

APPENDIX D – QUARTERLY FINANCIAL REPORT FOR THE VICTORIAN GENERAL GOVERNMENT SECTOR

This appendix presents the financial results for the general government sector for the nine months ending 31 March 2008, prepared consistent with the requirements of the *Financial Management Act 1994*. Comparisons are made to the revised 2007-08 full year estimates, as presented in Appendix C, *Revised 2007-08 Budget Outcome*.

Strong economic growth has contributed to the achievement of the net result from transactions of \$1 997 million for the nine month period. The result is consistent with expectations for this time of year, in achieving a full year revised budget estimate of \$996 million, given seasonal revenue and expenditure patterns.

Income from transactions was \$27 656 million for the nine months to 31 March 2008, representing 75.2 per cent of the full year revised budget estimate of \$36 788 million. This mainly reflects higher than pro-rata income from taxation, along with higher than pro-rata dividend income from the state's public financial corporations, flowing from the strength of financial markets in 2006-07.

Taxation revenue was \$9 895 million (76.1 per cent of revised estimate) for the nine month period. A major contribution to this higher than pro-rata result was land tax revenue, which is recognised in the March quarter when the assessment notices are issued.

Income from dividends, income tax equivalent and rate equivalent revenue for the first nine months of 2007-08 was \$573 million, which represents 84.3 per cent of the revised budget estimate of \$680 million. Dividend income was \$357.3 million, or 99.7 per cent of the revised budget estimate of \$359 million. Almost all dividends due from public authorities for 2007-08 were received in October 2007. This was offset by lower than pro-rata tax equivalent income, with remaining amounts due in the final quarter of 2007-08.

Expenses from transactions as at 31 March 2008 totalled \$25 659 million, which represents 71.7 per cent of the full year revised budget estimate of \$35 792 million. This result, in line with historical trends, reflects the normal seasonal pattern of service delivery, where expenses are weighted towards the last quarter of the financial year.

FINANCIAL STATEMENTS FOR THE GENERAL GOVERNMENT SECTOR

Operating statement for the period ended 31 March

(\$ million)				
2006-07 Actual to Mar.		Notes	2007-08	
			Actual to Mar.	Revised Budget
8 860.7	Taxation	2	9 894.9	12 997.4
577.8	Fines and regulatory fees	3	595.6	811.1
882.6	Dividends and income tax equivalent and rate equivalent revenue	4	573.4	679.8
301.1	Interest		305.3	372.9
11 452.7	Grants	5	12 544.8	17 180.7
2 010.2	Sale of goods and services		2 292.8	2 832.2
8.7	Fair value of assets received free of charge or for nominal consideration		..	85.5
1 331.4	Other income	6	1 448.9	1 828.6
25 425.3	Total income from transactions		27 655.8	36 788.1
	Expenses from transactions			
9 062.8	Employee benefits		9 662.0	13 025.9
1 263.8	Superannuation	7	1 236.8	1 613.0
1 011.0	Depreciation and amortisation	8	1 007.4	1 456.6
353.6	Finance costs		333.8	480.3
4 571.0	Grants and transfer payments		4 787.4	6 466.9
8 216.7	Supplies and services		8 554.0	12 584.7
10.8	Other expenses		77.8	164.7
24 489.6	Total expenses from transactions	9	25 659.1	35 792.1
935.7	Net result from transactions		1 996.6	996.0
	Income/(expenses) from other economic flows			
(17.1)	Net gain/(loss) from disposal of physical assets		(2.3)	70.3
1 486.7	Actuarial gains/(losses) of superannuation defined benefit plans	7	(2 782.7)	(2 782.7)
..	Share of net profits/ (losses) of associates and joint venture entities		4.9	..
20.7	Net gains/(losses) on financial assets at fair value		(10.4)	1.9
(119.6)	Other gains/(losses) from other economic flows	10	(100.6)	(132.1)
1 370.7	Total other economic flows		(2 891.2)	(2 842.7)
2 306.5	Net result		(894.6)	(1 846.7)

The accompanying notes form part of these financial statements.

Balance sheet as at 31 March

(\$ million)

