



READER'S GUIDE TO THE 2001-02 BUDGET PAPERS



Reader's Guide to the 2001–02 Budget Papers

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2001-02 Budget Paper set includes:

Budget Paper No. 1 – Budget Speech
Budget Paper No. 2 – Budget Statements (Volumes 1–3)
Budget Paper No. 3 – Economic and Fiscal Outlook
Reader's Guide to the 2001–02 Budget Papers
Budget Overview
Growing Our State

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Foreword

This Guide has been prepared to assist readers with understanding the Budget Papers in general and the new financial reforms in the 2001–02 Budget.

The financial reforms are the introduction of accrual appropriations and a capital user charge. These are described in the New Concepts section on page 5.

The format of the Budget Papers has also been revised to give an improved presentation of the elements of the Budget. An additional column, showing the 2000–01 Budget figures for each agency, has been included in Budget Paper No. 2 to facilitate more comprehensive analysis and comparison with the current year's budget and forward estimates.

Feedback is welcome and can be directed to the Department of Treasury and Finance.

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The 2001–02 Budget Papers

BUDGET PAPER NO. 1 – 2001–02 BUDGET SPEECH

The budget speech delivered by the Treasurer, the Hon. E S Ripper B.A., Dip.Ed., MLA, to Parliament on 13 September 2001.

BUDGET PAPER NO. 2 – 2001–02 BUDGET STATEMENTS (VOLUMES 1 TO 3)

Details of Consolidated Fund Expenditure in total and in detail by agency.

- Chapter 1 – Consolidated Fund Expenditure Estimates
- Chapter 2 – Net Appropriation Determinations
- Chapter 3 – Agency Information in Support of the Estimates

BUDGET PAPER NO. 3 – 2001–02 ECONOMIC AND FISCAL OUTLOOK

Projected whole of government financial information together with key assumptions and economic factors taken into account when framing the budget. Chapter 3 is particularly relevant as it explains how the Government intends to deliver the commitments that it made before the recent State election.

- Chapter 1 – Economic and Fiscal Outlook – Summary
- Chapter 2 – Fiscal Strategy and Financial Projections
- Chapter 3 – Delivering our Commitments
- Chapter 4 – The Western Australian Economy
- Chapter 5 – Federal Affairs
- Chapter 6 – Structural Reform
- Appendix 1 – Detailed Financial Projections
- Appendix 2 – General Government Operating Revenue
- Appendix 3 – Tax and Royalty Expenditure Statement
- Appendix 4 – State Government Social Concessions Expenditure Statement
- Appendix 5 – Capital Works Program Summary of Expenditure and Sources of Funding
- Appendix 6 – Public Corporations – Revenue and Expenses

2001–02 BUDGET OVERVIEW

Key features of the Budget in simple form.

GROWING OUR STATE

Major initiatives promoted by the Government and regional information on the economy, population and labour market.

READER'S GUIDE TO THE BUDGET PAPERS

Explanation and illustration of the main content of the Budget Papers.

Budget Scope and Presentation

BUDGET SCOPE

All agencies receiving appropriations from the Consolidated Fund are included in Budget Paper No. 2. This includes all departments and the majority of other agencies in the general government sector. The capital works programs of public non-financial and public financial corporations are also included in Chapter 3 of Budget Paper No. 2.

The projected whole of government financial position is reported in Chapter 2 of Budget Paper No. 3 with more detailed reports in Appendix 1 to that Paper.

BUDGET PRESENTATION

Chapter 1 of Budget Paper No. 2 summarises the estimated expenditure from the Consolidated Fund. The Item numbers in this Chapter form the basis for the annual Appropriation Bills presented to Parliament.

Chapter 2 of Budget Paper No. 2 summarises the net appropriation determinations and the agencies to which they apply. These determinations allow the agencies to retain revenue received and to apply that revenue to production of the outputs as specified in the Budget Papers.

Chapter 3 of Budget Paper No. 2 presents detailed information on revenue, expenditure and output performance for each agency. The financial statements in this Chapter are prepared on the accrual basis in accordance with Australian Accounting Standards. This is the presentation used for financial statements in agency annual reports.

