

APPENDIX F

Financial measures and targets

The government has changed its approach to setting measures and what its targets are over the last 10 years. In 2020–21 government’s focus on economic recovery after the COVID-19 pandemic led to changes for 3 measures.

Figure F1 shows the various measures the government has used and how they vary from specifically quantifiable targets to ones that allow for flexibility in response to economic conditions.

Figure F1: **Victoria’s financial measures and targets over the last 10 years**

Year	Operating cash surplus	Net debt to GSP	Superannuation liabilities	Other measures
2023–24	A net operating cash surplus consistent with maintaining general government net debt at a sustainable level.	General government net debt as a percentage of GSP to stabilise in the medium term.	Fully fund the unfunded superannuation liability by 2035.	General government interest expense as a percentage of revenue to stabilise in the medium term.
2022–23	A net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID-19 pandemic.			
2021–22				
2020–21				
2019–20	A net operating cash surplus consistent with maintaining general government net debt at a sustainable level over the medium term.	General government net debt as a percentage of GSP to be maintained at a sustainable level in the medium term.		
2018–19				
2017–18				
2016–17				
2015–16				
2014–15	A net operating surplus of at least \$100 million and consistent with the infrastructure and debt parameters.			Infrastructure investment of 1.3% of GSP (calculated as a rolling average).

Source: VAGO based on the state Budget.

Parliamentarians and the community may find it challenging to measure the financial performance of government when the measures are more qualitative and less specific.