**2024‑25 Mid‑Year Financial Report**

**(incorporating Quarterly Financial Report No. 2)**



**March 2025**

Presented by

**Jaclyn Symes MP**

Treasurer of the State of Victoria

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**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.

Aboriginal artwork ‘lim-ba nindee thana warn-ga-ilee’ (Preserve our Dreaming Lore) – Gunnai Language


*‘lim-ba nindee thana warn-ga-ilee’   
(Preserve our Dreaming Lore) – Gunnai Language*

*Bitja (Dixon Patten Jnr) Yorta Yorta, Gunnai,   
Gunditjmara and Dhudhuroa of Bayila Creative*

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Chapter 1 – Foreword

# Purpose

The *2024-25 Mid-Year Financial Report* presents the consolidated financial outcomes for the State of Victoria, including the general government sector, the public non-financial corporations sector and the public financial corporations sector, for the six months to 31 December 2024.

This chapter outlines the economic and fiscal context for the State’s financial performance and position, and summarises the 2024-25 results, for the six months to 31 December 2024.

Chapter 2 analyses the results for the general government sector, comparing them with the half‑year actual outcomes in 2023-24 and the revised budget estimates for the year as presented in the *2024-25 Budget Update*.

Chapter 3 presents the half-year 2024‑25 results for the broader public sector and the State of Victoria.

Chapter 4 contains the consolidated financial statements as required by Section 25 of the *Financial Management Act 1994*. These are presented in line with applicable Australian accounting standards and pronouncements, in particular AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Appendix A includes the Quarterly Financial Report for the general government sector as required by Section 26 of the *Financial Management Act 1994*. Appendix B presents a compliance index providing a linkage between the relevant legislative provisions relating to the preparation of this report and the disclosure provided therein.

# Overview

The Victorian economy continues to grow, and the labour market is strong, despite ongoing challenges of high living costs and elevated interest rates. Economic output, as measured by real gross state product (GSP) increased by 1.5 per cent in 2023-24. Unemployment remains low by historical standards, and labour force participation remains near a record high, indicating continued labour market strength in the state.

Victoria’s state final demand rose by 1.4 per cent over the year to September 2024. Public demand, business investment and dwelling investment all contributed to growth, as did household consumption, though real growth in consumer spending was subdued over the year amid elevated interest rates and ongoing consumer price pressures.

Over the year to December 2024, Victoria’s employment increased by 132 200 persons, or 3.6 per cent. Workforce participation and the share of working-age Victorians in employment were both near record rates in December. Strong employment growth meant that, by the end of 2024, employment was 659 300 persons above its trough in September 2020.

Inflation has eased further over the past year from earlier high rates, as it has nationally. In year-ended terms, inflation reached a peak of 8.0 per cent in December 2022, and by December 2024 had eased to 2.5 per cent. However, the period of high inflation has increased prices of many essential goods and services, adversely affecting many Victorians, particularly those on low incomes.

In response to inflation pressures, the Reserve Bank of Australia (RBA) has maintained interest rates at elevated levels, restraining activity in some sectors of the economy. After holding interest rates steady for more than a year, in February 2025 the RBA eased interest rates modestly, although it indicated that monetary policy remains restrictive. Despite these challenges, the Victorian economy is expected to continue to grow, partly supported by the strong labour market and a rise in real household incomes that will aid growth in household consumption.

# Fiscal outcomes

The Government recorded a general government sector operating deficit of $3.9 billion for the six months to 31 December 2024.

It is not possible to extrapolate the mid-year net result from transactions result to the full-year result due to the impact of seasonal factors affecting the timing of activities and transactions across the year.

Government infrastructure investment (GII), which includes general government net infrastructure investment (net of asset sales) and estimated construction related cash outflows for Partnerships Victoria projects, was $12.8 billion for the period to 31 December 2024, or 54 per cent of the revised full‑year budget estimate. The net operating cash result for the half year was a deficit of $1.9 billion compared with a revised budget forecast surplus of $407 million for the full year. This primarily reflects the timing of receipts for land tax and the timing of payments, including the timing of enterprise bargaining agreement outcomes, and hence the 2024-25 likely full-year results cannot be extrapolated from this half year result.

Net debt for the general government sector was $146.8 billion (22.9 per cent of estimated gross state product) at 31 December 2024 compared with a forecast of $155.2 billion for the full year. The likely 30 June 2025 outcome cannot be extrapolated from this half‑year result due to the timing of receipts and operating and capital payments throughout the year.

Chapter 2 – Mid-year results for the general government sector

# Financial performance

For the six months to 31 December 2024, the general government sector recorded a net result from transactions deficit of $3.9 billion, which is a slight improvement compared with the same period last year.

The Mid-Year Financial Report projects no change to the full-year net result from transactions deficit estimate of $3.6 billion as per the *2024-25 Budget Update.*

It is not possible to extrapolate the mid-year net result from transactions result to the full-year result due to the impact of seasonal factors affecting the timing of activities and transactions across the year.

These include the timing of recognition of various revenue items including land tax, which is generally recognised in the March quarter, and grants from the Commonwealth Government. This movement is further explained below.

Table 2.1: Summary comprehensive operating statement for the period ended 31 December (a) ($ million)

|  | General government sector | | | |
| --- | --- | --- | --- | --- |
|  | 2023‑24 actual to Dec | 2024‑25 actual to Dec | 2024‑25 revised estimate | % (b) |
| **Revenue and income from transactions** |  |  |  |  |
| Taxation | 15 632 | 16 879 | 39 152 | 43 |
| Interest income | 806 | 781 | 1 396 | 56 |
| Dividends and income tax equivalent and rate equivalent income | 344 | 680 | 1 127 | 60 |
| Sales of goods and services | 3 233 | 3 377 | 7 080 | 48 |
| Grants | 20 480 | 23 589 | 45 598 | 52 |
| Other revenue and income | 1 852 | 1 799 | 3 706 | 49 |
| **Total revenue and income from transactions** | **42 346** | **47 104** | **98 059** | **48** |
| **Expenses from transactions** |  |  |  |  |
| Employee expenses | 17 687 | 19 212 | 37 526 | 51 |
| Net superannuation interest expense | 389 | 395 | 783 | 50 |
| Other superannuation | 2 004 | 2 293 | 4 084 | 56 |
| Depreciation | 2 407 | 2 701 | 5 512 | 49 |
| Interest expense | 2 635 | 3 259 | 6 582 | 50 |
| Grant expense | 7 600 | 8 520 | 17 728 | 48 |
| Other operating expenses | 13 806 | 14 645 | 29 438 | 50 |
| **Total expenses from transactions** | **46 529** | **51 024** | **101 653** | **50** |
| **Net result from transactions – Net operating balance** | **(4 182)** | **(3 921)** | **(3 595)** | **109** |
| Total other economic flows included in net result | (158) | 185 | (248) | (74) |
| **Net result** | **(4 341)** | **(3 736)** | **(3 843)** | **97** |
| Total other economic flows – Other comprehensive income | (1 939) | 1 548 | (1 927) | (80) |
| **Comprehensive result – Total change in net worth** | **(6 280)** | **(2 187)** | **(5 770)** | **38** |

Notes:

(a) This is an abbreviated statement. The full consolidated and disaggregated operating statement is reported in Chapter 4.

(b) The percentage represents the 2024-25 actual to December as a percentage of the estimate presented in the 2024-25 Budget Update.

## Revenue and income

Total revenue for the six months ending 31 December 2024 was $47.1 billion. This is 48 per cent of the revised full-year budget estimate and an increase of $4.8 billion from the same period last year.

Taxation revenue was $16.9 billion, or 43 per cent of the revised full-year estimate. Taxation revenue is affected by seasonal collection patterns that mean a higher share of revenue is recognised in the second half of the financial year. As can be seen in Table 2.1 above and Note 2.1 in Chapter 4 of this report, this is mainly attributable to land tax, for which only 4 per cent of the revised full-year estimate has been recognised in the year-to-date. In common with several property-related taxes, land tax assessments are issued on an annual cycle, and most land tax revenue is recognised in the March quarter.

Taxation revenue increased by $1.2 billion compared with the same period last year. This was primarily due to an increase of $485 million in land transfer duty, mainly driven by strength in residential sales volumes and a stabilisation in non-residential sales, and higher payroll taxes (including Mental Health and Wellbeing Levy and COVID Debt Levy – Payroll $10m+) due to a strong labour market driven by continued high employment and robust wage growth.

Grants were $23.6 billion, which is slightly higher than the pro rata revised budget estimate. This was primarily driven by the timing of the Goods and Services Tax (GST) no-worse-off guarantee payments received from the Commonwealth.

When compared with the same period last year grants revenue was $3.1 billion. This was primarily driven by higher GST grants due to an increase in the national GST pool and greater no‑worse-off guarantee payments received from the Commonwealth. Also driving the increase was higher grants from the Commonwealth relating to Energy Bill Relief Payments that the state passes on to eligible households and businesses, grants for non-government schools and an increase in Commonwealth funding relating to National Health Reform and the Pharmaceutical Benefit Scheme.

Interest income of $781 million was 56 per cent of the revised full-year budget estimates and broadly consistent when compared with the same period last year.

Dividends, income tax equivalent and rate equivalent income for the half year was $680 million, $336 million higher compared with the same period last year. This was primarily driven by increased dividend income distribution from the Victorian Future Fund’s and Victorian Social Housing Growth Fund’s investments. This represents 60 per cent of the revised full-year budget estimate.

Revenue from the sale of goods and services for the half year was $3.4 billion, or 48 per cent of the revised full‑year budget estimate, and $144 million higher when compared with the same period last year. This increase from the prior year was primarily due to the higher revenue from increased hospital patient fees and additional TAFE revenue resulting from increased activity.

### Other revenue and income was $1.8 billion or 49 per cent of the revised full-year budget estimate, and $53 million lower when compared with the same period last year. This decrease was primarily driven by lower fines revenue as a result of industrial action partially offset by increased assets received free of charge relating to the progressive recognition of the contribution made by Cross Yarra Partnership consortium and adjustments for expected costs under the Metro Tunnel service concession arrangement.

## Expenses

Total expenses were $51 billion, or 50 per cent of the revised full-year budget estimate.

Employee expenses were slightly above the pro rata budget for the first half of the year at $19.2 billion, or 51 per cent of the revised full-year budget estimate. This was primarily due to the timing of remuneration and associated costs in line with enterprise bargaining agreement outcomes and timing of allowance payments made to teaching staff. The increase of $1.5 billion compared with the same period last year was mainly due to increased spending on service delivery in the health, education and justice sectors and annual salary growth in line with enterprise bargaining agreements.

Grant expense for the first half of the year was $8.5 billion, 48 per cent of the revised full-year budget estimate. This was below the pro rata revised budget, primarily due to the timing of grants for various programs across the community sport, economic growth and jobs portfolios.

Compared with the same period last year, grant expense increased by $920 million. This increase is primarily due to an increase in grants for housing and increased expenditure associated with Commonwealth grants for non‑government schools.

Interest expense of $3.3 billion was 50 per cent of the revised full-year budget estimate and $624 million higher when compared with the same period last year. The nominal increase is primarily due to additional borrowings to fund the State’s capital program and an increase in interest rates on new and refinanced borrowings.

Other operating expenses were $14.6 billion, or 50 per cent of the revised full-year budget estimate. This is an increase of $839 million compared with the same period last year, primarily due to the increased expenditure in health sector.

# 

# Financial position

Table 2.2: Summary balance sheet for the period ended 31 December (a) ($ million)

|  | General government sector | | |
| --- | --- | --- | --- |
|  | Jun | Dec | Actual |
|  | 2024 | 2024 | movement |
| **Assets** |  |  |  |
| Financial assets | 145 077 | 147 006 | 1 929 |
| Non‑financial assets | 276 546 | 284 910 | 8 365 |
| **Total assets** | **421 623** | **431 917** | **10 294** |
| **Liabilities** |  |  |  |
| Superannuation | 18 226 | 17 369 | (857) |
| Borrowings | 167 309 | 183 005 | 15 696 |
| Other liabilities (b) | 46 229 | 43 913 | (2 316) |
| **Total liabilities** | **231 764** | **244 286** | **12 523** |
| **Net assets** | **189 859** | **187 630** | **(2 229)** |

Notes:

(a) This is an abbreviated statement. The full consolidated and disaggregated balance sheet is reported in Chapter 4.

(b) Other liabilities consist of payables, employee benefits, deposits held and advances received, contract liabilities, unearned income and grant of a right to the operator liability.

## Net assets

During the period to 31 December 2024, the net assets for the general government sector decreased by $2.2 billion, primarily driven by the operating deficit of $3.9 billion for the six months to 31 December 2024 as discussed above. This was partially offset by a remeasurement gain on the State’s defined benefit superannuation liability, which was driven by investment returns on superannuation assets and an increase in the bond yield which underlies the superannuation valuation, and the revaluation of assets in the health and creative industries sectors.

## Assets

Total assets for the general government sector increased by $10.3 billion, mainly driven by the Government’s pipeline of infrastructure investments and increased holdings of financial assets.

## Liabilities

Total liabilities for the general government sector increased by $12.5 billion to $244.3 billion. This was largely due to an increase in borrowings, reflecting incremental borrowings primarily to fund the Government’s infrastructure investment program.

# Cash flow

Table 2.3 outlines the use of cash resources. It summarises cash generated through the operations of government departments and other general government sector agencies and how the cash has been invested in fixed assets. The net cash flows from operating activities for the half year was a deficit of $1.9 billion compared with a revised budget forecast surplus of $407 million for the full year. This includes the timing of receipts for land tax and the timing of payments, including the timing of enterprise bargaining agreement outcomes.

A detailed cash flow statement is provided in Chapter 4.

Table 2.3: Application of cash resources for the general government sector ($ million)

|  | 2024‑25 | 2024‑25 |
| --- | --- | --- |
|  | actual | revised |
|  | to Dec | estimate |
| Net result from transactions – Net operating balance | (3 921) | (3 595) |
| Add back: Non‑cash revenues and expenses (net) (a) | 2 053 | 4 002 |
| **Net cash flows from operating activities** | **(1 867)** | **407** |
| Less: |  |  |
| **Net investment in fixed assets** |  |  |
| Purchases of non‑financial assets | 8 843 | 16 391 |
| Net cash flows from investments in financial assets for policy purposes | 1 981 | 4 029 |
| Sales of non‑financial assets | (101) | (620) |
| **Net investment in fixed assets** | **10 723** | **19 801** |
| Leases and service concession arrangements | 1 336 | 2 618 |
| Other movements | (396) | (93) |
| **Decrease/(increase) in net debt (b)** | **(13 530)** | **(21 919)** |

Notes:

(a) Includes depreciation, prepayments and movements in the unfunded superannuation liability and liability of employee benefits, as well as operating cash flows not required to be recognised in the operating statement for the year.

(b) The 2024-25 movement in net debt differs from the reported increase of net debt on the consolidated balance sheet from 30 June 2024 to 31 December 2024 as a result of 1 July 2024 opening balance adjustments. Refer to the consolidated statement of changes in equity in Chapter 4 for further information.

## Infrastructure investment

Infrastructure supports delivery of high-quality services to the community. It has a significant and ongoing impact on state and national productivity and generates significant direct and indirect employment and wider economic benefits.

The general government sector’s government infrastructure investment, which includes net infrastructure investment (net of asset sales) and construction related cash outflows for Partnerships Victoria projects was $12.8 billion for the period to 31 December 2024, or 54 per cent of the revised full-year budget estimate.

# Financial sustainability

## General government sector

General government sector net debt increased by $13.5 billion to $146.8 billion as at 31 December 2024. This primarily reflects an increase in borrowings of $15.7 billion over the period to fund the State’s capital program. The ratio of net debt to GSP increased from 22.0 to 22.9 per cent.

Overall, net financial liabilities increased during the period primarily due to the increase in net debt as explained above.

Over the period to 31 December 2024, the ratio of net financial liabilities to GSP increased from 30.5 to 30.7 per cent.

Table 2.4: General government sector net debt and net financial liabilities as at 31 December ($ million)

|  | Closing  30 Jun 2024 | Closing  31 Dec 2024 | Actual movement | %  change |
| --- | --- | --- | --- | --- |
| **Assets** |  |  |  |  |
| Cash and deposits | 14 306 | 14 847 | 541 | 4 |
| Advances paid | 6 421 | 6 335 | (86) | (1) |
| Investment, loans and placements | 14 866 | 16 491 | 1 625 | 11 |
| **Total** | **35 593** | **37 673** | **2 080** | **6** |
| **Liabilities** |  |  |  |  |
| Deposits held and advances received | 1 525 | 1 435 | (90) | (6) |
| Borrowings | 167 309 | 183 005 | 15 696 | 9 |
| **Total** | **168 834** | **184 440** | **15 606** | **9** |
| **Net debt (a)** | **133 241** | **146 767** | **13 525** | **10** |
| Superannuation liability | 18 226 | 17 369 | (857) | (5) |
| **Net debt plus superannuation liabilities** | **151 467** | **164 136** | **12 668** | **8** |
| Other liabilities (net) (b) | 33 398 | 32 785 | (612) | (2) |
| **Net financial liabilities (c)** | **184 865** | **196 921** | **12 056** | **7** |
| (per cent) | | | | |
| **Net debt to GSP (d)** | **22.0** | **22.9** |  |  |
| **Net debt plus superannuation liability to GSP (d)** | **25.0** | **25.6** |  |  |
| **Net financial liabilities to GSP (d)** | **30.5** | **30.7** |  |  |

Notes:

(a) The sum of borrowings, deposits held and advances received less the sum of cash and deposits, advances paid, and investments, loans and placements.

(b) Includes other employee entitlements, payables, provisions, contract liabilities, unearned income and grant of a right to the operator liability, less receivables and investments accounted for using the equity method.

(c) Total liabilities less financial assets (excluding investments in other sector entities).

(d) Ratios to GSP may vary from publications year-to-year due to revisions to the Australian Bureau of Statistics GSP data. The ratios as at 31 December 2024 reflect the 2024-25 GSP forecast growth rate for the full year.

