



Victorian Budget
2024/25

Quarterly Financial Report No. 1

Presented by Tim Pallas MP
Treasurer of the State of Victoria



ACKNOWLEDGEMENT OF COUNTRY

The Victorian Department of Treasury and Finance acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history. We proudly acknowledge Victoria's Aboriginal communities and recognise the value and ongoing contribution of Aboriginal people and communities to Victorian life. We pay our respect to Elders past and present and emerging.

As we work to ensure Victorian Aboriginal communities continue to thrive, the Government acknowledges the invaluable contributions of generations that have come before us, who have fought tirelessly for the rights of their people and communities towards self-determination. We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples towards improved cultural, social and economic outcomes.



'lim-ba nindee thana warn-ga-ilee'
(Preserve our Dreaming Lore) – Gonnai Language
Bitja (Dixon Patten Jnr) Yorta Yorta, Gonnai,
Gunditjmara and Dhudhuroa of Bayila Creative

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

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

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OVERVIEW

This financial report presents the financial results for the Victorian general government sector for the three months to 30 September 2024, prepared in accordance with the *Financial Management Act 1994*.

The Victorian economy continues to grow, and the labour market is healthy. High inflation and elevated interest rates have slowed growth, as is the case nationally and globally. However, the Victorian economy has proved resilient, with economic growth supported by business investment, public investment and population growth.

State final demand rose by 2.1 per cent in the year to June 2024. This solid growth was achieved despite cost-of-living pressures and elevated interest rates weighing on spending. Real household consumption growth slowed in the year as consumers cut back on discretionary goods and services. Both business and public investment grew strongly in the year reflecting a solid project pipeline including significant energy and transport projects, and increased investment in machinery and equipment compared with the previous year.

Victoria's labour market remains healthy, with employment growing strongly over the year and a record-high share of Victorians in employment. Unemployment remains low by historical standards, at 4.4 per cent in September, however, it has risen due to a rise in workforce participation to a record high.

Strong population growth is supporting the Victorian economy. The Victorian population rose by 2.7 per cent over the year to March 2024.

FINANCIAL RESULTS FOR THE GENERAL GOVERNMENT SECTOR

For the three months to 30 September 2024, the net result from transactions for the general government sector recorded a deficit of \$1.7 billion, an improvement of \$803 million compared with the \$2.5 billion deficit for the corresponding period in the prior year. This result compares with a full-year budget deficit of \$2.2 billion.

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

Revenue and income from transactions

Total revenue for the three months to 30 September 2024 was \$23.2 billion. This is 24.2 per cent of the full-year budget estimate and an increase of \$2.6 billion compared with the same period last year.

Taxation revenue was \$8.9 billion, or 22.9 per cent of the full-year budget estimate. Taxation revenue increased by \$716 million when compared with the same time last year. This was primarily due to an increase in land transfer duty revenue resulting from growth in both settlement volumes and transaction prices, and higher payroll tax resulting from a strong labour market, including high employment levels and a robust wage growth in 2023-24 that continued into early 2024-25.

Dividends, income tax equivalent and rate equivalent income was \$472 million for the three months to 30 September 2024. This is 46.5 per cent of the full-year budget estimate and an increase of \$387 million compared with the same period last year. The increase was primarily due to increased distributions received from investments relating to the Victorian Future Fund and the Social Housing Growth Fund.

Grant revenue was \$10.9 billion, or 24.3 per cent of the full-year budget estimate. This is below the pro-rata budget, primarily due to the timing of Commonwealth grants. Grant revenue was \$1.4 billion higher when compared with the same period last year. This was primarily driven by higher goods and services tax (GST) grants due to an increase in the Victorian GST relativity and the national GST pool compared with the same period in the prior year, and higher grants from the Commonwealth relating to the Energy Bill Relief Payments.

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

Expenses from transactions

Total expenses for the three months to 30 September 2024 were \$24.9 billion, an increase of \$1.8 billion compared with the same time last year. This increase primarily reflects the increased spending on service delivery in the health sector, an increase in interest expense associated with additional borrowings and an increase in interest rates on borrowings, and increases in remuneration and associated costs in line with enterprise agreement outcomes.

Total expenses were \$335 million above pro-rata at 25.3 per cent of the budget estimate. The variance to the pro-rata budget is primarily due to the timing of remuneration and associated costs in line with enterprise agreement outcomes.

Other economic flows – Other comprehensive income

Other economic flows that are not included in the net result reflected a loss of \$305 million for the three months to 30 September 2024. This was primarily due to the remeasurement loss on the State's defined benefit superannuation liability of \$978 million that primarily arose due to a decrease in the bond yield that underlies the key superannuation valuation assumptions, partially offset by remeasurement gains on superannuation assets. This loss was partially offset by a gain resulting from the revaluation of assets in the health and creative agency sectors.

Balance sheet

Total assets increased by \$5.6 billion in the three months to 30 September 2024, mainly due to the continuous investments in the Government's infrastructure program.

Total liabilities increased by \$7.8 billion to \$239.6 billion as at 30 September 2024. This increase was primarily due to additional borrowings to finance the State's capital program.

Net debt increased by \$7.4 billion to \$140.7 billion as at 30 September 2024. This was mainly driven by an increase in borrowings as discussed above, partially offset by an increase in investments associated with the Victorian Homebuyer Fund, the Victorian Future Fund and the Social Housing Growth Fund.

Cash flow statement

The net cash flows from operating activities was a deficit of \$1.9 billion for the three months to 30 September 2024. The net cash flows from operating activities declined by \$1.3 billion from the equivalent period in the prior year, primarily relating to higher payments for goods and services and grants, including accrued local government grants received from the Commonwealth in June 2024.

Compared to the full-year budget surplus of \$1.8 billion, the deficit recorded for the first three months to 30 September 2024 was primarily driven by the timing of goods and services and grant payments.

