

Section 12 – Attachments and Reference Materials

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12.1 Attachment and Reference Materials

□ 12.1.1 Local Government Operational Guidelines:

- No 2 - Changing Methods of Valuation of Land
- No 8 - Opening and Closing Funds used in the Annual Budget
- No 9 - Audit Committees in Local Government
- No 11 – Use of Corporate Credit Cards
- No 13 - The Relationship Between Internal and External Audit
- No 17 - Delegations
- No 18 - Financial Ratios
- No 19 - Investment Policy

Note that all Local Government Operational Guidelines (including non-financial guidelines) can be accessed on the Department of Local Government's Website at:

<http://dlg.wa.gov.au/Content/Publications/LGGuidelines.aspx>

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12.2 Definition of Terms

Reference	Term	Definition
SAC 2.5	accountability	The responsibility to provide information to enable users to make informed judgments about the performance, financial position, financing and investing, and compliance of the reporting entity.
AASB 108.5, AASB 114.8	accounting policies	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial reports.
AASB 112.5	accounting profit	The profit or loss for a period before deducting tax expense.
F.22	accrual basis of accounting	The effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial reports of the periods to which they relate.
AAS 25.10	accrued benefits	Benefits the plan is presently obliged to transfer in the future to members and beneficiaries as a result of membership of the plan up to the reporting date and, in the case of defined contribution plans, encompasses benefits which have been allocated to individual members' accounts and benefits not yet so allocated.
AASB 1038.20.1	acquisition costs	The fixed and variable costs of acquiring new business, including commissions and similar distribution costs, and costs of accepting, issuing and initially recording policies. (Acquisition costs relate to the costs incurred in acquiring specific life insurance contracts during the reporting period. They do not include the general growth and development costs incurred by a life insurer.)
AASB 3.A	acquisition date	The date on which the acquirer effectively obtains control of the acquiree.
AASB 136.6, AASB 138.8, AASB 141.8	active market	A market in which all the following conditions exist: (a) the items traded within the market are homogeneous; (b) willing buyers and sellers can normally be found at any time; and (c) prices are available to the public.
AASB 119.72-73	actuarial assumptions	An entity's unbiased and mutually compatible best estimates of the demographic and financial variables that will determine the ultimate cost of providing post-employment benefits.
AASB 119.7	actuarial gains and losses	Actuarial gains and losses comprise: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.

Reference	Term	Definition
AASB 136.6, AASB 138.8	amortisation (depreciation*)	The systematic allocation of the depreciable amount of an asset over its useful life. * In the case of an intangible asset or goodwill, the term 'amortisation' is generally used instead of 'depreciation'. Both terms have the same meaning.
AASB 139.9	amortised cost of a financial asset or financial liability	The amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.
AASB 101.Aus11.1	annual reporting period	The financial year or similar period to which an annual financial report relates.
AASB 138.8, (F.49(a))	asset	A resource: (a) controlled by an entity as a result of past events; and (b) from which future economic benefits are expected to flow to the entity. Future economic benefits controlled by the entity as a result of past transactions or other past events.
AAS 27.12, AAS 29.17.1, AAS 3 1.22.1		
AASB I.A, AASB 101.Aus11.1	Australian equivalents to IFRSs	Australian equivalents to IFRSs comprise: (a) Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are equivalent to Standards issued by the International Accounting Standards Board (IASB), being AASBs 1 - 99 corresponding to the IFRS series and AASBs 101 - 199 corresponding to the IAS series; and (b) UIG Interpretations issued by the AASB corresponding to the Interpretations adopted by the IASB, as listed in AASB 1048 <i>Interpretation and Application of Standards</i> .
AASFI 139.9	available-for-sale financial assets	Those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.
AASB 130.2	bank	A financial institution one of whose principal activities is to take deposits and borrow with the objective of lending and investing and which is within the scope of banking or similar legislation.
AASB 123.4	borrowing costs	Interest and other costs incurred by an entity in connection with the borrowing of funds.

Reference	Term	Definition
AASB 3.A	business	<p>An integrated set of activities and assets conducted and managed for the purpose of providing:</p> <p>(a) a return to investors; or</p> <p>(b) lower costs or other economic benefits directly and proportionately to policyholders or participants.</p> <p>A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set shall be presumed to be a business.</p>
AASB 114.9	business segment	A distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.
AAS 22.13	business undertaking	Any financial or business undertaking or scheme that is carried on by means of, or through, an unincorporated association, a joint venture, partnership or trust.
AAS 22.13, AAS 3 1.22.1	capacity	<p>Ability or power, whether direct or indirect, and includes ability or power that is presently exercisable as a result of, by means of, in breach of, or by revocation of, any of or any combination of the following:</p> <p>(a) trusts;</p> <p>(b) relevant agreements; and</p> <p>(c) practices; whether or not enforceable.</p>
F. 102	capital	<p>Under a financial concept of capital, such as invested money or invested purchasing power, the net assets or equity of the entity. The financial concept of capital is adopted by most entities.</p> <p>Under a physical concept of capital, such as operating capability, the productive capacity of the entity based on, for example, units of output per day.</p>
AASB 123.11	capitalisation	Recognising a cost as part of the cost of an asset.
AASB 136.6, AASB 116.6, AASB 138.8	carrying amount	The amount at which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon.
AASB 140.5, AASB 141.8		The amount at which an asset is recognised in the balance sheet.
AASB 107.6	cash	Cash on hand and demand deposits.
AASB 107.6	cash equivalents	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reference	Term	Definition
AASB 132.52(d)	cash flow interest rate risk	The risk that future cash flows of a monetary financial instrument will fluctuate because of changes in market interest rates. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.
AASE 107.6	cash flows	Inflows and outflows of cash and cash equivalents.
AASB 136.6, AASB 5.A	cash generating unit	The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
AASB 108.5	change in accounting estimate	An adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.
AASB 116.37, (AASB 132.55)	class of assets	Grouping of assets of a similar nature and use in an entity's operations.
AAS 31.22.1	class of non-current assets	A category of non-current assets having a similar nature or function in the operations of the entity, which category, for the purpose of disclosure in the financial report, is shown as a single item without supplementary dissection.
AAS 31.22.1	comparability	Means that quality of financial information which exists when users of that information are able to discern and evaluate similarities in, and differences between, the nature and effects of transactions and events, at one time and over time, either when assessing aspects of a single reporting entity or of a number of reporting entities.
SAC 2.5	compliance	Adherence to those statutory requirements, regulations, rules, ordinances, directives or other externally-imposed requirements in respect of which non-compliance may have, or may have had, a financial effect on the reporting entity.
AASB 5.A	component of an entity	Operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.
AASB 132.28	compound instrument	A financial instrument that, from the issuer's perspective, contains both a liability and an equity element.
AASB 127.4, AASB 128.2	consolidated financial statements	The financial statements of a group presented as those of a single economic entity.

