

# Glossary of Defined Terms (Updated to 30 September 2015)

This Glossary contains the defined terms from Australian Accounting Standards. References are by Standard and paragraph number or appendix reference.

The Glossary also includes terms defined in the *Framework for the Preparation and Presentation of Financial Statements*, CF 2013-1 *Amendments to the Australian Conceptual Framework* and Statements of Accounting Concepts SAC 1 *Definition of the Reporting Entity*. References to the *Framework* and CF 2013-1 are denoted by F and CF 2013-1, respectively. References to Statements of Accounting Concepts are denoted by SAC.

References shown in italics indicate minor variations in wording.

The definitions referenced are generally those from the most recent Standards. In addition, the relevant definitions from some superseded, but still applicable Standards, are retained. Different versions of Standards are identified by the issue or amended date in brackets included in the footnotes.

<b>12-month expected credit losses</b>	The portion of <b>lifetime expected credit losses</b> that represent the <b>expected credit losses</b> that result from default events on a financial instrument that are possible within the 12 months after the reporting date.	AASB 9.A
<b>ABS GFS Manual</b>	Australian Bureau of Statistics (ABS) publications <i>Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005</i> (ABS Catalogue No. 5514.0) and <i>Amendments to Australian System of Government Finance Statistics, 2005</i> (ABS Catalogue No. 5514.0) published on the ABS website.	AASB 1049.A
<b>accounting policies</b>	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.	AASB 108.5
<b>accounting profit</b>	Profit or loss for a period before deducting tax expense.	AASB 112.5
<b>accrual basis of accounting</b>	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 statements of the periods to which they relate.	F.22
<b>accrued benefits</b>	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 end of the reporting period and, in the case of defined contribution plans, encompasses benefits which have been allocated to individual members' accounts and benefits not yet so allocated.	AAS 25.10
<b>acquiree</b>	The business or businesses that the acquirer obtains control of in a business combination.	AASB 3.A
<b>acquirer</b>	The entity that obtains control of the acquiree.	AASB 3.A

<b>acquisition costs</b>	<p>The fixed and variable costs of acquiring new business, including commissions and similar distribution costs, and costs of accepting, issuing and initially recording policies.</p> <p>(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.)</p>	AASB 1038.20.1
<b>acquisition date</b>	The date on which the acquirer obtains control of the acquiree.	AASB 3.A
<b>active market</b>	A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.	AASB 13.A
<b>actuarial gains and losses</b>	<p>The changes in the present value of the defined benefit obligation resulting from:</p> <p>(a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and</p> <p>(b) the effects of changes in actuarial assumptions.</p>	AASB 119.8
<b>adjusting events after the reporting period</b>	See 'events after the reporting period'	
<b>agricultural activity</b>	The management by an entity of the biological transformation of biological assets for sale into agricultural produce or into additional biological assets.	AASB 141.5
<b>agricultural produce</b>	The harvested product of the entity's biological assets.	AASB 141.5
<b>amortisation (depreciation)</b>	The systematic allocation of the depreciable amount of an asset over its useful life.	AASB 136.6
<b>amortisation</b>	The systematic allocation of the depreciable amount of an intangible asset over its useful life.	AASB 138.8
<b>amortised cost of a financial asset or financial liability</b>	The amount at which the financial asset or financial 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 uncollectibility.	AASB 139.9
<b>amortised cost of a financial asset or financial liability</b>	The amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the <b>effective interest method</b> of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any <b>loss allowance</b> .	AASB 9.A

<b>annual reporting period</b>	The financial year or similar period to which annual financial statements relate.	AASB 1054.6
<b>antidilution</b>	An increase in earnings per share or a reduction in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.	AASB 133.5
<b>area of interest</b>	An individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or an oil or natural gas field, or has been proved to contain such a deposit or field.	AASB 6.A
<b>asset</b>	A resource: <ul style="list-style-type: none"> <li>(a) controlled by an entity as a result of past events; and</li> <li>(b) from which future economic benefits are expected to flow to the entity.</li> </ul>	AASB 138.8, F.49(a)
<b>asset ceiling</b>	The present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.	AASB 119.8
<b>assets held by a long-term employee benefit fund</b>	Assets (other than non-transferable financial instruments issued by the reporting entity) that: <ul style="list-style-type: none"> <li>(a) are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and</li> <li>(b) are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in bankruptcy), and cannot be returned to the reporting entity, unless either: <ul style="list-style-type: none"> <li>(i) the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or</li> <li>(ii) the assets are returned to the reporting entity to reimburse it for employee benefits already paid.</li> </ul> </li> </ul>	AASB 119.8
<b>associate</b>	An entity over which the investor has significant influence.	AASB 128.3
<b>attachment date</b>	For a direct insurer, the date as from which the insurer accepts risk from the insured under an insurance contract or endorsement or, for a reinsurers, the date from which the reinsurer accepts risk from the direct insurer or another reinsurer under a reinsurance arrangement.	AASB 1023.19.1
<b>available-for-sale financial assets</b>	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 139.9

<b>beneficiaries</b>	Those persons who are currently receiving, or are currently entitled to receive, benefits from the superannuation plan.	AAS 25
<b>bearer plant</b>	A living plant that: <ul style="list-style-type: none"> <li>(a) is used in the production or supply of agricultural produce;</li> <li>(b) is expected to bear produce for more than one period; and</li> <li>(c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.</li> </ul>	AASB 141.5, AASB 116.6
<b>biological asset</b>	A living animal or plant.	AASB 141.5
<b>biological transformation</b>	The processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.	AASB 141.5
<b>borrowing costs</b>	Interest and other costs that an entity incurs in connection with the borrowing of funds.	AASB 123.5
<b>business</b>	An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.	AASB 3.A
<b>business combination</b>	A transaction or other event in which an acquirer obtains control of one or more businesses. Transactions sometimes referred to as ‘true mergers’ or ‘mergers of equals’ are also business combinations as that term is used in this Standard.	AASB 3.A
<b>capital</b>	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.  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.	F.102
<b>carrying amount</b>	The amount at which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon.	AASB 116.6, AASB 136.6
<b>carrying amount</b>	The amount at which an asset is recognised in the statement of financial position after deducting any accumulated amortisation and accumulated impairment losses thereon.	AASB 138.8
<b>carrying amount</b>	The amount at which an asset is recognised in the statement of financial position.	AASB 140.5, AASB 141.8
<b>cash</b>	Cash on hand and demand deposits.	AASB 107.6

<b>cash equivalents</b>	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.	AASB 107.6
<b>cash flows</b>	Inflows and outflows of cash and cash equivalents.	AASB 107.6
<b>cash-generating unit</b>	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 136.6, AASB 5.A
<b>cash-settled share-based payment transaction</b>	A share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity.	AASB 2.A
<b>cash surplus/(deficit)</b>	Net cash flows from operating activities plus net cash flows from acquisition and disposal of non-financial assets less distributions paid less value of assets acquired under finance leases and similar arrangements. Defined in the ABS GFS Manual (paragraph 2.124).	AASB 1049.A
<b>cedant</b>	The policyholder under a reinsurance contract.	AASB 4.A, AASB 1023.19, AASB 1038.20.1
<b>change in accounting estimate</b>	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 108.5
<b>claim</b>	A demand by any party external to the entity for payment by the insurer on account of an alleged loss resulting from an insured event or events, that have occurred, alleged to be covered by an insurance contract.	AASB 1023.19.1
<b>claims expense</b>	The charge to the statement of comprehensive income for the reporting period and represents the sum of claims settled and claims management expenses relating to claims incurred in the period and the movement in the gross outstanding claims liability in the period.	AASB 1023.19.1
<b>claims incurred</b>	Claims that have occurred prior to the end of the reporting period, whether reported or unreported at the end of the reporting period.	AASB 1023.19.1
<b>class of assets</b>	A grouping of assets of a similar nature and use in an entity's operations.	AASB 136.127

<b>close members of the family of an individual</b>	<p>Those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:</p> <ul style="list-style-type: none"> <li>(a) that person’s children and spouse or domestic partner;</li> <li>(b) children of that person’s spouse or domestic partner; and</li> <li>(c) dependants of that person or that person’s spouse or domestic partner.</li> </ul>	AASB 124.9
<b>closing rate</b>	The spot exchange rate at the end of the reporting period.	AASB 121.8
<b>commencement of the lease term</b>	The date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease (ie the recognition of the assets, liabilities, income or expenses resulting from the lease, as appropriate).	AASB 117.4
<b>compensation</b>	<p>Includes all employee benefits (as defined in AASB 119 <i>Employee Benefits</i>) including employee benefits to which AASB 2 <i>Share-based Payment</i> applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:</p> <ul style="list-style-type: none"> <li>(a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;</li> <li>(b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;</li> <li>(c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;</li> <li>(d) termination benefits; and</li> <li>(e) share-based payment.</li> </ul>	AASB 124.9
<b>component of an entity</b>	Operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.	AASB 5.A

<b>compound financial instrument</b>	A financial instrument that, from the issuer's perspective, contains both a liability and an equity element.	AASB 132.28–29
<b>consolidated financial statements</b>	The financial statements 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.	AASB 10.A, AASB 127.4, AASB 128.3
<b>construction contract</b>	A contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.	AASB 111.3
<b>constructive obligation</b>	An obligation that derives from an entity's actions where: <ul style="list-style-type: none"> <li>(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</li> <li>(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.</li> </ul>	AASB 137.10
<b>contingent asset</b>	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
<b>contingent consideration</b>	Usually, an obligation of the <b>acquirer</b> to transfer additional assets or <b>equity interests</b> to the former owners of an <b>acquiree</b> as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.	AASB 3.A
<b>contingent liability</b>	Is: <ul style="list-style-type: none"> <li>(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</li> <li>(b) a present obligation that arises from past events but is not recognised because: <ul style="list-style-type: none"> <li>(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or</li> <li>(ii) the amount of the obligation cannot be measured with sufficient reliability.</li> </ul> </li> </ul>	AASB 137.10

