

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered investments in controlled entities	Each Commonwealth Department is required to show an Administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These Administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Asset valuation	From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

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Budgeted Departmental Statement of Financial Performance	Table 3.1 provides a picture of the expected financial results for the Department/Agency by identifying full accrual expenses and revenues. This shows whether the Department/Agency is operating at a sustainable level.
Budgeted Departmental Statement of Financial Position	Table 3.2 shows the financial position of the Department/ Agency. It enables decision makers to track the management of Assets and Liabilities of the Department/Agency.
Budgeted Departmental Statement of Cash Flows	Table 3.3 shows information on the extent and nature of cash flows by categorising them into expected cash flows from operating, investing and financing activities.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental Capital Budget Statement	Table 3.4 shows all planned capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity or borrowings, or from internal sources.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the agency in providing it's outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Departmental Non-financial Assets – Summary of Movement	Table 3.5 shows budget acquisitions and disposals of non-financial assets during the budget year.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.

Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Intermediate outcomes	More specific medium-term impacts (trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. Combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes.
Operating result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Commonwealth. Actual outcomes are assessments of the results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, based either on homogeneity, type of product or beneficiary target group. Aggregation may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.

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Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Size of an output. Count or volume measures. How many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Schedule of Budgeted Revenues and Expenses Administered on behalf of Government	Table 3.6 shows the main revenues and expenses administered on behalf of the Government. This table is the same as Table 3.1 except that it shows revenues and expenses administered on behalf of the government.
Schedule of Budgeted Assets and Liabilities Administered on behalf of Government	Table 3.7 shows the assets and liabilities administered on behalf of the Government. This table is the same as Table 3.2 except that it shows assets and liabilities administered on behalf of the government.
Schedule of Budgeted Administered Cash Flows	Table 3.8 shows cash flows administered on behalf of the Government. This table is the same as Table 3.3 except that it shows cash flows administered on behalf of the government.
Schedule of Administered Capital Budget	Table 3.9 shows planned administered capital expenditure. This table is the same as Table 3.4 except that it shows Capital administered on behalf of the government.
Schedule of Administered Non-financial Assets – Summary of Movement	Table 3.10 shows details of acquisitions and disposals of administered non-financial assets. This table is the same as Table 3.5 except that it shows non-financial assets administered on behalf of the government.

Special Account	Balances existing within the Consolidated Revenue Fund (CRF), that are supported by standing appropriations (<i>Financial Management and Accountability Act 1997</i> (FMA Act) ss20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s20 FMA Act) or through an Act of Parliament (referred to in s21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations - the amount appropriated will depend on circumstances specified in the legislation.</p>