Reference	Term	Definition
AASB 137.10	constructive obligation	An obligation that derives from an entity's actions where: <ul style="list-style-type: none"> (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.
AASB 137.10	contingent asset	A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
AASB 137.10, AASB 3.A	contingent liability	<ul style="list-style-type: none"> (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognised because: <ul style="list-style-type: none"> (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; (ii) the amount of the obligation cannot be measured with sufficient reliability.
AASB 117.4	contingent rent	That portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time, (eg. percentage of future sales, amount of future use, future price indices, future market rates of interest).
AASB 132.13	contract	An agreement between two or more parties that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable at law. Contracts may take a variety of forms and need not be in writing.
AASB 1004.A, AAS 27.12, AAS 29.17.1, AAS 31.22.1	contributions	Non-reciprocal transfers to the entity.
AASB 3.A, AASB 1004.A, AAS 27.12, AAS 29.17.1, AAS 31.22.1	contribution by owners	Future economic benefits that have been contributed to the entity by parties external to the entity, other than those which result in liabilities of the entity, that give rise to a financial interest in the net assets of the entity which: <ul style="list-style-type: none"> (a) conveys entitlement both to distributions of future economic benefits by the entity during its life, such distributions being at the discretion of the ownership group or its representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or (b) can be sold, transferred or redeemed.

Reference	Term	Definition
AAS 22.13, AAS 3 1.22.1, AAS 29.17.1, SAC 1.6	control	The capacity of an entity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of another entity so as to enable that other entity to operate with it in achieving the objectives of the controlling entity.
AASB 124.9, AASB 127.4, AASB 128.2, (AASB 131.3), (AASB 3.A)	control (of an entity)	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
AAS 29.17.1, AAS 31.22.1	control of an asset	The capacity of the entity to benefit from the asset in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.
AASB 116.6, AASB 138.8, AASB 140.5	cost	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or when applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards, eg. AASB 2 <i>Share-based Payment</i> .
AASB 127.4	cost method	A method of accounting for an investment whereby the investment is recognised at cost. The investor recognises income from the investment only to the extent that the investor receives distributions from retained earnings of the investee arising after the date of acquisition. Distributions received in excess of such earnings are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.
AAS 3 1.22.1	cost of acquisition	The purchase consideration plus any costs incidental to the acquisition.
AASB 102.10	cost of inventories	All costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
AASB 136.6	costs of disposal	Incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.
AASB 5.A	costs to sell	The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.
AASB 132.52(b)	credit risk	The risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
AASB 132.52(a)(i)	currency risk	A market risk – The risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Reference	Term	Definition
AASB 101.57, AASB 5.A	current asset	An asset that satisfies any of the following criteria: (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is expected to be realised within twelve months after the reporting date; or (d) it is cash or a cash equivalent (as defined in AASB 107 <i>Cash Flow Statements</i>) unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
F.100(b)	current cost	The amount of cash or cash equivalents that would have to be paid if the same or an equivalent asset was acquired currently. The undiscounted amount of cash or cash equivalents that would be required to settle an obligation currently.
AASB 101.60	current liabilities	A liability shall be classified as current when it satisfies any of the following criteria: (a) it is expected to be settled in the entity's normal operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is due to be settled within twelve months after the reporting date; or (d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities shall be classified as non-current.
AASB 102.Aus6.1	current replacement cost	The cost the entity would incur to acquire the asset on the reporting date.
AASB 119.7	current service cost	The increase in the present value of the defined benefit obligation resulting from employee service in the current period.
AASB 112.5	current tax	The amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.
AASB 1.A	date of transition to Australian equivalents to IFRSs	Time beginning of the earliest annual reporting period for which an entity presents full information under Australian equivalents to IFRSs as comparative information in its first Australian-equivalents-to-IFRSs financial report.
AASB 112.5	deductible temporary difference	A temporary difference that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