2006-07 Actual 31 Mar.		Notes	Opening 1 July	2007-08 Actual 31 Mar.	Revised Budget ^(a)
Current assets					
1 731.7	Cash and cash equivalents	16	3 017.7	2 817.9	2 125.5
2 425.7	Receivables	11	2 909.5	2 823.4	1 969.9
197.8	Prepayments		99.6	169.6	95.6
137.3	Inventories		125.2	142.3	123.2
2 050.5	Other financial assets		1 531.9	1 994.0	1 689.2
6 543.0			7 683.9	7 947.2	6 003.4
36.3	Non-current assets classified as held for sale		51.9	47.3	51.9
6 579.3	Total current assets		7 735.9	7 994.4	6 055.3
Non-current assets					
398.1	Receivables	11	342.3	350.2	214.1
602.6	Investments accounted for using the equity method		629.5	639.3	639.5
470.4	Other financial assets		526.4	565.1	550.6
57 600.7	Property, plant and equipment	12	59 399.3	59 893.7	65 386.6
213.5	Intangibles	13	235.0	232.4	220.2
240.8	Other assets	14	206.0	201.6	213.4
59 526.1	Total non-current assets		61 338.5	61 882.2	67 224.5
66 105.4	Total assets		69 074.4	69 876.6	73 279.9
Current liabilities					
2 975.3	Payables		2 631.4	2 564.2	2 553.3
301.9	Interest-bearing liabilities		1 088.2	282.1	288.3
2 687.4	Employee benefits	15	3 245.2	3 379.7	3 358.5
..	Superannuation		335.0	335.0	417.0
186.4	Other provisions		214.3	177.4	201.6
446.4	Other liabilities		507.9	636.6	552.8
6 597.4	Total current liabilities		8 022.1	7 375.1	7 371.6
Non-current liabilities					
558.2	Payables		242.1	264.6	330.3
5 989.7	Interest-bearing liabilities		6 106.0	6 092.4	6 428.3
727.3	Employee benefits	15	375.6	303.1	411.3
11 778.9	Superannuation		9 802.7	12 647.2	12 522.0
598.4	Other provisions		543.4	538.5	523.3
250.4	Other liabilities		496.5	498.4	485.6
19 902.9	Total non-current liabilities		17 566.5	20 344.1	20 700.9
26 500.3	Total liabilities		25 588.5	27 719.2	28 072.5
39 605.1	Net assets		43 485.8	42 157.4	45 207.4

The accompanying notes form part of these financial statements.

Note:

(a) 2007-08 Budget above and its accompanying notes are based on actual opening balances at 1 July 2007 plus 2007-08 budgeted movement.

Statement of recognised income and expense for the period ended 31 March

(\$ million)

<i>2006-07</i>		<i>2007-08</i>	
<i>Actual</i>		<i>Actual</i>	<i>Revised</i>
<i>to Mar</i>		<i>to Mar.</i>	<i>Budget</i>
137.2	Gains on revaluation of property plant and equipment	89.9	4 644.1
..	Revaluation writeback / Impairment loss on property plant and equipment	(1.7)	..
	Available-for-sale investments:		
(15.4)	Gain/(loss) taken to equity	(5.1)	..
0.6	Transferred to profit or loss for the period	(0.6)	..
6.2	Other	(4.8)	0.8
128.7	Net income recognised directly in equity	77.7	4 644.9
2 306.5	Net result for the period	(894.6)	(1 846.7)
2 435.2	Total recognised income and expense for the period	(816.9)	2 798.2

Cash flow statement for the period ended 31 March

(\$ million)

2006-07 Actual to Mar.	Notes	2007-08	
		Actual to Mar.	Revised Budget
Cash flows from operating activities			
Receipts			
8 398.5	Taxation	9 683.5	13 380.1
442.3	Fines and regulatory fees	384.5	688.2
846.5	Dividends and income tax equivalent and rate equivalent revenue	586.1	697.2
301.4	Interest received	300.4	373.0
11 383.2	Grants	12 540.7	17 176.5
2 390.1	Sale of goods and services ^(a)	2 639.6	2 932.6
1 562.9	Other receipts	2 043.4	2 249.1
25 324.9	Total receipts	28 178.2	37 496.7
Payments			
(9 077.2)	Employee benefits	(9 600.1)	(12 877.0)
(894.7)	Superannuation	(1 175.1)	(1 594.4)
(348.3)	Interest paid	(319.5)	(463.9)
(4 431.9)	Grants and transfer payments	(4 843.0)	(6 401.0)
(8 454.4)	Supplies and services ^(a)	(8 849.2)	(12 238.7)
(23 206.6)	Total payments	(24 786.9)	(33 575.0)
2 118.4	Net cash flows from operating activities	16 (b)	3 391.3
Cash flows from investing activities			
(2 134.7)	Purchase of non-financial assets	(1 940.8)	(2 993.6)
100.5	Proceeds from sale of non-financial assets	120.0	212.1
(336.6)	Net (purchase)/disposal of investments	(521.8)	(189.7)
(2.2)	Net customer loans (granted)/repaid	(14.9)	0.8
(341.2)	Net contribution to other sectors of government	(607.2)	(1 374.4)
(2 714.2)	Net cash flows from investing activities	(2 964.6)	(4 344.9)
Cash flows from financing activities			
(372.0)	Net borrowings	(627.7)	(469.0)
(372.0)	Net cash flows from financing activities	(627.7)	(469.0)
(967.9)	Net increase/(decrease) in cash and cash equivalents	(201.1)	(892.2)
2 695.0	Cash and cash equivalents at beginning of reporting period	3 014.6	3 014.6
1 727.1	Cash and cash equivalents at end of reporting period	16 (a)	2 813.6
	period	2 122.4	

The accompanying notes form part of these financial statements.

Note:

(a) These items are inclusive of good and service 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 specific purpose consolidated financial report of the general government sector for the quarter ending 31 March 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*, and applicable pronouncements and interpretations of the Australian Accounting Standards Board, including Australian equivalents to International Financial Reporting Standards (A-IFRS).

