Appendix G:

Abbreviations, acronyms and glossary

Abbreviations

We use the following abbreviations in this report:

Abbreviation	
VicTrack	Victorian Rail Track
WorkSafe	Victorian WorkCover Authority

Acronyms

We use the following acronyms in this report:

Acronym	
AFR	Annual Financial Report of the State of Victoria
AI	artificial intelligence
BCAP	Business Costs Assistance Program
CFO	chief financial officer
DGS	Department of Government Services
DJSIR	Department of Jobs, Skills, Industry and Regions
DJCS	Department of Justice and Community Safety
DTP	Department of Transport and Planning
DTF	Department of Treasury and Finance
FTE	full-time equivalent
GGS	general government sector
GSP	gross state product
ITE	income tax equivalent
IT	information technology
LHVF	Licensed Hospitality Venue Fund
MoG	machinery of government
PFC	public financial corporation
PNFC	public non-financial corporation
SRL	Suburban Rail Loop
TAC	Transport Accident Commission

Acronym	
TCV	Treasury Corporation of Victoria
TEI	total estimated investment
VAGO	Victorian Auditor-General's Office
VFF	Victorian Future Fund
VPS	Victorian Public Service

Glossary

This glossary explains key terms in this report:

Term	
Accountability	Accountability refers to the responsibility of public sector entities to achieve their objectives in the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and reporting to interested parties.
Adverse opinion	We make an adverse opinion when an entity's financial reports are misrepresented, misstated or do not accurately reflect the entity's financial health.
Asset	An asset is an item or resource controlled by an entity that will be used to generate future economic benefits.
Clear audit opinion	A clear audit opinion adds credibility to the financial report by providing reasonable assurance that reported information is reliable and accurate and complies with the requirements of relevant Australian Accounting Standards and applicable legislation.
Fiscal cash surplus/deficit	The cash surplus/deficit is calculated by: • net cashflows received from operating activities, which are the sum of cash received from sources, such as taxes and government grants, offset by cash spent on operating expenses, such as employee costs • plus net cashflows from investment in non-financial assets, being the sum of cash earned from investment activities, such as the sale of land and buildings, offset by cash spent on capital projects • less dividends received from public corporations.
Fiscal strategy	A fiscal strategy is a clear statement of the government's fiscal objectives and targets over a defined period. It sets out the government's short term and long-term fiscal strategies and objectives for managing its finances and existing and emerging risks. It also demonstrates how planned government policies will contribute to fiscal sustainability and macro-economic stability.
Fiscal sustainability	Fiscal sustainability is the ability of the government to maintain public finances at a credible and serviceable position now and into the future. Ensuring long-term fiscal sustainability requires governments to engage in ongoing monitoring and strategic forecasting of future revenue and expenditure, environmental factors and socioeconomic trends to remain financially resilient.
Funding position	Funding position shows the proportion of a superannuation fund's liability covered by the fund's assets. It is a measure of whether the fund has enough assets to pay out future benefits to its members.
Government bond	A government bond is a loan for a specified period with regular interest payments with repayment of face value in full at the maturity.
Insurance funding ratio	Insurance funding ratio is a funding ratio of available assets to estimated liabilities used to monitor the long-term financial sustainability of an insurance scheme.
Intergenerational equity	Intergenerational equity means fairly sharing economic costs and benefits of the government's fiscal policy decisions, such as taxation, public spending and borrowing across different generations.
Intra-sector or intra-entity transactions	Intra-sector or intra-entity transactions are financial transactions that occur between 2 entities in the same sector, or between 2 sectors of government. When an annual financial report is prepared, the accounts are adjusted so these transactions are not counted twice.
Key audit matters	Auditors may include a description of key audit matters in the auditor's report, as described in auditing standard ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*. Key audit matters are determined by the auditor as the matters of most significance to the audit. We voluntarily adopt key audit matter reporting for the AFR and material entities to enhance the value of our

Term	
	audit reports by providing greater transparency and insights about our audit process. Key audit matters are not opinions and are not necessarily adverse findings.
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.
Material	Omissions or misstatements of items are material if they could individually or collectively influence the economic decisions that users make on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.
Material entities	Material entities are the entities that account for most of the state's assets, liabilities, revenue and expenses. In forming our opinion on the AFR, we focus on the financial transactions and balances of these entities.
Net operating balance	Net operating balance is revenue from transactions minus expenses from transactions. It is the part of the change in net worth that can directly be attributed to government policies and is a key measure of GGS financial performance and operating sustainability. It is also known as net result from transactions.
Nominal value	Nominal value is the value measured in terms of absolute money amount without taking inflation or other factors into account.
Off-balance sheet	Off-balance sheet commitments are assets and liabilities that an entity has committed to but not yet included in its balance sheet.
Outstanding insurance claim	An outstanding insurance claim is a claim that the insuring entity is responsible for paying in the future where the claim arises from an event that occurred on or before the valuation date. The liability includes an allowance for claims that have occurred but have not yet been reported to the insuring entity.
Overall public sector	The overall public sector comprises of around 1,750 organisations, including 1,500 schools and 250 entities, such as hospitals, emergency services, water authorities, cemetery trusts, creative industry agencies and sport and recreation organisations. These agencies fall within both the GGS and public corporation sectors.
Public corporations	Public corporations are state-owned entities or statutory authorities established under legislation. They include: • PNFCs that provide a wide range of goods and services while meeting commercial principles through cost recovery via user fees and charges • PFCs that deal with financial aspects of the state. They have the power to borrow, accept deposits and acquire financial assets.
Qualified opinion	We express a qualified opinion when we: • have obtained sufficient evidence that misstatements are material but not pervasive to the financial report • are unable to obtain sufficient evidence that the possible effects of undetected errors could be material but not pervasive to the financial report.
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.