

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. This is the additional estimates process.
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.
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.
Appropriation	An authorisation by Parliament to spend monies from the Consolidated Revenue Fund.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.

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Capital Use Charge	The Capital Use Charge is a dividend requirement levied on Commonwealth General Government Sector agencies and authorities. The Capital Use Charge payment is based on those agencies and authorities Departmental net assets at financial year end. Funding for the Capital Use Charge is included in agencies and authorities Departmental price of outputs appropriation.
Departmental items	Assets, liabilities, revenues and expenses which 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	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievements of their 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. Indicators should be considered in relation to other indicators.
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.
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.

Historical cost	The original cost of acquisition of an asset, including any costs associated with acquisition. Under Australian Accounting Standard 10 'Acquisition of Non-Current Assets' assets need to be reported initially at acquisition (historical cost). The Commonwealth's financial reporting requirements issued under the Finance Minister's Orders require the subsequent revaluation of non current assets to their deprival value within every three years.
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 influenced by the actions of the Commonwealth. Actual outcomes are the results or impacts actually achieved.
Output groups	A logical aggregation of 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.
Price	The amount the government or the community pays for the delivery of agreed outputs.
Quality	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	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.
Special appropriations	Monies 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 Parliaments annual budget control, unlike the annual appropriations.

