

Portfolio glossary

Term	Meaning
Activities	The actions/functions performed by entities to deliver government policies.
Administered item	<p>Items ordinarily managed by, in contrast to being controlled by an entity on behalf of the government which are normally related to activities governed by eligibility rules and conditions established by the legislation (for example, grants, subsidies and benefit payments).</p> <p>This funding is not at the discretion of the entity and any unspent appropriation at the end of the financial year is returned to the Consolidated Revenue Fund. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.</p>
Administrative Arrangements Order	Administrative Arrangements Orders specify firstly, the subject matters, and secondly, the legislation dealt with by government departments and Ministers.
Appropriation	An amount of public money the Parliament authorises for drawing from the Consolidated Revenue Fund. The Parliament makes laws for appropriating money under the annual Appropriation Acts and under Acts other than annual Appropriation Acts which contain Special Appropriation provisions, with spending restricted to the purposes specified in the Acts.
Budget Paper 1 (BP No. 1)	Budget Strategy and Outlook - provides information on the economic and fiscal outlook for the Australian Government, including information on the government's fiscal strategy.
Budget Paper 2 (BP No. 2)	Budget Measures - provides a description of each budget measure (receipts and payments) by portfolio.
Budget Paper 3 (BP No. 3)	Australia's Federal Relations - provides information and analysis on federal funding

Term	Meaning
	provided to the states, territories and local government.
Budget Paper 4 (BP No. 4)	Agency Resourcing - contains information on resourcing for Australian Government entities (including special appropriations, special accounts and a summary of agency resourcing).
Consolidated Revenue Fund	The principal operating fund from which money is drawn to pay for activities of the government. Section 81 of the Australian Constitution provides all revenue raised or monies received by the executive government forms one Consolidated Revenue Fund, from which appropriations are made for the purposes of the Australian Government.
Departmental item	Resources (assets, liabilities, revenues and expenses) directly controlled by the entity's accountable authority that are components of a departmental program. Examples include entity running costs, accrued employee entitlements, net appropriations and outsourced activities funded and controlled by the entity.
Entities	Commonwealth entities and companies, as defined under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act), within the general government sector, the High Court of Australia and the Future Fund Board of Guardians.
Estimated actual expenses	Details of the current year's estimated final figures included in the Budget documentation. As the Budget is generally released in May each year (in conventional Budget Year), prior to the end of the financial year on 30 June, the current year figures included for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses which do not involve a cash flow impact in the Budget year are generally excluded from the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed (i.e. the Australian National

Term	Meaning
	Audit Office [ANAO] audit services — the ANAO does not charge most entities for audit services however the expense must be recognised). Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts sought from Parliament.
Forward estimates period	The 3 financial years following the Budget year. For example, where 2026–27 is the Budget year, 2027–28 is forward year one, 2028–29 is forward year 2 and 2029–30 is forward year 3.
General government sector	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Australian Government. The general government sector provides public services that are mainly non-market in nature and for the collective consumption of the community or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Intended result	A key part of an outcome statement that describes the goal or objective of an entity. The intended result is typically distilled from the government's economic, social, health or environmental policy goals.
Machinery of government changes	A change that occurs when the government decides to change the way Commonwealth responsibilities are managed, which ordinarily involves the movement of functions, resources and people from one entity to another.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance, fiscal balance, operating balance, headline cash balance, net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in BP No. 2, in the Mid-Year Economic and Fiscal

Term	Meaning
	Outlook and the Pre-election Economic and Fiscal Outlook.
Mid-Year Economic and Fiscal Outlook	The Mid-Year Economic and Fiscal Outlook provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
National specific purpose payments	A funding mechanism through which the Australian Government supports state efforts in delivering services in key sectors (e.g. health, schools, skills and training, disability services and affordable housing). The Commonwealth makes the payment to the states, for specific purposes in order to pursue important national policy objectives in areas that are administered by the States.
Official Public Account	The Australian Government's central bank account held within the Reserve Bank of Australia and managed by Finance that reflects the operations of the Consolidated Revenue Fund.
Operating expenditure (of heritage and cultural assets)	Expenditure items, excluding Depreciation, that Collection Institutions might include in the 'Operating expenditure for heritage and cultural assets' section of Table 3.6 and Table 3.11 include: <ul style="list-style-type: none"> • supply of goods and services, for example, outsourced repairs to artwork or insurance costs • direct labour on-costs, for example, the salaries and associated costs of staff researching and restoring items, lease of storage facilities • associated utility costs (electricity, water, gas) • cataloguing costs • containers and packaging and transportation

