

AUSTRALIAN SPORTS COMMISSION

Entity Resources and Planned Performance

ASC

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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT¹

The Australian Sports Commission (ASC) is committed to making Australian sport stronger – to get more people playing sport and to help athletes realise international success. 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.

Two broad strategic documents *Australia's Winning Edge 2012-2022* and *Play.Sport.Australia*. provide the framework for the ASC's operations, and a context for the strategic pillars of the ASC's corporate plan. The pillars of win, play and thrive define the ASC's approach to delivering international success, more participation and sustainable sporting organisations.

Australia's Winning Edge 2012-2022 is the national high performance strategy; it is the blueprint for Australia's high performance success and provides the high performance sport sector with clear performance targets and a framework for collaboration.

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 works in partnership with national sporting organisations (NSOs), state institutes and academies of sport, and peak bodies such as the Australian Olympic Committee, Australian Paralympic Committee and the Australian Commonwealth Games Association.

In the lead up to the 2018 Gold Coast Commonwealth Games, the Government will commit an additional \$15.5 million in the 2017-18 Budget to maintain sporting grants and services for more than 2,000 aspiring and high performing athletes.

Play.Sport.Australia. articulates priority action areas to address the challenges of keeping sports relevant and viable and keeping Australians active and healthy through sport.

Grass roots sport is fundamental to the Australian way of life with tens of thousands of sporting organisations across Australia and thousands of private-sector providers. The ASC aims to use its unique position of influence as well as its leadership role to inform, support and create alignment through the sport sector to achieve the collective national goal of participation growth.

A key focus in 2017-18 will be the continued delivery and expansion of the Sporting Schools program, with funding and support for schools and partnerships with national sporting organisations to deliver free quality sporting experiences to students. The expanded program will include an increased focus on secondary schools, particularly students in years seven and eight.

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

In addition, the Government will provide \$0.4 million, to the ASC from the agency sustainability stream of the Public Service Modernisation Fund.

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*.

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 2017-18 as at Budget May 2017

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
Opening balance/cash reserves at 1 July ^(a)	75,842	72,127
Funds from Government		
Annual appropriations		
Ordinary annual services ^(b)		
Outcome 1	250,669	264,595
Other services ^(c)		
Equity injection	-	1,069
Total annual appropriations	250,669	265,664
Funds from other sources		
Interest	2,500	2,250
Sale of goods and services	34,612	21,422
Other	276	1,129
Total funds from other sources	37,388	24,801
Total net resourcing for ASC	363,899	362,592
	2016-17	2017-18
Average staffing level (number)	570	570

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) 2017-18.

^(c) Appropriation Bill (No. 2) 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 2017-18 Budget Measures

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Gold Coast 2018 Commonwealth Games - support for athletes						
Australian Sports Commission						
	Departmental expenses	1.1	-	15,500	-	-
Total expenses			-	15,500	-	-
Sporting Schools Program - extension ^(a)						
Australian Sports Commission						
	Departmental expenses	1.1	-	39,008	19,490	-
	Departmental capital	1.1	-	1,069	-	-
Total			-	40,077	19,490	-
Whole of Government Measures						
Public Service Modernisation Fund - agency sustainability						
Australian Sports Commission						
	Departmental expenses	1.1	-	-	-	-
Total expenses			-	-	-	-

^(a) This measure was announced in the 2016-17 MYEFO.

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 which 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/0004/651784/Australian_Sports_Commission_Corporate_Plan_2016-20.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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
Program 1.1: Australian Sports Commission					
Revenue from Government					
Ordinary annual services ^(a)	250,669	264,595	227,557	207,942	209,083
Revenues from independent sources	37,260	23,806	22,898	22,438	22,312
Operating deficit (surplus)	7,858	8,386	8,857	8,958	8,958
Total for Program 1.1	295,787	296,787	259,312	239,338	240,353
Total expenses for Outcome 1	295,787	296,787	259,312	239,338	240,353
	2016-17	2017-18			
Average staffing level (number)	570	570			

^(a) Appropriation Bill (No. 1) 2017-18.

