

## **APPENDICES**

## 1997-98 PORTFOLIO PROGRAMME STRUCTURE

| <b>Programme</b>                                                                                                                          | <b>Sub-Programme</b>                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Treasury</b>                                                                                                                        | 1.1 Domestic Economy<br>1.2 International Economy<br>1.3 Structural<br>1.4 Taxation<br>1.5 Fiscal<br>1.6 Debt Management<br>1.7 Investment<br>1.8 Financial & Currency<br>1.9 Business Law<br>1.10 Corporate Direction & Support |
| <b>2. Royal Australian Mint</b><br>(Not Budget Funded)                                                                                    | No Sub-Programmes                                                                                                                                                                                                                |
| <b>3. Australian Bureau of Statistics</b>                                                                                                 | 3.1 Statistical Operations<br>3.2 Corporate Services                                                                                                                                                                             |
| <b>4. Taxation Administration</b><br>(Australian Taxation Office)                                                                         | 4.1 Income & Other Taxes<br>4.2 Child Support Agency<br>4.3 Corporate Support                                                                                                                                                    |
| <b>5. Productivity</b><br>(Includes Industry Commission,<br>Bureau of Industry Economics and<br>Economic Planning Advisory<br>Commission) | No Sub-Programmes                                                                                                                                                                                                                |
| <b>6. Australian Competition and<br/>Consumer Commission</b>                                                                              | 6.1 Compliance with the Trade Practices<br>Act<br>6.2 Improvement in Market Conduct<br>6.3 Education & Information<br>6.4 Corporate Planning & Management                                                                        |
| <b>7. Insurance and Superannuation<br/>Commission</b>                                                                                     | 7.1 Corporate Services<br>7.2 Life Insurance<br>7.3 Actuarial<br>7.4 Superannuation<br>7.5 General Insurance                                                                                                                     |
| <b>8. Business Affairs</b>                                                                                                                | 8.1 Australian Securities Commission<br>8.2 Companies & Securities Advisory<br>Committee                                                                                                                                         |
| <b>9. National Competition Council</b>                                                                                                    | No Sub-Programmes                                                                                                                                                                                                                |

## GLOSSARY OF TECHNICAL TERMS

**Additional Estimates** — where amounts appropriated at budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. This is the Additional Estimates process.

**Additional Estimates Bills or Acts** — These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No 2)). These Bills are introduced into Parliament sometime after the Budget Bills. In 1997-98, the Budget was introduced in May 1997, and the Additional Estimates Bills in October 1997.

**Appropriation** — an authorisation by Parliament to spend moneys from the Consolidated Revenue Fund.

- **Annotated Appropriation** — a form of appropriation which allows a department access to certain money it receives in payment of services. The nature and extent of the amount to be appropriated are specified in agreements made under Section 31 of the *Financial Management and Accountability (FMA) Act 1997* between the financial manager and the responsible Minister. See Section 9, Appropriation Bill (No. 1) 1998-99.
- **Annual Appropriation** — Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
- **Special Appropriations** — Moneys appropriated by Parliament in an Act separate to an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliament's annual budget control, unlike the annual appropriations.
- **Standing Appropriations** — These are very similar to special appropriations, except that instead of an amount being specified in the appropriation, the act provides for an automatic payment of funds where an entitlement exists, such as age pensions, or for the Minister for Finance to determine an amount in accordance with specified criteria. The terms special and standing are often used interchangeably.

***Financial Management and Accountability (FMA) Act 1997*** — 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.

**Budget Measure** — a decision by the Cabinet or Ministers that has been finalised since the 1997-98 Budget and has resulted in a cost or savings to underlying outlays in the years 1998-99 to 2001-02. See also Cross Portfolio Budget Measure.