Government infrastructure investment

The State continues to deliver its infrastructure program to support economic activity and jobs, growing community needs and ongoing productivity improvement. Government infrastructure investment, which includes general government net infrastructure investment (net of asset sales) and estimated construction-related cash outflows for Partnerships Victoria projects, totalled \$5.4 billion for the three months to 30 September 2024 (\$5.5 billion for the corresponding period in 2023).

CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT

For the period ended 30 September

(\$ million)

2023-24		2024-25		
actual			actual	published
30 Sep		Notes	30 Sep	budget
Revenue and income from transactions				
8 208	Taxation	2.1	8 923	38 979
401	Interest income		398	1 283
85	Dividends, income tax equivalent and rate equivalent income	2.2	472	1 015
1 569	Sales of goods and services	2.3	1 615	6 794
9 516	Grants	2.4	10 906	44 812
852	Other revenue and income	2.5	907	3 201
20 631	Total revenue and income from transactions		23 223	96 084
Expenses from transactions				
8 712	Employee expenses		9 477	36 538
181	Net superannuation interest expense	3.2	195	774
1 036	Other superannuation	3.2	1 140	3 872
1 187	Depreciation	4.2	1 328	5 234
1 212	Interest expense		1 553	6 502
3 824	Grant expense	3.3	4 272	17 619
6 963	Other operating expenses	3.4	6 940	27 737
23 116	Total expenses from transactions	3.6	24 904	98 276
(2 485)	Net result from transactions – Net operating balance		(1 682)	(2 191)
Other economic flows included in net result				
12	Net gain/(loss) on disposal of non-financial assets		20	11
12	Net gain/(loss) on financial assets or liabilities at fair value		(46)	80
..	Share of net profit/(loss) from associates/joint venture entities		..	32
(39)	Other gains/(losses) from other economic flows	6.1	(148)	(459)
(16)	Total other economic flows included in net result		(174)	(336)
(2 500)	Net result		(1 856)	(2 527)
Other economic flows – Other comprehensive income				
Items that will not be reclassified to net result				
(47)	Changes in non-financial assets revaluation surplus		586	6 787
2 034	Remeasurement of superannuation defined benefits plans	3.2	(978)	725
35	Other movements in equity		104	13
Items that may be reclassified subsequently to net result				
6	Net gain/(loss) on financial assets at fair value		(16)	25
..	Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets		..	(4 143)
2 028	Total other economic flows – Other comprehensive income		(305)	3 407
(472)	Comprehensive result – Total change in net worth		(2 161)	880
KEY FISCAL AGGREGATES				
(2 485)	Net operating balance		(1 682)	(2 191)
3 797	Less: Net acquisition of non-financial assets from transactions	3.8	3 443	9 088
(6 282)	Net lending/(borrowing)		(5 124)	(11 279)

CONSOLIDATED BALANCE SHEET

As at 30 September

(\$ million)

2023-24		2024-25			
actual			opening	actual	revised
30 Sep		Notes	1 Jul ^{(a)(b)}	30 Sep	budget ^(c)
Assets					
Financial assets					
16 332	Cash and deposits	5.2	14 310	14 332	14 784
5 480	Advances paid		6 421	6 377	6 342
8 745	Receivables and contract assets	2.6	10 163	9 428	10 738
12 483	Investments, loans and placements		14 866	15 625	16 407
1 181	Investments accounted for using the equity method		1 143	1 161	1 222
96 136	Investments in other sector entities		98 143	98 974	101 916
140 356	Total financial assets		145 047	145 897	151 410
Non-financial assets					
485	Inventories		404	330	372
100	Non-financial assets held for sale		232	242	228
253 364	Land, buildings, infrastructure, plant and equipment	4.1	269 690	273 295	285 716
6 826	Other non-financial assets	4.3	6 224	7 442	5 937
260 775	Total non-financial assets		276 551	281 310	292 254
401 131	Total assets		421 598	427 207	443 664
Liabilities					
1 761	Deposits held and advances received		1 525	1 577	1 520
6 975	Payables ^(d)	3.5	7 741	5 930	7 444
153 123	Borrowings	5.1	167 309	175 439	189 574
10 563	Employee benefits	3.1	11 122	11 574	11 105
17 181	Superannuation		18 226	19 368	18 122
2 821	Other provisions		3 446	3 138	3 026
22 396	Other liabilities ^(d)	2.7	22 411	22 524	22 176
214 820	Total liabilities		231 780	239 550	252 966
186 311	Net assets		189 818	187 657	190 698
Equity					
45 805	Accumulated surplus/(deficit)		43 354	40 614	41 565
140 506	Reserves		146 464	147 043	149 133
186 311	Net worth		189 818	187 657	190 698
FISCAL AGGREGATES					
(74 464)	Net financial worth		(86 733)	(93 653)	(101 556)
170 600	Net financial liabilities		184 877	192 627	203 472
120 589	Net debt		133 237	140 682	153 559

Notes:

- (a) On 1 July 2024, the previous State Electricity Commission of Victoria, established under the State Electricity Commission Act 1958 (SEC Act) was abolished by the commencement of the State Electricity Commission Amendment Act 2024 and the residual financial assets were transferred to the Department of Energy, Environment and Climate Action. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.
- (b) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.
- (c) Balances represent actual opening balances at 1 July 2024 plus 2024-25 budgeted movements.
- (d) The grant of a right to the operator liability, unearned income and contract liabilities line items previously disclosed within payables have now been disclosed within the Other liabilities line item to more accurately reflect the nature of these items.