Chapter 3 – Mid-year results for the broader public sector

This chapter sets out the financial results for the six months to 31 December 2024 for the broader public sector, comprising:

* the NFPS, which consolidates the general government and the PNFC sectors. The general government sector is discussed in Chapter 2. The PNFC sector comprises a wide range of entities that provide services that are primarily funded by user charges and fees. The main services provided by PNFCs include water, housing, and transport.
* the State of Victoria, which consolidates the NFPS and the PFC sector. PFCs can be categorised into two broad types: those that provide services to the general public and businesses (such as WorkSafe Victoria, the Transport Accident Commission (TAC), Breakthrough Victoria and State Trustees Limited), and those that predominantly provide financial services to other government entities (such as the Victorian Funds Management Corporation, Treasury Corporation of Victoria (TCV) and the Victorian Managed Insurance Authority).

# Public non-financial corporations sector

## Operating statement

The public non-financial corporations (PNFC) sector reported a net deficit from transactions of $12 million for the six months ending 31 December 2024. Once gains reported as other economic flows are included, the PNFC sector’s net result improves to a surplus of $160 million for the six months ending 31 December 2024.

Table 3.1: Summary operating statement for the period ended 31 December – PNFC sector ($ million)

|  | 2023‑24 | 2024‑25 | 2024‑25 |  |
| --- | --- | --- | --- | --- |
|  | actual to Dec | actual to Dec | revised estimate | % (a) |
| **Revenue and income from transactions** |  |  |  |  |
| Interest income | 58 | 65 | 90 | 72 |
| Dividend income | 5 | 6 | 22 | 29 |
| Sales of goods and services | 3 824 | 3 980 | 8 039 | 50 |
| Grants | 1 138 | 1 314 | 2 619 | 50 |
| Other revenue and income | 397 | 403 | 724 | 56 |
| **Total revenue and income from transactions** | **5 423** | **5 768** | **11 493** | **50** |
| **Expenses from transactions** |  |  |  |  |
| Employee expenses | 972 | 1 053 | 1 967 | 54 |
| Net superannuation interest expense | .. | .. | 4 | .. |
| Other superannuation | 98 | 114 | 227 | 50 |
| Depreciation | 1 021 | 1 141 | 2 194 | 52 |
| Interest expense | 477 | 512 | 1 055 | 49 |
| Grant expense | 291 | 257 | 415 | 62 |
| Other operating expenses | 2 418 | 2 579 | 5 298 | 49 |
| Other property expenses | 146 | 123 | 202 | 61 |
| **Total expenses from transactions** | **5 424** | **5 780** | **11 362** | **51** |
| **Net result from transactions – Net operating balance** | **(1)** | **(12)** | **131** | **(9)** |
| Total other economic flows included in net result (b) | (24) | 172 | (4 730) | (4) |
| **Net result** | **(25)** | **160** | **(4 599)** | **(3)** |

Notes:

1. The percentage represents the 2024-25 actual to December as a percentage of the estimate presented in the 2024-25 Budget Update.
2. The total other economic flows include 50 per cent of the annual technical derecognition of the assets acquired by VicTrack which only occurs once assets are completed.

### Revenue

Total revenue for the six months ending 31 December 2024 was $5.8 billion. This is a $345 million (6 per cent) increase from the same period last year.

The increase, as compared with the same period last year, was largely driven by increased revenue across the water sector as well as the timing of the sale of property by Development Victoria.

### Expenses

Total expenses from transactions for the PNFC sector was $5.8 billion. This is a $356 million increase from the same period last year partially due to the commencement of new employee enterprise agreements at V/Line, increased staffing levels at Homes Victoria, as well as higher depreciation reported within the water sector and Homes Victoria.

### Net result from transactions

The PNFC sector’s net result from transactions for the six months ending 31 December 2024 was a deficit of $12 million, a $11 million decline from the same period last year predominantly driven by increases in depreciation and employee expenses.

### Net result and other economic flows

The net result from transactions does not include some significant drivers of the PNFC sector’s performance such as the disposal of non-financial assets and the technical derecognition of the rail assets in the PNFC sector under AASB 16 *Leases*.In accordance with Australian accounting standards, these items are disclosed as other economic flows and included in the net result.

The surplus from total other economic flows included in the net result was $172 million largely reflecting the movement in deferred tax reported by VicTrack.

Overall, this resulted in the PNFC sector reporting a net result surplus of $160 million for the six months ending 31 December 2024.

## Financial position

Table 3.2: Summary balance sheet for the period ended 31 December – PNFC sector ($ million)

|  | Jun  2024 | Dec  2024 | Actual  movement |
| --- | --- | --- | --- |
| **Assets** |  |  |  |
| Financial assets (a) | 5 017 | 6 054 | 1 036 |
| Non‑financial assets (b) | 127 576 | 130 590 | 3 014 |
| **Total assets** | **132 594** | **136 643** | **4 050** |
| **Liabilities** |  |  |  |
| Borrowings | 23 321 | 25 040 | 1 719 |
| Other provisions | 12 066 | 12 184 | 118 |
| Other liabilities (c) | 14 162 | 14 207 | 44 |
| **Total liabilities** | **49 549** | **51 430** | **1 881** |
| **Net assets** | **83 045** | **85 213** | **2 168** |

Notes:

(a) Financial assets include cash and deposits, advances paid, investments, loans and placements, receivables and investments accounted for using the equity method.

(b) Non-financial assets include land, buildings, infrastructure, plant and equipment and other non-financial assets.

(c) Other liabilities consist of payables, employee benefits, deposits held and advances received, contract liabilities, unearned income and grant of a right to the operator liability.

Table 3.2. shows that PNFC sector net assets increased by $2.2 billion to $85.2 billion as at 31 December 2024.

The increase in total assets of $4 billion was primarily driven by increased cash holdings of $633 million, capital expenditure by the water corporations, as well as the addition of service concession assets for the North East Link State Tolling Corporation and the Big Housing Build for Homes Victoria, increasing non-financial assets by $3.0 billion. Liabilities increased by $1.9 billion primarily due to an increase in borrowings of $1.7 billion primarily by the water corporations of $1.1 billion and by the North East Link State Tolling Corporation of $618 million to fund the construction of the North East Link project.

# Financial sustainability of the non-financial public sector

Table 3.3 includes several key indicators to assess financial sustainability of the NFPS.

Table 3.3: Non-financial public sector net debt and net financial liabilities as at 31 December ($ million)

|  | Closing  30 Jun 2024 | Closing  31 Dec 2024 | Actual  movement | %  change |
| --- | --- | --- | --- | --- |
| **Assets** |  |  |  |  |
| Cash and deposits | 16 561 | 17 735 | 1 174 | 7 |
| Advances paid | 521 | 417 | (104) | (20) |
| Investment, loans and placements | 15 719 | 17 392 | 1 672 | 11 |
| **Total** | **32 801** | **35 543** | **2 742** | **8** |
| **Liabilities** |  |  |  |  |
| Deposits held and advances received | 1 779 | 1 775 | (4) | .. |
| Borrowings | 186 334 | 203 817 | 17 484 | 9 |
| **Total** | **188 113** | **205 593** | **17 480** | **9** |
| **Net debt (a)** | **155 312** | **170 050** | **14 738** | **9** |
| Superannuation liability | 18 226 | 17 369 | (857) | (5) |
| **Net debt plus superannuation liabilities** | **173 538** | **187 419** | **13 881** | **8** |
| Other liabilities (net) (b) | 43 003 | 41 978 | (1 025) | (2) |
| **Net financial liabilities (c)** | **216 540** | **229 396** | **12 856** | **6** |
| (per cent) | | | | |
| **Net debt to GSP (d)** | **25.6** | **26.5** |  |  |
| **Net debt plus superannuation liability to GSP (d)** | **28.6** | **29.3** |  |  |
| **Net financial liabilities to GSP (d)** | **35.7** | **35.8** |  |  |

Notes:

(a) The sum of borrowings, deposits held and advances received less the sum of cash and deposits, advances paid, and investments, loans and placements.

(b) Includes other employee entitlements, payables, provisions, contract liabilities, unearned income and grant of a right to the operator liability, less receivables and investments accounted for using the equity method.

(c) Net financial liabilities are total liabilities less financial assets (excluding investments in other sector entities).

(d) Ratios to GSP may vary from publications year-to-year due to revisions to the Australian Bureau of Statistics GSP data. The ratios as at 31 December 2024 reflect the 2024-25 GSP forecast growth rate for the full year.

For the six months to 31 December 2024, the increase in NFPS net debt was $14.7 billion primarily due to higher borrowings largely to fund the Government’s infrastructure program. This resulted in an increase in net debt to GSP from 25.6 per cent to 26.5 per cent.

## Infrastructure investment

Net cash flows from investments in non-financial assets includes $8.7 billion invested by the general government sector and $2.9 billion in the PNFC sector.

Infrastructure investment in the PNFC sector included:

* the upgrade and renewal of water and sewer assets by the Melbourne metropolitan water corporations. This included the:
  + Melbourne Water Corporation’s Primary Treatment and Waste Activated Sludge Capacity Augmentation at the Western Treatment Plant and 5 West Nutrient Removal Plant at the Western Treatment Plant to help protect Port Phillip Bay’s biodiversity
  + Yarra Valley Water’s Waste to Energy Project 2 and Rankin Street Branch Sewer Project
  + South East Water’s digital meter rollout and Mt Martha Water Recycling Plant Augmentation
  + Greater Western Water’s Redstone Hill Sewer Pump Station and Bald Hill Tank Construction.
* the upgrade and renewal of water and sewer assets in regional Victoria.
* Homes Victoria’s Big Housing Build and Regional Housing Fund which is investing $6.3 billion to deliver more than 13 300 social and affordable homes across Victoria.
* transport infrastructure primarily related to the North East Link State Tolling Corporation’s investment in the North East Link – Primary Package (Tunnels).

# Public financial corporations sector

## Operating statement

The public financial corporations (PFC) sector reported a net deficit from transactions of $84 million for the six months ending 31 December 2024. Once other economic flows, which primarily relate to capital gains or losses on the investments held by the State’s insurance agencies and revaluations, are included the PFC sector’s net result was a deficit of $114 million for the six months ending 31 December 2024.

Table 3.4: 2024-25 summary operating statement – PFC sector ($ million)

|  | 2023‑24 | 2024‑25 | 2024‑25 |  |
| --- | --- | --- | --- | --- |
|  | actual to Dec | actual to Dec | revised estimate | % (a) |
| **Revenue and income from transactions** |  |  |  |  |
| Interest income | 2 481 | 3 292 | 6 890 | 48 |
| Dividend income | 1 573 | 2 352 | 2 670 | 88 |
| Sales of goods and services | 3 890 | 4 199 | 8 596 | 49 |
| Grants | .. | .. | 7 | .. |
| Other revenue and income | 13 | 17 | 28 | 62 |
| **Total revenue and income from transactions** | **7 957** | **9 861** | **18 191** | **54** |
| **Expenses from transactions** |  |  |  |  |
| Employee expenses | 272 | 288 | 556 | 52 |
| Other superannuation | 27 | 31 | 57 | 54 |
| Depreciation | 44 | 44 | 84 | 53 |
| Interest expense | 2 362 | 3 234 | 6 503 | 50 |
| Grant expense | 72 | 83 | 650 | 13 |
| Other operating expenses | 5 841 | 5 771 | 12 274 | 47 |
| Other property expenses | 87 | 494 | 5 | n.a. |
| **Total expenses from transactions** | **8 706** | **9 944** | **20 129** | **49** |
| **Net result from transactions – Net operating balance** | **(749)** | **(84)** | **(1 939)** | **4** |
| Total other economic flows included in net result | (2 265) | (31) | (1 602) | 2 |
| **Net result** | **(3 014)** | **(114)** | **(3 540)** | **3** |

Note:

(a) The percentage represents the 2024-25 actual to December as a percentage of estimate presented in the 2024-25 Budget Update.

### Revenue

Total revenue from transactions for the PFC sector was $9.9 billion in the six months to 31 December 2024 which was $1.9 billion, or 24 per cent, higher than the six months to 31 December 2023.

Compared with the six months to 31 December 2023, the increase in revenue from transactions is primarily attributable to higher interest income for the TCV and an increase in dividend income from investment market returns from the State’s insurance agencies.

### Expenses

Total expenses from transactions for the PFC sector were $9.9 billion in the six months to 31 December 2024, which was $1.2 billion or 14 per cent higher than the six months to 31 December 2023. This increase was largely due to higher interest expense for the TCV.

### Net result from transactions

Overall, the increase in revenue was higher than the increase in expenses such that the PFC sector’s net result from transactions improved from a deficit of $749 million in the six months to 31 December 2023 to a deficit of $84 million in the six months to 31 December 2024.

### Net result and other economic flows

The net result from transactions does not include some significant drivers of the PFC sector’s performance, such as revaluations and capital gains or losses on the investments held by the State’s insurance agencies. In accordance with Australian accounting standards, these items are disclosed as other economic flows.

In the six months to 31 December 2024, other economic flows for the PFC sector were negative $31 million, an improvement compared with the $2.3 billion loss for the same period last year. This improvement was largely driven by favourable movements in the valuation of financial liabilities, unrealised gains on financial assets held by PFC sector entities and favourable movements in provisions held by the State’s insurance agencies. It should be noted that other economic flows for the PFC sector can vary significantly between reporting periods as a result of the requirement to value the TCV borrowings and the insurance claims liabilities using the long-term bond yields at respective balance dates.

Overall, this resulted in the PFC sector reporting a net deficit of $114 million in the six months to 31 December 2024, which was lower than the $3 billion deficit in the six months to 31 December 2023.

## Financial position

Table 3.5: 2024-25 summary balance sheet – PFC sector ($ million)

|  | Jun | Dec | Actual |
| --- | --- | --- | --- |
|  | 2024 | 2024 | movement |
| **Assets** |  |  |  |
| Financial assets (a) | 224 553 | 242 918 | 18 365 |
| Non‑financial assets (b) | 3 610 | 3 189 | (421) |
| **Total assets** | **228 164** | **246 108** | **17 944** |
| **Liabilities** |  |  |  |
| Borrowings | 160 729 | 173 923 | 13 194 |
| Other provisions | 50 362 | 51 976 | 1 613 |
| Other liabilities (c) | 3 390 | 6 639 | 3 250 |
| **Total liabilities** | **214 481** | **232 538** | **18 057** |
| **Net assets** | **13 683** | **13 569** | **(113)** |

Notes:

(a) Financial assets include cash and deposits, advances paid, investments, loans and placements, receivables and investments accounted for using the equity method.

(b) Non-financial assets include land, buildings, infrastructure, plant and equipment and other non-financial assets.

(c) Other liabilities consist of payables, employee benefits, deposits held and advances received, contract liabilities, and unearned income.

Table 3.5 shows that PFC sector net assets decreased to $13.6 billion at 31 December 2024, a $113 million decrease compared with 30 June 2024.

The decrease in net assets since 30 June 2024 is primarily due to an increase in the TCV borrowings and increases in the liabilities of the State’s insurance agencies, which is offset in part by an increase in TCV loans receivable from the NFPS and an increase in the investments held by the State’s insurance agencies.

The reported net result and net asset position of the PFC sector are impacted by the accounting convention adopted for the TCV, whereby its fixed interest rate loans to government clients are measured at book value while its borrowings are reported at market value.

This approach enables the TCV’s loans to be consolidated with the borrowings of the general government and PNFC sectors but, for the PFC sector in isolation, creates a mismatch between the value of the TCV’s assets (which are at book value) and its liabilities (which are at market value).

This difference, which is estimated to be around $12.5 billion at 30 June 2024, is eliminated when the TCV’s loans to government clients are consolidated in the whole of state accounts. This difference is not apparent in the TCV’s own accounts as both assets and liabilities are reported at market value.

It is important to note the sensitivity of the PFC sector’s net asset position to changes in Commonwealth Government bond yields which, in accordance with Australian accounting standards, underlie the discount rates used to value the insurance agencies’ outstanding claims liabilities. In isolation, an increase in the relevant bond yields between 30 June 2024 and 31 December 2024 reduced the value of insurance agencies’ claims liabilities. Changes in claims assumptions also reduced the TAC’s and WorkSafe’s insurance claims liabilities. However, overall, insurance claims liabilities increased due to the ongoing accruing of claims and the impact of inflation assumptions.

# State of Victoria

## Operating statement

Table 3.6: Summary comprehensive operating statement for the period ended 31 December (a) ($ million)

|  | State of Victoria | | | |
| --- | --- | --- | --- | --- |
|  | 2023‑24  actual  to Dec | 2024‑25  actual  to Dec | 2024‑25  revised  estimate | % (b) |
| **Revenue and income from transactions** |  |  |  |  |
| Taxation | 15 373 | 16 586 | 38 576 | 43 |
| Interest income | 992 | 1 052 | 2 053 | 51 |
| Dividends and income tax equivalent and rate equivalent income | 1 692 | 2 861 | 3 355 | 85 |
| Sales of goods and services | 9 936 | 10 344 | 21 476 | 48 |
| Grants | 20 431 | 23 526 | 44 994 | 52 |
| Other revenue and income | 2 262 | 2 219 | 4 458 | 50 |
| **Total revenue and income from transactions** | **50 687** | **56 589** | **114 912** | **49** |
| **Expenses from transactions** |  |  |  |  |
| Employee expenses | 18 394 | 19 951 | 39 047 | 51 |
| Net superannuation interest expense | 389 | 395 | 788 | 50 |
| Other superannuation | 2 129 | 2 438 | 4 368 | 56 |
| Depreciation | 4 014 | 4 467 | 8 971 | 50 |
| Interest expense | 3 121 | 3 968 | 7 924 | 50 |
| Grant expense | 6 692 | 7 394 | 15 403 | 48 |
| Other operating expenses | 21 414 | 22 122 | 45 353 | 49 |
| **Total expenses from transactions** | **56 153** | **60 734** | **121 855** | **50** |
| **Net result from transactions – Net operating balance** | **(5 466)** | **(4 145)** | **(6 943)** | **60** |
| Total other economic flows included in net result | (2 744) | 132 | (1 907) | (7) |
| **Net result** | **(8 209)** | **(4 013)** | **(8 850)** | **45** |
| Total other economic flows – Other comprehensive income | 268 | 2 136 | 6 488 | 33 |
| **Comprehensive result – Total change in net worth** | **(7 941)** | **(1 876)** | **(2 362)** | **79** |

Notes:

(a) This is an abbreviated statement. The full consolidated and disaggregated operating statement is reported in Chapter 4.