Reference	Term	Definition
AASB 112.5	deferred tax assets	The amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.
AASB 112.5	deferred tax liabilities	The amounts of income taxes payable in future periods in respect of taxable temporary differences.
AASB 119.7	defined benefit obligation (present value of)	The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.
AASB 116.6, (AASB 136.6, AASB 138.8)	depreciable amount	The cost of an asset, or other amount substituted for cost, less its residual value.
AAS 27.12, AAS 29.17.1, AAS 31.22.1	depreciable asset	A non-current asset having a limited useful life.
AASB 136.Aus6.2	depreciated replacement cost	The current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.
AASB 116.6, AASB 136.6	depreciation (amortisation) *	The systematic allocation of the depreciable amount of an asset over its useful life. * In the case of an intangible asset, the term 'amortisation' is generally used instead of 'depreciation'. The two terms have the same meaning.
AASB 139.9	de-recognition (of a financial instrument)	De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's balance sheet.
AASB 139.9	derivative	A financial instrument or other contract within the scope of this Standard (see paragraphs 2-7) with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the underlying); (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date.

Reference	Term	Definition
AASB 132 AG 15-16	derivative financial instruments	<p>Financial instruments such as financial options, futures and forwards, interest rate swaps and currency swaps, which create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risks inherent in an underlying primary financial instrument.</p> <p>On inception, derivative financial instruments give one party a contractual right to exchange financial assets or financial liabilities with another party under conditions that are potentially favourable, or a contractual obligation to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable.</p> <p>However, they generally do not result in a transfer of the underlying primary financial instrument on inception of the contract, nor does such a transfer necessarily take place on maturity of the contract.</p> <p>Some instruments embody both a right and an obligation to make an exchange. Because the terms of the exchange are determined on inception of the derivative instrument, as prices in financial markets change those terms may become either favourable or unfavourable.</p>
AAS 29.17.1, AAS 3 1.22.1	distributions to owners	Future economic benefits distributed by the entity to all or part of its ownership group, either as a return on investment or as a return of investment.
AASB 118.5	dividends	Distributions of profits to holders of equity investments in proportion to their holdings of a particular class of capital.
AAS 22.13, AAS 29.17.1, (AASB 1046.12.1) SAC 1.6	economic entity	<p>A group of entities comprising the parent entity and each of the entities that it controls.</p> <p>A group of entities comprising a controlling entity and one or more controlled entities operating together to achieve objectives consistent with those of the controlling entity.</p>
AASB 117.4	economic life	<p>Either:</p> <p>(a) the period over which an asset is expected to be economically usable by one or more users; or</p> <p>(b) the number of production or similar units expected to be obtained from the asset by one or more users.</p>
AAS 29.17.1	economy	The extent to which resources of a given quality were acquired at the lowest acquisition cost.
AAS 29.17.1	effectiveness	The extent to which the entity achieved the objectives established for its operations or activities, whether those objectives were expressed in terms of outputs or outcomes.
AAS 29.17.1	efficiency	The extent to which the entity maximised the outputs produced from a given set of inputs or minimised the input cost of producing a given level and quality of outputs.

Reference

AASB 139.9

Term	Definition
<p>effective interest method</p>	<p>The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.</p> <p>The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.</p> <p>When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see AASB 118), transaction costs, and all other premiums or discounts.</p> <p>There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).</p>
<p>embedded derivative</p>	<p>A component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.</p> <p>An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable.</p> <p>A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.</p>
<p>employee</p>	<p>A natural person (including a director) appointed or engaged under a contract for services who is subject to the direction of an employer in respect of the manner of execution of those services, whether on a full-time, part-time, permanent, casual or temporary basis.</p>
<p>employee benefits</p>	<p>All forms of consideration given by an entity in exchange for service rendered by employees.</p>

AASB 139.10

AASB 1046.12.1

AASB 119.7

Reference	Term	Definition
AASB 132.11, AASB 2.A, AASB 1046.12.1	equity instrument	A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.
AASB 2.A	equity instrument granted	The right (conditional or unconditional) to an equity instrument of the entity conferred by the entity on another party, under a share-based payment arrangement.
AASB 128.2, (AASB 131.3)	equity method	A method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.
	equivalent full time employees	Refers to the number of employees and includes full-time employees, part-time employees and casual staff measured on a full-time equivalent basis.
AASB 110.3	events after the reporting date	Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial report is authorised for issue. Two types of events can be identified: (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).
AAS 27.12, AAS 29.17.1, AAS 3 1.22.1	expenses	Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Consumptions or losses of future economic benefits in the form of reductions in assets or increases in liabilities of the entity, other than those relating to distributions to owners, that result in a decrease in equity during the reporting period.

