

## Glossary

<b>Cash Surplus/Deficit</b>	The Government Finance Statistics cash surplus or deficit is used. It is reported in the cash flow statement and measures the net impact of cash flows during the period.
<b>Community Service Obligation</b>	A community service obligation (CSO) arises when the Government requires a government business division or government owned corporation to carry out activities which it would not choose to do on a commercial basis or would only do at higher commercial prices. CSOs allow the Government to achieve identifiable community or social objectives that would not be achieved if left to commercial considerations.
<b>Commonwealth Own-Purpose Expenses</b>	Payments by the Commonwealth for goods and services and associated transfer payments for the conduct of its general government activities.
<b>Comprehensive Result</b>	Comprehensive result, also referred to as total change in net worth, is the net result of all items of revenue and expense recognised for the period and other movements in equity.
<b>Consumer Price Index</b>	A general indicator of the prices paid by household consumers for a specific basket of goods and services in one period, relative to the cost of the same basket in a base period.
<b>Contingent Liability</b>	A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.
<b>Finance Lease</b>	Lease agreements that transfer substantially all the risks and benefits relating to ownership of an asset from the lessor (legal owner) to the lessee (party using the asset).
<b>Fiscal Balance</b>	Fiscal balance, also referred to as net lending/borrowing, is an operating statement measure that differs from the net operating balance in that it includes spending on capital items but excludes depreciation. The fiscal balance measure more accurately reflects the cash requirements of a government in any given year. A net lending (or fiscal surplus) balance indicates that a government is saving more than enough to finance all its investment spending. A net borrowing (or fiscal deficit) position indicates that a government's level of investment is greater than its level of savings.
<b>General Government Sector</b>	An entity or group of entities mainly engaged in providing services or producing goods for the general public, such as education, health and policing services. Goods and services are provided free of charge or at nominal charges.
<b>Goods and Services Tax Revenue</b>	On 1 July 2000, the Commonwealth introduced the goods and services tax (GST). Payments from the Commonwealth return the GST revenue to the states and territories, replacing the previous general purpose grants.
<b>Government Business Division</b>	Government business divisions (GBDs) are Territory-controlled trading entities that follow commercial practices and are required to comply with competitive neutrality principles.
<b>Government Finance Statistics</b>	Refers to statistics that measure the financial transactions of governments and reflect the impact of those transactions on other sectors of the economy. Government Finance Statistics in Australia are developed by the Australian

	Bureau of Statistics in conjunction with all governments and are mainly based on international statistical standards, developed in consultation with member countries by the International Monetary Fund.
<b>Government Owned Corporation</b>	A government owned corporation (GOC) is an entity whose objectives are to operate at least as efficiently as any corporate business and maximise sustainable return to government. The <i>Government Owned Corporations Act</i> adopts the shareholder model of corporate governance and the Power and Water Corporation became the Territory's first GOC on 1 July 2002.
<b>Government Purpose Classification</b>	Classifies outlays or expenditure transactions by the purpose served, for example, health, education.
<b>Gross Domestic Product</b>	The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. Gross domestic product can be calculated by summing total output, total income or total expenditure.
<b>Gross State Product</b>	Similar to gross domestic product, except that it measures the total value of goods and services produced in a jurisdiction. It is the sum of all income, namely wages, salaries and profits, plus indirect taxes less subsidies. It can also be calculated by measuring expenditure, where it is the sum of state final demand and international and interstate trade, changes in the level of stocks and a balancing item.
<b>Guarantee</b>	An undertaking to answer for the debt or obligations of another person or entity.
<b>Indemnity</b>	A written undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.
<b>Intergovernmental Agreement</b>	An agreement signed by all states and the Commonwealth in December 2008 defining the framework for federal financial relations, encompassing Commonwealth funding to states through general revenue assistance, Specific Purpose Payments and National Partnership payments.
<b>Loan Council</b>	The Australian Loan Council coordinates borrowing by Australian and state governments. Current arrangements seek to emphasise transparency of public sector finances, through financial market scrutiny of proposed borrowing to restrict borrowing to prudent levels.
<b>Loan Council Allocation</b>	The nomination to the Loan Council of the level of financing required.
<b>National Partnership Agreement</b>	An agreement defining the objectives, outputs and performance benchmarks related to the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.
<b>Net Debt</b>	Net debt measures a government's net stock of selected gross financial liabilities less financial assets. It is calculated from the Uniform Presentation Framework balance sheet as the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