<b>contingent rent</b>	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 117.4
<b>contingent share agreement</b>	An agreement to issue shares that is dependent on the satisfaction of specified conditions.	AASB 133.5
<b>contingently issuable ordinary shares</b>	Ordinary shares issuable for little or no cash or other consideration upon the satisfaction of specified conditions in a contingent share agreement.	AASB 133.5
<b>contract</b>	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 132.13
<b>contract</b>	An agreement between two or more parties that creates enforceable rights and obligations.	AASB 15.A
<b>contract asset</b>	An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).	AASB 15.A
<b>contract assets</b>	Those rights that AASB 15 <i>Revenue from Contracts with Customers</i> specifies are accounted for in accordance with this Standard for the purposes of recognising and measuring impairment gains or losses.	AASB 9.A
<b>contract liability</b>	An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.	AASB 15.A
<b>contributions</b>	Non-reciprocal transfers to the entity.	AASB 1004.A
<b>contributions by owners</b>	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"> <li>(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</li> <li>(b) can be sold, transferred or redeemed.</li> </ul>	AASB 1004.A
<b>control</b>	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.	SAC 1.6

<b>control of an investee</b>	An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.	AASB 10.A
<b>corporate assets</b>	Assets other than goodwill that contribute to the future cash flows of both the cash-generating unit under review and other cash-generating units.	AASB 136.6
<b>cost</b>	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, for example AASB 2 <i>Share-based Payment</i> .	AASB 116.6, AASB 138.8, AASB 140.5
<b>cost approach</b>	A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).	AASB 13.A
<b>cost of inventories</b>	All costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.	AASB 102.10
<b>cost of purchase</b>	All of the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of the item. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.	AASB 102.11
<b>cost plus contract</b>	A construction contract in which the contractor is reimbursed for allowable or otherwise defined costs, plus a percentage of these costs or a fixed fee.	AASB 111.3
<b>costs of conversion</b>	Costs directly related to the units of production, such as direct labour together with a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.	AASB 102.12
<b>costs of disposal</b>	Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.	AASB 136.6
<b>costs to sell</b>	The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.	AASB 5.A, <i>AASB 141.5</i>

<b>credit loss</b>	The difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (ie all cash shortfalls), discounted at the original <b>effective interest rate</b> (or <b>credit-adjusted effective interest rate</b> for <b>purchased or originated credit-impaired financial assets</b> ). An entity shall estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the entity shall use the remaining contractual term of the financial instrument.	AASB 9.A
<b>credit risk</b>	The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	AASB 7.A
<b>credit risk rating grades</b>	Rating of credit risk based on the risk of a default occurring on the financial instrument.	AASB 7.A
<b>credit-adjusted effective interest rate</b>	The rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the <b>amortised cost of a financial asset</b> that is a <b>purchased or originated credit-impaired financial asset</b> . When calculating the credit-adjusted effective interest rate, an entity shall estimate the expected cash flows by considering all contractual terms of the financial asset (for example, prepayment, extension, call and similar options) and <b>expected credit losses</b> . 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 paragraphs B5.4.1–B5.4.3), <b>transaction costs</b> , and all other premiums or discounts. 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 reliably estimate the cash flows or the remaining 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).	AASB 9.A

<b>credit-impaired financial asset</b>	<p>A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:</p> <ul style="list-style-type: none"> <li>(a) significant financial difficulty of the issuer or the borrower;</li> <li>(b) a breach of contract, such as a default or <b>past due</b> event;</li> <li>(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;</li> <li>(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;</li> <li>(e) the disappearance of an active market for that financial asset because of financial difficulties; or</li> <li>(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred <b>credit losses</b>.</li> </ul> <p>It may not be possible to identify a single discrete event – instead, the combined effect of several events may have caused financial assets to become credit-impaired.</p>	AASB 9.A
<b>currency risk</b>	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.</p>	AASB 7.A
<b>current asset</b>	<p>An entity shall classify an asset as current when:</p> <ul style="list-style-type: none"> <li>(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;</li> <li>(b) it holds the asset primarily for the purpose of trading;</li> <li>(c) it expects to realise the asset within twelve months after the reporting period; or</li> <li>(d) the asset is cash or a cash equivalent (as defined in AASB 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.</li> </ul>	AASB 5.A

<b>current asset</b>	<p>An entity shall classify an asset as current when:</p> <ul style="list-style-type: none"> <li>(a) it expects to realise the asset or intends to sell or consume it in its normal operating cycle;</li> <li>(b) it holds the asset primarily for the purpose of trading;</li> <li>(c) it expects to realise the asset within twelve months after the reporting period; or</li> <li>(d) the asset is cash or a cash equivalent (as defined in AASB 107) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.</li> </ul> <p>An entity shall classify all other assets as non-current.</p>	AASB 101.66
<b>current cost</b>	<p>The amount of cash or cash equivalents that would have to be paid if the same or an equivalent asset was acquired currently.</p> <p>The undiscounted amount of cash or cash equivalents that would be required to settle an obligation currently.</p>	F.100(b)
<b>current liability</b>	<p>An entity shall classify a liability as current when:</p> <ul style="list-style-type: none"> <li>(a) it expects to settle the liability in its normal operating cycle;</li> <li>(b) it holds the liability primarily for the purpose of trading;</li> <li>(c) the liability is due to be settled within twelve months after the reporting period; or</li> <li>(d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.</li> </ul> <p>An entity shall classify all other liabilities as non-current.</p>	AASB 101.69
<b>current replacement cost</b>	<p>In respect of not-for-profit entities, current replacement cost is the cost the entity would incur to acquire the asset at the end of the reporting period.</p>	AASB 102.Aus6.1
<b>current service cost</b>	<p>The increase in the present value of the defined benefit obligation resulting from employee service in the current period.</p>	AASB 119.8
<b>current tax</b>	<p>The amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.</p>	AASB 112.5
<b>customer</b>	<p>A party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.</p>	AASB 15.A
<b>date of transition to Australian Accounting Standards</b>	<p>The beginning of the earliest period for which an entity presents full comparative information under Australian Accounting Standards in its first Australian-Accounting-Standards financial statements.</p>	AASB 1.A

<b>decision maker</b>	An entity with decision-making rights that is either a principal or an agent for other parties.	AASB 10.A
<b>deductible temporary differences</b>	Temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base 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.	AASB 112.5
<b>deemed cost</b>	An amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortisation assumes that the entity had initially recognised the asset or liability at the given date and that its cost was equal to the deemed cost.	AASB 1.A
<b>deferred tax assets</b>	The amounts of income taxes recoverable in future periods in respect of: <ul style="list-style-type: none"> <li>(a) deductible temporary differences;</li> <li>(b) the carryforward of unused tax losses; and</li> <li>(c) the carryforward of unused tax credits.</li> </ul>	AASB 112.5
<b>deferred tax liabilities</b>	The amounts of income taxes payable in future periods in respect of taxable temporary differences.	AASB 112.5
<b>deficit or surplus (relating to the net defined benefit liability (asset))</b>	The deficit or surplus is: <ul style="list-style-type: none"> <li>(a) the present value of the defined benefit obligation less</li> <li>(b) the fair value of plan assets (if any).</li> </ul>	AASB 119.8
<b>defined benefit plan</b>	A superannuation plan where the amounts to be paid to one or more members, if they were to remain members until normal retirement age, are specified, or are determined, at least in part, by reference to a formula based on their years of membership and/or salary levels, and encompasses all plans other than defined contribution plans.	AAS 25
<b>defined benefit plans</b>	Post-employment benefit plans other than defined contribution plans.	AASB 119.8
<b>defined contribution plan</b>	A superannuation plan where the amounts to be paid to members, if they were to remain members until normal retirement age, are determined by reference to accumulated contributions made to the plan, together with investment earnings thereon.	AAS 25
<b>defined contribution plans</b>	Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.	AASB 119.8
<b>deposit component</b>	A contractual component that is not accounted for as a derivative under AASB 9 and would be within the scope of AASB 9 if it were a separate instrument.	AASB 4.A

<b>deposit premium</b>	The premium charged by the insurer at the inception of a contract under which the final premium depends on conditions prevailing over the contract period and so is not determined until the expiry of that period.	AASB1023.19.1
<b>depreciable amount</b>	The cost of an asset, or other amount substituted for cost (in the financial statements), less its residual value.	AASB 116.6, <i>AASB 136.6,</i> <i>AASB 138.8</i>
<b>depreciated replacement cost</b>	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 136.Aus6.2
<b>depreciation (amortisation)<sup>1</sup></b>	The systematic allocation of the depreciable amount of an asset over its useful life.	AASB 116.6, <i>AASB 136.6</i>
<b>derecognition</b>	The removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.	AASB 139.9, AASB 9.A
<b>derivative</b>	A financial instrument or other contract within the scope of [AASB 139 (see paragraphs 2–7)] or [AASB 9 (see paragraph 2.1)] with all three of the following characteristics: <ul style="list-style-type: none"> <li>(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’);</li> <li>(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</li> <li>(c) it is settled at a future date.</li> </ul>	AASB 139.9, AASB 9.A

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<sup>1</sup> In the case of an intangible asset, the term ‘amortisation’ is generally used instead of ‘depreciation’. The two terms have the same meaning.