Reference	Term	Definition
AASB 102.6, (AASB 116.6), AASB 117.4, AASB 118.7, (AASB 119.7), AASB 121.8, AASB 132.11, (AASB 138.8), AASB 139.9, AASB 140.5, AASB 1.A, (AASB 2.A), AASB 3.A, AASB 4.A, AASB 5.A, AASB 1023.19.1, AASB 1038.20.1, AAS 29.17.1, AAS 3 1.22.1, AASB 120.3, AAS 22.13, AAS 27.12	fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
AASB I 32.52(a)(ii)	fair value interest rate risk	A market risk – The risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
AASB 136.6	fair value less costs to sell	The amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.
AASB 102.27	FIFO (first-in, first-out)	The assumption that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.
AASB 117.4	finance lease	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Reference	Term	Definition
AASB 132.11, AASB 1023.19.1, AASB 1038.20.1	financial asset	Any asset that is: <ul style="list-style-type: none"> (a) cash; (b) an equity instrument of another entity; (c) a contractual right: <ul style="list-style-type: none"> (i) to receive cash or another financial asset from another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable; or (d) a contract that will or may be settled in the entity's own equity instruments and is: <ul style="list-style-type: none"> (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
AASB 139.9	financial asset or financial liability at fair value through profit or loss	A financial asset or financial liability that meets either of the following conditions: <ul style="list-style-type: none"> (a) it is classified as held for trading. A financial asset or financial liability is classified as held for trading if it is: <ul style="list-style-type: none"> (i) acquired or incurred principally for the purpose of selling or repurchasing it in the near term; (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (b) a derivative (except for a derivative that is a designated and effective hedging instrument).
AAS 31.22.1	financial institution	<ul style="list-style-type: none"> (a) an entity (including an economic entity) whose principal activity is to take deposits or borrow, or both take deposits and borrow, with the objective of lending or investing in financial assets other than equity instruments, but excluding: <ul style="list-style-type: none"> (i) entities which take deposits or borrow principally from other entities in the economic entity (ii) general insurers, life insurers and superannuation plans; or (b) an entity (including an economic entity) subject to the <i>Banking Act 1959</i> or any replacement legislation.
AASB 132.11, AASB 1023.19.1, AASB 1038.20.1	financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Reference	Term	Definition
AASB 132.11, AASB 1023.19.1, AASB 1038.20.1	financial liability	Any liability that is: (a) a contractual obligation: (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
F.47	financial position	The relationship of the assets, liabilities, and equities of an entity, as reported in the balance sheet.
SAC 2.5		The economic condition of a reporting entity, having regard to its control over resources, financial structure, capacity for adaptation and solvency.
AASB 4.A, AASB 1023.19.1, AASB 1038.20.1	financial risk	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
AASB 101.8, (F.7)	financial statements	A complete set of financial statements comprises: (a) balance sheet; (b) income statement; (c) a statement showing either: (i) all changes in equity; or (ii) changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders; (d) a cash flow statement; and (e) notes, comprising a summary of significant accounting policies and other explanatory notes.
AASB 107.6	financing activities	Activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.
SAC 2.5	financing and investing	Those activities of a reporting entity that relate to the financing of its operations and the investment of its resources.

Reference	Term	Definition
	fine	Penalties levied by a council on a person or entity for infringements such as parking, overdue 'library books and non-licensing (ie. dogs etc.).
AASB 1.A	first Australian-equivalents-to-IFRSs financial report	The first annual financial report in which an entity adopts Australian equivalents to IFRSs, by an explicit and unreserved statement of compliance with Australian equivalents to IFRSs.
AASB 119.49	funding	Contributions by an entity, and sometimes its employees, into an entity, or fund, that is legally separate from the reporting entity and from which the employee benefits are paid.
AASB 1023.19.1	future claims	Claims in respect of insured events that are expected to occur in future reporting periods under policies where the attachment date is prior to the reporting date.
F.53	future economic benefit	<p>The potential to contribute, directly or indirectly, to the flow of cash and cash equivalents to the entity.</p> <p>The potential may be a productive one that is part of the operating activities of the entity.</p> <p>It may also take the form of convertibility into cash or cash equivalents or a capability to reduce cash outflows, such as when an alternative manufacturing process lowers the costs of production.</p>
F.75	gains	Increases in economic benefits and as such are no different in nature from revenue.
AASB 101.Aus11.1, AAS 22.13, AAS 25.10, AAS 27.12, AAS 29.17.1, AAS 31.22.1, SAC 1.6, SAC 2.5	general purpose financial report	A financial report intended to meet the information needs common to users who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.
AASB 1023.19.1	general reinsurance contract	A reinsurance contract that is not a life reinsurance contract.
AASB 101.23-24, F.23	going concern	<p>The entity is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future.</p> <p>It is assumed that the entity has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.</p>
AASB 3.A	goodwill	Future economic benefits arising from assets that are not capable of being individually identified and separately recognised.

Reference	Term	Definition
AASB 120.3	government assistance	<p>Action by government designed to provide an economic benefit specific to an entity or range of entities qualifying under certain criteria.</p> <p>Government assistance for the purpose of this Standard does not include benefits provided only indirectly through action affecting general trading conditions, such as the provision of infrastructure in development areas or the imposition of trading constraints on competitors.</p>
AAS 29.17.1	government department	A government controlled entity, created pursuant to administrative arrangements or otherwise designated as a government department by the government which controls it.
AASB 120.3, AASB 141.8	government grants	<p>Assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.</p> <p>They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.</p>
AASB 2.A (AASB 1046.12.1)	grant date	<p>The date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.</p> <p>At grant date the entity confers on the counterparty the right to cash, other assets, or equity instruments of the entity, provided the specified vesting conditions, if any, are met.</p> <p>If that agreement is subject to an approval process (for example, by shareholders), grant date is the date when that approval is obtained.</p>
AASB 120.3	grants related to assets	<p>Government grants whose primary condition is that an entity qualifying for them shall purchase, construct or otherwise acquire long-term assets.</p> <p>Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.</p>
AASB 120.3	grants related to income	Government grants other than those related to assets.
AASB 139.9	hedge effectiveness	The degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument (see AASB 139 Appendix A paragraphs AG 105 – AG 113).