Planned Performance for the ASC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.² It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

Table 2.1.2: Performance Criteria for the ASC

Purpose
To strengthen Australian sport – to enable more people to play sport and Australian athletes and teams to succeed on the world stage.
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 aims to increase participation in sport, improve the sustainability of sporting organisations, and deliver continued success for Australian athletes and teams on the world stage.</p> <p>In the lead up to the 2018 Gold Coast Commonwealth Games, the Government will commit an additional \$15.5 million in the 2017-18 Budget to maintain sporting grants and services for more than 2,000 aspiring and high performing athletes.</p> <p>In addition, the Government will provide \$0.4 million, to the ASC from the agency sustainability stream of the Public Service Modernisation Fund.</p>
Delivery
<p>A. Delivering international sporting success</p> <ul style="list-style-type: none"> • Provide targeted investment to National Sporting Organisations (NSOs) and athletes that demonstrate the greatest chance of short, medium and long-term success. • Provide support and advice to assist NSOs with high performance strategy, planning and program delivery. • Develop and deliver customised athlete, coach and leader talent initiatives to optimise high performance outcomes. • Plan, coordinate and deliver sport science and sports medicine expertise to ensure Australia's athletes get the right support at the right time. • Support innovative solutions to enhance Australia's competitive advantage for prioritised sports and promote the growth of new knowledge and expertise for high performance sport. <p>B. Increasing participation in sport</p> <ul style="list-style-type: none"> • Provide targeted investment to NSOs to help them grow their participation base. • Provide services and support that assists NSOs with participation strategies, planning and operations. • Develop and share high quality information, research and data to better understand what is happening in sport. • Drive demand for lifelong participation in sport by focussing on younger Australians through the Sporting Schools program.



² Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 ASC Annual Report.

C. Improving the sustainability of sports				
<ul style="list-style-type: none"> • Provide support to sporting bodies to improve their governance and enhance alignment of systems and behaviours through national, state and territory levels. • Develop and deliver sector initiatives to optimise coach, official and leader talent. • Assist sports to develop relevant products and identify commercial opportunities to improve their financial sustainability. • Assist sports to develop their digital capacity to ensure they are connecting with their customers and utilising technology to support growth and innovation. • Support sports to build their capability and strengthen integrity frameworks to deliver safe, fair and inclusive sporting environments. 				
Performance criteria				
A. Delivering international sporting success				
Improved capability of national sporting organisations to deliver effective high performance programs.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
On track to be achieved.	The Annual Sports Performance Review shows improvement in the high performance capability of national sporting organisations, compared to previous year's results.	As per 2017-18.		
B. Increasing participation in sport				
Increase in the percentage of Australians participating in organised sport (traditional or social).				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Sport participation baseline established through AusPlay survey.	AusPlay survey results show an increase in sport participation compared to previous year.	As per 2017-18.		
Number of student attendances in the Sporting Schools program.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
On track to be achieved.	≥750,000 ³	≥1,100,000 ⁴	N/A ⁵	N/A

³ The Sporting Schools program has been extended for an 18 month period from 1 July 2017–31 December 2018. The program will expand to include secondary schools with a focus on females and inactive children.

⁴ Target represents the cumulative total for the extended program 1 July 2017–31 December 2018.

⁵ Funding for this program ceases as at 31 December 2018.

C. Improving the sustainability of sports		
Improved organisational capability of national sporting organisations.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Baseline of organisational capability established.	The organisational development assessment shows improvement in the organisational capability of targeted national sporting organisations, compared to the previous year.	As per 2017-18.
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none"> • There are no material changes to Program 1.1 resulting from measures. 		

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 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 (Table 1.1) provides a consolidated view of all the resources available in 2017-18. 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 (Table 3.1).

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 \$7.9 million in 2016-17 mainly arising from: (i) additional and unfunded depreciation expense reflecting revaluations of assets; and (ii) timing differences across financial years as to when revenue is received and when expenditure for certain activities occurs.

The ASC is budgeting for an operating loss for the 2017-18 Budget year and three forward estimates arising from additional and unfunded depreciation expense reflecting the revaluations of assets.

Since the 2016-17 PB Statements were published, the 2017-18 revenue from Government estimate (and associated costs) has increased by \$51.6 million primarily reflecting the measures shown in Table 1.2 including: *Sporting Schools Program – extension* (\$39.0 million), *Gold Coast 2018 Commonwealth Games – support for athletes* (\$15.5 million) and the *Public Service Modernisation Fund – agency sustainability* (\$0.4 million).

