

## **APPENDIX G: GLOSSARY**

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### **ACCRUAL ACCOUNTING STATEMENTS**

Consist of a Statement of Financial Performance, a Statement of Cash Flows and a Statement of Financial Position.

### **ADJUSTMENT FOR NET CAPITAL ACQUISITIONS**

This adjustment adds the depreciation charge back into the operating result and then adjusts for the financial impact of capital expenditure, new finance leases and asset sales.

### **APPROPRIATIONS**

The process by which monies are allocated by Parliament to Ministers for the purposes of funding agencies to provide goods and services to the public.

### **ASSETS**

Are controlled and provide future economic benefits.

### **AVERAGE STAFFING**

Represents the number of staff engaged on outputs produced by the program.

### **BUDGET-DEPENDENT AGENCIES**

Agencies that are predominantly funded from the Consolidated Fund, rather than user charges.

### **BUDGET RESULT**

Is equal to the GFS Net Lending measure and broadly represents the Government's capacity to reduce the State's Net Financial Liabilities.

## **CASH FLOWS FROM FINANCING ACTIVITIES**

Shows all payments and receipts relating to changing the size or composition of an organisation's financial structure. Changes to borrowings are shown in this section.

## **CASH FLOWS FROM INVESTMENTS IN FINANCIAL ASSETS**

Shows payments and receipts relating to financial assets.

## **CONSOLIDATED FUND**

The main banking account of the Government. It records:

- ◆ Taxes, fines, fees collected;
- ◆ Commonwealth grants;
- ◆ Financial distributions from non-General Government agencies; and
- ◆ Recurrent and capital appropriations to agencies.

## **EQUIVALENT FULL-TIME (EFT)**

Standard measure of staffing which measures an agency's labour force in terms of an equivalent number of full-time positions.

## **EXPENSES - EMPLOYEE RELATED**

Expenses include salaries and wages and employee entitlements such as superannuation and long service leave.

## **EXPENSES - OPERATING, DEPRECIATION AND GRANTS**

Includes all other operating expenses, maintenance of fixed assets, interest, depreciation and other expenses. Does not include expenditure on the purchase of assets.

## **GENERAL GOVERNMENT DEBT ELIMINATION ACT 1995**

The Act contains a number of provisions dealing with the coverage of the Budget and the standards to be used in presenting Budget data. Sets targets over time for the sound financial management of the State.

## **GENERAL GOVERNMENT NON BUDGET-DEPENDENT AGENCIES**

Agencies that do not rely on the Consolidated Fund for ongoing financial support, but which are not commercial agencies.

## **GENERAL GOVERNMENT SECTOR**

Consists of those public sector entities, which provide, in the main, goods and services outside the market mechanism as well as providing for the transfer of income for public policy purposes, in accordance with ABS definitions.

## **GFS CASH SURPLUS/(DEFICIT)**

Measures the direct financial impact of Government activity on the economy. In simple terms the surplus/(deficit) is equal to the net cash flows from operating activities and investing in non-financial assets.

## **GOVERNMENT FINANCE STATISTICS (GFS)**

A system developed by the International Monetary Fund and used by the Australian Bureau of Statistics to classify the financial transactions of governments and measure their impact on the rest of the economy.

## **LIABILITIES**

Are amounts owed to other parties. They are, by their nature, financial, and include debt obligations, unfunded superannuation, other employee entitlements and amounts payable to suppliers.

## **NET CASH FLOWS FROM OPERATING ACTIVITIES**

Shows all payments and receipts relating to normal business operations. Please note that payments and receipts are not the same as accrued expenses and revenue because the receipt or payment may relate to transactions, which occur in the previous or in the next financial year.

## **NET COST OF SERVICES**

Measures the net cost of providing Government services. It equals Operating Expenses less Operating Revenues, and excludes State Revenues.

## **NET DEBT**

Is broadly equal to gross borrowings less cash and investments.

## **NET FINANCIAL LIABILITIES**

Is broader in concept than Net Debt and best represents the financial position of the Government. It includes all liabilities (such as unfunded superannuation and insurance liabilities) less all financial assets (with the exception of the Government's equity in the PTE/PFE sectors).

## **NET INCREASE/(DECREASE) IN CASH HELD**

Shows the net result of all cash receipts and payments for the current financial year.

## **NET WORTH**

Represents total assets less total liabilities.

## **OPERATING REVENUES**

Includes revenue earned in the period, even if not yet received. Includes revenues from sale of goods and services, investment income and grants at individual agency level.

## **OPERATING STATEMENT/STATEMENT OF FINANCIAL PERFORMANCE**

Details the major categories of expenses and revenues of agencies and includes non-cash items such as depreciation and accruing superannuation entitlements. Also, the Statement reflects movements in accrued items such as accounts receivable and accounts payable.

## **OPERATING SURPLUS**

This is the accounting result for the current financial year, which corresponds to profit or loss in private sector reports. It equals State Revenues less the Net Cost of Services. The surplus includes all abnormal transactions.

## **OUTCOMES**

The results for the community, which the Government is seeking to influence.

## **OUTPUTS**

Goods and services provided by agencies to assist in the achievement of the Government's desired outcomes.

## **PROGRAM DESCRIPTION**

Explains the activities, which are grouped together within each program of an agency.

## **PROGRAM OBJECTIVES**

Statements about the broad aims of the program.

## **PROGRAM STATEMENTS**

Each program statement includes narrative material - program objectives and program description - as well as staffing and detailed financial information.

## **PUBLIC FINANCIAL ENTERPRISE (PFE)**

Agencies which have one, or more, of the following functions:

- ◆ that of a central bank;
- ◆ the acceptance of demand, time or savings deposits; or
- ◆ the authority to incur liabilities and acquire financial assets in the market of their own account.

## **PUBLIC TRADING ENTERPRISE (PTE)**

Agencies which charge for services provided and hence have a broadly commercial orientation.

## **SOCIAL PROGRAMS**

Non-commercial requirements imposed on Public Trading Enterprises by the Government.

## **STATE REVENUES**

Includes taxes, fines and fees, financial distributions from Government businesses and Commonwealth grants.

## **STATEMENT OF CASH FLOWS**

Contains cash inflows and outflows from the agency's main operations, together with cash flows derived from both investing and financing activities.

## **STATEMENT OF FINANCIAL POSITION**

Shows assets, liabilities and equity and is prepared for each agency and at a consolidated sector level.

## **STATE OWNED CORPORATION**

PTEs which have been established with a governance structure which mirrors as far as possible that of a publicly-listed company

## **TOTAL CASH FLOWS FROM INVESTMENTS IN NON-FINANCIAL ASSETS**

Shows payments and receipts relating to the purchase or sale of non-financial assets such as land, buildings and infrastructure assets.

## **TOTAL EXPENSES**

The total amount incurred in the provision of goods and services, regardless of whether a cash payment is made to meet the expense in the same year.

## **TOTAL STATE SECTOR**

Comprises the General Government Sector, the Public Financial Enterprise Sector and the Public Trading Enterprise Sector (also referred to as the Public Non Financial Corporations Sector).

