department of Treasury and Finance

CONCESSIONS

Concessions are a direct budget outlay or reduction in government charges that have the effect of reducing the price of a good or service for particular groups. Certain characteristics of the consumer, such as possession of a Commonwealth pension card or a health care card, are the basis for entitlement. Concessions allow certain groups in the community to access and/or purchase important amenities such as energy, health and transportation at a cheaper rate or free of charge.

Chart 5.1 shows the estimated distribution of concessions by category for 2010-11. At an aggregate level, the majority of concessions are concentrated in health (ambulance, dental and spectacles and community health programs) accounting for 42.7 per cent of total concessions. The current year has seen a marked increase in the relative importance of energy, municipal rates, water and sewerage concessions, the next largest category. This is due to *2011-12 Budget* initiatives to increase the electricity discount for certain groups of Victorians and the water and sewerage concession from 2011. These concessions accounted for 28.3 per cent of total concessions in 2010-11, compared with 24.1 per cent in 2009-10. The third largest category is combined public and private transport, accounting for 20.2 per cent of total concessions.

Chart 5.1: Estimated concessions by category, 2010-11 ^(a)



Source: Department of Treasury and Finance

Note:

(a) Totals do not add to 100 per cent due to rounding.

Table 5.5 classifies the major concessions provided by the Government by category. The estimated total value of major concessions in 2010-11 is \$1.4 billion. Any change in the economic outlook will impact on the estimates of concessions.

Table 5.5: Concessions by category

(\$ million)

<i>Description</i>	<i>2009-10 Estimate</i> ^(a)	<i>2010-11 Estimate</i>	<i>2011-12 Estimate</i>
Electricity ^(b)	71	111	153
Mains gas	45	59	63
Municipal rates ^(c)	75	89	82
Water and sewerage	112	143	158
Total Energy, municipal rates, water and sewerage	303	402	457
Ambulance	321	352	364
Dental Services and spectacles	121	132	138
Community health programs	119	123	128
Total health	561	607	629
Education	75	78	107
Hardship schemes	45	43	40
Social and Community Services	6	5	5
Private transport	152	166	174
Public transport	116	120	124
Total for items estimated	1 258	1 421	1 536

Source: Department of Treasury and Finance

Notes:

- (a) Data for 2009-10 are estimates as some concession categories relate to revenue foregone rather than actual payments to providers.
- (b) The electricity concession in 2010-11 includes summer and winter energy concessions from March 2011. The 2011-12 electricity concession includes an estimate for annual energy concessions.
- (c) Municipal rates concessions for 2010-11 includes a non-recurrent adjustment relating to 2009-10 of \$9.7 million.

The energy, municipal rates, water and sewerage category consists of concessions for electricity and gas usage, municipal rates, water and sewerage charges.

Health concessions include free emergency ambulance transport for concession holders, as well as community and dental services and optical concessions. Health also includes community health programs.

Education concessions include the education maintenance allowance, concessions for preschool, and from 2011-12, concessions for Vocational Education and Training and payments for the School Start Bonus. The School Start Bonus will be means tested from 2011-12 to ensure that it is better targeted to provide assistance to those families most in need.

The social and community services category include concessions for non-profit organisations such as the Good Shepherd Youth and Family Buying Service, Victorian Council of Social Service, Community Information Victoria, Bereavement Assistance Limited, the Charity Freight Service and the VicRelief Foodbank.

Transport concessions consist of a discount on Transport Accident Commission premiums for pensioners, funding for the Multi-Purpose Taxi program and public transport concessions.

CHAPTER 6 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES (GENERAL GOVERNMENT)

This chapter provides an overview of quantifiable and non-quantifiable contingent assets and liabilities. The information provided below is broadly consistent with that published in the *2010-11 Budget Update (incorporating Quarterly Financial Report No. 1)*, reflecting the fact that there have been no material additional contingent assets and contingent liabilities since that publication.

CONTINGENT ASSETS

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Quantifiable contingent assets

Table 6.1: Quantifiable contingent assets

(\$million)

	As at Nov 2010 ^(a)	Estimate for June 2011
Guarantees, indemnities and warranties	0.9	0.9
Other ^(b)	127.0	97.3
Total quantifiable contingent assets	127.9	98.2

Source: Department of Treasury and Finance

Note:

(a) As published in the 2010-11 Budget Update.

(b) Reduced estimate reflects the removal of a contingent asset associated with the Emergency Services Telecommunications Authority (ESTA)'s mobile data network, following product acceptance in December 2010.

Non-quantifiable contingent assets

CityLink compensable enhancement claims

The Melbourne CityLink Concession Deed contains compensable enhancement provisions that enable the State to claim 50 per cent of additional revenue derived by CityLink Melbourne Limited (CML) as a result of certain events that particularly benefit CityLink, including changes to the adjoining road network.

Compensable enhancement claims have previously been lodged in respect of works for improving traffic flows on the West Gate Freeway (between Lorimer and Montague Streets), and in the vicinity of the intersection of Bulla Road and the Tullamarine Freeway. The claims were lodged on 20 May 2005 and 29 September 2006, respectively, and are still outstanding.

Revenue sharing from the Monash CityLink West Gate upgrade

On 25 July 2006, CML, Transurban Infrastructure Management Ltd (TIML) and the State entered into the M1 Corridor Redevelopment Deed.

Under the terms of this deed, the State will upgrade the Monash and West Gate Freeways, while CML will upgrade the Southern Link section of CityLink. The State will become entitled to 50 per cent of the additional CityLink revenue created by the Monash CityLink West Gate upgrade after CML recovers its construction and additional operating costs relating to works on the Southern Link.

The method used to calculate the additional CityLink revenue generated from the upgrade will be based on comparing actual CityLink revenue with agreed trends. The calculation of the additional City Link revenue will take place on 30 June 2014.

CONTINGENT LIABILITIES

Contingent liabilities are:

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

As with contingent assets, contingent liabilities are also classified as either quantifiable or non-quantifiable.

The following table contains quantifiable contingent liabilities as at November 2010, and revised estimates of those contingent liabilities as at June 2011.

Quantifiable contingent liabilities

Table 6.2: Quantifiable contingent liabilities

(\$million)

	As at Nov 2010 ^(a)	Estimate for June 2011
Guarantees, indemnities and warranties	601.4	585.8
Legal proceedings and disputes	345.8	395.2
Other ^(b)	329.2	253.4
Non-general government debt ^(c)	8 077.0	8 555.8
Total quantifiable contingent liabilities	9 353.4	9 790.1

Source: Department of Treasury and Finance

Notes:

- (a) As published in the 2010-11 Budget Update.
- (b) Reduced estimate reflects a reduction in a contingent liability of the State Owned Enterprise for Irrigation Modernisation in Northern Victoria (NVIIRP) which has been substantially completed by 28 February 2011 and the removal of a contingent liability associated with the Emergency Services Telecommunications Authority (ESTA)'s mobile data network, following product acceptance in December 2010.
- (c) Represents guarantees for loans made by the general government sector to agencies in the public non-financial corporations sector (primarily the water entities and other non-general government sector entities).

Non-quantifiable contingent liabilities

A number of potential obligations, which are non-quantifiable at this time, have been recognised arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators;
- performance guarantees, warranties, letters of comfort and the like;
- deeds in respect of certain obligations; and
- unclaimed monies, which may be subject to future claims by the general public against the State.

An overview of the more significant non-quantifiable liabilities follows.

Asset sales

Potential exposures are associated with the sale of a number of assets and services where the purchaser was provided with various indemnities and warranties.

Royal Melbourne Showgrounds redevelopment

The State, through the Department of Primary Industries (DPI) and the Royal Agricultural Society of Victoria (RASV), formed an unincorporated joint venture for the purposes of redeveloping the Royal Melbourne Showgrounds (the Showgrounds), with the State and the RASV each holding a 50 per cent interest in the joint venture. The joint venture participants then established an incorporated entity, Showgrounds Nominees Pty Ltd, to enter into contractual arrangements with the private sector party.

The project, a public private partnership, involves a private sector consortium (concessionaire), which was responsible for the design, construction and financing of the redevelopment of the Showgrounds and continues to be responsible for maintaining and providing facility management services at the Showgrounds for a period of 25 years from August 2006.

Under the contract, the State supports the underlying payment obligations of the joint venture participants for Showgrounds Nominees Pty Ltd to meet its obligations to pay the service fee to the concessionaire. Any actual financial support provided by the State on behalf of the RASV under the contract will be treated as a loan, which will be repaid by the RASV by the end of the 25 year contract term. Repayment by the RASV may take the form of the transfer to the State of part or whole of the RASV's participating interest in the joint venture.

Separately and similarly, under another agreement between the State and RASV, the State supports certain obligations of the RASV that may arise out of a suite of joint venture agreements between the State and the RASV, or between the joint venture and a third party. In accordance with this agreement, the State will meet certain RASV obligations in the form of a loan, up to a maximum of \$20 million, if requested by the RASV when the RASV does not have the financial capacity to pay. RASV must repay any such loan by the end of the 25 year term and this repayment may take the form of a transfer to the State, of the whole or part, of the RASV participating interest in the joint venture.

National Electricity Code Administrator

As part of the wind-up of the National Electricity Code Administrator (NECA), the State has undertaken to indemnify the actions of the NECA directors for a period of seven years on completion of their tenure in 2015.

Australian Energy Market Operator Ltd

In order for the State Electricity Commission of Victoria (SECV) to participate in the national electricity market administered by Australian Energy Market Operator Ltd (AEMO), a guarantee must be provided to AEMO by an acceptable financial institution. The Treasury Corporation of Victoria (TCV) has provided such a guarantee whereby it undertakes to pay AEMO on demand any and all amounts to an aggregate amount not exceeding \$147.4 million as security for the obligations of SECV to AEMO. The guarantee is issued pursuant to Section 9(1) of the *Treasury Corporation of Victoria Act 1992* and is approved by the Treasurer. The guarantee is fully supported by an indemnity from SECV and by non-withdrawable deposits which SECV is obliged to maintain with TCV at an amount of 101 per cent of the amount guaranteed.

Public transport rail partnership agreements

The Director of Public Transport (the Director), on behalf of the Crown, entered into partnership contractual arrangements with franchisees to operate metropolitan rail transport services in the State, operative from 30 November 2009 until 30 November 2017. The major contingent liabilities arising from those arrangements in the event of early termination or expiry of the partnership agreement are:

- franchise assets: to maintain continuity of services, the assets, at early termination or expiry of the franchise agreement, will revert to the Director or a successor. In the case of some assets, a reversion back to the Director would entail those assets as being purchased; and
- unfunded superannuation: at the early termination or expiry of the contract, the Director will assume any unfunded superannuation amounts (apart from contributions the franchisee is required to pay over the contract term) to the extent that the State becomes the successor operator.

OneLink Transit Systems performance bonus

The State recognises a contingent liability relating to the performance bonus component of the contract with OneLink Transit Systems. At this time, it is not possible to accurately predict the amount of potential performance bonus payments as this will be impacted by variables such as patronage growth, equipment performance and vandalism. The uncertainty of these variables will also be impacted by the extent to which the current maintenance program can support the reliability of equipment which is nearing the end of its design life.

Kamco performance related payments

The New Ticketing Solution Project Agreement provides a mechanism through which Kamco (Keane Australia Micropayments Consortium Pty Ltd) can claim performance related bonuses. In the event of any such claims, the State will ensure it maintains all its rights under the current contract with regard to performance.

Intermodal freight terminal

The Department of Transport is defending, on behalf of the State, a claim for damages relating to the development and management of an intermodal freight terminal in Gippsland in which the plaintiff is seeking damages of \$44.7 million. The information usually required by AASB 137 Provisions, Contingent Liabilities, and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice the outcome of the litigation.

Native Title

A number of claims have been filed with the Federal Court under the Commonwealth *Native Title Act of 1993* that affect Victoria. It is not feasible at this time to quantify any future liability.

Department of Education and Early Childhood Development

Indemnities are provided by the Department of Education and Early Childhood Development (DEECD) to:

- the Commonwealth in various funding contracts entered with the State throughout the year. Each indemnity is limited to \$10 million for personal injuries and property damage, and \$50 million for damages arising from internet usage;
- teachers, volunteer workers and school chaplains. The specific indemnity in respect to teachers is only in relation to negligence claims by students, provided the teacher was not intoxicated, or engaged in a criminal offence, or engaged in outrageous conduct, and was incurred in the course of the teacher's employment. Indemnities are also provided to teachers, as well as all other departmental employees, in accordance with the Government policy and guidelines: indemnities and immunities, June 2008; and
- members of school councils. The *Education and Training Reform Act 2006* provides a comprehensive indemnity to members of school councils for any legal liability, whether in contract, negligence and defamation, etc.

Contingent liabilities for employment related legal proceedings

Under the Victorian Public Service (VPS) Agreement, relevant departments and agencies have an obligation to indemnify VPS employees in relation to the costs of employment related legal proceedings that may arise from the performance of the duties of employees.

The Biosciences Research Centre

The Biosciences Research Centre (BRC) project is a joint initiative between the State, through the Department of Primary Industries (DPI), and La Trobe University (La Trobe). The project is being delivered as a public private partnership. DPI and La Trobe have formed an unincorporated joint venture for the purposes of undertaking the BRC project. The State holds 75 per cent participating interest and La Trobe holds 25 per cent participating interest in the joint venture. The facility that is being constructed will be known as AgriBio, Centre for AgriBioscience.

The project involves a partnership between the joint venture and the private sector consortium, Plenary Research Pty Ltd (concessionaire), which is responsible for the design, construction, commissioning and financing of AgriBio and the provision of contracted services required for the maintenance and operation of the facility. The joint venture participants established an incorporated entity known as Biosciences Research Centre Pty Ltd for the purposes of entering into the contractual arrangements with the concessionaire. Construction of AgriBio commenced in May 2009, and the new facility is expected to be commissioned in late 2011 and fully operational in 2012.

Under the contract, the service fee payment obligations of Biosciences Research Centre Pty Ltd (on behalf of the joint venture participants) are supported by the State of Victoria. In accordance with the contract, the State supports the underlying payment obligations of the joint venture participants, including La Trobe, to the joint venture company, thereby enabling the joint venture company to meet its obligations to pay the service fee to the concessionaire

pursuant to the contract. Any financial support provided by the State to La Trobe under the contract will be treated as a loan to be repaid by La Trobe by the end of the 25-year contract term. Repayment by La Trobe may take the form of the transfer to the State of part or all of La Trobe's participating interest in the joint venture.

Royal Children's Hospital

The Royal Children's Hospital Foundation (RCHF) has entered into a funding agreement with the Commonwealth Government for the provision of \$21 million to undertake the Australian Early Development Index Project. RCHF has entered into this agreement at the request of the Royal Children's Hospital (RCH). In consideration of RCHF entering into the funding agreement, RCH has agreed to be responsible for the obligations and liabilities imposed on RCHF under the funding agreement, including, but not limited to, the indemnity granted by RCHF to the Commonwealth of Australia under clause 19 of the funding agreement.

HIH Insurance

The State's quantifiable direct exposures arising from the collapse of the HIH Insurance Group (HIH) are included in the liabilities shown in the financial statements of the entities directly responsible for them. The State's obligations in respect of its builders' warranty insurance rescue package are also shown as direct liabilities of the relevant government entities.

The State also retains some unquantifiable contingent exposures arising from the collapse. These contingent exposures arise primarily through the possibility that the State may be involved in litigation in which it would be entitled to recover damages from third parties. If these third parties were insured by HIH, recovery in full may not be possible.

Land remediation – environmental concerns

In addition to properties for which remediation costs have been provided in these financial statements, certain other properties have been identified as potentially contaminated sites. The State does not admit any liability in respect of these sites. However, remedial expenditure may be incurred to restore the sites to an acceptable environmental standard in the event of future developments taking place.

Victorian Managed Insurance Authority – insurance cover

The Victorian Managed Insurance Authority (VMIA) was established in 1996 as an insurer for departments and participating bodies (predominantly in the general government sector). VMIA provides its client bodies with a range of insurance cover, including for property, public and products liability, professional indemnity and contract works. VMIA reinsures in the private market for losses above \$50 million arising out of any one event, up to a maximum of \$750 million for public liability, and for losses above \$50 million arising out of any one event, up to a maximum of \$2.1 billion for property. The risk of losses above these reinsured levels is borne by the State.

VMIA also insures the Department of Health for all public sector medical indemnity claims incurred in each policy year from 1 July 2003, regardless of when the claims are finally settled. Under the Indemnity Deed to provide Stop Loss protection for VMIA, the Department of Treasury and Finance has agreed to reimburse VMIA if the ultimate claims payouts exceed by more than 20 per cent the initial estimate on which the risk premium was based.

Since 31 March 2010, pursuant to a ministerial direction under Section 25A of the *Victorian Managed Insurance Authority Act 1996*, VMIA has underwritten domestic building insurance.

Domestic building insurance

In mid-April 2002, the State agreed to provide temporary (to 30 June 2002) reinsurance support to domestic building insurance provider Dexta Corporation following the withdrawal of some of its commercial reinsurance support. While this support was subsequently extended to policies issued before 30 September 2002, the former Government determined there would be no further extension.

The State received reinsurance premiums for this participation and may be required to contribute to payment of reinsured claims, as well as paying management fees. The precise timing and value of these receipts and payments is uncertain, as claims may be made by home owners for up to six and a half years after the arrangement ceases. These claims may also take an additional several years to be processed through the legal system.

Receipts and payments will be contingent on the volume of insurance underwritten and reinsured by 30 September 2002. Based on Dexta's previous levels of activity, the central estimate of the State's gross exposure (i.e. before premium receipts) is not more than \$6 million. While the State expects, like the commercial reinsurers who are party to the agreement, to at least break even on these arrangements, the State retains an unquantifiable contingent liability that claims may exceed the central estimate.

On 13 March 2002, Victoria and New South Wales jointly announced a series of reforms to domestic building insurance arrangements. This announcement included a commitment to provide a catastrophe fund capable of supporting claims above \$10 million. To meet this commitment, the two states offered reinsurance arrangements to all builders' warranty insurers covering claims in respect of any one builder in excess of \$10 million, with each state reinsuring claims relating to properties in that state. South Australia has since also become involved in these arrangements. Since domestic building insurance commenced, there have been no losses by an insurer to any one builder that exceed this amount.

Victoria has reinsurance agreements giving effect to these arrangements with three insurers. The agreements require the insurers to pay the reinsurance premiums to Victoria (and to any other state that is also a party to such an agreement), in respect of new insurance policies written that are estimated to be sufficient for the State to at least break even on these arrangements. However, the State retains an unquantifiable contingent liability for additional claims.

Gambling licences

In 1992, a gaming operator's licence was issued to the Trustees of the Will and Estate of the late George Adams, now trading as Tatts Group. In 1994, the State issued a wagering and gaming licence to TABCORP Holdings Limited (TABCORP). These licences expire in 2012. The *Gambling Regulation Act 2003* specifies end of licence arrangements which include compensation provisions for the licensees predicated on the current licensing arrangements being rolled over for a further period beyond 2012.

On 10 April 2008, the former government announced a new regulatory model for the post-2012 licences. The main changes include:

- separating the wagering and gaming licence to instead license wagering on a stand-alone basis; and
- transitioning from the current gaming operator duopoly to a system where venue operators are licensed to own and operate gaming machines in their own right.

After considering the end of licence arrangements in the *Gambling Regulation Act 2003*, the former Government formed the view that neither Tatts Group nor TABCORP will be entitled to compensation after the expiration of their current licences.

Melbourne Park redevelopment

The State has entered into an agreement with Tennis Australia and the Melbourne and Olympic Park Trust to provide for the Australian Open to remain at Melbourne Park until 2036. Stage 1 of the redevelopment of Melbourne Park (total estimated investment of \$363 million in the *2010-11 Budget*) was negotiated at the same time. The agreement provided for a number of conditions, including that further improvements will be made to Melbourne Park or that a rights fee will be paid to Tennis Australia, if works beyond Stage 1 do not proceed for the Australian Open to remain at Melbourne Park.

Kilmore East fire

A number of litigants have lodged claims against the electrical distributors, SPI Electricity Pty Ltd (**SP AusNet**) and PowerCor, in relation to the Coleraine, Horsham, Pomborneit–Weerite, Beechworth and Kilmore East fires. One of the claims is a group proceeding which was issued against electricity distributor SP AusNet in relation to the Kilmore East fire. The plaintiffs' damages claims arise from alleged breaches of statutory duty under the *Electrical Safety Act 1998*, negligence and private nuisance. A defence and counterclaim was filed on 24 September 2010 by SP AusNet (the defendants to the original proceeding) in response to the plaintiffs' claim and joining Utility Services Corporation Limited, the Secretary to the Department of Sustainability and Environment, the Country Fire Authority; and the State of Victoria (on behalf of Victoria Police). A defence to the counterclaim was filed on 14 December 2010 by the Secretary to the Department of Sustainability and Environment, the Country Fire Authority, and the State of Victoria (on behalf of Victoria Police).

