

# Quarterly Financial Report



**for the**  
**Victorian General Government Sector**  
**For the 3 Months Ended 30 September 2008**

Presented by

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and

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## OVERVIEW

This financial report presents the Victorian general government sector financial statements prepared as a special purpose report for the three month period ending 30 September 2008.

During the September quarter, global economic conditions deteriorated as the financial crisis entered a more serious phase. Confidence in financial institutions and markets eroded, with increased concerns about liquidity and solvency, leading to significant restrictions in credit markets. The escalation of the global financial crisis has warranted a number of large and unprecedented policy responses by national governments in the major economies. Events in the financial markets have fed into the real global economy, as reflected in falling equity and commodity markets.

The Australian and Victorian economies have not been immune from the change in global financial and economic conditions. Households and business are experiencing falls in confidence and credit availability. In response to the weakening economic outlook, the Reserve Bank of Australia has embarked on an aggressive national monetary policy easing, and the Commonwealth Government has announced a fiscal stimulus package.

From 1 July 2008, the Victorian Government increased the thresholds for stamp duty on land transfer to benefit both families and business. In addition, the Victorian Government's substantial infrastructure program underpins the provision of services and supports economic growth by expanding the productive capacity of the economy, including supporting employment. The Victorian Government also provided further relief to first home buyers enabling them to receive both the *First Home Bonus* and the principal place of residence stamp duty concession.

## GENERAL GOVERNMENT SECTOR OUTCOME

### Operating statement

In this environment, the general government sector net result from transactions for the three month period to 30 September 2008 was \$96 million, compared with the 2008-09 budgeted full year net result from transactions of \$828 million.

The result for the first quarter of 2008-09 primarily reflects a weakening of land transfer duty and income tax equivalent revenues, as well as normal seasonal variations in other revenue and the timing of expenses for departments within the general government sector. Accordingly, caution should be taken in extrapolating the likely outcome for the year based on the quarterly results.

Revenue from transactions was \$8 770 million, or 23.2 per cent of the budget estimate of \$37 810 million for the year. Taxation revenue was 22.0 per cent of the full year 2008-09 budget, mainly driven by the softening of the property market. This result also reflects the fact that the majority of land tax revenue is not recognised until the March quarter each year when assessment notices are issued.

Land transfer duty revenue for the September quarter was below pro rata, mainly due to reduced availability of credit, hampering the financial sector's ability to lend as freely as in recent years, as well as associated lower levels of consumer and business sentiment. Property prices have also declined from their highs earlier in 2008 and the number of properties sold was less than for the same period in 2007. Other taxation revenue was broadly consistent with budget expectations.

Dividends and income tax equivalent and rate equivalent revenue for the first quarter was \$52 million compared with the full year budget estimate of \$670 million. This partly reflects the usual pattern of dividends from public authorities, which are received and recognised in October and April each year. In addition, a reduction in income tax equivalent revenue receivable from government-owned tax paying entities is anticipated for 2008-09 due to financial market movements impacting on investment returns.

Other current revenue was 22.3 per cent of the full year budget estimate. This includes fines revenue which was lower than expected and estimated third party revenue, such as donations, which are forecast to be received later in the year.

Expenses from transactions were \$8 675 million, or 23.5 per cent of the full year budget estimate. While this was below pro rata, it reflects normal seasonal patterns of departmental operating expenses, including the timing of grants and transfers in a number of departments and purchases of supplies and services. For example, the implementation of various new initiatives for a financial year generally will not have a major impact on expenses until after the first quarter of the financial year.

Once actuarial adjustments and revaluations are included, the net result for the three month period to 30 September 2008 is a deficit of \$3 811 million. The difference between this and the net result from transactions is largely due to actuarial adjustments of \$3 877 million, comprising the effect of a decrease in the discount rate used to calculate the net present value of the State's superannuation liabilities, and a loss of \$753 million due to lower than expected investment returns on superannuation plan assets.

## **Balance sheet**

Net assets decreased over the quarter by \$3 812 million to \$86 613 million as at 30 September 2008. Total assets decreased by \$423 million to \$119 096 million, while total liabilities increased by \$3 389 million to \$32 482 million. The increase in liabilities, reflected in the overall decrease in net assets, is predominantly due to a \$3 910 million increase in the superannuation liability, reflecting the impact of movements in long-term interest rates over this period and the effect of financial markets on superannuation plan assets, as mentioned previously. In this respect, the long-term Commonwealth Government bond rate that underpins the discount rate used to value the superannuation liability decreased significantly during the period. This reduced discount rate caused the reported superannuation liability to increase.

Net debt has increased by \$638 million to \$2 788 million, primarily reflecting the application of cash and deposits towards the funding of the general government sector infrastructure investment program. The increase in net financial liabilities of \$4 323 million reflects the above movement plus the earlier mentioned revaluation of the superannuation liability, offset by a decrease in other employee benefits for the quarter.

## **Cash flows**

The cash deficit of \$462 million for the quarter was the result of a net inflow from operating activities of \$71 million, offset by outlays in investments in non-financial assets of \$533 million. The overall infrastructure investment program, comprising net purchases of non-financial assets and net investments in other sectors for policy purposes, was below pro rata, reflecting normal seasonal patterns of departmental outlays early in the year, which is in line with historical outcomes.

## **BASIS OF REPORTING AND COMPARISON**

For the first time, the quarterly statements are presented consistent with Australian accounting standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, issued by the Australian Accounting Standards Board (AASB) in October 2007 and applicable to reporting periods commencing 1 July 2008.

Comparisons are made to the budget estimates included in the 2008-09 Budget Papers. Caution should be exercised in extrapolating the likely outcome for the year based on quarterly results presented in this report due to the inherent volatility and seasonal factors impacting on the results.

Any changes to the budget estimates since the 2008-09 Budget, including the impact of the year to date result on the budget estimates, will be reflected in the 2008-09 *Budget Update*, which is due to be released by the Government no later than 15 December 2008.

# FINANCIAL STATEMENTS FOR THE GENERAL GOVERNMENT SECTOR

## Operating statement for the period ended 30 September

(\$ million)

2007-08 Actual to Sept.		Notes	2008-09 Actual to Sept.	Annual Budget
<b>Revenue</b>				
3 014.8	Taxation revenue	2	2 948.1	13 382.9
100.7	Interest		103.9	402.2
75.9	Dividends and income tax equivalent and rate equivalent revenue	3	52.4	669.9
1 050.5	Sales of goods and services	4	1 121.9	4 334.5
3 982.7	Grants	5	4 216.8	17 555.0
396.3	Other current revenue	6	327.2	1 465.6
<b>8 621.0</b>	<b>Total revenue</b>		<b>8 770.4</b>	<b>37 810.0</b>
<b>Expenses</b>				
3 146.6	Employee expenses		3 395.8	14 225.6
86.2	Superannuation interest expense	7	130.7	518.6
316.2	Other superannuation	7	328.3	1 339.6
333.3	Depreciation	8	355.9	1 609.4
106.2	Interest expense		128.8	499.4
2 644.1	Other operating expenses		2 845.0	12 350.4
1 530.1	Grants and other transfers		1 490.2	6 439.4
<b>8 162.8</b>	<b>Total expenses</b>	9	<b>8 674.6</b>	<b>36 982.4</b>
<b>458.1</b>	<b>Net result from transactions – Net operating balance</b>		<b>95.8</b>	<b>827.5</b>
<b>Other economic flows included in net result</b>				
( 17.2)	Net gain/ (loss) on sale of non-financial assets		5.5	39.9
0.8	Net gain/ (loss) on financial assets or liabilities at fair value		2.8	0.6
( 232.6)	Net actuarial gains/ (losses) of superannuation defined benefits plans	7	(3 877.3)	..
( 50.2)	Other gains/ (losses) from other economic flows	10	( 37.4)	( 151.1)
<b>( 299.1)</b>	<b>Total other economic flows included in net result</b>		<b>(3 906.4)</b>	<b>( 110.6)</b>
<b>159.0</b>	<b>Net result</b>		<b>(3 810.6)</b>	<b>716.9</b>
<b>Other Economic Flows – Other Movements in Equity</b>				
0.2	Net gain on financial assets at fair value		( 1.7)	..
12.5	Revaluations of non-financial assets		( 0.5)	2 293.5
..	Net gain on equity investments in other sector entities at proportional share of net assets <sup>(a)</sup>		..	407.2
22.4	Other movements in equity		0.5	( 10.5)
<b>35.1</b>	<b>Total other economic flows – Other movements in equity</b>		<b>( 1.7)</b>	<b>2 690.2</b>
<b>194.1</b>	<b>Comprehensive result – Total change in net worth</b>		<b>(3 812.3)</b>	<b>3 407.1</b>
<b>FISCAL AGGREGATES</b>				
<b>458.1</b>	<b>Net operating balance</b>		<b>95.8</b>	<b>827.5</b>
36.4	Less: Net acquisition of non-financial assets from transactions	12	174.3	1 269.2
<b>421.7</b>	<b>Net lending/ (borrowing)</b>		<b>( 78.5)</b>	<b>( 441.7)</b>

The accompanying notes form part of these financial statements.