<b>derivative financial instruments</b>	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. 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. 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. 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.	AASB 132.AG15–AG16
<b>development</b>	The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.	AASB 138.8
<b>diluted earnings per share</b>	Profit or loss attributable to ordinary equity holders of the parent entity (the numerator), divided by the weighted average number of ordinary shares outstanding during the period (the denominator), both adjusted for the effects of all dilutive potential ordinary shares.	AASB 133.31
<b>dilution</b>	A reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.	AASB 133.5
<b>dilutive potential ordinary shares</b>	Potential ordinary shares whose conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.	AASB 133.41
<b>direct insurance contract</b>	An insurance contract that is not a reinsurance contract.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>direct method of reporting cash flows from operating activities</b>	A method whereby major classes of gross cash receipts and gross cash payments are disclosed.	AASB 107.18(a)

<b>director</b>	<p>Director means:</p> <ul style="list-style-type: none"> <li>(a) a person who is a director under the Corporations Act; and</li> <li>(b) in the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority.</li> </ul>	AASB124.Aus9.1
<b>discontinued operation</b>	<p>A component of an entity that either has been disposed of or is classified as held for sale and:</p> <ul style="list-style-type: none"> <li>(a) represents a separate major line of business or geographical area of operations,</li> <li>(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or</li> <li>(c) is a subsidiary acquired exclusively with a view to resale.</li> </ul>	AASB 5.A
<b>discretionary participation feature</b>	<p>A contractual right to receive, as a supplement to guaranteed benefits, additional benefits:</p> <ul style="list-style-type: none"> <li>(a) that are likely to be a significant portion of the total contractual benefits;</li> <li>(b) whose amount or timing is contractually at the discretion of the issuer; and</li> <li>(c) that are contractually based on: <ul style="list-style-type: none"> <li>(i) the performance of a specified pool of contracts or a specified type of contract;</li> <li>(ii) realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or</li> <li>(iii) the profit or loss of the company, fund or other entity that issues the contract.</li> </ul> </li> </ul>	AASB 4.A, AASB 1038.20.1
<b>disposal group</b>	<p>A group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. The group includes goodwill acquired in a business combination if the group is a cash-generating unit to which goodwill has been allocated in accordance with the requirements of paragraphs 80–87 of AASB 136 or if it is an operation within such a cash-generating unit.</p>	AASB 5.A
<b>dividends</b>	<p>Distributions of profits to holders of equity investments in proportion to their holdings of a particular class of capital.</p>	AASB 118.5, AASB 9.A

<b>economic entity</b>	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.	SAC 1.6
<b>economic life</b>	<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>	AASB 117.4
<b>economically recoverable reserves</b>	The estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions.	AASB 6.A
<b>effective interest method</b>	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.	AASB 139.9
<b>effective interest method</b>	The method that is used in the calculation of the <b>amortised cost of a financial asset or a financial liability</b> and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.	AASB 9.A
<b>effective interest rate</b>	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. 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 paragraphs AG8A–AG8B), transaction costs, and all other premiums or discounts. 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).	AASB 139.9

<b>effective interest rate</b>	The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the <b>gross carrying amount of a financial asset</b> or to the <b>amortised cost of a financial liability</b> . When calculating the effective interest rate, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but shall not consider the <b>expected credit losses</b> . 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 paragraphs B5.4.1–B5.4.3), <b>transaction costs</b> , and all other premiums or discounts. 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 reliably estimate 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).	AASB 9.A
<b>employee benefits</b>	All forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.	AASB 119.8
<b>employees and others providing similar services</b>	Individuals who render personal services to the entity and either (a) the individuals are regarded as employees for legal or tax purposes, (b) the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or (c) the services rendered are similar to those rendered by employees. For example, the term encompasses all management personnel, ie those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including non-executive directors.	AASB 2.A
<b>entity</b>	Any legal, administrative, or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.	AAS 25.10, SAC 1.6
<b>entity-specific value</b>	The present value of the cash flows an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.	AASB 116.6, AASB 138.8
<b>entry price</b>	The price paid to acquire an asset or received to assume a liability in an exchange transaction.	AASB 13.A
<b>equity</b>	The residual interest in the assets of the entity after deducting all its liabilities.	F.49(c)
<b>equity instrument</b>	A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.	AASB 132.11, AASB 2.A
<b>equity instrument granted</b>	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 2.A

<b>equity interests</b>	For the purposes of this Standard, equity interests is used broadly to mean ownership interests of investor-owned entities and owner, member or participant interests of mutual entities.	AASB 3.A
<b>equity method</b>	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 the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.	AASB 128.3
<b>equity-settled share-based payment transaction</b>	A share-based payment transaction in which the entity: <ul style="list-style-type: none"> <li>(a) receives goods or services as consideration for its own equity instruments (including shares or share options); or</li> <li>(b) receives goods or services but has no obligation to settle the transaction with the supplier.</li> </ul>	AASB 2.A
<b>events after the reporting period</b>	Those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue. Two types of events can be identified: <ul style="list-style-type: none"> <li>(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and</li> <li>(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).</li> </ul>	AASB 110.3
<b>exchange difference</b>	The difference resulting from translating a given number of units of one currency into another currency at different exchange rates.	AASB 121.8
<b>exchange rate</b>	The ratio of exchange for two currencies.	AASB 121.8
<b>exit price</b>	The price that would be received to sell an asset or paid to transfer a liability.	AASB 13.A
<b>expected cash flow</b>	The probability-weighted average (ie mean of the distribution) of possible future cash flows.	AASB 13.A
<b>expected credit losses</b>	The weighted average of <b>credit losses</b> with the respective risks of a default occurring as the weights.	AASB 9.A
<b>expenses</b>	Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.	F.70(b)
<b>experience adjustments</b>	The effects of differences between previous actuarial assumptions and what has actually occurred.	AASB 119.8
<b>exploration and evaluation assets</b>	Exploration and evaluation expenditures recognised as assets in accordance with the entity's accounting policy.	AASB 6.A

<b>exploration and evaluation expenditures</b>	Expenditures incurred by an entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.	AASB 6.A
<b>exploration for and evaluation of mineral resources</b>	The search for mineral resources, including minerals, oil, natural gas and similar non-regenerative resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.	AASB 6.A
<b>fair value</b>	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	AASB 13.A, AASB 102.6, AASB 116.6, AASB 118.7, AASB 119.8, AASB 120.3, AASB 121.8, AASB 132.11, AASB 136.6, AASB 138.8, AASB 139.9, AASB 140.5, AASB 141.8, AASB 1.A, AASB 3.A, AASB 4.A, AASB 9.A, AASB 1023.19.1, AASB 1038.20.1, AASB 5.A
<b>fair value</b>	The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.	AASB 2.A, AASB 117.4
<b>fair value less costs to sell</b>	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 136.6
<b>finance lease</b>	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.	AASB 117.4

<b>financial asset</b>	<p>Any asset that is:</p> <ul style="list-style-type: none"> <li>(a) cash;</li> <li>(b) an equity instrument of another entity;</li> <li>(c) a contractual right: <ul style="list-style-type: none"> <li>(i) to receive cash or another financial asset from another entity; or</li> <li>(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or</li> </ul> </li> <li>(d) a contract that will or may be settled in the entity's own equity instruments and is: <ul style="list-style-type: none"> <li>(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</li> <li>(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 puttable financial instruments classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.</li> </ul> </li> </ul>	AASB 132.11
<b>firm commitment</b>	A binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates.	AASB 9.A
<b>financial guarantee contract</b>	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.	AASB 139.9, AASB 9.A, AASB 4.A
<b>financial instrument</b>	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.	AASB 132.11

**financial liability at fair value through profit or loss**

A financial liability that meets either of the following conditions.

AASB 9.A

- (a) it meets the definition of **held for trading**.
- (b) upon initial recognition it is designated by the entity as at fair value through profit or loss in accordance with paragraph 4.2.2 or 4.3.5.
- (c) it is designated either upon initial recognition or subsequently as at fair value through profit or loss in accordance with paragraph 6.7.1.

<b>financial liability</b>	<p>Any liability that is:</p> <p>(a) a contractual obligation:</p> <p style="padding-left: 20px;">(i) to deliver cash or another financial asset to another entity; or</p> <p style="padding-left: 20px;">(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or</p> <p>(b) a contract that will or may be settled in the entity's own equity instruments and is:</p> <p style="padding-left: 20px;">(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</p> <p style="padding-left: 20px;">(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, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.</p> <p style="padding-left: 40px;">As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D.</p>	AASB 132.11
<b>financial report</b>	Is defined in the Corporations Act.	AASB 1039.37
<b>financial risk</b>	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 4.A, AASB 1023.19.1, AASB 1038.20.1

<b>financing activities</b>	Activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.	AASB 107.6
<b>firm commitment</b>	A binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates.	AASB 139.9
<b>firm purchase commitment</b>	An agreement with an unrelated party, binding on both parties and usually legally enforceable, that (a) specifies all significant terms, including the price and timing of the transactions, and (b) includes a disincentive for non-performance that is sufficiently large to make performance <b>highly probable</b> .	AASB 5.A
<b>first Australian-Accounting-Standards financial statements</b>	The first annual financial statements in which an entity adopts Australian Accounting Standards, by an explicit and unreserved statement of compliance with Australian Accounting Standards.	AASB 1.A
<b>first Australian-Accounting-Standards reporting period</b>	The latest reporting period covered by an entity's first Australian-Accounting-Standards financial statements.	AASB 1.A
<b>first-time adopter</b>	An entity that presents its first Australian-Accounting-Standards financial statements.	AASB 1.A
<b>fixed price contract</b>	A construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.	AASB 111.3
<b>forecast transaction</b>	An uncommitted but anticipated future transaction.	AASB 139.9
<b>foreign currency</b>	A currency other than the functional currency of the entity.	AASB 121.8
<b>foreign currency transaction</b>	A transaction that is denominated in or requires settlement in a foreign currency.	AASB 121.20
<b>foreign operation</b>	An entity that is a subsidiary, associate, joint arrangement or branch of the reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.	AASB 121.8
<b>forgivable loans</b>	Loans which the lender undertakes to waive repayment of under certain prescribed conditions.	AASB 120.3
<b>functional currency</b>	The currency of the primary economic environment in which the entity operates.	AASB 121.8
<b>future claims</b>	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 end of the reporting period.	AASB 1023.19.1
<b>gains</b>	Increases in economic benefits and as such no different in nature from revenue.	F.75