Reference	Term	Definition
AASB 139.9	hedged item	<p>A hedged item is an asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that -</p> <ul style="list-style-type: none"> (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged (AASB 139 paragraphs 78 – 84 and Appendix A paragraphs AG 98 – AG 101 elaborate on the definition of hedged items).
AASB 139.9	hedging instrument	<p>A designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item. (AASB 139 paragraphs 72 – 77 and Appendix A paragraphs AG 94 – AG 97 elaborate on the definition of a hedging instrument).</p>
AASB 139.9	held-to-maturity investment	<p>Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity (see Appendix A paragraphs AG 16 – AG25) other than:</p> <ul style="list-style-type: none"> (a) those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity designates as available for sale; and (c) those that meet the definition of loans and receivables. <p>An entity shall not classify any financial assets as held to maturity if the entity has, during the current annual reporting period or during the two preceding annual reporting periods, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to- maturity investments) other than sales or reclassifications that:</p> <ul style="list-style-type: none"> (a) are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; (b) occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or (c) are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.
AASB 117.6	hire-purchase contract	<p>The definition of a lease includes contracts for the hire of an asset which contain a provision giving the hirer an option to acquire title to the asset upon the fulfilment of agreed conditions. These contracts are sometimes known as hire-purchase contracts.</p>

Reference	Term	Definition
F.100(a)	historical cost	Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.
AASB 116.6, AASB 136.6, AASB 138.8	impairment loss	The amount by which the carrying amount of an asset exceeds its recoverable amount.
AASB 118.11	imputed rate of interest	The more clearly determinable of either: (a) the prevailing rate for a similar instrument of an issuer with a similar credit rating; or (b) a rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.
F.70(a)	income	Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants.
AASB 117.4	incremental borrowing rate of interest (lessee's)	The rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.
AASB 107.18(b)	indirect method of reporting cash flows from operating activities	Under this method, profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.
	infrastructure assets	Non current assets that comprise the public facilities that provide essential services and enhance the productive capacity of the economy.
AASB 117.4	initial direct costs	Incremental costs that are directly attributable to negotiating and arranging a lease, except for such costs incurred by manufacturer or dealer lessors.
AASB 138.8, AASB 3.A	intangible asset	An identifiable non-monetary asset without physical substance.
AASB 117.4	interest rate implicit in the lease	The discount rate that at the inception of the lease, causes the aggregate present value of – (a) the minimum lease payments and (b) the unguaranteed residual value to be equal to the sum of : (i) the fair value of the leased asset, and (ii) any initial direct costs of the lessor.
AASB 134.1	interim financial report	A financial report containing either a complete financial report (as described in AASB 101) or a condensed financial report (as described in AASB 134) for an interim period.

Reference	Term	Definition
AASB 134.4	interim period	A reporting period shorter than a full annual reporting period.
AASB 1.A, AASB 101.11, AASB 108.5	International Financial Reporting Standards (IFRSs)	Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; and (c) interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).
AASB 2.A	intrinsic value	The difference between the fair value of the shares to which the counterparty has the (conditional or unconditional) right to subscribe or which it has the right to receive, and the price (if any) the (counterpart) is (or will be) required to pay for those shares. For example, a share option with an exercise price of CU 15,* on a share with a fair value of CU 20, has an intrinsic value of CU 5. * Monetary items are denominated in 'currency units' (CU)
AASB 102.6, AASB 102.8	inventories	Assets: (a) held for sale in the ordinary course of business; (b) in the process of production for such sale; or (c) in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories encompass goods purchased and held for resale including, for example, merchandise purchased by a retailer and held for resale, or land and other property held for resale. Inventories also encompass finished goods produced or work in progress being produced, by the entity and include materials and supplies awaiting use in the production process. In the case of a service provider, inventories include the costs of the service, as described in paragraph 19, for which the entity has not yet recognised the related revenue (see AASB 118 Revenue).
AASB 102.Aus6.1	inventories held for distribution	Assets: (a) held for distribution at no or nominal consideration in the ordinary course of operations (b) in the process of production for distribution at no or nominal consideration in the ordinary course of operations; or (c) in the form of materials or supplies to be consumed in the production process or in the rendering of services at no or nominal consideration.

Reference	Term	Definition
AASB 107.6	investing activities	The acquisition and disposal of long-term assets and other investments not included in cash equivalents.
AASB 1038.20.1	investment-linked	Where the benefit amount under a life insurance contract or life investment contract is directly linked to the market value of the investments held in the particular investment-linked fund.
AASB 140.5	investment property	Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.
AASB 1313	investor in a joint venture	A party to a joint venture and does not have joint control over that joint venture.
AASB 124.9	joint control	The contractually agreed sharing of control over an economic activity.
AASB 128.2, AASB 131.3		Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).
AASB 131.3 AASB 3.A	joint venture	A contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.
AASB 131.24	jointly controlled entity	A joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity.
AAS 27.12 AAS 29.17.1	land under roads	Land under roadways, and road reserves (including land under footpaths, nature strips and median strips).
AASB 117.4	lease	An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.
AASB 117.4	lease term	The non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise.
AASB 137.10	legal obligation	An obligation that derives from: (a) a contract (through its explicit or implicit terms); (b) legislation; or (c) other operation of law.