## Commonwealth Funds

- **Consolidated Revenue Fund (CRF)** — This is the principal working fund of the Commonwealth and is mainly financed by taxation, fees and other current receipts. The Constitution requires an appropriation of moneys by the Parliament before any expenditure can be made from the CRF (s83).
- **Loan Fund** — Established by the FMA Act 1997, the Loan Fund contains all moneys raised by loan on the public credit of the Commonwealth. Expenditure from the Loan Fund is limited to the purpose for which the moneys were raised.
- **Reserved Money Fund (RMF)** — Accounts for money which the Commonwealth holds on trust for, or otherwise for the benefit of, a person other than the Commonwealth and moneys which are ‘reserved’ for future Commonwealth purposes. Components of the RMF, specifying the nature of receipts that may be credited to, and payments that may be made from each component, may be established by the Finance Minister under section 20 of the FMA Act, or by specific legislation. The transfer of receipts from the CRF to, and payments from, component of the RMF are authorised by standing appropriations in section 20 of the FMA Act.
- **Commercial Activities Fund (CAF)** — Accounts for various activities of agencies which should be accounted for as if they were genuinely commercial. Components of the CAF specifying the nature of receipts that may be credited to, and payments that may be made from, each component, may be established by the Finance Minister under section 21 of the FMA Act. The criteria applied to establishing components of the CAF are:
  - The purpose of the activity to be financed via the CAF involves the provision of goods and services;
  - The organisation undertaking the activity has a management structure that is discrete within the agency and that the costs of that management structure are segregated from the costs of the other activities and programmes of the agency;
  - The activities are funded predominantly from revenue raised from users or purchasers and that there is a ‘profit-making’ objective; and
  - The organisation is, or potentially will be, competing in a commercially contestable environment.

**Cross Portfolio Budget Measure** — This is a Budget measure which affects programmes administered in a number of Portfolio.

**Efficiency Dividend** — An annual deduction of a percentage of running costs from an agency’s budget which acts both as an incentive to efficiency and a quantification of some of the efficiency gains made by an agency in the previous year.

**Financing transactions** — the Government funds shortfalls in revenue over outlays by borrowing from financial markets or running down financial assets. Such activities are

regarded as financing transactions. If a surplus of revenue over outlays is recorded then financing transactions will show how the surplus is used.

**Forward estimates** — a system of rolling three year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for next year's budget bid, and another outyear is added to the forward estimates.

**Objective** — A statement of rationale behind a programme; they relate to the purpose, as opposed to the nature, of the activities undertaken within programmes.

**Outlays (underlying)** — is an economic concept that has its roots in international standards for government reporting. In the Budget context it measures the net resources cost of the budget provision of public goods and services.

Not only payments are included in outlays. For example, some receipts are netted off against related payments. Moreover not all payments are outlays, for example, payments of principal to government security holders are classified as financing transactions and as such are not outlays, whereas interest payments are.

It is important to distinguish between appropriations and underlying outlays. Appropriations derive from Acts of Parliament which authorise the drawing down of public money for the functions and activities of Government.

**Underlying outlays = total appropriations – adjustments.**

Adjustments to appropriations to derive outlays are:

- payments that are not underlying outlays (for example loan payments — these are financial transactions — and tax refunds — netted against taxation revenues);
- receipts that are offset within underlying outlays — these are charges for goods and services, sales of physical assets and repayments of government loans or repayment of equity in government enterprises;
- RMF and CAF transactions regarded as outlays — shows how the components of appropriations are adjusted to derive underlying outlays for each of the Portfolio's Programmes; and
- net advances — these are government transactions which simply involve the transfer or exchange of financial assets. Net advances include:
  - the sale and purchase of equity assets;
  - the injection and withdrawal of equity from entities outside the Government's accounts; and
  - public policy lending and repayments to other sectors.

It is important to distinguish between appropriations and underlying outlays. Appropriations derive from Acts of the Parliament which authorise the drawing down of Commonwealth money for the functions and activities of Government.

**Programme, Sub-Programme, Component** — a Programme is an identifiable group of outlays administered by Portfolios. The Programme structure provides a basis for resource management decisions centred on objectives and results, and for allocation decisions. Programmes are subdivided into Sub-Programmes and Components.

**Portfolio Budget Statements** — statements prepared by Portfolios to explain the Budget appropriations in terms of programmes.

**Receipts** — the total or gross amount received by the Commonwealth. Each receipts item is either revenue, an offset within outlays, or a financing transaction. Receipts include taxes, interest, charges for goods and services, borrowings and GBE dividends received.

**Revenue** — the main way the government funds its outlays. It is mainly tax receipts, fees for regulatory services performed by government and interest and dividends received. Tax refunds are correcting transactions and are regarded as offsets within revenue.

**Running Costs** — The full current and minor capital costs consumed by an agency in providing government services for which the agency is responsible.

**Section 31 receipts** — see Annotated Appropriation.

**Staff years** — An aggregate measure of employment based on the hours worked by employees over the period of one year. It is the unit of measurement for staff resource use.

**RMF/CAF components** — An account held under the RMF/CAF. They are used as working accounts for commercial activities or to hold moneys in trust for specific purpose under legislation.