Note:

(a) As data for other sectors are only provided half-yearly, the investment is not revalued at the end of the quarter.

## Balance sheet as at 30 September

(\$ million)

2007-08 Actual 30 Sept.		Notes	Opening 1 July	2008-09 Actual 30 Sept.	Budget 30 June <sup>(a)</sup>
<b>Assets</b>					
	Financial assets				
2 101.9	Cash and deposits		2 975.0	2 382.1	3 049.1
61.6	Advances paid		78.0	78.4	630.9
2 248.1	Investments, loans and placements		2 322.0	2 423.8	2 345.3
3 058.4	Receivables	11	2 620.2	2 171.2	2 562.7
..	Investments in general government sector entities using the equity method		648.1	648.1	648.1
634.5	Investments accounted for using equity method – other		20.0	25.6	25.0
40 992.3	Investments in other sector entities <sup>(b)</sup>		44 857.1	45 017.7	46 539.3
49 096.9	<b>Total financial assets</b>		53 520.5	52 746.8	55 800.3
	Non-financial assets				
129.0	Inventories		221.1	218.1	222.5
50.6	Non-financial assets held for sale		70.8	66.2	70.8
59 443.4	Land, buildings, infrastructure, plant and equipment	13	65 224.2	65 392.4	68 764.0
726.7	Other non-financial assets	14	482.2	672.1	490.6
60 349.6	<b>Total non-financial assets</b>		65 998.2	66 348.8	69 547.9
<b>109 446.5</b>	<b>Total assets</b>		<b>119 518.7</b>	<b>119 095.5</b>	<b>125 348.2</b>
<b>Liabilities</b>					
547.7	Deposits held		371.5	382.1	371.5
3.6	Advances received		2.6	2.6	1.9
6 513.9	Borrowings		7 799.1	7 935.7	9 917.7
3 316.5	Payables		3 354.4	2 876.3	3 407.3
10 385.6	Superannuation		12 926.8	16 836.8	13 055.1
3 505.0	Other employee benefits	15	3 973.3	3 742.1	4 117.7
760.6	Other provisions		665.4	706.5	624.1
<b>25 032.9</b>	<b>Total liabilities</b>		<b>29 092.9</b>	<b>32 482.1</b>	<b>31 495.4</b>
<b>84 413.6</b>	<b>Net assets</b>		<b>90 425.7</b>	<b>86 613.4</b>	<b>93 852.8</b>
10 876.0	Accumulated surplus/(deficit)		9 519.6	5 709.1	10 225.1
73 537.6	Other reserves		80 874.1	80 872.4	83 575.7
..	Minority interest		32.0	32.0	52.0
<b>84 413.6</b>	<b>Net worth</b>		<b>90 425.7</b>	<b>86 613.4</b>	<b>93 852.8</b>
<b>FISCAL AGGREGATES</b>					
24 064.0	Net financial worth		24 427.5	20 264.7	24 304.9
16 928.4	Net financial liabilities		20 429.6	24 753.0	22 234.3
2 653.5	Net debt		2 150.0	2 788.1	3 617.7

The accompanying notes form part of these financial statements.

Notes:

- (a) Balances represent actual opening balances at 1 July 2008 plus 2008-09 budgeted movements.
- (b) As data for other sectors are only provided half-yearly, the investment is not revalued at the end of the quarter. The movement for the quarter represents net contributions to other sectors.

## Cash flow statement for the period ended 30 September

(\$ million)

2007-08 Actual to Sept.	Notes	2008-09	
		Actual to Sept.	Annual Budget
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
3 401.4	Taxes received	3 193.0	13 518.4
3 998.2	Grants	4 212.8	17 555.0
894.0	Sales of goods and services <sup>(a)</sup>	1 279.8	4 441.7
100.6	Interest received	102.3	386.2
130.9	Dividends and income tax equivalent and rate equivalent receipts	17.1	533.6
181.7	Other receipts <sup>(a)</sup>	381.0	1 326.6
<b>8 706.8</b>	<b>Total receipts</b>	<b>9 185.9</b>	<b>37 761.7</b>
<b>Payments</b>			
(3 262.6)	Payments for employees	(3 626.9)	(14 081.2)
( 387.1)	Superannuation	( 426.3)	(1 729.9)
( 105.1)	Interest paid	( 114.5)	( 466.8)
(1 508.0)	Grants and subsidies	(1 639.3)	(6 432.8)
(2 877.5)	Goods and services <sup>(a)</sup>	(3 227.6)	(12 016.8)
..	Other payments	( 80.0)	( 340.1)
<b>(8 140.3)</b>	<b>Total payments</b>	<b>(9 114.7)</b>	<b>(35 067.5)</b>
<b>566.5</b>	<b>Net cash flows from operating activities</b> <sup>(a)(b)</sup>	<b>71.2</b>	<b>2 694.2</b>
<b>Cash flows from investing activities</b>			
( 388.6)	Purchases of non-financial assets	( 568.4)	(2 837.9)
22.7	Sales of non-financial assets	35.5	153.8
( 365.9)	Cash flows from investments in non-financial assets	( 533.0)	(2 684.0)
( 201.6)	Net cash flows from investments in financial assets for policy purposes	( 173.8)	(1 254.4)
( 188.7)	Net cash flows from investments in financial assets for liquidity management purposes	( 100.6)	( 22.7)
<b>( 756.3)</b>	<b>Net cash flows from investing activities</b>	<b>( 807.4)</b>	<b>(3 961.1)</b>
<b>Cash flows from financing activities</b>			
..	Advances received (net)	..	( 0.7)
( 680.1)	Net borrowings	( 203.4)	1 341.7
( 47.5)	Deposits received (net) <sup>(a)</sup>	10.6	..
<b>( 727.6)</b>	<b>Net cash flows from financing activities</b>	<b>( 192.7)</b>	<b>1 341.0</b>
<b>( 917.4)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>( 928.9)</b>	<b>74.1</b>
3 014.6	Cash and cash equivalents at beginning of reporting period	2 859.3	2 859.3
<b>2 097.3</b>	<b>Cash and cash equivalents at end of reporting period</b>	<b>1 930.4</b>	<b>2 933.4</b>
<b>FISCAL AGGREGATES</b>			
<b>566.5</b>	Net cash flows from operating activities	<b>71.2</b>	<b>2 694.2</b>
<b>( 365.9)</b>	Net cash flows from investments in non-financial assets	<b>( 533.0)</b>	<b>(2 684.0)</b>
<b>200.6</b>	<b>Cash surplus / (deficit)</b>	<b>( 461.7)</b>	<b>10.2</b>

The accompanying notes form part of these financial statements.

Notes:

(a) Adoption of AASB 1049 has resulted in minor classification changes to the previously published figures for September 2008.

(b) Inclusive of goods and services tax.

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## **Note 1: Statement of significant accounting policies**

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

### **(A) Compliance framework**

This report is a special purpose consolidated interim financial report of the general government sector for the quarter ending 30 September 2008 as required by Section 26 of the *Financial Management Act 1994*.

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

This unaudited special purpose financial report should be read in conjunction with the 2007-08 *Financial Report for the State of Victoria*. It only includes explanatory notes that provide relevant information on a quarterly reporting basis.

### **(B) Basis of accounting and measurement**

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

### **(C) General government sector reporting entity**

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

### **(D) Basis of consolidation**

The Quarterly Financial Report includes all reporting entities in the general government sector that are controlled by the state. Details of entities consolidated for the general government sector are included in Note 19. In the process of reporting the general government sector as a single economic entity, all material transactions and balances within the sector are eliminated.

## Note 2: Taxation

(\$ million)

2007-08		2008-09	
<i>Actual to Sept.</i>		<i>Actual to Sept.</i>	<i>Annual Budget</i>
<b>975.2</b>	<b>Taxes on employers' payroll and labour force</b>	<b>1 039.1</b>	<b>3 963.2</b>
	<b>Taxes on property</b>		
	<b>Taxes on immovable property</b>		
38.4	Land tax	1.9	1 049.8
( 0.9)	Congestion levy	( 0.3)	39.2
33.3	Metropolitan improvement levy	27.7	105.4
10.6	Property owner contributions to fire brigades	11.8	42.2
<b>81.4</b>	<b>Total taxes on immovable property</b>	<b>41.1</b>	<b>1 236.6</b>
	<b>Financial and capital transactions</b>		
877.6	Land transfer duty	736.9	3 736.9
1.6	Other property duties	2.0	10.2
4.5	Financial accommodation levy	5.9	32.1
<b>883.7</b>	<b>Total financial and capital transactions</b>	<b>744.8</b>	<b>3 779.1</b>
<b>965.1</b>	<b>Total taxes on property</b>	<b>785.9</b>	<b>5 015.7</b>
	<b>Taxes on the provision of goods and services</b>		
	<b>Gambling taxes</b>		
80.1	Private lotteries	83.6	354.8
254.7	Electronic gaming machines	251.2	1 025.0
29.3	Casino	35.4	135.0
27.7	Racing	30.3	129.4
1.8	Other	1.9	7.7
<b>393.6</b>	<b>Total gambling taxes</b>	<b>402.4</b>	<b>1 651.9</b>
<b>5.3</b>	<b>Levies on statutory corporations</b>	<b>13.8</b>	<b>73.7</b>
<b>318.9</b>	<b>Taxes on insurance</b>	<b>337.2</b>	<b>1 207.1</b>
<b>717.8</b>	<b>Total taxes on the provision of goods and services</b>	<b>753.4</b>	<b>2 932.7</b>
	<b>Taxes on the use of goods and performance of activities</b>		
	<b>Motor vehicle taxes</b>		
204.0	Vehicle registration fees	218.5	829.4
141.7	Duty on vehicle registrations and transfers	138.9	581.5
<b>345.7</b>	<b>Total motor vehicle taxes</b>	<b>357.4</b>	<b>1 410.9</b>
..	Franchise taxes	..	7.8
11.0	Other	12.4	52.5
<b>356.7</b>	<b>Total taxes on the use of goods and performance of activities</b>	<b>369.8</b>	<b>1 471.2</b>
<b>3 014.8</b>	<b>Total taxation</b>	<b>2 948.1</b>	<b>13 382.9</b>

