

AUSTRALIAN SPORTS COMMISSION

Entity Resources and Planned Performance

ASC

AUSTRALIAN SPORTS COMMISSION

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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT¹

The Australian Sports Commission's (ASC) vision is that Australia is the most active sporting nation, known for its integrity, sporting success and world leading sports industry. The ASC promotes and supports the development of a cohesive and effective national sport sector that creates opportunities for all Australians to participate and excel in sport.

The ASC has undertaken a major review of its strategic direction to ensure it is delivering the best outcomes for its stakeholders and the broader Australian community.

The participation approach will focus on identifying how to maximise the participation of Australians in sport and physical activity, and reduce barriers to participation. The capacity of the Australian sport system to deliver high performance and participation outcomes will be enhanced through the sport industry growth strategy and a strategic approach to national sporting organisation transformation.

The Australian Government continues its investment in high performance sports, which will support athletes and key sports prepare for success at major events, including the Commonwealth, Olympic and Paralympic Games.

The Australian Institute of Sport (AIS), a division of the ASC, is Australia's strategic high performance sport agency, responsible for leading the delivery of Australia's international sporting success. The AIS is working in partnership with state and territory institutes and academies of sport to strengthen the high performance system through a unified approach.

The role and functions of the ASC are set out in the *Australian Sports Commission Act 1989*. The ASC is a corporate Commonwealth Entity under the Public Governance, *Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the ASC website.

¹ For more information about the strategic direction of the ASC, refer to the current Corporate Plan, available at: www.ausport.gov.au/about

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASC Resource Statement – Budget Estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Opening balance/cash reserves at 1 July ^(a)	76,673	66,018
FUNDS FROM GOVERNMENT		
Annual appropriations		
Ordinary annual services ^(b)		
Outcome 1	268,328	313,479
Other services ^(c)		
Equity injection	1,069	856
Total annual appropriations	269,397	314,335
Total funds from Government	269,397	314,335
Funds from other sources		
Interest	2,917	2,000
Sale of goods and services	24,974	20,651
Other	2,294	64
Total funds from other sources	30,185	22,715
Total net resourcing for ASC	376,255	403,068
	2017-18	2018-19
Average staffing level (number)	531	531

All figures are GST exclusive.

The ASC is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Health, which are then paid to the ASC and are considered 'departmental' for all purposes.

^(a) Includes cash and investments.

^(b) Appropriation Bill (No. 1) 2018-19 and Appropriation Bill/Act (No. 1, 3, 5) 2017-18.

^(c) Appropriation Bill (No. 2) 2018-19 and Appropriation Bill/Act (No. 2, 4, 6) 2017-18.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the ASC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ASC 2018-19 Budget Measures

Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	
More Choices for a Longer Life - healthy ageing and high quality care ^(a)						
Australian Sports Commission						
Departmental expenses	1.1	-	11,440	11,440	-	-
Total		-	11,440	11,440	-	-
Sport - building a more active Australia ^(a)						
Australian Sports Commission						
Departmental expenses	1.1	2,539	68,571	39,999	17,743	19,103
Departmental capital	1.1	-	(379)	(1,237)	(895)	(1,257)
Total		2,539	68,192	38,762	16,848	17,846
Support for the Special Olympics Australia National Games 2018						
Australian Sports Commission						
Departmental expenses	1.1	207	-	-	-	-
Total		207	-	-	-	-

^(a) Full details of this measure are published under Department of Health (Table 1.2)

Section 2: Outcomes and Planned Performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's Corporate Plans and Annual Performance Statements – included in Annual Reports – to provide an entity's complete performance story.

The ASC's most recent Corporate Plan is available at:

www.ausport.gov.au/__data/assets/pdf_file/0011/663419/34806_ASC_Corporate_Plan_2017_web.pdf

The ASC's most recent Annual Performance Statement is available at:

www.ausport.gov.au/annual_report

2.1 BUDGETED EXPENSES AND PERFORMANCE

Outcome 1

Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport

Program Contributing to Outcome 1

Program 1.1: Australian Sports Commission

Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<p>Australian Sports Anti-Doping Authority Program 1.1: Engagement, Deterrence, Detection and Enforcement The Australian Sports Anti-Doping Authority (ASADA) contributes to the protection of the health of athletes, and the integrity of sport, by conducting World Anti-Doping Code compliant activities domestically. ASADA also contributes to international efforts to combat doping in sport.</p>
<p>Department of Health Program 3.1: Sport and Recreation The Department of Health aims to increase participation in sport and recreation activities, support major international sporting events, improve water and snow safety, and protect the integrity of sport.</p>
<p>Department of the Prime Minister and Cabinet Program 1.1: Prime Minister and Cabinet The Department of the Prime Minister and Cabinet contributes to improving the diversity of sporting organisations by working to increase female representation in sport leadership roles.</p>