This unaudited specific purpose financial report should be read in conjunction with the *2006-07 Financial Report for the State of Victoria* and *2007-08 Mid Year Financial Report*. This quarterly report 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, income 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 Victorian 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 not for profit 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 whole of government 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 Budget Paper No. 4, Chapter 1, *Estimated Financial Statements and Notes*, at Note 27.

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)

2006-07		2007-08	
Actual to Mar.		Actual to Mar.	Revised Budget
2 611.8	Payroll tax	2 879.5	3 824.1
	Taxes on immovable property		
853.5	Land tax	861.0	871.0
35.9	Congestion levy	(1.1)	37.6
85.8	Metropolitan improvement levy	84.3	101.8
30.9	Property owner contributions to fire brigades	32.7	40.8
1 006.1	Total taxes on immovable property	976.9	1 051.2
	Financial and capital transactions		
2 158.0	Land transfer duty	2 836.4	3 874.5
34.3	Rental business duty ^(a)	(0.4)	..
7.2	Other property duties	6.4	9.8
0.6	Debits tax ^(b)
11.7	Financial accommodation levy	15.1	20.9
2 211.7	Total financial and capital transactions	2 857.6	3 905.2
45.2	Levies on statutory corporations	44.3	61.6
	Gambling taxes		
246.3	Private lotteries	246.7	337.3
698.1	Electronic gaming machines	753.7	992.3
84.0	Casino	88.6	127.1
93.5	Racing	94.4	122.6
4.2	Other	4.6	7.0
1 126.1	Total gambling taxes	1 188.0	1 586.3
833.8	Taxes on insurance	878.0	1 148.8
	Motor vehicle taxes		
545.1	Vehicle registration fees	582.4	781.7
412.9	Stamp duty on vehicle transfers	425.4	565.1
958.0	Total motor vehicle taxes	1 007.8	1 346.7
68.0	Other taxes	62.7	73.4
8 860.7	Total taxation	9 894.9	12 997.4

Notes:

(a) Rental business duty was abolished on 1 January 2007.

(b) Debit tax was abolished on 1 July 2005.

Note 3: Fines and regulatory fees

(\$ million)

<i>2006-07</i>		<i>2007-08</i>	
<i>Actual</i>		<i>Actual</i>	<i>Revised</i>
<i>to Mar.</i>		<i>to Mar.</i>	<i>Budget</i>
307.4	Fines	316.0	430.0
46.9	Motor vehicle regulatory fees	34.7	50.8
223.5	Other regulatory fees	245.0	330.2
577.8	Total fines and regulatory fees	595.6	811.1

Note 4: Dividends and income tax equivalent and rate equivalent revenue

(\$ million)

<i>2006-07</i>		<i>2007-08</i>	
<i>Actual</i>		<i>Actual</i>	<i>Revised</i>
<i>to Mar.</i>		<i>to Mar.</i>	<i>Budget</i>
542.8	Dividends	357.3	358.5
339.8	Income tax equivalent and rate equivalent revenue	216.1	321.3
882.6	Total dividends and income tax equivalent and rate equivalent revenue	573.4	679.8

Note 5: Grants

(\$ million)

<i>2006-07</i>		<i>2007-08</i>	
<i>Actual</i>		<i>Actual</i>	<i>Revised</i>
<i>to Mar.</i>		<i>to Mar.</i>	<i>Budget</i>
Operating grants			
6 348.6	General purpose grants	6 920.4	9 399.0
1 337.5	Specific purpose grants for on-passing	1 420.4	1 865.5
3 153.2	Other specific purpose grants	3 464.6	4 717.1
10 839.3	Total operating grants	11 805.4	15 981.5
Capital grants			
130.4	Specific purpose grants for on-passing	110.2	145.7
483.0	Other specific purpose grants	629.2	1 053.5
613.4	Total capital grants	739.4	1 199.2
11 452.7	Total grants	12 544.8	17 180.7

Note 6: Other income from transactions

(\$ million)

2006-07		2007-08	
<i>Actual to Mar.</i>		<i>Actual to Mar.</i>	<i>Revised Budget</i>
625.1	Inter-sector capital asset charge	670.3	820.0
6.9	Royalties	30.9	40.4
16.0	Rents	15.3	14.9
111.4	Donations and gifts	154.3	168.5
..	Forgiveness of liability
3.0	Other non-property rental	1.5	0.2
569.1	Other miscellaneous income	576.5	784.6
1 331.4	Total other income from transactions	1 448.9	1 828.6

Note 7: Superannuation

(\$ million)

2006-07		2007-08	
<i>Actual to Mar.</i>		<i>Actual to Mar.</i>	<i>Revised Budget</i>
Defined benefit plans			
480.4	Current service cost ^(a)	482.9	596.0
1 282.0	Interest cost ^(a)	1 344.3	1 776.4
(967.4)	Expected return on plan assets (net of expenses) ^(a)	(1 085.3)	(1 446.2)
(10.9)	Amortisation of past service cost ^(a)	(10.9)	(14.5)
(1 486.7)	Actuarial (gains)/losses ^(b)	2 782.7	2 782.7
(702.6)	Total expense recognised in respect of defined benefit plans	3 513.7	3 694.5
Defined contribution plans			
450.4	Employer contributions to defined contribution plans ^(a)	473.3	654.7
29.3	Other (including pensions) ^(a)	32.5	46.5
479.7	Total expense recognised in respect of defined contribution plans	505.8	701.3
(222.9)	Total superannuation expense recognised in operating statement	4 019.5	4 395.7

Notes:

(a) Superannuation expense from transactions.