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

(\$ million)

2007-08		2008-09	
Actual to Sept.		Actual to Sept.	Annual Budget
..	Dividends	..	421.1
75.9	Income tax equivalent revenue	52.4	246.5
..	Local government rate equivalent revenue	..	2.3
<b>75.9</b>	<b>Total dividends and income tax equivalent and rate equivalent revenue</b>	<b>52.4</b>	<b>669.9</b>

### Note 4: Sale of goods and services

(\$ million)

2007-08		2008-09	
Actual to Sept.		Actual to Sept.	Annual Budget
24.1	Motor vehicle regulatory fees	25.5	107.8
77.7	Other regulatory fees	63.7	288.0
0.6	Sale of goods	0.5	1.8
705.9	Provision of services	770.0	2 867.5
9.8	Rental	9.7	39.3
9.0	Refunds and reimbursements	7.8	51.3
223.4	Inter-sector capital asset charge	244.7	978.8
<b>1 050.5</b>	<b>Total sales of goods and services</b>	<b>1 121.9</b>	<b>4 334.5</b>

### Note 5: Grants

(\$ million)

2007-08		2008-09	
Actual to Sept.		Actual to Sept.	Annual Budget
<b>Current grants</b>			
<b>Current grants from the Commonwealth</b>			
2 165.7	General purpose grants	2 304.4	10 281.4
443.4	Specific purpose grants for on-passing	504.1	1 967.5
1 140.9	Other specific purpose grants	1 234.1	4 657.0
3 750.0	Total	4 042.6	16 905.9
4.1	Other contributions and grants	3.4	6.0
<b>3 754.2</b>	<b>Total current grants</b>	<b>4 046.0</b>	<b>16 911.9</b>
<b>Capital grants</b>			
<b>Capital grants from the Commonwealth</b>			
39.9	Specific purpose grants for on-passing	12.0	150.4
173.9	Other specific purpose grants	143.0	383.0
213.8	Total	155.0	533.3
14.7	Other contributions and grants	15.9	109.8
<b>228.5</b>	<b>Total capital grants</b>	<b>170.9</b>	<b>643.2</b>
<b>3 982.7</b>	<b>Total grants</b>	<b>4 216.8</b>	<b>17 555.0</b>

## Note 6: Other current revenue

(\$ million)

2007-08 Actual to Sept.		2008-09	
		Actual to Sept.	Annual Budget
0.3	Fair value of assets received free of charge or for nominal consideration	2.7	21.8
110.4	Fines	94.3	492.2
13.2	Royalties	16.5	42.0
47.3	Donations and gifts	43.4	175.7
5.8	Other non-property rental	5.1	15.1
219.4	Other miscellaneous income	165.2	718.8
<b>396.3</b>	<b>Total other current revenue</b>	<b>327.2</b>	<b>1 465.6</b>

## Note 7: Superannuation

(\$ million)

2007-08 Actual to Sept.		2008-09	
		Actual to Sept.	Annual Budget
	<b>Defined benefit plans</b>		
153.9	Current service cost <sup>(a)</sup>	144.9	574.8
438.3	Interest cost <sup>(a) (b)</sup>	459.0	1 821.0
( 352.1)	Expected return on plan assets (net of expenses) <sup>(a) (b)</sup>	( 328.3)	(1 302.4)
( 3.7)	Amortisation of past service cost <sup>(a) (c)</sup>	( 3.7)	( 14.5)
232.6	Actuarial (gains)/losses <sup>(d)</sup>	3 877.3	..
<b>469.0</b>	<b>Total expense recognised in respect of defined benefit plans</b>	<b>4 149.2</b>	<b>1 078.9</b>
	<b>Defined contribution plans</b>		
155.7	Employer contributions to defined contribution plans <sup>(a)</sup>	174.1	731.5
10.3	Other (including pensions) <sup>(a)</sup>	12.9	47.9
<b>166.0</b>	<b>Total expense recognised in respect of defined contribution plans</b>	<b>187.0</b>	<b>779.3</b>
<b>635.0</b>	<b>Total superannuation expense recognised in operating statement</b>	<b>4 336.3</b>	<b>1 858.2</b>

Notes:

(a) Superannuation expense from transactions.

(b) Superannuation interest expense shown on the operating statement is the interest cost less the expected return on plan assets.

(c) Past service cost arises due to a change in benefits payable and must be amortised over the period until the benefits become vested.

(d) Superannuation expense from other economic flows.

## Note 8: Depreciation

(\$ million)

2007-08		2008-09	
Actual		Actual	Annual
to Sept.		to Sept.	Budget
100.7	Buildings	100.4	452.2
115.3	Plant, equipment and infrastructure systems	122.8	636.9
82.6	Road networks	96.9	395.0
2.1	Other assets	2.9	11.5
8.7	Leased plant and equipment	8.9	41.5
13.1	Leasehold buildings	14.8	51.1
10.8	Intangible produced assets <sup>(a)</sup>	9.1	21.2
<b>333.3</b>	<b>Total depreciation</b>	<b>355.9</b>	<b>1 609.4</b>

Note:

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

## Note 9: Total expenses from transactions by departments

(\$ million)

2007-08		2008-09	
Actual		Actual	Annual
to Sept.		to Sept.	Budget
<b>Expenses from transactions</b>			
2 004.8	Education and Early Childhood Development	2 197.7	8 999.4
3 220.7	Human Services	3 351.7	13 709.2
488.8	Innovation, Industry and Regional Development	518.1	2 178.8
775.0	Justice	840.7	3 691.1
218.8	Planning and Community Development	229.0	993.7
130.6	Premier and Cabinet	128.5	595.5
143.9	Primary Industries	109.7	480.0
288.1	Sustainability and Environment	354.3	1 328.5
926.5	Transport	1 049.3	4 344.6
428.7	Treasury and Finance	473.9	2 018.6
28.3	Parliament	31.7	131.4
306.1	Regulatory bodies and other part funded agencies	383.7	1 642.4
..	Contingencies not allocated to departments	..	429.3
(797.6)	Less eliminations	(993.5)	(3560.0)
<b>8 162.8</b>	<b>Total expense from transactions</b>	<b>8 674.6</b>	<b>36 982.4</b>

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

(\$ million)

2007-08		2008-09	
Actual to Sept.		Actual to Sept.	Annual Budget
..	Net gain/(loss) from revaluation of biological assets	..	8.4
( 50.4)	Net (increase)/decrease in provision for doubtful receivables	( 36.9)	( 147.6)
0.3	Other gains/(losses)	( 0.5)	( 11.8)
<b>( 50.2)</b>	<b>Total other gains/(losses) from other economic flows</b>	<b>( 37.4)</b>	<b>( 151.1)</b>

**Note 11: Receivables**

(\$ million)

2007-08			2008-09	
Actual 30 Sept.		Opening 1 July	Actual 30 Sept.	Budget 30 June
<b>Contractual</b>				
688.4	Sales of goods and services	731.5	618.4	740.5
456.7	Accrued investment income	82.3	119.3	218.5
558.7	Other receivables	324.6	227.7	350.1
( 367.0)	Provision for doubtful contractual receivables	( 252.9)	( 280.4)	( 400.0)
<b>Statutory</b>				
798.8	Taxes receivables	824.5	579.6	688.9
713.0	Fines and regulatory fees	641.3	671.8	694.8
209.8	GST input tax credits recoverable	268.9	234.7	269.8
<b>3 058.4</b>	<b>Total receivables</b>	<b>2 620.2</b>	<b>2 171.2</b>	<b>2 562.7</b>

**Note 12: Net acquisition of non-financial assets**

(\$ million)

2007-08		2008-09	
Actual to Sept.		Actual to Sept.	Annual Budget
388.6	Purchases of non-financial assets	568.4	2 837.9
( 22.7)	Less: Sales of non-financial assets	( 35.5)	( 153.8)
( 333.3)	Less: Depreciation	( 355.9)	(1 609.4)
3.7	Plus: Change in inventories	( 3.0)	1.4
0.1	Plus: Other movements in non-financial assets	0.2	193.2
<b>36.4</b>	<b>Total net acquisition of non-financial assets</b>	<b>174.3</b>	<b>1 269.2</b>