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 September

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep	Notes	30 Sep	budget
Cash flows from operating activities			
Receipts			
8 688	Taxes received	9 623	38 488
9 583	Grants	10 983	44 811
1 650	Sales of goods and services ^(a)	1 638	7 389
404	Interest received	379	1 121
154	Dividends, income tax equivalent and rate equivalent receipts	474	1 043
505	Other receipts	806	2 097
20 985	Total receipts	23 903	94 949
Payments			
(8 362)	Payments for employees	(9 083)	(36 567)
(906)	Superannuation	(1 172)	(4 025)
(1 116)	Interest paid	(1 480)	(6 258)
(3 997)	Grants and subsidies	(5 089)	(17 485)
(6 939)	Goods and services ^(a)	(8 598)	(27 756)
(253)	Other payments	(390)	(1 060)
(21 572)	Total payments	(25 811)	(93 152)
(587)	Net cash flows from operating activities	(1 908)	1 797
Cash flows from investing activities			
Cash flows from investments in non-financial assets			
(4 250)	Purchases of non-financial assets	(4 085)	(17 669)
52	Sales of non-financial assets	48	677
(4 198)	Net cash flows from investments in non-financial assets	(4 037)	(16 991)
(259)	Net cash flows from investments in financial assets for policy purposes	(820)	(3 552)
(4 457)	Sub-total	(4 857)	(20 544)
(8 613)	Net cash flows from investments in financial assets for liquidity management purposes	(731)	(1 487)
(13 069)	Net cash flows from investing activities	(5 588)	(22 031)
Cash flows from financing activities			
(10)	Advances received (net)	(7)	(5)
10 145	Net borrowings	7 465	20 713
156	Deposits received (net)	59	..
10 291	Net cash flows from financing activities	7 518	20 707
(3 366)	Net increase/(decrease) in cash and cash equivalents	22	474
19 698	Cash and cash equivalents at beginning of reporting period ^(b)	14 310	14 310
16 332	Cash and cash equivalents at end of the reporting period	14 332	14 784
FISCAL AGGREGATES			
(587)	Net cash flows from operating activities	(1 908)	1 797
(4 198)	Net cash flows from investments in non-financial assets	(4 037)	(16 991)
(4 785)	Cash surplus/(deficit)	(5 945)	(15 194)

Notes:

(a) These items include goods and services tax.

(b) On 1 July 2024, the previous State Electricity Commission of Victoria, established under the State Electricity Commission Act 1958 (SEC Act) was abolished by the commencement of the State Electricity Commission Amendment Act 2024 and the residual financial assets were transferred to the Department of Energy, Environment and Climate Action. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September

(\$ million)

	Accumulated surplus/(deficit)	Contributions by owners	Non-financial assets revaluation surplus	Investment in other sector entities revaluation surplus	Other reserves	Total
2024-25						
Balance at 1 July 2024	43 405	..	98 544	46 381	1 528	189 859
Opening balance adjustment ^{(a)/(b)}	(51)	..	..	10	..	(41)
Restated balance at 1 July 2024	43 354	..	98 544	46 391	1 528	189 818
Net result for the year	(1 856)	..	..	..	..	(1 856)
Other comprehensive income for the year	(884)	..	586	..	(7)	(305)
Transfer to/(from) accumulated surplus	..	..	..	..	..	..
Total equity as at 30 September 2024	40 614	..	99 130	46 391	1 522	187 657
Budget equity as at 30 June 2025	41 565	..	105 332	42 248	1 554	190 698
2023-24						
Balance at 1 July 2023	45 889	..	91 269	48 245	1 380	186 783
Net result for the year	(2 500)	..	..	..	..	(2 500)
Other comprehensive income for the year	2 042	..	(47)	..	33	2 028
Transfer to/(from) accumulated surplus	375	..	(375)	..	..	..
Total equity as at 30 September 2023	45 805	..	90 847	48 245	1 413	186 311

Notes:

- (a) On 1 July 2024, the previous State Electricity Commission of Victoria, established under the State Electricity Commission Act 1958 (SEC Act) was abolished by the commencement of the State Electricity Commission Amendment Act 2024 and the residual financial assets were transferred to the Department of Energy, Environment and Climate Action. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.
- (b) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

1. ABOUT THIS REPORT

Basis of preparation

This September Quarterly Financial Report presents the unaudited financial report for the general government sector for the three months to 30 September 2024.

The detailed accounting policies applied in preparing the quarterly financial report are consistent with those applied for the financial statements published in the *2023-24 Financial Report* for the State of Victoria.

This quarterly financial report does not include all the notes normally included with the annual financial report, and therefore should be read in conjunction with the *2023-24 Financial Report*.

Statement of compliance

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

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

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

This quarterly financial report was authorised for issue by the Treasurer on 13 November 2024.

Basis of accounting and measurement

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

Reporting entity

The general government sector includes all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. The primary function of entities in the general government sector is to provide public services (outputs), which are mainly non-market in nature, for the collective consumption of the community, and involve the transfer or redistribution of revenue, which is financed mainly through taxes and other compulsory levies.

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

Basis of consolidation

The September Quarterly Financial Report includes all reporting entities in the general government sector that are controlled by the State. Information on entities consolidated for the general government sector is included in Note 6.2. In the process of reporting the general government sector as a single economic entity, all material transactions and balances in the sector are eliminated.