(b) Superannuation expense from other economic flows.

Note 8: Depreciation and amortisation

(\$ million)

2006-07		2007-08	
Actual to Mar.		Actual to Mar.	Revised Budget
Depreciation			
271.4	Buildings	301.1	415.6
380.0	Plant, equipment and infrastructure systems	346.8	576.5
244.8	Road networks	250.5	335.0
8.2	Other assets	7.1	10.2
904.3	Total depreciation	905.4	1 337.4
Amortisation			
38.7	Leased plant and equipment	26.9	41.6
43.2	Leasehold improvements	38.5	47.1
1.8	Leased Infrastructure
23.0	Intangible produced assets	36.7	30.6
106.7	Total amortisation	102.0	119.3
1 011.0	Total depreciation and amortisation	1 007.4	1 456.6

Note 9: Total expenses from transactions by department

(\$ million)

2006-07		2007-08	
Actual to Mar.		Actual to Mar.	Revised Budget
Expenses from transactions			
78.7	Parliament	86.0	124.6
7 203.3	Education and Early Childhood Development	6 404.7	8 486.3
9 396.0	Human Services	9 808.3	13 226.4
3 116.9	Infrastructure	3 210.6	4 213.4
278.1	Innovation, Industry and Regional Development	1 507.9	2 190.8
2 273.6	Justice	2 411.9	3 454.3
375.4	Premier and Cabinet	390.2	522.6
317.6	Primary Industries	441.4	620.5
951.4	Sustainability and Environment	902.4	1 413.8
1 353.7	Treasury and Finance	1 307.8	2 038.0
623.3	Planning and Community Development	665.0	964.2
..	Contingencies not allocated to departments ^(a)	..	408.5
929.1	Regulatory bodies and other part budget funded agencies ^(b)	1 150.1	1 570.1
(2 407.5)	Less eliminations ^(c)	(2 627.2)	(3 441.6)
24 489.6	Total expenses from transactions ^(d)	25 659.1	35 792.1

Notes:

- Includes a provision for programs lapsing, future demand growth, items not yet formalised at the time of the budget, and an allowance for departmental underspending in 2006 07.
- Other general government sector agencies, which receive less than 50 per cent of their revenue from appropriations and therefore are not allocated to departments.
- Mainly comprises payroll tax, capital asset charge and inter-departmental and inter-agency transfers.
- For individual departments, 2007-08 includes the impact of the machinery of government changes effective 1 September 2007. In particular, the movement of TAFEs from Education and Early Childhood Development to Innovation, Industry and Regional Development makes the year-on-year data not directly comparable.

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

(\$ million)

2006-07		2007-08	
Actual		Actual	Revised
to Mar.		to Mar.	Budget
..	Net gains/(losses) from revaluation of biological assets	..	8.4
(114.2)	Net (increase)/decrease in provision for doubtful debts	(79.7)	(120.8)
(0.7)	Amortisation of intangible non-produced assets	(1.6)	..
(4.7)	Other gains/(losses)	(19.2)	(19.8)
(119.6)	Total other gains/(losses) from other economic flows	(100.6)	(132.1)

Note 11: Receivables

(\$ million)

2006-07		2007-08		
Actual		Opening	Actual	Revised
31 Mar.		1 July	31 Mar.	Budget
Current receivables				
577.7	Sale of goods and services	617.2	669.9	497.5
976.0	Taxes receivable	1 003.2	1 208.8	748.0
847.7	Fines and regulatory fees	617.5	731.3	676.5
82.8	Accrued investment income	511.6	164.2	13.8
13.7	Loans	2.9	17.4	2.7
197.3	Other receivables	219.0	241.0	316.3
199.6	GST input tax credits recoverable	255.3	159.1	252.6
(469.3)	Provision for doubtful receivables	(317.2)	(368.3)	(537.6)
2 425.7	Total current receivables	2 909.5	2 823.4	1 969.9
Non-current receivables				
16.2	Sale of goods and services	17.5	17.3	17.5
242.2	Taxes receivable	182.1	187.9	54.5
58.0	Loans	58.1	58.4	57.5
89.3	Other receivables	91.9	93.9	91.9
(7.6)	Provision for doubtful receivables	(7.3)	(7.3)	(7.3)
398.1	Total non-current receivables	342.3	350.2	214.1
2 823.7	Total receivables	3 251.8	3 173.6	2 184.1

Note 12: Property, plant and equipment

(a) Total property, plant and equipment

(\$ million)