Beechworth Fire

A number of litigants have lodged claims against the electrical distributors, SPI Electricity Pty Ltd (**SP AusNet**) and PowerCor, in relation to the Coleraine, Horsham, Pomborneit–Weerite, Beechworth and Kilmore East fires. There are three claims issued against electricity distributor SP AusNet in relation to the Beechworth fire. One of the proceedings is a class action and there are two separate actions by individuals who have opted out of the class action. The plaintiffs' damages claims arise from alleged breaches of statutory duty under the *Electrical Safety Act 1998*, breaches of general duties and private nuisance. A defence and counterclaim was filed on 4 August 2010 by SP AusNet (the defendant to the original proceeding) in response to the plaintiffs' claims and joining Eagle Travel Tower Services Pty Ltd, the Secretary to the Department of Sustainability and Environment and Parks Victoria. A defence to the counterclaim was filed on 12 November 2010 by the Secretary to the Department of Sustainability and Environment and Parks Victoria.

Current wagering licence arrangements

Potential exposure exists for the Victorian racing industry in relation to the conclusion of the current wagering licence joint venture arrangements in August 2012. The Government has indemnified the racing industry in respect of certain potential commercial matters.

APPENDIX A – PUBLIC ACCOUNT

The Public Account is the Government's official bank account. The Public Account holds the cash balances of the Consolidated Fund and the Trust Fund.

The Public Account is maintained at one or more banks, as required by the *Financial Management Act 1994* (FMA). The State's financial transactions on the Public Account are recorded in the public ledger.

The FMA also provides for:

- temporary advances from the Public Account for a number of purposes related to the needs of the Government;
- investment of the Public Account in trustee securities; and
- temporary borrowings, should the balance in the Consolidated Fund be insufficient to meet commitments during a financial year.

Consolidated Fund

The Consolidated Fund is the Government's primary financial account, established by the FMA, and receives all consolidated revenue under the *Constitution Act 1975* from which payments, appropriated by Parliament, are made.

The Trust Fund

Within the Public Account, the Trust Fund embraces a range of specific purpose accounts established for funds that are not subject to parliamentary appropriation. Examples of these accounts include accounts to record specific purpose payments from the Commonwealth for on-passing by the State to third parties, suspense account balances for accounting purposes, working accounts for commercial and departmental service units, and accounts facilitating the receipt and disbursement of private funds held by the State in trust. Additional accounts may also be established within the Trust Fund to receive state revenues hypothecated to particular purposes (e.g. lotteries revenue for hospitals and charities).

Table A.1: The Consolidated Fund

Estimated receipts and payments for the year ended 30 June 2011 and for the year ended 30 June 2012.

(\$ million)

	2010-11 Budget	2011-12 Budget	Variation %
Receipts			
Taxation	14 221	14 986	5.4
Fines and regulatory fees	663	678	2.3
Grants received	19 702	18 833	(4.4)
Sales of goods and services (including Section 29 FMA annotated)	959	1 335	39.3
Interest received	24	210	775.0
Public authority income	534	572	7.1
Other receipts	3 860	4 319	11.9
Total operating activities	39 963	40 933	2.4
Total cash inflows from investing and financing	5 483	7 200	31.3
Total receipts	45 446	48 133	5.9
Payments			
Special appropriations	4 037	5 415	34.1
Appropriations ^(a)			
Provision of outputs	31 275	34 056	8.9
Additions to the net asset base	3 280	2 861	(12.8)
Payments made on behalf of the State	2 670	3 175	18.9
Receipts credited to appropriation			
Provision of outputs	3 243	2 613	(19.4)
Additions to the net asset base	1 914	1 116	(41.7)
Sub total	46 419	49 236	6.1
Applied appropriations remaining unspent	(224)	(601)	168.2
Total payments	46 195	48 635	5.3

Source: Department of Treasury and Finance

Note:

(a) Includes unapplied appropriations carried over from the previous year.

Table A.2: Consolidated Fund receipts

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
Operating receipts			
Taxation			
Payroll tax	4 735 848	5 223 334	10.3
Land Tax	1 368 724	1 351 157	(1.3)
Congestion levy	45 796	49 780	8.7
Duties from financial and capital transactions			
Land transfer duty	3 682 223	3 777 087	2.6
Other duties	3 828	3 902	2.0
Growth Areas Infrastructure Contribution	..	8 500	..
Financial accommodation levy	80 495	89 496	11.2
Levies on Statutory Corporations	73 700	73 700	..
Gambling taxes	1 775 073	1 796 694	1.2
Insurance	941 924	985 574	4.6
Motor vehicle			
<i>Road Safety Act (Registration Fees) 1986</i>	894 827	969 339	8.3
Duty on vehicle registrations and transfers	561 748	607 144	8.1
Liquor licence fees	29 207	22 157	(24.1)
Other taxes ^(a)	27 366	27 942	2.1
Total	14 220 758	14 985 807	5.4
Fines and regulatory fees			
Fines	391 162	338 436	(13.5)
Regulatory fees	272 178	340 039	24.9
Total	663 340	678 475	2.3
Grants received			
Grants received by department			
Department of Business and Innovation ^(b)	5 000	5 000	..
Department of Education and Early Childhood Development	..	..	..
Department of Health	173 373	67 167	(61.3)
Department of Human Services	978	56 465	5673.5
Department of Justice	..	15 532	..
Department for Planning and Community Development	..	..	..
Department of Premier and Cabinet	400	..	(100.0)
Department of Primary Industries	10 700	11 170	4.4
Department of Sustainability and Environment	11 350	22 216	95.7
Department of Transport	..	..	..
Department of Treasury and Finance	19 499 914	18 655 428	(4.3)
Parliament	..	..	..
Total	19 701 716	18 832 978	(4.4)
Sales of goods and services	958 582	1 335 078	39.3
Interest received	24 306	210 006	764.0
Public authority income			
Public authority dividends	340 605	415 445	22.0

Table A.2: Consolidated Fund receipts (continued)

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
Public authorities income tax equivalent receipts	188 775	151 227	(19.9)
Public authorities local government tax equivalent receipts	5 063	5 600	10.6
Total	534 443	572 272	7.1
Other receipts			
Land rent received	20 651	20 701	0.2
Royalties received	45 923	46 779	1.9
Other ^(c)	3 793 748	4 251 157	12.1
Total	3 860 322	4 318 637	11.9
Total operating activities	39 963 467	40 933 254	2.4
Cash inflows from investing and financing			
GBEs loans repaid	16 703	17 003	1.8
Other loans	655	655	..
Borrowings	5 465 522	7 182 204	31.4
Total cash in flows from investing and financing	5 482 880	7 199 862	31.3
Total Consolidated Funds receipts	45 446 347	48 133 115	5.9

Source: Department of Treasury and Finance

Notes:

- (a) Other taxes include concession fees (Transurban).
- (b) Department of Innovation, Industry and Regional Development has been renamed and the figures have been adjusted as a result of machinery of government changes effective from 1 January 2011.
- (c) Includes Capital Assets Charge.

Table A.3: Consolidated Fund appropriations – summary

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
Business and Innovation ^(a)			
Special appropriations	..	..	..
Annual appropriations ^(b)	2 204 927	608 007	(72.4)
Total	2 204 927	608 007	(72.4)
Education and Early Childhood Development			
Special appropriations	72 263	37 089	(48.7)
Annual appropriations ^(b)	9 629 734	10 191 377	5.8
Total	9 701 997	10 228 466	5.4
Health			
Special appropriations	1 252 641	1 281 437	2.3
Annual appropriations ^(b)	10 068 114	10 900 708	8.3
Total	11 320 755	12 182 144	7.6
Human Services			
Special appropriations	63 935	63 935	..
Annual appropriations ^(b)	3 633 460	3 515 220	(3.3)
Total	3 697 395	3 579 155	(3.2)
Justice			
Special appropriations	195 583	192 695	(1.5)
Annual appropriations ^(b)	4 124 091	4 408 242	6.9
Total	4 319 674	4 600 937	6.5
Planning and Community Development			
Special appropriations	102 616	8 500	(91.7)
Annual appropriations ^(b)	623 115	708 020	13.6
Total	725 731	716 520	(1.3)
Premier and Cabinet			
Special appropriations	6 566	12 191	85.7
Annual appropriations ^(b)	579 403	625 721	8.0
Total	585 969	637 912	8.9
Primary Industries			
Special appropriations	..	..	..
Annual appropriations ^(b)	490 730	528 428	7.7
Total	490 730	528 428	7.7
Sustainability and Environment			
Special appropriations	330	2 370	618.2
Annual appropriations ^(b)	1 388 671	1 691 103	21.8
Total	1 389 001	1 693 473	21.9
Transport			
Special appropriations	132 012	12 757	(90.3)
Annual appropriations ^(b)	6 710 865	7 457 081	11.1
Total	6 842 877	7 469 838	9.2
Treasury and Finance			
Special appropriations	2 170 885	3 779 274	74.1
Annual appropriations ^(b)	2 801 194	3 054 202	9.0
Total	4 972 079	6 833 476	37.4

Table A.3: Consolidated Fund appropriations – summary (continued)

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
Parliament			
Special appropriations	40 135	24 546	(38.8)
Annual appropriations ^(b)	127 453	133 191	4.5
Total	167 588	157 737	(5.9)
Total special appropriations	4 036 966	5 414 794	34.1
Total annual appropriations	42 381 756	43 821 301	3.4
Total appropriations	46 418 722	49 236 094	6.1

Source: Department of Treasury and Finance

Notes:

- (a) Department of Innovation, Industry and Regional Development has been renamed and the figures have been adjusted as a result of machinery of government changes effective from 1 January 2011.
- (b) Includes receipts credited to appropriation and unapplied previous year appropriations carried over.

Table A.4: Consolidated Fund payments – special appropriations

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
Education and Early Childhood Development			
<i>FMA No.18/1994 s10</i> -Appropriation of Commonwealth grants	72 013	36 839	(48.8)
<i>Education and Training Reform Act No. 24/26 of 2006</i> , Section 5.6.8 – Volunteer Workers Compensation	250	250	..
Total	72 263	37 089	(48.7)
Health			
<i>Casino Control Act No. 47 of 1991</i> , Section 114 – Hospitals and Charities Fund	13 424	13 499	0.6
<i>Casino Control Act No. 47 of 1991</i> , Section 114 – Hospitals and Charities Fund	10 833	10 833	..
<i>Financial Management Act No. 18 of 1994</i> , Section 33 -Appropriation to meet certain obligations ^(a)	..	15 817	..
<i>Gambling Regulation Act No. 114 of 2003</i> , Section 3.6.4 – Hospitals and Charities Fund	115 206	114 717	(0.4)
<i>Gambling Regulation Act No. 114 of 2003</i> , Sections 4.4.11 and 4.6.8 – Hospitals and Charities Fund	139 328	140 473	0.8
<i>Gambling Regulation Act No. 114 of 2003</i> , Section 5.4.6 – Hospitals and Charities Fund and Mental Health Fund	317 358	316 677	(0.2)
<i>Gambling Regulation Act No. 114 of 2003</i> , Section 6.3.3 – Hospitals and Charities Fund and Mental Health Fund	1 557	1 499	(3.7)
<i>Gambling Regulation Act No. 114 of 2003</i> , Section 3.6.11 – Hospitals and Charities Fund and Mental Health Fund	654 935	667 922	2.0
Total	1 252 641	1 281 437	2.3
Human Services			
<i>Gambling Regulation Act No. 114 of 2003</i> , Section 5.4.6 – Hospitals and Charities Fund and Mental Health Fund	63 935	63 935	..
Total	63 935	63 935	..
Justice			
<i>Constitution Act No. 8750</i> – Judges Supreme Court	17 194	18 289	6.4
<i>Constitution Act No. 8750</i> – President Court of Appeal	459	480	4.6
<i>Constitution Act No. 8750</i> – Judges Court of Appeal	5 767	6 005	4.1
<i>Constitution Act No. 8750</i> – Chief Justice	574	600	4.5
<i>County Court Act No. 6230</i> – Judges	24 974	26 340	5.5
<i>Crown Proceedings – Act No. 6232</i>	4 526	4 639	2.5
<i>EastLink Project Act No 39 of 2004</i> , Sec. 26	1 000	1 128	12.8
<i>Electoral Act No. 23 of 2002</i> , Section 181 – Electoral Expenses	52 431	34 071	(35.0)
<i>Electoral Act No. 23 of 2002</i> , Section 215 – Electoral Entitlement	8 200	..	(100.0)
<i>Financial Management Act No. 18 of 1994</i> , Section 33 -Appropriation to meet certain obligations ^(a)	3 150	4 534	43.9
<i>Juries Act No. 53 of 2000</i> , Section 59 – Compensation to Jurors	20	21	5.0
<i>Magistrates Court Act No. 51 of 1989</i>	39 801	41 551	4.4
<i>Melbourne City Link, Act No. 107 of 1995</i> , Section 14(4)	2 100	2 665	26.9
<i>Victims of Crime Assistance Act No. 81 of 1996</i> , Section 69 Expenses	2 201	2 359	7.2

Table A.4: Consolidated Fund payments – special appropriations (continued)

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
<i>Victims of Crime Assistance Act No. 81 of 1996, Section 69</i>	32 522	48 764	49.9
Awards			
<i>Victoria State Emergency Service Act No. 51 of 2005, Section 52</i>	664	838	26.2
– Volunteer Workers Compensation			
<i>WorkCover Authority Fund, Corrections Act 1986, Part 9D, S.104ZW</i>	..	103	..
<i>Emergency Management Act No 30/1986 Sec.32 – Volunteer Workers Compensation</i>	..	308	..
Total	195 583	192 695	(1.5)
Planning and Community Development			
<i>Gambling Regulation Act No. 114 of 2003, Section 3.6.12 – Community Support Fund</i>	102 616	..	(100.0)
<i>Planning and Environment Act No. 45 of 1987, S. 46QB</i>	..	8 500	..
Total	102 616	8 500	(91.7)
Premier and Cabinet			
<i>Constitution Act No. 8750 – Executive Council</i>	50	50	..
<i>Constitution Act No. 8750 – Governor’s Salary</i>	351	351	..
<i>Financial Management Act No. 18 of 1994, Section 33</i>	..	5 625	..
–Appropriation to meet certain obligations ^(a)			
<i>Ombudsman Act No. 8414</i>	440	440	..
<i>Parliamentary Salaries and Superannuation Act No. 7723 of 1968</i>	5 725	5 725	..
Total	6 566	12 191	85.7
Sustainability and Environment			
<i>Financial Management Act No. 18 of 1994, Section 33</i>	330	2 370	618.2
–Appropriation to meet certain obligations ^(a)			
Total	330	2 370	618.2
Transport			
<i>Financial Management Act No. 18 of 1994, Section 10</i>	107 512	..	(100.0)
–Appropriation of Commonwealth Grants			
<i>Financial Management Act No. 18 of 1994, Section 33</i>	22 500	10 757	(52.2)
–Appropriation to meet certain obligations ^(a)			
<i>Transport Act No. 9921 of 1983, Section 213A</i>	2 000	2 000	..
Total	132 012	12 757	(90.3)
Treasury and Finance			
<i>Constitution Act No. 8750 – Governor’s Pension</i>	874	909	4.0
<i>Constitution Act No. 8750 – Judges of the Supreme Court</i>	8 125	9 100	12.0
<i>County Court Act No. 6230 – Judges</i>	11 089	12 600	13.6
<i>Financial Management Act No. 18 of 1994, Section 33</i>	3 882	1 207	(68.9)
–Appropriation to meet certain obligations (a)			
<i>Financial Management Act No. 18 of 1994, Section 39 – Interest on Advances</i>	20 000	20 000	..
<i>Gambling Regulation Act No. 114 of 2003, Section 3.6.12 – Community Support Fund</i>	..	109 568	..

Table A.4: Consolidated Fund payments – special appropriations (continued)

(\$ thousand)

	2010-11 Budget	2011-12 Budget	Variation %
<i>Liquor Control Reform Act No.94 of 1998, Section 177(2)</i>	3 500	3 500	..
<i>State Electricity Commission Act 1958, Section 85B(2) – Indemnity</i>	45 000	26 000	(42.2)
<i>State Owned Ent Act No.94 of 1994, Section 88 – State Equivalent Tax Payments</i>	..	660	..
<i>State Superannuation Act No. 50 of 1988, Section 90(2) – contributions</i>	576 715	594 030	3.0
<i>Taxation (Interest on Overpayments) Act No 35 of 1986, Section 11</i>	1 000	1 000	..
<i>Treasury Corporation of Victoria Act No. 80 of 1992, Section 38 – Debt Retirement</i>	1 500 700	3 000 700	100.0
Total	2 170 885	3 779 274	74.1
Parliament			
<i>Audit Act No. 2 of 1994, Section 17(3) – Audit of Auditor-General’s Office</i>	25	31	24.0
<i>Constitution Act No. 8750, Section 94A – Auditor-General’s Salary</i>	461	472	2.4
<i>Constitution Act No. 8750 – Clerk of the Parliaments</i>	2	2	..
<i>Constitution Act No. 8750 – Legislative Assembly</i>	550	550	..
<i>Constitution Act No. 8750 – Legislative Council</i>	200	200	..
<i>Financial Management Act No. 18 of 1994, Section 33 – Appropriation to meet certain obligations^(a)</i>	..	640	..
<i>Parliamentary Salaries and Superannuation Act No. 7723, Section 13(1) – contributions</i>	18 000	..	(100.0)
<i>Parliamentary Salaries and Superannuation Act No. 7723 – salaries and allowances</i>	20 897	22 651	8.4
Total	40 135	24 546	(38.8)
Total special appropriations	4 036 966	5 414 794	34.1

Source: Department of Treasury and Finance

Note:

(a) Relates to accumulated surplus – previously applied appropriation.

Table A.5: Consolidated fund payments: total annual appropriations

Details of total annual appropriations for 2011-12, including amounts of estimates of unapplied 2010-11 appropriation carried forward pursuant to Section 32 of the *Financial Management Act 1994* and certain revenue and asset sales proceeds credited to appropriation pursuant to Section 29 of the *Financial Management Act 1994*. Estimates for *2011-12 Budget* are in **bold** and reflect machinery of government changes effective from 1 January 2011. Estimates for *2010-11 Budget* in *italics* reflect amount published in the *2010-11 Budget* and do not include machinery of government changes. Please note that these figures are rounded to the nearest thousand dollars.

(\$ thousand)				
	<i>Provision of outputs</i>	<i>Additions to net asset base</i>	<i>Payments made on behalf of the State</i>	<i>Total</i>
Business and Innovation ^(a)				
Appropriation ^(b)	496 482	31 088	54 000	581 570
	<i>1 609 889</i>	<i>177 677</i>	<i>54 000</i>	<i>1 841 566</i>
Receipts credited to appropriation ^(c)	..	..	..	..
	<i>335 948</i>	..	..	<i>335 948</i>
Unapplied previous year appropriation carried over ^(d)	26 437	..	..	26 437
	<i>27 413</i>	..	..	<i>27 413</i>
Total appropriation	522 919	31 088	54 000	608 007
	<i>1 973 250</i>	<i>177 677</i>	<i>54 000</i>	<i>2 204 927</i>
Education and Early Childhood Development				
Appropriation ^(b)	9 159 281	55 937	..	9 215 218
	<i>7 769 785</i>	<i>237 740</i>	..	<i>8 007 525</i>
Receipts credited to appropriation ^(c)	548 609	145 750	..	694 359
	<i>16 300</i>	<i>1 046 822</i>	..	<i>1 063 122</i>
Unapplied previous year appropriation carried over ^(d)	80 000	201 800	..	281 800
	<i>112 613</i>	<i>446 474</i>	..	<i>559 087</i>
Total appropriation	9 787 890	403 486	..	10 191 377
	<i>7 898 698</i>	<i>1 731 036</i>	..	<i>9 629 734</i>
Health				
Appropriation ^(b)	9 610 612	..	..	9 610 612
	<i>8 668 014</i>	<i>83 931</i>	..	<i>8 751 945</i>
Receipts credited to appropriation ^(c)	939 930	281 020	..	1 220 950
	<i>1 076 912</i>	<i>143 974</i>	..	<i>1 220 885</i>
Unapplied previous year appropriation carried over ^(d)	39 862	29 284	..	69 146
	<i>51 584</i>	<i>43 700</i>	..	<i>95 284</i>
Total appropriation	10 590 404	310 304	..	10 900 708
	<i>9 796 510</i>	<i>271 604</i>	..	<i>10 068 114</i>
Human Services				
Appropriation ^(b)	3 297 975	51 060	..	3 349 035
	<i>2 467 777</i>	<i>62 048</i>	..	<i>2 529 825</i>
Receipts credited to appropriation ^(c)	14 696	134 089	..	148 785
	<i>816 962</i>	<i>259 673</i>	..	<i>1 076 635</i>

Table A.5: Consolidated fund payments: total annual appropriations (continued)

(\$ thousand)

	Provision of outputs	Additions to net asset base	Payments made on behalf of the State	Total
Unapplied previous year appropriation	2 470	14 930	..	17 400
carried over ^(d)	15 900	11 100	..	27 000
Total appropriation	3 315 140	200 079	..	3 515 220
	3 300 639	332 821	..	3 633 460
Justice				
Appropriation ^(b)	3 838 835	203 982	54 461	4 097 278
	3 671 580	182 740	52 345	3 906 665
Receipts credited to appropriation ^(c)	209 144	5 100	..	214 244
	168 934	1 350	..	170 284
Unapplied previous year appropriation	73 720	23 000	..	96 720
carried over ^(d)	43 930	3 212	..	47 142
Total appropriation	4 121 699	232 082	54 461	4 408 242
	3 884 444	187 303	52 345	4 124 091
Planning and Community Development				
Appropriation ^(b)	499 533	183 119	850	683 502
	436 558	161 057	850	598 465
Receipts credited to appropriation ^(c)	..	1 000	..	1 000