2. HOW FUNDS ARE RAISED

Introduction

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

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

2.1 Taxation

(\$ million)

2023-24		2024-25	
<i>actual</i>		<i>actual</i>	<i>published</i>
30 Sep		30 Sep	budget
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE			
2 376	Payroll tax	2 526	9 071
164	COVID Debt Levy – Payroll \$10m+	233	1 031
206	Mental Health and Wellbeing Levy	233	1 031
2 745	Total taxes on employers' payroll and labour force	2 992	11 133
TAXES ON IMMOVABLE PROPERTY			
215	Land tax	160	6 523
	COVID Debt Levy – Landholdings	(2)	1 258
817	Fire Services Property Levy	913	1 033
(2)	Congestion levy	3	118
67	Metropolitan improvement levy	41	214
	Windfall gains tax	14	109
1 097	Total taxes on property	1 128	9 256
TAXES ON THE PROVISION OF GOODS AND SERVICES			
Gambling taxes ^(a)			
155	Public lotteries	149	694
349	Electronic gaming machines	366	1 407
36	Casino	57	196
62	Racing and other sports betting	83	435
4	Other	5	18
Financial and capital transactions			
2 000	Land transfer duty	2 306	8 526
5	Metropolitan planning levy	5	21
41	Financial accommodation levy	47	207
67	Growth areas infrastructure contribution	32	336
38	Levies on statutory corporations	39	176
575	Taxes on insurance	634	2 191
3 332	Total taxes on the provision of goods and services	3 722	14 207
TAXES ON THE USE OF GOODS AND PERFORMANCE OF ACTIVITIES			
Motor vehicle taxes			
528	Vehicle registration fees	560	2 244
353	Duty on vehicle registrations and transfers	331	1 370
..	Liquor licence fees	1	31
153	Other	189	738
1 034	Total taxes on the use of goods and performance of activities	1 081	4 383
8 208	Total taxation	8 923	38 979

Note:

(a) The public lotteries, electronic gaming machines, casino, racing and other sports betting and other gambling taxes balances include gambling licence revenue to 30 September 2024 of \$ 42.3 million (30 September 2023: \$47.7 million) recognised under AASB 15. The balance of these items is recognised under AASB 1058.

2.2 Dividends, income tax equivalent and rate equivalent income (\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
..	Dividends from PFC sector	..	84
..	Dividends from PNFC sector	..	157
30	Dividends from non-public sector	422	549
30	Dividends	422	789
2	Income tax equivalent income from PFC sector	..	7
53	Income tax equivalent income from PNFC sector	50	213
55	Income tax equivalent income	50	221
..	Local government rate equivalent income	..	5
85	Total dividends, income tax equivalent and rate equivalent income	472	1 015

2.3 Sales of goods and services (\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
Amounts recognised as revenue from contracts with customers (AASB 15)			
23	Sale of goods	25	92
1 223	Provision of services	1 313	5 466
Amounts recognised as income of not-for-profit entities (AASB 1058)			
103	Motor vehicle regulatory fees	72	318
193	Other regulatory fees	175	823
..	Refunds and reimbursements	1	..
Amounts recognised as lease income (AASB 16)			
26	Rental	29	95
1 569	Total sales of goods and services	1 615	6 794

2.4 Grants ^(a) (\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
4 734	General purpose grants	5 494	23 487
1 194	Specific purpose grants for on-passing	1 275	6 000
3 570	Specific purpose grants	4 060	14 611
9 498	Total	10 829	44 098
18	Other contributions and grants	78	714
9 516	Total grants	10 906	44 812

Note:

(a) Grants predominantly relate to grants from the Commonwealth Government, which are recognised under AASB 1058. The State has not recognised any material grant revenue under AASB 15 in the current or previous year.

2.5 Other revenue and income

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
Amounts recognised as revenue from contracts with customers (AASB 15)			
35	Royalties	39	144
73	Other revenue – Health	89	261
192	Other miscellaneous revenue	297	631
Amounts recognised as income of not-for-profit entities (AASB 1058)			
116	Fair value of assets received free of charge or for nominal consideration ^(a)	44	98
174	Fines	186	946
61	Donations and gifts ^(b)	60	214
76	Other income – Education	64	373
Amounts recognised as lease income (AASB 16)			
9	Other non-property rental	11	31
Revenue items accounted for under AASB 1059			
116	Revenue related to economic service concession arrangements	116	502
852	Total other revenue and income	907	3 201

Note:

(a) The 2024-25 figure includes \$43 million (2023-24: \$115 million) relating to the progressive recognition of the contribution made by Cross Yarra Partnerships consortium (assets free of charge) to the Metro Tunnel settlement.

(b) Primarily relates to donations to health services from non-government sources.

2.6 Receivables and contract assets

(\$ million)

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul ^(a)	30 Sep	budget
Contractual				
1 085	Sales of goods and services	681	963	710
52	Accrued investment income	81	52	84
1 654	Other receivables	2 373	2 153	2 481
(183)	Allowance for impairment losses of contractual receivables	(158)	(159)	(155)
Statutory				
2	Sales of goods and services	1	..	1
5 361	Taxes receivable	6 477	5 793	6 853
2 638	Fines and regulatory fees	2 601	2 612	2 716
438	GST input tax credits recoverable	530	440	531
(2 303)	Allowance for impairment losses of statutory receivables	(2 424)	(2 427)	(2 482)
8 745	Total receivables and contract assets	10 163	9 428	10 738
Represented by:				
8 213	Current receivables and contract assets	9 392	8 655	9 968
532	Non-current receivables and contract assets	771	773	770

Note:

(a) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

2.7 Other liabilities

(\$ million)

<i>2023-24 actual 30 Sep</i>		<i>opening 1 Jul</i>	<i>2024-25 actual 30 Sep</i>	<i>revised budget</i>
372	Contract liabilities	477	482	478
19 885	Grant of a right to the operator liability	20 089	20 100	19 950
2 139	Unearned income	1 846	1 943	1 748
22 396	Total other liabilities	22 411	22 524	22 176
	Represented by:			
2 568	Current other liabilities	1 680	1 809	1 826
19 828	Non-current other liabilities	20 732	20 714	20 351

3. HOW FUNDS ARE SPENT

Introduction

This section represents the major components of expenditure incurred by the general government sector towards the delivery of services and on capital or infrastructure projects during the period, as well as any related obligations outstanding as at 30 September 2024.

3.1 Employee expenses and provision for employee benefits liabilities

Employee expenses (Operating statement)

Employee expenses in the operating statement are a major component of operating costs and include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements and redundancy payments. More than 93 per cent of employee expenses in the operating statement are wages and salaries. Employee expenses are recognised in the period in which the employee provides the services.