(b) The percentage represents the 2024-25 actual to December as a percentage of the estimate presented in the 2024-25 Budget Update.

Table 3.6 shows the State recorded a net deficit from transactions of $4.1 billion for the six months to 31 December 2024 compared with a deficit of $5.5 billion for the same period last year. This improvement was largely driven by the general government sector, as discussed in the previous chapter, and the PFC sector, as discussed earlier in this chapter.

### Revenue

Total revenue for the State for the six months ending 31 December 2024 was $56.6 billion. This is $5.9 billion higher than the same period last year. The general government sector contributed 83 per cent of this result, with the balance coming from the PNFC and PFC sectors as discussed earlier in this chapter.

### Expenses

Total expenses for the State increased by $4.6 billion to $60.7 billion compared with the same period last year. Of this, 84 per cent was driven by the general government sector.

Other economic flows for the State included in the net result was a gain of $132 million for the six months to 31 December 2024. This compares with a deficit of $2.7 billion for the same period in the prior year. This improved result is due to the gain from other economic flows for the PFC sector for the six months to December 2024 compared with a loss for same period last year.

## Financial position

Table 3.7: Summary balance sheet as at 31 December (a) ($ million)

|  | State of Victoria | | |
| --- | --- | --- | --- |
|  | Jun | Dec | Actual |
|  | 2024 | 2024 | movement |
| **Assets** |  |  |  |
| Financial assets | 116 519 | 120 115 | 3 596 |
| Non‑financial assets | 446 177 | 456 464 | 10 287 |
| **Total assets** | **562 697** | **576 580** | **13 883** |
| **Liabilities** |  |  |  |
| Superannuation | 18 226 | 17 369 | (857) |
| Borrowings | 193 712 | 208 304 | 14 592 |
| Other liabilities (b) | 110 854 | 112 875 | 2 021 |
| **Total liabilities** | **322 792** | **338 548** | **15 756** |
| **Net assets** | **239 904** | **238 031** | **(1 873)** |

Notes:

1. This is an abbreviated balance sheet. The full consolidated and disaggregated balance sheet is reported in Chapter 4.
2. Other liabilities consist of payables, employee benefits, deposits held and advances received, contract liabilities, unearned income and grant of a right to the operator liability

### State of Victoria

During the six months to 31 December 2024, net assets for the State of Victoria decreased by $1.9 billion. The total assets of the State increased by $13.9 billion, mainly driven by the Government’s pipeline of infrastructure investments and increased holdings of financial assets.

Total liabilities for the State increased by $15.8 billion to $338.5 billion. This was largely due to an increase in borrowings, reflecting incremental borrowings by the Treasury Corporation of Victoria primarily to fund the Government’s infrastructure investment program.

Chapter 4 – Mid-year Financial Report

# Consolidated comprehensive operating statement

For the six months ended 31 December ($ million)

|  |  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- | --- |
|  | Notes | 2024 | 2023 | 2024 | 2023 |
| **Revenue and income from transactions** |  |  |  |  |  |
| Taxation | 2.1 | 16 586 | 15 373 | 16 879 | 15 632 |
| Interest income |  | 1 052 | 992 | 781 | 806 |
| Dividends, income tax equivalent and rate equivalent income | 2.2 | 2 861 | 1 692 | 680 | 344 |
| Sales of goods and services | 2.3 | 10 344 | 9 936 | 3 377 | 3 233 |
| Grants | 2.4 | 23 526 | 20 431 | 23 589 | 20 480 |
| Other revenue and income | 2.5 | 2 219 | 2 262 | 1 799 | 1 852 |
| **Total revenue and income from transactions** |  | **56 589** | **50 687** | **47 104** | **42 346** |
| **Expenses from transactions** |  |  |  |  |  |
| Employee expenses |  | 19 951 | 18 394 | 19 212 | 17 687 |
| Net superannuation interest expense | 3.2 | 395 | 389 | 395 | 389 |
| Other superannuation | 3.2 | 2 438 | 2 129 | 2 293 | 2 004 |
| Depreciation | 4.2 | 4 467 | 4 014 | 2 701 | 2 407 |
| Interest expense | 5.4 | 3 968 | 3 121 | 3 259 | 2 635 |
| Grant expense | 3.4 | 7 394 | 6 692 | 8 520 | 7 600 |
| Other operating expenses | 3.5 | 22 122 | 21 414 | 14 645 | 13 806 |
| **Total expenses from transactions** | 3.7, 3.8 | **60 734** | **56 153** | **51 024** | **46 529** |
| **Net result from transactions – Net operating balance** |  | **(4 145)** | **(5 466)** | **(3 921)** | **(4 182)** |
| **Other economic flows included in net result** |  |  |  |  |  |
| Net gain/(loss) on disposal of non‑financial assets |  | 48 | 11 | 25 | 33 |
| Net gain/(loss) on financial assets or liabilities at fair value |  | (155) | (2 120) | 367 | 120 |
| Share of net profit/(loss) from associates/joint venture entities |  | (18) | (13) | (18) | (13) |
| Other gains/(losses) from other economic flows | 8.2 | 258 | (621) | (189) | (299) |
| **Total other economic flows included in net result** |  | **132** | **(2 744)** | **185** | **(158)** |
| **Net result** |  | **(4 013)** | **(8 209)** | **(3 736)** | **(4 341)** |
| **Other economic flows – Other comprehensive income** |  |  |  |  |  |
| **Items that will not be reclassified to net result** |  |  |  |  |  |
| Changes in non‑financial assets revaluation surplus |  | 868 | 437 | 778 | 339 |
| Remeasurement of superannuation defined benefits plans | 3.2 | 1 212 | (35) | 1 203 | (43) |
| Other movements in equity |  | 66 | (121) | 94 | 75 |
| **Items that may be reclassified subsequently to net result** |  |  |  |  |  |
| Net gain/(loss) on financial assets at fair value |  | (9) | (12) | (3) | (5) |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets |  | .. | .. | (524) | (2 305) |
| **Total other economic flows – Other comprehensive income** |  | **2 136** | **268** | **1 548** | **(1 939)** |
| **Comprehensive result – Total change in net worth** |  | **(1 876)** | **(7 941)** | **(2 187)** | **(6 280)** |
|  |  |  |  |  |  |
| **KEY FISCAL AGGREGATES** |  |  |  |  |  |
| **Net operating balance** |  | **(4 145)** | **(5 466)** | **(3 921)** | **(4 182)** |
| Less: Net acquisition of non‑financial assets from transactions | 8.1 | 9 706 | 9 141 | 7 755 | 8 010 |
| **Net lending/(borrowing)** |  | **(13 851)** | **(14 606)** | **(11 675)** | **(12 193)** |

The accompanying notes form part of these financial statements.

# Consolidated balance sheet

As at 31 December ($ million)

|  |  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- | --- |
|  | Notes | Dec  2024 | Jun  2024 | Dec  2024 | Jun  2024 |
| **Assets** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and deposits | 5.2 | 21 347 | 19 595 | 14 847 | 14 306 |
| Advances paid | 5.3 | 417 | 521 | 6 335 | 6 421 |
| Receivables and contract assets | 2.6 | 13 492 | 14 129 | 8 556 | 10 163 |
| Investments, loans and placements | 5.3 | 83 535 | 81 054 | 16 491 | 14 866 |
| Investments accounted for using the equity method |  | 1 325 | 1 220 | 1 136 | 1 143 |
| Investments in other sector entities |  | .. | .. | 99 641 | 98 178 |
| **Total financial assets** |  | **120 115** | **116 519** | **147 006** | **145 077** |
| **Non‑financial assets** |  |  |  |  |  |
| Inventories |  | 1 656 | 1 748 | 322 | 402 |
| Non‑financial assets held for sale |  | 257 | 245 | 243 | 232 |
| Land, buildings, infrastructure, plant and equipment | 4.1 | 446 539 | 436 678 | 277 316 | 269 690 |
| Other non‑financial assets | 4.3 | 8 012 | 7 505 | 7 030 | 6 222 |
| **Total non‑financial assets** |  | **456 464** | **446 177** | **284 910** | **276 546** |
| **Total assets** | 3.9 | **576 580** | **562 697** | **431 917** | **421 623** |
| **Liabilities** |  |  |  |  |  |
| Deposits held and advances received |  | 1 996 | 1 938 | 1 435 | 1 525 |
| Payables | 3.6 | 7 982 | 10 491 | 5 350 | 7 741 |
| Borrowings | 5.1 | 208 304 | 193 712 | 183 005 | 167 309 |
| Employee benefits | 3.1 | 12 022 | 11 857 | 11 312 | 11 120 |
| Superannuation | 3.3 | 17 369 | 18 226 | 17 369 | 18 226 |
| Other provisions | 3.7 | 55 411 | 53 960 | 3 265 | 3 431 |
| Other liabilities | 2.7 | 35 463 | 32 609 | 22 550 | 22 411 |
| **Total liabilities** |  | **338 548** | **322 792** | **244 286** | **231 764** |
| **Net assets** |  | **238 031** | **239 904** | **187 630** | **189 859** |
| **Equity** |  |  |  |  |  |
| Accumulated surplus/(deficit) |  | 73 741 | 76 281 | 40 902 | 43 405 |
| Reserves |  | 164 290 | 163 624 | 146 728 | 146 454 |
| **Net worth** |  | **238 031** | **239 904** | **187 630** | **189 859** |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net financial worth |  | (218 433) | (206 273) | (97 280) | (86 686) |
| Net financial liabilities |  | 218 433 | 206 273 | 196 921 | 184 865 |
| Net debt |  | 105 002 | 94 480 | 146 767 | 133 241 |

The accompanying notes form part of these financial statements.

# Consolidated cash flow statement

For the six months ended 31 December ($ million)

|  |  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- | --- |
|  | Notes | 2024 | 2023 | 2024 | 2023 |
| **Cash flows from operating activities** |  |  |  |  |  |
| **Receipts** |  |  |  |  |  |
| Taxes received |  | 18 431 | 16 750 | 18 724 | 17 009 |
| Grants |  | 23 435 | 20 377 | 23 462 | 20 425 |
| Sales of goods and services (a) |  | 12 512 | 11 911 | 3 396 | 3 258 |
| Interest received |  | 792 | 871 | 731 | 793 |
| Dividends, income tax equivalent and rate equivalent receipts |  | 2 873 | 1 711 | 663 | 806 |
| Other receipts |  | 1 750 | 1 201 | 1 362 | 1 086 |
| **Total receipts** |  | **59 793** | **52 822** | **48 338** | **43 376** |
| **Payments** |  |  |  |  |  |
| Payments for employees |  | (19 750) | (18 108) | (18 989) | (17 412) |
| Superannuation |  | (2 478) | (2 020) | (2 342) | (1 904) |
| Interest paid |  | (3 232) | (2 680) | (3 062) | (2 440) |
| Grants and subsidies |  | (8 319) | (6 878) | (9 454) | (7 850) |
| Goods and services (a) |  | (21 455) | (20 125) | (15 370) | (14 436) |
| Other payments |  | (991) | (584) | (988) | (585) |
| **Total payments** |  | **(56 225)** | **(50 395)** | **(50 205)** | **(44 625)** |
| **Net cash flows from operating activities** |  | **3 568** | **2 427** | **(1 867)** | **(1 249)** |
| **Cash flows from investing activities** |  |  |  |  |  |
| **Cash flows from investments in non‑financial assets** |  |  |  |  |  |
| Purchases of non‑financial assets | 3.8, 3.9 | (11 676) | (11 454) | (8 843) | (9 097) |
| Sales of non‑financial assets |  | 155 | 196 | 101 | 114 |
| **Net cash flows from investments in non‑financial assets** |  | **(11 522)** | **(11 258)** | **(8 742)** | **(8 983)** |
| Net cash flows from investments in financial assets for policy purposes |  | (135) | 55 | (1 981) | (1 003) |
| **Sub‑total** |  | **(11 657)** | **(11 203)** | **(10 723)** | **(9 986)** |
| Net cash flows from investments in financial assets for liquidity management purposes |  | 325 | (11 816) | (1 131) | (9 609) |
| **Net cash flows from investing activities** |  | **(11 332)** | **(23 019)** | **(11 854)** | **(19 594)** |
| **Cash flows from financing activities** |  |  |  |  |  |
| Advances received (net) |  | (21) | 125 | (8) | 142 |
| Net borrowings |  | 9 457 | 13 535 | 14 348 | 13 824 |
| Deposits received (net) |  | 80 | 139 | (82) | 93 |
| **Net cash flows from financing activities** |  | **9 516** | **13 800** | **14 257** | **14 059** |
| **Net increase/(decrease) in cash and cash equivalents** |  | **1 752** | **(6 792)** | **536** | **(6 785)** |
| Cash and cash equivalents at beginning of reporting period (b) |  | 19 595 | 25 678 | 14 310 | 19 698 |
| **Cash and cash equivalents at end of the reporting period** | 5.2 | **21 347** | **18 886** | **14 847** | **12 913** |
|  |  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net cash flows from operating activities |  | 3 568 | 2 427 | (1 867) | (1 249) |
| Net cash flows from investments in non‑financial assets |  | (11 522) | (11 258) | (8 742) | (8 983) |
| **Cash surplus/(deficit)** |  | **(7 954)** | **(8 831)** | **(10 609)** | **(10 232)** |

The accompanying notes form part of these financial statements.

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.

# Consolidated statement of changes in equity

For the six months ended 31 December ($ million)

| State of Victoria | Accumulated surplus/(deficit) | Non‑financial assets revaluation surplus | Investment in other sector entities revaluation surplus | Other reserves | Total |
| --- | --- | --- | --- | --- | --- |
| **2024** |  |  |  |  |  |
| Balance at 1 July 2024 | 76 281 | 161 192 | .. | 2 432 | 239 904 |
| Opening balance adjustment (a)(b) | 215 | (211) | .. | .. | 3 |
| **Restated balance at 1 July 2024** | **76 495** | **160 980** | **..** | **2 432** | **239 908** |
| Net result for the year | (4 013) | .. | .. | .. | (4 013) |
| Other comprehensive income for the year | 1 259 | 868 | .. | 9 | 2 136 |
| Transfer to/(from) accumulated surplus | .. | .. | .. | .. | .. |
| **Total equity as at 31 December 2024** | **73 741** | **161 849** | **..** | **2 441** | **238 031** |
| **2023** |  |  |  |  |  |
| Balance at 1 July 2023 | 80 106 | 151 951 | .. | 2 139 | 234 196 |
| Net result for the year | (8 209) | .. | .. | .. | (8 209) |
| Other comprehensive income for the year | (220) | 437 | .. | 51 | 268 |
| Transfer to/(from) accumulated surplus | 375 | (375) | .. | .. | .. |
| **Total equity as at 31 December 2023** | **72 051** | **152 013** | **..** | **2 191** | **226 255** |

| General government sector |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2024** |  |  |  |  |  |
| 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 | (3 736) | .. | .. | .. | (3 736) |
| Other comprehensive income for the year | 1 284 | 778 | (524) | 10 | 1 548 |
| Transfer to/(from) accumulated surplus | .. | .. | .. | .. | .. |
| **Total equity as at 31 December 2024** | **40 902** | **99 323** | **45 867** | **1 538** | **187 630** |
| **2023** |  |  |  |  |  |
| Balance at 1 July 2023 | 45 889 | 91 269 | 48 245 | 1 380 | 186 783 |
| Net result for the year | (4 341) | .. | .. | .. | (4 341) |
| Other comprehensive income for the year | (28) | 339 | (2 305) | 55 | (1 939) |
| Transfer to/(from) accumulated surplus | 375 | (375) | .. | .. | .. |
| **Total equity as at 31 December 2023** | **41 894** | **91 234** | **45 941** | **1 435** | **180 504** |

The accompanying notes form part of these financial statements.

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.

# About this report

## Basis of preparation

This Mid-Year Financial Report presents the unaudited general purpose consolidated interim financial statements of the State of Victoria (the State) and the Victorian general government sector. The report also incorporates the quarterly financial report of the general government sector for the quarter ended 31 December 2024.

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

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

## Statement of compliance

These financial statements have been prepared in the manner and form determined by the Treasurer, in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs), which include Interpretations issued by the Australian Accounting Standards Board (AASB).

In particular, they are presented consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting* and AASB 134 *Interim Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

The financial statements have also applied reporting requirements from the *Australian System of Government Finance Statistics: Concepts, Sources and Methods (2015)* manual released by the Australian Bureau of Statistics.

The *2024-25 Mid-Year Financial Report* was authorised for issue by the Treasurer on 5 March 2025.

## 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 the cash is received or paid.

These financial statements are presented in Australian dollars and the historical cost convention is used except for:

* general government sector investments in other sector entities, which are measured at net asset value
* non-financial physical assets including service concession arrangement assets and right-of-use assets which, subsequent to recognition, 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 the carrying amounts do not materially differ from their fair values
* certain liabilities, most notably unfunded superannuation and insurance claim provisions, which are subject to actuarial assessments
* financial assets classified at fair value through other comprehensive income, which are measured at fair value with movements reflected in other economic flows – other comprehensive income
* financial assets classified at fair value through profit and loss, which are measured at fair value with movements reflected in other economic flows included in net result.

## Reporting entity

The State of Victoria reporting entity includes government departments, public non-financial corporations (PNFCs), public financial corporations (PFCs) and other government-controlled entities. The State and most of its subsidiary entities are not for profit entities. The state-controlled entities are classified into various sectors according to the System of National Accounts as described below.

### General government

The Victorian 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 general government sector is not a separate reporting entity but represents a sector within the State of Victoria reporting entity and is reported in accordance with AASB 1049. The primary function of entities within 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. Unless otherwise noted, accounting policies applied by the State of Victoria apply equally to the general government sector.

### Public non-financial corporations

The primary function of entities in the PNFC sector is to provide goods and services in a competitive market that is non-regulatory and non-financial in nature. Such entities are financed mainly through sales to consumers of these goods and services.

### Public financial corporations

The PFC sector comprises entities engaged primarily in providing financial intermediary services or auxiliary financial services and which have one or more of the following characteristics:

* They perform a central borrowing function
* They provide insurance services
* They accept call, term or savings deposits
* They have the ability to incur liabilities and acquire financial assets in the market on their own account.

### Non-financial public sector

The non-financial public sector (NFPS) consolidates the general government and PNFC sectors.