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

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

(\$ million)

2007-08		2008-09		
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Budget</i>
30 Sept.		1 July	30 Sept.	30 June
15 383.7	Buildings (written down value)	16 259.9	16 333.8	17 845.3
19 445.9	Land and national parks	20 413.7	20 410.3	21 872.6
212.1	Infrastructure systems (written down value)	359.1	957.9	532.0
1 920.8	Plant, equipment and vehicles (written down value)	2 131.5	2 109.5	2 024.5
14 473.4	Roads (written down value)	16 508.7	16 030.4	16 934.9
4 494.7	Earthworks	5 245.8	5 245.8	5 245.8
3 512.8	Cultural assets (written down value)	4 305.5	4 304.7	4 309.0
<b>59 443.4</b>	<b>Total land, buildings, infrastructure, plant and equipment</b>	<b>65 224.2</b>	<b>65 392.4</b>	<b>68 764.0</b>

### (b) Land and buildings

(\$ million)

2007-08		2008-09		
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Budget</i>
30 Sept.		1 July	30 Sept.	30 June
17 028.0	Buildings	17 758.8	17 936.4	19 800.6
(1 644.3)	Accumulated depreciation	(1 498.8)	(1 602.6)	(1 955.3)
<b>15 383.7</b>	<b>Buildings (written down value)</b>	<b>16 259.9</b>	<b>16 333.8</b>	<b>17 845.3</b>
17 131.7	Land	18 273.5	18 270.1	19 732.0
2 314.2	National Parks and other 'land only' holdings	2 140.2	2 140.2	2 140.5
<b>19 445.9</b>	<b>Land and national parks</b>	<b>20 413.7</b>	<b>20 410.3</b>	<b>21 872.6</b>
<b>34 829.5</b>	<b>Total land and buildings</b>	<b>36 673.6</b>	<b>36 744.2</b>	<b>39 717.9</b>

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

(\$ million)

2007-08		2008-09		
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Budget</i>
30 Sept.		1 July	30 Sept.	30 June
231.8	Infrastructure systems	379.0	1 074.6	578.9
( 19.6)	Accumulated depreciation	( 19.9)	( 116.7)	( 46.9)
<b>212.1</b>	<b>Infrastructure systems (written down value)</b>	<b>359.1</b>	<b>957.9</b>	<b>532.0</b>
4 266.6	Plant, equipment and vehicles	4 474.3	4 530.8	4 874.0
(2 501.0)	Accumulated depreciation	(2 484.4)	(2 554.5)	(2 954.8)
206.9	Leased plant, equipment and vehicles	188.5	189.1	188.5
( 51.6)	Accumulated depreciation	( 47.0)	( 55.9)	( 83.2)
<b>1 920.8</b>	<b>Plant, equipment and vehicles (written down value)</b>	<b>2 131.5</b>	<b>2 109.5</b>	<b>2 024.5</b>
<b>2 133.0</b>	<b>Total plant, equipment and vehicles, and infrastructure systems</b>	<b>2 490.6</b>	<b>3 067.4</b>	<b>2 556.5</b>

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

### (d) Road networks and earthworks

(\$ million)

2007-08		2008-09		
Actual		Opening	Actual	Budget
30 Sept.		1 July	30 Sept.	30 June
16 914.3	Roads	19 521.0	19 718.3	20 067.6
(6 363.8)	Accumulated depreciation	(7 544.2)	(7 621.2)	(7 856.9)
5 950.7	Road infrastructure	6 964.1	6 290.8	7 238.7
(2 027.7)	Accumulated depreciation	(2 432.2)	(2 357.5)	(2 514.4)
<b>14 473.4</b>	<b>Roads (written down value)</b>	<b>16 508.7</b>	<b>16 030.4</b>	<b>16 934.9</b>
<b>4 494.7</b>	<b>Earthworks</b>	<b>5 245.8</b>	<b>5 245.8</b>	<b>5 245.8</b>
<b>18 968.1</b>	<b>Total road networks and earthworks</b>	<b>21 754.5</b>	<b>21 276.2</b>	<b>22 180.7</b>

### (e) Cultural assets

(\$ million)

2007-08		2008-09		
Actual		Opening	Actual	Budget
30 Sept.		1 July	30 Sept.	30 June
3 597.9	Cultural assets	4 398.6	4 400.6	4 411.4
( 85.1)	Accumulated depreciation	( 93.1)	( 95.9)	( 102.4)
<b>3 512.8</b>	<b>Total cultural assets</b>	<b>4 305.5</b>	<b>4 304.7</b>	<b>4 309.0</b>

## Note 14: Other non-financial assets

(\$ million)

2007-08		2008-09		
Actual		Opening	Actual	Budget
30 Sept.		1 July	30 Sept.	30 June
389.1	Intangibles produced assets	432.6	414.5	461.1
( 163.8)	Accumulated depreciation	( 212.0)	( 202.2)	( 232.3)
20.7	Intangibles non-produced assets	34.0	34.0	34.0
( 11.9)	Accumulated depreciation	( 16.9)	( 16.9)	( 16.9)
<b>234.1</b>	<b>Total intangibles</b>	<b>237.8</b>	<b>229.4</b>	<b>245.9</b>
19.2	Investment properties	22.5	21.9	22.5
80.6	Biological assets <sup>(a)</sup>	34.4	34.4	42.8
392.7	Other assets	187.5	386.4	179.5
<b>726.7</b>	<b>Total other non-financial assets</b>	<b>482.2</b>	<b>672.1</b>	<b>490.6</b>

Note:

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

## Note 15: Other employee benefits

(\$ million)

2007-08		2008-09		
Actual		Opening	Actual	Budget
30 Sept.		1 July	30 Sept.	30 June
<b>Current</b>				
964.8	Accrued salaries and wages <sup>(a)</sup>	1 339.9	1 094.1	1 363.7
2 166.4	Long service leave	2 275.9	2 267.3	2 331.0
<b>3 131.2</b>	<b>Total current employee benefits</b>	<b>3 615.8</b>	<b>3 361.5</b>	<b>3 694.7</b>
<b>Non-current</b>				
..	Accrued salaries and wages <sup>(a)</sup>	..	18.6	0.3
373.8	Long service leave	357.4	362.0	422.7
<b>373.8</b>	<b>Total non-current employee benefits</b>	<b>357.4</b>	<b>380.6</b>	<b>423.0</b>
<b>3 505.0</b>	<b>Total employee benefits</b>	<b>3 973.3</b>	<b>3 742.1</b>	<b>4 117.7</b>

Note:

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

## Note 16: Cash flow information

### (a) Reconciliation of cash and cash equivalents

(\$ million)

2007-08 Actual to Sept.		2008-09 Actual to Sept.
940.2	Cash	1 092.3
1 161.8	Deposits at call	1 289.8
<b>2 101.9</b>	<b>Cash and cash equivalents</b>	<b>2 382.1</b>
( 4.7)	Bank overdraft	( 451.6)
<b>2 097.3</b>	<b>Balances as per cash flow statement</b>	<b>1 930.4</b>

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

(\$ million)

2007-08 Actual to Sept.		2008-09 Actual to Sept.
159.0	<b>Net result</b>	(3 810.6)
	<b>Non-cash movements</b>	
333.3	Depreciation	355.8
( 0.8)	Revaluation of investments	( 2.8)
0.1	Assets (received) / provided free of charge	2.7
0.3	Revaluation of assets	0.3
2.1	Discount/premium on other financial assets/ borrowings	3.7
	<b>Movements included in investing and financing activities</b>	
17.2	Net gain from disposal of property, plant and equipment	( 5.5)
	<b>Movements in assets and liabilities</b>	
42.5	Increase/(decrease) in provision for doubtful debts	27.5
4.8	Increase/(decrease) in payables	( 441.2)
( 115.9)	Increase/(decrease) in employee benefits	( 231.1)
247.9	Increase/(decrease) in superannuation	3 910.0
2.8	Increase/(decrease) in other provisions	40.9
( 32.1)	Increase/(decrease) in other liabilities	( 2.0)
89.6	(Increase)/decrease in receivables	421.5
( 183.8)	(Increase)/decrease in other non-financial assets	( 198.2)
<b>566.5</b>	<b>Net cash flows from operating activities</b>	<b>71.2</b>

## Note 17: Public account

### (a) Consolidated Fund receipts and payments

(\$ million)

