

# GLOSSARY



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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.
Additional Estimates Bills or Acts	These are Appropriation Bills Nos. 3 and 4, and a Separate Bill for the Parliamentary Departments (Appropriations (Parliamentary Departments) Bill No. 2). These Bills are introduced into Parliament after the Budget Bills.
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.
AEIFRS	Australian Equivalents to International Financial Reporting Standards.
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 budget process (Appropriation Bills 3 and 4).

Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
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 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	Measures the joint or independent contribution of outputs and administered items to the achievement of their specific 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.
Evaluation	A systematic, objective assessment of the appropriateness, effectiveness or efficiency of an intervention. Depending on the purpose of the evaluation and the stage of development of the relevant business, an evaluation may focus on

more than one of these issues.

Executive Agency	An agency established under the <i>Public Service Act 1999</i> . Is a non-statutory body headed by a person appointed by and directly accountable to the Minister responsible for the agency. The Head of an Executive Agency, under the agency Minister, is responsible for managing the agency and is accountable to Government, the Parliament and the public in the same way as the Secretary of a Department or the head of a statutory agency (including for the preparation of an annual report).
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 (for example, trend data, targets or milestones) below the level of the planned outcomes specified 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	What the agency 'owes' (obligations to make payments or render services as a result of past transactions).
Measures	A decision by Cabinet or the Prime Minister that has been finalised in the context of the 2006–07 Budget and has resulted in a change in expenditure from 2006–07 onwards.

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.
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.
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.
Performance	The proficiency of an agency or authority in acquiring resources economically and using those resources efficiently and effectively in achieving outcomes.
Performance Measures	A more precise measure than indicators. Performance measures relate to outcomes, outputs, third party outputs and administered items. They are used when there is a direct causal link between an intervention and a measurable change in performance.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Prescribed Agency	An agency prescribed under the <i>Financial Management and Accountability (FMA) Act, 1997</i> . The entity receives its appropriation directly, is financially separate and has direct accountability to the Minister.

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 in respect of goods and services provided.
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> , subsection 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 (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 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>
Stakeholders	People, organisations or groups with an interest or stake in the line of business.

Total Price of Output

Revenue from the government for departmental items and revenue from other sources, including *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge. All funds are attributable to the outputs of the agency.