Appendix E:
Abbreviations, acronyms and glossary

Acronyms

We use the following acronyms in this report:

Acronym	
ATO	Australian Tax Office
EFTSL	equivalent full-time student load
FTE	full-time equivalent
IT	information technology
VAGO	Victorian Auditor-General's Office

Glossary

This glossary includes an explanation of the types of engagements we perform:

Term	
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 our assurance services 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. See our assurance services fact sheet for more information.
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.
COVID-19	COVID-19 is a highly contagious respiratory illness caused by the novel coronavirus SARS-CoV-2, which emerged in late 2019.
Depreciation and amortisation	Depreciation and amortisation are when an entity spreads the cost of a long-term asset (either tangible or intangible) over the period of time that it plans to use it.
Enterprise bargaining agreement	An enterprise bargaining agreement 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.
EFTSL	One EFTSL represents one full-time study load for one year. Universities calculate EFTSL as per the *Higher Education Support (Administration) Guidelines 2022*.

Term	
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.
Franking credit	Franking credits are tax credits that come with dividends paid by Australian companies. These credits represent the tax the company has already paid on its profits. Shareholders can use these credits to reduce their own tax liabilities, including to an amount below zero (a tax refund).
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.
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.
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'.
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.
Operating cashflows	Operating cashflows include cash that an entity gets from its core business activities, such as receipts from students and the Australian Government, and payments it makes to run these activities, such as payments to suppliers and employees.
Revenue and income	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. 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.