2007-08		2008-09	
<i>Actual to Sept.</i>		<i>Actual to Sept.</i>	<i>Annual Budget</i>
	<b>Receipts</b>		
3 345.8	Taxation	3 148.3	13 380.4
66.6	Fines and regulatory fees	99.9	600.0
3 347.3	Grants received	3 553.6	14 777.8
188.7	Sales of goods and services	190.2	733.3
3.5	Interest received	1.5	40.0
130.9	Public authority receipts	17.0	702.3
542.7	Other receipts	777.1	3 296.1
<b>7 625.4</b>	<b>Total operating activities</b>	<b>7 787.7</b>	<b>33 529.8</b>
7.5	Total inflows from investing and financing	170.6	70.9
<b>7 632.9</b>	<b>Total receipts</b>	<b>7 958.3</b>	<b>33 600.8</b>
	<b>Payments to Departments</b>		
1 701.1	Education and Early Childhood Development	1 923.7	7 133.2
3 065.5	Human Services	3 293.3	12 411.1
943.1	Transport	1 190.4	5 241.6
296.6	Innovation, Industry and Regional Development	333.4	1 513.0
833.1	Justice	924.3	3 603.6
124.2	Premier and Cabinet	133.0	474.7
154.5	Primary Industries	123.3	533.6
312.3	Sustainability and Environment	409.4	1 437.3
412.3	Treasury and Finance	76.0	2 931.6
153.0	Planning and Community Development	156.3	712.5
30.9	Parliament	32.8	133.1
<b>8 026.4</b>	<b>Total payments</b>	<b>8 596.1</b>	<b>36 125.3</b>
<b>( 393.5)</b>	<b>Net receipts/(payments)</b>	<b>( 637.8)</b>	<b>(2 524.5)</b>

## Note 17: Public account (continued)

### (b) Trust Fund cash flow statement

(\$ million)

2007-08 Actual to Sept.		2008-09 Actual to Sept.	Annual Budget
	<b>Cash flows from operating activities</b>		
	<b>Receipts</b>		
46.9	Taxation	40.9	155.9
10.6	Regulatory fees and fines	13.5	52.2
562.8	Grants received	596.2	2 430.7
60.9	Sale of goods and services	107.7	254.6
36.7	Interest received	45.6	140.8
2 498.1	Other receipts	2 751.2	9 648.5
<b>3 215.9</b>	<b>Total receipts</b>	<b>3 555.1</b>	<b>12 682.8</b>
	<b>Payments</b>		
( 26.8)	Employee entitlements	( 27.3)	( 87.5)
( 1.6)	Superannuation	( 1.8)	( 5.9)
(2 397.7)	Grants paid	(2 630.5)	(9 993.0)
( 616.5)	Supplies and consumables	( 742.9)	(2 425.8)
( 5.6)	Interest paid	( 4.9)	( 16.7)
..	Other payments	..	..
<b>(3 048.3)</b>	<b>Total payments</b>	<b>(3 407.5)</b>	<b>(12 528.8)</b>
<b>167.6</b>	<b>Net cash flows from operating activities</b>	<b>147.7</b>	<b>154.0</b>
	<b>Cash flows from investing activities</b>		
( 38.3)	Net proceeds from customer loans	( 0.2)	..
14.5	Proceeds from sale of property, plant and equipment	9.7	34.0
66.3	Purchases of property, plant and equipment	1.8	( 38.3)
( 225.7)	Other investing activities	( 93.9)	( 100.3)
<b>( 183.2)</b>	<b>Net cash flows from investing activities</b>	<b>( 82.6)</b>	<b>( 104.6)</b>
	<b>Cash flows from financing activities</b>		
( 753.6)	Net proceeds (repayments) from borrowings	( 601.3)	( 22.6)
<b>( 753.6)</b>	<b>Net cash flows from financing activities</b>	<b>( 601.3)</b>	<b>( 22.6)</b>
<b>( 769.2)</b>	<b>Net cash inflow/(outflow)</b>	<b>( 536.3)</b>	<b>26.7</b>

### (c) Details of securities held

(\$ million)

2007-08 Actual to Sept.		2008-09 Opening 1 July	Actual 30 Sept.
961.0	Amounts invested on behalf of specific trust accounts	892.4	1 034.0
1.3	Amounts invested on behalf of general trust accounts	1.3	1.3
825.7	General account balances	1 593.4	551.8
<b>1 787.9</b>	<b>Total Public Account</b>	<b>2 487.2</b>	<b>1 587.1</b>
	<b>Represented by:</b>		
962.3	Stocks and securities	893.8	1 035.3
52.0	Cash and investments	953.9	18.5
<b>1 014.3</b>	<b>Total stock, securities, cash and investments</b>	<b>1 847.6</b>	<b>1 053.8</b>
	Add cash advanced for:		
773.6	Advances pursuant to sections 36 and 37 of the <i>Financial Management Act 1994</i>	541.4	533.3
..	Temporary Advance to the Consolidated Fund pursuant to Section 38 of the <i>Financial Management Act, No. 18 of 1994</i>	98.1	..
<b>1 787.9</b>	<b>Total Public Account</b>	<b>2 487.2</b>	<b>1 587.1</b>

## **Note 18: Glossary of technical terms**

The following is a summary of the major technical terms used in these financial statements. For a more comprehensive list, refer to the Estimated Financial Statements Note 26 in Chapter 1 of 2008-09 *Budget Paper No. 4*.

### **Cash surplus/deficit**

Net cash flows from operating activities plus net cash flows from acquisition and disposal of non financial assets (less dividends paid for the Public Non Financial Corporations (PNFC) and Public Financial Corporations (PFC) sectors).

### **Comprehensive result**

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other movements in equity.

### **Financial asset**

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or a derivative that will or may be settled other than by cash or another financial asset for a fixed number of the entity's own equity instruments.

### **Fiscal aggregates**

Analytical balances that are useful for macroeconomic analysis purposes, including assessing the impact of a government and its sectors on the economy. AASB 1049 prescribes: net operating balance, net lending/borrowing (fiscal balance), change in net worth (comprehensive result), net worth, and cash surplus/deficit. Additional fiscal aggregates not included in AASB 1049 are net debt, net financial worth, net financial liabilities.

### **Net acquisition of non financial assets (from transactions)**

Purchases (and other acquisitions) of non financial assets less sales (or disposals) of non financial assets less depreciation plus changes in inventories and other movements in non financial assets. Includes only those increases or decreases in non financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

### **Net cash from investments in financial assets (liquidity management purposes)**

Net cash flows from investments in financial assets (liquidity management purposes) is cash receipts from liquidation or repayment of investments in financial assets for liquidity management purposes less cash payments for such investments. Investment for liquidity management purposes means making funds available to others with no policy intent and with the aim of earning a commercial rate of return.

## **Note 18: Glossary of technical terms (continued)**

### **Net cash from investments in financial assets (policy purposes)**

Net cash flows from investments in financial assets (policy purposes) is cash receipts from the repayment and liquidation of investments in financial assets for policy purposes less cash payments for acquiring financial assets for policy purposes. Acquisition of financial assets for policy purposes is distinguished from investments in financial assets (liquidity management purposes) by the underlying government motivation for acquiring the assets. Acquisition of financial assets for policy purposes is motivated by government policies such as encouraging the development of certain industries or assisting citizens affected by natural disaster.

### **Net gain on equity investments in other sector entities**

Net gain on equity investments in other sector entities measured at proportional share of the carrying amount of net assets/(liabilities) comprises the net gains relating to the equity held by the general government sector in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets/(liabilities) before elimination of inter sector balances.

### **Net debt**

Net debt equals sum of deposits held, advances received, government securities, loans and other borrowing less the sum of cash and deposits, advances paid and investments, loans and placements, and investment in general government sector entities using the equity method.

### **Net financial liabilities**

Total liabilities less financial assets, other than equity in PNFCs and PFCs. This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements).

### **Net lending/borrowing**

The financing requirement of government, calculated as the net operating balance less the net acquisition of non financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

### **Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non owner movements in equity'.

### **Net result from transactions/net operating balance**

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### **Net worth**

Assets less liabilities. It is an economic measure of wealth and reflects the contribution of jurisdictions to the wealth of Victoria.

## **Note 18: Glossary of technical terms (continued)**

### **Net financial worth**

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt in that it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

### **Non financial assets**

Non financial assets are all assets that are not 'financial assets'.

### **Other economic flows**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

### **Superannuation interest expense**

The expense resulting from the increase in the liability due to the fact that, for all participants in the scheme, retirement (and death) is one year nearer, and so one fewer discount factors must be used to calculate the present value of the benefits for each future year. Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement. The cost is measured net of the actuarial return on plan assets of defined benefit schemes calculated using an actuarially determined long term rate of return.

### **Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. 'Taxation' is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

## Note 19: Controlled entities

The following is a list of general government sector entities which have been consolidated for the purposes of the estimated financial statements. For further details on consolidation policy, refer to Note 1 (D) 'Basis of consolidation' in the statement of significant accounting policies. In addition, the list also provides the names of controlled entities which have been consolidated within the general government sector balance sheet, measured at the proportional share of the carrying amount of their net assets. Unless otherwise noted below, all such entities are wholly owned.