Reference	Term	Definition
AASB 137.10, F.49(b)	liability	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
AAS 27.12, AAS 29.17.1, AAS 3 1.22.1		The future sacrifice of economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events.
AASB 130.7, (F.16)	liquidity	The availability of sufficient funds to meet deposit withdrawals and other financial commitments as they fall due.
AASB 132.52(c)	liquidity risk	The risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.
AASB 139.9	loans and receivables	Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale. An interest acquired in a pool of assets that are not loans or receivables (for example, an interest in a mutual fund or a similar fund) is not a loan or receivable.
F.79	losses	Decreases in economic benefits and as such they are no different in nature from other expenses.
AASB 2.A, AASB 1046.12.1, AASB 1046A.3.I	market condition	A condition upon which the exercise price, vesting or exercisability of an equity instrument depends, that is related to the market price of the entity's equity instruments, such as attaining a specified share price or a specified amount of intrinsic value of a share option, or achieving a specified target that is based on the market price of the entity's equity instruments relative to an index of market prices of equity instruments of other entities.
AASB 132.52(a)	market risk	Market risk includes three types of risk*. Market risk embodies not only the potential for loss but also the potential for gain. * Currency risk, fair value interest rate risk, price risk. See respective definitions.

Reference	Term	Definition
F.95	matching of costs with revenues	<p>Expenses are recognised in the income statement on the basis of a direct association between the costs incurred and the earning of specific items of income.</p> <p>This process involves the simultaneous or combined recognition of revenues and expenses that result directly and jointly from the same transactions or other events.</p> <p>However, the application of the matching concept does not allow the recognition of items in the balance sheet which do not meet the definition of assets or liabilities.</p>
AASB 101.11, AASB 108.5, AASB 1031.A	material	<p>Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial report.</p> <p>Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.</p> <p>The size or nature of the item, or a combination of both, could be the determining factor.</p>
F.30	materiality	<p>Information is material if its non-disclosure could influence the economic decisions of users taken on the basis of the financial report.</p>
F.99	measurement	<p>The process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the balance sheet and income statement.</p>
AASB 2.A	measurement date	<p>The date at which the fair value of the equity instruments granted is measured for the purposes of this Standard.</p> <p>For transactions with employees and others providing similar services, the measurement date is grant date.</p> <p>For transactions with parties other than employees (and those providing similar services), the measurement date is the date the entity obtains the goods or the counterparty renders service.</p>
AASB 117.4	net investment in the lease	<p>The gross investment in the lease discounted at the interest rate implicit in the lease.</p>
AAS 25.10	net market value	<p>The amount which could be expected to be received from the disposal of an asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of such a disposal.</p>

Reference	Term	Definition
AASB 102.6 AASB 102.7	net realisable value	<p>The estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Net realisable value refers to the net amount that an entity expects to realise from the sale of inventory in the ordinary course of business. Fair value reflects the amount for which the same inventory could be exchanged between knowledgeable and willing buyers and sellers in the marketplace. The former is an entity-specific value; the latter is not. Net realisable value for inventories may not equal fair value less costs to sell.</p>
F.36	neutrality	Freedom from bias of the information contained in financial reports.
AASB 5.A	non-current asset	An asset that does not meet the definition of a current asset.
AASB 1004.A, AAS 27.12, AAS 29.17.1, AAS 3 1.22.1	non-reciprocal transfer	A transfer in which the entity receives assets or services or has liabilities extinguished without directly giving approximately equal value in exchange to the other party or parties to the transfer.
AASB 102.Aus6.1, AASB 114.Aus8.1, AASB 116.Aus6.1, AASB 136.Aus6.2	not-for-profit entity	An entity whose principal objective is not the generation of profit. A not-for-profit entity can be a single entity or a group of entities comprising the parent and each of the entities that it controls.
AASB 137.10	obligating event	An event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.
F.60	obligation	<p>A duty or responsibility to act or perform in a certain way. Obligations may be legally enforceable as a consequence of a binding contract or statutory requirement.</p> <p>Obligations also arise, however, from normal business practice, custom and a desire to maintain good business relations or act in an equitable manner.</p>
AASB 137.10	onerous contract	A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.
AASB 107.6, AASB 114.8	operating activities	The principal revenue-producing activities of an entity and other activities that are not investing or financing activities.
AASB 101.59	operating cycle	The time between the acquisition of assets for processing and their realisation in cash or cash equivalents.
AASB 117.4	operating lease	A lease other than a finance lease.

Reference	Term	Definition
AASB 133.5	options, warrants and their equivalents	Financial instruments that give the holder the right to purchase ordinary shares.
	overheads	<p>Those elements of indirect cost necessary in the carrying out of works or providing services that are of such a nature that the amount applicable to a work or service cannot be determined accurately or readily.</p> <p>Usually they relate to those objects of expenditure, which do not become an integral part of the work or service, such as management, supervision and labour on-costs.</p>
AASB 140.5	owner-occupied property	Property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes.
AAS 22.13	ownership interest	The percentage of capital of an entity held, whether such capital is held directly or indirectly.
AASB 111.25	percentage of completion method	A method by which contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.
F.47	performance	The relationship of the income and expenses of an entity, as reported in the income statement.
SAG 2.5		The proficiency of a reporting entity in acquiring resources economically and using those resources efficiently and effectively in achieving specified objectives.
AASB 119.7	post-employment benefits	Employee benefits (other than termination benefits) which are payable after the completion of employment.
AASB 1046.12.1		Employee benefits (other than termination benefits and share-based payment compensation) that are payable after the completion of employment.
F.100 (d)	present value	A current estimate of the present discounted value of the future net cash flows in the normal course of business.
AASB 132.52(a)(iii)	price risk	A market risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all securities traded in the market.
AASB 132.AG15	primary financial instruments	Financial instruments such as receivables, payables and equity securities, that are not derivative financial instruments.