Budgeted Expenses for the ASC

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted Expenses for the ASC

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Australian Sports Commission					
Revenue from Government					
Ordinary annual services ^(a)	268,328	313,479	258,482	225,917	228,612
Revenues from independent sources	27,961	22,703	22,287	22,033	22,028
Operating deficit (surplus)	16,953	9,846	8,958	8,958	8,958
Total for Program 1.1	313,242	346,028	289,727	256,908	259,598
Total expenses for Outcome 1	313,242	346,028	289,727	256,908	259,598
	2017-18	2018-19			
Average staffing level (number)	531	531			

^(a) Appropriation Bill (No. 1) 2018-19 and Appropriation Bill/Act (No. 1, 3, 5) 2017-18.

Planned Performance for the ASC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered and where 2018-19 Budget measures have materially changed the program.

Table 2.1.2: Performance Criteria for the ASC

Purpose
The ASC will contribute to improving the health and well-being of Australians and making communities stronger through sport and physical activity.
Outcome 1
Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport.
Program 1.1: Australian Sports Commission
<p>The ASC is focused on getting more Australians active, more often, through organised sport and physical activity. The ASC, through the Australian Institute of Sport, will strive to deliver continued success for Australian athletes and teams on the world stage. This will be achieved by leading a unified sport sector that is sustainable and that has the capability and capacity to maximise outcomes for the broader Australian community.</p> <p>The ASC will focus on delivery of seven activities of immediate strategic importance.</p> <ul style="list-style-type: none"> • Embedding physical activity through greater engagement of children and youth in sport. • Increasing awareness and reach in areas which have a direct impact on physical activity and physical literacy levels. • Leading and enabling a united and effective high performance system which is focused on excellence and producing successful outcomes. • Evolving a system-wide approach to athlete well-being for athletes to engage with and inspire the community. • Building workforce capability across the sector. • Driving a leaner and more efficient organisation and building a strong workforce culture. • Improve the digital capability of the Australian sports sector. <p>The priorities outlined above will guide the delivery of the below activities across three strategic areas</p>



Delivery		
<p>A. National pride and inspiration through international success</p> <ul style="list-style-type: none"> • Drive overall investment and resource allocation to optimise performance outcomes, including for the long term. • Develop capability of high performance leadership, coaching and support staff in the system. • Identify key areas where applied technology or innovation is likely to have a significant impact on achieving system performance objectives and prioritise resources accordingly. • Widely share and celebrate our sporting success and stories on the global stage. <p>B. More Australians move more often</p> <ul style="list-style-type: none"> • Embed sport, physical activity and physical literacy into early childhood environments. • Encourage parents, guardians and schools to value the impact that sport, physical literacy and physical activity have on a child's development. • Influence planning, investment and design of sport infrastructure to maximise community benefits. <p>C. Building the capability of sport to create a robust, connected industry</p> <ul style="list-style-type: none"> • Maximise outcomes through a strategic approach to NSO transformation and innovation. • Lead and Influence the supply of sport, physical literacy and physical activity interventions. • Establish strong partnerships between the Commonwealth and state sectors, including State and Territory Departments of Sport and Recreation by focusing on the collective impact of sport. • Widely share ASC insights with sport. 		
Performance criteria		
A. National pride and inspiration through international success		
Percentage of High Performance funded sports rated by the ASC as achieving their benchmark targets.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
N/A ²	On average, 85% of High Performance funded National Sporting Organisations performance targets are achieved.	On average, 85% of High Performance funded National Sporting Organisations performance targets are achieved.
Community perceptions of Australia's international sporting success.		
2017-18 Estimated result	2018-19 Target	2019-20 Target
N/A ³	Baseline metrics established through an ASC Community Engagement Monitor regarding the public perceptions of Australia's international sporting success.	Improvement in public perception of Australia's international sporting success as measured through the ASC Community Engagement Monitor.