2006-07		2007-08		
Actual		Opening	Actual	Revised
31 Mar.		1 July	31 Mar.	Budget
14 309.0	Buildings (written down value)	15 363.3	15 598.5	16 665.9
18 151.0	Land and national parks	19 424.9	19 504.1	20 716.1
536.4	Infrastructure systems (written down value)	195.9	265.0	390.5
2 143.3	Plant, equipment and vehicles (written down value)	2 024.6	1 894.3	2 185.4
14 375.9	Roads (written down value)	14 392.4	14 543.1	16 687.6
4 438.7	Earthworks	4 494.7	4 575.7	5 121.7
3 646.4	Cultural assets (written down value)	3 503.5	3 513.1	3 619.5
57 600.7	Total property, plant and equipment	59 399.3	59 893.7	65 386.6

(b) Land and Buildings

(\$ million)

2006-07		2007-08		
Actual		Opening	Actual	Revised
31 Mar.		1 July	31 Mar.	Budget
15 954.7	Buildings	16 902.3	17 415.0	18 259.0
(1 645.7)	Accumulated depreciation	(1 539.1)	(1 816.5)	(1 593.1)
14 309.0	Buildings (written down value)	15 363.3	15 598.5	16 665.9
16 193.9	Land	17 130.9	17 216.7	18 415.9
1 957.1	National Parks and other 'land only' holdings	2 294.0	2 287.4	2 300.2
18 151.0	Land and national parks	19 424.9	19 504.1	20 716.1
32 460.1	Total land and buildings	34 788.2	35 102.6	37 382.0

(c) Plant, equipment and infrastructure systems

(\$ million)

2006-07		2007-08		
Actual		Opening	Actual	Revised
31 Mar.		1 July	31 Mar.	Budget
557.6	Infrastructure systems	213.0	291.0	432.5
(21.2)	Accumulated depreciation	(17.1)	(26.0)	(42.1)
536.4	Infrastructure systems (written down value)	195.9	265.0	390.5
4 787.0	Plant, equipment and vehicles	4 341.3	4 346.4	4 937.5
(2 820.5)	Accumulated depreciation	(2 486.3)	(2 590.6)	(2 882.8)
343.7	Leased plant, equipment and vehicles	233.2	178.4	187.4
(166.9)	Accumulated amortisation	(63.5)	(40.0)	(56.7)
2 143.3	Plant, equipment and vehicles (written down value)	2 024.6	1 894.3	2 185.4
2 679.7	Total plant, equipment and vehicles, and infrastructure systems	2 220.5	2 159.3	2 575.9

(d) Road networks and earthworks

(\$ million)

2006-07		2007-08		
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Revised</i>
<i>31 Mar.</i>		<i>1 July</i>	<i>31 Mar.</i>	<i>Budget</i>
16 753.7	Roads	16 750.6	17 053.3	19 787.2
(6 225.3)	Accumulated depreciation	(6 298.1)	(6 496.5)	(7 550.0)
5 837.8	Road infrastructure	5 950.7	6 049.2	6 842.3
(1 990.3)	Accumulated depreciation	(2 010.8)	(2 062.9)	(2 391.9)
14 375.9	Roads (written down value)	14 392.4	14 543.1	16 687.6
4 438.7	Earthworks	4 494.7	4 575.7	5 121.7
18 814.6	Total road networks and earthworks	18 887.1	19 118.8	21 809.3

(e) Cultural assets

(\$ million)

2006-07		2007-08		
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Revised</i>
<i>31 Mar.</i>		<i>1 July</i>	<i>31 Mar.</i>	<i>Budget</i>
3 757.6	Cultural assets	3 587.4	3 602.6	3 716.6
(111.2)	Accumulated depreciation	(84.0)	(89.6)	(97.1)
3 646.4	Total cultural assets (written down value)	3 503.5	3 513.1	3 619.5

Note 13: Intangibles

(\$ million)

2006-07		2007-08		
<i>Actual</i>		<i>Opening</i>	<i>Actual</i>	<i>Revised</i>
<i>31 Mar.</i>		<i>1 July</i>	<i>31 Mar.</i>	<i>Budget</i>
340.9	Intangibles produced assets	380.2	411.8	393.0
(131.4)	Accumulated amortisation	(154.0)	(189.4)	(181.6)
10.3	Intangibles non produced assets	20.7	23.8	20.7
(6.3)	Accumulated amortisation	(11.9)	(13.8)	(11.9)
213.5	Intangibles (written down value)	235.0	232.4	220.2

Note 14: Other assets

(\$ million)

2006-07		2007-08		
Actual		Opening	Actual	Revised
31 Mar.		1 July	31 Mar.	Budget
Non-current other assets				
19.4	Investment properties	19.2	19.3	19.2
2.4	Biological assets	2.0	2.0	10.4
219.0	Other assets	184.8	180.4	183.8
240.8	Total non-current other assets	206.0	201.6	213.4

Note 15: Employee benefits

(\$ million)