<i>Controlled Entities</i>	<i>Entities included as investments in other sectors</i>		
	<i>General government</i>	<i>Public non-financial corporation</i>	<i>Public financial corporation</i>
<b>Department of Education and Early Childhood Development</b>	*		
Victorian Curriculum and Assessment Authority	*		
Victorian Institute of Teaching	*		
Victorian Registration and Qualifications Authority	*		
<b>Department of Human Services</b>	*		
Health Purchasing Victoria	*		
<i>Hospitals, Health and Ambulance Services including:</i>			
Alexandra District Hospital	*		
Alpine Health	*		
Alfred Health <sup>(a)</sup>	*		
Ambulance Victoria <sup>(a)</sup>	*		
Austin Health	*		
Bairnsdale Regional Health Service	*		
Ballarat Health Services	*		
Barwon Health	*		
Bass Coast Regional Health	*		
Beaufort and Skipton Health Service	*		
Beechworth Health Service	*		
Benalla and District Memorial Hospital	*		
Bendigo Health Care Group	*		
Boort District Hospital	*		
Casterton Memorial Hospital	*		
Central Gippsland Health Service	*		
Cobram District Hospital	*		
Cohuna District Hospital	*		
Colac Area Health	*		
Dental Health Services Victoria	*		
Djerriwarrh Health Services	*		
Dunmunkle Health Services	*		
East Grampians Health Service	*		
East Wimmera Health Service	*		
Eastern Health	*		
Echuca Regional Health	*		
Edenhope and District Memorial Hospital	*		
Gippsland Southern Health Service	*		
Goulburn Valley Health	*		
Hepburn Health Service	*		
Hesse Rural Health Service	*		
Heywood Rural Health	*		
Infertility Treatment Authority	*		
Inglewood and District Health Service	*		
Kerang and District Hospital	*		

## Note 19: Controlled entities (continued)

<i>Controlled Entities</i>	<i>Entities included as investments in other sectors</i>		
	<i>General government</i>	<i>Public non-financial corporation</i>	<i>Public financial corporation</i>
Kooweerup Regional Health Service	*		
Kyabram and District Health Services	*		
Kyneton District Health Service	*		
Latrobe Regional Hospital	*		
Lorne Community Hospital	*		
Maldon Hospital	*		
Mallee Track Health and Community Services	*		
Manangatang and District Hospital	*		
Mansfield District Hospital	*		
Maryborough District Health Service	*		
McIvor Health and Community Services	*		
Melbourne Health	*		
Moyne Health Services	*		
Mt Alexander Hospital	*		
Nathalia District Hospital	*		
Northeast Health Wangaratta	*		
Northern Health	*		
Numurkah District Health Service	*		
Omeo District Health	*		
Orbost Regional Health	*		
Otway Health and Community Services	*		
Peninsula Health	*		
Peter MacCallum Cancer Institute	*		
Portland District Health	*		
Robinvale District Health Services	*		
Rochester and Elmore District Health Service	*		
Rural Northwest Health	*		
Seymour District Memorial Hospital	*		
South Gippsland Hospital	*		
South West Healthcare	*		
Southern Health	*		
Stawell Regional Health	*		
Swan Hill District Hospital	*		
Tallangatta Health Service	*		
Terang and Mortlake Health Service	*		
The Kilmore and District Hospital	*		
The Queen Elizabeth Centre	*		
The Royal Children's Hospital	*		
The Royal Victorian Eye and Ear Hospital	*		
The Royal Women's Hospital	*		
Timboon and District Healthcare Service	*		
Tweddle Child and Family Health Service	*		
Upper Murray Health and Community Services	*		
Victorian Institute of Forensic Mental Health	*		
West Gippsland Healthcare Group	*		
West Wimmera Health Service	*		
Western District Health Service	*		
Western Health	*		
Wimmera Health Care Group	*		
Wodonga Regional Health Service	*		

## Note 19: Controlled entities (continued)

<i>Controlled Entities</i>	<i>Entities included as investments in other sectors</i>		
	<i>General government</i>	<i>Public non-financial corporation</i>	<i>Public financial corporation</i>
Yarram and District Health Service	*		
Yarrawonga District Health Service	*		
Yea and District Memorial Hospital	*		
Dental Practice Board of Victoria	*		
Medical Practitioners Board of Victoria	*		
Medical Radiation Practitioners Board	*		
Mental Health Review Board	*		
Nurses Board of Victoria	*		
Pharmacy Board of Victoria	*		
Psychosurgery Review Board	*		
Registration Boards including:	*		
Chinese Medicine Registration Board of Victoria	*		
Chiropractors Registration Board of Victoria	*		
Optometrists Registration Board of Victoria	*		
Osteopaths Registration Board of Victoria	*		
Physiotherapists Registration Board of Victoria	*		
Podiatrists Registration Board of Victoria	*		
Psychologists Registration Board of Victoria	*		
Victorian Health Promotion Foundation	*		
<i>Cemeteries including:</i>			
Anderson's Creek Cemetery Trust		*	
Ballarat General Cemeteries Trust		*	
Bendigo Cemeteries Trust		*	
Fawkner Crematorium and Memorial Park		*	
Keilor Cemetery Trust		*	
Preston Cemetery Trust		*	
Templestowe Cemetery Trust		*	
The Cheltenham and Regional Cemeteries Trust		*	
The Lilydale Cemeteries Trust		*	
The Mildura Cemetery Trust		*	
The Trustee of the Altona Memorial Park		*	
Trustees of the Geelong Cemeteries Trust		*	
Trustees of the Necropolis Springvale		*	
Wyndham Cemeteries Trust		*	
Director of Housing		*	
<b>Department of Innovation Industry and Regional Development</b>	*		
Australian Synchrotron Holding Company <sup>(b)</sup>	*		
Film Victoria	*		
<i>TAFEs including:</i>			
Bendigo Regional Institute of TAFE	*		
Box Hill Institute of TAFE	*		
Central Gippsland Institute of TAFE	*		
Chisholm Institute of TAFE	*		
Driver Education Centre Australia Ltd	*		
East Gippsland Institute of TAFE	*		
Faculty of Land and Food Resources	*		
Gordon Institute of TAFE	*		
Goulburn Ovens Institute of TAFE	*		
Holmesglen Institute of TAFE	*		
International Fibre Centre Limited	*		
Kangan Batman Institute of TAFE	*		

## Note 19: Controlled entities (continued)

<i>Controlled Entities</i>	<i>Entities included as investments in other sectors</i>		
	<i>General government</i>	<i>Public non-financial corporation</i>	<i>Public financial corporation</i>
Northern Melbourne Institute of TAFE	*		
Royal Melbourne Institute of Technology (TAFE Division)	*		
South West Institute of TAFE	*		
Sunraysia Institute of TAFE	*		
Swinburne University of Technology (TAFE Division)	*		
University of Ballarat (TAFE Division)	*		
Victoria University (TAFE Division )	*		
William Angliss Institute of TAFE	*		
Wodonga Institute of TAFE	*		
Prince Henry's Institute of Medical Research	*		
Regional Development Victoria	*		
Tourism Victoria	*		
Victorian Skills Commission	*		
Australian Grand Prix Corporation		*	
Emerald Tourist Railway Board		*	
Fed Square Pty Ltd		*	
Melbourne Convention and Exhibition Trust		*	
Victorian Major Events Company Limited		*	
<b>Department of Justice</b>	*		
Country Fire Authority	*		
Emergency Services Telecommunications Authority	*		
Equal Opportunity and Human Rights Commission	*		
Judicial College of Victoria	*		
Legal Services Board	*		
Legal Services Commissioner	*		
Liquor Licensing Panel	*		
Metropolitan Fire and Emergency Services Board	*		
Office of Police Integrity	*		
Office of Public Prosecutions	*		
Office of the Public Advocate	*		
Office of the Victorian Privacy Commissioner	*		
Sentencing Advisory Council	*		
Victoria Legal Aid	*		
Victoria Police (Office of the Chief Commissioner of Police)	*		
Victoria State Emergency Service Authority	*		
Victorian Commission for Gambling Regulation	*		
Victorian Electoral Commission	*		
Victorian Institute of Forensic Medicine	*		
Victorian Law Reform Commission	*		
Victorian Professional Standards Council	*		
Greyhound Racing Victoria		*	
Harness Racing Victoria		*	
<b>Department of Planning and Community Development</b>	*		
Adult Community and Further Education Board	*		
Adult Multicultural Education Services	*		
Architects Registration Board of Victoria	*		
Building Commission	*		
Centre for Adult Education	*		
Growth Areas Authority	*		
Heritage Council	*		
Melbourne Cricket Ground Trust	*		
Plumbing Industry Commission	*		