Note 8.1 disaggregates information about these sectors.

Disclosing this information assists users of the financial statements to determine the effects of differing activities on the financial performance and position of the State. It also assists users to identify the resources used to produce a range of goods and services, and the extent to which the State has recovered the costs of these resources from revenues attributable to those activities.

## Basis of consolidation

The consolidated financial statements of the State incorporate the assets and liabilities of all reporting entities it controlled as at 31 December 2024 and the revenue and expenses of controlled entities for the part of the reporting period in which control existed.

The consolidated financial statements of the Victorian general government sector incorporate the assets and liabilities, and revenue and expenses of entities classified as general government. Entities in the PNFC and PFC sectors are not consolidated into the financial statements of the 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 sector and PFC sector entities before consolidation eliminations. Where the carrying amount of the entity’s net assets before consolidation eliminations of an entity within the sector is less than zero, the amount is not included in the general government sector, but the net liabilities will be consolidated at the state level. 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.

Entities which are not controlled by the State, including local government authorities, universities and denominational hospitals, are not consolidated into the State’s financial statements.

Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In preparing the consolidated financial statements for reporting the State and Victorian general government sector, all material transactions and balances between consolidated government-controlled entities are eliminated.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the revenue and expenses of the relevant sectors of government.

Details of significant changes to entities consolidated by the State are shown in Note 8.3.

## Rounding

All amounts in the financial report have been rounded to the nearest $1 million unless otherwise stated. Figures in this financial report may not add due to rounding.

# How funds are raised

## Introduction

This section presents the sources and amounts of revenue and income raised by the State.

The income and revenue 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*.

## Taxation ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| **TAXES ON EMPLOYERS’ PAYROLL AND LABOUR FORCE** |  |  |  |  |
| Payroll Tax | 4 759 | 4 426 | 4 821 | 4 481 |
| COVID Debt Levy – Payroll $10m+ | 520 | 429 | 526 | 433 |
| Mental Health and Wellbeing Levy | 520 | 464 | 526 | 474 |
| **Total taxes on employers’ payroll and labour force** | **5 799** | **5 319** | **5 873** | **5 388** |
| **TAXES ON IMMOVABLE PROPERTY** |  |  |  |  |
| Land tax | 217 | 263 | 243 | 285 |
| COVID Debt Levy – Landholdings (a) | (7) | .. | (7) | .. |
| Fire Services Property Levy | 946 | 833 | 946 | 833 |
| Congestion levy (b) | 3 | (2) | 3 | (2) |
| Metropolitan improvement levy | 90 | 122 | 90 | 122 |
| Windfall gains tax | 33 | 10 | 33 | 10 |
| **Total taxes on property** | **1 282** | **1 227** | **1 307** | **1 249** |
| **TAXES ON THE PROVISION OF GOODS AND SERVICES** |  |  |  |  |
| **Gambling taxes (c)** |  |  |  |  |
| Public lotteries | 300 | 326 | 300 | 326 |
| Electronic gaming machines | 725 | 692 | 725 | 692 |
| Casino | 105 | 86 | 105 | 86 |
| Racing and other sports betting | 196 | 139 | 196 | 139 |
| Other | 9 | 9 | 9 | 9 |
| **Financial and capital transactions** |  |  |  |  |
| Land transfer duty | 4 737 | 4 251 | 4 737 | 4 251 |
| Metropolitan planning levy | 13 | 11 | 13 | 11 |
| Financial accommodation levy | .. | .. | 96 | 84 |
| Growth areas infrastructure contribution | 86 | 125 | 86 | 125 |
| **Levies on statutory corporations** | **..** | **..** | **97** | **83** |
| **Taxes on insurance** | **1 172** | **1 089** | **1 172** | **1 089** |
| **Total taxes on the provision of goods and services** | **7 343** | **6 728** | **7 536** | **6 895** |
| **TAXES ON THE USE OF GOODS AND PERFORMANCE OF ACTIVITIES** |  |  |  |  |
| **Motor vehicle taxes** |  |  |  |  |
| Vehicle registration fees | 1 104 | 1 040 | 1 105 | 1 042 |
| Duty on vehicle registrations and transfers | 661 | 704 | 661 | 704 |
| **Liquor licence fees** | **23** | **..** | **23** | **..** |
| **Other** | **374** | **354** | **374** | **354** |
| **Total taxes on the use of goods and performance of activities** | **2 162** | **2 098** | **2 163** | **2 099** |
| **Total taxation** | **16 586** | **15 373** | **16 879** | **15 632** |

Notes:

(a) Negative revenue from the COVID Debt Levy – Landholdings was mainly caused by the withdrawal or downward revision of assessments originally issued and accrued in 2023-24. Assessments may be withdrawn or amended for several reasons, including valuation objections and identification of taxpayer exemptions.

(b) Negative revenue from the Congestion Levy was mainly caused by the withdrawal or amendment of assessments originally issued and accrued in 2023-24. Assessments may be withdrawn or amended for several reasons, including identification of taxpayer concessions or exemptions.

(c) The Public lotteries, electronic gaming machines, casino, racing and other sports betting and other taxes include gambling licence revenue in the six months to 31 December 2024 of $86 million (31 December 2023: $95 million), recognised under AASB 15 Revenue from Contracts with Customers. The balance of these items is recognised under AASB 1058 Income of Not-for-Profit Entities.

## Dividends, income tax equivalent and rate equivalent income ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Dividends from PFC sector | .. | .. | .. | .. |
| Dividends from PNFC sector | .. | .. | 66 | 85 |
| Dividends from non-public sector | 2 861 | 1 692 | 502 | 114 |
| **Dividends** | **2 861** | **1 692** | **568** | **200** |
| Income tax equivalent income from PFC sector | .. | .. | 10 | 22 |
| Income tax equivalent income from PNFC sector | .. | .. | 102 | 123 |
| **Income tax equivalent income** | **..** | **..** | **112** | **144** |
| Local government rate equivalent income | .. | .. | .. | .. |
| **Total dividends, income tax equivalent and rate equivalent income** | **2 861** | **1 692** | **680** | **344** |

Dividends by entity ($ million)

|  | General  government sector | |
| --- | --- | --- |
|  | 2024 | 2023 |
| **Public financial corporations** |  |  |
| Victorian Managed Insurance Authority | .. | .. |
| Treasury Corporation of Victoria | .. | .. |
| State Trustees Ltd | .. | .. |
| Victorian Funds Management Corporation | .. | .. |
| **Dividends from PFC sector** | .. | .. |
| **Public non‑financial corporations** |  |  |
| Greater Western Water | 10 | .. |
| Melbourne Water Corporation | .. | 11 |
| South East Water Corporation | 11 | 22 |
| Yarra Valley Water Corporation | 45 | 25 |
| Development Victoria | .. | 27 |
| **Dividends from PNFC sector** | **66** | **85** |

## Sales of goods and services ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| **Amounts recognised as revenue from contracts with customers (AASB 15)** |  |  |  |  |
| Sale of goods | 267 | 334 | 50 | 45 |
| Provision of services | 9 187 | 8 580 | 2 744 | 2 505 |
| **Amounts recognised as income of not-for-profit entities (AASB 1058)** |  |  |  |  |
| Motor vehicle regulatory fees | 138 | 164 | 138 | 164 |
| Other regulatory fees | 402 | 461 | 386 | 445 |
| Refunds and reimbursements | 167 | 200 | 1 | 1 |
| **Amounts recognised as lease income (AASB 16)** |  |  |  |  |
| Rental | 184 | 197 | 57 | 72 |
| **Total sales of goods and services** | **10 344** | **9 936** | **3 377** | **3 233** |

## Grants (a) ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| General purpose grants | 12 613 | 10 820 | 12 613 | 10 820 |
| Specific purpose grants for on-passing | 2 741 | 2 532 | 2 741 | 2 532 |
| Specific purpose grants | 8 028 | 7 009 | 8 024 | 6 996 |
| **Total** | **23 382** | **20 361** | **23 379** | **20 348** |
| Other contributions and grants | 144 | 70 | 210 | 132 |
| **Total grants** | **23 526** | **20 431** | **23 589** | **20 480** |

Note:

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

## Other revenue and income ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| **Amounts recognised as revenue from contracts with customers (AASB 15)** |  |  |  |  |
| Royalties | 88 | 75 | 79 | 67 |
| Other revenue – Health | 173 | 144 | 173 | 144 |
| Other miscellaneous revenue | 596 | 548 | 505 | 452 |
| **Amounts recognised as income of not-for-profit entities (AASB 1058)** |  |  |  |  |
| Fair value of assets received free of charge or for nominal consideration (a) | 616 | 424 | 383 | 214 |
| Fines | 93 | 375 | 91 | 372 |
| Donations and gifts (b) | 175 | 218 | 118 | 157 |
| Other income – Education | 175 | 173 | 175 | 173 |
| **Amounts recognised as lease income (AASB 16)** |  |  |  |  |
| Other non-property rental | 46 | 47 | 18 | 15 |
| **Revenue items accounted for under AASB 1059** |  |  |  |  |
| Revenue related to economic service concession arrangements | 259 | 258 | 258 | 258 |
| **Total other revenue and income** | **2 219** | **2 262** | **1 799** | **1 852** |

Notes:

(a) The fair value of assets and services received free of charge or for nominal consideration in 2024-25 figure include $381 million (2023-24: $212 million) relating to the progressive recognition of the contribution made by Cross Yarra Partnership consortium and adjustments for expected costs under the Metro Tunnel service concession arrangement.

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

## Receivables and contract assets ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec 2024 | Jun 2024 | Dec 2024 | Jun 2024 |
| **Contractual** |  |  |  |  |
| Sales of goods and services | 2 020 | 1 467 | 1 017 | 681 |
| Accrued investment income | 188 | 178 | 143 | 81 |
| Other receivables | 4 323 | 3 415 | 2 288 | 2 373 |
| Allowance for impairment of contractual receivables | (446) | (362) | (165) | (158) |
| **Statutory** |  |  |  |  |
| Sales of goods and services | 14 | 13 | .. | 1 |
| Taxes receivables | 4 749 | 6 414 | 4 775 | 6 477 |
| Fines and regulatory fees | 2 254 | 2 602 | 2 253 | 2 601 |
| GST input tax credits recoverable | 1 548 | 1 524 | 556 | 530 |
| Other receivables | 1 | .. | .. | .. |
| Allowance for impairment of statutory receivables | (2 313) | (2 424) | (2 313) | (2 424) |
| **Other** |  |  |  |  |
| Actuarially determined | 893 | 1 096 | .. | .. |
| Contract assets | 261 | 206 | .. | .. |
| **Total receivables and contract assets** | **13 492** | **14 129** | **8 556** | **10 163** |
| **Represented by:** |  |  |  |  |
| Current receivables and contract assets | 11 116 | 11 875 | 7 723 | 9 391 |
| Non‑current receivables and contract assets | 2 375 | 2 254 | 833 | 771 |

## Other liabilities ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec  2024 | Jun  2024 | Dec  2024 | Jun  2024 |
| Contract liabilities | 765 | 724 | 497 | 477 |
| Grant of a right to the operator liability | 20 213 | 20 175 | 20 095 | 20 089 |
| Unearned income | 14 485 | 11 710 | 1 958 | 1 846 |
| **Total other liabilities** | **35 463** | **32 609** | **22 550** | **22 411** |
| **Represented by:** |  |  |  |  |
| Current other liabilities | 5 785 | 3 244 | 1 683 | 1 680 |
| Non‑current other liabilities | 29 678 | 29 365 | 20 868 | 20 732 |

# How funds are spent

## Introduction

This section accounts for the major components of expenditure incurred by the State towards the delivery of services and on capital or infrastructure projects during the year, as well as any related obligations outstanding as at 31 December 2024.

## Employee expenses and provision for outstanding employee benefits

### Employee expenses (Operating statement)

Employee expenses in the operating statement are a major component of operating costs and include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements and redundancy payments. 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.

### 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, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted to reflect the estimated timing and amount of benefit payment. The table below shows the key components of this provision at 31 December and 30 June 2024.

Total provision for employee benefits and on-costs at 31 December ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec  2024 | Jun  2024 | Dec  2024 | Jun  2024 |
| **Current** |  |  |  |  |
| Accrued salaries and wages | 817 | 862 | 799 | 820 |
| Other employee benefits | 154 | 170 | 131 | 137 |
| Annual leave | 3 276 | 3 289 | 3 036 | 3 041 |
| Long service leave | 6 532 | 6 339 | 6 214 | 6 027 |
| **Total current employee benefits and on‑costs** | **10 779** | **10 660** | **10 180** | **10 025** |
| **Non‑current** |  |  |  |  |
| Accrued salaries and wages | 13 | 13 | .. | .. |
| Long service leave | 1 230 | 1 183 | 1 132 | 1 095 |
| **Total non‑current employee benefits and on‑costs** | **1 244** | **1 197** | **1 132** | **1 095** |
| **Total employee benefits and on‑costs** | **12 022** | **11 857** | **11 312** | **11 120** |

## Superannuation (Operating statement) ($ million)

|  | State of Victoria | |
| --- | --- | --- |
|  | 2024 | 2023 |
| **Defined benefit plans** |  |  |
| Net superannuation interest expense | 395 | 389 |
| Current service cost | 517 | 484 |
| Remeasurements: |  |  |
| Expected return on superannuation assets excluding interest income | (323) | (363) |
| Other actuarial (gain)/loss on superannuation assets | (578) | (36) |
| Actuarial and other adjustments to unfunded superannuation liability | (311) | 434 |
| **Total expense recognised in respect of defined benefit plans** | **(300)** | **908** |
| **Defined contribution plans** |  |  |
| Employer contributions to defined contribution plans | 1 869 | 1 605 |
| Other (including pensions) | 51 | 40 |
| **Total expense recognised in respect of defined contribution plans** | **1 921** | **1 644** |
| **Total superannuation (gain)/expense recognised in operating statement** | **1 621** | **2 553** |
| **Represented by:** |  |  |
| Net superannuation interest expense | 395 | 389 |
| Other superannuation | 2 438 | 2 129 |
| **Superannuation expense from transactions** | **2 833** | **2 518** |
| **Remeasurement recognised in other comprehensive income** | **(1 212)** | **35** |
| **Total superannuation costs recognised in operating statement** | **1 621** | **2 553** |

## Superannuation Liability (Balance Sheet) ($ million)

|  | State of Victoria | |
| --- | --- | --- |
|  | Dec 2024 | Jun 2024 |
| Current liability | 581 | 581 |
| Non‑current liability | 16 788 | 17 645 |
| **Total superannuation liability** | **17 369** | **18 226** |
| **Represented by:** |  |  |
| Emergency Services and State Super | 16 532 | 17 349 |
| Other funds | 837 | 877 |

## Grant expense ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| **Current grant expense** |  |  |  |  |
| Commonwealth Government | 1 572 | 1 495 | 1 572 | 1 495 |
| Local government (including grants for on-passing) | 269 | 155 | 267 | 153 |
| Private sector and not-for-profit on-passing | 2 751 | 2 555 | 2 751 | 2 555 |
| Other private sector and not-for-profit | 2 361 | 2 048 | 2 336 | 2 025 |
| Grants within the Victorian Government | .. | .. | 1 274 | 1 095 |
| Grants to other state governments | 72 | 28 | 72 | 28 |
| **Total current grant expense** | **7 026** | **6 282** | **8 273** | **7 351** |
| **Capital grant expense** |  |  |  |  |
| Commonwealth Government | 5 | .. | .. | .. |
| Local government (including grants for on-passing) | 82 | 55 | 82 | 55 |
| Private sector and not-for-profit on-passing | 266 | 333 | 136 | 180 |
| Other private sector and not-for-profit | 8 | .. | 8 | .. |
| Grants within the Victorian Government | .. | .. | 20 | 12 |
| Other grants | 6 | 22 | 2 | .. |
| **Total capital grant expense** | **368** | **410** | **247** | **249** |
| **Total grant expense** | **7 394** | **6 692** | **8 520** | **7 600** |

## Other operating expenses ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Purchase of supplies and consumables (a) | 3 255 | 2 770 | 2 699 | 2 375 |
| Cost of goods sold | 200 | 179 | 14 | 23 |
| Finance expenses and fees (b) | 283 | 328 | 34 | 26 |
| Purchase of services (a) | 10 736 | 10 766 | 9 627 | 9 476 |
| Insurance claims expense | 5 256 | 5 229 | 345 | 231 |
| Maintenance | 1 122 | 1 053 | 666 | 585 |
| Short-term and low-value lease expense | 65 | 83 | 67 | 85 |
| Other | 1 205 | 1 006 | 1 192 | 1 005 |
| **Total other operating expenses** | **22 122** | **21 414** | **14 645** | **13 806** |

Notes:

(a) A breakdown of purchase of supplies and consumables and purchase of services is provided in the following two tables.

(b) Includes items such as bank fees and associated costs involved in entering into loan transactions, and credit card and corporate card charges.