The budget for each agency is expressed in terms of funding provided to produce outputs. These outputs are intended to achieve the Government's policy objectives, known as "outcomes". Agencies are required to disclose measures of output quantity, quality, timeliness and cost together with appropriate performance targets. It is against these targets that the performance of each agency is assessed.

In Budget Paper No. 3 the Detailed Financial Projections in Appendix 1 are prepared on the accrual basis in accordance with the standards for government finance statistics (GFS). These are the standards used for the Uniform Presentation Framework (UPF) adopted throughout Australia, facilitating comparisons between jurisdictions.

The accrual UPF is the result of a revision, made last year, to the 1991 agreement between State, Territory and Commonwealth jurisdictions to present common financial information in budgets, mid year and outturn reports.

The financial reports prepared under the UPF, based on GFS concepts, consist of an operating statement, balance sheet and statement of cash flows for each sector of government, being general government, public non-financial corporations and public financial corporations sectors, as well as two consolidated sectors being the total non-financial public sector and the total public sector. General government is treated as holder of equity in the other two sectors.

The financial projections prepared on the GFS basis are reconciled to the Australian Accounting Standards basis.

The general government sector includes agencies that operate primarily with Parliamentary appropriation funding and other self funded agencies with non-commercial functions such as the Gaming Commission of Western Australia.

Public non-financial corporations charge for goods and services on a largely commercial basis, and operate relatively independently of central government. In Western Australia, this sector includes agencies such as Western Power and the Water Corporation.

The public financial corporations sector includes those agencies that largely trade in financial assets and liabilities. These include the State's central borrowing authority (the Western Australian Treasury Corporation), home lending schemes (through Keystart), and the Insurance Commission of Western Australia.

A comprehensive listing of all agencies, and their classifications into general government sector agencies, public non-financial corporations and public financial corporations is contained in Appendix 1 to Budget Paper No. 3.

Under GFS standards, the operating statement recognises transactions. It does not recognise the impact of other changes in the value of assets such as revaluations and profits or losses on sale of assets. Because agency appropriations and transactions such as the capital user charge occur within the general government sector itself they net out on

consolidation and do not appear in the sector's aggregates.

The bottom line measure in the GFS operating statement is the net operating balance, being the excess of revenue over expenses. It excludes expenditure on the acquisition of capital assets but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation).

By including all accruing costs the net operating balance encompasses the full costs of providing government services making it a reliable measure of the Government's ability to sustain its operations over time.

That is, an operating surplus shows the Government has sufficient revenue to meet its operating expenses for the period, including depreciation of capital assets and emerging liabilities such as employee leave and superannuation entitlements. An operating deficit shows the opposite position and it follows that extended operations in a deficit position is not financially sustainable.

New Concepts

ACCRUAL APPROPRIATIONS TO AGENCIES

Accrual accounting and financial reporting were introduced in the 1993–94 financial year but until this year appropriations to agencies have continued to be expressed in cash terms.

Since the 1998–99 financial year the budget has been presented on the accrual basis to reflect the total cost of outputs produced by agencies.

Accrual appropriations which have been introduced in 2001–02 for the first time specify the total amount of resources, both cash and non-cash, to be made available to agencies for delivery of outputs.

Under the accrual appropriation regime there are three types of appropriation to an agency:

- for the purchase of outputs from the agency;
- capital contribution to expand the asset base of the agency; and
- administered grants, subsidies and transfer payments which the agency does not utilise but passes on to a third party.

The non-cash costs involved in providing outputs are accruing employee leave entitlements and asset depreciation. Employer superannuation contributions made by departments will be paid in cash and are therefore included in the appropriation for purchase of outputs. Unlike departments, statutory authorities have in the past made employer contributions in cash and consequently there is no change to their superannuation arrangements.

The non-cash portion of appropriations will be credited to holding accounts. Agencies will be able to draw these amounts in cash upon presentation of a business case (application), demonstrating that the cash expenditure relating to the amount held in the holding account is to be made in the budget year.

CAPITAL USER CHARGE

The capital user charge is a levy by government on the net value of assets used by agencies that receive funding for production of outputs through the budget process, in delivery of services to the public.