Term	Meaning
	<ul style="list-style-type: none"> • cleaning of collections and storage facilities and • substitution costs (preparation of copies/surrogates of artwork for public display). The costs above do not include full absorption costing such as an allocation for corporate administration costs or costs that are eligible to be capitalised.
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.
Outcome statement	<p>An outcome statement describes the intended results, activities and target group/s of an Australian Government entity. An outcome statement serves 3 main purposes within the financial framework:</p> <ul style="list-style-type: none"> • to explain and control the purposes for which annual appropriations are approved by the Parliament for use by entities • to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds • to measure and assess entity and program non-financial performance in contributing to government policy objectives.
Performance measure	<p>Used to measure entity effectiveness in achieving the government's outcomes. Performance measures must be measurable and may be qualitative or quantitative. Performance measures in the Portfolio Budget Statements are reported in the Annual Performance Statements, published in the Annual Report, for the same year.</p>
PB Statements	Portfolio Budget Statements, also commonly referred to as the PB Statements.
PGPA Act flipchart and list	The PGPA Act Flipchart, located on Finance's website, is a reference of all the non-corporate and corporate Commonwealth entities and companies (government bodies) that are subject to the PGPA Act.

Term	Meaning
	Commonwealth entities and companies on the Flipchart are organised by their portfolio.
Portfolio Additional Estimates Statements	The Portfolio Additional Estimates Statements (PAES) informs Parliament on updated entity expenditure estimates for the current Budget year and reflect changes since the Budget. The PAES, a supplement to the PB Statements, explains subsequent changes to Budget estimates as they appear in the Additional Estimates Appropriation Bills (No. 3 and 4).
Portfolio Budget Statements	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.
Pre-election Fiscal Outlook	The Pre-election Fiscal Outlook provides an update, to the fullest extent possible, on all government decisions and all other circumstances that may have a material effect on the economic, fiscal outlook prior to issuance of the writs for the election.
Primary Reporting and Information Management Aid	The Primary Reporting and Information Management Aid (PRIMA) Forms provide model financial statements which include the most common financial and related disclosures and presentation affecting entities. There are two separate sets of PRIMA Forms which illustrate the tiered reporting requirements of the Financial Reporting Rule (Tier 1, full disclosure; or Tier 2, Reduced Disclosure Requirements). The key principle of PRIMA Forms is to include disclosures that are required by most Australian Accounting Standards or the Financial Reporting Rule.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community, with the aim of achieving the intended result specified in an outcome statement.

Term	Meaning
Program support	The entity's running costs allocated to a program funded through an entity's departmental appropriations.
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	The PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting that applies to all Commonwealth entities and Commonwealth companies. The most current version of the PGPA Act is available from www.legislation.gov.au .
Purposes	The purposes of a Commonwealth entity include the objectives, functions or role of the entity.
Revenue	Total value of resources earned or received during the reporting period.
Right-of-Use (RoU) asset	Australian Accounting Standards Board 16 Leases (the Standard) removes the distinction between operating and finance leases for lessees and requires the recognition of an RoU asset and lease liability on the balance sheet for most leasing arrangements. From 1 July 2019, all Commonwealth entities and companies are required to report on their RoU assets and associated lease liabilities in their financial statements.
Senate Estimates Hearings	Senate Standing Committees hold hearings to scrutinise the Appropriation Bills and any explanatory documentation tabled to accompany them, as well as examine estimates of government expenditure. Public servants may be called to attend hearings as witnesses.
Strategic Direction Statement	The Strategic Direction Statement explains the year ahead for the entity, focusing on the items of most importance, recognising the major Budget decisions affecting the entity, the major ongoing functions, new functions and significant partnership arrangements, as well as upcoming challenges in the years ahead.

Term	Meaning
Sub-function	Government Finance Statistics classification of government expenses.
Target group	A specific group being targeted for assistance by government policy.
Third party payments	Payments made on behalf of another entity, or by other entities on behalf of the entity. For example, payments made in relation to Special Appropriations.
Transfer	Cash paid to recipients of the applicable program, including welfare payments and tax rebates.