Reference	Term	Definition
AASB 108.5	prior period errors	<p>Omissions from, and misstatements in, the entity's financial reports for one or more prior periods arising from a failure to use, or misuse of, reliable information that:</p> <ul style="list-style-type: none"> (a) was available when financial reports for those periods were authorised for issue; and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial reports. <p>Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.</p>
AASB 3.A, AASB 5.A	probable	More likely than not.
F.105, F.107	profit	<p>The residual amount that remains after expenses (including capital maintenance adjustments, where appropriate) have been deducted from income.</p> <p>Any amount over and above that required to maintain the capital at the beginning of the period is profit.</p>
AASB 116.6	property, plant and equipment	<p>Are tangible items that:</p> <ul style="list-style-type: none"> (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.
AASB 137.10	provision	A liability of uncertain timing or amount.
F.37	prudence	The inclusion of a degree of caution in the exercise of the judgements needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.
AASB 123.4	qualifying assets	An asset that necessarily takes a substantial period of time to get ready for its intended use or sale.
F.100(c)	realisable value	The amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.
AAS 31.22.1	reciprocal transfer	A transfer in which the entity receives assets or services or has liabilities extinguished and directly gives approximately equal value in exchange to the other party or parties to the transfer.
AAS 22.13, (AAS 27.12), (AAS 29.17.1), (AAS 3 1.22.1)	recognised	Reported on, or incorporated in amounts reported on, the face of the profit and loss or other operating statement or of the statement of financial position (whether or not further disclosure of the item is made in notes thereto).

Reference	Term	Definition
F.82 F.83	recognition	<p>The process of incorporating in the balance sheet or income statement an item that meets the definition of an element and satisfies the following criteria for recognition:</p> <p>(a) it is probable that any future economic benefit associated with the item will flow to or from the entity; and</p> <p>(b) the item has a cost or value that can be measured with reliability.</p>
AASB 136.6, AASB 5.A (AASB 116.6)	recoverable amount	The higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use.
AASB 124.9	related party transaction	A transfer of resources, services or obligations between related parties, regardless of whether a price is charged.
F.26	Relevance	<p>Information has the quality of relevance when it influences the economic decisions of users by helping them evaluate past, present or future events or confirming, or correcting, their past evaluations.</p> <p>It means that quality of financial information which exists when that information influences decisions by users about the allocation of scarce resources by:</p> <p>(a) helping them form predictions about the outcomes of past, present or future events; and/or</p> <p>(b) confirming or correcting their past evaluations;</p> <p>and which enables users to assess the rendering of accountability by preparers.</p>
AAS 31.22.1	Relevance	<p>Information has the quality of relevance when it influences the economic decisions of users by helping them evaluate past, present or future events or confirming, or correcting, their past evaluations.</p> <p>It means that quality of financial information which exists when that information influences decisions by users about the allocation of scarce resources by:</p> <p>(a) helping them form predictions about the outcomes of past, present or future events; and/or</p> <p>(b) confirming or correcting their past evaluations;</p> <p>and which enables users to assess the rendering of accountability by preparers.</p>
F.31	reliability	<p>Information has the quality of reliability when it is free from material error and bias and can be depended upon by users to represent faithfully that which it either purports to represent or could reasonably be expected to represent.</p> <p>It means that quality of financial information which exists when that information can be depended upon to represent faithfully, and without bias or undue error, the transactions or events that either it purports to represent or could reasonably be expected to represent.</p>
AAS 3 1.22.1	reliability	<p>Information has the quality of reliability when it is free from material error and bias and can be depended upon by users to represent faithfully that which it either purports to represent or could reasonably be expected to represent.</p> <p>It means that quality of financial information which exists when that information can be depended upon to represent faithfully, and without bias or undue error, the transactions or events that either it purports to represent or could reasonably be expected to represent.</p>
AASB 1.A AAS 22.13, AAS 25.10, AAS 29.17.1	reporting date	<p>The end of the latest period covered by a financial report or by an interim financial report.</p> <p>The end of the reporting period to which the financial report relates.</p>

Reference	Term	Definition
AASB 3.A	reporting entity	An entity in respect of which it is reasonable to expect the existence of users who rely on the entity's general purpose financial report for information that will be useful to them for making and evaluating decisions about the allocation of resources. A reporting entity can be a single entity or a group comprising a parent and all of its subsidiaries.
AAS 22.13, AAS 25.10, AAS 27.12, AAS 29.17.1, AAS 3 1.22.1, SAC 2.5		An entity (including an economic entity) in respect of which it is reasonable to expect the existence of users dependent on general purpose financial reports for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources.
AASB 138.8	research	Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.
AASB 116.6	residual value	The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.
AASB 116.6, AASB 138.8	residual value (of an intangible asset)	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
	restricted assets	Assets the uses of which are restricted, wholly or partially, by regulations or other externally imposed requirements where those restrictions are relevant to assessments of the performance, financial position or financing and investing of the local government. The total and restricted amounts of these assets shall be disclosed, together with details of the nature and extent of these restrictions.
AASB 108.5	retrospective application	Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.
AASB 108.5	retrospective restatement	Correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.
F.81	revaluation	Restatement of assets and liabilities.
AASB 116.31	revalued amount of an asset	The fair value of an asset at the date of a revaluation less any subsequent accumulated depreciation and accumulated impairment losses.