Provision for employee benefits (Balance sheet)

As part of annual operations, the State provides for benefits accruing to employees but payable in future periods in respect of wages and salaries, annual leave and long service leave, and related on-costs for services rendered to the reporting date. In measuring employee benefits, significant judgement is applied in determining expected future wage and salary levels, experience of employee departures and periods of service. Future payments expected to be made after 12 months are discounted to reflect the estimated timing and amount of benefit payment. The table below shows the key components of this provision as at 30 September 2024.

Provision for employee benefits (Balance sheet)

(\$ million)

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul ^(a)	30 Sep	budget
	Current			
861	Accrued salaries and wages	820	1 167	475
124	Other employee benefits	138	128	138
2 765	Annual leave	3 041	2 983	3 075
5 614	Long service leave	6 027	6 184	6 172
9 364	Total current employee benefits and on-costs	10 027	10 462	9 860
	Non-current			
1 199	Long service leave	1 095	1 112	1 245
1 199	Total non-current employee benefits and on-costs	1 095	1 112	1 245
10 563	Total employee benefits and on-costs	11 122	11 574	11 105

Note:

(a) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

3.2 Superannuation (Operating statement)

(\$ million)

2023-24		2024-25	
actual 30 Sep		actual 30 Sep	published budget
Defined benefit plans			
181	Net superannuation interest expense	195	774
284	Current service cost	261	1 037
Remeasurements:			
(214)	Expected return on superannuation assets excluding interest income	(183)	(725)
324	Other actuarial (gain)/loss on superannuation assets	(361)	..
(2 144)	Actuarial and other adjustments to unfunded superannuation liability	1 522	..
(1 569)	Total expense recognised in respect of defined benefit plans	1 434	1 086
Defined contribution plans			
741	Employer contributions to defined contribution plans	852	2 732
11	Other (including pensions)	27	103
752	Total expense recognised in respect of defined contribution plans	879	2 835
(817)	Total superannuation (gain)/expense recognised in operating statement	2 313	3 921
Represented by:			
181	Net superannuation interest expense	195	774
1 036	Other superannuation	1 140	3 872
1 216	Superannuation expense from transactions	1 335	4 646
(2 034)	Remeasurement recognised in other comprehensive income	978	(725)
(817)	Total superannuation costs recognised in operating statement	2 313	3 921

3.3 Grant expense

(\$ million)

2023-24		2024-25	
actual 30 Sep		actual 30 Sep	published budget
Current grant expense			
775	Commonwealth Government	831	3 297
64	Local government (including grants for on-passing)	137	1 476
1 204	Private sector and not-for-profit on-passing	1 286	5 235
1 111	Other private sector and not-for-profit	1 266	4 769
581	Grants within the Victorian Government	610	2 339
10	Grants to other state governments	17	102
3 745	Total current grant expense	4 145	17 218
Capital grant expense			
16	Local government (including grants for on-passing)	47	191
52	Private sector and not-for-profit on-passing	62	187
..	Other private sector and not-for-profit	2	4
10	Grants within the Victorian Government	16	..
1	Other grants	..	19
79	Total capital grant expense	127	401
3 824	Total grant expense	4 272	17 619

3.4 Other operating expenses

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
1 395	Purchase of supplies and consumables	1 243	8 392
25	Cost of goods sold	7	33
14	Finance expenses and fees	18	27
4 462	Purchase of services	4 716	16 386
89	Insurance claims expense	199	369
288	Maintenance	317	1 352
28	Short-term and low value lease expense	31	100
663	Other	408	1 079
6 963	Total other operating expenses	6 940	27 737

3.5 Payables (a)

(\$ million)

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul ^(b)	30 Sep	budget
Contractual				
1 609	Accounts payable	1 456	1 008	1 461
5 315	Accrued expenses	6 219	4 842	5 915
Statutory				
52	Accrued taxes payable	67	80	67
6 975	Total payables	7 741	5 930	7 443
Represented by:				
6 821	Current payables	7 582	5 776	7 284
154	Non-current payables	159	153	159

Notes:

(a) The grant of a right to the operator liability, unearned income and contract liabilities line items previously disclosed within this note are now separately disclosed in Note 2.7 to more accurately reflect the nature of these items.

(b) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

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

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

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
1 918	General public services	2 429	10 055
2 710	Public order and safety	2 969	11 313
654	Economic affairs	634	3 013
265	Environmental protection	252	1 021
396	Housing and community amenities	472	2 630
7 293	Health	7 968	29 995
615	Recreation, culture and religion	306	1 158
5 400	Education	5 817	24 132
1 924	Social protection	2 214	8 424
1 955	Transport	2 025	8 441
(14)	Not allocated by function ^(a)	(182)	(1 906)
23 116	Total Expenses by COFOG	24 904	98 276

Note:

(a) Mainly comprises departmental underspending and eliminated purchases of supplies and consumables between government entities.

Total expenses by portfolio department (\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
Expenses from transactions			
5 147	Education	5 516	22 016
920	Energy, Environment and Climate Action	716	3 114
1 947	Families, Fairness and Housing	2 253	8 158
398	Government Services	423	2 147
7 412	Health	8 064	27 874
847	Jobs, Skills, Industry and Regions	982	4 385
2 771	Justice and Community Safety	2 842	9 632
126	Premier and Cabinet	171	546
2 138	Transport and Planning	2 326	8 617
3 220	Treasury and Finance	3 366	14 198
86	Parliament	91	381
208	Courts	240	887
856	Regulatory bodies and other part funded agencies ^(a)	947	3 321
26 076	Total expenses by department	27 937	105 275
(2 960)	Less eliminations and adjustments ^(b)	(3 033)	(6 999)
23 116	Total expenses	24 904	98 276

Notes:

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

(b) Mainly comprising payroll tax (including the COVID Debt Levy – Payroll \$10m+), the Mental Health and Wellbeing Levy and interdepartmental transfers. The budget includes contingencies not allocated to departments and estimated departmental underspend.