<b>Net Financial Liabilities</b>	Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the government. For the general government sector, its investment in the PNFC and PFC sectors are excluded. For the PNFC and PFC sectors, net financial liabilities is equal to negative net financial worth.
<b>Net Financial Worth</b>	Net financial worth measures a government's net holdings of financial assets. It is calculated from the Uniform Presentation Framework balance sheet as financial assets minus liabilities. Net financial worth is a broader measure than net debt, in that it incorporates provisions (such as superannuation, but excludes depreciation and doubtful debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities.
<b>Net Operating Balance</b>	The net operating balance is calculated from the Uniform Presentation Framework operating statement as the excess of revenue over expenditure. This measure, which excludes capital expenditure, provides a good measure of a government's position over time and an indication of the sustainability of the existing level of government service provision.
<b>Net Worth</b>	The Uniform Presentation Framework net worth measure provides a relatively comprehensive picture of a government's overall financial position. It is calculated as total assets less total liabilities less shares and other contributed capital. It includes a government's non financial assets, such as land and other fixed assets, which may be sold and used to repay debt, as well as its financial assets and liabilities, including debtors, creditors and superannuation liabilities. Net worth also shows asset acquisitions over time, giving an indication of the extent to which borrowings are used to finance asset purchases, rather than only current expenditure.
<b>Non Financial Public Sector</b>	The sector formed through a consolidation of the general government and public non financial corporation subsectors.
<b>Public Financial Corporations</b>	Government-controlled entities which perform central bank functions, and/or have the authority to incur liabilities and acquire financial assets in the market on their own account.
<b>Public Non Financial Corporations</b>	Public enterprises primarily engaged in the production of goods or services of a non financial nature, for sale in the market place, at prices which aim to recover most of the costs involved.
<b>Public Private Partnerships</b>	Public private partnerships (PPPs) is a term used to describe a method of procuring Government infrastructure and associated services. PPPs create opportunities with the private sector for increasing investment in social and economic infrastructure. The Territory's PPP policy framework, Territory Partnerships, defines the protocol for such commercial dealings between the public and private sectors.
<b>Specific Purpose Payments</b>	A Commonwealth financial contribution to support state delivery of services in a particular sector. Payments are made from the Commonwealth Treasury to state treasuries, and are appropriated to the relevant Northern Territory agency.
<b>State Final Demand</b>	Final consumption expenditure plus gross fixed capital formation in each jurisdiction. It represents the total expenditure on consumption and investment in a jurisdiction.
<b>Tax Equivalents Regime</b>	The mechanism to ensure that GBDs and GOCs incur tax liabilities similar to privately owned organisations. Thus, greater parity exists between the cost

structures of government-controlled trading entities and the private sector, aiding in the achievement of competitive neutrality.

#### Treasurer's Advance

An allocation of that name as specified in an *Appropriation Act*, which provides a pool of funds specifically set aside in each Budget to meet operational contingencies that arise during the year.

#### Uniform Presentation Framework

A uniform reporting framework (UPF) agreed by the Australian Loan Council in 2000, which is a revision of the agreement reached at the 1991 Premiers' Conference. The UPF was further updated and reissued in April 2008 to incorporate the new accounting standard AASB 1049 Whole of Government and General Government Sector Financial Reporting. The UPF specifies that the Commonwealth, state and territory governments will present a minimum set of budget and financial outcome information on the Government Finance Statistics basis, according to an agreed format and specified Loan Council reporting arrangements.