

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.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
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.
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.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other events.
Average Staffing Level(s) (ASL)	ASL is the average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.

Glossary

Capital Expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Cash	Cash means cash on hand and cash equivalents.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms a single consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its 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.
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	Measure the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency Indicators	Measure 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.
<i>Financial Management and Accountability (FMA) Act 1997</i>	The principal legislation governing the proper use and management of public money and public property, and other Commonwealth resources. FMA Regulations and FMA Orders are made pursuant to the Act.
Intermediate Outcomes	More specific medium-term impacts (eg trend data, targets or milestones) below the level of the planned outcomes specific in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes.
Liabilities	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
Measure	A decision by the Cabinet or Ministers.
Mutual Obligation	The principle that unemployed job seekers who are supported financially by the community should actively seek work, constantly strive to improve their competitiveness in the labour market, and give something back to the community that supports them.

Glossary

Net Annotated Appropriation (Section 31) receipts	A form of appropriation which allows FMA agencies to retain certain money they receive from independent sources (e.g. payments for services provided to third parties). These funds are often referred to as section 31 receipts, reflecting the agency's authority under section 31 of the <i>FMA Act</i> , to retain the receipts.
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 Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
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.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Performance	The proficiency of an agency or authority in acquiring resources economically and using those resources efficiently and effectively in achieving planned outcomes.

Performance information	<p>Evidence about performance, collected and used systematically. Evidence may relate to appropriateness, effectiveness and efficient. It may be about outcomes, factors that affect outcomes, and what can be done to improve them.</p> <p>Performance information may be quantitative (numerical) or qualitative (descriptive). It should be verifiable. The usefulness of performance information is enhanced by applying standards and other types of comparison (e.g. with past performance, other lines of business, or level of need before the intervention) which allow judgements on the extent to which interventions are achieving desired results.</p>
Performance targets	<p>Quantifiable performance levels or changes in level to be attained by a specific date. By allowing a direct judgement of performance, targets can clarify and simplify the process of performance monitoring.</p>
Portfolio Budget Statements	<p>Statements prepared by portfolios to explain the Budget appropriations in terms of planned Government outcomes.</p>
Price	<p>One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.</p>
Quality	<p>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 users' expectations and experiences.</p>
Quantity	<p>One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.</p>
Revenue	<p>Total value of resources earned or received to cover the production of goods and services.</p>

Glossary

Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (<i>Financial Management and Accountability (FMA) Act 1997</i> , ss.20 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 (s.20 <i>FMA Act</i>) or through an Act of Parliament (referred to in s.21 of the <i>FMA Act</i>).
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>
Third party outputs	Goods or services delivered to the community by entities outside the Commonwealth General Government Sector. They are outputs wholly or partly funded by administered items and are directed to achieving planned outcomes.