Unapplied previous year appropriation	15 518	8 000	..	23 518
carried over ^(d)	19 650	5 000	..	24 650
Total appropriation	515 051	192 119	850	708 020
	456 208	166 057	850	623 115
Premier and Cabinet				
Appropriation ^(b)	549 680	68 371	..	618 051
	521 345	43 948	..	565 293
Receipts credited to appropriation ^(c)	550	..	..	550
	3 950	..	..	3 950
Unapplied previous year appropriation	5 000	2 120	..	7 120
carried over ^(d)	7 310	2 850	..	10 160
Total appropriation	555 230	70 491	..	625 721
	532 605	46 798	..	579 403
Primary Industries				
Appropriation ^(b)	405 922	29 871	..	435 793
	351 904	19 504	..	371 408
Receipts credited to appropriation ^(c)	63 382	..	..	63 382
	97 743	..	..	97 743
Unapplied previous year appropriation	17 136	12 117	..	29 253
carried over ^(d)	18 227	3 351	..	21 578
Total appropriation	486 440	41 988	..	528 428
	467 875	22 855	..	490 730

Table A.5: Consolidated fund payments: total annual appropriations (continued)

(\$ thousand)

	Provision of outputs	Additions to net asset base	Payments made on behalf of the State	Total
Sustainability and Environment				
Appropriation ^(b)	986 893	128 233	281 895	1 397 021
	802 118	242 573	29 540	1 074 231
Receipts credited to appropriation ^(c)	131 746	52 230	..	183 976
	189 660	31 309	..	220 969
Unapplied previous year appropriation carried over ^(d)	45 841	64 265	..	110 106
	53 691	39 780	..	93 471
Total appropriation	1 164 481	244 728	281 895	1 691 103
	1 045 469	313 662	29 540	1 388 671
Transport				
Appropriation ^(b)	4 535 872	1 584 271	..	6 120 143
	4 271 219	1 334 917	..	5 606 136
Receipts credited to appropriation ^(c)	679 265	497 000	..	1 176 265
	511 380	431 168	..	942 548
Unapplied previous year appropriation carried over ^(d)	24 980	135 694	..	160 674
	19 283	142 898	..	162 181
Total appropriation	5 240 117	2 216 965	..	7 457 081
	4 801 882	1 908 983	..	6 710 865
Treasury and Finance				
Appropriation ^(b)	235 126	30 058	2 783 299	3 048 484
	226 971	21 690	2 532 790	2 781 451
Receipts credited to appropriation ^(c)	5 718	..	..	5 718
	5 218	..	..	5 218
Unapplied previous year appropriation carried over ^(d)	..	..	..	..
	2 586	11 940	..	14 526
Total appropriation	240 844	30 058	2 783 299	3 054 202
	234 775	33 630	2 532 790	2 801 195
Parliament				
Appropriation ^(e)	102 549	4 000	..	106 549
	99 431	2 000	..	101 431
Receipts credited to appropriation ^(c)	20 459	..	..	20 459
	19 959	..	..	19 959
Unapplied previous year appropriation carried over ^(d)	6 183	..	..	6 183
	6 063	..	..	6 063
Total appropriation	129 191	4 000	..	133 191
	125 453	2 000	..	127 453

Source: Department of Treasury and Finance

Notes:

- (a) Department of Innovation, Industry and Regional Development has been renamed and the figures have been adjusted as a result of machinery of government changes effective from 1 January 2011.
- (b) Appropriation (2011-12) Act.
- (c) Financial Management Act 1994 Section 29.
- (d) Financial Management Act 1994 Section 32.
- (e) Appropriation (Parliament 2011-12) Act.

Table A.6: Appropriation of certain revenue and asset sales proceeds pursuant to Section 29 of the *Financial Management Act 1994*

Estimates for 2011-12 Budget are in **bold**; estimates for 2010-11 Budget in *italics*.

(\$ thousand)

<i>Department</i>	<i>Outputs</i>	<i>Receipt source</i>		<i>Total</i>
		<i>Commonwealth</i>	<i>Other</i> ^(a)	
Business and Innovation ^(b)	..	..	..	..
	..	335 948	..	335 948
Education and Early Childhood Development	1 519	662 240	30 600	694 359
	1 519	1 026 203	35 400	1 063 122
Health	340 550	878 900	1 500	1 220 950
	340 900	878 485	1 500	1 220 885
Human Services	8 350	126 991	13 444	148 785
	7 150	1 065 154	4 331	1 076 635
Justice	161 214	52 430	600	214 244
	132 834	36 099	1 350	170 284
Planning and Community Development	..	..	1 000	1 000

Premier and Cabinet	550	..	..	550
	3 950	..	..	3 950
Primary Industries	63 382	..	..	63 382
	58 143	39 600	..	97 743
Sustainability and Environment	100 734	60 872	22 370	183 976
	147 728	73 241	..	220 969
Transport	873	1 175 392	..	1 176 265
	851	941 697	..	942 548
Treasury and Finance	5 718	..	..	5 718
	5 218	..	..	5 218
Parliament	20 459	..	..	20 459
	19 959	..	..	19 959

Source: Department of Treasury and Finance

Notes:

(a) Includes Addition to Net Asset Base (ATNAB), Local Government and other Territory Government contributions.

(b) Department of Innovation, Industry and Regional Development has been renamed and the figures have been adjusted as a result of machinery of government changes effective from 1 January 2011.

Table A.7: The Trust Fund

(\$ thousand)

	2010-11 Budget	2010-11 Revised	2011-12 Budget	Variation %
Cash flows from operating activities				
Receipts				
Taxation	198 726	224 916	265 867	33.8
Fines and regulatory fees	44 830	46 151	48 281	7.7
Grants received	5 414 555	5 801 237	5 259 239	(2.9)
Sale of goods and services	720 641	761 519	773 863	7.4
Interest received	119 982	130 367	130 312	8.6
Net transfers from Consolidated Fund	11 562 881	11 742 988	12 351 279	6.8
Other receipts ^(a)	151 432	143 252	155 217	2.5
	18 213 048	18 850 430	18 984 058	4.2
Payments				
Employee entitlements	(118 952)	(126 624)	(109 085)	(8.3)
Superannuation	(6 744)	(8 593)	(6 929)	2.7
Interest paid	(13 182)	(12 551)	(13 915)	5.6
Grants paid	(14 755 115)	(14 878 786)	(14 723 226)	(0.2)
Supplies and consumables	(3 291 882)	(3 761 682)	(4 012 052)	21.9
	(18 185 876)	(18 788 236)	(18 865 207)	3.7
Net cash flows from operating activities	27 172	62 194	118 850	337.4
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	34 000	34 452	34 000	..
Purchases of non-financial assets	(26 337)	(36 943)	(51 564)	95.8
Other investing activities	24 698	16 887	(29 020)	(217.5)
Net cash flows from investing activities	32 361	14 397	(46 584)	(244.0)
Cash flows from financing activities				
Net proceeds from/(repayment) of borrowings ^(b)	(14 331)	(14 331)	(24 061)	67.9
Net cash flow from financing activities	(14 331)	(14 331)	(24 061)	67.9
Net cash inflow/(-) outflow	45 201	62 260	48 205	6.6
Represented by:				
Cash and deposits held at beginning of reporting period ^(c)	1 654 870	1 947 375	2 010 894	21.5
Cash and deposits held at end year ^(d)	1 700 071	2 009 635	2 059 100	21.1

Source: Department of Treasury and Finance

Notes:

(a) Includes transfers between funds.

(b) Relates to loans and advances.

(c) Cash and deposits held at the end of the year for 2010-11 budget and 2010-11 revised are based on 2010-11 actual opening balance plus 2010-11 budgeted movement.

(d) Includes funds raised from the Victorian Bushfire Appeal after the 2009 February bushfires. The Victorian Government has collected appeal proceeds for the Red Cross Victorian Bushfire Appeal Fund.

APPENDIX B – 2010-11 BUDGET OUTCOME INCORPORATING THE FINANCIAL REPORT FOR THE MARCH QUARTER 2011

This appendix provides estimates of the budget outcome for the 2010-11 financial year, taking into account government policy decisions and economic developments impacting on both income and expenses since the presentation of the *2010-11 Budget* to Parliament in May 2010. This appendix also presents the financial results for the general government sector for the nine months ending 31 March 2011, prepared consistent with the requirements of the *Financial Management Act 1994*. Comparisons are made between the revised 2010-11 full year estimates, the May 2010 budget and the actual results for the nine months ending 31 March 2011.

FINANCIAL RESULTS FOR THE GENERAL GOVERNMENT SECTOR

Comprehensive operating statement

The revised 2010-11 comprehensive operating statement incorporating the results for the nine months to the end of March 2011 is presented in Table B.1.

Revised outcome for 2010-11

The revised general government sector net result from transactions for 2010-11 is estimated at \$249.4 million, \$622.5 million lower than the original 2010-11 budget estimate and \$384 million lower than that estimated in the *2010-11 Budget Update*. Of the movement since the budget update, \$129.5 million is driven by a decrease in estimated revenue, and \$254.5 million from an increase in estimated expenses.

Revenue from transactions is budgeted to be \$45.4 billion. The main impact on the revenue estimate has been the downward revision in Commonwealth grants of \$349.7 million since the *2010-11 Budget Update*. GST revenue accounts for \$324.6 million of the reduction and reflects a decrease in the estimated overall size of the GST pool. A reduction in the estimate for other Commonwealth grants of \$25.1 million since budget update is mainly the result of a rephrasing of these Commonwealth receipts.

Since the *2010-11 Budget Update* there has also been a downward revision of \$111.5 million attributed to the rephrasing of dividends from 2010-11 to 2011-12 from both the public financial and public non-financial sectors.

The decrease in revenue has been offset to some extent by an upward revision in taxation of \$439.5 million since the May budget, \$134.5 million of which has occurred since the budget update. The upwards revision to taxation revenue since budget update has been largely driven by a \$81.1 million increase in estimated land transfer duty mainly from additional commercial transactions, and from stronger forecast employment and wage growth, resulting in an upwards revision to payroll tax.

Expenses from transactions are budgeted to be \$45.2 billion for 2010-11, which is an increase of \$301.4 million since the original published budget. Of this movement, \$254.5 million has occurred since *2010-11 Budget Update*, mainly driven by additional grants expenditure associated with floods recovery-related payments to local governments, other grants to the Health and Education sectors, and from new government policy decisions. This additional estimated expenditure has been partly offset by a decrease in depreciation expense of \$142 million since the budget update, mainly due to capital program rephasings and lower than expected asset revaluations.

The net result for 2010-11 is expected to be a surplus of \$1.3 billion, an increase of \$1.2 billion since budget update which is mainly due to actuarial gains on the superannuation defined benefit plans of \$1.3 billion. These gains reflect favourable movement in the bond rate used to value the superannuation liability, as well as better than expected investment returns for 2010-11.

Result for the period to 31 March 2011

For the nine months ending 31 March 2011, the net result from transactions was a surplus of \$1.0 billion.

Total revenue to the end of March was \$34.8 billion, representing 77 per cent of the revised budget estimate of \$45.3 billion. This higher than pro-rata revenue outcome mainly reflects the level of GST grants revenue received from the Commonwealth in the year to date, and the upfront recognition of land tax revenue in February and March.

Total expenses from transactions at 31 March 2011 totalled \$33.7 billion, or 75 per cent of the revised outcome, consistent with expectations for this time of year.

Following on from the recognition of land tax revenue in the March quarter and the anticipated flattening out of GST revenue over the remainder of the year, the revised net result from transactions for 2010-11 will be \$249.4 million.

Balance sheet

The balance sheet presented in Table B.2 shows that net assets are expected to increase by \$3.9 billion during 2010-11 to the revised estimate of \$121.4 billion at 30 June 2011, some \$476.8 million lower than the original 2010-11 budget estimate.

Since the *2010-11 Budget Update*, estimated net assets at 30 June 2011 have been revised upwards by some \$920.8 million, driven predominantly by the expected reduction in the valuation of the superannuation liability previously referred to, offset in part by lower than earlier estimated asset revaluations, mainly in the transport sector.

For the nine months to 31 March 2011, net assets have increased by \$2.9 billion, representing around 77 per cent of the revised budgeted movement, consistent with the revised budget expectations.

Cash flow statement

Net cash flows from operating activities are expected to be \$2.8 billion for 2010-11, compared with the \$3.5 billion originally published. This variation mainly reflects the reduction in expected grants from the Commonwealth and increased operating expenses impacting on the revised net result from transaction for 2010-11 as outlined previously.

Infrastructure investment

As shown in Table B.3, the \$2.8 billion estimated net cash inflows from operating activities for 2010-11 provide a significant financing source for the Government's infrastructure investment program in 2010-11 estimated to total \$6.7 billion.

The Government's net investment in non-financial assets (which includes purchases of property, plant and equipment, capital contributions to other sectors of government and net proceeds from sale of assets) of \$6.7 billion is \$291.1 million higher than the original published budget. The *2010-11 Budget Update* reported an upwards revision of \$121.3 million, and there has been a subsequent increase of \$169.8 million in expected capital spending for this revision, mainly in the Education sector.

For the year to 31 March 2011, infrastructure investment totalling \$4.5 billion represents 68 per cent of the revised estimate. Net purchases of non-financial assets at \$3.5 billion or 80 per cent of the revised budget of \$4.4 billion is well on track. Investments for policy purposes (capital contributions to other sectors) at \$977.5 million, are 44 per cent of the revised budget, with the below pro-rata year to date outcome attributed to delays in rail and housing related projects, which are expected to progress later in the year.

Table B.1: Comprehensive operating statement

(\$ million)

2009-10 Actual to Mar		Notes	2010-11			Budget to revised budget	Change %
			Actual to Mar	Revised budget	Published budget	change	
Revenue from transactions							
10 412.7	Taxation	2	11 456.2	14 877.3	14 437.8	439.5	3.0
230.3	Interest		289.1	365.0	358.0	7.0	2.0
208.5	Dividends and income tax equivalent and rate equivalent revenue	3	361.1	408.0	504.9	(96.9)	(19.2)
3 947.9	Sales of goods and services	4	4 387.3	5 969.9	5 847.4	122.5	2.1
16 292.9	Grants	5	16 847.4	21 997.4	22 893.1	(895.7)	(3.9)
1 363.9	Other current revenue	6	1 428.0	1 820.6	1 718.0	102.6	6.0
32 456.2	Total revenue from transactions		34 769.2	45 438.3	45 759.3	(321.1)	(0.7)
Expenses from transactions							
11 348.9	Employee expenses		12 091.6	16 089.5	16 221.0	(131.5)	(0.8)
650.6	Superannuation interest expense	7	699.3	931.6	884.1	47.4	5.4
1 119.2	Other superannuation	7	1 244.9	1 678.3	1 597.8	80.5	5.0
1 332.7	Depreciation	8	1 455.6	2 116.8	2 214.3	(97.5)	(4.4)
603.6	Interest expense		697.0	996.8	939.5	57.3	6.1
9 968.7	Other operating expenses		10 949.8	15 204.3	15 120.6	83.7	0.6
7 024.9	Grants and other transfers		6 601.1	8 171.6	7 910.1	261.5	3.3
32 048.7	Total expenses from transactions	9	33 739.3	45 188.9	44 887.4	301.4	0.7
407.5	Net result from transactions – net operating balance		1 029.9	249.4	871.9	(622.5)	(71.4)
Other economic flows included in net result							
53.8	Net gain/(loss) on sale of non-financial assets		(23.1)	63.0	134.7	(71.6)	(53.2)
25.8	Net gain/(loss) on financial assets or liabilities at fair value		8.1	1.7	1.0	0.8	81.8
781.9	Net actuarial gains/(losses) of superannuation defined benefits plans		848.4	848.4	..	848.4	n.a
(36.9)	Other gains/(losses) from other economic flows	10	107.1	136.9	(155.2)	292.1	(188.3)
824.5	Total other economic flows included in net result		940.6	1 050.1	(19.5)	1 069.7	(5472.1)
1 232.0	Net result		1 970.5	1 299.5	852.3	447.2	52.5
Other economic flows – other movements in equity							
18.9	Net gain/(loss) on financial assets at fair value		10.3	0.1	..	0.1	n.a
(56.3)	Movement of non-financial asset reserves		(14.0)	1 158.2	2 182.2	(1 024.0)	(46.9)
1 095.2	Net gain on equity investments in other sector entities at proportional share of the carrying amount of net assets/(liabilities)		835.7	1 385.7	1 286.4	99.3	7.7
131.0	Other movements in equity		178.4	12.5	11.7	0.8	6.7
1 188.8	Total other economic flows – other movements in equity		1 010.4	2 556.4	3 480.4	(923.9)	(26.5)
2 420.8	Comprehensive result – Total change in net worth		2 980.9	3 855.9	4 332.7	(476.8)	(11.0)
FISCAL AGGREGATES							
407.5	Net operating balance		1 029.9	249.4	871.9	(622.5)	(71.4)
1 098.8	Less: Net acquisition of non-financial assets from transactions		2 285.6	2 468.3	2 097.0	371.2	17.7
(691.3)	Net lending/(borrowing)		(1 255.8)	(2 218.9)	(1 225.2)	(993.8)	81.1

The accompanying notes form part of these Financial Statements.

Table B.2: Balance sheet

(\$ million)

2009-10 Actual 31 Mar	Notes	2010-11						
		Opening 1 Jul	Actual 31 Mar	Revised Budget	2010-11 Budget ^(a)	Revised Movement	Budgeted Movement	
Assets								
Financial assets								
2 347.6	Cash and deposits	16(a)	3 221.3	2 306.5	2 704.7	3 342.6	(516.6)	121.3
276.0	Advances paid		278.0	290.2	297.0	292.6	19.0	14.6
3 574.0	Receivables	11	2 883.6	3 558.8	2 806.6	2 846.6	(77.0)	(37.1)
2 807.8	Investments, loans and placements		2 629.0	2 654.6	2 756.9	2 653.6	128.0	24.7
29.7	Investments accounted for using the equity method		35.1	33.7	35.1	40.1	..	5.0
62 571.2	Investments in other sector entities		64 508.7	66 395.9	68 083.6	67 986.9	3 574.9	3 478.2
71 606.4	Total financial assets		73 555.8	75 239.7	76 684.0	77 162.4	3 128.2	3 606.7
Non-financial assets								
270.5	Inventories		268.4	266.6	304.8	268.4	36.4	..
61.4	Non-financial assets held for sale		91.5	70.2	81.2	82.0	(10.4)	(9.5)
88 459.8	Land, buildings, infrastructure, plant and equipment	13	89 419.7	91 568.1	93 097.9	93 852.0	3 678.3	4 432.3
809.6	Other non-financial assets	14	771.0	889.8	767.0	754.2	(4.1)	(16.8)
89 601.4	Total non-financial assets		90 550.7	92 794.7	94 250.9	94 956.6	3 700.2	4 405.9
161 207.7	Total assets		164 106.4	168 034.4	170 934.9	172 119.1	6 828.4	8 012.6
Liabilities								
374.1	Deposits held and advances received		479.4	468.8	478.7	478.7	(0.8)	(0.7)
12 979.4	Borrowings		13 612.5	15 598.0	17 187.3	16 762.8	3 574.9	3 150.3
3 581.1	Payables		4 849.0	4 153.0	4 412.7	4 811.1	(436.3)	(37.9)
20 177.1	Superannuation		22 534.1	22 084.1	22 216.6	22 933.5	(317.5)	399.3
4 207.3	Employee benefits	15	4 357.9	4 500.8	4 527.8	4 545.6	170.0	187.8
794.2	Other provisions		718.0	693.4	700.2	699.2	(17.8)	(18.8)
42 113.2	Total liabilities		46 551.0	47 498.1	49 523.5	50 230.9	2 972.5	3 679.9
119 094.6	Net assets		117 555.5	120 536.3	121 411.4	121 888.2	3 855.9	4 332.7
49 773.5	Accumulated surplus/(deficit)		43 263.9	45 360.2	44 550.8	44 093.2	1 286.9	829.3
69 281.6	Reserves		74 247.0	75 131.6	76 816.1	77 750.4	2 569.1	3 503.4
39.5	Non-controlling interest		44.5	44.5	44.5	44.5	..	..
119 094.6	Net worth		117 555.5	120 536.3	121 411.4	121 888.2	3 855.9	4 332.7
FISCAL AGGREGATES								
29 493.2	Net financial worth		27 004.8	27 741.6	27 160.5	26 931.6	155.7	(73.2)
33 078.0	Net financial liabilities		37 503.9	38 654.3	40 923.1	41 055.3	3 419.2	3 551.4
7 922.1	Net debt	16	7 963.6	10 815.5	11 907.4	10 952.6	3 943.8	2 989.0

The accompanying notes form part of these Financial Statements.

Note:

(a) Budget represents actual opening balances as at 1 July 2010 plus 2010-11 budgeted movement.