Reference	Term	Definition
AASB 118.7, AASB 114.8	revenue	The gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.
AAS 27.12, AAS 29.17.1, AAS 3 1.22.1		Inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of the entity, other than those relating to contributions by owners, that result in an increase in equity during the reporting period.
AASB 101.Aus11.1	special purpose financial report	A financial report other than a general purpose financial report.
AASB 3.A, AASB 127.4, AASB 128.2 (AASB 1046.12.1), (AAS 29.17.1)	subsidiary	An entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).
	subsidy	In relation to National Competition Policy, represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.
F.35 (AASB 108.7-10)	substance over form	The principle that transactions and other events are accounted for and presented in accordance with their substance and economic reality and not merely their legal form.
AASB 139.9	transaction costs (financial instruments)	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability (see AASB 139 Appendix A paragraph AG 13). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.
F.25	Understand-ability	Information provided in financial reports has the quality of understandability when it is comprehensible to users who have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information with reasonable diligence.
AAS 29.17.1		It means that quality of financial information which exists when users of that information are able to comprehend its meaning.
AASB 117.4	useful life	The estimated remaining period, from the commencement of the lease term, without limitation by the lease term, over which the economic benefits embodied in the asset are expected to be consumed by the entity. Either: (a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by the entity.
AASB 116.6, AASB 136.6, AASB 138.8		

Reference	Term	Definition
AASB 5.A (AASB 136.6)	value in use	The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
AASB 102.12	variable production overheads	Those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.
AASB 131.3	venturer	A party to a joint venture that has joint control over that joint venture.
AASB 2.A	vest	To become an entitlement. Under share- based payment arrangement, a counterparty's right to receive cash, other assets, or equity instruments of the entity vests upon satisfaction of any specified vesting conditions.
AAS 25.10	vested benefits	Benefits, the members' rights to which, under the terms of a superannuation plan, are not conditional upon continued plan membership or any factor other than resignation from the plan.
AASB 102.27	weighted average cost method	Under this method, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period. The average may be calculated on a periodic basis, or as each additional shipment is received, depending upon the circumstances of the entity.

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12.3 List of Current Accounting Standards

- AASB 1 *First-time Adoption of Australian Accounting Standards*
- AASB 2 *Share-based Payment*
- AASB 3 *Business Combinations*
- AASB 4 *Insurance Contracts*
- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
- AASB 6 *Exploration for and Evaluation of Mineral Resources*
- AASB 7 *Financial Instruments: Disclosures*
- AASB 8 *Operating Segments*
- AASB 9 *Financial Instruments*
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 101 *Presentation of Financial Statements*
- AASB 102 *Inventories*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 110 *Events after the Reporting Period*
- AASB 111 *Construction Contracts*
- AASB 112 *Income Taxes*
- AASB 116 *Property, Plant and Equipment*
- AASB 117 *Leases*
- AASB 118 *Revenue*
- AASB 119 *Employee Benefits [This Standard applies to annual reporting periods beginning on or after 1 January 2013.]*
- AASB 119 *Employee Benefits*
- AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*
- AASB 121 *The Effects of Changes in Foreign Exchange Rates*
- AASB 123 *Borrowing Costs*
- AASB 124 *Related Party Disclosures*
- AASB 127 *Separate Financial Statements*

- AASB 127 *Consolidated and Separate Financial Statements [superseded by AASB 10 & 127, as issued in August 2011]*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 128 *Investments in Associates [superseded by AASB 128, as issued in August 2011]*
- AASB 129 *Financial Reporting in Hyperinflationary Economies*
- AASB 131 *Interests in Joint Ventures [superseded by AASB 11, as issued in August 2011]*
- AASB 132 *Financial instruments: Presentation*
- AASB 133 *Earnings per Share*
- AASB 134 *Interim Financial Reporting*
- AASB 136 *Impairment of Assets*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB 138 *Intangible Assets*
- AASB 139 *Financial Instruments: Recognition and Measurement*
- AASB 140 *Investment Property*
- AASB 141 *Agriculture*
- AASB 1004 *Contributions*
- AASB 1023 *General Insurance Contracts*
- AASB 1031 *Materiality*
- AASB 1038 *Life Insurance Contracts*
- AASB 1039 *Concise Financial Reports*
- AASB 1048 *Interpretation of Standards*
- AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
- AASB 1050 *Administered Items*
- AASB 1051 *Land Under Roads*
- AASB 1052 *Disaggregated Disclosures*
- AASB 1053 *Application of Tiers of Australian Accounting Standards*
- AASB 1054 *Australian Additional Disclosures*

Amending Pronouncements and Errata (not yet fully compiled)

- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131,*

- 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]
 - AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements*
[AASB 101 & AASB 1054]
 - AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*
[AASB 124]
 - AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements*
[AASB 127, AASB 128 & AASB 131]
 - AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*
[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]
 - AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*
[AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]
 - AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*
[AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]
 - AASB 2011-12 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements*
Amendments to Australian Accounting Standards arising from Interpretation 20
[AASB 1]
 - AASB 2012-1 *Amendments to Australian Accounting Standards - Fair*

- AASB 2012-2 *Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]*
 - AASB 2012-3 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]*
 - AASB 2012-4 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]*
 - AASB 2012-5 *Amendments to Australian Accounting Standards – Government Loans [AASB 1]*
- Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]*

Recent Amending Pronouncements and Errata (fully compiled)

- AASB 2009-12 *Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]*
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]*
- AASB 2010-5 *Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]*
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]*
- AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]*
- AASB 2010-9 *Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]*
- AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters*

[AASB 2009-11 & AASB 2010-7]

- *AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]*
- *AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]*
- *AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]*
- *AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*
- *AASB 2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049*

AAS Standards

- *AAS 25 Financial Reporting by Superannuation Plans*