Purchase of supplies and consumables ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Medicinal pharmacy and medical supplies | 1 175 | 1 110 | 1 175 | 1 110 |
| Office supplies and consumables | 126 | 103 | 119 | 97 |
| Specialised operational supplies and consumables | 154 | 150 | 137 | 128 |
| Other purchase of supplies and consumables | 1 800 | 1 407 | 1 268 | 1 041 |
| **Total purchase of supplies and consumables** | **3 255** | **2 770** | **2 699** | **2 375** |

Purchase of services ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Service contracts | 5 947 | 5 828 | 5 710 | 5 589 |
| Accommodation/occupancy | 669 | 673 | 575 | 565 |
| Medical and client care services | 230 | 272 | 230 | 272 |
| Staff related expenses (non‑labour related) | 189 | 177 | 168 | 158 |
| Other purchase of services | 3 701 | 3 815 | 2 945 | 2 891 |
| **Total purchase of services** | **10 736** | **10 766** | **9 627** | **9 476** |

## Payables ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec 2024 | Jun 2024 | Dec 2024 | Jun 2024 |
| **Contractual** |  |  |  |  |
| Accounts payable | 2 890 | 3 340 | 979 | 1 456 |
| Accrued expenses | 4 995 | 7 050 | 4 307 | 6 218 |
| **Statutory** |  |  |  |  |
| Accrued taxes payable | 96 | 101 | 65 | 67 |
| **Total payables** | **7 982** | **10 491** | **5 350** | **7 741** |
| **Represented by:** |  |  |  |  |
| Current payables | 7 824 | 10 331 | 5 193 | 7 582 |
| Non‑current payables | 158 | 159 | 157 | 159 |

## Other provisions ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec 2024 | Jun 2024 | Dec 2024 | Jun 2024 |
| **Provision for insurance claims** |  |  |  |  |
| WorkSafe Victoria | 4 382 | 4 197 | .. | .. |
| Transport Accident Commission | 1 881 | 1 855 | .. | .. |
| Victorian Managed Insurance Authority | 920 | 959 | .. | .. |
| Other agencies | 175 | 175 | 173 | 174 |
| **Current provision for insurance claims** | **7 358** | **7 186** | **173** | **174** |
| Other provisions | 1 770 | 2 217 | 1 550 | 1 963 |
| **Total current other provisions** | **9 128** | **9 403** | **1 724** | **2 137** |
| **Non‑current provision for insurance claims** |  |  |  |  |
| WorkSafe Victoria | 26 088 | 24 966 | .. | .. |
| Transport Accident Commission | 15 705 | 15 516 | .. | .. |
| Victorian Managed Insurance Authority | 2 853 | 2 706 | .. | .. |
| Other agencies | 191 | 191 | 191 | 191 |
| **Non‑current provision for insurance claims** | **44 837** | **43 380** | **191** | **191** |
| Other provisions | 1 447 | 1 177 | 1 351 | 1 103 |
| **Total non‑current other provisions** | **46 284** | **44 557** | **1 541** | **1 294** |
| **Total other provisions** | **55 411** | **53 960** | **3 265** | **3 431** |

## Total operating expenses and purchases of non-financial assets – By department

The following table discloses the funds spent by each portfolio department, including operating expenditure and capital expenditure, as part of the department’s normal activities.

Total operating expenses and purchases of non-financial assets – By department ($ million)

|  | Expenses  from transactions | | Purchases of  non‑financial assets | |
| --- | --- | --- | --- | --- |
| State of Victoria | Dec  2024 | Dec  2023 | Dec  2024 | Dec  2023 |
| Education | 11 479 | 10 442 | 1 155 | 1 339 |
| Energy, Environment and Climate Action | 5 365 | 5 195 | 1 459 | 1 429 |
| Families, Fairness and Housing | 5 715 | 5 054 | 382 | 422 |
| Government Services | 783 | 753 | 8 | 52 |
| Health | 16 486 | 15 010 | 873 | 825 |
| Jobs, Skills, Industry and Regions | 2 382 | 2 015 | 257 | 210 |
| Justice and Community Safety | 5 555 | 5 278 | 242 | 233 |
| Premier and Cabinet | 349 | 234 | 4 | 8 |
| Transport and Planning | 6 422 | 6 142 | 7 144 | 6 717 |
| Treasury and Finance | 17 064 | 15 069 | 19 | 32 |
| Parliament | 186 | 176 | 9 | 12 |
| Courts | 476 | 425 | 98 | 81 |
| Regulatory bodies and other part budget funded agencies (a) | 1 931 | 1 921 | 171 | 96 |
| **Total** | **74 195** | **67 714** | **11 819** | **11 455** |
| *Less eliminations and adjustments (b)* | *(13 461)* | *(11 561)* | *(142)* | *(2)* |
| **Grand total** | **60 734** | **56 153** | **11 676** | **11 454** |

| General government sector |  |  |  |  |
| --- | --- | --- | --- | --- |
| Education | 11 479 | 10 442 | 1 155 | 1 339 |
| Energy, Environment and Climate Action | 1 730 | 1 711 | 93 | 117 |
| Families, Fairness and Housing | 4 706 | 4 068 | 15 | 14 |
| Government Services | 783 | 753 | 8 | 52 |
| Health | 16 394 | 14 925 | 857 | 808 |
| Jobs, Skills, Industry and Regions | 1 980 | 1 637 | 159 | 121 |
| Justice and Community Safety | 5 437 | 5 136 | 240 | 230 |
| Premier and Cabinet | 333 | 234 | 4 | 8 |
| Transport and Planning | 4 804 | 4 582 | 6 046 | 6 220 |
| Treasury and Finance | 6 994 | 6 279 | 4 | 9 |
| Parliament | 186 | 176 | 9 | 12 |
| Courts | 476 | 425 | 98 | 81 |
| Regulatory bodies and other part budget funded agencies (a) | 1 931 | 1 921 | 171 | 96 |
| **Total** | **57 235** | **52 288** | **8 858** | **9 106** |
| *Less eliminations and adjustments (b)* | *(6 211)* | *(5 760)* | *(15)* | *(9)* |
| **Grand total** | **51 024** | **46 529** | **8 843** | **9 097** |

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 inter-departmental transfers.

## Total operating expenses, purchases of non-financial assets and total assets – By classification of the functions of government

The following table presents operating and capital expenditure and total assets held by classification of the functions of government (COFOG).

Total operating expenses, purchases of non-financial assets and total assets – By COFOG ($ million)

|  | Expenses from transactions | | Purchases of non‑financial assets | | Total assets | |
| --- | --- | --- | --- | --- | --- | --- |
| State of Victoria | Dec  2024 | Dec  2023 | Dec  2024 | Dec  2023 | Dec  2024 | Jun  2024 |
| General public services | 11 482 | 10 706 | 34 | 100 | 6 472 | 7 010 |
| Public order and safety | 5 690 | 5 401 | 457 | 384 | 16 406 | 16 158 |
| Economic affairs | 1 308 | 1 480 | 160 | 54 | 1 860 | 1 818 |
| Environmental protection | 539 | 509 | 83 | 84 | 16 778 | 16 700 |
| Housing and community amenities | 3 072 | 2 860 | 1 275 | 1 252 | 65 489 | 64 682 |
| Health | 15 881 | 14 411 | 844 | 827 | 33 009 | 31 928 |
| Recreation, culture and religion | 1 105 | 1 444 | 307 | 224 | 17 192 | 16 822 |
| Education | 12 004 | 10 758 | 1 186 | 1 333 | 46 235 | 45 391 |
| Social protection | 5 249 | 4 580 | 425 | 461 | 39 859 | 39 619 |
| Transport | 5 233 | 5 176 | 7 048 | 6 737 | 219 279 | 211 974 |
| Not allocated by function (a)(b) | (828) | (1 173) | (142) | (2) | 114 001 | 110 593 |
| **Total** | **60 734** | **56 153** | **11 676** | **11 454** | **576 580** | **562 697** |

| General government sector |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| General public services | 4 929 | 3 975 | 19 | 76 | 3 188 | 3 252 |
| Public order and safety | 5 909 | 5 555 | 457 | 384 | 16 406 | 16 158 |
| Economic affairs | 1 271 | 1 445 | 129 | 53 | 1 827 | 1 810 |
| Environmental protection | 587 | 544 | 83 | 84 | 16 778 | 16 700 |
| Housing and community amenities | 899 | 742 | 30 | 13 | 3 853 | 3 837 |
| Health | 16 225 | 14 690 | 844 | 827 | 33 009 | 31 928 |
| Recreation, culture and religion | 571 | 873 | 158 | 77 | 8 943 | 8 670 |
| Education | 12 093 | 10 827 | 1 186 | 1 333 | 46 235 | 45 391 |
| Social protection | 4 636 | 3 984 | 59 | 53 | 2 732 | 2 690 |
| Transport | 4 167 | 4 123 | 5 894 | 6 206 | 152 617 | 146 666 |
| Not allocated by function (a)(b) | (263) | (229) | (15) | (9) | 146 328 | 144 521 |
| **Total** | **51 024** | **46 529** | **8 843** | **9 097** | **431 917** | **421 623** |

Notes:

(a) Not allocated by function for expenses and purchases of non-financial assets represents eliminations and adjustments.

(b) Not allocated by function for total assets represents eliminations and adjustments, and financial assets, which are not able to be allocated by function.

# Major assets and investments

## Introduction

This section outlines the assets that the State controls, reflecting investing activities in the current and prior years.

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

|  | State of Victoria | | | General government sector | | |
| --- | --- | --- | --- | --- | --- | --- |
| Dec 2024 | Gross carrying amount | Accumulated depreciation | Carrying amount | Gross carrying amount | Accumulated depreciation | Carrying amount |
| Buildings | 94 783 | (6 941) | 87 842 | 65 976 | (5 479) | 60 497 |
| Land and national parks | 141 685 | .. | 141 685 | 96 249 | .. | 96 249 |
| Infrastructure | 85 643 | (7 031) | 78 612 | 2 026 | (729) | 1 296 |
| Plant, equipment and vehicles | 19 571 | (8 594) | 10 976 | 10 671 | (6 465) | 4 205 |
| Roads and road infrastructure | 33 942 | (1 703) | 32 238 | 33 788 | (1 692) | 32 096 |
| Earthworks | 12 370 | .. | 12 370 | 12 370 | .. | 12 370 |
| Cultural assets | 7 101 | (131) | 6 970 | 6 996 | (131) | 6 865 |
| Construction in progress | 75 846 | .. | 75 846 | 63 738 | .. | 63 738 |
| **Total land, buildings, infrastructure, plant and equipment** | **470 940** | **(24 401)** | **446 539** | **291 814** | **(14 498)** | **277 316** |

| Jun 2024 |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Buildings | 93 451 | (5 360) | 88 091 | 64 642 | (4 172) | 60 469 |
| Land and national parks | 141 310 | .. | 141 310 | 95 973 | .. | 95 973 |
| Infrastructure | 83 931 | (5 323) | 78 608 | 2 026 | (708) | 1 318 |
| Plant, equipment and vehicles | 19 384 | (8 118) | 11 267 | 10 470 | (6 168) | 4 302 |
| Roads and road infrastructure | 33 937 | (1 136) | 32 801 | 33 786 | (1 126) | 32 660 |
| Earthworks | 12 370 | .. | 12 370 | 12 370 | .. | 12 370 |
| Cultural assets | 7 038 | (124) | 6 914 | 6 933 | (124) | 6 810 |
| Construction in progress | 65 318 | .. | 65 318 | 55 789 | .. | 55 789 |
| **Total land, buildings, infrastructure, plant and equipment** | **456 739** | **(20 061)** | **436 678** | **281 988** | **(12 299)** | **269 690** |

The following 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)

|  | State of Victoria | | | General government sector | | |
| --- | --- | --- | --- | --- | --- | --- |
| Dec 2024 | Gross carrying amount | Accumulated depreciation | Carrying amount | Gross carrying amount | Accumulated depreciation | Carrying amount |
| Buildings | 12 651 | (2 888) | 9 762 | 12 024 | (2 573) | 9 451 |
| Infrastructure | 22 | (8) | 14 | 4 | (2) | 2 |
| Plant, equipment and vehicles | 1 458 | (717) | 740 | 1 186 | (585) | 601 |
| **Total right-of-use assets: buildings, infrastructure, plant and equipment** | **14 130** | **(3 613)** | **10 516** | **13 215** | **(3 160)** | **10 055** |

| Jun 2024 |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Buildings | 12 539 | (2 528) | 10 010 | 11 919 | (2 237) | 9 683 |
| Infrastructure | 25 | (8) | 17 | 4 | (1) | 2 |
| Plant, equipment and vehicles | 1 432 | (650) | 782 | 1 175 | (532) | 643 |
| **Total right-of-use assets: buildings, infrastructure, plant and equipment** | **13 996** | **(3 187)** | **10 809** | **13 098** | **(2 770)** | **10 329** |

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

|  | State of Victoria | | | General government sector | | |
| --- | --- | --- | --- | --- | --- | --- |
| Dec 2024 | Gross carrying  Amount | Accumulated  depreciation | Carrying  amount | Gross carrying  amount | Accumulated  depreciation | Carrying  amount |
| Buildings | 2 773 | (51) | 2 722 | 2 420 | (44) | 2 376 |
| Land and national parks | 3 381 | .. | 3 381 | 3 381 | .. | 3 381 |
| Infrastructure | 6 392 | (296) | 6 096 | .. | .. | .. |
| Plant, equipment and vehicles | 424 | (119) | 305 | 424 | (119) | 305 |
| Roads and road infrastructure | 7 766 | (348) | 7 417 | 7 766 | (348) | 7 417 |
| Earthworks | 1 056 | .. | 1 056 | 1 056 | .. | 1 056 |
| Construction in progress | 29 073 | .. | 29 073 | 22 706 | .. | 22 706 |
| **Total service concession land, buildings, infrastructure, plant and equipment assets** | **50 865** | **(814)** | **50 051** | **37 753** | **(511)** | **37 242** |

| Jun 2024 |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Buildings | 2 771 | (5) | 2 767 | 2 419 | (1) | 2 418 |
| Land and national parks | 3 381 | .. | 3 381 | 3 381 | .. | 3 381 |
| Infrastructure | 6 395 | (220) | 6 175 | .. | .. | .. |
| Plant, equipment and vehicles | 422 | (104) | 318 | 422 | (104) | 318 |
| Roads and road infrastructure | 7 766 | (232) | 7 534 | 7 766 | (232) | 7 534 |
| Earthworks | 1 056 | .. | 1 056 | 1 056 | .. | 1 056 |
| Construction in progress | 25 555 | .. | 25 555 | 21 100 | .. | 21 100 |
| **Total service concession land, buildings, infrastructure, plant and equipment assets** | **47 347** | **(561)** | **46 786** | **36 144** | **(338)** | **35 806** |

## Depreciation ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Buildings | 2 067 | 1 766 | 1 557 | 1 316 |
| Infrastructure | 946 | 868 | 22 | 21 |
| Plant, equipment and vehicles | 724 | 662 | 450 | 407 |
| Roads and road infrastructure | 567 | 556 | 566 | 555 |
| Cultural assets | 6 | 7 | 6 | 7 |
| Intangible produced assets (a) | 157 | 155 | 100 | 102 |
| **Total depreciation** | **4 467** | **4 014** | **2 701** | **2 407** |

Note:

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

The following two tables are subsets of total depreciation expense.

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

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Buildings | 385 | 347 | 355 | 318 |
| Infrastructure | 1 | 2 | 1 | .. |
| Plant, equipment and vehicles | 78 | 73 | 59 | 54 |
| **Total depreciation of right-of-use assets** | **464** | **421** | **414** | **372** |

Depreciation of service concession assets ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Buildings | 46 | 36 | 43 | 36 |
| Infrastructure | 50 | 49 | .. | .. |
| Plant, equipment and vehicles | 15 | 14 | 15 | 14 |
| Roads and road infrastructure | 116 | 116 | 116 | 116 |
| Intangible produced assets | 2 | 2 | 2 | 2 |
| **Total depreciation of service concession assets** | **230** | **217** | **176** | **168** |

## Other non-financial assets ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec  2024 | Jun  2024 | Dec  2024 | Jun  2024 |
| Intangible produced assets | 4 569 | 4 499 | 3 135 | 3 048 |
| Accumulated depreciation | (2 951) | (2 793) | (1 819) | (1 725) |
| Service concession assets – Intangible produced (a) | 3 590 | 3 540 | 3 590 | 3 540 |
| Accumulated depreciation | (9) | (8) | (9) | (8) |
| Intangible non-produced assets | 1 075 | 1 037 | 76 | 76 |
| Accumulated amortisation | (451) | (439) | (66) | (63) |
| **Total intangibles** | **5 822** | **5 835** | **4 906** | **4 868** |
| Investment properties | 330 | 334 | 318 | 321 |
| Other assets | 1 859 | 1 336 | 1 806 | 1 033 |
| **Total other non‑financial assets** | **8 012** | **7 505** | **7 030** | **6 222** |

Note:

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

# Financing state operations

## Introduction

State 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 state and general government sector operations, including material commitments recorded by the State.