Table B.3: Cash flow statement

(\$ million)

2009-10 Actual to Mar	Notes	2010-11			Budget	Change %
		Actual to Mar	Revised budget	Published budget	to revised budget change	
Cash flows from operating activities						
Cash receipts						
9 948.7	Taxes received	10 694.5	14 930.4	14 529.7	400.7	2.8
16 399.9	Grants	16 848.3	21 997.4	22 893.1	(895.7)	(3.9)
4 282.4	Sales of goods and services ^(a)	4 793.7	6 497.5	6 420.4	77.1	1.2
227.1	Interest received	292.7	330.2	322.9	7.4	2.3
245.1	Dividends and income tax equivalent and rate equivalent receipts	410.4	456.8	534.6	(77.8)	(14.6)
856.0	Other receipts	1 224.8	1 653.3	1 540.6	112.7	7.3
31 959.2	Total cash receipts	34 264.4	45 865.6	46 241.3	(375.7)	(0.8)
Cash payments						
(11 386.2)	Payments for employees	(11 921.2)	(15 921.7)	(16 032.7)	111.1	(0.7)
(1 483.1)	Superannuation	(1 545.9)	(2 078.9)	(2 082.6)	3.7	(0.2)
(551.8)	Interest paid	(653.5)	(943.6)	(878.9)	(64.7)	7.4
(7 183.4)	Grants and subsidies	(6 749.2)	(8 230.0)	(7 955.1)	(274.9)	3.5
(10 304.7)	Goods and services ^(a)	(11 216.1)	(15 414.1)	(15 418.2)	4.0	(0.0)
(352.8)	Other payments	(393.5)	(451.6)	(381.1)	(70.5)	18.5
(31 261.9)	Total cash payments	(32 479.3)	(43 039.8)	(42 748.6)	(291.3)	0.7
697.3	Net cash flows from operating activities^(a)	1 785.1	2 825.8	3 492.8	(667.0)	(19.1)
Cash flows from investing activities						
(2 493.3)	Purchases of non-financial assets	(3 636.0)	(4 654.3)	(4 435.0)	(219.3)	4.9
133.8	Sales of non-financial assets	102.6	226.8	244.9	(18.0)	(7.4)
(2 359.5)	Cash flows from investments in non-financial assets	(3 533.4)	(4 427.5)	(4 190.1)	(237.3)	5.7
(1 014.9)	Net cash flows from investments in financial assets for policy purposes	(977.5)	(2 233.2)	(2 179.4)	(53.8)	2.5
(217.8)	Net cash flows from investments in financial assets for liquidity management purposes	32.9	(126.2)	(23.7)	(102.5)	432.6
(3 592.2)	Net cash flows from investing activities	(4 478.0)	(6 786.9)	(6 393.2)	(393.7)	6.2
Cash flows from financing activities						
0.2	Advances received (net)	(1.2)	(0.7)	(0.7)	..	..
2 339.8	Net borrowings	1 523.8	3 445.3	3 022.4	422.8	14.0
56.8	Deposits received (net)	(9.5)	(0.1)	..	(0.1)	..
2 396.8	Net cash flows from financing activities	1 513.1	3 444.5	3 021.7	422.8	14.0
(498.0)	Net increase/(decrease) in cash and cash equivalents	(1 179.8)	(516.6)	121.3	(637.9)	(526.0)
2 845.5	Cash and cash equivalents at beginning of reporting period	3 221.3	3 221.3	3 221.3	..	..
2 347.5	Cash and cash equivalents at end of reporting period	2 041.5	2 704.7	3 342.6	(637.9)	(19.1)
FISCAL AGGREGATES						
697.3	Net cash flows from operating activities	1 785.1	2 825.8	3 492.8	(667.0)	(19.1)
(2 359.5)	Net cash flows from investments in non-financial assets	(3 533.4)	(4 427.5)	(4 190.1)	(237.3)	5.7
(1 662.2)	Cash surplus/(deficit)	(1 748.3)	(1 601.7)	(697.4)	(904.3)	129.7

The accompanying notes form part of these Financial Statements.

Note:

(a) Inclusive of goods and services tax.

Table B.4: Statement of changes in equity

(\$ million)

	Equity at 1 Jul	Total Comprehensive Result	Transactions with owners in their capacity as owners	Equity at 31 Mar
2010-11 (Actual)				
Accumulated surplus/(deficit)	43 263.9	1 970.5	..	45 234.4
Other movements in equity	..	118.3	..	118.3
Adjustments due to change in accounting policy	..	7.5	..	7.5
Minority interest	44.5	..	..	44.5
Physical asset revaluation reserve	33 193.2	(14.0)	..	33 179.2
Net movements in other reserves	895.0	63.0	..	958.0
Accumulated net gain/(loss) on equity investments in other sector entities	40 158.8	835.7	..	40 994.4
Total equity at end of the period	117 555.5	2 980.9	..	120 536.3
2010-11 (Revised budget)				
Accumulated surplus/(deficit)	43 263.9	1 299.5	..	44 563.4
Other movements in equity	..	(12.6)	..	(12.6)
Minority interest	44.5	..	..	44.5
Physical asset revaluation reserve	33 193.2	1 158.2	..	34 351.4
Net movements in other reserves	895.0	25.2	..	920.3
Accumulated net gain/(loss) on equity investments in other sector entities	40 158.8	1 385.7	..	41 544.4
Total equity at end of the period	117 555.5	3 855.9	..	121 411.4

The accompanying notes form part of these Financial Statements.

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Note 1: Statement of significant accounting policies

The following summarises the significant accounting policies that have been adopted in preparing and presenting this Quarterly Financial Report.

(A) Compliance framework

This report is a special purpose consolidated interim financial report of the general government sector for the quarter ending 31 March 2011 as required by Section 26 of the *Financial Management Act 1994*.

The Quarterly Financial Report has been prepared in accordance with the *Financial Management Act 1994*, relevant Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB), including those paragraphs applicable to not-for-profit entities, and AASB Interpretations.

This unaudited special purpose financial report should be read in conjunction with the *2009-10 Annual Financial Report* and the *2010-11 Mid-Year Financial Report*. It only includes explanatory notes that provide relevant information on a quarterly reporting basis.

(B) Basis of accounting and measurement

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

(C) General government sector economic entity

The general government sector includes all government departments, offices and other government bodies engaged in providing services free of charge or at prices significantly below their cost of production. The services provided by these entities are financed mainly through taxes, other compulsory levies and user charges. The general government sector is not a separate entity but represents a sector within the State of Victoria reporting entity.

(D) Basis of consolidation

The Quarterly Financial Report includes all reporting entities in the general government sector that are controlled by the State. Details of entities consolidated for the general government sector are included in Note 25 of Chapter 1, which should be read in conjunction with Note 40 *Controlled entities* of the *2009-10 Annual Financial Report*. In the process of reporting the general government sector as a single economic entity, all material transactions and balances within the sector are eliminated.

Entities in the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors are not consolidated into the financial statements of the Victorian general government sector, but are accounted for as equity investments measured at the Government's proportional share of the carrying amount of net assets of the PNFC and PFC sector entities before consolidation eliminations. Where the carrying amount of the entities' net assets before consolidation eliminations is less than zero, the amount is not included.

Note 1: Statement of significant accounting policies (*continued*)

Any change in the carrying amount of the investment from period to period is accounted for as if the change in carrying amount is a change in fair value and accounted for in a manner consistent with AASB 139 *Financial Instruments: Recognition and Measurement* and AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, as part of other economic flows in the comprehensive operating statement.

Note 2: Taxation

(\$ million)

2009-10		2010-11	
<i>Actual</i>		<i>Actual</i>	<i>Revised</i>
<i>to Mar</i>		<i>to Mar</i>	<i>budget</i>
3 025.1	Taxes on employers' payroll and labour force	3 279.9	4 415.5
	Taxes on property		
	Taxes on immovable property		
1 132.6	Land tax	1 281.7	1 379.7
45.8	Congestion levy	41.3	48.4
109.2	Metropolitan improvement levy	124.0	125.4
32.4	Property owner contributions to fire brigades	26.8	28.4
1 319.9	Total taxes on immovable property	1 473.8	1 581.9
	Financial and capital transactions		
2 564.7	Land transfer duty	2 998.1	3 902.4
..	Growth areas infrastructure contribution	..	27.1
4.6	Other property duties	21.0	8.2
35.4	Financial accommodation levy	52.0	71.0
2 604.8	Total financial and capital transactions	3 071.1	4 008.7
3 924.8	Total taxes on property	4 544.9	5 590.6
	Taxes on the provision of goods and services		
262.2	Private lotteries	254.5	364.4
745.2	Electronic gaming machines	755.6	1 000.3
100.6	Casino	112.1	157.1
100.2	Racing	99.0	132.1
7.1	Other	10.0	13.0
1 215.3	Total gambling taxes	1 231.1	1 666.9
50.8	Levies on statutory corporations	50.8	73.7
1 056.0	Taxes on insurance	1 104.8	1 475.3
2 322.1	Total taxes on the provision of goods and services	2 386.8	3 215.9
	Taxes on the use of goods and performance of activities		
	Motor vehicle taxes		
645.0	Vehicle registration fees	685.4	917.4
424.0	Duty on vehicle registrations and transfers	440.2	594.1
1 069.0	Total motor vehicle taxes	1 125.7	1 511.4
22.4	Liquor licence fees	20.1	21.7
49.2	Other	98.8	122.3
1 140.7	Total taxes on the use of goods and performance of activities	1 244.6	1 655.4
10 412.7	Total taxation	11 456.2	14 877.3

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

(\$ million)

<i>2009-10</i>		<i>2010-11</i>	
<i>Actual to Mar</i>		<i>Actual to Mar</i>	<i>Revised budget</i>
115.0	Dividends	235.2	236.0
88.9	Income tax equivalent revenue	121.2	166.8
4.6	Local government rate equivalent revenue	4.6	5.2
208.5	Total dividends and income tax equivalent and rate equivalent revenue	361.1	408.0

Note 4: Sales of goods and services

(\$ million)

<i>2009-10</i>		<i>2010-11</i>	
<i>Actual to Mar</i>		<i>Actual to Mar</i>	<i>Revised budget</i>
87.5	Motor vehicle regulatory fees	105.3	140.8
224.8	Other regulatory fees	317.5	369.1
93.6	Sale of goods	141.4	151.8
2 681.2	Provision of services	2 868.5	4 020.1
32.0	Rental	38.2	43.9
30.5	Refunds and reimbursements	37.3	60.5
798.4	Inter-sector capital asset charge	879.1	1 183.6
3 947.9	Total sales of goods and services	4 387.3	5 969.9

Note 5: Grants

(\$ million)

<i>2009-10</i>		<i>2010-11</i>	
<i>Actual to Mar</i>		<i>Actual to Mar</i>	<i>Revised budget</i>
7 205.3	General purpose grants	8 302.0	10 654.2
2 647.3	Specific purpose grants for on-passing	2 321.8	2 355.1
6 353.9	Payments for specific purposes	6 144.1	8 861.6
16 206.6	Total	16 767.8	21 870.9
86.3	Other contributions and grants	79.6	126.5
16 292.9	Total Grants	16 847.4	21 997.4

Note 6: Other revenue

(\$ million)

2009-10 Actual to Mar		2010-11	
		Actual to Mar	Revised budget
92.3	Fair value of assets received free of charge or for nominal consideration	19.2	1.3
388.1	Fines	397.4	521.5
36.9	Royalties	35.7	46.3
194.2	Donations and gifts	176.4	243.6
17.3	Other non-property rental income	17.6	25.4
635.0	Other miscellaneous income	781.8	982.5
1 363.9	Total other current revenue	1 428.0	1 820.6

Note 7: Superannuation

(\$ million)

2009-10 Actual to Mar		2010-11	
		Actual to Mar	Revised budget
	Defined benefit plans		
1 418.2	Interest cost	1 535.9	2 046.0
(767.6)	Expected return on plan assets (net of expenses)	(836.6)	(1 114.5)
650.6	Superannuation interest expense	699.3	931.6
463.5	Current service cost	522.3	696.1
(7.7)	Amortisation of past service cost	..	..
(781.9)	Actuarial (gains)/losses	(848.4)	(848.4)
324.6	Total expense recognised in respect of defined benefit plans	373.2	779.2
	Defined contribution plans		
614.8	Employer contributions to defined contribution plans	672.5	929.3
48.5	Other (including pensions)	50.1	52.9
663.3	Total expense recognised in respect of defined contribution plans	722.6	982.2
987.9	Total superannuation expense recognised in operating statement	1 095.8	1 761.4
	Represented by:		
650.6	Superannuation interest expense	699.3	931.6
1 119.2	Other superannuation	1 244.9	1 678.3
1 769.8	Superannuation expense from transactions	1 944.2	2 609.8
(781.9)	Superannuation expense from other economic flows	(848.4)	(848.4)
987.9	Total superannuation expense recognised in operating statement	1 095.8	1 761.4

Note 8: Depreciation

(\$ million)

2009-10		2010-11	
Actual to Mar		Actual to Mar	Revised budget
517.8	Buildings	589.7	883.0
356.4	Plant, equipment and infrastructure systems	387.8	602.3
296.1	Road networks	334.8	461.8
9.1	Other assets	9.3	13.8
29.0	Leased plant and equipment	27.0	33.5
67.6	Leasehold buildings	71.0	75.2
56.7	Intangible produced assets ^(a)	36.0	47.2
1 332.7	Total depreciation	1 455.6	2 116.8

Note:

(a) Amortisation of intangible non-produced assets is included under other economic flows.

Note 9: Total expenses from transactions by department

(\$ million)

2009-10		2010-11	
Actual to Mar		Actual to Mar	Revised budget
8 488.2	Education and Early Childhood Development	9 065.9	11 989.7
6 299.2	Health	9 975.0	13 535.9
5 532.1	Human Services	2 433.2	3 203.9
1 891.7	Business and Innovation	2 037.4	1 765.0
2 770.6	Justice	3 083.4	4 300.2
685.1	Planning and Community Development	757.4	991.0
495.2	Premier and Cabinet	480.7	644.4
390.7	Primary Industries	352.7	571.9
1 036.4	Sustainability and Environment	1 031.0	1 539.3
3 690.0	Transport	4 091.2	5 607.0
4 961.1	Treasury and Finance	4 749.5	6 118.6
112.9	Parliament	117.8	159.0
1 225.8	Regulatory bodies and other part-funded agencies	1 546.0	1 996.8
..	Contingencies not allocated to departments	..	(278.9)
(5 530.2)	Less eliminations	(5 982.0)	(6 954.9)
32 048.7	Total expense from transactions	33 739.3	45 188.9

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

(\$ million)

2009-10		2010-11	
Actual to Mar		Actual to Mar	Revised budget
(39.4)	Net (increase)/decrease in provision for doubtful receivables	(181.4)	(69.9)
(5.4)	Amortisation of intangible non-produced assets	(6.1)	(10.2)
(45.4)	Net (increase)/decrease in bad debts	(60.6)	(95.4)
53.3	Other gains/(losses)	355.1	312.5
(36.9)	Total other gains/(losses) from other economic flows	107.1	136.9

Note 11: Receivables

(\$ million)

2009-10 Actual 31 Mar		Opening 1 Jul	2010-11 Actual 31 Mar	Revised budget
Contractual				
727.9	Sales of goods and services	752.7	795.6	708.4
56.2	Accrued investment income	113.2	60.3	65.0
655.6	Other receivables	439.3	385.0	449.5
(48.9)	Provision for doubtful contractual receivables	(50.6)	(48.0)	(49.7)
Statutory				
1 447.3	Tax receivables	904.8	1 666.5	911.3
842.8	Fines and regulatory fees	821.3	943.5	885.9
223.4	GST input tax credits recoverable	286.8	260.2	287.7
(330.2)	Provision for doubtful statutory receivables	(383.8)	(504.3)	(451.5)
3 574.0	Total receivables	2 883.6	3 558.8	2 806.6
Represented by:				
3 513.6	Current receivables	2 821.1	3 483.4	2 739.3
60.4	Non-current receivables	62.5	75.4	67.3

Note 12: Net acquisition of non-financial assets

(\$ million)

2009-10		2010-11	
Actual to Mar		Actual to Mar	Revised budget
2 493.3	Purchases of non-financial assets	3 636.0	4 654.3
(133.8)	Less: Sales of non-financial assets	(102.6)	(226.8)
(1 332.7)	Less: Depreciation	(1 455.6)	(2 116.8)
21.3	Plus: Change in inventories	(1.8)	36.4
50.8	Plus: Other movements in non-financial assets	209.7	121.2
1 098.8	Total net acquisition of non-financial assets	2 285.6	2 468.3

Note 13: Property, plant and equipment

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

(\$ million)

2009-10		2010-11		
Actual 31 Mar		Opening 1 Jul	Actual 31 Mar	Revised Budget
18 984.2	Buildings (written down value)	19 563.8	21 135.8	21 662.3
39 118.1	Land and national parks	36 797.4	36 884.9	37 087.8
1 127.5	Infrastructure systems (written down value)	1 177.3	1 250.8	1 267.9
2 088.4	Plant, equipment and vehicles (written down value)	2 442.7	2 483.3	2 609.0
17 266.1	Roads (written down value)	18 561.9	18 930.2	19 092.9
5 486.8	Earthworks	6 479.2	6 479.2	6 479.2
4 388.7	Cultural assets (written down value)	4 397.3	4 404.0	4 898.7
88 459.8	Total land, buildings, infrastructure, plant and equipment	89 419.7	91 568.1	93 097.9

(b) Land and buildings

(\$ million)

2009-10		2010-11		
Actual 31 Mar		Opening 1 Jul	Actual 31 Mar	Revised budget
21 278.2	Buildings	22 046.1	24 272.7	25 058.7
(2 294.0)	Accumulated depreciation	(2 482.3)	(3 136.9)	(3 396.3)
18 984.2	Buildings (written down value)	19 563.8	21 135.8	21 662.3
36 977.9	Land	34 657.3	34 744.7	34 956.2
2 140.2	National Parks and other 'land only' holdings	2 140.2	2 140.2	2 131.6
39 118.1	Land and national parks	36 797.4	36 884.9	37 087.8
58 102.2	Total land and buildings	56 361.2	58 020.6	58 750.2

Note 13: Property, plant and equipment (*continued*)

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

(\$ million)

2009-10 Actual 31 Mar		Opening 1 Jul	2010-11 Actual 31 Mar	Revised budget
1 453.2	Infrastructure systems	1 515.0	1 608.9	1 638.1
(325.7)	Accumulated depreciation	(337.6)	(358.1)	(370.1)
1 127.5	Infrastructure systems (written down value)	1 177.3	1 250.8	1 267.9
4 796.9	Plant, equipment and vehicles	5 090.0	5 360.9	5 625.6
(2 793.2)	Accumulated depreciation	(2 724.9)	(2 964.0)	(3 067.2)
193.4	Leased plant, equipment and vehicles	195.3	195.1	200.9
(108.7)	Accumulated depreciation	(117.8)	(108.7)	(150.3)
2 088.4	Plant, equipment and vehicles (written down value)	2 442.7	2 483.3	2 609.0
3 215.9	Total plant, equipment and vehicles, and infrastructure systems	3 620.1	3 734.1	3 876.9

(d) Road networks and earthworks

(\$ million)

2009-10 Actual 31 Mar		Opening 1 Jul	2010-11 Actual 31 Mar	Revised budget
20 608.7	Roads	23 176.0	23 879.0	23 830.1
(8 086.7)	Accumulated depreciation	(9 528.0)	(9 796.3)	(9 886.8)
7 342.2	Road infrastructure	7 739.6	7 739.6	8 078.3
(2 598.1)	Accumulated depreciation	(2 825.6)	(2 892.1)	(2 928.6)
17 266.1	Roads (written down value)	18 561.9	18 930.2	19 092.9
5 486.8	Earthworks	6 479.2	6 479.2	6 479.2
22 752.9	Total road networks and earthworks	25 041.1	25 409.4	25 572.1

(e) Cultural assets

(\$ million)

2009-10 Actual 31 Mar		Opening 1 Jul	2010-11 Actual 31 Mar	Revised budget
4 507.3	Cultural assets	4 518.1	4 516.2	5 014.7
(118.6)	Accumulated depreciation	(120.8)	(112.2)	(116.0)
4 388.7	Total cultural assets	4 397.3	4 404.0	4 898.7

Note 14: Other non-financial assets

(\$ million)

2009-10 Actual 31 Mar		2010-11		Revised budget
		Opening 1 Jul	Actual 31 Mar	
609.8	Intangibles produced assets	655.6	760.4	689.5
(277.6)	Accumulated depreciation	(291.9)	(301.7)	(323.6)
58.4	Intangibles non-produced assets	81.1	84.3	81.1
(34.2)	Accumulated depreciation	(43.6)	(39.2)	(53.8)
356.4	Total intangibles	401.3	503.9	393.2
26.3	Investment properties	26.5	30.1	27.8
43.3	Biological assets	31.8	32.1	31.7
383.6	Other assets	311.5	323.8	314.3
809.6	Total other non-financial assets	771.0	889.8	767.0

Note 15: Employee benefits

(\$ million)

2009-10 Actual 31 Mar		2010-11		Revised budget
		Opening 1 Jul	Actual 31 Mar	
	Current			
1 205.5	Accrued salaries and wages ^(a)	1 266.5	1 367.6	1 297.0
2 538.2	Long service leave	2 618.2	2 637.6	2 752.6
3 743.7	Total current employee benefits	3 884.7	4 005.2	4 049.6
	Non-current			
(0.3)	Accrued salaries and wages ^(a)	..	1.8	..
463.9	Long service leave	473.2	493.7	478.3
463.6	Total non-current employee benefits	473.2	495.6	478.2
4 207.3	Total employee benefits	4 357.9	4 500.8	4 527.8

Note:

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

Note 16: Application of cash resources

(\$ million)

	2010-11	
	Budget	Revised
Net result from transactions	871.9	249.4
Add back: Non-cash income and expenses (net) ^(a)	2 620.9	2 576.4
Net cash flow from operating activities	3 492.8	2 825.8
Less:		
Net investment in fixed assets		
Expenditure on approved projects	6 614.4	6 887.5
Proceeds from asset sales	(244.9)	(226.8)
Total net investment in fixed assets	6 369.5	6 660.7
Finance leases	121.0	121.0
Other investment activities (net)	(8.8)	(12.1)
Decrease/(increase) in net debt	(2 989.0)	(3 943.8)

Source: Department of Treasury and Finance

Note:

(a) Includes depreciation and movements in the unfunded superannuation liability and liability for employee benefits.