The rationale for this charge is acknowledgment that there is a cost associated with holding assets. For every asset held by an agency there is an opportunity cost, that is something foregone as a consequence of holding that asset. The opportunity cost is deemed to be the rate of return that could be achieved if the funds represented by the asset were to be realised and placed in a comparable investment. This deemed cost is generally described as the “cost of capital”.

The cost of capital is included in the cost of delivering outputs and by doing so the full cost of delivering services to the community is established.

Agency Information in Support of the Estimates

Chapter 3 of Budget Paper No. 2 is divided into divisions, with one division for each agency that receives an appropriation from the Consolidated Fund.

The outline of a typical Division is shown below:

APPROPRIATION AND FORWARD ESTIMATES
MISSION
SIGNIFICANT ISSUES AND TRENDS
MAJOR POLICY DECISIONS
OUTPUT AND APPROPRIATION SUMMARY
RESOURCE AGREEMENT
OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION
Outcome
<i>Output 1</i>
<i>Major Achievements for 2000-01</i>
<i>Major Initiatives for 2001-02</i>
Outcome
<i>Output 2</i>
<i>Major Achievements for 2000-01</i>
<i>Major Initiatives for 2001-02</i>
CAPITAL WORKS PROGRAM
CAPITAL CONTRIBUTION
FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE (Controlled)
STATEMENT OF FINANCIAL POSITION (Controlled)
STATEMENT OF CASH FLOWS (Controlled)
NOTE TO THE CONTROLLED CASH FLOW STATEMENT
STATEMENT OF FINANCIAL PERFORMANCE (Administered expenses and revenues)
STATEMENT OF FINANCIAL POSITION (Administered assets and liabilities)
STATEMENT OF CASH FLOWS (Administered transactions)
DETAILS OF CONTROLLED GRANTS, SUBSIDIES AND TRANSFER PAYMENTS
DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES
DETAILS OF THE ADMINISTERED TRANSACTIONS REVENUE
TRUST ACCOUNT DETAILS
NET APPROPRIATION DETERMINATION

(Note that Statements for administered transactions will not be relevant to all divisions.)

Illustration of Budget Tables

Appearing for each Division in Chapter 3 of Budget Paper No. 2

Illustrations are given of the more complex tables in the Budget Papers to assist with interpretation.

APPROPRIATION AND FORWARD ESTIMATES TABLE

	1999-00 Actual \$'000	2000-01 Budget \$'000	2000-01 Estimated Actual \$'000	2001-02 Budget Estimate \$'000	2002-03 Forward Estimate \$'000	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000
PURCHASE OF OUTPUTS							
Item 87 Net amount appropriated to purchase outputs				54,696			
Amount Authorised by Other Statutes – Salaries and Allowances Act 1975 – Lotteries Commission Act 1990				478 8,600			
Total appropriations provided to purchase outputs				63,774			
ADMINISTERED GRANTS SUBSIDIES AND TRANSFER PAYMENTS							
Item 88 Amount provided for Administered Grants, Subsidies and Transfer Payments				600			
CAPITAL							
Item 171 Capital Contribution				7,956			
GRAND TOTAL				72,333			

Amount appropriated through the budget process for purchase of the outputs of the agency for the year.

Amounts that are appropriated by Acts of Parliament other than the annual *Appropriation Act* for the year.

Total amount appropriated to the agency for purchase of outputs. This equals "Appropriation provided to purchase Outputs" in the Output and Appropriation Summary.

This amount is appropriated to the agency to increase the operating capacity of the agency mainly through the purchase of assets. It is analysed in the Capital Contribution Table (illustrated on page 9).

These amounts are not directly controlled by the agency and therefore do not form part of the cost of the outputs produced. They are controlled by Central Government and the agency administers the payments on its behalf.

Illustration of Budget Tables

Appearing for each Division in Chapter 3 of Budget Paper No. 2

OUTPUT AND APPROPRIATION SUMMARY TABLE

Gross accrual cost of each individual output to be produced by the agency in the financial year.

