

# Appendix F:

## Abbreviations, acronyms and glossary

**Abbreviations** We use the following abbreviations in this report:

Abbreviation	Full spelling
FRD 101	FRD 101 <i>Application of Tiers of Australian Accounting Standards</i>
FRD 103	FRD 103 <i>Non-financial physical assets</i>

**Acronyms** We use the following acronyms in this report:

Acronym	Full spelling
AASB	Australian Accounting Standards Board
CSP	Commonwealth supported place
DJSIR	Department of Jobs, Skills, Industry and Regions
DTF	Department of Treasury and Finance
EFTSL	equivalent full-time student load
FRD	financial reporting direction
FTE	full-time equivalent
GGS	general government sector
Go8	Group of Eight
IT	information technology
KPI	key performance indicator
OTCD	Office of TAFE Coordination and Delivery
VAGO	Victorian Auditor-General's Office
VET	vocational education and training

**Glossary** The following terms are included in or relevant to this report

Term	Explanation
Reasonable assurance	We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to express an opinion or draw a conclusion against an audit objective with a high level of assurance. We call these audit engagements. See <a href="#">Our assurance services</a> fact sheet for more information.
Limited assurance	We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements assurance reviews and typically express our opinions in negative terms. For example, that nothing has come to our attention to indicate there is a problem.

Term	Explanation
	See <a href="#">Our assurance services</a> fact sheet for more information.
Adjusted liquidity ratio	A liquidity ratio measures if an entity can likely pay its liabilities in the immediate future using cash and short-term assets. An entity's adjusted liquidity ratio also includes its non-current investments. The ratio should ideally be above one, indicating that there are sufficient liquid assets to meet short-term liabilities.
Clear audit opinion	A clear or unmodified audit opinion means we have reviewed an entity's financial report and believe it is reliable and complies with relevant reporting requirements.
Controlled entity	A controlled entity is an entity that another party has the power to govern and make financial and operating decisions about.
Consolidated financial report	The financial report of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.
Cost approach	Cost approach (or current replacement cost) reflects the cost of replacing physical assets with their modern equivalents.
Depreciation and amortisation	Depreciation and amortisation is how entities spread the operational cost of a long-term asset, such as software or a building, over the years they use it. This represents how those assets lose value as they age, wear out, or become outdated.
Enterprise bargaining	Enterprise bargaining is a negotiated agreement between an employer and its employees (usually through a union) that sets out wages, working conditions and other employment terms specific to that workplace. The outcome of enterprise bargaining is an enterprise bargaining agreement.
EFTSL	EFTSL is a measure that represents the workload of a student enrolled in a course on a full-time basis for an academic year. One EFTSL equals one full-time study load for one year. Universities calculate EFTSL as per the <i>Higher Education Support (Administration) Guidelines 2022</i> .
Fair value or fair value accounting	Fair value accounting is when an entity values an asset based on its current price in the market. The entity also needs to consider how future events and conditions could affect the asset's value.
Fair value gains or losses on investments	Universities can choose to record changes in the fair value for some of their investments in their net result when they happen or when they sell the asset. Most universities record these changes in fair value within their net result for the year. They do this even if they have not sold the investment. This means their net result is susceptible to changes in fair value each year. When an investment's fair value goes up, it is called a fair value gain. When an investment's fair value goes down, it is called a fair value loss.
FTE	An FTE staff member represents the workload of one full-time employee. It is calculated based on the total hours worked by part-time employees or those with varied work schedules to equate to the hours of one full-time employee.
General government sector	The general government sector consists of all government departments and other public sector agencies that are controlled and largely financed by government.
Going concern	Going concern means that an entity is expected to be able to pay its debts when they fall due and continue to operate without any intention or need to liquidate or otherwise wind-up its operations for a period of at least 12 months from the date of the financial reports.
Group of Eight	According to its website, the Group of Eight 'comprises Australia's leading research-intensive universities – the University of Melbourne, the Australian National University, the University of Sydney, the University of Queensland, the University of Western Australia, the University of Adelaide, Monash University and UNSW Sydney'. It further states the Group of Eight is 'focussed on, and is a leader in, influencing the development and delivery of long-term sustainable national higher education and research policy, and in developing elite international alliances and research partnerships'.

Term	Explanation
Intangibles or intangible assets	An intangible asset is a non-financial asset without physical substance. It is controlled by an entity and is expected to generate future economic benefits. Examples includes software and patents.
Lease liabilities	Leases are contractual arrangements granting the right to use an asset in exchange for payments over an agreed period. The value of payments owed under these arrangements are lease liabilities.
Liquid assets	A liquid asset is an asset that an entity can easily change to cash. It includes cash equivalents such as term deposits, current assets and non-current investments such as listed shares and managed funds redeemable at call.
Material	We consider an error material if misstating it or not including it could influence a user's decision or understanding.
Misstatement	Misstatement means a difference between the amount, classification, presentation or disclosure of a reported financial report item and the amount, classification, presentation or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Net result margin	<p>An entity's net result is its revenue and income minus its expenses. The net result margin is the net result divided by total revenue and income.</p> <p>A positive result shows a surplus or profit and a negative result shows a deficit or loss. The larger the percentage, the stronger the result.</p> <p>This measures how efficiently entities earn and spend their revenue and income and helps compare entities of different sizes more fairly by putting them on the same scale.</p>
Producer Price Index	<p>The Australian Producer Price Indexes are a collection of indexes that measure the price change of products (goods and services) as they leave the place of production or as they enter the production process.</p> <p>This price change is measured from the perspective of the industries that produce goods and services. Other measures, such as the Consumer Price Index, measure price change from the consumers' perspective.</p>
Revenue and income	<p>Revenue is money or a benefit that an entity gets through a contract with another party. The entity records revenue when it fulfils its commitments in the contract. For example, when a university has delivered tuition to a student.</p> <p>Income is money or a benefit that an entity gets from any other source. In most cases, the entity records income immediately when it receives it. For example, when a university gets a cash donation or when one of its investments goes up in value.</p>
Significant entity	<p>FRD 101 defines an entity as a 'significant entity' if any of the following criteria is met:</p> <ul style="list-style-type: none"> <li>the entity is a government department or public financial corporation</li> <li>the entity is deemed to be a significant entity by DTF's deputy secretary – budget and finance based on qualitative considerations</li> <li>the entity's total expenses are greater than \$1 billion for each of the 2 preceding financial years, or</li> <li>the entity's total assets are greater than \$4 billion for each of the 2 preceding financial years.</li> </ul>
Teaching revenue	<p>Teaching revenue is income that a university gets from running courses.</p> <p>Most of this revenue is fees and charges from international students and Australian Government student grants for CSPs.</p> <p>A CSP is when the Australian Government pays for part of a student's course fees.</p>
Training revenue	<p>Government-funded revenue is paid by the Victorian Government and/or Australian Government for education services delivered for core qualifications, apprenticeships and Free TAFE.</p> <p>Fee for service revenue is paid by the Victorian Government and/or Australian Government, employers, industry bodies or students. This is revenue from commercial training and education services provided to students who are not eligible for government funding.</p> <p>Student fees and charges are paid by the student for their co-payment of course fees, materials or administration costs not otherwise funded by the government.</p>