3.7 Purchases of non-financial assets by portfolio department

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
631	Education	517	2 729
46	Energy, Environment and Climate Action	57	286
6	Families, Fairness and Housing	3	71
61	Government Services	21	108
212	Health	335	2 253
58	Jobs, Skills, Industry and Regions	88	186
119	Justice and Community Safety	114	459
2	Premier and Cabinet	1	15
3 039	Transport and Planning	2 830	8 078
5	Treasury and Finance	3	15
2	Parliament	2	7
35	Courts	48	307
13	Regulatory bodies and other part funded agencies ^(a)	63	327
4 230	Total purchases of non-financial assets by department	4 082	14 841
20	Eliminations and adjustments ^(b)	3	2 828
4 250	Total purchases of non-financial assets	4 085	17 669

Notes:

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

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

3.8 Net acquisition of non-financial assets from transactions

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
4 230	Purchases of non-financial assets (including change in inventories)	4 085	17 646
(52)	Less: Sales of non-financial assets	(48)	(677)
(1 187)	Less: Depreciation and amortisation	(1 328)	(5 234)
807	Plus/(less): Other movements in non-financial assets	734	(2 646)
3 797	Total net acquisition of non-financial assets from transactions	3 443	9 088

4. MAJOR ASSETS AND INVESTMENTS

Introduction

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

4.1 Total land, buildings, infrastructure, plant and equipment (\$ million)

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul ^(a)	30 Sep	budget
51 858	Buildings	60 469	60 569	59 378
95 390	Land and national parks	95 974	96 201	98 891
1 251	Infrastructure	1 318	1 307	1 250
3 959	Plant, equipment and vehicles	4 302	4 248	4 018
32 641	Roads and road infrastructure	32 660	32 380	35 002
12 170	Earthworks	12 370	12 370	12 456
6 759	Cultural assets	6 810	6 821	6 934
49 336	Construction in progress ^(b)	55 789	59 399	67 788
253 364	Total land, buildings, infrastructure, plant and equipment	269 690	273 295	285 717

Notes:

(a) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

(b) Assets that are currently being constructed which were previously disclosed under their relevant asset class are now reflected in the new Construction in progress line.

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

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

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul	30 Sep	budget
8 783	Buildings	9 683	9 558	9 196
..	Infrastructure	2	2	3
367	Plant, equipment and vehicles	643	622	551
9 150	Total right-of-use assets: buildings, infrastructure, plant and equipment	10 329	10 182	9 750

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

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul	30 Sep	budget
2 017	Buildings	2 418	2 400	2 350
3 353	Land and national parks	3 381	3 381	3 729
297	Plant, equipment and vehicles	318	311	290
7 708	Roads and road infrastructure	7 534	7 475	8 115
1 056	Earthworks	1 056	1 056	1 130
18 400	Construction in progress ^(a)	21 100	21 578	22 007
32 830	Total service concession assets: land, buildings, infrastructure, plant and equipment	35 806	36 201	37 622

Note:

(a) Assets that are currently being constructed which were previously disclosed under their relevant asset class are now reflected in the new Construction in progress line.

4.2 Depreciation

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
650	Buildings	767	2 900
10	Infrastructure	11	67
192	Plant, equipment and vehicles	215	850
277	Roads and road infrastructure	283	1 086
5	Cultural assets	3	12
53	Intangible produced assets	48	318
1 187	Total depreciation	1 328	5 234

The following two tables are subsets of total depreciation expense.

Depreciation of right-of-use (leased) assets

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
158	Buildings	177	803
27	Plant, equipment and vehicles	30	117
186	Total depreciation of right-of-use assets	207	920

Depreciation of service concession assets

(\$ million)

2023-24		2024-25	
actual		actual	published
30 Sep		30 Sep	budget
18	Buildings	19	61
7	Plant, equipment and vehicles	8	28
58	Roads and road infrastructure	58	177
1	Intangible produced assets	1	1
84	Total depreciation of service concession assets	85	268

4.3 Other non-financial assets

(\$ million)

2023-24		2024-25		
actual		opening	actual	revised
30 Sep		1 Jul ^(a)	30 Sep	budget
2 989	Intangible produced assets	3 050	3 093	3 045
(1 679)	Accumulated depreciation	(1 727)	(1 773)	(2 004)
3 370	Service concession assets – Intangible produced ^(b)	3 540	3 585	3 540
(5)	Accumulated depreciation	(8)	(9)	(9)
79	Intangible non-produced assets	76	76	77
(60)	Accumulated amortisation	(63)	(64)	(67)
4 695	Total intangibles	4 868	4 908	4 581
305	Investment properties	321	318	321
1 826	Other assets ^(c)	1 035	2 217	1 035
6 826	Total other non-financial assets	6 224	7 442	5 937

Notes:

(a) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

(b) This includes the Registration and Licensing and the Land Titling and Registry databases.

(c) Biological assets, which were previously separately disclosed, are now included in other assets.

5. FINANCING STATE OPERATIONS

Introduction

The general government sector's operations are financed through a variety of means including a combination of surplus cash flows from operating activities, asset sales, advances and borrowings.

This section presents the financing of the general government sector operations.