<b>General Government Sector (GGS)</b>	Institutional sector comprising all government units and non-profit institutions controlled and mainly financed by government. Defined in the ABS GFS Manual (Glossary, page 256).	AASB 1049.A
<b>general insurance contract</b>	An insurance contract that is not a life insurance contract.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>general insurer</b>	An insurance contract that is not a life insurance contract.	AASB 1023.19.1
<b>general purpose financial report</b>	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.	AAS 25.10, SAC 1.6
<b>general purpose financial statements</b>	Financial statements that are intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs.	AASB 101.7, F.6 AASB 1053.A
<b>general reinsurance contract</b>	A reinsurance contract that is not a life reinsurance contract.	AASB 1023.19.1
<b>goodwill</b>	An asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.	AASB 3.A
<b>government</b>	Government, government agencies and similar bodies whether local, national or international.	AASB 120.3, AASB 124.9
<b>government</b>	The Australian Government, the Government of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria or Western Australia.	AASB 3.A, AASB 1049.A
<b>government assistance</b>	Action by government designed to provide an economic benefit specific to an entity or range of entities qualifying under certain criteria.	AASB 120.3
<b>government grants</b>	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. 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.	AASB 120.3
<b>government units</b>	Unique kinds of legal entities established by political processes which have legislative, judicial or executive authority over other institutional units within a given area and which: (i) provide goods and services to the community and/or individuals free of charge or at prices that are not economically significant; and (ii) redistribute income and wealth by means of taxes and other compulsory transfers. Defined in the ABS GFS Manual (Glossary, page 257).	AASB 1049.A

<b>grant date</b>	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. 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. If that agreement is subject to an approval process (for example, by shareholders), grant date is the date when that approval is obtained.	AASB 2.A
<b>grants related to assets</b>	Government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. 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.	AASB 120.3
<b>grants related to income</b>	Government grants other than those related to assets.	AASB 120.3
<b>gross carrying amount of a financial asset</b>	The <b>amortised cost of a financial asset</b> , before adjusting for any <b>loss allowance</b> .	AASB 9.A
<b>gross investment in the lease</b>	The aggregate of: <ul style="list-style-type: none"> <li>(a) the minimum lease payments receivable by the lessor under a finance lease, and</li> <li>(b) any unguaranteed residual value accruing to the lessor.</li> </ul>	AASB 117.4
<b>group</b>	A parent and all its subsidiaries.	AASB 121.8, AASB 10.A
<b>group of biological assets</b>	An aggregation of similar living animals or plants.	AASB 141.5
<b>guaranteed benefits</b>	Payments or other benefits to which a particular policyholder or investor has an unconditional right that is not subject to the contractual discretion of the issuer.	AASB 4.A, AASB 1038.20.1
<b>guaranteed element</b>	An obligation to pay guaranteed benefits, included in a contract that contains a discretionary participation feature.	AASB 4.A, AASB 1038.20.1
<b>guaranteed residual value</b>	(a) For a lessee, that part of the residual value that is guaranteed by the lessee or by a party related to the lessee (the amount of the guarantee being the maximum amount that could, in any event, become payable); and <ul style="list-style-type: none"> <li>(b) for a lessor, that part of the residual value that is guaranteed by the lessee or by a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee.</li> </ul>	AASB 117.4
<b>harvest</b>	The detachment of produce from a biological asset or the cessation of a biological asset's life processes.	AASB 141.5

<b>hedge effectiveness</b>	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 Appendix A paragraphs AG105–AG113A).	AASB 139.9
<b>hedge ratio</b>	The relationship between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting	AASB 9.A
<b>hedged item</b>	An asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that (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 AG98–AG101 elaborate on the definition of hedged items).	AASB 139.9
<b>hedging instrument</b>	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 AG94–AG97 elaborate on the definition of a hedging instrument).	AASB 139.9
<b>held for trading</b>	A financial asset or financial liability that: <ul style="list-style-type: none"> <li>(a) is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;</li> <li>(b) on initial recognition is 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</li> <li>(c) is a <b>derivative</b> (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).</li> </ul>	AASB 9.A
<b>highest and best use</b>	The use of a non-financial asset by market participants that would maximise the value of the asset or the group of assets and liabilities (eg a business) within which the asset would be used.	AASB 13.A
<b>highly probable</b>	Significantly more likely than probable.	AASB 5.A
<b>hire purchase contract</b>	The definition of a lease includes contracts for the hire of an asset that 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.	AASB 117.6

<b>historical cost</b>	A measurement basis according to which 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.	F.100(a)
<b>hyperinflation</b>	<p>Loss of purchasing power of money at such a rate that comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period, is misleading.</p> <p>Hyperinflation is indicated by characteristics of the economic environment of a country which include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>(a) the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power.</li> <li>(b) the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency.</li> <li>(c) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short.</li> <li>(d) interest rates, wages and prices are linked to a price index.</li> <li>(e) the cumulative inflation rate over three years is approaching, or exceeds, 100%.</li> </ul>	AASB 129.2–3
<b>identifiable</b>	<p>An asset is identifiable if it either:</p> <ul style="list-style-type: none"> <li>(a) is separable, ie capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or</li> <li>(b) arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.</li> </ul>	AASB 3.A
<b>impairment loss</b>	The amount by which the carrying amount of an asset exceeds its recoverable amount.	AASB 116.6, <i>AASB 136.6</i> , AASB 138.8
<b>impairment gain or loss</b>	Gains or losses that are recognised in profit or loss in accordance with paragraph 5.5.8 and that arise from applying the impairment requirements in Section 5.5.	AASB 9.A

<b>impracticable</b>	Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.	AASB 101.7, <i>AASB 108.5</i>
<b>inception of the lease</b>	The earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. At this date: <ul style="list-style-type: none"> <li>(a) a lease is classified as either an operating or a finance lease; and</li> <li>(b) in the case of a finance lease, the amounts to be recognised at the commencement of the lease are determined.</li> </ul>	AASB 117.4
<b>income</b>	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.	F.70(a), AASB 15.A
<b>income approach</b>	Valuation techniques that convert future amounts (eg cash flows or income and expenses) to a single current (ie discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.	AASB 13.A
<b>income from a structured entity</b>	Income from a structured entity includes, but is not limited to, recurring and non-recurring fees, interest, dividends, gains or losses on the remeasurement or derecognition of interests in structured entities and gains or losses from the transfer of assets and liabilities to the structured entity.	AASB 12.A
<b>initial direct costs</b>	Incremental costs that are directly attributable to negotiating and arranging a lease, except for such costs incurred by manufacturer or dealer lessors.	AASB 117.4
<b>inputs</b>	The assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, such as the following: <ul style="list-style-type: none"> <li>(a) the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model); and</li> <li>(b) the risk inherent in the inputs to the valuation technique.</li> </ul> <p>Inputs may be observable or unobservable.</p>	AASB 13.A

<b>interest in another entity</b>	An interest in another entity refers to contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. An interest in another entity can be evidenced by, but is not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees. It includes the means by which an entity has control or joint control of, or significant influence over, another entity. An entity does not necessarily have an interest in another entity solely because of a typical customer supplier relationship.	AASB 12.A
<b>institutional unit</b>	An economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities. Defined in the ABS GFS Manual (Glossary, page 257).	AASB 1049.A
<b>insurance asset</b>	An insurer's net contractual rights under an insurance contract.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>insurance contract</b>	A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. (See AASB 4 Appendix B for guidance on this definition.)	AASB 4.A, <i>AASB 1023.19.1,</i> <i>AASB 1038.20.1</i>
<b>insurance liability</b>	An insurer's net contractual obligations under an insurance contract.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>insurance risk</b>	Risk, other than financial risk, transferred from the holder of a contract to the issuer.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>insured event</b>	An uncertain future event that is covered by an insurance contract and creates insurance risk.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>insurer</b>	The party that has an obligation under an insurance contract to compensate a policyholder if an insured event occurs.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>intangible asset</b>	An identifiable non-monetary asset without physical substance.	AASB 138.8, AASB 3.A
<b>interest rate implicit in the lease</b>	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 117.4
<b>interest rate risk</b>	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	AASB 7.A

<b>interim financial report</b>	A financial report containing either a complete set of financial statements (as described in AASB 101) or a set of condensed financial statements (as described in AASB 134) for an interim period.	AASB 134.4
<b>interim period</b>	A financial reporting period shorter than a full annual reporting period.	AASB 134.4
<b>International Financial Reporting Standards (IFRSs)</b>	Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none"> <li>(a) International Financial Reporting Standards;</li> <li>(b) International Accounting Standards; and</li> <li>(c) IFRIC Interpretations; and</li> <li>(d) SIC Interpretations.</li> </ul> <p>(Definition of IFRSs amended after the name changes introduced by the revised Constitution of the IFRS Foundation in 2010)</p>	AASB 101.7, AASB 1.A
<b>intrinsic value</b>	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 counterparty is (or will be) required to pay for those shares. For example, a share option with an exercise price of CU15, <sup>2</sup> on a share with a fair value of CU20, has an intrinsic value of CU5.	AASB 2.A
<b>inventories</b>	Assets: <ul style="list-style-type: none"> <li>(a) held for sale in the ordinary course of business;</li> <li>(b) in the process of production for such sale; or</li> <li>(c) in the form of materials or supplies to be consumed in the production process or in the rendering of services.</li> </ul> <p>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 AASB 102 paragraph 19, for which the entity has not yet recognised the related revenue (see AASB 118).</p>	AASB 102.6, AASB 102.8

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2 Monetary items are denominated in 'currency units' (CU).