Note 17: Public Account

(a) Consolidated Fund receipts and payments

(\$ million)

2009-10		2010-11	
Actual to Mar		Actual to Mar	Revised budget
Receipts			
9 761.4	Taxation	10 494.6	14 670.2
383.7	Fines and regulatory fees	414.0	679.6
13 022.2	Grants received	13 703.3	18 717.9
678.8	Sales of goods and services	757.5	994.7
15.6	Interest received	19.5	3.3
244.6	Public authority receipts	411.8	456.7
2 246.5	Other receipts	2 633.4	3 558.6
26 352.7	Total operating activities	28 434.1	39 080.9
2 871.2	Total inflows from investing and financing	2 366.7	5 442.1
29 223.9	Total receipts	30 800.8	44 523.0
Payments to departments			
1 434.0	Business and Innovation ^(a)	1 602.2	1 454.2
6 251.4	Education and Early Childhood Development	7 491.7	10 457.4
4 899.2	Health	8 353.3	11 205.3
5 644.4	Human Services	2 467.7	3 412.7
4 467.4	Transport	4 785.1	6 876.0
2 893.4	Justice	3 096.9	4 188.2
445.0	Premier and Cabinet	444.4	585.6
361.9	Primary Industries	380.0	545.3
1 096.4	Sustainability and Environment	853.4	1 326.4
1 949.0	Treasury and Finance	2 132.0	4 668.0
456.6	Planning and Community Development	490.5	633.6
115.1	Parliament	121.8	157.5
30 013.9	Total payments	32 219.0	45 510.0
(790.0)	Net receipts/(payments)	(1 418.2)	(987.0)

Note:

- (a) Actual payments to the Department of Business and Innovation to 30 March 2011 include some amounts for activities associated with TAFE entities, post the machinery of government transfer of these entities to the Department of Education and Early Childhood Development.

Note 17: Public Account *(continued)*

(b) Trust Fund cash flow statement

(\$ million)

2009-10 Actual to Mar		2010-11 Actual to Mar	Revised budget
Cash flows from operating activities			
Receipts			
148.4	Taxation	171.7	224.9
37.1	Regulatory fees and fines	58.3	46.2
3 064.5	Grants received ^(a)	3 080.3	5 809.8
345.9	Sale of goods and services	540.5	761.5
85.4	Interest received	111.5	130.4
8 352.0	Net transfers from Consolidated Fund	8 988.9	11 743.0
152.5	Other receipts	194.3	143.3
12 185.7	Total receipts	13 145.4	18 859.0
Payments			
(90.8)	Employee entitlements	(104.6)	(126.7)
(6.5)	Superannuation	(7.4)	(8.6)
(9 427.6)	Grants paid ^(a)	(10 008.1)	(14 887.3)
(2 237.0)	Supplies and consumables	(2 770.7)	(3 761.7)
(12.8)	Interest paid	(10.7)	(12.6)
(11 774.7)	Total payments	(12 901.5)	(18 796.8)
411.0	Net cash flows from operating activities	243.9	62.2
Cash flows from investing activities			
0.7	Net proceeds from customer loans	(0.4)	..
38.9	Proceeds from sale of property, plant and equipment	37.8	34.5
(66.6)	Purchases of property, plant and equipment	(51.9)	(36.9)
(134.4)	Other investing activities	(45.2)	16.9
(161.4)	Net cash flows from investing activities	(59.6)	14.4
Cash flows from financing activities			
(409.9)	Net proceeds (repayments) from borrowings	(511.3)	(14.3)
(409.9)	Net cash flows from financing activities	(511.3)	(14.3)
(160.3)	Net cash inflow/(outflow)	(327.0)	62.3

Note:

(a) 2009-10 figures restated from those previously published to exclude transfers within the Trust Fund.

Note 17: Public Account (continued)

(c) Reconciliation of cash flows to balances held

(\$ million)

	Balances held at 30 Jun 2010	Mar movement YTD	Balances held at 31 Mar 2011
Cash and deposits			
Cash balances outside the Public Account ^(a)	30.0	(30.0)	..
Deposits held with the Public Account – specific trusts	95.3	21.0	116.3
Deposits held with the Public Account – general trusts	1.3	(1.3)	..
Other balances held in the Public Account on behalf of trust accounts	1 823.2	(1,595.3)	227.9
Total cash and deposits	1 949.9	(1 605.6)	344.3
Investments			
Investments held with the Public Account – specific trusts	881.4	81.3	962.7
Total investments	881.4	81.3	962.7
Total trust fund balances	2 831.3	(1 524.4)	1 306.9
Less funds held outside the Public Account			
Cash	30.0	(30.0)	..
Total trust fund balances held outside the Public Account	30.0	(30.0)	..
Total trust funds held within the Public Account ^{(b)(c)}	2 801.3	(1 494.3)	1 306.9

Notes:

- (a) A prior year adjustment of \$2.5 million has changed the previously published figure for 2009-10 by an equivalent amount, to better reflect balances held outside the public account.
- (b) Includes funds raised for the Victorian Bushfire Appeal after the 2009 Victorian bushfires. The Victorian government holds in trust the donations received for the Red Cross Victorian Bushfire Appeal Fund.
- (c) See Note 17(d) below for details of securities and investments including amounts held in the Public Account on behalf of trust accounts.

Note 17: Public Account (*continued*)

(d) Details of securities held

(\$ million)

2009-10		2010-11	
<i>Actual</i>		<i>Actual</i>	<i>Actual</i>
31 Mar		30 Jun	31 Mar
1 078.7	Amounts invested on behalf of specific trust accounts	976.8	1 079.0
1.3	Amounts invested on behalf of general trust accounts	1.3	..
577.4	General account balances	1 823.2	227.9
1 657.4	Total Public Account	2 801.3	1 306.9
Represented by:			
1 005.1	Stocks and securities ^(a)	882.7	962.7
459.8	Cash and investments ^(a)	1 359.0	128.8
1 464.8	Total stock, securities, cash and investments	2 241.7	1 091.5
Add cash advanced for:			
192.6	Advances pursuant to sections 36 and 37 of the <i>Financial Management Act 1994</i>	190.5	215.4
	Temporary Advance to the Consolidated Fund pursuant to Section 38 of the <i>Financial Management Act, No. 18 of 1994</i>	369.1	
1 657.4	Total Public Account	2 801.3	1 306.9

Note:

(a) Deposits held with Treasury Corporation Victoria have been reclassified from stocks and securities to cash and investments.

RESULTS QUARTER BY QUARTER – VICTORIAN GENERAL GOVERNMENT SECTOR

The following tables present the operating statement, balance sheet and statement of cash flows for the general government sector on a quarter by quarter basis for the preceding five quarters.

These quarterly financial statements should be read in conjunction with Note 1 of this Appendix and the Statement of significant accounting policies and forecast assumptions (Note 1) in Budget Paper No. 5, Chapter 1 Estimated Financial Statements and Notes.

Table B.6: Comprehensive operating statement for the past five quarters

	(\$ million)				
	2009-10			2010-11	
	Mar	Jun	Sept	Dec	Mar
Revenue					
Taxation revenue	4 253.3	3 327.8	3 519.7	3 382.4	4 554.1
Interest	65.2	103.2	93.2	105.3	90.6
Dividends and income tax equivalent and rate equivalent revenue	32.0	277.1	39.0	277.6	44.5
Sales of goods and services	1 288.3	1 341.5	1 478.4	1 432.5	1 476.4
Grants	5 318.2	6 424.9	5 503.8	5 857.6	5 485.9
Other current revenue	456.1	654.5	476.2	418.9	533.0
Total revenue	11 413.2	12 129.1	11 110.4	11 474.4	12 184.5
Expenses					
Employee expenses	3 801.5	4 055.8	3 854.8	4 191.3	4 045.5
Superannuation interest expense	213.7	216.1	222.9	246.8	229.7
Other superannuation	376.6	408.6	394.4	432.9	417.7
Depreciation	450.4	537.0	489.0	465.1	501.5
Interest expense	205.1	239.7	213.7	249.7	233.5
Other operating expenses	3 432.8	4 286.2	3 498.8	3 720.9	3 730.1
Grants and other transfers	2 537.3	2 149.6	1 946.3	2 176.4	2 478.3
Total expenses	11 017.4	11 893.0	10 619.8	11 483.1	11 636.4
Net result from transactions – net operating balance	395.8	236.1	490.6	(8.7)	548.1
Other economic flows included in net result					
Net gain/(loss) on sale of non-financial assets	16.8	(94.1)	(25.7)	2.4	0.3
Net gain/(loss) on financial assets or liabilities at fair value	(1.2)	38.2	1.1	4.9	2.1
Net actuarial gains/(losses) of superannuation defined benefits plans	(1 073.9)	(2 232.1)	(473.7)	1 593.2	(271.0)
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends	..	(1.4)	..	..	..

Table B.6: Comprehensive operating statement for the past five quarters (*continued*)

(\$ million)

	2009-10			2010-11	
	Mar	Jun	Sept	Dec	Mar
Other gains/(losses) from other economic flows	(75.1)	(4 591.9)	(80.3)	279.9	(92.5)
Total other economic flows included in net result	(1 133.3)	(6 881.3)	(578.7)	1 880.4	(361.1)
Net result	(737.5)	(6 645.2)	(88.2)	1 871.7	186.9
Other economic flows – other movements in equity					
Net gain on financial assets at fair value	3.4	(3.7)	1.4	5.7	3.3
Revaluations of non-financial assets	(21.2)	3 473.0	(9.8)	(39.4)	35.1
Net gain on equity investments in other sector entities at proportional share of net assets	(296.7)	1 418.7	..	1 188.9	(353.3)
Other movements in equity	(240.3)	213.1	21.7	67.4	89.3
Total other economic flows – other movements in equity	(554.8)	5 101.1	13.3	1 222.7	(225.6)
Comprehensive result – total change in net worth	(1 292.3)	(1 544.1)	(74.8)	3 094.4	(38.7)
FISCAL AGGREGATES					
Net operating balance	395.8	236.1	490.6	(8.7)	548.1
Less: Net acquisition of non-financial assets from transactions	(130.7)	1 757.5	522.1	1 189.9	2 285.6
Net lending/(borrowing)	526.5	(1 521.5)	(31.5)	(1 198.6)	(1 737.6)

Table B.7: Balance sheet as at the end of the quarter

(\$ million)

	2009-10		2010-11		
	Mar	Jun	Sept	Dec	Mar
Assets					
Financial assets					
Cash and deposits	2 347.6	3 221.3	2 133.5	2 251.1	2 306.5
Advances paid	276.0	278.0	285.9	286.3	290.2
Receivables	3 574.0	2 883.6	2 472.5	2 219.3	3 558.8
Investments, loans and placements	2 807.8	2 629.0	2 719.2	2 697.8	2 654.6
Investments accounted for using equity method – other	29.7	35.1	35.1	33.7	33.7
Investments in other sector entities	62 571.2	64 508.7	64 880.4	66 395.9	66 395.9
Total financial assets	71 606.4	73 555.8	72 526.6	73 884.2	75 239.7
Non-financial assets					
Inventories	270.5	268.4	267.6	345.5	266.6
Non-financial assets held for sale	61.4	91.5	76.6	70.7	70.2
Land, buildings, infrastructure, plant and equipment	88 459.8	89 419.7	89 965.3	90 858.2	91 568.1
Other non-financial assets	809.6	771.0	980.8	961.9	889.8
Total non-financial assets	89 601.4	90 550.7	91 290.3	92 236.4	92 794.7
Total assets	161 207.7	164 106.4	163 816.9	166 120.6	168 034.4
Liabilities					
Deposits held	371.1	477.0	459.6	520.9	467.5
Advances received	3.0	2.5	2.5	1.5	1.3
Payables	3 581.1	4 849.0	4 201.2	3 734.0	4 153.0
Borrowings	12 979.4	13 612.5	13 474.8	14 609.6	15 598.0
Other employee benefits	4 207.3	4 357.9	4 369.5	4 325.6	4 500.8
Superannuation	20 177.1	22 534.1	23 108.5	21 682.2	22 084.1
Other provisions	794.2	718.0	720.0	669.8	693.4
Total liabilities	42 113.2	46 551.0	46 336.3	45 543.6	47 498.1
Net assets	119 094.6	117 555.5	117 480.7	120 577.0	120 536.3
Accumulated surplus/(deficit)	49 773.5	43 263.9	43 172.6	45 103.4	45 360.2
Other reserves	69 281.6	74 247.0	74 263.6	75 427.1	75 131.6
Minority interest	39.5	44.5	44.5	46.5	44.5
Net worth	119 094.6	117 555.5	117 480.7	120 577.0	120 536.3
FISCAL AGGREGATES					
Net financial worth	29 493.2	27 004.8	26 190.3	28 340.6	27 741.6
Net financial liabilities	33 078.0	37 503.9	38 690.1	38 055.3	38 654.3
Net debt	(7 922.1)	(7 963.6)	(8 798.4)	(9 896.7)	(10 815.5)

Table B.7: Cash flow statement for the past five quarters

	2009-10			2010-11	
	Mar	Jun	Sept	Dec	Mar
Cash flows from operating activities					
Receipts					
Taxes received	3 238.5	3 922.8	3 853.1	3 531.6	3 309.8
Grants	5 670.4	6 316.9	5 503.8	5 857.4	5 487.0
Sales of goods and services ^(a)	1 394.2	1 876.3	1 513.1	1 738.7	1 541.9
Interest received	64.2	96.7	93.9	102.9	95.9
Dividends and income tax equivalent and rate equivalent receipts	28.9	226.8	39.3	326.0	45.1
Other receipts	200.1	755.7	401.1	463.7	360.0
Total receipts	10 596.2	13 195.2	11 404.4	12 020.2	10 839.7
Payments					
Payments for employees	(3 675.5)	(3 949.7)	(3 842.7)	(4 202.0)	(3 876.4)
Superannuation	(495.9)	(499.7)	(516.6)	(512.8)	(516.5)
Interest paid	(189.2)	(215.6)	(207.6)	(219.2)	(226.6)
Grants and subsidies	(2 505.5)	(2 049.9)	(2 093.7)	(2 203.0)	(2 452.5)
Goods and services ^(a)	(3 219.7)	(3 890.0)	(4 066.9)	(3 889.1)	(3 260.1)
Other payments	(111.5)	(84.2)	(123.2)	(180.3)	(90.1)
Total payments	(10 197.3)	(10 689.1)	(10 850.6)	(11 206.4)	(10 422.3)
Net cash flows from operating activities	399.0	2 506.0	553.8	813.8	417.4
Cash flows from investing activities					
Purchases of non-financial assets	(361.3)	(2 168.0)	(960.8)	(1 707.3)	(967.9)
Sales of non-financial assets	24.6	53.6	22.8	55.5	24.3
Cash flows from investments in non-financial assets	(336.7)	(2 114.4)	(938.0)	(1 651.8)	(943.5)
Net cash flows from investments in financial assets for policy purposes	(521.2)	(221.7)	(384.7)	(314.1)	(278.6)
Net cash flows from investments in financial assets for liquidity management purposes	0.7	216.7	(91.8)	76.2	48.4
Net cash flows from investing activities	(857.1)	(2 119.3)	(1 414.5)	(1 889.7)	(1 173.8)
Cash flows from financing activities					
Advances received (net)	0.4	(0.5)	..	(1.0)	(0.2)
Net borrowings	651.9	552.8	(589.8)	1 428.3	685.3
Deposits received (net)	(32.7)	(65.1)	(17.3)	61.3	(53.4)
Net cash flows from financing activities	619.5	487.2	(607.2)	1 488.6	631.7
Net increase/(decrease) in cash and cash equivalents	161.4	873.9	(1 467.9)	412.7	(124.6)
Cash and cash equivalents at beginning of reporting period	2 186.1	2 347.5	3 221.4	1 753.5	2 166.1
Cash and cash equivalents at end of reporting period	2 347.5	3 221.4	1 753.5	2 166.1	2 041.5

Table B.7: Cash flow statement for the past five quarters (continued)

(\$ million)

	2009-10			2010-11	
	Mar	Jun	Sept	Dec	Mar
FISCAL AGGREGATES					
Net cash flows from operating activities	399.0	2 506.0	553.8	813.8	417.4
Net cash flows from investments in non-financial assets	(336.7)	(2 114.4)	(938.0)	(1 651.8)	(943.5)
Cash surplus/(deficit)	62.3	391.7	(384.2)	(838.0)	(526.1)

Note:

(a) Inclusive of goods and services tax.

APPENDIX C – HISTORICAL AND FORWARD ESTIMATES TABLES

This appendix provides historical data for the major fiscal aggregates. Wherever possible, adjustments have been made to make the historical series consistent with the forward estimates.

Table C.1 shows the trends in general government sector aggregate cash flows over the period 1986-87 to 2014-15. This table of historical data has been compiled in accordance with Australian Accounting Standards, and from 2004-05 onwards is consistent with the cash flow statement included in Chapter 1 *Estimated Financial Statements and notes*. Note all footnotes are shown at the end of the table.

The data from 1997-98 include the transactions of government schools and arts institutions on a gross operating basis, as well as the full trading operations of TAFE institutes and hospitals, nursing homes and ambulances. Although this expanded coverage does not materially influence the net operating result for the general government sector, it does significantly increase the inflows and outflows presented in the cash flow statement.

Table C.3 shows the general government sector net operating balance from 1996-97 to 2014-15, with 2004-05 onwards presented in compliance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Table C.5 presents general government sector operating expenses, sourced from Australian Bureau of Statistics historical data, classified by government purpose. The underlying data from 1961-62 to 1997-98 represent a conversion from the original cash series to an accruals basis by estimating depreciation and superannuation expenses based on statistical modelling. Although this conversion provides a basis for comparison both with total expenses in the current series of accrual GFS information from 1998-2015 in Table C.5 and in Chapter 1 *Estimated Financial Statements and Notes* Table 1.1, the estimated accrued expense items have not been apportioned to individual purpose classifications. The absence of these splits between functional classifications in Table C.5 therefore represents a break in the series and it is not possible to compare individual purpose categories with those in other tables.