2006-07		2007-08		
Actual		Opening	Actual	Revised
31 Mar.		1 July	31 Mar.	Budget
Current				
881.1	Accrued salaries and wages ^(a)	1 102.1	1 116.9	1 137.8
1 806.3	Long service leave	2 143.1	2 262.8	2 220.7
2 687.4	Total current employee benefits	3 245.2	3 379.7	3 358.5
Non-current				
30.2	Accrued salaries and wages ^(a)
697.1	Long service leave	375.6	303.1	411.3
727.3	Total non-current employee benefits	375.6	303.1	411.3
3 414.7	Total employee benefits	3 620.9	3 682.8	3 769.8

Notes:

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

Note 16: Reconciliation of net result to net cash flows from operating activities for the period ended 31 March

(a) Reconciliation of cash

(\$ million)

2006-07 Actual 31 Mar.		2007-08 Actual 30 Mar.
673.4	Cash	954.9
1 058.3	Deposits at call	1 863.0
1 731.7	Cash and cash equivalents	2 817.9
(4.6)	Bank overdraft	(4.3)
1 727.1	Balances as per cash flow statement	2 813.6

(b) Reconciliation of the net result to net cash flows from operating activities for the period ended 31 March

(\$ million)

2006-07 Actual 31 Mar.		2007-08 Actual to Mar.
2 306.5	Net result	(894.6)
	Non-cash movements	
1 011.7	Depreciation and amortisation	1 009.1
(11.5)	Revaluation of investments	8.9
(5.0)	Assets received/(provided) free of charge	232.3
(1.0)	Assets not previously recognised	(0.6)
7.2	Revaluation of other assets	13.6
6.1	Discount/(premium) on other financial assets/interest-bearing liabilities	5.6
	Movements included in investing and financing activities	
16.9	Net revenue from sale of property, plant and equipment	2.2
(10.2)	Net revenue from sale of investments	(3.3)
	Movements in assets and liabilities	
96.2	Increase/(decrease) in provision of doubtful debts	51.1
568.8	Increase/(decrease) in payables	16.0
(14.5)	Increase/(decrease) in employee benefits	61.9
(1 117.6)	Increase/(decrease) in superannuation	2 844.5
48.9	Increase/(decrease) in other provisions	(42.1)
26.0	Increase/(decrease) in other liabilities	130.6
(635.8)	(Increase)/decrease in receivables	23.8
(174.2)	(Increase)/decrease in other assets	(67.8)
2 118.4	Net cash flows from operating activities	3 391.3

Note 17: Public Account

(a) Consolidated Fund receipts and payments

		(\$ million)	
2006-07 Actual to Mar.		2007-08	
		Actual to Mar.	Revised Budget
	Receipts		
8 298.5	Taxation	9 526.8	13 236.4
270.4	Fines and regulatory fees	304.6	523.5
9 532.7	Grants received	10 482.3	14 502.6
516.4	Sales of goods and services	593.2	722.4
45.2	Interest received	13.9	37.0
901.4	Public authority receipts	1 057.5	1 177.3
2 210.3	Other receipts	2 195.0	2 901.6
21 774.9	Total operating activities	24 173.4	33 100.8
(44.8)	Total inflows from investing and financing	34.4	139.0
21 730.1	Total receipts	24 207.8	33 239.7
	Payments to Departments		
5 289.6	Education and Early Childhood Development	4 867.2	6 700.6
8 229.7	Human Services	9 105.5	12 151.4
3 182.6	Infrastructure	3 568.7	4 705.2
349.1	Innovation, Industry and Regional Development	1 047.1	1 510.3
2 264.8	Justice	2 367.8	3 245.1
385.7	Premier and Cabinet	369.4	491.8
308.3	Primary Industries	440.4	578.6
872.5	Sustainability and Environment	981.3	1 759.4
1 141.6	Treasury and Finance	1 168.7	1 933.8
301.6	Planning and Community Development	363.2	610.0
78.2	Parliament	87.4	124.9
22 403.6	Total payments	24 366.7	33 811.1
(673.6)	Net receipts/(payments) ^(a)	(158.9)	(571.4)

Note:

(a) For individual departments, 2007-08 includes the impact of the machinery of government changes effective 1 September 2007. In particular, the movement of TAFE's from Education and Early Childhood Development to Innovation, Industry and Regional Development makes the year-on-year data not directly comparable.

(b) Trust Fund cash flows statement

(\$ million)

2006-07 Actual to Mar.		2007-08	
		Actual to Mar.	Revised Budget
	Cash flows from operating activities		
	Receipts		
119.5	Taxation	155.9	152.6
19.3	Regulatory fees and fines	3.8	46.3
2 178.5	Grants received	2 133.5	2 384.2
224.4	Sale of goods and services	269.7	296.1
93.9	Interest received	114.3	135.7
6 719.7	Other receipts	7 161.9	9 141.4
9 355.3	Total receipts	9 839.0	12 156.3
	Payments		
(61.0)	Employee entitlements	(83.4)	(92.7)
(4.5)	Superannuation	(4.9)	(6.2)
(7 593.1)	Grants paid	(7 632.6)	(9 693.5)
(1 646.6)	Supplies and consumables	(1 803.1)	(2 408.8)
(25.1)	Interest paid	(15.6)	(16.3)
(9 330.2)	Total payments	(9 539.6)	(12 217.4)
25.1	Net cash flows from operating activities	299.4	(61.1)
	Cash flows from investing activities		
(60.2)	Net proceeds from customer loans	(39.5)	..
26.1	Proceeds from sale of property, plant and equipment	39.8	34.0
(59.6)	Purchases of property, plant and equipment	(29.9)	(28.3)
(17.2)	Other investing activities	(152.8)	(76.9)
(110.9)	Net cash flows from investing activities	(182.5)	(71.2)
	Cash flows from financing activities		
(36.1)	Net proceeds (repayments) from borrowings	(960.0)	(147.7)
(36.1)	Net cash flows from financing activities	(960.0)	(147.7)
(122.0)	Net cash inflow/(outflow)	(843.1)	(280.0)