<b>inventories held for distribution</b>	In respect of not-for-profit entities, inventories held for distribution are assets: <ul style="list-style-type: none"> <li>(a) held for distribution at no or nominal consideration in the ordinary course of operations;</li> <li>(b) in the process of production for distribution at no or nominal consideration in the ordinary course of operations; or</li> <li>(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.</li> </ul>	AASB 102.Aus6.1
<b>investing activities</b>	The acquisition and disposal of long-term assets and other investments not included in cash equivalents.	AASB 107.6
<b>investment entity</b>	An entity that: <ul style="list-style-type: none"> <li>(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;</li> <li>(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and</li> <li>(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.</li> </ul>	IFRS 10.A
<b>investment-linked</b>	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 1038.20.1
<b>investment property</b>	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: <ul style="list-style-type: none"> <li>(a) use in the production or supply of goods or services or for administrative purposes; or</li> <li>(b) sale in the ordinary course of business.</li> </ul>	AASB 140.5
<b>inwards reinsurance</b>	Reinsurance contracts written by reinsurers.	AASB 1023.19.1
<b>joint arrangement</b>	An arrangement of which two or more parties have joint control.	AASB 11.A, AASB 128.3
<b>joint control</b>	The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.	AASB 11.A AASB 128.3
<b>joint operation</b>	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.	AASB 11.A

<b>joint operator</b>	A party to a joint operation that has joint control of that joint operation.	AASB 11.A
<b>joint venture</b>	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.	AASB 11.A, AASB 128.3
<b>joint venturer</b>	A party to a joint venture that has joint control of that joint venture.	AASB 11.A, AASB 128.3
<b>jointly controlled entity</b>	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.	AASB 131.24
<b>key fiscal aggregates</b>	Referred to as analytical balances in the ABS GFS Manual, are data identified in the ABS GFS Manual as useful for macroeconomic analysis purposes, including assessing the impact of a government and its sectors on the economy. They are: opening net worth, net operating balance, net lending/(borrowing), change in net worth due to revaluations, change in net worth due to other changes in the volume of assets, total change in net worth, closing net worth and cash surplus/(deficit).	AASB 1049.A
<b>key management personnel</b>	Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.	AASB 124.9
<b>land under roads</b>	Land under roadways, and road reserves, including land under footpaths, nature strips and median strips.	AASB 1051.A
<b>lease</b>	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
<b>lease term</b>	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 the option.	AASB 117.4
<b>legal obligation</b>	An obligation that derives from: <ul style="list-style-type: none"> <li>(a) a contract (through its explicit or implicit terms);</li> <li>(b) legislation; or</li> <li>(c) other operation of law.</li> </ul>	AASB 137.10
<b>lessee's incremental borrowing rate of interest</b>	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 117.4

<b>Level 1 inputs</b>	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	AASB 13.A
<b>Level 2 inputs</b>	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	AASB 13.A
<b>Level 3 inputs</b>	Unobservable inputs for the asset or liability.	AASB 13.A
<b>liability</b>	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.	AASB 137.10, F.49(b)
<b>liability adequacy test</b>	An assessment of whether the carrying amount of an insurance liability needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets decreased), based on a review of future cash flows.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>life insurance business</b>	All life insurance contract and life investment contract business conducted by a life insurer.	AASB 1038.20.1
<b>life insurance contract</b>	An insurance contract, or a financial instrument with a discretionary participation feature, regulated under the <i>Life Insurance Act 1995</i> , and similar contracts issued by entities operating outside Australia.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>life insurance liability</b>	A life insurer's net contractual obligations under a life insurance contract.	AASB 1038.20.1
<b>life insurer</b>	An entity registered under the <i>Life Insurance Act 1995</i> , that issues life insurance contracts or life investment contracts, and similar entities operating outside Australia.	AASB 1038.20.1
<b>life investment contract</b>	A contract which is regulated under the <i>Life Insurance Act 1995</i> but which does not meet the definition of a life insurance contract in this Standard, and similar contracts issued by entities operating outside Australia.	AASB 1038.20.1
<b>life investment contract liability</b>	A life insurer's net contractual obligations under a life investment contract which arise under the financial instrument component of a life investment contract.	AASB 1038.20.1
<b>life reinsurance contract</b>	A life insurance contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant.	AASB 1023.19.1, AASB 1038.20.1
<b>lifetime expected credit losses</b>	The <b>expected credit losses</b> that result from all possible default events over the expected life of a financial instrument.	AASB 9.A
<b>liquidity</b>	The availability of cash in the near future after taking account of financial commitments over this period.	F.16
<b>liquidity risk</b>	The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	AASB 7.A

<b>listed company</b>	Is defined in the Corporations Act.	AASB 1039.37, AASB 139.9
<b>loans payable</b>	Financial liabilities other than short-term trade payables on normal credit terms.	AASB 7.A
<b>loss allowance</b>	The allowance for <b>expected credit losses</b> on financial assets measured in accordance with paragraph 4.1.2, lease receivables and <b>contract assets</b> , the accumulated impairment amount for financial assets measured in accordance with paragraph 4.1.2A and the provision for expected credit losses on loan commitments and <b>financial guarantee contracts</b> .	AASB 9.A
<b>losses</b>	Decreases in economic benefits and as such no different in nature from other expenses.	F.79
<b>market approach</b>	A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (ie similar) assets, liabilities or a group of assets and liabilities, such as a business.	AASB 13.A
<b>market condition</b>	<p>A <b>performance condition</b> upon which the exercise price, vesting or exercisability of an <b>equity instrument</b> depends that is related to the market price (or value) of the entity's <b>equity instruments</b> (or the equity instruments of another entity in the same group), such as:</p> <ul style="list-style-type: none"> <li>(a) attaining a specified share price or a specified amount of <b>intrinsic value</b> of a <b>share option</b>; or</li> <li>(b) achieving a specified target that is based on the market price (or value) of the entity's <b>equity instruments</b> (or the equity instruments of another entity in the same group) relative to an index of market prices of <b>equity instruments</b> of other entities.</li> </ul> <p>A market condition requires the counterparty to complete a specified period of service (ie a <b>service condition</b>); the service requirement can be explicit or implicit.</p>	AASB 2.A
<b>market-corroborated inputs</b>	Inputs that are derived principally from or corroborated by observable market data by correlation or other means.	AASB 13.A

<b>market participants</b>	<p>Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:</p> <ul style="list-style-type: none"> <li>(a) They are independent of each other, ie they are not related parties as defined in AASB 124, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market terms.</li> <li>(b) They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary.</li> <li>(c) They are able to enter into a transaction for the asset or liability.</li> <li>(d) They are willing to enter into a transaction for the asset or liability, ie they are motivated but not forced or otherwise compelled to do so.</li> </ul>	AASB 13.A
<b>market risk</b>	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.</p>	AASB 7.A
<b>matching of costs with revenues</b>	<p>A process in which expenses are recognised in the income statement [statement of comprehensive income] on the basis of a direct association between the costs incurred and the earning of specific items of income. This process involves the simultaneous or combined recognition of revenues and expenses that result directly and jointly from the same transactions or other events. However, the application of the matching concept does not allow the recognition of items in the balance sheet [statement of financial position] which do not meet the definition of assets or liabilities.</p>	F.95
<b>material</b>	<p>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 statements. 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.</p>	AASB 101.7, AASB 108.5, AASB 1031.A
<b>materiality</b>	<p>Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report. Consequently, the Board cannot specify a uniform quantitative threshold for materiality or predetermine what could be material in a particular situation.</p>	CF 2013-1.QC11

<b>measurement</b>	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 [statement of financial position] and income statement [statement of comprehensive income].	F.99
<b>measurement date</b>	The date at which the fair value of the equity instruments granted is measured for the purposes of this Standard. For transactions with employees and others providing similar services, the measurement date is grant date. 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.	AASB 2.A
<b>members</b>	Those persons in respect of whom contributions are made, or have been made, under the terms of a superannuation plan, and who, as a consequence, expect to receive benefits from the plan.	AAS 25
<b>members</b>	Is defined in the Corporations Act.	AASB 1039.37
<b>minimum lease payments</b>	<p>The payments over the lease term that the lessee is or can be required to make, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor, together with:</p> <ul style="list-style-type: none"> <li>(a) for a lessee, any amounts guaranteed by the lessee or by a party related to the lessee; or</li> <li>(b) for a lessor, any residual value guaranteed to the lessor by: <ul style="list-style-type: none"> <li>(i) the lessee;</li> <li>(ii) a party related to the lessee; or</li> <li>(iii) a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee.</li> </ul> </li> </ul> <p>However, if the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised, the minimum lease payments comprise the minimum payments payable over the lease term to the expected date of exercise of this purchase option and the payment required to exercise it.</p>	AASB 117.4
<b>minority interest</b>	See ‘non-controlling interest’	