**Trust fund transactions regarded as outlays** — Outlays is a net measure of government activity with other sectors in the economy. Therefore transactions between the Consolidated Revenue Fund, the RMF and CAF, and the Loan Fund are consolidated and inter fund transfers disregarded. Thus, an appropriation from the CRF to a RMF/CAF component would not be an outlay. A payment from a RMF/CAF that flows outside the Commonwealth Public Account would be an outlay, to be taken into account when reconciling total appropriations to total outlays.

**Underlying outlays** — see Outlays (underlying).

# GLOSSARY OF ABBREVIATIONS AND ACRONYMS

|         |                                                   |
|---------|---------------------------------------------------|
| AASB    | Australian Accounting Standards Board             |
| AARF    | Australian Accounting Research Foundation         |
| ABS     | Australian Bureau of Statistics                   |
| ABSCQ   | ABS Standard Classification of Qualifications     |
| ACA     | Australian Communications Authority               |
| ACCC    | Australian Competition and Consumer Commission    |
| ACEPS   | Achieving Cost Effective Personnel Services       |
| ACT     | Australian Capital Territory                      |
| ADB     | Asian Development Bank                            |
| ADF     | Approved Deposit Fund                             |
| AE      | Additional Estimates                              |
| AG      | Attorney-General                                  |
| ALRC    | Australian Law Reform Commission                  |
| ANAO    | Australian National Audit Office                  |
| ANCO    | Australian National Classification of Offences    |
| ANR     | Australian National Rail                          |
| APEC    | Asia Pacific Economic Cooperation                 |
| APRA    | Australian Prudential Regulation Authority        |
| ASC     | Australian Securities Commission                  |
| ASCO    | Australian Standard Classification of Occupations |
| ASGC    | Australian Standard Geographical Classification   |
| ASIC    | Australian Securities and Investments Commission  |
| ASX     | Australian Stock Exchange                         |
| ATM     | Accounting Theory Monograph                       |
| ATO     | Australian Taxation Office                        |
| AVO     | Australian Valuation Office                       |
| BIE     | Bureau of Industry Economics                      |
| CASAC   | Companies and Securities Advisory Committee       |
| CBA     | Commonwealth Bank of Australia                    |
| CDB     | Commonwealth Development Bank                     |
| CGS     | Commonwealth Government securities                |
| CIS Act | <i>Commonwealth Inscribed Stock Act 1911</i>      |
| COAG    | Council of Australian Governments                 |
| COPO    | Commonwealth Own Purpose Outlays                  |
| COPs    | Centre of Policy Studies                          |
| CPI     | Consumer Price Index                              |
| CRF     | Consolidated Revenue Fund                         |
| CS      | Corporate Services                                |
| CSA     | Child Support Agency                              |
| CSHA    | Commonwealth State Housing Agreement              |
| DAA     | Development Allowance Authority                   |
| DAAS    | Development Allowance Authority Secretariat       |
| DIST    | Department of Industry, Science and Tourism       |
| DoFA    | Department of Finance and Administration          |
| DP      | Discussion Paper                                  |
| DRRTA   | Debt Retirement Reserve Trust Account             |
| DSS     | Department of Social Security                     |