Table C.1: General government cash flow statement – historical series

(\$ million)

	1986-87	1987-88	1988-89	1989-90	1990-91
	Actual	Actual	Actual	Actual	Actual
Cash flows from operating activities	.	.	.	.	.
Receipts					
Taxes received	3 867	4 420	5 004	5 302	5 641
Fines and regulatory fees	143	150	147	168	201
Grants	4 665	4 857	5 011	5 240	5 676
Sales of goods and services	646	724	811	907	963
Interest received	189	155	162	144	152
Dividends received	251	296	354	399	327
Other receipts	483	493	487	484	326
Total receipts	10 245	11 094	11 975	12 645	13 287
Payments					
Payments for employees ^(a)	(4 457)	(4 808)	(5 110)	(5 471)	(5 855)
Superannuation	(367)	(416)	(519)	(586)	(685)
Interest paid	(1 079)	(1 163)	(1 254)	(1 423)	(1 602)
Grants and subsidies ^(a)	(2 463)	(2 533)	(2 788)	(2 834)	(2 807)
Goods and services	(2 138)	(2 327)	(2 530)	(2 869)	(2 885)
Total payments	(10 505)	(11 247)	(12 200)	(13 184)	(13 834)
Net cash flows from operating activities	(260)	(152)	(225)	(538)	(547)
Cash flows from investing activities					
Purchases of non-financial assets	(953)	(1 031)	(1 042)	(1 085)	(1 129)
Sales of non-financial assets	104	207	189	168	114
Net (purchase)/disposal of investments	77	77	99	111	186
Net customer loans (granted)/repaid	..	..	..	..	..
Net privatisation proceeds and other abnormals ^(b)	35	35	35	35	1 292
Net cash flows from investing activities	(737)	(712)	(720)	(771)	464
Cash flows from financing activities					
Net borrowings	1 038	973	852	1 233	410
Net cash flows from financing activities	1 038	973	852	1 233	410
Net increase in cash and deposits held	42	109	(93)	(76)	327
Cash and deposits at beginning of reporting period	841	883	992	898	823
Cash and deposits at end of reporting period	883	992	898	823	1 149

Table C.1: General government cash flow statement – historical series (continued)

(\$ million)

	1991-92	1992-93	1993-94	1994-95	1995-96
	Actual	Actual	Actual	Actual	Actual
Cash flows from operating activities	.	.	.	.	.
Receipts					
Taxes received	5 968	6 498	7 342	7 677	8 268
Fines and regulatory fees	263	260	284	304	293
Grants	5 921	6 138	6 215	6 355	6 659
Sales of goods and services	1 038	1 006	1 004	1 034	1 136
Interest received	121	95	94	117	107
Dividends received	566	581	815	765	624
Other receipts	308	251	323	285	346
Total receipts	14 185	14 830	16 076	16 537	17 432
Payments					
Payments for employees ^(a)	(6 337)	(6 846)	(7 184)	(6 299)	(6 276)
Superannuation	(782)	(853)	(493)	(1 149)	(1 046)
Interest paid	(1 787)	(2 064)	(2 195)	(2 007)	(1 923)
Grants and subsidies ^(a)	(3 134)	(3 501)	(3 893)	(3 324)	(3 101)
Goods and services	(2 943)	(3 024)	(2 148)	(2 975)	(3 593)
Total payments	(14 983)	(16 288)	(15 912)	(15 754)	(15 939)
Net cash flows from operating activities	(798)	(1 458)	164	783	1 493
Cash flows from investing activities					
Purchases of non-financial assets	(1 066)	(1 068)	(980)	(1 288)	(1 285)
Sales of non-financial assets	103	132	189	189	156
Net (purchase)/disposal of investments	143	(261)	(501)	402	(464)
Net customer loans (granted)/repaid	..	..	..	..	..
Net privatisation proceeds and other abnormals ^(b)	6	304	498	735	4 794
Net cash flows from investing activities	(815)	(892)	(793)	39	3 200
Cash flows from financing activities					
Net borrowings	1 506	2 315	841	(902)	(4 703)
Net cash flows from financing activities	1 506	2 315	841	(902)	(4 703)
Net increase in cash and deposits held	(107)	(36)	211	(80)	(9)
Cash and deposits at beginning of reporting period	1 149	1 043	1 007	1 219	1 138
Cash and deposits at end of reporting period	1 043	1 007	1 219	1 138	1 129

Table C.1: General government cash flow statement – historical series (continued)

(\$ million)

	1996-97	1997-98	1998-99	1999-00
	Actual	Actual	Actual	Actual
Cash flows from operating activities				
Receipts				
Taxes received	8 714	8 515	8 794	9 666
Fines and regulatory fees	258	247	324	359
Grants	6 928	7 440	7 480	7 735
Sales of goods and services	1 119	1 606	1 659	1 776
Interest received	129	140	202	195
Dividends and income tax and rate equivalents	967	930	1 142	1 088
Other receipts ^{(c)(d)}	275	838	1 220	1 038
Total receipts	18 389	19 717	20 821	21 857
Payments				
Payments for employees ^(a)	(6 608)	(6 621)	(7 041)	(7 378)
Superannuation	(1 213)	(1 257)	(2 083)	(1 370)
Interest paid	(1 403)	(1 162)	(732)	(448)
Grants and subsidies ^{(a) (d)}	(3 238)	(3 514)	(3 598)	(3 363)
Goods and services	(3 892)	(5 503)	(5 796)	(6 373)
Total payments	(16 354)	(18 057)	(19 250)	(18 931)
Net cash flows from operating activities	2 035	1 660	1 571	2 926
Cash flows from investing activities				
Purchases of non-financial assets	(1 288)	(1 209)	(1 327)	(1 208)
Sales of non-financial assets	163	363	211	187
Net (purchase)/disposal of investments	(141)	(422)	390	(1 091)
Net customer loans (granted)/repaid	..	297	309	122
Net privatisation proceeds and other abnormals ^(b)	4 514	1 610	3 344	..
Net cash flows from investing activities	3 248	639	2 927	(1 991)
Cash flows from financing activities				
Net borrowings	(5 406)	(2 364)	(4 718)	(766)
Net cash flows from financing activities	(5 406)	(2 364)	(4 718)	(766)
Net increase in cash and deposits held	(124)	(65)	(221)	169
Cash and deposits at beginning of reporting period	1 129	1 005	940	719
Cash and deposits at end of reporting period	1 005	940	719	889

Table C.1: General government cash flow statement – historical series (continued)

(\$ million)

	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual
Cash flows from operating activities				
Receipts				
Taxes received	8 458	8 611	9 101	9 874
Fines and regulatory fees	377	398	509	502
Grants	10 370	11 879	12 101	12 611
Sales of goods and services	1 957	2 066	2 757	2 792
Interest received	301	303	375	411
Dividends and income tax and rate equivalents	986	606	774	599
Other receipts ^{(c)(d)}	865	1 143	1 655	1 455
Total receipts	23 314	25 006	27 271	28 244
Payments				
Payments for employees	(7 962)	(8 692)	(9 302)	(9 809)
Superannuation	(1 898)	(1 030)	(2 558)	(2 027)
Interest paid	(464)	(453)	(468)	(457)
Grants and subsidies ^(d)	(3 757)	(4 205)	(3 985)	(4 549)
Goods and services	(7 077)	(7 531)	(9 034)	(8 931)
Total payments	(21 158)	(21 910)	(25 347)	(25 773)
Net cash flows from operating activities	2 155	3 096	1 924	2 471
Cash flows from investing activities				
Purchases of non-financial assets	(1 629)	(1 941)	(1 924)	(2 347)
Sales of non-financial assets	150	123	128	127
Net (purchase)/disposal of investments	(689)	(547)	(256)	951
Net customer loans (granted)/repaid	98	71	(25)	(12)
Net contribution to other sectors of government	..	(13)	(314)	(158)
Net cash flows from investing activities	(2 071)	(2 306)	(2 391)	(1 439)
Cash flows from financing activities				
Net borrowings	(72)	(29)	(89)	(844)
Net cash flows from financing activities	(72)	(29)	(89)	(844)
Net increase in cash and deposits held	13	761	(555)	187
Cash and deposits at beginning of reporting period	889	902	1 663	1 108
Cash and deposits at end of reporting period	902	1 663	1 108	1 295

Table C.1: General government cash flow statement – historical series (continued)

(\$ million)

	2004-05 Actual ^(g)	2005-06 Actual ^(g)	2006-07 Actual ^(g)	2007-08 Actual
Cash flows from operating activities	.	.	.	.
Receipts	.	.	.	.
Taxes received	10 318	10 974	11 264	13 213
Grants	13 452	14 620	15 602	17 210
Sales of goods and services	4 214	4 409	5 327	4 682
Interest received	343	374	420	441
Dividends and income tax and rate equivalents	877	1 163	1 016	1 200
Other receipts ^{(c)(d)}	1 143	1 257	1 313	1 220
Total receipts	30 347	32 797	34 942	37 965
Payments				
Payments for employees	(10 748)	(11 469)	(12 202)	(12 887)
Superannuation	(1 797)	(1 888)	(1 212)	(1 999)
Interest paid	(366)	(409)	(430)	(445)
Grants and subsidies ^(d)	(5 290)	(5 919)	(6 674)	(6 435)
Goods and services ^(f)	(9 665)	(10 563)	(11 660)	(11 792)
Other payments	0	20	0	(365)
Total payments	(27 866)	(30 227)	(32 178)	(33 923)
Net cash flows from operating activities	2 480	2 570	2 764	4 042
Cash flows from investing activities				
<i>Non-financial assets</i>				
Purchases of non-financial assets	(1 960)	(2 302)	(2 812)	(2 709)
Sales of non-financial assets	128	159	226	177
Cash flows from investments in non-financial assets	(1 832)	(2 143)	(2 587)	(2 532)
<i>Financial assets for policy purposes</i>				
Net (purchase)/disposal of investments	(569)	(83)	(600)	(1 367)
Net cash flows from investments in financial assets for policy purposes	(569)	(83)	(600)	(1 367)
<i>Investments in financial assets for liquidity purposes</i>				
Net (purchase)/disposal of investments	473	638	53	(323)
Net cash flows from investments in financial assets for liquidity purposes	473	638	53	(323)
Net cash flows from investing activities	(1 928)	(1 587)	(3 134)	(4 222)
Cash flows from financing activities				
Advances received (net)	(0)	(5)	(1)	(1)
Net borrowings	(45)	(171)	614	250
Deposits received (net)	(3)	71	76	(223)
Other financing (net)	..	..	..	..
Net cash flows from financing activities	(48)	(105)	689	25
Net increase in cash and deposits held	504	878	320	(155)
Cash and deposits at beginning of reporting period ^(e)	1 295	1 817	2 695	3 015
Cash and deposits at end of reporting period	1 799	2 695	3 015	2 859
FISCAL AGGREGATES				
Net cash flows from operating activities	2 480	2 570	2 764	4 042
Net cash flows from investments in non-financial assets	(1 832)	(2 143)	(2 587)	(2 532)
Cash surplus/(deficit)	648	427	178	1 510

Table C.1: General government cash flow statement – historical series (continued)

(\$ million)

	2008-09	2009-10	2010-11	2011-12
	Actual	Actual	Revised	Budget
Cash flows from operating activities	.	.	.	.
Receipts				
Taxes received	12 451	13 872	14 930	15 369
Grants	18 970	22 717	21 997	22 517
Sales of goods and services	5 513	6 159	6 497	6 806
Interest received	389	324	330	543
Dividends and income tax and rate equivalents	471	472	457	572
Other receipts ^{(c)(d)}	1 428	1 612	1 653	1 717
Total receipts	39 222	45 154	45 866	47 522
Payments				
Payments for employees	(14 115)	(15 336)	(15 922)	(16 492)
Superannuation	(1 779)	(1 983)	(2 079)	(2 104)
Interest paid	(572)	(767)	(944)	(1 351)
Grants and subsidies ^(d)	(7 298)	(9 233)	(8 230)	(8 103)
Goods and services ^(f)	(13 073)	(14 195)	(15 414)	(16 454)
Other payments	(405)	(437)	(452)	(536)
Total payments	(37 241)	(41 951)	(43 040)	(45 040)
Net cash flows from operating activities	1 981	3 203	2 826	2 482
Cash flows from investing activities				
<i>Non-financial assets</i>				
Purchases of non-financial assets	(3 147)	(4 661)	(4 654)	(4 119)
Sales of non-financial assets	268	187	227	302
Cash flows from investments in non-financial assets	(2 879)	(4 474)	(4 427)	(3 817)
<i>Financial assets for policy purposes</i>				
Net (purchase)/disposal of investments	(1 168)	(1 237)	(2 233)	(2 327)
Net cash flows from investments in financial assets for policy purposes	(1 168)	(1 237)	(2 233)	(2 327)
<i>Investments in financial assets for liquidity purposes</i>				
Net (purchase)/disposal of investments	(376)	(1)	(126)	10
Net cash flows from investments in financial assets for liquidity purposes	(376)	(1)	(126)	10
Net cash flows from investing activities	(4 423)	(5 712)	(6 787)	(6 134)
Cash flows from financing activities				
Advances received (net)	(2)	(0)	(1)	(0)
Net borrowings	2 487	2 893	3 445	3 786
Deposits received (net)	(57)	(8)	(0)	(0)
Other financing (net)	0	(0)	0	(0)
Net cash flows from financing activities	2 428	2 884	3 445	3 785
Net increase in cash and deposits held	(14)	376	(517)	134
Cash and deposits at beginning of reporting period	2 859	2 845	3 221	2 705
Cash and deposits at end of reporting period	2 845	3 221	2 705	2 838
FISCAL AGGREGATES				
Net cash flows from operating activities	1 981	3 203	2 826	2 482
Net cash flows from investments in non-financial assets	(2 879)	(4 474)	(4 427)	(3 817)
Cash surplus/(deficit)	(898)	(1 270)	(1 602)	(1 334)

Table C.1: General government cash flow statement – historical series (*continued*)

(\$ million)

	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Cash flows from operating activities	.	.	.
Receipts	.	.	.
Taxes received	16 095	16 724	17 575
Grants	22 907	23 711	24 437
Sales of goods and services	7 251	7 371	7 503
Interest received	813	846	845
Dividends and income tax and rate equivalents	638	531	723
Other receipts ^{(c)(d)}	1 605	1 658	1 611
Total receipts	49 310	50 841	52 694
Payments			
Payments for employees	(17 222)	(18 108)	(18 848)
Superannuation	(2 468)	(2 562)	(2 847)
Interest paid	(1 918)	(2 157)	(2 278)
Grants and subsidies ^(d)	(7 890)	(8 039)	(8 301)
Goods and services ^(f)	(16 469)	(16 498)	(17 095)
Other payments	(563)	(597)	(633)
Total payments	(46 530)	(47 960)	(50 002)
Net cash flows from operating activities	2 779	2 881	2 692
Cash flows from investing activities			
<i>Non-financial assets</i>			
Purchases of non-financial assets	(4 348)	(3 012)	(3 461)
Sales of non-financial assets	460	267	252
Cash flows from investments in non-financial assets	(3 888)	(2 746)	(3 209)
<i>Financial assets for policy purposes</i>			
Net (purchase)/disposal of investments	(2 004)	(1 369)	(656)
Net cash flows from investments in financial assets for policy purposes	(2 004)	(1 369)	(656)
<i>Investments in financial assets for liquidity purposes</i>			
Net (purchase)/disposal of investments	(75)	(90)	(104)
Net cash flows from investments in financial assets for liquidity purposes	(75)	(90)	(104)
Net cash flows from investing activities	(5 967)	(4 204)	(3 969)
Cash flows from financing activities			
Advances received (net)	0	0	0
Net borrowings	3 343	1 662	1 536
Deposits received (net)	(0)	(0)	(0)
Other financing (net)	(0)	(0)	(0)
Net cash flows from financing activities	3 343	1 662	1 536
Net increase in cash and deposits held	156	339	259
Cash and deposits at beginning of reporting period	2 838	2 994	3 333
Cash and deposits at end of reporting period	2 994	3 333	3 592
FISCAL AGGREGATES			
Net cash flows from operating activities	2 779	2 881	2 692
Net cash flows from investments in non-financial assets	(3 888)	(2 746)	(3 209)
Cash surplus/(deficit)	(1 109)	135	(517)

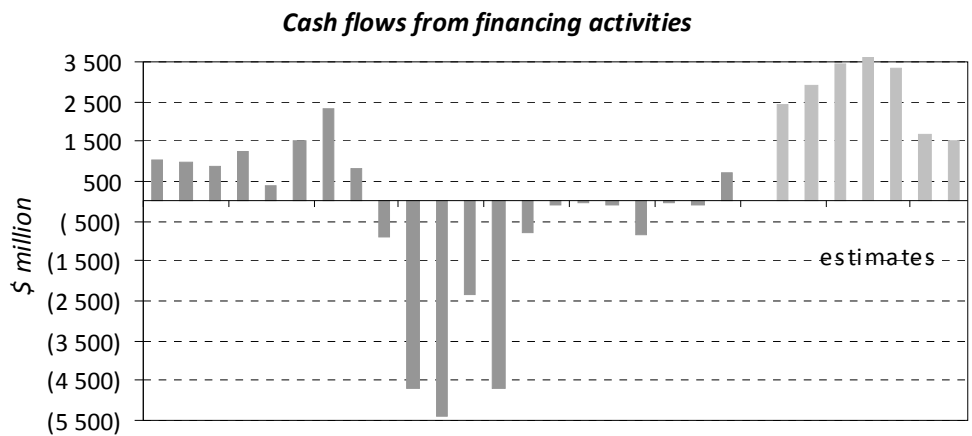
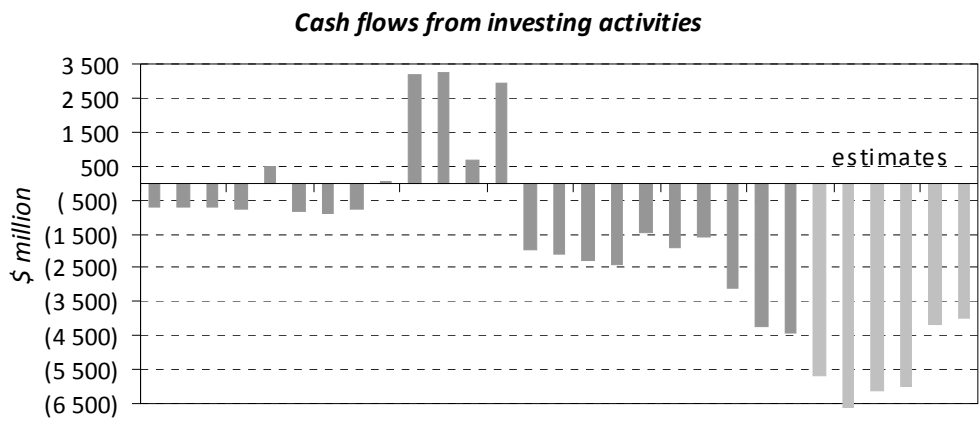
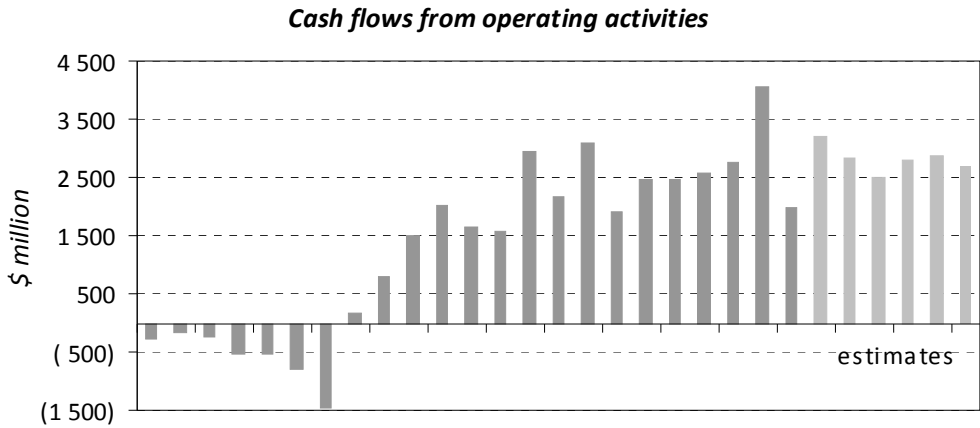
Source: Department of Treasury and Finance

Table C.1: General government cash flow statement – historical series (continued)

Notes:

- (a) *Separation payments up to 1989-90, mainly for early retirement and enhanced resignation packages to the Public Transport Corporation, are included under grants and transfer payments (to the public non financial corporations (PNFC) sector). Payments in later years were for voluntary redundancy and targeted separation packages across the general government sector and are included under 'employee entitlements'.*
- (b) *Privatisation and other abnormal cash items to the general government sector include:*
- 1986-87 to 1990-91: payments received from the former Melbourne and Metropolitan Board of Works regarding the transfer of ownership of the Thomson Cardinia Dam of \$35 million a year;*
 - 1990-91: net proceeds from the sale of the State Bank (\$1 257 million);*
 - 1992-93: sale of the State Insurance Office (\$140 million);*
 - 1993-94: recall of capital from the Transport Accident Commission (\$1 200 million), wind-up of the Victorian Equity Trust (\$437 million), casino licence fee (\$200 million), offset by a special payment to the State Superannuation Fund (\$1 399 million);*
 - 1994-95: sale of Totalisator Agency Board (\$609 million);*
 - 1995-96: sale of electricity sector businesses (\$4 641 million), 1996-97 (\$4 262 million), and 1997-98 (\$2 101 million) offset by a special payment to the State Superannuation Fund (\$490 million); and*
 - 1998-99: sale of the remainder of the electricity businesses (\$361 million), gas businesses (\$4 690 million), Victorian Plantations Corporation (\$550 million), Aluwic (\$401 million), V/Line Freight (\$20 million), offset by a special payment to reduce the State's unfunded superannuation liabilities (\$2 574 million).*
- (c) *From 1997-98, includes school own purpose receipts and payments which boosted sales of goods and services and other receipts by up to \$500 million, but had little impact on the net cash flows because of offsetting payments. This year also saw the introduction of tax equivalent receipts from public non-financial corporations and public financial corporations.*
- (d) *From 1998-99, includes a capital asset charge receipt from the PNFC sector, offset by a similar increase in grants and transfer payments.*
- (e) *Cash and deposits at beginning of reporting period in 2005-06 do not equal cash and deposits at end of reporting period in 2004-05, due to a change in definition of cash and cash equivalents under A-IFRS.*
- (f) *Goods and services from 2007-08 onwards include other payments.*
- (g) *Net borrowings from 2007-08 onwards includes advances received and deposits received.*

Chart C.1: General government cash flows – 1986-87 to 2014-15



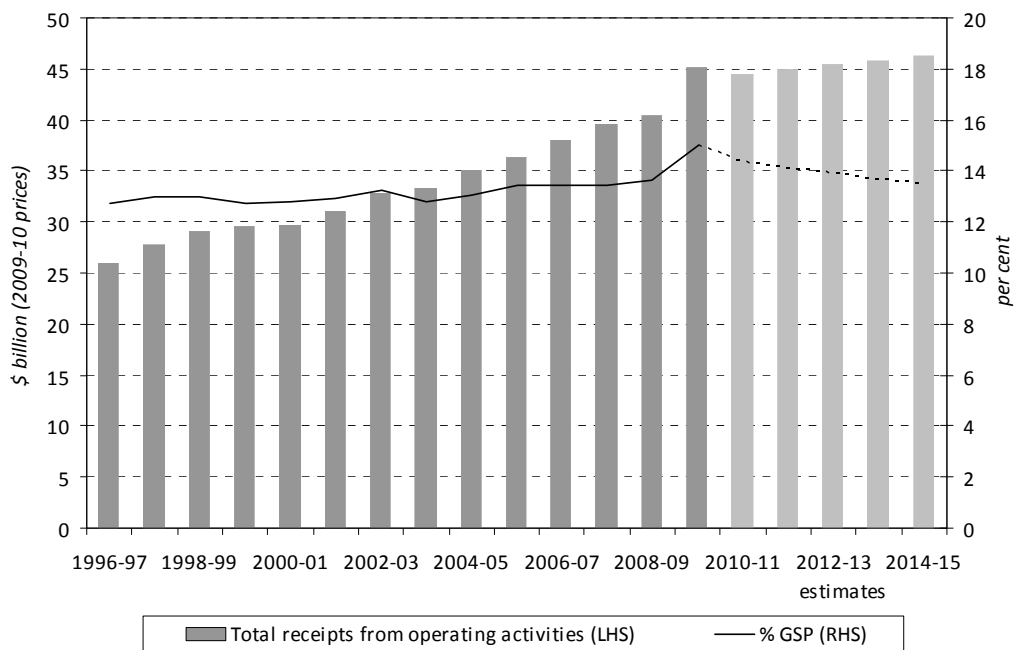
Source: Department of Treasury and Finance