<b>modification gain or loss</b>	The amount arising from adjusting the <b>gross carrying amount of a financial asset</b> to reflect the renegotiated or modified contractual cash flows. The entity recalculates the gross carrying amount of a financial asset as the present value of the estimated future cash payments or receipts through the expected life of the renegotiated or modified financial asset that are discounted at the financial asset's original <b>effective interest rate</b> (or the original <b>credit-adjusted effective interest rate</b> for <b>purchased or originated credit-impaired financial assets</b> ) or, when applicable, the revised <b>effective interest rate</b> calculated in accordance with paragraph 6.5.10. When estimating the expected cash flows of a financial asset, an entity shall consider all contractual terms of the financial asset (for example, prepayment, call and similar options) but shall not consider the <b>expected credit losses</b> , unless the financial asset is a <b>purchased or originated credit-impaired financial asset</b> , in which case an entity shall also consider the initial expected credit losses that were considered when calculating the original <b>credit-adjusted effective interest rate</b> .	AASB 9.A
<b>monetary assets</b>	Money held and assets to be received in fixed or determinable amounts of money.	AASB 138.8
<b>monetary items</b>	Units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.	AASB 121.8
<b>monetary items</b>	Money held and items to be received or paid in money.	AASB 129.12
<b>most advantageous market</b>	The market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.	AASB 13.A
<b>multi-employer (benefit) plans</b>	Defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that: <ul style="list-style-type: none"> <li>(a) pool the assets contributed by various entities that are not under common control; and</li> <li>(b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.</li> </ul>	AASB 119.8
<b>mutual entity</b>	An entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities.	AASB 3.A
<b>net defined benefit liability (asset)</b>	The deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.	AASB 119.8
<b>net claims incurred</b>	Direct claims costs net of reinsurance and other recoveries, and indirect claims handling costs, determined on a discounted basis.	AASB 1023.19.1

<b>net interest on the net defined benefit liability (asset)</b>	The change during the period in the net defined benefit liability (asset) that arises from the passage of time.	AASB 119.8
<b>net investment in a foreign operation</b>	The amount of the reporting entity's interest in the net assets of that operation.	AASB 121.8
<b>net investment in the lease</b>	The gross investment in the lease discounted at the interest rate implicit in the lease.	AASB 117.4
<b>net lending/(borrowing)</b>	The financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. A positive result reflects a net lending position and a negative result reflects a net borrowing position. Based on the definition in the ABS GFS Manual (Glossary, page 259).	AASB 1049.A
<b>net market value</b>	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.	AAS 25.10
<b>net operating balance</b>	This is calculated as income from transactions minus expenses from transactions. Based on the definition in the ABS GFS Manual (Glossary, page 259).	AASB 1049.A
<b>net realisable value</b>	<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>	AASB 102.6–7
<b>net worth</b>	Assets less liabilities and shares/contributed capital. For the GGS, net worth is assets less liabilities since shares and contributed capital is zero. It is an economic measure of wealth and reflects the contribution of governments to the wealth of Australia. Defined in the ABS GFS Manual (Glossary, page 259).	AASB 1049.A
<b>non-adjusting events after the reporting period</b>	See 'events after the reporting period'	
<b>non-cancellable lease</b>	<p>A lease that is cancellable only:</p> <ul style="list-style-type: none"> <li>(a) upon the occurrence of some remote contingency;</li> <li>(b) with the permission of the lessor;</li> <li>(c) if the lessee enters into a new lease for the same or an equivalent asset with the same lessor; or</li> <li>(d) upon payment by the lessee of such an additional amount that, at inception of the lease, continuation of the lease is reasonably certain.</li> </ul>	AASB 117.4

<b>non-controlling interest</b>	Equity in a subsidiary not attributable, directly or indirectly, to a parent.	AASB 3.A , AASB 10.A
<b>non-current asset</b>	An asset that does not meet the definition of a current asset.	AASB 5.A
<b>non-insurance contract</b>	A contract regulated under the <i>Insurance Act 1973</i> , and similar contracts issued by entities operating outside Australia, which fails to meet the definition of an insurance contract under this Standard.  (An example of a non-insurance contract might be a type of complex financial reinsurance contract.)	AASB 1023.19.1
<b>non-investment-linked business</b>	Life insurance business other than investment-linked business.	AASB 1038.20.1
<b>non-performance risk</b>	The risk that an entity will not fulfill an obligation. Non-performance risk includes, but may not be limited to, the entity's own credit risk.	AASB 13.A
<b>non-profit institution</b>	A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it. Defined in the ABS GFS Manual (Glossary, page 260).	AASB 1049.A
<b>non-reciprocal transfer</b>	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 1004.A
<b>not-for-profit entity</b>	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 entity and each of the entities that it controls.	AASB 102.Aus6.1, AASB 116.Aus6.1, AASB 136.Aus6.2
<b>notes</b>	Notes contain information in addition to that presented in the statement of financial position, statement of comprehensive income, separate income statement (if presented), statement of changes in equity and statement of cash flows. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements.	AASB 101.7
<b>obligating event</b>	An event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.	AASB 137.10
<b>obligation</b>	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. Obligations also arise, however, from normal business practice, custom and a desire to maintain good business relations or act in an equitable manner.	F.60

<b>observable inputs</b>	Inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.	AASB 13.A
<b>onerous contract</b>	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 137.10
<b>opening Australian-Accounting-Standards statement of financial position</b>	An entity's statement of financial position at the date of transition to Australian Accounting Standards.	AASB 1.A
<b>operating activities</b>	The principal revenue-producing activities of an entity and other activities that are not investing or financing activities.	AASB 107.6, AASB 114.8
<b>operating cycle</b>	The time between the acquisition of assets for processing and their realisation in cash or cash equivalents.	AASB 101.68
<b>operating lease</b>	A lease other than a finance lease.	AASB 117.4
<b>operating segment</b>	An operating segment is a component of an entity: <ul style="list-style-type: none"> <li>(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),</li> <li>(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and</li> <li>(c) for which discrete financial information is available.</li> </ul>	AASB 8.A
<b>options, warrants and their equivalents</b>	Financial instruments that give the holder the right to purchase ordinary shares.	AASB 133.5
<b>orderly transaction</b>	A transaction that assumes exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities; it is not a forced transaction (eg a forced liquidation or distress sale).	AASB 13.A
<b>ordinary share</b>	An equity instrument that is subordinate to all other classes of equity instruments.	AASB 133.5

**other comprehensive income<sup>3</sup>**

Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Australian Accounting Standards.

AASB 101.7

The components of other comprehensive income include:

- (a) changes in revaluation surplus (see AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*);
- (b) remeasurements of defined benefit plans (see AASB 119 *Employee Benefits*);
- (c) gains and losses arising from translating the financial statements of a foreign operation (see AASB 121 *The Effects of Changes in Foreign Exchange Rates*);
- (d) gains and losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9 *Financial Instruments*;
- (da) gains and losses on financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9.
- (e) the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9 (see Chapter 6 of AASB 9);
- (f) for particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk (see paragraph 5.7.7 of AASB 9);
- (g) changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only the changes in the intrinsic value (see Chapter 6 of AASB 9); and
- (h) changes in the value of the forward elements of forward contracts when separating the forward element and spot element of a forward contract and designating as the hedging instrument only the changes in the spot element, and changes in the value of the foreign currency basis spread of a financial instrument when excluding it from the designation of that financial instrument as the hedging instrument (see Chapter 6 of AASB 9).

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<sup>3</sup> AASB 101 (2015)

<b>other comprehensive income<sup>4</sup></b>	<p>Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Australian Accounting Standards.</p> <p>The components of other comprehensive income include:</p> <ul style="list-style-type: none"> <li>(a) changes in revaluation surplus (see AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i>);</li> <li>(b) remeasurements of defined benefit plans (see AASB 119 <i>Employee Benefits</i>);</li> <li>(c) gains and losses arising from translating the financial statements of a foreign operation (see AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i>);</li> <li>(d) gains and losses on remeasuring available-for-sale financial assets (see AASB 139 <i>Financial Instruments: Recognition and Measurement</i>); and</li> <li>(e) the effective portion of gains and losses on hedging instruments in a cash flow hedge (see AASB 139).</li> </ul>	AASB 101.7
<b>other economic flows</b>	Changes in the volume or value of an asset or liability that do not result from transactions (i.e. revaluations and other changes in the volume of assets). Defined in the ABS GFS Manual (Glossary, page 260).	AASB 1049.A
<b>other long-term employee benefits</b>	All employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.	AASB 119.8
<b>other price risk</b>	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.	AASB 7.A
<b>outstanding claims liability</b>	All unpaid claims and related claims handling expenses relating to claims incurred prior to the end of the reporting period.	AASB 1023.19.1
<b>owner-occupied property</b>	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.	AASB 140.5
<b>owners</b>	Holders of instruments classified as equity.	AASB 101.7

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<sup>4</sup> AASB 101 (2013)