(c) Details of securities held in the Public Account

(\$ million)

2006-07		2007-08	
Actual		Opening	Actual
Mar.		1 July	31 Mar.
647.9	Amounts invested on behalf of specific trust accounts	673.1	957.0
1.3	Amounts invested on behalf of general trust accounts	1.3	1.3
1 065.3	General account balances	2 082.3	1 083.6
1 714.5	Total Public Account	2 756.7	2 041.9
	Represented by:		
649.2	Stocks and securities	674.4	958.3
763.0	Cash and investments	1 231.1	822.2
1 412.2	Total stock, securities, cash and investments	1 905.5	1 780.5
	Add cash advanced for:		
302.2	Advances pursuant to sections 36 and 37 of the <i>Financial Management Act 1994</i>	851.2	261.4
1 714.5	Total Public Account	2 756.7	2 041.9

RESULTS QUARTER BY QUARTER – VICTORIAN GENERAL GOVERNMENT SECTOR

The following tables present the operating statement, balance sheet and cash flow statement for the general government sector on a quarter by quarter basis for the preceding five quarters.

These quarterly financial statements should be read in conjunction with Note 1 of this Appendix and the *Statement of significant accounting policies and forecast assumptions* (Note 1) in Budget Paper No. 4, Chapter 1, *Estimated Financial Statements and Notes*.

Table D.1: Operating statement for the past five quarters

	(\$ million)				
	Mar.	2006-07		2007-08	
		June	Sept.	Dec.	Mar.
Income from transactions					
Taxation	3 419.0	2 841.1	3 014.8	3 042.3	3 837.7
Fines and regulatory fees	199.8	187.4	212.2	199.7	183.7
Dividends and income tax equivalent and rate equivalent revenue	24.1	539.7	75.9	388.0	109.5
Interest	100.0	121.6	100.7	106.5	98.2
Grants	3 806.8	4 148.2	3 982.7	4 335.6	4 226.6
Sale of goods and services	687.3	853.1	706.4	817.1	769.3
Fair value of assets received free of charge or for nominal consideration	6.5	13.2	0.3	(0.3)	..
Other income	459.5	756.2	527.9	436.1	484.8
Total income from transactions	8 703.1	9 460.4	8 621.0	9 325.0	9 709.8
Expenses from transactions					
Employee benefits	3 041.4	3 124.4	3 098.7	3 231.0	3 332.3
Superannuation	423.7	379.1	402.5	429.1	405.2
Depreciation and amortisation	342.7	323.6	333.3	327.5	346.6
Finance costs	112.0	125.6	111.4	120.6	101.7
Grants and transfer payments	1 629.6	2 135.0	1 530.0	1 665.0	1 592.4
Supplies and services	3 143.6	2 754.5	2 671.4	2 825.0	3 057.6
Other expenses	(15.7)	189.2	15.5	12.6	49.7
Total expenses from transactions	8 677.3	9 031.5	8 162.8	8 610.9	8 885.4
Net result from transactions	25.7	428.9	458.1	714.1	824.4
Income/(expenses) from other economic flows					
Net gain/(loss) from disposal of physical assets	(4.6)	(12.7)	(17.2)	(14.8)	29.6
Actuarial gains/(losses) of superannuation defined benefit plans	436.7	1 703.4	(232.6)	(262.6)	(2 287.6)
Share of net profits/(losses) of associates and joint venture entities	..	5.2	..	4.8	0.1
Net gains/(losses) on financial assets at fair value	4.6	1.0	0.8	(2.4)	(8.9)
Other gains/(losses) from other economic flows	(22.1)	438.0	(50.2)	(33.0)	(17.4)
Total other economic flows	414.6	2 135.0	(299.1)	(308.0)	(2 284.1)
Net result	440.3	2 563.9	159.0	406.1	(1 459.8)

Table D.2: Balance sheet as at the end of the quarter

(\$ million)