Table C.2: General government cash aggregates, 2009-10 prices

Year	Cash Receipts			Cash Payments			Net Cash Flows
	2009-10 prices (\$ billion)	change %	% GSP	2009-10 prices (\$ billion)	change %	% GSP	2009-10 prices (\$ billion)
1986-87	21.6	-0.6	13.4	22.1	-1.3	13.7	(0.5)
1987-88	21.8	0.9	12.8	22.1	-0.3	13.0	(0.3)
1988-89	22.0	1.0	12.4	22.4	1.5	12.7	(0.4)
1989-90	20.9	-5.1	11.3	21.8	-2.9	11.8	(0.9)
1990-91	21.1	1.0	11.7	22.0	0.9	12.2	(0.9)
1991-92	22.2	5.4	12.6	23.5	6.9	13.3	(1.2)
1992-93	22.8	2.7	12.5	25.1	6.8	13.7	(2.2)
1993-94	24.3	6.6	13.0	24.1	-4.0	12.8	0.2
1994-95	24.1	-0.9	12.7	23.0	-4.6	12.1	1.1
1995-96	24.8	2.8	12.6	22.7	-1.4	11.6	2.1
1996-97	26.0	4.9	12.7	23.1	2.0	11.3	2.9
1997-98	27.8	6.9	13.0	25.4	10.0	11.9	2.3
1998-99	29.0	4.6	13.0	26.9	5.6	12.0	2.2
1999-00	29.5	1.5	12.7	25.5	-4.9	11.0	3.9
2000-01	29.7	0.7	12.8	27.0	5.5	11.6	2.7
2001-02	31.0	4.2	12.9	27.1	0.6	11.3	3.8
2002-03	32.8	6.0	13.3	30.5	12.4	12.3	2.3
2003-04	33.3	1.4	12.8	30.4	-0.4	11.7	2.9
2004-05	35.0	5.3	13.1	32.2	5.9	12.0	2.9
2005-06	36.4	4.0	13.5	33.6	4.4	12.4	2.9
2006-07	38.1	4.5	13.5	35.1	4.4	12.4	3.0
2007-08	39.6	4.0	13.5	35.4	0.9	12.0	4.2
2008-09	40.4	2.1	13.6	38.4	8.5	12.9	2.0
2009-10	45.2	11.7	15.0	42.0	9.3	13.9	3.2
2010-11	44.5	-1.5	14.3	41.8	-0.5	13.4	2.7
2011-12	45.0	1.1	14.1	42.6	2.1	13.3	2.3
2012-13	45.5	1.2	13.9	43.0	0.8	13.1	2.6
2013-14	45.8	0.6	13.7	43.2	0.5	12.9	2.6
2014-15	46.3	1.2	13.5	44.0	1.8	12.8	2.4

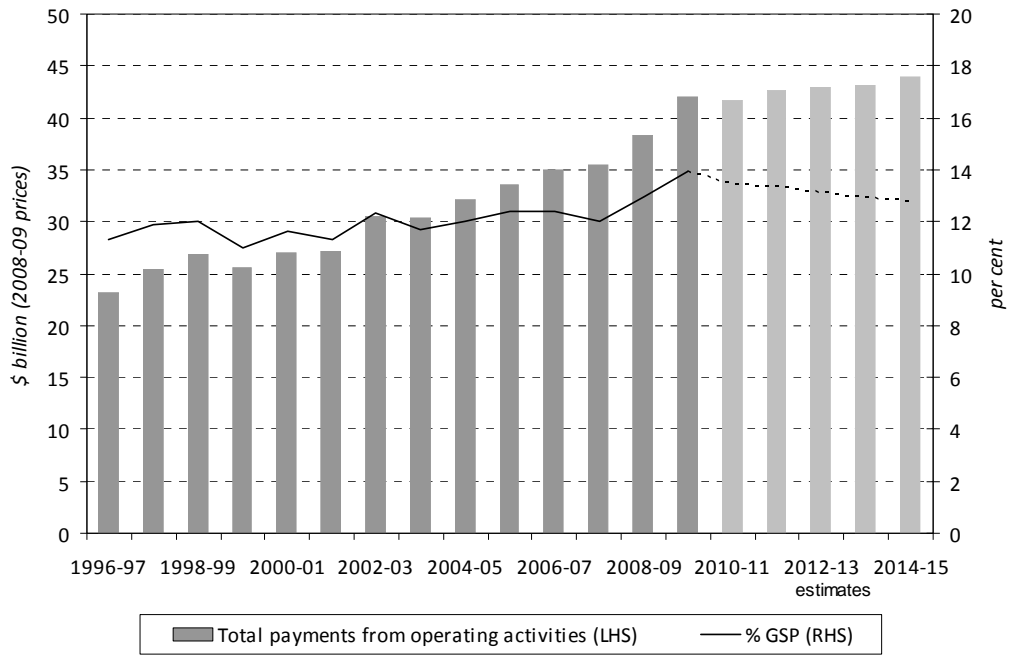
Source: Department of Treasury and Finance

Chart C.2: Total receipts from operating activities



Source: Department of Treasury and Finance

Chart C.3: Total payments from operating activities



Source: Department of Treasury and Finance

Table C.3: General government sector operating statement – historical series**Comprehensive operating statement for the year ending June**

(\$ million)

	1996-97	1997-98	1998-99	1999-00
	Actual	Actual	Actual	Actual
Revenue				
Taxation	8 598	8 573	9 100	9 708
Fines and regulatory fees	314	278	382	412
Interest	204	154	202	199
Dividends, income tax and rate equivalent revenue	1 069	948	990	1 090
Sales of goods and services	814	1 246	1 428	1 789
Grants	7 516	7 533	7 480	7 711
Fair value of assets received free of charge or for nominal consideration	70	43	65	20
Other current revenue	1 527	2 891	2 730	1 102
Total revenue ^(a)	20 111	21 667	22 377	22 030
Expenses				
Employee expenses	6 722	6 832	6 984	7 439
Superannuation	1 821	1 835	1 778	1 751
Depreciation	712	783	804	789
Interest expense	1 949	1 127	704	460
Other operating expenses	4 269	6 209	5 693	6 549
Grants and other transfers	2 575	3 423	3 596	3 383
Total expenses	18 048	20 208	19 558	20 371
Net result from transactions – Net operating balance	2 063	1 458	2 819	1 659
Other economic flows				
Net gain/(loss) from disposal of physical assets	(37)	106	7	2
Actuarial gains/(losses) on superannuation defined benefit plans	(456)	475	474	(465)
Other gains/(expenses) from other economic flows ^(a)	2 750	1 252	4 150	(29)
Total other economic flows	2 257	1 834	4 630	(491)
Net result	4 320	3 292	7 450	1 167

**Table C.3: General government sector operating statement – historical series
(continued)**

Comprehensive operating statement for the year ending June

(\$ million)

	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual
Revenue				
Taxation	8 516	8 758	9 251	10 043
Fines and regulatory fees	456	521	667	617
Interest	336	318	366	353
Dividends, income tax and rate equivalent revenue	988	608	776	601
Sales of goods and services	1 992	2 168	2 224	2 265
Grants	10 365	11 873	12 103	12 628
Fair value of assets received free of charge or for nominal consideration	69	95	86	374
Other current revenue	988	1 090	1 504	1 494
Total revenue ^(a)	23 710	25 431	26 977	28 377
Expenses				
Employee expenses	8 170	8 894	9 543	9 988
Superannuation	1 603	1 605	1 890	1 937
Depreciation	799	859	1 017	1 068
Interest expense	587	464	475	451
Other operating expenses	7 560	7 836	8 502	9 359
Grants and other transfers	3 793	4 175	4 038	4 611
Total expenses	22 512	23 833	25 464	27 415
Net result from transactions – Net operating balance	1 199	1 598	1 513	962
Other economic flows				
Net gain/(loss) from disposal of physical assets	21	(97)	(336)	(45)
Actuarial gains/(losses) on superannuation defined benefit plans	165	(991)	(722)	1 637
Share of net profits/(losses) of associates and joint venture entities	..	..	..	..
Net gains/(losses) on financial assets at fair value	..	..	..	..
Other gains/(expenses) from other economic flows ^(a)	(169)	(236)	(218)	(331)
Total other economic flows	17	(1 324)	(1 277)	1 260
Net result	1 216	273	236	2 222

**Table C.3: General government sector operating statement – historical series
(continued)**

Comprehensive operating statement for the year ending June

(\$ million)

	2004-05	2005-06	2006-07	2007-08	2008-09
	Actual	Actual	Actual	Actual	Actual
Revenue					
Taxation revenue	10 415	10 885	11 702	12 863	12 627
Interest	340	390	423	452	378
Dividends and income tax equivalent and rate equivalent revenue	949	1 009	1 422	760	490
Sales of goods and services	3 380	3 731	4 177	4 488	4 941
Grants	13 462	14 624	15 601	17 210	18 970
Other current revenue	1 280	1 331	1 561	1 568	1 879
Total revenue	29 825	31 972	34 886	37 340	39 285
Expenses					
Employee expenses	10 972	11 690	12 394	13 239	14 297
Superannuation interest expense	820	480	419	330	610
Other superannuation	1 089	1 438	1 224	1 318	1 404
Depreciation	1 139	1 279	1 335	1 416	1 516
Interest expense	426	452	459	438	642
Other operating expenses	9 080	9 983	10 954	11 905	13 198
Grants and other transfers	5 505	5 826	6 767	7 047	7 366
Total expenses	29 030	31 148	33 551	35 694	39 034
Net result from transactions – Net operating balance	795	825	1 335	1 647	251
Other economic flows included in net result					
Net gain/(loss) on sale of non-financial assets	(27)	(53)	(30)	16	62
Net gain/(loss) on financial assets or liabilities at fair value	(10)	7	22	(35)	(84)
Net actuarial gains/(losses) of superannuation defined benefits plans	1 329	2 421	3 428	(3 378)	(7 510)
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends	..	..	5	11	(74)
Other gains/(losses) from other economic flows	57	590	547	(195)	(1 018)
Total other economic flows included in net result	1 349	2 965	3 972	(3 581)	(8 624)
Net result	2 144	3 789	5 306	(1 935)	(8 373)
Other economic flows – Other movements in equity					
Net gain on financial assets at fair value	(4)	23	13	(35)	9
Revaluations of non-financial assets	8 868	1 913	1 808	4 804	1 317
Net gain on equity investments in other sector entities at proportional share of net assets	2 294	1 412	1 829	23 407	14 238
Other movements in equity	89	34	(89)	118	19 109
Total other economic flows – Other movements in equity	11 248	3 383	3 562	28 295	34 673
Comprehensive result – Total change in net worth	13 392	7 172	8 868	26 360	26 300
FISCAL AGGREGATES					
Net operating balance	795	825	1 335	1 647	251
Less: Net acquisition of non-financial assets from transactions ^(b)	431	1 267	1 592	1 009	1 436
Net lending/(borrowing)	364	(442)	(257)	637	(1 184)

**Table C.3: General government sector operating statement – historical series
(continued)**

Comprehensive operating statement for the year ending June

(\$ million)

	2009-10 Actual	2010-11 Revised	2011-12 Estimate
Revenue from transactions			
Taxation	13 741	14 877	15 388
Interest	334	365	576
Dividends and income tax equivalent and rate equivalent revenue	486	408	575
Sales of goods and services	5 289	5 970	6 466
Grants	22 718	21 997	22 517
Other current revenue	2 018	1 821	1 918
Total revenue from transactions	44 585	45 438	47 439
Expenses from transactions			
Employee expenses	15 405	16 089	16 649
Superannuation interest expense	867	932	881
Other superannuation	1 528	1 678	1 691
Depreciation	1 870	2 117	2 345
Interest expense	843	997	1 394
Other operating expenses	14 255	15 204	16 262
Grants and other transfers	9 175	8 172	8 077
Total expenses from transactions	43 942	45 189	47 299
Net result from transactions – Net operating balance	644	249	140
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	(40)	63	111
Net gain/(loss) on financial assets or liabilities at fair value	64	2	2
Net actuarial gains/(losses) of superannuation defined benefits plans	(1 450)	848	..
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends	(1)	..	..
Other gains/(losses) from other economic flows	(4 629)	137	(189)
Total other economic flows included in net result	(6 057)	1 050	(76)
Net result	(5 413)	1 300	64
Other economic flows – Other movements in equity			
Net gain on financial assets at fair value	15	0	..
Movement of non-financial asset reserves	3 417	1 158	4 519
Net gain on equity investments in other sector entities at proportional share of the carrying amount of net assets/(liabilities)	2 514	1 386	(230)
Other movements in equity	344	13	1
Total other economic flows – Other movements in equity	6 290	2 556	4 290
Comprehensive result – Total change in net worth	877	3 856	4 354
FISCAL AGGREGATES			
Net operating balance	644	249	140
Less: Net acquisition of non-financial assets from transactions	2 856	2 468	2 710
Net lending/(borrowing)	(2 213)	(2 219)	(2 569)

**Table C.3: General government sector operating statement – historical series
(continued)**

Comprehensive operating statement for the year ending June

(\$ million)

	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
Revenue from transactions			
Taxation	15 986	16 669	17 520
Interest	845	846	845
Dividends and income tax equivalent and rate equivalent revenue	640	535	725
Sales of goods and services	6 588	6 699	6 832
Grants	22 907	23 711	24 437
Other current revenue	1 842	1 851	1 812
Total revenue from transactions	48 807	50 311	52 171
Expenses from transactions			
Employee expenses	17 386	18 277	19 021
Superannuation interest expense	900	907	906
Other superannuation	1 729	1 755	1 777
Depreciation	2 538	2 646	2 706
Interest expense	1 959	2 199	2 317
Other operating expenses	16 270	16 348	16 980
Grants and other transfers	7 875	8 018	8 282
Total expenses from transactions	48 657	50 150	51 990
Net result from transactions – Net operating balance	150	161	181
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	235	95	80
Net gain/(loss) on financial assets or liabilities at fair value	2	2	2
Net actuarial gains/(losses) of superannuation defined benefits plans	..	..	..
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends			
Other gains/(losses) from other economic flows	(192)	(195)	(193)
Total other economic flows included in net result	45	(97)	(111)
Net result	194	63	70
Other economic flows – Other movements in equity			
Net gain on financial assets at fair value	..	..	..
Movement of non-financial asset reserves	1 843	6 642	2 671
Net gain on equity investments in other sector entities at proportional share of the carrying amount of net assets/(liabilities)	464	331	(191)
Other movements in equity	3	4	4
Total other economic flows – Other movements in equity	2 310	6 978	2 484
Comprehensive result – Total change in net worth	2 505	7 041	2 553
FISCAL AGGREGATES			
Net operating balance	150	161	181
Less: Net acquisition of non-financial assets from transactions	2 157	74	464
Net lending/(borrowing)	(2 007)	87	(283)

Source: Department of Treasury and Finance

Note:

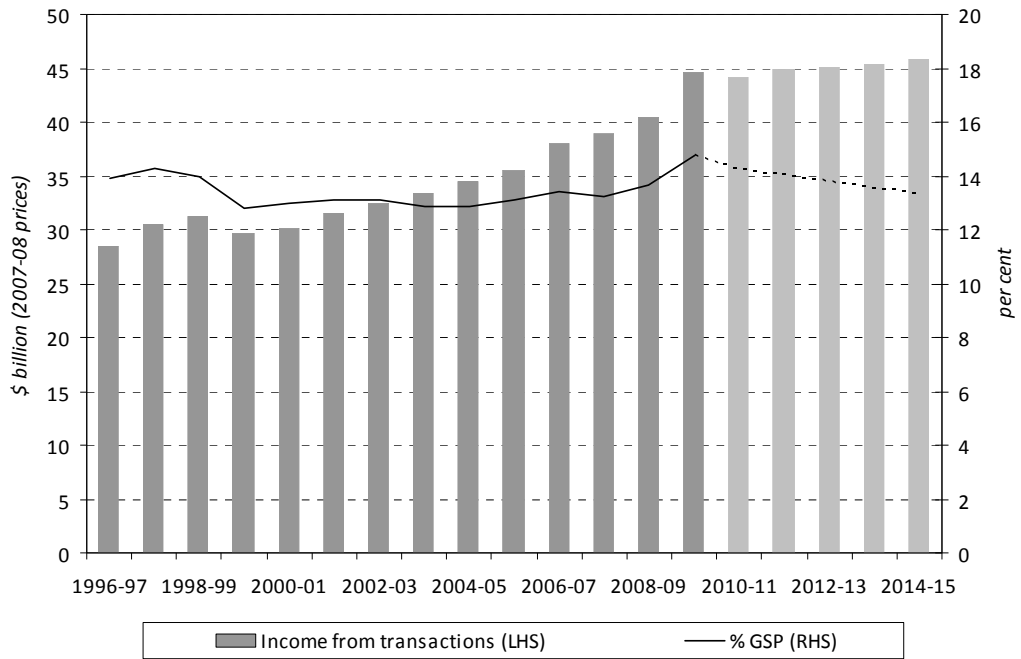
(a) Significant income and other gains were recorded in 1996-97, 1997-98 and 1998-99 from business asset sales. More information is provided in footnote (b) to Table A.1, and in the Budget Papers for those years.