## Note 19: Controlled entities (continued)

<i>Controlled Entities</i>	<i>Entities included as investments in other sectors</i>		
	<i>General government</i>	<i>Public non-financial corporation</i>	<i>Public financial corporation</i>
Shrine of Remembrance Trustees	*		
Victorian Institute of Sport Limited	*		
Victorian Institute of Sport Trust	*		
Victorian Veterans Council	*		
Melbourne and Olympic Parks Trust		*	
Queen Victoria Women's Centre		*	
State Sport Centres Trust		*	
Victorian Urban Development Authority (VicUrban)		*	
VITS Languagelink		*	
<b>Department of Premier and Cabinet</b>	*		
Australian Centre for the Moving Image	*		
Library Board of Victoria	*		
Melbourne Recital Centre Limited	*		
Museums Board of Victoria	*		
National Gallery of Victoria, Council of Trustees	*		
Office of the Ombudsman	*		
State Services Authority	*		
Geelong Performing Arts Centre Trust		*	
Victorian Arts Centre Trust		*	
<b>Department of Primary Industries</b>	*		
Energy Safe Victoria	*		
Veterinary Practitioners Registration Board of Victoria	*		
Agriculture Victoria Services Pty Ltd		*	
Dairy Food Safety Victoria		*	
Melbourne Market Authority		*	
Murray Valley Citrus Board		*	
Murray Valley Wine Grape Industry Development Committee		*	
Northern Victorian Fresh Tomato Industry Development Committee		*	
Phytogene Pty Ltd		*	
PrimeSafe		*	
Victorian Energy Networks Corporation (VENCORP)		*	
Victorian Strawberry Industry Development Committee		*	
<b>Department of Sustainability and Environment</b>	*		
<i>Catchment Management Authorities including:</i>	*		
Corangamite Catchment Management Authority	*		
East Gippsland Catchment Management Authority	*		
Glenelg Hopkins Catchment Management Authority	*		
Goulburn Broken Catchment Management Authority	*		
Mallee Catchment Management Authority	*		
North Central Catchment Management Authority	*		
North East Catchment Management Authority	*		
Port Phillip and Westernport Catchment Management Authority	*		
West Gippsland Catchment Management Authority	*		
Wimmera Catchment Management Authority	*		
Environment Protection Authority	*		
Office of the Commissioner for Environmental Sustainability	*		

## Note 19: Controlled entities (continued)

<i>Controlled Entities</i>	<i>Entities included as investments in other sectors</i>		
	<i>General government</i>	<i>Public non-financial corporation</i>	<i>Public financial corporation</i>
Parks Victoria	*		
Royal Botanic Gardens Board	*		
Surveyors Registration Board of Victoria	*		
State Owned Enterprise for Irrigation Modernisation in Northern Victoria	*		
Sustainability Victoria	*		
Trust for Nature (Victoria)	*		
<i>Alpine Resorts Management Board including:</i>			
Alpine Resorts Co-ordinating Council		*	
Falls Creek Alpine Resort Management Board		*	
Lake Mountain Alpine Resort Management Board		*	
Mount Baw Baw Alpine Resort Management Board		*	
Mount Buller and Mount Stirling Alpine Resort Management Board		*	
Mount Hotham Alpine Resort Management Board		*	
Phillip Island Nature Park Board of Management Inc.		*	
<i>Waste Management Groups including:</i>			
Barwon Regional Waste Management Group		*	
Calder Regional Waste Management Group		*	
Central Murray Regional Waste Management Group		*	
Desert Fringe Regional Waste Management Group		*	
Gippsland Regional Waste Management Group		*	
Goulburn Valley Regional Waste Management Group		*	
Grampians Regional Waste Management Group		*	
Highlands Regional Waste Management Group		*	
Metropolitan Waste Management Group		*	
Mildura Regional Waste Management Group		*	
Mornington Peninsula Regional Waste Management Group		*	
Northern East Victorian Regional Waste Management Group		*	
South Western Regional Waste Management Group		*	
<i>Water Authorities including:</i>			
Barwon Region Water Corporation		*	
Central Gippsland Region Water Corporation		*	
Central Highlands Region Water Corporation		*	
Coliban Region Water Corporation		*	
East Gippsland Region Water Corporation		*	
Gippsland and Southern Rural Water Corporation		*	
Goulburn Valley Region Water Corporation		*	
Goulburn-Murray Rural Water Corporation		*	
Grampians Wimmera-Mallee Water Corporation		*	
Lower Murray Urban and Rural Water Corporation		*	
Melbourne Water Corporation		*	
North East Region Water Corporation		*	
South Gippsland Region Water Corporation		*	
Wannon Region Water Corporation		*	
Western Region Water Corporation		*	
Westernport Region Water Corporation		*	
Yarra Bend Park Trust		*	
Zoological Parks and Gardens Board of Victoria		*	

## Note 19: Controlled entities (continued)

Controlled Entities	Entities included as investments in other sectors		
	General government	Public non-financial corporation	Public financial corporation
<b>Department of Transport</b>	*		
Roads Corporation	*		
Southern and Eastern Integrated Transport Authority	*		
Southern Cross Station Authority	*		
Port of Hastings Corporation		*	
Port of Melbourne Corporation		*	
Public Transport Ticketing Body		*	
V/Line Passenger Corporation		*	
Victorian Rail Track		*	
Victorian Regional Channels Authority		*	
<b>Department of Treasury and Finance</b>	*		
CenITex <sup>(a)</sup>	*		
Essential Services Commission	*		
Domestic (HIH) Indemnity Fund and Housing Guarantee Claims	*		
Victorian Competition and Efficiency Commission	*		
City West Water Limited		*	
South East Water Limited		*	
State Electricity Commission of Victoria (shell)		*	
VicFleet Pty Ltd		*	
VicForests		*	
Victorian Plantations Corporation (shell)		*	
Yarra Valley Water Limited		*	
Rural Finance Corporation of Victoria			*
State Trustees Limited			*
Transport Accident Commission			*
Treasury Corporation of Victoria			*
Victorian Funds Management Corporation			*
Victorian Managed Insurance Authority			*
Victorian WorkCover Authority			*
<b>Parliament of Victoria</b>	*		
Victorian Auditor-General's Office	*		

### Notes:

(a) Entities commenced operations during 2008-09 include:

- Alfred Health (Bayside Health renamed) as of 9 September 2008;
- Ambulance Victoria as of 1 July 2008; and
- CenITex as of 1 July 2008.

(b) The Victorian government has a controlling interest in the Australian Synchrotron Holding Company and holds approximately 80 per cent of the issued shares.

Entities ceased operations during 2008-09 include:

- Alexandra District Ambulance Service as of 1 July 2008;
- Ambulance Services Victoria Metropolitan Region as of 1 July 2008;
- Bayside Health (Renamed Alfred Health) as of 9 September 2008;
- First Mildura Irrigation Trust as of 20 August 2008; and
- Rural Ambulance Victoria as of 1 July 2008.

## RESULTS QUARTER BY QUARTER – VICTORIAN GENERAL GOVERNMENT SECTOR

### Operating statement for the past five quarters

(\$ million)

	2007-08				2008-09
	Sept.	Dec.	Mar.	June	Sept.
<b>Revenue</b>					
Taxation revenue	3 014.8	3 042.3	3 837.7	2 968.0	2 948.1
Interest	100.7	106.5	98.2	146.3	103.9
Dividends and income tax equivalent and rate equivalent revenue	75.9	388.0	109.5	186.5	52.4
Sales of goods and services	1 050.5	1 161.1	1 090.7	1 185.9	1 121.9
Grants	3 982.7	4 335.6	4 226.6	4 665.3	4 216.8
Other current revenue	396.3	291.5	347.1	532.6	327.2
<b>Total revenue</b>	<b>8 621.0</b>	<b>9 325.0</b>	<b>9 709.8</b>	<b>9 684.6</b>	<b>8 770.4</b>
<b>Expenses</b>					
Employee expenses	3 146.6	3 365.2	3 395.9	3 331.7	3 395.8
Superannuation interest expense	86.2	87.2	85.5	71.3	130.7
Other superannuation	316.2	341.9	319.7	339.9	328.3
Depreciation	333.3	327.5	346.6	408.8	355.9
Interest expense	106.2	115.9	97.3	119.1	128.8
Other operating expenses	2 644.1	2 635.5	2 903.2	3 886.8	2 845.0
Grants and other transfers	1 530.1	1 737.7	1 737.2	2 041.9	1 490.2
<b>Total expenses</b>	<b>8 162.8</b>	<b>8 610.9</b>	<b>8 885.4</b>	<b>10 199.5</b>	<b>8 674.6</b>
<b>Net result from transactions – Net operating balance</b>	<b>458.1</b>	<b>714.1</b>	<b>824.4</b>	<b>( 514.9)</b>	<b>95.8</b>
<b>Other economic flows included in net result</b>					
Net gain/ (loss) on sale of non-financial assets	( 17.2)	( 14.8)	29.6	18.4	5.5
Net gain/ (loss) on financial assets or liabilities at fair value	0.8	( 2.4)	( 8.9)	( 24.4)	2.8
Net actuarial gains/ (losses) of superannuation defined benefits plans	( 232.6)	( 262.6)	( 2 287.6)	( 595.4)	( 3 877.3)
Share of net profit/(loss) from associates/ joint venture entities, excluding dividends	..	4.8	0.1	5.7	..
Other gains/ (losses) from other economic flows	( 50.2)	( 33.0)	( 17.4)	129.7	( 37.4)
<b>Total other economic flows included in net result</b>	<b>( 299.1)</b>	<b>( 308.0)</b>	<b>( 2 284.1)</b>	<b>( 466.0)</b>	<b>( 3 906.4)</b>
<b>Net result</b>	<b>159.0</b>	<b>406.1</b>	<b>( 1 459.8)</b>	<b>( 980.9)</b>	<b>( 3 810.6)</b>
<b>Other Economic Flows – Other Movements in Equity</b>					
Net gain on financial assets at fair value	0.2	( 1.4)	( 4.5)	( 28.9)	( 1.7)
Revaluations of non-financial assets	12.5	70.8	( 2.2)	4 484.1	( 0.5)
Net gain on equity investments in other sector entities at proportional share of net assets	..	203.2	..	2 686.2	..
Other movements in equity	22.4	100.9	410.1	128.4	0.5
<b>Total other economic flows – Other movements in equity</b>	<b>35.1</b>	<b>373.5</b>	<b>403.4</b>	<b>7 269.8</b>	<b>( 1.7)</b>
<b>Comprehensive result – Total change in net worth</b>	<b>194.1</b>	<b>779.6</b>	<b>( 1 056.3)</b>	<b>6 288.9</b>	<b>( 3 812.3)</b>
<b>FISCAL AGGREGATES</b>					
<b>Net operating balance</b>	<b>458.1</b>	<b>714.1</b>	<b>824.4</b>	<b>( 514.9)</b>	<b>95.8</b>
Less: Net acquisition of non-financial assets from transactions	36.4	538.8	22.9	675.5	174.3
<b>Net lending/(borrowing)</b>	<b>421.7</b>	<b>175.3</b>	<b>801.4</b>	<b>( 1 190.5)</b>	<b>( 78.5)</b>