## Borrowings ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec  2024 | Jun  2024 | Dec  2024 | Jun  2024 |
| **Current borrowings** |  |  |  |  |
| Domestic borrowings | 23 493 | 22 660 | 19 946 | 19 538 |
| Foreign currency borrowings | 306 | 222 | .. | .. |
| Lease liabilities | 725 | 790 | 645 | 710 |
| Service concession arrangement liabilities | 1 978 | 1 839 | 789 | 650 |
| Derivative financial instruments | 639 | 110 | .. | 46 |
| **Total current borrowings** | **27 141** | **25 621** | **21 380** | **20 944** |
| **Non‑current borrowings** |  |  |  |  |
| Domestic borrowings | 163 791 | 152 887 | 149 188 | 133 956 |
| Foreign currency borrowings | 1 710 | 670 | .. | .. |
| Lease liabilities | 7 667 | 7 838 | 7 167 | 7 330 |
| Service concession arrangement liabilities | 6 465 | 5 637 | 5 010 | 4 856 |
| Derivative financial instruments | 1 531 | 1 058 | 259 | 223 |
| **Total non‑current borrowings** | **181 163** | **168 091** | **161 625** | **146 365** |
| **Total borrowings** | **208 304** | **193 712** | **183 005** | **167 309** |

## Cash flow information and balances

Reconciliation of cash and cash equivalents ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec | Dec | Dec | Dec |
|  | 2024 | 2023 | 2024 | 2023 |
| Cash | 4 036 | 4 273 | 3 723 | 3 970 |
| Deposits at call | 17 311 | 14 614 | 11 124 | 8 943 |
| **Cash and cash equivalents** | **21 347** | **18 886** | **14 847** | **12 913** |
| Bank overdraft | .. | .. | .. | .. |
| **Balances as per cash flow statement** | **21 347** | **18 886** | **14 847** | **12 913** |

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

|  | State of Victoria | | General government sector | |
| --- | --- | --- | --- | --- |
|  | Dec | Dec | Dec | Dec |
|  | 2024 | 2023 | 2024 | 2023 |
| **Net result** | **(4 013)** | **(8 209)** | **(3 736)** | **(4 341)** |
| **Non‑cash movements** |  |  |  |  |
| Revenue related to economic service concession arrangements | (259) | (258) | (258) | (258) |
| Depreciation and amortisation | 4 482 | 4 029 | 2 703 | 2 410 |
| Revaluation of investments | (964) | (539) | (317) | (125) |
| Assets (received)/provided free of charge | (609) | (401) | (381) | (213) |
| Assets not previously/no longer recognised | (1) | .. | (1) | .. |
| Revaluation of assets | 129 | 145 | 120 | 138 |
| Discount/premium on other financial assets/borrowings | 210 | 3 | (3) | (2) |
| Foreign currency dealings | (8) | 2 | .. | 1 |
| Unrealised (gains)/losses on borrowings | 1 732 | 2 778 | 8 | 6 |
| **Movements included in investing and financing activities** |  |  |  |  |
| Net gain/loss from sale of investments | (278) | 247 | (41) | 9 |
| Net gain/loss from sale of non‑financial assets | (48) | (11) | (25) | (34) |
| Realised gains/losses on borrowings | (270) | (333) | .. | .. |
| **Movements in assets and liabilities** |  |  |  |  |
| Increase/(decrease) in allowance for impairment losses | (28) | (24) | (104) | (85) |
| Increase/(decrease) in payables and contract liabilities | 822 | 2 208 | (1 787) | (399) |
| Increase/(decrease) in employee benefits | 166 | 273 | 190 | 266 |
| Increase/(decrease) in superannuation | 355 | 498 | 346 | 489 |
| Increase/(decrease) in other provisions | 1 838 | 2 973 | 27 | (175) |
| (Increase)/decrease in receivables and contract assets | 573 | (531) | 1 828 | 1 449 |
| (Increase)/decrease in other non‑financial assets | (261) | (420) | (437) | (388) |
| **Net cash flows from operating activities** | **3 568** | **2 427** | **(1 867)** | **(1 249)** |

## Advances paid and investments, loans and placements ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | Dec | Jun | Dec | Jun |
|  | 2024 | 2024 | 2024 | 2024 |
| **Current advances paid and investments, loans and placements** |  |  |  |  |
| Loans and advances paid | 210 | 304 | 250 | 341 |
| Equities and managed investment schemes | 1 421 | 4 055 | 949 | 836 |
| Australian dollar term deposits | 262 | 354 | 239 | 330 |
| Debt securities | 7 019 | 12 391 | 5 | 4 |
| Derivative financial instruments | 233 | 276 | 39 | 63 |
| **Total current advances paid and investments, loans and placements** | **9 144** | **17 380** | **1 482** | **1 575** |
| **Non-current advances paid and investments, loans and placements** |  |  |  |  |
| Loans and advances paid | 207 | 217 | 6 085 | 6 080 |
| Equities and managed investment schemes | 66 962 | 56 508 | 15 196 | 13 599 |
| Australian dollar term deposits | .. | .. | 3 | 3 |
| Debt securities | 7 371 | 7 151 | 21 | 22 |
| Derivative financial instruments | 267 | 318 | 40 | 9 |
| **Total non-current advances paid and investments, loans and placements** | **74 808** | **64 195** | **21 344** | **19 713** |
| **Total advances paid and investments, loans and placements** | **83 952** | **81 575** | **22 827** | **21 287** |
| **Represented by:** |  |  |  |  |
| Advances paid | 417 | 521 | 6 335 | 6 421 |
| Investments, loans and placements | 83 535 | 81 054 | 16 491 | 14 866 |

## Interest expense ($ million)

|  | State of Victoria | | General  government sector | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Interest on interest-bearing liabilities and deposits | 3 102 | 2 545 | 2 862 | 2 236 |
| Interest on lease liabilities | 210 | 198 | 202 | 190 |
| Interest on service concessions | 196 | 203 | 187 | 199 |
| Discount interest on payables | 459 | 175 | 8 | 11 |
| **Total interest expense** | **3 968** | **3 121** | **3 259** | **2 635** |

## Commitments

Commitments include those operating, capital and other commitments contracted at balance date but not recognised as liabilities that arise from non-cancellable, contractual or statutory sources and embody obligations to sacrifice future economic benefits.

Reference to the *2023-24 Financial Report* (Notes 5.2, 5.3 and 5.8) should be made for details of commitments as at 30 June 2024.

As at 31 December 2024, the following additional material commitments were recorded for the State of Victoria. Unless otherwise stated, contract amounts are GST inclusive and presented as nominal values:

* The State entered into new agreements valued at $1.3 billion with multiple providers for construction and upgrade programs at State government schools. The contracts cover new schools construction and facility upgrades, with completion dates varying by contract.
* In July and October 2024, a contract variation of $881 million was made to the North Western Program Alliance with John Holland Pty Ltd, Kellogg Brown & Root Pty Ltd, and Metro Trains Melbourne for the delivery of additional Level Crossing Removals. The works under the North Western Program Alliance are estimated to be completed by December 2030.
* In September 2024, the State exercised its option to extend its contract with Civica BPO Ltd to provide business services relating to fines and enforcement. The cost of the contract extension is $107 million with a contract end date in December 2026.
* In September 2024, SEC Victoria via its subsidiary, SEC Infrastructure, both 100 per cent owned by the State, entered into a contract with PSD Energy Pty Ltd for detailed design and construction of the Horsham Solar Farm and associated substation. The total cost of the contract is $102 million and works under the contract are expected to be completed in November 2029.
* In September 2024, an amending deed of $974 million was formalised with the Cross Yarra Partnership (CYP) for the Metro Tunnel Project to resolve various commercial issues related to the project. As part of this settlement, the parties agreed to share the increased costs of the project, with CYP entitled to additional payments, subject to the timely achievement of all milestones under the revised delivery program. The contract variation reflects the Commercial Settlement amount and the resolution of modifications, as per the Settlement Deed. The Metro Tunnel is scheduled to open by the end of 2025.
* In September 2024, the State entered into a contract with Dysons, CDC and Kinetic to provide zero emission buses and passenger bus services. The total cost of the contract is estimated to be $4.1 billion and the contract will end in June 2035.
* In October 2024, a contract variation of $399 million was made to the Southern Program Alliance with the Acciona Coleman Rail Joint Venture, WSP Australia Pty Ltd and Metro Trains Melbourne for the delivery of additional level crossing removal works. The works under the Southern Program Alliance are estimated to be completed by December 2030.
* In October 2024, the State entered into 10 Agreements with five cleaning service providers to deliver cleaning services to State government schools in metropolitan Melbourne. The Agreements are for an initial term of three years, commencing in December 2024, and two further one-year options (a total of five years maximum). The expected total cost of the agreements for the period of three years is $515 million with the agreements ending in December 2027.
* In November 2024, the State entered into a contract with Terra Verde, a consortium comprising WeBuild S.p.A, GS Engineering and Construction Australia Pty Ltd and Bouygues Construction Australia Pty Ltd, to deliver the Suburban Rail Loop East Tunnel North also known as Work Package D. The total cost of the contract is $1.9 billion. Works are planned to be completed by mid-2029.
* In December 2024, SEC Victoria via its subsidiary, SEC Infrastructure, both 100 per cent owned by the State, entered into a contract with Energy Vault Pty Ltd for the design and construction of a battery energy storage system at the Horsham Renewable Park. The total contract cost is $119 million and works under the contract are expected to be completed in November 2027.
* In December 2024, a contract variation of $374 million was approved with Laing O’Rourke Australia Construction Pty Ltd in the Deed of Amendment 9 to deliver part of the Suburban Rail Loop initial and early works. There is no change to the overall initial and early works Total Estimated Investment of $2.2 billion. The works are estimated to be completed by January 2026.
* In December 2024, the State entered into a contract extension with Motorola to provide metropolitan mobile radio services for Victorian Emergency Service organisations. The cost of the contract extension is $625 million with a contract end date of July 2035.

There was no other material change in commitments for the State during the mid-year reporting period.

# Risks and contingencies

## Introduction

The State is exposed to risks from both its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section presents information on financial instruments and contingent assets and liabilities.

## Financial instruments

Note 7.1 Financial instruments in the *2023-24 Financial Report* contains a comprehensive disclosure of the State’s financial risk management objectives and policies associated with financial instruments.

## Contingent assets and contingent liabilities

### 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.

Reference should be made to the *2023-24 Financial Report* (Note 7.2) for details of contingent assets as at 30 June 2024.

No material changes in contingent assets have been identified during this mid-year reporting period.

### Contingent liabilities

Contingent liabilities are either:

* 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
* present obligations that arise from past events but are not recognised because either:
  + it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations
  + the amount of the obligations cannot be measured with sufficient reliability.

Reference should be made to the *2023-24 Financial Report* (Note 7.2) for details of contingent liabilities as at 30 June 2024.

No material changes in contingent liabilities have been identified during this mid-year reporting period.

# Public account

## Introduction

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

## Consolidated fund receipts and payments ($ million)

| 2023‑24 |  | 2024‑25 | |
| --- | --- | --- | --- |
| actual |  | actual | revised |
| to Dec |  | to Dec | budget |
| 17 293 | Taxation | 19 092 | 39 980 |
| 493 | Fines and regulatory fees | 466 | 1 200 |
| 13 440 | Grants received | 15 761 | 31 003 |
| 512 | Sales of goods and services | 522 | 1 337 |
| 638 | Interest received | 480 | 882 |
| 673 | Dividends, income tax equivalent and rate equivalent receipts | 177 | 519 |
| 603 | Other receipts | 599 | 1 002 |
| **33 651** | **Total operating activities** | **37 096** | **75 923** |
| 17 544 | Total inflows from investing and financing | 16 341 | 27 735 |
| **51 194** | **Total receipts** | **53 437** | **103 658** |
|  | **Payments to departments** |  |  |
| 8 765 | Education | 9 637 | 18 677 |
| 1 463 | Energy, Environment and Climate Action | 1 846 | 3 688 |
| 4 551 | Families, Fairness and Housing | 5 253 | 10 169 |
| 252 | Government Services | 321 | 446 |
| 9 127 | Health | 12 572 | 19 922 |
| 1 573 | Jobs, Skills, Industries and Regions | 2 211 | 4 465 |
| 5 327 | Justice and Community Safety | 5 525 | 10 296 |
| 222 | Premier and Cabinet | 323 | 542 |
| 12 917 | Transport and Planning | 10 859 | 19 865 |
| 12 043 | Treasury and Finance | 4 430 | 22 300 |
| 180 | Parliament | 180 | 363 |
| 487 | Courts | 543 | 1 138 |
| **56 907** | **Sub total** | **53 699** | **111 871** |
| .. | Appropriations remaining unspent | .. | (7 950) |
| **56 907** | **Total Payments** | **53 699** | **103 921** |
| **(5 712)** | **Net receipts/(payments)** | **(263)** | **(264)** |

## Trust fund statement cash flows ($ million)

| 2023‑24 |  | 2024‑25 | |
| --- | --- | --- | --- |
| actual |  | actual | revised |
| to Dec |  | to Dec | budget |
|  | **Cash flows from operating activities** |  |  |
| 372 | Taxation | 312 | 705 |
| 161 | Regulatory fees and fines | 152 | 257 |
| 11 508 | Grants received | 14 997 | 25 372 |
| 484 | Sale of goods and services | 786 | 1 447 |
| 117 | Interest received | 130 | 220 |
| 127 | Dividends received | 476 | 626 |
| 13 773 | Net transfers from consolidated fund | 5 586 | 10 007 |
| 584 | Other receipts | 69 | 188 |
| **27 125** | **Total receipts** | **22 510** | **38 822** |
| (207) | Payments for employees | (293) | (345) |
| (22) | Superannuation | (31) | (27) |
| (68) | Interest paid | (68) | (103) |
| (13 260) | Grants and subsidies | (17 108) | (28 586) |
| (1 824) | Goods and services | (2 376) | (4 815) |
| **(15 382)** | **Total payments** | **(19 876)** | **(33 876)** |
| **11 743** | **Net cash flows from operating activities** | **2 634** | **4 947** |
|  | **Cash flows from investing activities** |  |  |
| (89) | Purchases of property, plant and equipment | (141) | (2 785) |
| 54 | Proceeds from sale of property, plant and equipment | 54 | 54 |
| (1 237) | Net proceeds from customer loans | (1 189) | 17 |
| (12 198) | Other investing activities | (3 517) | (3 898) |
| **(13 470)** | **Net cash flows from investing activities** | **(4 794)** | **(6 612)** |
|  | **Cash flows from financing activities** |  |  |
| 212 | Net proceeds/(repayments) from borrowings | (62) | (248) |
| **212** | **Net cash flows from financing activities** | **(62)** | **(248)** |
| **(1 515)** | **Net cash inflow/(outflow)** | **(2 223)** | **(1 913)** |

## Reconciliation of cash flows to balances held ($ million)

|  | Balances | Dec | Balances |
| --- | --- | --- | --- |
|  | held at | movement | held at |
|  | 30 Jun 2024 | YTD | 31 Dec 2024 |
| **Cash and deposits** |  |  |  |
| Cash and balances outside of the Public Account | 1 | .. | 1 |
| Deposits held with the Public Account – Specific trusts | 1 950 | 129 | 2 079 |
| Other balances held in the Public Account | 5 961 | (2 461) | 3 500 |
| **Total cash and deposits** | **7 913** | **(2 332)** | **5 581** |
| **Investments** |  |  |  |
| Investments held with the Public Account – Specific trusts | 11 328 | 940 | 12 268 |
| **Total investments** | **11 328** | **940** | **12 268** |
| **Total fund balances** | **19 240** | **(1 392)** | **17 849** |
| **Less funds held outside the public account** |  |  |  |
| Cash | 1 | .. | 1 |
| **Total fund balances held outside the Public Account** | **1** | **..** | **1** |
| **Total fund balances held in the Public Account (a)** | **19 239** | **(1 392)** | **17 848** |

Note:

(a) See Note 7.4 for details of securities and investments, including amounts held in the Public Account on behalf of trust accounts.

## Details of securities held in the Public Account ($ million)

| 2023‑24 |  | 2024‑25 |  |
| --- | --- | --- | --- |
| actual |  | opening | actual |
| 31 Dec |  | 1 Jul | 31 Dec |
| 12 196 | Amounts invested on behalf of specific trust accounts | 13 278 | 14 347 |
| 4 160 | General account balances | 5 961 | 3 500 |
| **16 356** | **Total Public Account** | **19 239** | **17 848** |
|  | **Represented by:** |  |  |
| 15 352 | Stock, securities, cash and investments | 18 596 | 17 275 |
|  | Add cash advanced for: |  |  |
| .. | Temporary Advance from the Treasury Corporation of Victoria to the Consolidated Fund pursuant to Section 38 of the *Financial Management Act 1994* | .. | .. |
| 1 004 | Advances pursuant to sections 36 and 37 of the *Financial Management Act 1994* | 643 | 573 |
| **16 356** | **Total Public Account** | **19 239** | **17 848** |

# Other disclosures

## Introduction

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

## Disaggregated information

Disaggregated operating statement for the six months ended 31 December ($ million)

|  | General  government sector | | Public non‑financial corporations | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| **Revenue and income from transactions** |  |  |  |  |
| Taxation | 16 879 | 15 632 | .. | .. |
| Interest income | 781 | 806 | 65 | 58 |
| Dividends, income tax equivalent and rate equivalent income | 680 | 344 | 6 | 5 |
| Sales of goods and services | 3 377 | 3 233 | 3 980 | 3 824 |
| Grants | 23 589 | 20 480 | 1 314 | 1 138 |
| Other revenue and income | 1 799 | 1 852 | 403 | 397 |
| **Total revenue and income from transactions** | **47 104** | **42 346** | **5 768** | **5 423** |
| **Expenses from transactions** |  |  |  |  |
| Employee expenses | 19 212 | 17 687 | 1 053 | 972 |
| Net superannuation interest expense | 395 | 389 | .. | .. |
| Other superannuation | 2 293 | 2 004 | 114 | 98 |
| Depreciation | 2 701 | 2 407 | 1 141 | 1 021 |
| Interest expense | 3 259 | 2 635 | 512 | 477 |
| Grant expense | 8 520 | 7 600 | 257 | 291 |
| Other operating expenses | 14 645 | 13 806 | 2 579 | 2 418 |
| Other property expenses | .. | .. | 123 | 146 |
| **Total expenses from transactions** | **51 024** | **46 529** | **5 780** | **5 424** |
| **Net result from transactions – Net operating balance** | **(3 921)** | **(4 182)** | **(12)** | **(1)** |
| **Other economic flows included in net result** |  |  |  |  |
| Net gain/(loss) on disposal of non‑financial assets | 25 | 33 | 23 | (23) |
| Net gain/(loss) on financial assets or liabilities at fair value | 367 | 120 | 36 | 11 |
| Share of net profit/(loss) from associates/joint venture entities | (18) | (13) | .. | .. |
| Other gains/(losses) from other economic flows | (189) | (299) | 113 | (13) |
| **Total other economic flows included in net result** | **185** | **(158)** | **172** | **(24)** |
| **Net result** | **(3 736)** | **(4 341)** | **160** | **(25)** |
| **Other economic flows – Other comprehensive income** |  |  |  |  |
| **Items that will not be reclassified to net result** |  |  |  |  |
| Changes in non‑financial assets revaluation surplus (a) | 778 | 339 | 68 | 124 |
| Remeasurement of superannuation defined benefits plans | 1 203 | (43) | 9 | 8 |
| Other movements in equity | 94 | 75 | (29) | (195) |
| **Items that may be reclassified subsequently to net result** |  |  |  |  |
| Net gain/(loss) on financial assets at fair value | (3) | (5) | (6) | (8) |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets | (524) | (2 305) | .. | .. |
| **Total other economic flows – Other comprehensive income** | **1 548** | **(1 939)** | **43** | **(71)** |
| **Comprehensive result – Total change in net worth** | **(2 187)** | **(6 280)** | **203** | **(96)** |
|  |  |  |  |  |
| **FISCAL AGGREGRATES** |  |  |  |  |
| **Net operating balance** | **(3 921)** | **(4 182)** | **(12)** | **(1)** |
| **Net acquisition of non‑financial assets from transactions** |  |  |  |  |
| Purchases of non‑financial assets (including change in inventories) | 8 846 | 9 067 | 2 945 | 2 331 |
| Less: Sales of non‑financial assets | (101) | (114) | (53) | (81) |
| Less: Depreciation and amortisation | (2 701) | (2 407) | (1 141) | (1 021) |
| Plus/(less): Other movements in non‑financial assets | 1 711 | 1 465 | 929 | 467 |
| **Less: Net acquisition of non‑financial assets from transactions** | **7 755** | **8 010** | **2 679** | **1 695** |
| **Net lending/(borrowing)** | **(11 675)** | **(12 193)** | **(2 691)** | **(1 696)** |