² This is a new performance criteria, therefore there is no estimated result for 2017-18.

³ Ibid.

B. More Australians move more often		
Increase in physical activity levels by Australian children.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
N/A ⁴	Children in Australia aged 5 to 14 years participate in organised physical activity outside of school hours for at least 3.2 hours per week, on average.	Children in Australia aged 5 to 14 years participate in organised physical activity outside of school hours for at least 3.4 hours per week, on average.
Percentage of Australians participating in physical activity		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
Development of the baseline result for the number of Australians aged 15 or more meeting current physical activity guidelines ⁵ for their age group.	An increase of 1% in the number of Australians aged 15 or more meeting current physical activity guidelines ⁶ for their age group when compared to the 2017-18 baseline result.	An increase of 1% in the number of Australians aged 15 or more meeting current physical activity guidelines ⁷ for their age group when compared to the 2018-19 result.
C. Building the capability of sport to create a robust, connected industry		
Improving the organisational capability of targeted national sporting organisations		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
Development of baseline metrics for targeted sports using the organisational development assessment.	Scores on the organisational capability assessment tool are at least five percentage points higher than in 2017-18 for 100% of targeted NSOs.	Scores on the organisational capability assessment tool are at least five percentage points higher than in 2018-19 for 100% of targeted NSOs.
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none"> • <i>Sport - building a more active Australia</i> 		

⁴ Ibid.

⁵ The physical activity guidelines are available at www.health.gov.au/internet/main/publishing.nsf/content/health-pubhlth-strateg-phys-act-guidelines

⁶ Ibid.

⁷ Ibid.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences Between Entity Resourcing and Financial Statements

The agency resource statement provides a consolidated view of all the resources available in 2018-19. This includes operating appropriation, funds from other sources, and cash and investments to cover payables and provisions on the balance sheet. Operating appropriation is shown as Revenue from Government in the comprehensive income statement.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental Resources

Comprehensive Income Statement

The ASC is budgeting for an operating loss of \$16.953 million in 2017-18 mainly arising from: (i) additional and unfunded depreciation expense following the revaluation of assets and (ii) one-off costs as the ASC transitions to the new strategy.

Since the 2017-18 Budget, the 2018-19 revenue from Government estimate (and associated costs) has increased by \$85.922 million, primarily reflecting measures including *Sport - building a more active Australia* (\$67.336 million) and *More Choices for a Longer Life - healthy ageing and high quality care* (\$11.440 million).

Balance Sheet

Total assets at 30 June 2019 are anticipated to be \$293.938 million, of which \$234.361 million (80%) represents investment in non-financial assets. Liabilities are expected to remain stable over the budget and forward estimates period and comprise mainly of supplier payables and employee entitlements.

Total equity is estimated to be \$277.334 million at 30 June 2019. The reduction in equity over the forward estimates reflects the impact of the unfunded loss for increased depreciation expense arising from the revaluation of assets.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	62,135	62,271	57,799	58,897	59,957
Suppliers	44,406	48,294	43,370	37,763	36,981
Grants	177,857	210,519	163,901	135,978	138,399
Depreciation and amortisation	25,600	24,944	24,657	24,270	24,261
Write down and impairment of assets	3,244	-	-	-	-
Total expenses	313,242	346,028	289,727	256,908	259,598
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	24,974	20,651	20,491	20,491	20,491
Interest	2,987	2,052	1,796	1,542	1,537
Total revenue	27,961	22,703	22,287	22,033	22,028
Net cost of (contribution by) services	285,281	323,325	267,440	234,875	237,570
Revenue from Government	268,328	313,479	258,482	225,917	228,612
Surplus (deficit) attributable to the Australian Government	(16,953)	(9,846)	(8,958)	(8,958)	(8,958)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(16,953)	(9,846)	(8,958)	(8,958)	(8,958)

Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,018	7,655	4,468	4,937	7,174
Trade and other receivables	6,298	6,298	6,298	6,298	6,298
Loans	636	624	568	513	459
Investments	55,000	45,000	30,000	25,000	25,000
Total financial assets	72,952	59,577	41,334	36,748	38,931
Non-financial assets					
Land and buildings	210,625	213,042	221,414	217,353	205,784
Property, plant and equipment	11,185	12,588	11,804	12,269	13,575
Intangibles	4,538	4,352	6,377	6,290	5,757
Inventories	682	682	682	682	682
Other	3,697	3,697	3,697	3,697	3,697
Total non-financial assets	230,727	234,361	243,974	240,291	229,495
Total assets	303,679	293,938	285,308	277,039	268,426
LIABILITIES					
Payables					
Suppliers	2,216	2,216	2,216	2,216	2,216
Grants	26	26	26	26	26
Other payables	1,716	1,716	1,716	1,716	1,716
Total payables	3,958	3,958	3,958	3,958	3,958
Provisions					
Employees	13,330	12,579	12,907	13,243	13,588
Other provisions	67	67	67	67	67
Total provisions	13,397	12,646	12,974	13,310	13,655
Total liabilities	17,355	16,604	16,932	17,268	17,613
Net assets	286,324	277,334	268,376	259,771	250,813
EQUITY					
Contributed equity	151,279	152,135	152,135	152,488	152,488
Reserves	193,836	193,836	193,836	193,836	193,836
Retained surpluses (accumulated deficits)	(58,791)	(68,637)	(77,595)	(86,553)	(95,511)
Total equity	286,324	277,334	268,376	259,771	250,813

Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2018-19)

	Retained earnings (accumulated deficit) \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(58,791)	193,836	151,279	286,324
Surplus (deficit) for the period	(9,846)	-	-	(9,846)
Appropriation (equity injection)	-	-	856	856
Estimated closing balance as at 30 June 2019	(68,637)	193,836	152,135	277,334

Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	24,974	20,651	20,491	20,491	20,491
Appropriations	268,328	313,479	258,482	225,917	228,612
Interest	2,917	2,000	1,750	1,500	1,500
Total cash received	296,219	336,130	280,723	247,908	250,603
Cash used					
Employees	61,822	63,022	57,471	58,561	59,612
Suppliers	44,406	48,294	43,370	37,763	36,981
Grants	177,857	210,519	163,901	135,978	138,399
Total cash used	284,085	321,835	264,742	232,302	234,992
Net cash from (or used by) operating activities	12,134	14,295	15,981	15,606	15,611
INVESTING ACTIVITIES					
Cash received					
Repayment of loans and interest	2,294	64	102	97	91
Total cash received	2,294	64	102	97	91
Cash used					
Purchase of property, plant and equipment and intangibles	26,152	28,578	34,270	20,587	13,465
Total cash used	26,152	28,578	34,270	20,587	13,465
Net cash from (or used by) investing activities	(23,858)	(28,514)	(34,168)	(20,490)	(13,374)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,069	856	-	353	-
Total cash received	1,069	856	-	353	-
Net cash from (or used by) financing activities	1,069	856	-	353	-
Net increase (or decrease) in cash held	(10,655)	(13,363)	(18,187)	(4,531)	2,237
Cash and cash equivalents at the beginning of the reporting period	76,673	66,018	52,655	34,468	29,937
Cash and cash equivalents at the end of the reporting period	66,018	52,655	34,468	29,937	32,174

Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	1,069	856	-	353	-
Total capital appropriations	1,069	856	-	353	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,069	856	-	353	-
Total items	1,069	856	-	353	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	1,069	856	-	353	-
Funded internally from departmental resources	25,083	27,722	34,270	20,234	13,465
Total acquisitions of non-financial assets	26,152	28,578	34,270	20,587	13,465
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	26,152	28,578	34,270	20,587	13,465
Total cash used to acquire assets	26,152	28,578	34,270	20,587	13,465

^(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.6: Statement of Asset Movements (Budget year 2018-19)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018					
Gross book value	10,000	550,662	31,209	14,486	606,357
Accumulated depreciation/ amortisation and impairment	-	(350,037)	(20,024)	(9,948)	(380,009)
Opening net book balance	10,000	200,625	11,185	4,538	226,348
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - equity injection	-	-	-	856	856
By purchase - internal resources	-	21,379	5,255	1,088	27,722
Total additions	-	21,379	5,255	1,944	28,578
Other movements					
Depreciation/amortisation expense	-	(18,962)	(3,852)	(2,130)	(24,944)
Total other movements	-	(18,962)	(3,852)	(2,130)	(24,944)
As at 30 June 2019					
Gross book value	10,000	572,041	36,464	16,430	634,935
Accumulated depreciation/ amortisation and impairment	-	(368,999)	(23,876)	(12,078)	(404,953)
Closing net book balance	10,000	203,042	12,588	4,352	229,982