<b>owners</b>	For the purposes of this Standard, <i>owners</i> is used broadly to include holders of <b>equity interests</b> of investor-owned entities and owners or members of, or participants in, <b>mutual entities</b> .	AASB 3.A
<b>parent</b>	An entity that controls one or more entities.	AASB 10.A
<b>party to a joint arrangement</b>	An entity that participates in a joint arrangement, regardless of whether that entity has joint control of the arrangement.	AASB 11.A
<b>past due</b>	A financial asset is past due when a counterparty has failed to make a payment when contractually due.	AASB 9.A
<b>past service cost<sup>5</sup></b>	The change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan).	AASB 119.8
<b>performance condition</b>	<p>A <b>vesting condition</b> that requires:</p> <ul style="list-style-type: none"> <li>(a) the counterparty to complete a specified period of service (ie a <b>service condition</b>); the service requirement can be explicit or implicit; and</li> <li>(b) specified performance target(s) to be met while the counterparty is rendering the service required in (a).</li> </ul> <p>The period of achieving the performance target(s):</p> <ul style="list-style-type: none"> <li>(a) shall not extend beyond the end of the service period; and</li> <li>(b) may start before the service period on the condition that the commencement date of the performance target is not substantially before the commencement of the service period.</li> </ul> <p>A performance target is defined by reference to:</p> <ul style="list-style-type: none"> <li>(a) the entity's own operations (or activities) or the operations or activities of another entity in the same group (ie a non-market condition); or</li> <li>(b) the price (or value) of the entity's equity instruments or the equity instruments of another entity in the same group (including shares and share options) (ie a market condition).</li> </ul> <p>A performance target might relate either to the performance of the entity as a whole or to some part of the entity (or part of the group), such as a division or an individual employee.</p>	AASB 2.A

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<sup>5</sup> AASB 119 (2014)

<b>performance obligation</b>	A promise in a <b>contract</b> with a <b>customer</b> to transfer to the customer either: <ul style="list-style-type: none"> <li>(a) a good or service (or a bundle of goods or services) that is distinct; or</li> <li>(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.</li> </ul>	AASB 15.A
<b>plan assets (of an employee benefit plan)</b>	These comprise: <ul style="list-style-type: none"> <li>(a) assets held by a long-term employee benefit fund; and</li> <li>(b) qualifying insurance policies.</li> </ul>	AASB 119.8
<b>policyholder</b>	A party that has a right to compensation under an insurance contract if an insured event occurs.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>policy liability</b>	A liability that arises under a life insurance contract or a life investment contract including any asset or liability arising in respect of the management services element of a life investment contract.	AASB 1038.20.1
<b>post-employment benefits</b>	Employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.	AASB 119.8
<b>post-employment benefit plans</b>	Formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.	AASB 119.8
<b>potential ordinary share</b>	A financial instrument or other contract that may entitle its holder to ordinary shares.	AASB 133.5
<b>power</b>	Existing rights that give the current ability to direct the relevant activities.	AASB 10.A
<b>premium</b>	The amount charged in relation to accepting risk from the insured, but does not include amounts collected on behalf of third parties.	AASB 1023.19.1
<b>presentation currency</b>	The currency in which the financial statements are presented.	AASB 121.8
<b>present value</b>	A current estimate of the present discounted value of the future net cash flows in the normal course of business.	F.100(d)
<b>present value of a defined benefit obligation</b>	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 119.8
<b>previous GAAP</b>	The basis of accounting that a first-time adopter used immediately before adopting Australian Accounting Standards.	AASB 1.A, AASB 14.A

<b>primary financial instruments</b>	Financial instruments such as receivables, payables and equity securities, that are not derivative financial instruments.	AASB 132.AG15
<b>principal market</b>	The market with the greatest volume and level of activity for the asset or liability.	AASB 13.A
<b>prior period errors</b>	<p>Omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:</p> <p>(a) was available when financial statements for those periods were authorised for issue; and</p> <p>(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.</p> <p>Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.</p>	AASB 108.5
<b>probable</b>	More likely than not.	AASB 5.A, AASB 137.23
<b>profit</b>	The residual amount that remains after expenses (including capital maintenance adjustments, where appropriate) have been deducted from income. Any amount over and above that required to maintain the capital at the beginning of the period is profit.	F.105, F.107
<b>profit or loss</b>	The total of income less expenses, excluding the components of other comprehensive income.	AASB 101.7
<b>property, plant and equipment</b>	<p>Tangible items that:</p> <p>(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</p> <p>(b) are expected to be used during more than one period.</p>	AASB 116.6
<b>prospective application</b>	<p>Prospective application of a change in accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are:</p> <p>(a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and</p> <p>(b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.</p>	AASB 108.5
<b>protective rights</b>	Rights designed to protect the interest of the party holding those rights without giving that party power over the entity to which those rights relate.	AASB 10.A
<b>provision</b>	A liability of uncertain timing or amount.	AASB 137.10

<b>public accountability</b>	<p>Public accountability means accountability to those existing and potential resource providers and others external to the entity who make economic decisions but are not in a position to demand reports tailored to meet their particular information needs.</p> <p>A for-profit private sector entity has public accountability if:</p> <ul style="list-style-type: none"> <li>(a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or</li> <li>(b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. This is typically the case for banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks.</li> </ul>	AASB 1053.A
<b>Public Financial Corporations (PFC) sector</b>	Institutional sector comprising resident government controlled corporations and <i>quasi-corporations</i> mainly engaged in financial intermediation or provision of auxiliary financial services. Based on the definition in the ABS GFS Manual (Glossary, page 261).	AASB 1049.A
<b>Public Non-Financial Corporations (PNFC) sector</b>	Institutional sector comprising resident government controlled corporations and quasi-corporations mainly engaged in the production of market goods and/or non-financial services. Based on the definition in the ABS GFS Manual (Glossary, page 261).	AASB 1049.A
<b>purchased or originated credit-impaired financial asset</b>	Purchased or originated financial asset(s) that are <b>credit-impaired</b> on initial recognition.	AASB 9.A
<b>put options (on ordinary shares)</b>	Contracts that give the holder the right to sell ordinary shares at a specified price for a given period.	AASB 133.5
<b>qualifying asset</b>	An asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	AASB 123.5

<b>qualifying insurance policy</b>	An insurance policy issued by an insurer that is not a related party (as defined in AASB 124 <i>Related Party Disclosures</i> ) of the reporting entity, if the proceeds of the policy: <ul style="list-style-type: none"> <li>(a) can be used only to pay or fund employee benefits under a defined benefit plan;</li> <li>(b) are not available to the reporting entity's own creditors (even in bankruptcy) and cannot be paid to the reporting entity, unless either: <ul style="list-style-type: none"> <li>(i) the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or</li> <li>(ii) the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.</li> </ul> </li> </ul>	AASB 119.8
<b>quasi-corporation</b>	An unincorporated enterprise that functions as if it were a corporation, has the same relationship with its owner as a corporation, and keeps a separate set of accounts. Defined in the ABS GFS Manual (Glossary, page 261).	AASB 1049.A
<b>realisable (settlement) value</b>	The amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.	F.100(c)
<b>reclassification adjustments</b>	Amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods.	AASB 101.7
<b>reclassification date</b>	The first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets.	AASB 9.A
<b>recognition</b>	The process of incorporating in the balance sheet [statement of financial position] or income statement [statement of comprehensive income] an item that meets the definition of an element and satisfies the following criteria for recognition: <ul style="list-style-type: none"> <li>(a) it is probable that any future economic benefit associated with the item will flow to or from the entity; and</li> <li>(b) the item has a cost or value that can be measured with reliability.</li> </ul>	F.82–83
<b>recoverable amount</b>	The higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use.	AASB 136.6, AASB 5.A
<b>regular way purchase or sale</b>	A purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.	AASB 139.9, AASB 9.A
<b>reinsurance assets</b>	A cedant's net contractual rights under a reinsurance contract.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1

<b>reinsurance contract</b>	An insurance contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>reinsurer</b>	The party that has an obligation under a reinsurance contract to compensate a cedant if an insured event occurs.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1

**related party**

A person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

AASB 124.9

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control of the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

**related party transaction**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

AASB 124.9

<b>relevant activities</b>	For the purpose of AASB 10, relevant activities are activities of the investee that significantly affect the investee's returns.	AASB 10.A
<b>relevance</b>	Relevant financial information is capable of making a difference in the decisions made by users. Information may be capable of making a difference in a decision even if some users choose not to take advantage of it or are already aware of it from other sources.	CF 2013-1.QC6
<b>reload feature</b>	A feature that provides for an automatic grant of additional share options whenever the option holder exercises previously granted options using the entity's shares, rather than cash, to satisfy the exercise price.	AASB 2.A
<b>reload option</b>	A new share option granted when a share is used to satisfy the exercise price of a previous share option.	AASB 2.A
<b>remeasurements of the net defined benefit liability (asset)</b>	<p>Remeasurements of the net defined benefit liability (asset) comprise:</p> <ul style="list-style-type: none"> <li>(a) actuarial gains and losses;</li> <li>(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and</li> <li>(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).</li> </ul>	AASB 119.8
<b>removal rights</b>	Rights to deprive the decision maker of its decision-making authority.	AASB 10.A
<b>remuneration</b>	Compensation as defined in AASB 124.	AASB 124.Aus9.1
<b>reportable segment</b>	An operating segment for which AASB 8 requires information to be disclosed.	AASB 8.11
<b>reporting entity</b>	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.	AAS 25.10, SAC 1.40
<b>reporting entity</b>	An entity in respect of which it is reasonable to expect the existence of users who rely on the entity's general purpose financial statement 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.	AASB 101.Aus7, AASB1053.A
<b>research</b>	Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.	AASB 138.8