| Public financial  corporations | | Inter-sector  eliminations | | State of Victoria | |
| --- | --- | --- | --- | --- | --- |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
|  |  |  |  |  |  |
| .. | .. | (293) | (259) | 16 586 | 15 373 |
| 3 292 | 2 481 | (3 085) | (2 353) | 1 052 | 992 |
| 2 352 | 1 573 | (178) | (230) | 2 861 | 1 692 |
| 4 199 | 3 890 | (1 212) | (1 010) | 10 344 | 9 936 |
| .. | .. | (1 377) | (1 187) | 23 526 | 20 431 |
| 17 | 13 | .. | .. | 2 219 | 2 262 |
| **9 861** | **7 957** | **(6 144)** | **(5 039)** | **56 589** | **50 687** |
|  |  |  |  |  |  |
| 288 | 272 | (602) | (537) | 19 951 | 18 394 |
| .. | .. | .. | .. | 395 | 389 |
| 31 | 27 | .. | .. | 2 438 | 2 129 |
| 44 | 44 | 580 | 542 | 4 467 | 4 014 |
| 3 234 | 2 362 | (3 037) | (2 354) | 3 968 | 3 121 |
| 83 | 72 | (1 465) | (1 272) | 7 394 | 6 692 |
| 5 771 | 5 841 | (873) | (651) | 22 122 | 21 414 |
| 494 | 87 | (617) | (234) | .. | .. |
| **9 944** | **8 706** | **(6 014)** | **(4 505)** | **60 734** | **56 153** |
| **(84)** | **(749)** | **(129)** | **(533)** | **(4 145)** | **(5 466)** |
|  |  |  |  |  |  |
| .. | .. | .. | .. | 48 | 11 |
| (512) | (2 252) | (46) | .. | (155) | (2 120) |
| .. | .. | .. | .. | (18) | (13) |
| 481 | (13) | (148) | (296) | 258 | (621) |
| **(31)** | **(2 265)** | **(194)** | **(296)** | **132** | **(2 744)** |
| **(114)** | **(3 014)** | **(323)** | **(830)** | **(4 013)** | **(8 209)** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 1 | .. | 21 | (26) | 868 | 437 |
| .. | .. | .. | .. | 1 212 | (35) |
| .. | (1) | .. | .. | 66 | (121) |
|  |  |  |  |  |  |
| .. | .. | .. | .. | (9) | (12) |
| .. | .. | 524 | 2 305 | .. | .. |
| **1** | **(1)** | **545** | **2 279** | **2 136** | **268** |
| **(113)** | **(3 015)** | **222** | **1 449** | **(1 876)** | **(7 941)** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **(84)** | **(749)** | **(129)** | **(533)** | **(4 145)** | **(5 466)** |
|  |  |  |  |  |  |
| 15 | 23 | (118) | (2) | 11 688 | 11 419 |
| .. | .. | .. | .. | (155) | (196) |
| (44) | (44) | (580) | (542) | (4 467) | (4 014) |
| .. | .. | .. | .. | 2 639 | 1 931 |
| **(30)** | **(22)** | **(698)** | **(544)** | **9 706** | **9 141** |
| **(54)** | **(728)** | **569** | **10** | **(13 851)** | **(14 606)** |

Disaggregated balance sheet as at 31 December (a) ($ million)

|  | General  government sector | | Public non‑financial corporations | |
| --- | --- | --- | --- | --- |
|  | Dec 2024 | Jun 2024 | Dec 2024 | Jun 2024 |
| **Assets** |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Cash and deposits | 14 847 | 14 306 | 2 888 | 2 255 |
| Advances paid | 6 335 | 6 421 | 46 | 44 |
| Receivables and contract assets | 8 556 | 10 163 | 2 043 | 1 800 |
| Investments, loans and placements | 16 491 | 14 866 | 900 | 853 |
| Loans receivable from non‑financial public sector (a) | .. | .. | .. | .. |
| Investments accounted for using the equity method | 1 136 | 1 143 | 176 | 65 |
| Investments in other sector entities | 99 641 | 98 178 | .. | .. |
| **Total financial assets** | **147 006** | **145 077** | **6 054** | **5 017** |
| **Non‑financial assets** |  |  |  |  |
| Inventories | 322 | 402 | 1 335 | 1 347 |
| Non‑financial assets held for sale | 243 | 232 | 15 | 13 |
| Land, buildings, infrastructure, plant and equipment | 277 316 | 269 690 | 125 751 | 122 959 |
| Other non‑financial assets | 7 030 | 6 222 | 3 490 | 3 257 |
| **Total non‑financial assets** | **284 910** | **276 546** | **130 590** | **127 576** |
| **Total assets** | **431 917** | **421 623** | **136 643** | **132 594** |
| **Liabilities** |  |  |  |  |
| Deposits held and advances received | 1 435 | 1 525 | 2 869 | 2 734 |
| Payables | 5 350 | 7 741 | 1 722 | 1 856 |
| Borrowings | 183 005 | 167 309 | 25 040 | 23 321 |
| Employee benefits | 11 312 | 11 120 | 576 | 600 |
| Superannuation | 17 369 | 18 226 | .. | .. |
| Other provisions | 3 265 | 3 431 | 12 184 | 12 066 |
| Other liabilities | 22 550 | 22 411 | 9 039 | 8 972 |
| **Total liabilities** | **244 286** | **231 764** | **51 430** | **49 549** |
| **Net assets** | **187 630** | **189 859** | **85 213** | **83 045** |
| **Equity** |  |  |  |  |
| Accumulated surplus/(deficit) | 40 902 | 43 405 | (33 437) | (33 520) |
| Reserves | 146 728 | 146 454 | 118 650 | 116 564 |
| **Net worth** | **187 630** | **189 859** | **85 213** | **83 045** |
| **FISCAL AGGREGATES** |  |  |  |  |
| Net financial worth | (97 280) | (86 686) | (45 377) | (44 531) |
| Net financial liabilities | 196 921 | 184 865 | 45 377 | 44 531 |
| Net debt | 146 767 | 133 241 | 24 074 | 22 902 |

Note:

(a) Loans receivable from the non-financial public sector are reported at amortised cost.

| Public financial  corporations | | Inter-sector  eliminations | | State of Victoria | |
| --- | --- | --- | --- | --- | --- |
| Dec 2024 | Jun 2024 | Dec 2024 | Jun 2024 | Dec 2024 | Jun 2024 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 4 354 | 3 870 | (741) | (836) | 21 347 | 19 595 |
| 25 | 40 | (5 990) | (5 985) | 417 | 521 |
| 3 664 | 2 800 | (771) | (633) | 13 492 | 14 129 |
| 66 192 | 65 389 | (48) | (54) | 83 535 | 81 054 |
| 168 672 | 152 442 | (168 672) | (152 442) | .. | .. |
| 12 | 12 | .. | .. | 1 325 | 1 220 |
| .. | .. | (99 641) | (98 178) | .. | .. |
| **242 918** | **224 553** | **(275 863)** | **(258 128)** | **120 115** | **116 519** |
|  |  |  |  |  |  |
| .. | .. | .. | .. | 1 656 | 1 748 |
| .. | .. | .. | .. | 257 | 245 |
| 313 | 324 | 43 159 | 43 705 | 446 539 | 436 678 |
| 2 876 | 3 286 | (5 384) | (5 260) | 8 012 | 7 505 |
| **3 189** | **3 610** | **37 775** | **38 445** | **456 464** | **446 177** |
| **246 108** | **228 164** | **(238 088)** | **(219 684)** | **576 580** | **562 697** |
|  |  |  |  |  |  |
| 306 | 216 | (2 614) | (2 537) | 1 996 | 1 938 |
| 1 640 | 1 544 | (731) | (651) | 7 982 | 10 491 |
| 173 923 | 160 729 | (173 663) | (157 647) | 208 304 | 193 712 |
| 134 | 136 | .. | .. | 12 022 | 11 857 |
| .. | .. | .. | .. | 17 369 | 18 226 |
| 51 976 | 50 362 | (12 013) | (11 899) | 55 411 | 53 960 |
| 4 559 | 1 493 | (686) | (267) | 35 463 | 32 609 |
| **232 538** | **214 481** | **(189 707)** | **(173 001)** | **338 548** | **322 792** |
| **13 569** | **13 683** | **(48 381)** | **(46 682)** | **238 031** | **239 904** |
|  |  |  |  |  |  |
| 13 028 | 13 148 | 53 248 | 53 247 | 73 741 | 76 281 |
| 541 | 535 | (101 629) | (99 929) | 164 290 | 163 624 |
| **13 569** | **13 683** | **(48 381)** | **(46 682)** | **238 031** | **239 904** |
|  |  |  |  |  |  |
| 10 380 | 10 072 | (86 156) | (85 127) | (218 433) | (206 273) |
| (10 380) | (10 072) | (13 485) | (13 051) | 218 433 | 206 273 |
| (65 013) | (60 796) | (826) | (867) | 105 002 | 94 480 |

Disaggregated cash flow statement for the six months ended 31 December ($ million)

|  | General  government sector | | Public non‑financial corporations | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| **Cash flows from operating activities** |  |  |  |  |
| **Receipts** |  |  |  |  |
| Taxes received | 18 724 | 17 009 | .. | .. |
| Grants | 23 462 | 20 425 | 1 498 | 1 173 |
| Sales of goods and services (a) | 3 396 | 3 258 | 4 039 | 4 027 |
| Interest received | 731 | 793 | 73 | 79 |
| Dividends, income tax equivalent and rate equivalent receipts | 663 | 806 | 6 | 5 |
| Other receipts | 1 362 | 1 086 | 85 | 122 |
| **Total receipts** | **48 338** | **43 376** | **5 701** | **5 407** |
| **Payments** |  |  |  |  |
| Payments for employees | (18 989) | (17 412) | (1 075) | (964) |
| Superannuation | (2 342) | (1 904) | (105) | (89) |
| Interest paid | (3 062) | (2 440) | (488) | (488) |
| Grants and subsidies | (9 454) | (7 850) | (165) | (179) |
| Goods and services (a) | (15 370) | (14 436) | (3 107) | (3 028) |
| Other payments | (988) | (585) | (256) | (229) |
| **Total payments** | **(50 205)** | **(44 625)** | **(5 197)** | **(4 978)** |
| **Net cash flows from operating activities** | **(1 867)** | **(1 249)** | **505** | **429** |
| **Cash flows from investing activities** |  |  |  |  |
| **Cash flows from investments in non‑financial assets** |  |  |  |  |
| Purchases of non‑financial assets | (8 843) | (9 097) | (2 936) | (2 336) |
| Sales of non‑financial assets | 101 | 114 | 53 | 81 |
| **Net cash flows from investments in non‑financial assets** | **(8 742)** | **(8 983)** | **(2 883)** | **(2 254)** |
| Net cash flows from investments in financial assets for policy purposes | (1 981) | (1 003) | (140) | (245) |
| **Sub‑total** | **(10 723)** | **(9 986)** | **(3 023)** | **(2 500)** |
| Net cash flows from investments in financial assets for liquidity management purposes | (1 131) | (9 609) | (25) | 8 |
| **Net cash flows from investing activities** | **(11 854)** | **(19 594)** | **(3 048)** | **(2 491)** |
| **Cash flows from financing activities** |  |  |  |  |
| Advances received (net) | (8) | 142 | 51 | 927 |
| Net borrowings | 14 348 | 13 824 | 1 031 | 715 |
| Deposits received (net) | (82) | 93 | 84 | 34 |
| Other financing (net) | .. | .. | 2 015 | 274 |
| **Net cash flows from financing activities** | **14 257** | **14 059** | **3 181** | **1 950** |
| **Net increase/(decrease) in cash and cash equivalents** | **536** | **(6 785)** | **637** | **(112)** |
| Cash and cash equivalents at beginning of reporting period (b) | 14 310 | 19 698 | 2 251 | 2 232 |
| **Cash and cash equivalents at end of the reporting period** | **14 847** | **12 913** | **2 888** | **2 119** |
|  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |
| Net cash flows from operating activities | (1 867) | (1 249) | 505 | 429 |
| Dividends paid | .. | .. | (66) | (86) |
| Net cash flows from investments in non‑financial assets | (8 742) | (8 983) | (2 883) | (2 254) |
| **Cash surplus/(deficit)** | **(10 609)** | **(10 232)** | **(2 444)** | **(1 911)** |

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.

| Public financial  corporations | | Inter-sector  eliminations | | State of Victoria | |
| --- | --- | --- | --- | --- | --- |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| .. | .. | (293) | (259) | 18 431 | 16 750 |
| .. | 4 | (1 525) | (1 225) | 23 435 | 20 377 |
| 6 579 | 5 759 | (1 503) | (1 133) | 12 512 | 11 911 |
| 2 955 | 2 311 | (2 967) | (2 312) | 792 | 871 |
| 2 352 | 1 573 | (149) | (673) | 2 873 | 1 711 |
| 242 | 22 | 60 | (29) | 1 750 | 1 201 |
| **12 129** | **9 669** | **(6 376)** | **(5 631)** | **59 793** | **52 822** |
|  |  |  |  |  |  |
| (289) | (270) | 602 | 537 | (19 750) | (18 108) |
| (31) | (27) | .. | .. | (2 478) | (2 020) |
| (2 651) | (2 083) | 2 968 | 2 331 | (3 232) | (2 680) |
| (68) | (75) | 1 369 | 1 225 | (8 319) | (6 878) |
| (4 086) | (3 437) | 1 108 | 777 | (21 455) | (20 125) |
| (10) | (415) | 264 | 645 | (991) | (584) |
| **(7 134)** | **(6 306)** | **6 311** | **5 515** | **(56 225)** | **(50 395)** |
| **4 995** | **3 363** | **(64)** | **(116)** | **3 568** | **2 427** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| (15) | (23) | 118 | 2 | (11 676) | (11 454) |
| .. | .. | .. | .. | 155 | 196 |
| **(14)** | **(22)** | **118** | **2** | **(11 522)** | **(11 258)** |
| 15 | 21 | 1 971 | 1 282 | (135) | 55 |
| **1** | **(1)** | **2 089** | **1 283** | **(11 657)** | **(11 203)** |
| (14 749) | (18 744) | 16 230 | 16 528 | 325 | (11 816) |
| **(14 748)** | **(18 745)** | **18 318** | **17 811** | **(11 332)** | **(23 019)** |
|  |  |  |  |  |  |
| (30) | (31) | (34) | (913) | (21) | 125 |
| 10 147 | 16 000 | (16 068) | (17 004) | 9 457 | 13 535 |
| 120 | 16 | (43) | (3) | 80 | 139 |
| .. | .. | (2 015) | (274) | .. | .. |
| **10 237** | **15 985** | **(18 159)** | **(18 194)** | **9 516** | **13 800** |
| **484** | **604** | **95** | **(499)** | **1 752** | **(6 792)** |
| 3 870 | 4 100 | (836) | (352) | 19 595 | 25 678 |
| **4 354** | **4 704** | **(741)** | **(851)** | **21 347** | **18 886** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 4 995 | 3 363 | (64) | (116) | 3 568 | 2 427 |
| .. | .. | 66 | 86 | .. | .. |
| (14) | (22) | 118 | 2 | (11 522) | (11 258) |
| **4 981** | **3 341** | **119** | **(29)** | **(7 954)** | **(8 831)** |

Disaggregated statement of changes in equity as at 31 December ($ million)

|  | Accumulated surplus/(deficit) | | Contributions by owners | Non‑financial assets revaluation surplus | Investment in other sector entities revaluation surplus | Other reserves | Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **General government sector** | |  |  |  |  |  |  |
| 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 | | (3 736) | .. | .. | .. | .. | (3 736) |
| Other comprehensive income for the year | | 1 284 | .. | 778 | (524) | 10 | 1 548 |
| Transfer to/(from) accumulated surplus | | .. | .. | .. | .. | .. | .. |
| Dividends paid | | .. | .. | .. | .. | .. | .. |
| Transactions with owners in their capacity as owners | | .. | .. | .. | .. | .. | .. |
| **Total equity as at 31 December 2024** | | **40 902** | **..** | **99 323** | **45 867** | **1 538** | **187 630** |
| **PNFC sector** | |  |  |  |  |  |  |
| Balance at 1 July 2024 | | (33 520) | 82 246 | 33 475 | .. | 843 | 83 045 |
| Opening balance adjustment (a)(b) | | 7 | 214 | (211) | .. | .. | 10 |
| **Restated balance at 1 July 2024** | | **(33 512)** | **82 460** | **33 264** | **..** | **843** | **83 055** |
| Net result for the year | | 160 | .. | .. | .. | .. | 160 |
| Other comprehensive income for the year | | (20) | .. | 68 | .. | (6) | 43 |
| Transfer to/(from) accumulated surplus | | .. | .. | .. | .. | .. | .. |
| Dividends paid | | (66) | .. | .. | .. | .. | (66) |
| Transactions with owners in their capacity as owners | | .. | 2 021 | .. | .. | .. | 2 021 |
| **Total equity as at 31 December 2024** | | **(33 437)** | **84 481** | **33 332** | **..** | **836** | **85 213** |
| **PFC sector** | |  |  |  |  |  |  |
| Balance at 1 July 2024 | | 13 148 | 465 | 9 | .. | 61 | 13 683 |
| Net result for the year | | (114) | .. | .. | .. | .. | (114) |
| Other comprehensive income for the year | | (6) | .. | 1 | .. | 6 | 1 |
| Transfer to/(from) accumulated surplus | | .. | .. | .. | .. | .. | .. |
| Dividends paid | | .. | .. | .. | .. | .. | .. |
| Transactions with owners in their capacity as owners | | .. | .. | .. | .. | .. | .. |
| **Total equity as at 31 December 2024** | | **13 028** | **465** | **10** | **..** | **67** | **13 569** |
| Eliminations | | 53 248 | (84 946) | 29 184 | (45 867) | .. | (48 381) |
| **Total State of Victoria** | | **73 741** | **..** | **161 849** | **..** | **2 441** | **238 031** |

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) 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.