	1999-00 Actual \$'000	2000-01 Budget \$'000	2000-01 Estimated Actual \$'000	2001-02 Budget Estimate \$'000	2002-03 Forward Estimate \$'000	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000
PURCHASE OF OUTPUTS							
<i>Output 1:</i> Creation of, and the provision of access to, a diverse range of knowledge, information, arts and cultural experiences				27,085			
<i>Output 2:</i> Development and management of the State's natural, cultural and documentary collections				26,383			
<i>Output 3:</i> Support to Western Australia's arts and cultural industries				26,440			
Total Cost of Outputs				79,908			
Less Operating revenues				16,134			
Net Cost of Outputs				63,774			
Adjustments				-			
Appropriation provided to purchase Outputs				63,774			
ADMINISTERED GRANTS SUBSIDIES AND TRANSFER PAYMENTS							
Appropriation for Administered Grants Subsidies and Transfer Payments				600			
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs^(a)				7,959			
TOTAL CONSOLIDATED FUND APPROPRIATIONS				72,333			

Gross cost of all outputs for the financial year as per the Statement of Financial Performance (illustrated on page 10).

Revenue received by the agency that reduces the gross cost of outputs to give net cost of outputs.

Changes in cash balances and accrued balances such as accounts receivable and accounts payable between the beginning and end of the financial year may cause the accrual cost of outputs to vary from the amount appropriated to the agency in the financial year.

Agrees to "Total appropriations provided to purchase outputs" in Appropriation and Forward Estimates Table (illustrated on page 7).

Same amounts as appear in Appropriation and Forward Estimates Table (illustrated on page 7).

Illustration of Budget Tables

Appearing for each Division in Chapter 3 of Budget Paper No. 2

CAPITAL CONTRIBUTION TABLE

	1999-00 Actual \$'000	2000-01 Budget \$'000	2000-01 Estimated Actual \$'000	2001-02 Budget Estimate \$'000	2002-03 Forward Estimate \$'000	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000
Agrees to the total of the Capital Works Program.							
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program				9,177			
Working capital requirement							
Loan repayments				912			
				10,089			
LESS							
Borrowings				2,130			
Funding included in output appropriations Holding Account				-			
				-			
Capital Contribution				7,959			

Loan repayments are capital transactions not included in the cost of outputs. They affect only the Statement of Financial Position.

Borrowings are an external source of funding and reduce the funding required from the Consolidated Fund.

As explained on page 5 of this Guide, the non-cash portion of appropriations is credited to holding accounts and can be drawn in cash in future years.

Funding for some items in the capital works program may be included in "Purchase of Outputs". To also include such funding in the Capital Contribution Table would be duplication.

Illustration of Budget Tables

Appearing for each Division in Chapter 3 of Budget Paper No. 2

STATEMENT OF FINANCIAL PERFORMANCE (CONTROLLED)

	1999-00 Actual \$'000	2000-01 Budget \$'000	2000-01 Estimated Actual \$'000	2001-02 Budget Estimate \$'000	2002-03 Forward Estimate \$'000	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000
COST OF SERVICES							
Expenses from ordinary activities							
Salaries and allowances				25,114			
Superannuation				1,280			
Supplies and services				12,869			
Administration expenses				8,310			
Accommodation expenses				3,000			
Depreciation				6,056			
Net loss on disposal of non-current assets				-			
Borrowing costs				3,073			
Capital User Charge				5,000			
Grants, subsidies and transfer payments				15,206			
TOTAL COST OF SERVICES				79,908			
Revenues from ordinary activities							
User charges and fees				10,244			
Interest				890			
Net profit on disposal of non-current assets				-			
Grants and subsidies				2,000			
Other				3,000			
Total Revenues from Ordinary Activities				16,134			
NET COST OF SERVICES				63,774			
REVENUES FROM GOVERNMENT							
Appropriations				63,774			
TOTAL REVENUES FROM GOVERNMENT				63,774			
Change in Equity arising from restructuring				-			
CHANGE IN EQUITY RESULTING FROM OPERATIONS				-			
Extraordinary Items				-			
CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS				-			

Details of accrual operating costs in the financial year.

Accrual revenues of the agency that are retained by the agency and applied to the delivery of outputs.

Accrual net cost of provision of services by the agency in the financial year.

Total amount appropriated to the agency to purchase outputs. This agrees to the total in the "Appropriation and Forward Estimates Table".

Agencies may be subject to restructuring involving transfers of assets and liabilities to and from the agency. This represents the net change relating directly to restructuring as opposed to normal operations.