	2006-07			2007-08	
	Mar.	June	Sept.	Dec.	Mar
Current assets					
Cash and cash equivalents	1 731.7	3 017.7	2 101.9	2 737.3	2 817.9
Receivables	2 425.7	2 909.5	2 778.6	1 994.4	2 823.4
Prepayments	197.8	99.6	286.5	253.8	169.6
Inventories	137.3	125.2	129.0	143.7	142.3
Other financial assets	2 050.5	1 531.9	1 715.8	1 981.4	1 994.0
	6 543.0	7 683.9	7 011.9	7 110.6	7 947.2
Non-current assets classified as held for sale	36.3	51.9	50.6	48.8	47.3
Total current assets	6 579.3	7 735.9	7 062.5	7 159.4	7 994.4
Non-current assets					
Receivables	398.1	342.3	341.4	349.8	350.2
Investments accounted for using the equity method	602.6	629.5	634.5	639.3	639.3
Other financial assets	470.4	526.4	532.2	561.3	565.1
Property, plant and equipment	57 600.7	59 399.3	59 443.4	59 751.4	59 893.7
Intangibles	213.5	235.0	234.1	234.9	232.4
Other assets	240.8	206.0	206.0	206.1	201.6
Total non-current assets	59 526.1	61 338.5	61 391.7	61 742.8	61 882.2
Total assets	66 105.4	69 074.4	68 454.2	68 902.3	69 876.6
Current liabilities					
Payables	2 975.3	2 631.4	2 661.9	2 475.4	2 564.2
Interest-bearing liabilities	301.9	1 088.2	420.2	294.6	282.1
Employee benefits	2 687.4	3 245.2	3 131.2	3 321.9	3 379.7
Superannuation	..	335.0	335.0	335.0	335.0
Other provisions	186.4	214.3	216.2	207.4	177.4
Other liabilities	446.4	507.9	475.8	438.3	636.6
Total current liabilities	6 597.4	8 022.1	7 240.3	7 072.5	7 375.1
Non-current liabilities					
Payables	558.2	242.1	229.4	344.0	264.6
Interest-bearing liabilities	5 989.7	6 106.0	6 097.8	6 019.0	6 092.4
Employee benefits	727.3	375.6	373.8	347.1	303.1
Superannuation	11 778.9	9 802.7	10 050.6	10 339.2	12 647.2
Other provisions	598.4	543.4	544.4	537.0	538.5
Other liabilities	250.4	496.5	496.6	513.6	498.4
Total non-current liabilities	19 902.9	17 566.5	17 792.6	18 100.0	20 344.1
Total liabilities	26 500.3	25 588.5	25 032.9	25 172.5	27 719.2
Net assets	39 605.1	43 485.8	43 421.3	43 729.8	42 157.4

Table D.3: Cash flow statement for the past five quarters

	(\$ million)				
	2006-07		2007-08		
	Mar.	June	Sept.	Dec	Mar.
Cash flows from operating activities					
Receipts					
Taxation	2 751.6	2 866.0	3 401.4	3 156.7	3 125.3
Fines and regulatory fees	110.3	235.6	108.3	215.4	60.8
Dividends and income tax equivalent and rate equivalent revenue	(14.8)	582.7	72.4	403.7	110.0
Interest received	100.7	118.2	100.6	99.0	100.8
Grants	3 731.4	4 218.3	3 998.2	4 325.6	4 216.8
Sale of goods and services	617.1	1 201.8	634.9	1 301.4	703.3
Other receipts	470.2	394.7	390.9	993.8	658.7
Total receipts	7 766.5	9 617.2	8 706.8	10 495.6	8 975.8
Payments					
Employee benefits	(3 121.6)	(2 918.2)	(3 214.6)	(3 067.0)	(3 318.4)
Superannuation	(302.5)	(316.9)	(387.1)	(403.1)	(384.8)
Interest paid	(112.5)	(102.4)	(110.3)	(113.1)	(96.0)
Grants and transfer payments	(1 365.7)	(2 242.3)	(1 508.0)	(1 785.2)	(1 549.7)
Supplies and services	(2 382.4)	(3 315.7)	(2 967.7)	(3 033.6)	(2 848.0)
Total payments	(7 284.7)	(8 895.4)	(8 187.8)	(8 402.1)	(8 197.0)
Net cash flows from operating activities	481.8	721.8	519.0	2 093.6	778.7
Cash flows from investing activities					
Purchase of non-financial assets	(814.4)	(677.8)	(388.6)	(960.2)	(592.0)
Proceeds from sale of non-financial assets	33.0	125.2	22.7	35.9	61.5
Net (purchase)/disposal of investments	(15.4)	475.6	(193.7)	(298.4)	(29.7)
Net customer loans (granted)/repaid	(9.9)	10.6	(0.3)	(14.5)	..
Net contribution to other sectors of government	(155.0)	(353.5)	(196.3)	(214.0)	(196.8)
Net cash flows from investing activities	(961.8)	(419.9)	(756.3)	(1 451.3)	(757.0)
Cash flows from financing activities					
Net borrowings	(232.1)	985.7	(680.1)	(6.5)	58.9
Net cash flows from financing activities	(232.1)	985.7	(680.1)	(6.5)	58.9
Net increase/(decrease) in cash and cash equivalents	(712.1)	1 287.6	(917.4)	635.7	80.6
Cash and cash equivalents at beginning of reporting period	2 439.1	1 727.1	3 014.6	2 097.3	2 733.0
Cash and cash equivalents at end of reporting period	1 727.1	3 014.6	2 097.3	2 733.0	2 813.6