Table C.4: General government accrual aggregates

Year	Income from transactions			Expenses from transactions			Net Result from transactions 2009-10 prices (\$ billion)
	2009-10 prices (\$ billion)	change %	% GSP	2009-10 prices (\$ billion)	change %	% GSP	
1996-97	28.4		13.9	25.5		12.5	2.9
1997-98	30.5	7.4	14.3	28.5	11.6	13.3	2.1
1998-99	31.2	2.3	13.9	27.3	-4.2	12.2	3.9
1999-00	29.7	-4.8	12.8	27.5	0.8	11.8	2.2
2000-01	30.2	1.6	13.0	28.7	4.4	12.3	1.5
2001-02	31.5	4.2	13.1	29.5	2.9	12.3	2.0
2002-03	32.5	3.1	13.1	30.6	3.8	12.4	1.8
2003-04	33.4	3.0	12.8	32.3	5.4	12.4	1.1
2004-05	34.4	3.0	12.8	33.5	3.7	12.5	0.9
2005-06	35.5	3.2	13.1	34.6	3.3	12.8	0.9
2006-07	38.0	7.0	13.4	36.5	5.6	12.9	1.5
2007-08	38.9	2.5	13.2	37.2	1.9	12.7	1.7
2008-09	40.5	4.0	13.7	40.2	8.1	13.6	0.3
2009-10	44.6	10.1	14.8	43.9	9.2	14.6	0.6
2010-11	44.1	-1.1	14.2	43.8	-0.2	14.1	0.2
2011-12	44.9	1.9	14.0	44.8	2.1	14.0	0.1
2012-13	45.1	0.4	13.8	44.9	0.3	13.7	0.1
2013-14	45.3	0.5	13.5	45.2	0.5	13.5	0.1
2014-15	45.9	1.2	13.4	45.7	1.2	13.3	0.2

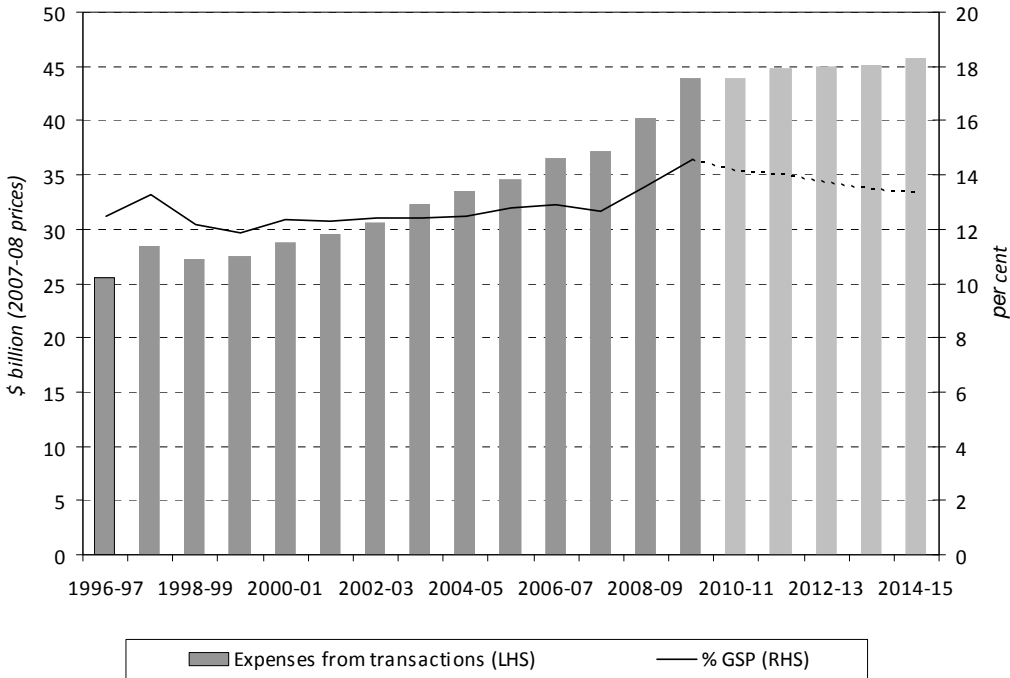
Source: Department of Treasury and Finance

Chart C.4: General government income from transactions



Source: Department of Treasury and Finance

Chart C.5: General government expenses from transactions



Source: Department of Treasury and Finance

Table C.5: General government operating expenses by purpose – historical series

(\$ million)

	1961-62	1962-63	1963-64	1964-65	1965-66
	Actual	Actual	Actual	Actual	Actual
General public services	21	20	20	22	24
Public order and safety	29	31	33	35	37
Primary and secondary	67	76	86	93	104
University	20	25	29	33	39
Technical and further education	..	..	..	..	..
Other tertiary	..	..	..	..	..
Other	9	10	11	12	13
Education	98	111	126	138	156
Acute care institutions	28	30	31	33	36
Other health institutions	15	15	16	17	18
Community health services	2	2	2	2	2
Pharmaceutical	3	3	4	4	4
Other	3	4	4	5	5
Health	51	55	57	61	66
Social security	..	..	..	..	..
Welfare services	1	1	1	1	1
Other	7	7	7	8	8
Social security and welfare	8	8	8	9	9
Housing and community development	1	1	1	1	1
Water supply	..	..	..	..	..
Sanitation and protection of the environment	1	..	1	..	..
Other community amenities	..	..	..	..	..
Housing and community amenities	1	1	2	1	2
Recreational facilities and services	2	2	2	2	3
Cultural facilities and services	2	2	2	2	2
Broadcasting and film production	..	..	..	..	..
Other recreation and culture	..	..	..	..	..
Recreation and culture	4	4	4	5	5
Fuel and energy	..	..	..	..	..
Agriculture, forestry and fishing	11	11	15	15	15
Mining, manufacturing and construction	2	2	2	2	2
Road transport	16	17	18	20	21
Water transport	1	1	2	1	1
Rail transport	15	16	16	15	16
Air transport	..	..	..	..	..
Communications and other transport	18	18	19	20	21
Transport and communications	50	52	55	56	59
Other economic affairs	5	6	6	6	7
Other purposes	97	103	110	120	130
Total GFS expenses^(a)	376	402	439	470	510

1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
26	28	30	34	37	34	37	51	65
40	44	47	52	59	69	80	101	134
115	124	145	168	198	235	292	364	497
45	65	74	80	111	126	158	199	286
1	1	1	9	11	12	13	18	26
..
14	16	17	19	21	26	31	37	64
175	204	236	276	341	398	494	619	873
40	42	48	57	72	84	101	135	183
19	21	22	24	28	33	36	44	60
2	2	2	2	3	3	4	7	12
4	4	5	6	7	8	7	13	13
8	8	9	9	12	13	14	18	24
73	77	86	99	122	142	163	217	292
..	..	..	1	2	6	9	6	3
1	1	1	2	2	6	7	9	13
9	9	10	12	15	17	21	20	30
10	11	12	14	19	29	37	34	47
1	1	2	2	2	3	4	12	23
..	..	..	..	..	..	..	1	1
1	1	1	1	2	2	3	6	17
..
2	2	3	3	4	6	8	18	41
3	3	3	4	4	5	6	8	13
3	3	4	4	5	6	7	9	13
..
..	..	..	..	..	..	..	..	1
5	6	7	8	9	10	13	17	27
..
17	18	19	22	24	27	36	41	51
2	2	2	1	2	2	2	3	4
26	31	34	37	40	46	54	69	62
2	2	2	3	2	2	2	3	3
16	17	17	16	16	15	63	97	152
..
21	23	23	24	25	27	27	28	53
66	72	76	79	82	91	147	197	270
7	8	8	9	13	13	15	18	23
142	158	172	183	203	236	265	302	690
564	628	699	781	914	1 057	1 296	1 617	2 517

**Table C.5: General government operating expenses by purpose – historical series
(continued)**

(\$ million)

	1975-76	1976-77	1977-78	1978-79	1979-80
	Actual	Actual	Actual	Actual	Actual
General public services	82	100	112	128	136
Public order and safety	166	193	220	247	291
Primary and secondary	628	751	878	962	1 089
University	306	344	358	362	383
Technical and further education	34	42	43	51	59
Other tertiary	1	1	1	1	1
Other	81	98	110	120	133
Education	1 050	1 237	1 390	1 497	1 666
Acute care institutions	366	422	466	513	551
Other health institutions	77	91	101	108	124
Community health services	17	22	32	39	38
Pharmaceutical	6	2	1	3	1
Other	36	44	42	44	54
Health	502	581	641	706	768
Social security	9	6	9	9	7
Welfare services	18	21	33	41	47
Other	41	54	60	70	79
Social security and welfare	68	81	101	120	132
Housing and community development	29	29	34	18	19
Water supply	4	3	2	2	1
Sanitation and protection of the environment	19	15	13	15	14
Other community amenities	..	..	..	..	..
Housing and community amenities	52	47	49	35	34
Recreational facilities and services	20	21	25	28	32
Cultural facilities and services	17	21	27	29	35
Broadcasting and film production	..	..	..	..	..
Other recreation and culture	1	2	2	1	2
Recreation and culture	38	44	54	59	69
Fuel and energy	..	..	..	..	1
Agriculture, forestry and fishing	65	70	78	84	93
Mining, manufacturing and construction	6	7	7	- 12	32
Road transport	73	112	127	139	161
Water transport	4	5	5	5	6
Rail transport	170	192	211	230	238
Air transport	..	..	..	..	..
Communications and other transport	60	71	32	38	39
Transport and communications	307	379	374	412	444
Other economic affairs	28	34	38	43	47
Other purposes	822	966	1 106	1 220	1 419
Total GFS expenses^(a)	3 186	3 739	4 171	4 539	5 134

<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>	<i>1983-84</i>	<i>1984-85</i>	<i>1985-86</i>	<i>1986-87</i>	<i>1987-88</i>
<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
154	173	188	239	284	331	405	410
342	389	483	512	563	632	678	729
1 238	1 355	1 529	1 778	1 881	1 994	2 089	2 188
415	458	489	532	538	654	673	760
72	152	183	204	222	259	288	305
1	1	6	3	15	17	23	4
160	171	191	191	211	260	293	345
1 887	2 137	2 399	2 708	2 867	3 186	3 366	3 601
633	699	788	877	1 238	1 382	1 572	1 726
141	153	183	205	216	243	267	323
37	55	63	68	128	114	119	159
2	3	3	3	1	1	2	2
74	91	98	119	250	263	274	332
888	1 002	1 134	1 271	1 834	2 003	2 234	2 542
5	5	5	5	83	88	93	97
55	71	91	84	208	246	327	329
74	85	101	126	4	1	1	..
134	161	197	215	296	334	421	426
24	34	97	112	212	210	218	222
17	20	25	29	53	65	31	32
15	19	23	26	26	23	18	18
..	..	..	..	..	..	..	1
56	73	145	167	291	299	268	274
36	44	58	43	58	82	87	96
33	37	36	25	61	62	67	69
..	..	..	1	6	4	4	4
2	4	5	7	7	3	1	..
72	85	100	75	133	152	159	170
3	2	6	46	20	32	32	22
100	116	149	159	213	168	193	207
39	45	50	66	59	94	64	66
171	214	284	283	279	362	334	376
10	10	12	14	14	14	20	17
235	275	375	230	231	274	374	307
..
44	53	65	227	257	249	478	326
460	552	735	753	781	899	1 206	1 027
68	82	93	148	268	251	198	189
1 672	1 983	2 386	2 519	2 700	2 922	3 228	3 721
5 875	6 801	8 063	8 878	10 311	11 302	12 450	13 384

**Table C.5: General government operating expenses by purpose – historical series
(continued)**

(\$ million)

	1988-89	1989-90	1990-91	1991-92	1992-93
	Actual	Actual	Actual	Actual	Actual
General public services	448	443	454	477	423
Public order and safety	830	978	1 052	1 122	1 175
Primary and secondary	2 451	2 564	2 504	2 783	2 765
University	726	736	630	572	499
Technical and further education	343	372	386	418	450
Other tertiary	5	7	230	267	19
Other	306	331	320	333	336
Education	3 833	4 010	4 069	4 373	4 070
Acute care institutions	1 881	2 025	2 286	2 376	2 261
Other health institutions	356	387	306	311	353
Community health services	161	174	200	220	253
Pharmaceutical	..	..	..	..	..
Other	415	467	411	396	408
Health	2 813	3 052	3 204	3 302	3 274
Social security	105	111	105	134	148
Welfare services	396	442	586	640	704
Other	..	..	1	1	1
Social security and welfare	501	554	692	775	852
Housing and community development	262	359	383	431	461
Water supply	33	39	36	42	27
Sanitation and protection of the environment	18	23	27	26	25
Other community amenities	..	..	1	5	6
Housing and community amenities	313	421	447	504	519
Recreational facilities and services	138	154	151	136	134
Cultural facilities and services	83	92	77	92	95
Broadcasting and film production	4	4	3	3	3
Other recreation and culture	..	..	..	1	2
Recreation and culture	225	250	231	232	233
Fuel and energy	8	20	17	14	58
Agriculture, forestry and fishing	215	229	253	257	262
Mining, manufacturing and construction	46	47	32	42	47
Road transport	421	431	484	514	482
Water transport	15	9	6	3	3
Rail transport	317	1	1	..	..
Air transport	..	..	..	..	..
Communications and other transport	323	675	724	676	660
Transport and communications	1 076	1 116	1 214	1 193	1 145
Other economic affairs	173	184	200	204	188
Other purposes	4 098	4 604	4 708	5 060	5 541
Total GFS expenses^(a)	14 579	15 908	16 572	17 555	17 786

<i>1993-94</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-00</i>	<i>2000-01</i>
<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
391	350	332	376	464	125	462	837
1 202	1 251	1 301	1 505	1 761	1 784	1 965	2 005
2 699	2 669	2 850	2 963	3 312	3 987	4 279	4 708
149	143	148	159	118	..	..	..
432	454	540	533	727	909	941	1 115
..	..	..	..	43	..	..	..
347	372	343	396	434	310	332	367
3 627	3 638	3 881	4 051	4 634	5 205	5 552	6 190
2 112	2 133	2 377	2 425	2 491	3 651	3 832	4 337
331	351	364	390	253	187	191	211
230	253	251	254	..	838	889	976
..	..	9	11	..	35	39	40
463	431	499	515	1 265	51	52	53
3 136	3 168	3 501	3 595	4 010	4 763	5 003	5 619
186	222	216	236	244	..	..	..
674	745	524	543	922	1 366	1 497	1 665
1	1	..	..	..	2	..	..
861	967	740	779	1 167	1 367	1 497	1 665
407	453	416	454	445	357	359	675
22	24	22	30	20	55	97	81
27	30	22	33	42	30	33	56
..	..	..	..	2	336	368	434
456	508	460	517	508	778	856	1 245
157	128	138	147	180	329	391	410
95	108	112	123	157	130	205	220
4	6	6	12	1	..	13	15
..	..	..	7	1	10	5	16
256	242	256	289	339	469	614	661
20	68	216	22	9	126	55	71
263	289	273	331	376	503	434	432
31	45	59	47	56	30	20	12
502	573	475	662	799	1 118	1 157	1 206
3	11	11	12	4	4	12	2
..	..	9	10	43	888	946	997
..
612	321	452	390	394	24	29	44
1 118	905	947	1 074	1 239	2 034	2 144	2 249
176	217	207	195	124	280	211	235
5 856	5 519	5 441	4 956	4 571	1 701	1 407	1 498
17 392	17 167	17 615	17 737	19 259	19 166	20 219	22 721

**Table C.5: General government operating expenses by purpose – historical series
(continued)**

(\$ million)

	2001-02	2002-03	2003-04	2004-05	2005-06
	Actual	Actual	Actual	Actual	Actual
General public services ^(b)	642	431	702	579	729
Public order and safety	2 110	2 390	2 502	2 808	3 165
Primary and secondary	5 102	5 267	5 531	5 854	6 225
University	..	87	74	74	228
Technical and further education	1 146	1 185	1 262	1 357	1 446
Other tertiary	..	..	..	..	..
Other	391	436	443	651	614
Education	6 639	6 975	7 310	7 936	8 513
Acute care institutions	4 683	5 210	5 585	6 027	6 426
Other health institutions	231	30	32	33	34
Community health services	1 085	1 003	960	1 059	1 186
Pharmaceutical	46	58	59	75	80
Other	57	490	512	521	556
Health	6 101	6 790	7 148	7 715	8 282
Social security	..	..	..	..	..
Welfare services	1 832	1 934	2 077	2 286	2 421
Other	..	..	..	..	..
Social security and welfare	1 832	1 934	2 077	2 286	2 421
Housing and community development	856	601	498	998	1 007
Water supply	104	188	162	182	165
Sanitation and protection of the environment	69	224	166	252	238
Other community amenities	393	377	412	502	535
Housing and community amenities	1 422	1 390	1 238	1 934	1 945
Recreational facilities and services	434	458	409	379	550
Cultural facilities and services	224	250	213	265	277
Broadcasting and film production	21	39	38	..	..
Other recreation and culture	11	2	2	..	..
Recreation and culture	690	748	661	644	827
Fuel and energy	71	23	108	48	63
Agriculture, forestry and fishing	433	353	449	276	267
Mining, manufacturing and construction	23	17	31	22	91
Road transport	1 284	1 449	1 400	1 640	1 375
Water transport	2	2	2	13	12
Rail transport	1 009	988	1 924	1 282	1 619
Air transport	..	..	..	..	..
Communications and other transport	51	91	80	81	164
Transport and communications	2 346	2 530	3 406	3 016	3 169
Other economic affairs	327	351	317	356	394
Other purposes	1 443	1 628	1 597	1 410	1 112
Total GFS expenses ^(a)	24 079	25 559	27 547	29 029	30 977

2006-07	2007-08	2008-09	2009-10	2010-11 ^(c)	2011-12 ^(c)	2012-13 ^(c)	2013-14 ^(c)	2014-15 ^(c)
Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
507	269	601	873	665	720	709	642	751
3 613	3 885	4 253	4 125	5 040	5 138	5 307	5 454	5 577
6 705	7 037	7 811	8 894	..	..	..	..	..
267	127	108	103	..	..	..	..	..
1 345	1 592	1 718	1 924	..	..	..	..	..
..
764	870	914	958	..	..	..	..	..
9 082	9 626	10 551	11 880	12 173	12 801	13 344	13 672	13 973
6 847	7 366	7 945	8 831	..	..	..	..	..
40	45	45	62	..	..	..	..	..
1 286	1 439	1 518	1 699	..	..	..	..	..
102	109	118	176	..	..	..	..	..
586	766	952	770	..	..	..	..	..
8 860	9 726	10 578	11 538	12 320	12 705	12 924	13 500	13 805
..	..	..	293	..	..	..	..	..
2 533	2 818	3 015	2 961	..	..	..	..	..
..
2 533	2 818	3 015	3 255	3 473	3 063	3 016	2 731	3 193
1 328	1 460	1 692	2 345	..	..	..	..	..
228	222	214	164	..	..	..	..	..
290	328	366	391	..	..	..	..	..
537	762	656	158	..	..	..	..	..
2 383	2 772	2 928	3 059	3 097	3 474	3 646	3 859	3 943
450	319	324	359	..	..	..	..	..
289	391	474	459	..	..	..	..	..
..
..
739	710	798	818	755	817	805	729	852
100	36	19	21	18	19	19	17	20
404	575	502	509	701	683	638	658	672
20	27	20	33	19	21	20	18	22
1 603	1 742	1 949	1 951	..	..	..	..	..
12	15	12	13	..	..	..	..	..
1 787	1 882	1 875	2 402	..	..	..	..	..
..
166	205	225	220	..	..	..	..	..
3 568	3 845	4 060	4 585	4 828	4 738	4 843	5 293	5 410
378	392	471	554	517	511	503	455	532
1 286	1 170	1 226	2 686	1 329	2 609	2 883	3 122	3 239
33 473	35 850	39 023	43 935	44 934	47 299	48 657	50 150	51 990

Source: 1998-2002 to 2010-15 Department of Treasury and Finance; 2002-10 ABS Catalogue 5512.0.

**Table C.5: General government operating expenses by purpose – historical series
(continued)**

Notes:

- (a) Total GFS expenses – accruals basis. Estimated superannuation expenses have not been allocated by purpose. Estimated depreciation expense not available prior to 1974-75.
- (b) General Public Services in the forward estimates includes contingencies not allocated to departments.
- (c) Detailed estimates are not available.

APPENDIX D – COMPLIANCE INDEX – REQUIREMENTS OF THE *FINANCIAL MANAGEMENT ACT 1994*

The provisions of the *Financial Management Act 1994* have been complied with in these budget papers. Table D1 details these requirements together with appropriate references in the document.

Table D1: Statements required by the *Financial Management Act 1994* and their location in the 2011-12 Budget

<i>Relevant section of the Act and corresponding requirement</i>	<i>Location</i>
Sections 23E-G of the <i>Financial Management Act 1994</i> Statement of financial policy objectives and strategies for the year.	Budget Paper No. 2, Chapter 1 <i>Economic and Fiscal Overview</i> Budget Paper No. 5, Chapter 1 <i>Estimated Financial Statements and Notes</i>
Sections 23H-J of the <i>Financial Management Act 1994</i> Estimated financial statements for the year comprising: – an estimated statement of financial performance – an estimated statement of financial position at the end of the year – an estimated statement of cash flows for the year – a statement of the accounting policies on which these statements are based and explanatory notes	Budget Paper No. 5, Chapter 1 <i>Estimated Financial Statements and Notes</i>
Section 23K of the <i>Financial Management Act 1994</i> Accompanying statements in association with each set of estimated financial statements comprising: – a statement of the material economic and other assumptions that have been used in preparing the estimated financial statements – a discussion of the sensitivity of the estimated financial statements to changes in those economic and other assumptions	Budget Paper No. 2, Chapter 2 <i>Economic Context</i> Budget Paper No. 2, Chapter 3 <i>Budget Position and Outlook</i> Budget Paper No. 5, Chapter 1, <i>Estimated Financial Statements and Notes</i> Budget Paper No. 2, Appendix B <i>Sensitivity Analysis Table</i>

Table D1: Statements required by the *Financial Management Act 1994* and their location in the *2011-12 Budget (continued)*

<i>Relevant section of the Act and corresponding requirement</i>	<i>Location</i>
<ul style="list-style-type: none"> – an overview of the estimated tax expenditures for the financial years covered by the estimated financial statements – a statement of risks that may have a material effect on the estimated financial statements 	<p>Budget Paper No. 5, Chapter 5 <i>Tax Expenditures and Concessions</i></p> <p>Budget Paper No. 2, Chapter 2 <i>Economic Context</i></p> <p>Budget Paper No. 2, Chapter 3 <i>Budget Position and Outlook</i></p> <p>Budget Paper No. 5, Chapter 6 <i>Contingent Assets and Contingent Liabilities</i></p>
<p>Section 26(1) of the <i>Financial Management Act 1994</i></p> <p>A quarterly financial report for each quarter of each financial year.</p>	<p>Budget Paper No. 5, Chapter 1 <i>Estimated Financial Statements and Notes</i></p> <p>Budget Paper No. 5, Appendix B <i>Revised 2010-11 Budget Outcome for the Victorian general government sector incorporating the financial report for the March Quarter</i></p>
<p>Section 40 of the <i>Financial Management Act 1994</i></p> <p>A statement of information under departmental headings setting out:</p> <ul style="list-style-type: none"> – a description of the goods and services to be produced or provided by each department during the period to which the statement related, together with comparative information for the preceding financial year – a description of the amount available or to be available to each department during the period to which the statement relates, whether appropriated by the Parliament for that purpose or otherwise received or to be received by the department, together with comparative figures for the preceding financial year – the estimated amount of the receipts and receivables of each department during the period to which the statement relates, together with comparative figures for the preceding financial year 	<p>Budget Paper No. 3, Chapter 3 <i>Departmental Output Statements</i></p> <p>Budget Paper No. 5, Chapter 3 <i>Departmental Estimated Financial Statements</i></p>
<p>Section 16B of the <i>Audit Act 1994</i></p> <p>The Auditor-General review and report on the estimated financial statements to ensure they are consistent with accounting convention and that the methodologies and assumptions used are reasonable.</p>	<p>Budget Paper No. 5, Chapter 1, <i>Estimated Financial Statements and Notes</i></p>

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 variations 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
..	zero, or rounded to zero
(xxx.x)	negative numbers
200x – 0x	year period

The notation used in the text is as follows:

–xxx.x	negative numbers within text.
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