Certain items of revenue and expenditure are deemed by Accounting Standards to be extraordinary when they are outside ordinary operating activities and not likely to recur.

This represents the change in the "net worth" of the agency due to its operations in the financial year.

Illustration of Budget Tables

Appearing for each Division in Chapter 3 of Budget Paper No. 2

STATEMENT OF FINANCIAL POSITION (CONTROLLED)

	1999-00 Actual \$'000	2000-01 Budget \$'000	2000-01 Estimated Actual \$'000	2001-02 Budget Estimate \$'000	2002-03 Forward Estimate \$'000	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets				15,857			
Other financial assets (Investments)				208			
Receivables				1,360			
Inventories				774			
Restricted cash assets				1,756			
Amounts receivable for outputs				-			
Prepayments				180			
Other				300			
Total current assets				20,435			
NON-CURRENT ASSETS							
Amounts receivable for outputs				7,182			
Land and buildings				121,495			
Other financial assets (Investments)				2,479			
Plant, equipment and vehicles				6,482			
Library collections				32,109			
Works of art				28,385			
Other non-current assets				250			
Total non-current assets				198,382			
TOTAL ASSETS				218,817			
CURRENT LIABILITIES							
Provision for employee entitlements				3,331			
Payables				1,262			
Interest bearing liabilities (Borrowings)				1,221			
Interest payable				999			
Trust Funds				1,506			
Other liabilities				7,101			
Total current liabilities				15,420			
NON-CURRENT LIABILITIES							
Employee entitlements				2,920			
Interest bearing liabilities (Borrowings)				32,640			
Total non-current liabilities				35,560			
TOTAL LIABILITIES				50,980			
EQUITY							
Contributed equity				7,959			
Accumulated surplus/(deficit)				83,337			
Asset revaluation reserve				76,541			
Total equity				167,837			
TOTAL LIABILITIES AND EQUITY				218,817			

Assets that are either cash or are likely to be converted to cash within 12 months.

Assets that do not fall within the definition of current assets.

Current liabilities are those that are likely to be settled within 12 months.

Non-current liabilities are those that are not likely to be settled within 12 months.

The accumulated balance of capital contributions as shown in the "Appropriation and Forward Estimates Table".

Accumulated balance over time of the "Change in Equity after Extraordinary Items" from the Statement of Financial Performance.

Represents the difference between cost and current valuation of assets controlled by the agency.

The sum of assets less liabilities and represents the ownership interest of the Government in the agency.

Illustration of Budget Tables

Appearing for each Division in Chapter 3 of Budget Paper No. 2

STATEMENT OF CASH FLOWS (CONTROLLED)

	1999-00 Actual \$'000	2000-01 Budget \$'000	2000-01 Estimated Actual \$'000	2001-02 Budget Estimate \$'000	2002-03 Forward Estimate \$'000	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate
CASH FLOWS FROM GOVERNMENT							
Output appropriation				56,592			
Capital Contribution				7,959			
Holding Account				-			
Net cash provided by government				64,551			
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Salaries and related costs				(23,276)			
Superannuation payments				(1,280)			
Supplies and services				(15,079)			
Administration expenses				(7,840)			
Accommodation expenses				(3,000)			
Borrowing costs				(2,946)			
Capital User Charge				(5,000)			
Grants, subsidies and transfer payments				(14,519)			
Goods and Services Tax				(6,000)			
Receipts							
User charges and fees				9,879			
Interest				790			
Grants and subsidies				2,000			
Goods and Services Tax				6,000			
Other				4,427			
Net cash from operating activities				(55,844)			
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets				(8,417)			
Purchase of investments				(760)			
Receipts from the sale of non-current assets				1			
Net cash from investing activities				(9,176)			
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from borrowings				2,130			
Repayment of borrowings				(912)			
Net cash from financing activities				1,218			
NET INCREASE (DECREASE) IN CASH HELD				749			
Cash assets at the beginning of the reporting period				16,864			
Cash assets at the end of the reporting period				17,613			

Cash received by the agency from appropriations and drawdowns from the holding account.

Cash flows involved in the course of normal operations of the agency. These are the cash movements relating to the accrual-based figures for expenses and revenues in the Statement of Financial Performance.