## Balance sheet as at the end of the past five quarters

(\$ million)

	2007-08				2008-09
	Sept.	Dec.	Mar.	June	Sept.
<b>Assets</b>					
<i>Financial assets</i>					
Cash and deposits	2 101.9	2 737.3	2 817.9	2 975.0	2 382.1
Advances paid	61.6	76.2	76.2	78.0	78.4
Investments, loans and placements	2 248.1	2 542.7	2 559.0	2 322.0	2 423.8
Receivables	3 058.4	2 268.1	3 097.4	2 620.2	2 171.2
Investments in general government sector entities using the equity method	..	..	..	648.1	648.1
Investments accounted for using equity method – other	634.5	639.3	639.3	20.0	25.6
Investments in other sector entities	40 992.3	41 463.4	41 979.4	44 857.1	45 017.7
<b>Total financial assets</b>	<b>49 096.8</b>	<b>49 726.9</b>	<b>51 169.2</b>	<b>53 520.5</b>	<b>52 746.8</b>
<i>Non-financial assets</i>					
Inventories	129.0	143.7	142.3	221.1	218.1
Non-financial assets held for sale	50.6	48.8	47.3	70.8	66.2
Land, buildings, infrastructure, plant and equipment	59 443.4	59 751.4	59 893.7	65 224.2	65 392.4
Other non-financial assets	726.7	694.8	603.6	482.2	672.1
<b>Total non-financial assets</b>	<b>60 349.6</b>	<b>60 638.8</b>	<b>60 686.9</b>	<b>65 998.2</b>	<b>66 348.8</b>
<b>Total assets</b>	<b>109 446.5</b>	<b>110 365.7</b>	<b>111 856.0</b>	<b>119 518.7</b>	<b>119 095.5</b>
<b>Liabilities</b>					
Deposits held	547.7	705.5	677.9	371.5	382.1
Advances received	3.6	3.4	3.3	2.6	2.6
Borrowings	6 513.9	6 309.6	6 370.7	7 799.1	7 935.7
Payables	3 316.5	3 066.4	3 286.5	3 354.4	2 876.3
Superannuation	10 385.6	10 674.2	12 982.2	12 926.8	16 836.8
Other employee benefits	3 505.0	3 669.0	3 682.8	3 973.3	3 742.1
Other provisions	760.6	744.4	715.9	665.4	706.5
<b>Total liabilities</b>	<b>25 032.9</b>	<b>25 172.5</b>	<b>27 719.2</b>	<b>29 092.9</b>	<b>32 482.1</b>
<b>Net assets</b>	<b>84 413.6</b>	<b>85 193.2</b>	<b>84 136.8</b>	<b>90 425.7</b>	<b>86 613.4</b>
Accumulated surplus/(deficit)	10 876.0	11 329.1	9 863.4	9 519.6	5 709.1
Other reserves	73 537.6	73 864.1	74 273.4	80 874.1	80 872.4
Minority interest	..	..	..	32.0	32.0
<b>Net worth</b>	<b>84 413.6</b>	<b>85 193.2</b>	<b>84 136.8</b>	<b>90 425.7</b>	<b>86 613.4</b>
<b>FISCAL AGGREGATES</b>					
Net financial worth	24 064.0	24 554.4	23 450.0	24 427.5	20 264.7
Net financial liabilities	16 928.4	16 909.0	18 529.5	20 429.6	24 753.0
Net debt	2 653.5	1 662.4	1 598.8	2 150.0	2 788.1

## Cash flow statement for the past five quarters

(\$ million)

	Sept.	2007-08 Dec.	Mar.	June	2008-09 Sept.
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Taxes received	3 401.4	3 156.7	3 125.3	3 529.7	3 193.0
Grants	3 998.2	4 325.6	4 216.8	4 669.0	4 212.8
Sales of goods and services	894.0	1 814.4	1 220.2	753.2	1 279.8
Interest received	100.6	99.0	100.8	140.6	102.3
Dividends and income tax equivalent and rate equivalent receipts	130.9	756.2	171.8	140.7	17.1
Other receipts	181.7	343.7	140.8	553.7	381.0
<b>Total receipts</b>	<b>8 706.8</b>	<b>10 495.6</b>	<b>8 975.8</b>	<b>9 786.8</b>	<b>9 185.9</b>
<b>Payments</b>					
Payments for employees	(3 262.6)	(3 201.1)	(3 382.1)	(3 041.3)	(3 626.9)
Superannuation	( 387.1)	( 403.1)	( 384.8)	( 824.0)	( 426.3)
Interest paid	( 105.1)	( 108.4)	( 91.6)	( 140.0)	( 114.5)
Grants and subsidies	(1 508.0)	(1 785.2)	(1 549.7)	(1 592.3)	(1 639.3)
Goods and services	(2 877.5)	(3 062.0)	(2 756.8)	(3 036.3)	(3 227.6)
Other payments	..	..	( 4.4)	( 360.7)	( 80.0)
<b>Total payments</b>	<b>(8 140.3)</b>	<b>(8 559.9)</b>	<b>(8 169.4)</b>	<b>(8 994.5)</b>	<b>(9 114.7)</b>
<b>Net cash flows from operating activities <sup>(a)</sup></b>	<b>566.5</b>	<b>1 935.8</b>	<b>806.3</b>	<b>792.3</b>	<b>71.2</b>
<b>Cash flows from investing activities</b>					
Purchases of non-financial assets	( 388.6)	( 960.2)	( 592.0)	( 827.5)	( 568.4)
Sales of non-financial assets	22.7	35.9	61.5	57.0	35.5
Cash flows from investments in non-financial assets	( 365.9)	( 924.4)	( 530.5)	( 770.5)	( 533.0)
Net cash flows from investments in financial assets for policy purposes	( 201.6)	( 233.3)	( 196.8)	( 735.6)	( 173.8)
Net cash flows from investments in financial assets for liquidity management purposes	( 188.7)	( 293.7)	( 29.7)	189.4	( 100.6)
<b>Net cash flows from investing activities</b>	<b>( 756.3)</b>	<b>(1 451.3)</b>	<b>( 757.0)</b>	<b>(1 316.7)</b>	<b>( 807.4)</b>
<b>Cash flows from financing activities</b>					
Advances received (net)	..	( 0.5)	( 0.2)	( 0.4)	..
Net borrowings	( 680.1)	( 5.9)	59.0	876.7	( 203.4)
Deposits received (net)	( 47.5)	157.8	( 27.6)	( 306.1)	10.6
<b>Net cash flows from financing activities</b>	<b>( 727.6)</b>	<b>151.3</b>	<b>31.3</b>	<b>570.2</b>	<b>( 192.7)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>( 917.4)</b>	<b>635.7</b>	<b>80.6</b>	<b>45.8</b>	<b>( 928.9)</b>
Cash and cash equivalents at beginning of reporting period	3 014.6	2 097.3	2 733.0	2 813.6	2 859.3
<b>Cash and cash equivalents at end of reporting period</b>	<b>2 097.3</b>	<b>2 733.0</b>	<b>2 813.6</b>	<b>2 859.3</b>	<b>1 930.4</b>
<b>FISCAL AGGREGATES</b>					
Net cash flows from operating activities	566.5	1 935.8	806.3	792.3	71.2
Net cash flows from investments in non-financial assets	( 365.9)	( 924.4)	( 530.5)	( 770.5)	( 533.0)
<b>Cash surplus / (deficit)</b>	<b>200.6</b>	<b>1 011.4</b>	<b>275.8</b>	<b>21.8</b>	<b>( 461.7)</b>

Note:

(a) Inclusive of goods and services tax.

## STYLE CONVENTIONS

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

The notation used in the tables is as follows:

n.a.	not available or not applicable
..	zero or rounded to zero
(xxx.x)	negative numbers
budget estimate	budget estimates presented to Parliament in May 2008

