

APPENDICES

1997-98 PORTFOLIO PROGRAMME STRUCTURE

Programme	Sub-Programme
1. Treasury	<ul style="list-style-type: none"> 1.1 Domestic Economy 1.2 International Economy 1.3 Structural 1.4 Taxation 1.5 Fiscal 1.6 Debt Management 1.7 Investment 1.8 Financial & Currency 1.9 Business Law 1.10 Corporate Direction & Support
2. Royal Australian Mint (Not Budget Funded)	No Sub-Programmes
3. Australian Bureau of Statistics	<ul style="list-style-type: none"> 3.1 Statistical Operations 3.2 Corporate Services
4. Taxation Administration (Australian Taxation Office)	<ul style="list-style-type: none"> 4.1 Income & Other Taxes 4.2 Child Support Agency 4.3 Corporate Support
5. Productivity (Includes Industry Commission, Bureau of Industry Economics and Economic Planning Advisory Commission)	No Sub-Programmes
6. Australian Competition and Consumer Commission	<ul style="list-style-type: none"> 6.1 Compliance with the Trade Practices Act 6.2 Improvement in Market Conduct 6.3 Education & Information 6.4 Corporate Planning & Management
7. Insurance and Superannuation Commission	<ul style="list-style-type: none"> 7.1 Corporate Services 7.2 Life Insurance 7.3 Actuarial 7.4 Superannuation 7.5 General Insurance
8. Business Affairs	<ul style="list-style-type: none"> 8.1 Australian Securities Commission 8.2 Companies & Securities Advisory Committee
9. National Competition Council	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.

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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