5.1 Borrowings

(\$ million)

2023-24		2024-25		
<i>actual</i>		<i>opening</i>	<i>actual</i>	<i>revised</i>
<i>30 Sep</i>		<i>1 Jul</i>	<i>30 Sep</i>	<i>budget</i>
Current borrowings				
20 387	Domestic borrowings	19 538	19 857	14 479
720	Lease liabilities	710	678	609
2 180	Service concession arrangement liabilities	650	571	450
..	Derivative financial instruments	46	1	46
23 286	Total current borrowings	20 944	21 107	15 585
Non-current borrowings				
117 946	Domestic borrowings	133 956	141 570	161 856
7 229	Lease liabilities	7 330	7 234	6 941
4 451	Service concession arrangement liabilities	4 856	5 295	4 955
210	Derivative financial instruments	223	233	237
129 837	Total non-current borrowings	146 365	154 332	173 989
153 123	Total borrowings	167 309	175 439	189 574

5.2 Reconciliation of cash and cash equivalents

(\$ million)

2023-24		2024-25
<i>actual</i>		<i>actual</i>
<i>30 Sep</i>		<i>30 Sep</i>
7 093	Cash	3 400
9 239	Deposits at call	10 932
16 332	Cash and cash equivalents	14 332
..	Bank overdraft	..
16 332	Balances as per cash flow statement	14 332

6. OTHER DISCLOSURES

Introduction

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

6.1 Other gains/(losses) from other economic flows (\$ million)

2023-24 actual 30 Sep		2024-25	
		actual 30 Sep	published budget
(4)	Net (increase)/decrease in allowances for credit losses	(11)	(94)
(1)	Amortisation of intangible non-produced assets	(1)	(7)
(3)	Bad debts written off	(5)	(320)
(31)	Other gains/(losses)	(130)	(38)
(39)	Total other gains/(losses) from other economic flows	(148)	(459)

6.2 Controlled entities

Note 9.8 in Chapter 4 of the *2023-24 Financial Report* for the State of Victoria lists significant controlled entities that were consolidated in that financial report.

The following are changes in general government sector entities since 1 July 2024, which have been consolidated in this financial report:

General government

Department of Energy, Environment and Climate Action ^{(a)(b)}

Department of Jobs, Skills, Industry and Regions ^(c)

Department of Justice and Community Safety ^(d)

Notes:

- (a) On 1 July 2024, the previous State Electricity Commission of Victoria, established under the State Electricity Commission Act 1958 (SEC Act) was abolished by the commencement of the State Electricity Commission Amendment Act 2024.
- (b) VicForests ceased operations on 30 June 2024 and the residual assets and liabilities together with residual responsibilities for native forest management were transferred to the Department of Energy, Environment and Climate Action following proclamation of the Sustainable Forests (Timber) Repeal Act 2024, effective from 1 July 2024. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.
- (c) On 21 August 2024, Victoria 2026 Pty Ltd, was officially deregistered as a company from Australian Securities and Investments Commission (ASIC). The decision to deregister was made following the July 2023 announcement that Victoria would no longer host the 2026 Commonwealth Games.
- (d) The Victorian Responsible Gambling Foundation ceased operations on 1 July 2024 and all property, rights and liabilities have been transferred to the Department of Justice and Community Safety following proclamation of the Victorian Responsible Gambling Foundation Repeal and Advisory Councils Act 2024, effective from 25 June 2024.

6.3 Glossary of technical terms

The *2023-24 Financial Report* for the State of Victoria (Note 9.9) summarises the major technical terms used in this report.

7. RESULTS QUARTER BY QUARTER – VICTORIAN GENERAL GOVERNMENT SECTOR

Introduction

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

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

	2023-24				2024-25
	Sep	Dec	Mar	Jun	Sep
Revenue and income from transactions					
Taxation	8 208	7 424	12 937	8 307	8 923
Interest income	401	405	377	579	398
Dividends, income tax equivalent and rate equivalent income	85	258	118	1 738	472
Sales of goods and services	1 569	1 664	1 520	1 460	1 615
Grants	9 516	10 964	10 784	10 533	10 906
Other revenue and income	852	1 000	811	1 547	907
Total revenue and income from transactions	20 631	21 716	26 546	24 163	23 223
Expenses from transactions					
Employee expenses	8 712	8 975	8 792	9 557	9 477
Net superannuation interest expense	181	208	192	192	195
Other superannuation	1 036	968	1 017	1 041	1 140
Depreciation	1 187	1 220	1 217	1 343	1 328
Interest expense	1 212	1 423	1 423	1 580	1 553
Grant expense	3 824	3 776	4 913	4 162	4 272
Other operating expenses	6 963	6 843	6 901	8 419	6 940
Total expenses from transactions	23 116	23 413	24 455	26 295	24 904
Net result from transactions – Net operating balance	(2 485)	(1 697)	2 090	(2 132)	(1 682)
Other economic flows included in net result					
Net gain/(loss) on disposal of non-financial assets	12	21	(1)	(34)	20
Net gain/(loss) on financial assets or liabilities at fair value	12	109	406	(182)	(46)
Share of net profit/(loss) from associates/joint venture entities	..	(13)	(14)	(19)	..
Other gains/(losses) from other economic flows	(39)	(260)	(155)	(112)	(148)
Total other economic flows included in net result	(16)	(143)	236	(347)	(174)
Net result	(2 500)	(1 840)	2 327	(2 478)	(1 856)
Other economic flows – Other comprehensive income					
Items that will not be reclassified to net result					
Changes in non-financial assets revaluation surplus	(47)	387	125	7 185	586
Remeasurement of superannuation defined benefits plans	2 034	(2 077)	286	1 418	(978)
Other movements in equity	35	39	42	(8)	104
Items that may be reclassified subsequently to net result					
Net gain/(loss) on financial assets at fair value	6	(11)	3	16	(16)
Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets	..	(2 305)	..	441	..
Total other economic flows – Other comprehensive income	2 028	(3 967)	456	9 052	(305)
Comprehensive result – Total change in net worth	(472)	(5 807)	2 782	6 573	(2 161)
KEY FISCAL AGGREGATES					
Net operating balance	(2 485)	(1 697)	2 090	(2 132)	(1 682)
Less: Net acquisition of non-financial assets from transactions	3 797	4 213	2 004	2 861	3 443
Net lending/(borrowing)	(6 282)	(5 911)	87	(4 993)	(5 124)