<b>residual value (of an asset)</b>	The estimated amount that an entity would currently obtain from disposal of an 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.	AASB 116.6, AASB 138.8
<b>restructure of administrative arrangements</b>	The reallocation or reorganisation of assets, liabilities, activities and responsibilities amongst the entities that the government controls that occurs as a consequence of a rearrangement in the way in which activities and responsibilities as prescribed under legislation or other authority are allocated between the government's controlled entities.  The scope of the requirements relating to restructures of administrative arrangements is limited to the transfer of a business (as defined in AASB 3 <i>Business Combinations</i> ). The requirements do not apply to, for example, a transfer of an individual asset or a group of assets that is not a business.	AASB 1004.A
<b>restructuring</b>	A programme that is planned and controlled by management, and materially changes either:  (a) the scope of a business undertaken by an entity; or  (b) the manner in which that business is conducted.	AASB 137.10
<b>retrospective application</b>	Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.	AASB 108.5
<b>retrospective restatement</b>	Correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.	AASB 108.5
<b>return on plan assets (of an employee benefit plan)</b>	Interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less:  (a) any costs of managing plan assets; and  (b) any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.	AASB 119. 8
<b>revaluation</b>	Restatement of assets and liabilities.	F.81
<b>revenue</b>	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.	AASB 118.7
<b>revenue</b>	Income arising in the course of an entity's ordinary activities.	AASB 15.A

<b>risk premium</b>	Compensation sought by risk-averse market participants for bearing the uncertainty inherent in the cash flows of an asset or a liability. Also referred to as a ‘risk adjustment’.	AASB 13.A
<b>separate financial statements</b>	Those presented by a parent, an investor in an associate or a venturer in a jointly controlled entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.	AASB 1023.19.1, AASB 1038.20.1
<b>separate financial statements</b>	Those presented by an entity in which the entity could elect, subject to the requirements in this Standard, to account for its investments in subsidiaries, joint ventures and associates either at cost, in accordance with AASB 9 <i>Financial Instruments</i> , or using the equity method as described in AASB 128 <i>Investments in Associates and Joint Ventures</i> .	AASB 127.4
<b>separate vehicle</b>	A separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.	AASB 11.A
<b>service condition</b>	A vesting condition that requires the counterparty to complete a specified period of service during which services are provided to the entity. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, it has failed to satisfy the condition. A service condition does not require a performance target to be met.	AASB 2.A
<b>service cost</b>	Service cost comprises: <ul style="list-style-type: none"> <li>(a) <i>current service cost</i>, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;</li> <li>(b) <i>past service cost</i>, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and</li> <li>(c) any gain or loss on settlement.</li> </ul>	AASB 119.8
<b>settlement (of employee benefit obligations)</b>	A transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.	AASB 119.8
<b>settlement date<sup>6</sup></b>	The date that a financial asset is delivered to or by an entity.	AASB 139.AG56

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<sup>6</sup> AASB 139 (2014)

<b>share-based payment arrangement</b>	An agreement between the entity (or another group <sup>7</sup> entity or any shareholder of any group entity) and another party (including an employee) that entitles the other party to receive: <ul style="list-style-type: none"> <li>(a) cash or other assets of the entity for amounts that are based on the price (or value) of <b>equity instruments</b> (including shares or <b>share options</b>) of the entity, or another group entity; or</li> <li>(b) equity instruments (including shares or share options) of the entity, or another group entity,</li> </ul> provided the specified <b>vesting conditions</b> , if any, are met.	AASB 2.A
<b>share-based payment transaction</b>	A transaction in which the entity: <ul style="list-style-type: none"> <li>(a) receives goods or services from the supplier of those goods or services (including an employee) in a <b>share-based payment arrangement</b>; or</li> <li>(b) incurs an obligation to settle the transaction with the supplier in a <b>share-based payment arrangement</b> when another group entity receives those goods or services.</li> </ul>	AASB 2.A
<b>share option</b>	A contract that gives the holder the right, but not the obligation, to subscribe to the entity's shares at a fixed or determinable price for a specific period of time.	AASB 2.A
<b>short seller</b>	An entity that sells financial assets that it has borrowed and does not yet own.	AASB 139.AG15
<b>short-term employee benefits</b>	Employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.	AASB 119.8
<b>significant influence</b>	The power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.	AASB 128.3, AASB 131.3
<b>solvency</b>	The availability of cash over the longer term to meet financial commitments as they fall due.	F.16
<b>special purpose financial statements (referred to as 'financial statements')</b>	Financial statements other than general purpose financial statements.	AASB 101.Aus7.1, AASB 1054.6
<b>spot exchange rate</b>	The exchange rate for immediate delivery.	AASB 121.8
<b>stand-alone selling price (of a good or service)</b>	The price at which an entity would sell a promised good or service separately to a customer.	AASB 15.A
<b>statutory fund</b>	A statutory fund under the <i>Life Insurance Act 1995</i> .	AASB 1038.20.1

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<sup>7</sup> A 'group' is defined in Appendix A of AASB 10 Consolidated Financial Statements as 'a parent and its subsidiaries' from the perspective of the reporting entity's ultimate parent.

<b>structured entity</b>	An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Paragraphs B22–B24 provide further information about structured entities.	AASB 12.A
<b>subsidiary</b>	An entity that is controlled by another entity.	AASB 10.A
<b>substance over form</b>	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.	F.35, <i>AASB 108.7–10</i>
<b>superannuation plan</b>	An arrangement whereby it is agreed, between trustees and employers, employees or self-employed persons, that benefits be provided upon the retirement of plan members or upon their resignation, death, disablement or other specified event(s).	AAS 25.10
<b>tax base of an asset or liability</b>	The amount attributed to that asset or liability for tax purposes.	AASB 112.5
<b>tax expense (tax income)</b>	The aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).	AASB 112.5, AASB 112.6
<b>taxable profit (tax loss)</b>	The profit (loss) for a period, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable (recoverable).	AASB 112.5
<b>taxable temporary differences</b>	Temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.	AASB 112.5
<b>temporary differences</b>	Differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either: <ul style="list-style-type: none"> <li>(a) taxable temporary differences; or</li> <li>(b) deductible temporary differences.</li> </ul>	AASB 112.5
<b>termination benefits</b>	Employee benefits payable as a result of either: <ul style="list-style-type: none"> <li>(a) an entity’s decision to terminate an employee’s employment before the normal retirement date; or</li> <li>(b) an employee’s decision to accept an offer of benefits in exchange for the termination of employment.</li> </ul>	AASB 119.8

<b>total comprehensive income</b>	The change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.	AASB 101.7
<b>trade date</b>	The date that an entity commits itself to purchase or sell an asset.	AASB 139.AG55
<b>transactions</b>	Interactions between two institutional units by mutual agreement or actions within a unit that it is analytically useful to treat as transactions. Defined in the ABS GFS Manual (Glossary, page 263).	AASB 1049.A
<b>transaction costs</b>	The costs to sell an asset or transfer a liability in the principal (or most advantageous) market for the asset or liability that are directly attributable to the disposal of the asset or the transfer of the liability and meet both of the following criteria:  (a) They result directly from and are essential to that transaction.  (b) They would not have been incurred by the entity had the decision to sell the asset or transfer the liability not been made (similar to costs to sell, as defined in AASB 5).	AASB 13.A
<b>transaction costs (financial instruments)</b>	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see AASB 139 paragraph AG13). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.	AASB 139.9
<b>transaction costs (financial instruments)</b>	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see paragraph B5.4.8). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.	AASB 9.A
<b>transport costs</b>	The costs that would be incurred to transport an asset from its current location to its principal (or most advantageous) market.	AASB 13.A
<b>unbundle</b>	Account for the components of a contract as if they were separate contracts.	AASB 4.A, AASB 1023.19.1, AASB 1038.20.1
<b>understandability</b>	Classifying, characterising and presenting information clearly and concisely makes it <i>understandable</i> .	CF 2013-1.QC30
<b>unearned finance income</b>	The difference between:  (a) the gross investment in the lease, and  (b) the net investment in the lease.	AASB 117.4
<b>unit of account</b>	The level at which an asset or a liability is aggregated or disaggregated in a Standard for recognition purposes.	AASB 13.A

<b>unguaranteed residual value</b>	That portion of the residual value of the leased asset, the realisation of which by the lessor is not assured or is guaranteed solely by a party related to the lessor.	AASB 117.4
<b>unobservable inputs</b>	Inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.	AASB 13.A
<b>useful life</b>	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.	AASB 117.4
<b>useful life</b>	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
<b>value in use</b>	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 5.A
<b>value in use</b>	The present value of the future cash flows expected to be derived from an asset or cash-generating unit.	AASB 136.6
<b>value in use (in respect of not-for-profit entities)</b>	Depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.	AASB 136.Aus6.1
<b>vest</b>	To become an entitlement. Under a share-based payment arrangement, a counterparty's right to receive cash, other assets or equity instruments of the entity vests when the counterparty's entitlement is no longer conditional on the satisfaction of any vesting conditions.	AASB 2.A
<b>vested benefits</b>	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.	AAS 25
<b>vesting condition</b>	A condition that determines whether the entity receives the services that entitle the counterparty to receive cash, other assets or <b>equity instruments</b> of the entity, under a <b>share-based payment arrangement</b> . A vesting condition is either a <b>service condition</b> or a <b>performance condition</b> .	AASB 2.A
<b>vesting period</b>	The period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied.	AASB 2.A
<b>warrant</b>	A financial instrument that gives the holder the right to purchase ordinary shares.	AASB 133.5

<b>weather derivative</b>	A contract that requires payment based on climatic, geological or other physical variables.	AASB 1023.19.1
<b>weighted average number of ordinary shares outstanding during the period</b>	The number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.	AASB 133.20
<b>whole of government general purpose financial statements (also referred to as 'whole of government financial statements' in AASB 1049)</b>	General purpose financial statements prepared by a government that is prepared in accordance with Australian Accounting Standards, including AASB 127 <i>Consolidated and Separate Financial Statements</i> , and thereby separately recognise assets, liabilities, income, expenses and cash flows of all entities under the control of the government on a line-by-line basis.	AASB 1049.A