Cash flows involved in purchase and sale of non-current assets.

Cash flows involved in new borrowings and repayment of borrowings. This includes borrowing from government sources.

Net total of all cash flows of the agency during the financial year.

Total of cash controlled by the agency at the beginning of the financial year.

Total of cash controlled by the agency at the end of the financial year.

Glossary

This glossary relates to terms used in this document and other Budget Papers. It is not exhaustive but is designed to provide readers with definitions or explanations of many of the terms contained in the Budget Papers.

AAS31	Australian Accounting Standard 31 (Financial reporting by Governments) is the principal accounting standard applicable to the Commonwealth and State Governments.
accrual appropriations	Appropriations that recognise the total amount of resources, both cash and non-cash, that are to be made available to agencies for delivery of outputs.
administered revenues/ expenses/assets/liabilities	Activities and functions that are managed by an agency on behalf of government and do not contribute to the outputs produced by the agency.
agency	Used generically to describe the organisational units within the public sector that deliver goods and services. These are mainly departments and statutory authorities.
appropriation	Parliamentary authorisation of expenditure made by agencies. The budget process includes the passage of Appropriation Bills by Parliament.
capital contributions	Appropriations that increase the operating capacity of an agency by being applied to purchase of assets (capital works program) or reduction of liabilities such as loan repayments.
capital user charge	A levy charged by government on the value of net assets (assets less liabilities) used by agencies in the delivery of outputs.
Consolidated Fund	The central ledger account administered by the Treasurer from which appropriations are paid and into which revenues of the Crown, such as State taxes, royalties and Commonwealth grants, are credited.
controlled revenues/ expenses/assets/liabilities	Functions and activities over which an agency has 'control' and is able to use to achieve its outcomes through delivery of outputs.
cost of capital	The expected return that is foregone by investing in an asset rather than in comparable financial securities. Also referred to as the opportunity cost of capital.
debt	An interest bearing liability held by an entity. The rate of interest on the debt is the cost of debt.
department	An organisational unit within the public sector, designated as a department by the Governor under section 35 of the <i>Public Sector Management Act 1994</i> .
depreciation	The portion of the cost or value of a non-current asset that is written off as an expense in the financial year. This recognises the consumption or loss of future economic benefits embodied in non-current assets that have limited useful lives.

<i>Financial Administration and Audit Act</i>	Commonly referred to as the <i>FAAA</i> , this statute sets out the framework of financial administration for departments and statutory authorities in the Western Australian public sector.
forward estimates	Estimates prepared on a three year rolling basis, of future funding requirements. These assume that there will be no significant change in government policy and are designed to provide a longer term perspective to the budget process.
full time equivalent	One full time equivalent equals one person working full-time for one financial year, calculated by dividing actual hours worked (excluding overtime) by award hours.
GFS net debt	The difference between gross debt and financial assets.
GFS net lending/borrowing	This is defined as the net operating balance less net acquisition of non-financial assets.
GFS net operating balance	The balance of the GFS operating statement. It is the difference between revenues and expenses for the period.
GFS net worth	Defined as assets less liabilities and shares/contributed capital. For the general government sector, net worth is assets less liabilities since shares and contributed capital is zero.
holding account	An account, administered by the Department of Treasury and Finance on behalf of each agency that holds credits for accumulated depreciation and leave expenses. The credits accumulate as an asset on the balance sheet of agencies and subject to government approval, may be drawn upon for the purpose of asset replacement (in the case of depreciation credits) or to meet emerging employee leave entitlements.
net appropriations	The revenues agencies are permitted to retain under the <i>FAAA</i> , and apply to agency outputs.
outcome	The intended result to be achieved through the production of outputs by government agencies.
output	The goods and services produced by government agencies with the intention of achieving stated outcomes.
output based management	The process whereby agencies are funded and have their performance assessed on the basis of the outputs they produce and the outcomes they achieve.

performance measures

Units of measurement used to determine and assess delivery of outputs. They measure the quantity, quality, timeliness and cost of all outputs.

statutory authority

An agency specified in Schedule 1 to the *Financial Administration and Audit Act 1985*. These agencies are established under specific legislation and for specific purposes.