# GLOSSARY OF ABBREVIATIONS AND ACRONYMS (CONTINUED)

|       |                                                       |
|-------|-------------------------------------------------------|
| DTIs  | Deposit-Taking Institutions                           |
| EBRD  | European Bank for Reconstruction and Development      |
| ED    | Exposure Draft                                        |
| EDF   | Employment Declaration Form                           |
| ENA   | Evolutionary Network Architecture                     |
| EPAC  | Economic Planning Advisory Commission                 |
| ESAF  | Enhanced Structural Adjustment Facility               |
| FAC   | Federal Airports Corporation                          |
| FAG   | Financial Assistance Grants                           |
| FAME  | Forecasting Analysis and Modelling Environment        |
| FBT   | Fringe Benefits Tax                                   |
| FIRB  | Foreign Investment Review Board                       |
| FIRM  | Finance Information on Resource Management            |
| FMA   | Financial Management Act                              |
| FMIS  | Financial Management Information Systems              |
| FS    | Financial Services                                    |
| FSAC  | Financial Sector Advisory Council                     |
| FSI   | Financial System Inquiry                              |
| GBE   | Government Business Enterprises                       |
| GDP   | Gross Domestic Product                                |
| GTE   | Government Trading Enterprise                         |
| HECS  | Higher Education Contribution Scheme                  |
| HIC   | Health Insurance Commission                           |
| HWIs  | High Wealth Individuals                               |
| HLIC  | Housing Loans Insurance Corporation                   |
| IAIS  | International Association of Insurance Supervisors    |
| IASC  | International Accounting Standards Committee          |
| IBRD  | International Bank for Reconstruction and Development |
| IC    | Industry Commission                                   |
| IDD   | Investment and Debt Division                          |
| IED   | International Economy Division                        |
| IEG   | Investment Experts Group                              |
| IFC   | International Finance Corporation                     |
| IID   | International and Investment Division                 |
| IMF   | International Monetary Fund                           |
| INB   | Individuals Non-Business                              |
| ISC   | Insurance and Superannuation Commission               |
| ITAA  | Income Tax Assessment Act                             |
| ITS   | Information Technology Services                       |
| LIASB | Life Insurance Actuarial Standards Board              |
| LB&I  | Large Business & International                        |
| LCIR  | Loan Consolidation and Investment Reserve             |
| LME   | Loan Management Expenses                              |
| MIB   | Managed Investment Bill                               |
| MIGA  | Multilateral Investment Guarantee Agency              |
| MP    | Member of Parliament                                  |
| NCC   | National Competition Council                          |

# **GLOSSARY OF ABBREVIATIONS AND ACRONYMS (CONTINUED)**

|         |                                                       |
|---------|-------------------------------------------------------|
| NCD     | Non-Callable Deposits                                 |
| NCPR    | National Competition Policy Reform                    |
| NDSF    | National Debt Sinking Fund                            |
| NGO     | Non Government Organisation                           |
| NIES    | National Industry Extension Scheme                    |
| NPP     | New Policy Proposal                                   |
| NTDSF   | Northern Territory Debt Sinking Fund                  |
| OECD    | Organisation for Economic Cooperation and Development |
| OGIT    | Office of Government Information Technology           |
| ORR     | Office of Regulation Review                           |
| OTC     | Overseas Telecommunications Corporation               |
| PAC     | Public Accounts Committee                             |
| PATA    | Pacific Association of Tax Administrators             |
| PAYE    | Pay As You Earn                                       |
| PBS     | Portfolio Budget Statements                           |
| PC      | Productivity Commission                               |
| PDI     | Public Debt Interest                                  |
| PNG     | Papua New Guinea                                      |
| PRISMOD | Price Revenue Incidence Simulation Model              |
| PPS     | Prescribed Payments System                            |
| PRU     | Policy Research Unit                                  |
| PSA     | Prices Surveillance Authority                         |
| PSS     | Public Sector Superannuation                          |
| RAM     | Royal Australian Mint                                 |
| RBA     | Reserve Bank of Australia                             |
| RBL     | Retirement Benefits Limits                            |
| RIMTF   | Retirement Income Modelling Task Force                |
| RPS     | Reportable Payments System                            |
| RSA     | Retirement Savings Accounts                           |
| (SA)    | Special Appropriation                                 |
| SAC     | Statement of Accounting Concepts                      |
| SATC    | Structural Adjustment and Trade Committee             |
| SBI     | Small Business Income                                 |
| SES     | Senior Executive Service                              |
| SHAR    | Superannuation Holding Accounts Reserve               |
| SIS     | Superannuation Industry Supervision                   |
| SPEED   | Standard Processing Environment for Economic Data     |
| SPP     | Specific Purpose Payments                             |
| SPR     | Superannuation                                        |
| SRA     | Special Revenue Assistance                            |
| STD     | AASB/AAS Standard                                     |
| SY      | Staff Years                                           |
| TPA     | The Pipeline Authority                                |
| TPA     | Trade Practices Act                                   |
| TPC     | Trade Practices Commission                            |
| TPD     | Taxation Policy Division                              |
| TPG     | Taxation Policy Group                                 |

## GLOSSARY OF ABBREVIATIONS AND ACRONYMS (CONTINUED)

|       |                                                           |
|-------|-----------------------------------------------------------|
| TRG   | Tax Reform Group                                          |
| TRIS  | Treasury Resource Information System                      |
| UMBER | Unclaimed Moneys and Benefits in Eligible Roll-over Funds |
| VNMS  | Voice Network Management System                           |
| WHT   | Withholding and Indirect Taxes                            |
| WTO   | World Trade Organisation                                  |