Disaggregated statement of changes in equity as at 31 December (continued) ($ million)

|  | Accumulated surplus/(deficit) | | Contributions by owners | Non‑financial assets revaluation surplus | Investment in other sector entities revaluation surplus | Other reserves | Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **General government sector** | |  |  |  |  |  |  |
| Balance at 1 July 2023 | | 45 889 | .. | 91 269 | 48 245 | 1 380 | 186 783 |
| Net result for the year | | (4 341) | .. | .. | .. | .. | (4 341) |
| Other comprehensive income for the year | | (28) | .. | 339 | (2 305) | 55 | (1 939) |
| Transfer to/(from) accumulated surplus | | 375 | .. | (375) | .. | .. | .. |
| Dividends paid | | .. | .. | .. | .. | .. | .. |
| Transactions with owners in their capacity as owners | | .. | .. | .. | .. | .. | .. |
| **Total equity as at 31 December 2023** | | **41 894** | **..** | **91 234** | **45 941** | **1 435** | **180 504** |
| **PNFC sector** | |  |  |  |  |  |  |
| Balance at 1 July 2023 | | (29 846) | 78 417 | 31 605 | .. | 702 | 80 880 |
| Net result for the year | | (25) | .. | .. | .. |  | (25) |
| Other comprehensive income for the year | | (186) | .. | 124 | .. | (8) | (71) |
| Transfer to/(from) accumulated surplus | | .. | .. | .. | .. | .. | .. |
| Dividends paid | | (86) | .. | .. | .. | .. | (86) |
| Transactions with owners in their capacity as owners | | .. | 409 | .. | .. | .. | 409 |
| **Total equity as at 31 December 2023** | | **(30 143)** | **78 827** | **31 729** |  | **694** | **81 108** |
| **PFC sector** | |  |  |  |  |  |  |
| Balance at 1 July 2023 | | 13 065 | 290 | 10 | .. | 57 | 13 421 |
| Net result for the year | | (3 014) | .. | .. | .. | .. | (3 014) |
| Other comprehensive income for the year | | (6) | .. | .. | .. | 5 | (1) |
| Transfer to/(from) accumulated surplus | | .. | .. | .. | .. | .. | .. |
| Dividends paid | | .. | .. | .. | .. | .. | .. |
| Transactions with owners in their capacity as owners | | .. | .. | .. | .. | .. | .. |
| **Total equity as at 31 December 2023** | | **10 045** | **290** | **10** |  | **62** | **10 406** |
| Eliminations | | 50 254 | (79 117) | 29 041 | (45 941) |  | (45 762) |
| **Total State of Victoria** | | **72 051** | **..** | **152 013** | **..** | **2 191** | **226 255** |

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

|  | State of Victoria | | General government | |
| --- | --- | --- | --- | --- |
|  | 2024 | 2023 | 2024 | 2023 |
| Net (increase)/decrease in allowances for credit losses | 13 | 47 | 90 | 49 |
| Amortisation of intangible non-produced assets | (15) | (16) | (3) | (2) |
| Net swap interest revenue/(expense) | (39) | (23) | .. | .. |
| Bad debts written off | (237) | (255) | (217) | (248) |
| Other gains/(losses) | 535 | (376) | (59) | (97) |
| **Total other gains/(losses) from other economic flows** | **258** | **(621)** | **(189)** | **(299)** |

## Controlled entities

Note 9.8 in Chapter 4 of the *2023-24 Financial Report* contains a list of significant controlled entities, which have been consolidated for the purposes of the financial report.

The following are changes to entities from 1 July 2024 which have been consolidated for the purposes of the financial report:

|  |  |
| --- | --- |
| General government sector | |
| Department of Energy, Environment and Climate Action (a)(b)  Department of Health (c)  Department of Jobs, Skills, Industry and Regions (d)  Department of Justice and Community Safety (e)  Parliament of Victoria  Integrity Oversight Victoria (f) |  |

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.

(c) On 31 December 2024 the Victorian Assisted Reproductive Treatment Authority (VARTA) ceased operations. The regulation of Assisted Reproductive Treatment (ART) and the management of Victoria’s donor conception registers are now overseen by the Department of Health.

(d) 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.

(e) 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.

(f) On 10 February 2025 the Victorian Inspectorate will be renamed to the Integrity Oversight Victoria following proclamation of the Justice Legislation Amendment (Integrity, Defamation and Other Matters) Act 2024, effective from 10 September 2024.

## 8.4 Glossary of technical terms

The *2023-24 Financial Report* Note 9.9 contains a summary of the major technical terms used in this report.

Appendix A – General government sector quarterly financial report

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 |  |
| --- | --- | --- | --- | --- | --- |
|  | Dec | Mar | Jun | Sep | Dec |
| **Revenue and income from transactions** |  |  |  |  |  |
| Taxation | 7 424 | 12 937 | 8 307 | 8 923 | 7 956 |
| Interest income | 405 | 377 | 579 | 398 | 382 |
| Dividends, income tax equivalent and rate equivalent income | 258 | 118 | 1 738 | 472 | 208 |
| Sales of goods and services | 1 664 | 1 520 | 1 460 | 1 615 | 1 762 |
| Grants | 10 964 | 10 784 | 10 533 | 10 906 | 12 682 |
| Other revenue and income | 1 000 | 811 | 1 547 | 907 | 892 |
| **Total revenue and income from transactions** | **21 716** | **26 546** | **24 163** | **23 223** | **23 881** |
| **Expenses from transactions** |  |  |  |  |  |
| Employee expenses | 8 975 | 8 792 | 9 557 | 9 477 | 9 735 |
| Net superannuation interest expense | 208 | 192 | 192 | 195 | 200 |
| Other superannuation | 968 | 1 017 | 1 041 | 1 140 | 1 153 |
| Depreciation | 1 220 | 1 217 | 1 343 | 1 328 | 1 373 |
| Interest expense | 1 423 | 1 423 | 1 580 | 1 553 | 1 706 |
| Grant expense | 3 776 | 4 913 | 4 162 | 4 272 | 4 248 |
| Other operating expenses | 6 843 | 6 901 | 8 419 | 6 940 | 7 705 |
| **Total expenses from transactions** | **23 413** | **24 455** | **26 295** | **24 904** | **26 120** |
| **Net result from transactions – Net operating balance** | **(1 697)** | **2 090** | **(2 132)** | **(1 682)** | **(2 239)** |
| **Other economic flows included in net result** |  |  |  |  |  |
| Net gain/(loss) on disposal of non‑financial assets | 21 | (1) | (34) | 20 | 5 |
| Net gain/(loss) on financial assets or liabilities at fair value | 109 | 406 | (182) | (46) | 413 |
| Share of net profit/(loss) from associates/joint venture entities | (13) | (14) | (19) | .. | (18) |
| Other gains/(losses) from other economic flows | (260) | (155) | (112) | (148) | (41) |
| **Total other economic flows included in net result** | **(143)** | **236** | **(347)** | **(174)** | **359** |
| **Net result** | **(1 840)** | **2 327** | **(2 478)** | **(1 856)** | **(1 880)** |
| **Other economic flows – Other comprehensive income** |  |  |  |  |  |
| **Items that will not be reclassified to net result** |  |  |  |  |  |
| Changes in non‑financial assets revaluation surplus | 387 | 125 | 7 185 | 586 | 192 |
| Remeasurement of superannuation defined benefits plans | (2 077) | 286 | 1 418 | (978) | 2 181 |
| Other movements in equity | 39 | 42 | (8) | 104 | (10) |
| **Items that may be reclassified subsequently to net result** |  |  |  |  |  |
| Net gain/(loss) on financial assets at fair value | (11) | 3 | 16 | (16) | 13 |
| Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets | (2 305) | .. | 441 | .. | (524) |
| **Total other economic flows – Other comprehensive income** | **(3 967)** | **456** | **9 052** | **(305)** | **1 853** |
| **Comprehensive result – Total change in net worth** | **(5 807)** | **2 782** | **6 573** | **(2 161)** | **(26)** |
| **KEY FISCAL AGGREGATES** |  |  |  |  |  |
| **Net operating balance** | **(1 697)** | **2 090** | **(2 132)** | **(1 682)** | **(2 239)** |
| Less: Net acquisition of non‑financial assets from transactions | 4 213 | 2 004 | 2 861 | 3 443 | 4 312 |
| **Net lending/(borrowing)** | **(5 911)** | **87** | **(4 993)** | **(5 124)** | **(6 551)** |

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

|  | 2023‑24 |  |  | 2024‑25 |  |
| --- | --- | --- | --- | --- | --- |
|  | Dec | Mar | Jun | Sep | Dec |
| **Assets** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and deposits | 12 913 | 13 567 | 14 306 | 14 332 | 14 847 |
| Advances paid | 5 961 | 6 127 | 6 421 | 6 377 | 6 335 |
| Receivables and contract assets | 7 701 | 12 428 | 10 163 | 9 428 | 8 556 |
| Investments, loans and placements | 13 578 | 14 422 | 14 866 | 15 625 | 16 491 |
| Investments accounted for using the equity method | 1 149 | 1 191 | 1 143 | 1 161 | 1 136 |
| Investments in other sector entities | 94 147 | 95 172 | 98 178 | 98 974 | 99 641 |
| **Total financial assets** | **135 449** | **142 907** | **145 077** | **145 897** | **147 006** |
| **Non‑financial assets** |  |  |  |  |  |
| Inventories | 447 | 396 | 402 | 330 | 322 |
| Non‑financial assets held for sale | 278 | 284 | 232 | 242 | 243 |
| Land, buildings, infrastructure, plant and equipment | 257 529 | 259 936 | 269 690 | 273 295 | 277 316 |
| Other non‑financial assets | 6 467 | 6 281 | 6 222 | 7 442 | 7 030 |
| **Total non‑financial assets** | **264 722** | **266 897** | **276 546** | **281 310** | **284 910** |
| **Total assets** | **400 170** | **409 804** | **421 623** | **427 207** | **431 917** |
| **Liabilities** |  |  |  |  |  |
| Deposits held and advances received | 1 850 | 1 771 | 1 525 | 1 577 | 1 435 |
| Payables | 5 325 | 5 558 | 7 741 | 5 930 | 5 350 |
| Borrowings | 157 362 | 164 635 | 167 309 | 175 439 | 183 005 |
| Employee benefits | 10 517 | 10 815 | 11 120 | 11 574 | 11 312 |
| Superannuation | 19 437 | 19 358 | 18 226 | 19 368 | 17 369 |
| Other provisions | 2 774 | 2 838 | 3 431 | 3 138 | 3 265 |
| Other liabilities | 22 401 | 21 542 | 22 411 | 22 524 | 22 550 |
| **Total liabilities** | **219 667** | **226 518** | **231 764** | **239 550** | **244 286** |
| **Net assets** | **180 504** | **183 286** | **189 859** | **187 657** | **187 630** |
| **Equity** |  |  |  |  |  |
| Accumulated surplus/(deficit) | 41 894 | 44 554 | 43 405 | 40 614 | 40 902 |
| Reserves | 138 609 | 138 731 | 146 454 | 147 043 | 146 728 |
| **Net worth** | **180 504** | **183 286** | **189 859** | **187 657** | **187 630** |
|  |  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net financial worth | (84 218) | (83 611) | (86 686) | (93 653) | (97 280) |
| Net financial liabilities | 178 365 | 178 783 | 184 865 | 192 627 | 196 921 |
| Net debt | 126 760 | 132 290 | 133 241 | 140 682 | 146 767 |

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

|  | 2023‑24 |  |  | 2024‑25 |  |
| --- | --- | --- | --- | --- | --- |
|  | Dec | Mar | Jun | Sep | Dec |
| **Cash flows from operating activities** |  |  |  |  |  |
| **Receipts** |  |  |  |  |  |
| Taxes received | 8 320 | 8 116 | 11 371 | 9 623 | 9 101 |
| Grants | 10 842 | 10 009 | 10 628 | 10 983 | 12 479 |
| Sales of goods and services (a) | 1 608 | 1 640 | 1 996 | 1 638 | 1 758 |
| Interest received | 389 | 375 | 523 | 379 | 352 |
| Dividends, income tax equivalent and rate equivalent receipts | 652 | 118 | 1 721 | 474 | 189 |
| Other receipts | 581 | 521 | 801 | 806 | 556 |
| **Total receipts** | **22 391** | **20 780** | **27 041** | **23 903** | **24 435** |
| **Payments** |  |  |  |  |  |
| Payments for employees | (9 049) | (8 545) | (9 117) | (9 083) | (9 906) |
| Superannuation | (998) | (1 002) | (947) | (1 172) | (1 171) |
| Interest paid | (1 324) | (1 339) | (1 483) | (1 480) | (1 582) |
| Grants and subsidies | (3 853) | (4 918) | (3 168) | (5 089) | (4 365) |
| Goods and services (a) | (7 497) | (6 466) | (5 966) | (8 598) | (6 772) |
| Other payments | (332) | (278) | (719) | (390) | (599) |
| **Total payments** | **(23 053)** | **(22 547)** | **(21 402)** | **(25 811)** | **(24 394)** |
| **Net cash flows from operating activities** | **(662)** | **(1 767)** | **5 639** | **(1 908)** | **41** |
| **Cash flows from investing activities** |  |  |  |  |  |
| **Cash flows from investments in non‑financial assets** |  |  |  |  |  |
| Purchases of non‑financial assets | (4 847) | (3 433) | (4 845) | (4 085) | (4 758) |
| Sales of non‑financial assets | 62 | 62 | 143 | 48 | 53 |
| **Net cash flows from investments in non‑financial assets** | **(4 785)** | **(3 371)** | **(4 702)** | **(4 037)** | **(4 705)** |
| Net cash flows from investments in financial assets for policy purposes | (744) | (386) | (942) | (820) | (1 161) |
| **Sub‑total** | **(5 529)** | **(3 757)** | **(5 644)** | **(4 857)** | **(5 866)** |
| Net cash flows from investments in financial assets for liquidity management purposes | (996) | (444) | (496) | (731) | (400) |
| **Net cash flows from investing activities** | **(6 525)** | **(4 201)** | **(6 140)** | **(5 588)** | **(6 266)** |
| **Cash flows from financing activities** |  |  |  |  |  |
| Advances received (net) | 152 | (157) | (211) | (7) | (1) |
| Net borrowings | 3 679 | 6 701 | 1 486 | 7 465 | 6 882 |
| Deposits received (net) | (63) | 79 | (35) | 59 | (141) |
| **Net cash flows from financing activities** | **3 768** | **6 623** | **1 240** | **7 518** | **6 740** |
| **Net increase/(decrease) in cash and cash equivalents** | **(3 419)** | **654** | **738** | **22** | **515** |
| Cash and cash equivalents at beginning of the reporting period (b) | 16 332 | 12 913 | 13 567 | 14 310 | 14 332 |
| **Cash and cash equivalents at end of the reporting period** | **12 913** | **13 567** | **14 306** | **14 332** | **14 847** |
|  |  |  |  |  |  |
| **FISCAL AGGREGATES** |  |  |  |  |  |
| Net cash flows from operating activities | (662) | (1 767) | 5 639 | (1 908) | 41 |
| Net cash flows from investments in non‑financial assets | (4 785) | (3 371) | (4 702) | (4 037) | (4 705) |
| **Cash surplus/(deficit)** | **(5 447)** | **(5 139)** | **937** | **(5 945)** | **(4 664)** |

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.

Appendix B – *Financial Management Act 1994* compliance index

The *Financial Management Act 1994* (FMA) requires the Minister to prepare a mid-year financial report and a quarterly financial report for tabling in Parliament. These reports have been prepared in accordance with applicable Australian Accounting Standards and the FMA.

The FMA specifies that these reports must meet certain requirements. The following compliance index explains how these requirements are met, together with appropriate references in this document.

| Financial Management Act reference | Requirement | Comments/reference |
| --- | --- | --- |
| Section 25(1) | The Minister must prepare a mid-year report for each financial year. | Refer to Chapter 4. |
| Section 25(2) | The mid-year report: |  |
|  | (a) must be prepared in the manner and form determined by the Minister, having regard to appropriate financial reporting frameworks | Manner is in accordance with Australian Accounting Standards and Ministerial Directions. Form is consolidated comprehensive operating statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and accompanying notes. Refer to Chapter 4. |
|  | (b) must present fairly the financial position of the State and the Victorian general government sector at midnight on 31 December in the financial year and: | Refer to Chapter 4, consolidated balance sheet. |
|  | (i) the transactions on the Public Account | Refer to Chapter 4, Note 7. |
|  | (ii) the transactions of the Victorian general government sector | Refer to Chapter 4, consolidated comprehensive operating statement, consolidated cash flow statement and related notes. |
|  | (iii) other financial transactions of the State in respect of the period of six months ending on that day. | Refer to Chapter 4, consolidated comprehensive operating statement, consolidated cash flow statement and related notes. |
| Section 26(1) | The Minister must prepare a quarterly financial report for each quarter of each financial year. | Refer to Appendix A. |
| Section 26(2) | A quarterly financial report comprises: |  |
|  | (a) a statement of financial performance of the Victorian general government sector for the quarter | Refer to Appendix A, consolidated comprehensive operating statement. |
|  | (b) a statement of the financial position of the Victorian general government sector at the end of the quarter | Refer to Appendix A, consolidated balance sheet. |
|  | (c) a statement of cash flows of the Victorian general government sector for the quarter | Refer to Appendix A, consolidated cash flow statement. |
|  | (d) a statement of the accounting policies on which the statements required by paragraphs (a), (b) and (c) are based. | Refer to Chapter 4, Note 1. |
| Section 26(2A) | A quarterly financial report must be prepared in the manner and form determined by the Minister, having regard to appropriate financial reporting frameworks. | Manner is a financial report for the general government sector. Form is consolidated comprehensive operating statement, consolidated balance sheet, consolidated cash flow statement. Refer to Appendix A. |
| Section 26(2B) | The quarterly financial report for the quarter ending on 31 December in a financial year must include, in addition to the statements referred to in subsection (2)(a) to (d) for that quarter, those statements for the period of six months ending on that 31 December. | Refer to Chapter 4, consolidated comprehensive operating statement, consolidated balance sheet, and consolidated cash flow statement. |

Style conventions

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

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage 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

1 billion 1 000 million

1 basis point 0.01 per cent

.. zero, or rounded to zero

(x xxx.x) negative amount

x xxx.0 rounded amount

Please refer to the **Treasury and Finance glossary for budget and financial reports** at dtf.vic.gov.au for additional terms and references.

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