Consolidated balance sheet at the end of the past five quarters

(\$ million)

	2023-24			2024-25	
	Sep	Dec	Mar	Jun	Sep
Assets					
Financial assets					
Cash and deposits	16 332	12 913	13 567	14 306	14 332
Advances paid	5 480	5 961	6 127	6 421	6 377
Receivables and contract assets	8 745	7 701	12 428	10 163	9 428
Investments, loans and placements	12 483	13 578	14 422	14 866	15 625
Investments accounted for using the equity method	1 181	1 149	1 191	1 143	1 161
Investments in other sector entities	96 136	94 147	95 172	98 178	98 974
Total financial assets	140 356	135 449	142 907	145 077	145 897
Non-financial assets					
Inventories	485	447	396	402	330
Non-financial assets held for sale	100	278	284	232	242
Land, buildings, infrastructure, plant and equipment	253 364	257 529	259 936	269 690	273 295
Other non-financial assets	6 826	6 467	6 281	6 222	7 442
Total non-financial assets	260 775	264 722	266 897	276 546	281 310
Total assets	401 131	400 170	409 804	421 623	427 207
Liabilities					
Deposits held and advances received	1 761	1 850	1 771	1 525	1 577
Payables	6 975	5 325	5 558	7 741	5 930
Borrowings	153 123	157 362	164 635	167 309	175 439
Employee benefits	10 563	10 517	10 815	11 120	11 574
Superannuation	17 181	19 437	19 358	18 226	19 368
Other provisions	2 821	2 774	2 838	3 431	3 138
Other liabilities	22 396	22 401	21 542	22 411	22 524
Total liabilities	214 820	219 667	226 518	231 764	239 550
Net assets	186 311	180 504	183 286	189 859	187 657
Equity					
Accumulated surplus/(deficit)	45 805	41 894	44 554	43 405	40 614
Reserves	140 506	138 609	138 731	146 454	147 043
Net worth	186 311	180 504	183 286	189 859	187 657
FISCAL AGGREGATES					
Net financial worth	(74 464)	(84 218)	(83 611)	(86 686)	(93 653)
Net financial liabilities	170 600	178 365	178 783	184 865	192 627
Net debt	120 589	126 760	132 290	133 241	140 682

Consolidated cash flow statement for the past five quarters

(\$ million)

	2023-24			2024-25	
	Sep	Dec	Mar	Jun	Sep
Cash flows from operating activities					
Receipts					
Taxes received	8 688	8 320	8 116	11 371	9 623
Grants	9 583	10 842	10 009	10 628	10 983
Sales of goods and services ^(a)	1 650	1 608	1 640	1 996	1 638
Interest received	404	389	375	523	379
Dividends, income tax equivalent and rate equivalent receipts	154	652	118	1 721	474
Other receipts	505	581	521	801	806
Total receipts	20 985	22 391	20 780	27 041	23 903
Payments					
Payments for employees	(8 362)	(9 049)	(8 545)	(9 117)	(9 083)
Superannuation	(906)	(998)	(1 002)	(947)	(1 172)
Interest paid	(1 116)	(1 324)	(1 339)	(1 483)	(1 480)
Grants and subsidies	(3 997)	(3 853)	(4 918)	(3 168)	(5 089)
Goods and services ^(a)	(6 939)	(7 497)	(6 466)	(5 966)	(8 598)
Other payments	(253)	(332)	(278)	(719)	(390)
Total payments	(21 572)	(23 053)	(22 547)	(21 402)	(25 811)
Net cash flows from operating activities	(587)	(662)	(1 767)	5 639	(1 908)
Cash flows from investing activities					
Cash flows from investments in non-financial assets					
Purchases of non-financial assets	(4 250)	(4 847)	(3 433)	(4 845)	(4 085)
Sales of non-financial assets	52	62	62	143	48
Net cash flows from investments in non-financial assets	(4 198)	(4 785)	(3 371)	(4 702)	(4 037)
Net cash flows from investments in financial assets for policy purposes	(259)	(744)	(386)	(942)	(820)
Sub-total	(4 457)	(5 529)	(3 757)	(5 644)	(4 857)
Net cash flows from investments in financial assets for liquidity management purposes	(8 613)	(996)	(444)	(496)	(731)
Net cash flows from investing activities	(13 069)	(6 525)	(4 201)	(6 140)	(5 588)
Cash flows from financing activities					
Advances received (net)	(10)	152	(157)	(211)	(7)
Net borrowings	10 145	3 679	6 701	1 486	7 465
Deposits received (net)	156	(63)	79	(35)	59
Net cash flows from financing activities	10 291	3 768	6 623	1 240	7 518
Net increase/(decrease) in cash and cash equivalents	(3 366)	(3 419)	654	738	22
Cash and cash equivalents at beginning of the reporting period ^(b)	19 698	16 332	12 913	13 567	14 310
Cash and cash equivalents at end of the reporting period	16 332	12 913	13 567	14 306	14 332
FISCAL AGGREGATES					
Net cash flows from operating activities	(587)	(662)	(1 767)	5 639	(1 908)
Net cash flows from investments in non-financial assets	(4 198)	(4 785)	(3 371)	(4 702)	(4 037)
Cash surplus/(deficit)	(4 785)	(5 447)	(5 139)	937	(5 945)

Notes:

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

(b) On 1 July 2024, the previous State Electricity Commission of Victoria, established under the State Electricity Commission Act 1958 (SEC Act) was abolished by the commencement of the State Electricity Commission Amendment Act 2024 and the residual financial assets were transferred to the Department of Energy, Environment and Climate Action. This has resulted in the 1 July 2024 opening balance not equalling the 30 June closing balance.

STYLE CONVENTIONS

The source of data for tables and charts is the Department of Treasury and Finance unless specified otherwise. Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding.

The notation used in the tables is as follows:

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

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