Balance Sheet

Total assets at 30 June 2018 are anticipated to be \$312.9 million, \$235.5 million (75 per cent) of which 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 at \$294.2 million at 30 June 2018. The reduction in equity over the forward estimates reflects the impact of the unfunded loss for increased depreciation expense arising from revaluations 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)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	64,083	64,510	62,187	59,896	61,717
Suppliers	39,787	37,757	33,452	30,075	28,383
Grants	167,777	168,920	138,004	123,999	124,885
Depreciation and amortisation	24,140	25,600	25,669	25,368	25,368
Total expenses	295,787	296,787	259,312	239,338	240,353
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	34,612	21,422	20,776	20,574	20,730
Interest	2,648	2,384	2,122	1,864	1,582
Total revenue	37,260	23,806	22,898	22,438	22,312
Net cost of (contribution by) services	258,527	272,981	236,414	216,900	218,041
Revenue from Government	250,669	264,595	227,557	207,942	209,083
Surplus (deficit) attributable to the Australian Government	(7,858)	(8,386)	(8,857)	(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	(7,858)	(8,386)	(8,857)	(8,958)	(8,958)

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	22,127	20,566	18,665	15,724	11,056
Trade and other receivables	5,007	5,007	5,007	5,007	4,980
Loans	2,859	1,864	869	41	-
Investments	50,000	50,000	40,000	25,000	25,000
Total financial assets	79,993	77,437	64,541	45,772	41,036
Non-financial assets					
Land and buildings	221,256	215,012	217,429	225,801	221,740
Property, plant and equipment	12,609	13,527	14,948	14,182	14,647
Intangibles	3,292	4,170	3,620	6,153	5,863
Inventories	419	419	419	419	419
Other	2,368	2,368	2,368	2,368	2,368
Total non-financial assets	239,944	235,496	238,784	248,923	245,037
Total assets	319,937	312,933	303,325	294,695	286,073
LIABILITIES					
Payables					
Suppliers	2,354	2,354	2,354	2,354	2,354
Grants	86	86	86	86	86
Other payables	1,481	1,481	1,481	1,481	1,481
Total payables	3,921	3,921	3,921	3,921	3,921
Provisions					
Employees	14,444	14,757	14,006	14,334	14,670
Other provisions	72	72	72	72	72
Total provisions	14,516	14,829	14,078	14,406	14,742
Total liabilities	18,437	18,750	17,999	18,327	18,663
Net assets	301,500	294,183	285,326	276,368	267,410
EQUITY					
Contributed equity	150,210	151,279	151,279	151,279	151,279
Reserves	193,835	193,835	193,835	193,835	193,835
Retained surpluses (accumulated deficits)	(42,545)	(50,931)	(59,788)	(68,746)	(77,704)
Total equity	301,500	294,183	285,326	276,368	267,410

Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)

	Retained earnings (accumulated deficit) \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	(42,545)	193,835	150,210	301,500
Surplus (deficit) for the period	(8,386)	-	-	(8,386)
Appropriation (equity injection)	-	-	1,069	1,069
Estimated closing balance as at 30 June 2018	(50,931)	193,835	151,279	294,183

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	34,612	21,422	20,776	20,574	20,730
Appropriations	250,669	264,595	227,557	207,942	209,083
Interest	2,500	2,250	2,000	1,750	1,500
Total cash received	287,781	288,267	250,333	230,266	231,313
Cash used					
Employees	63,746	64,197	62,938	59,568	61,381
Suppliers	39,787	37,757	33,452	30,075	28,383
Grants	167,777	168,920	138,004	123,999	124,885
Total cash used	271,310	270,874	234,394	213,642	214,649
Net cash from (or used by) operating activities	16,471	17,393	15,939	16,624	16,664
INVESTING ACTIVITIES					
Cash received					
Repayment of loans and interest	276	1,129	1,117	942	150
Total cash received	276	1,129	1,117	942	150
Cash used					
Purchase of property, plant and equipment and intangibles	20,462	21,152	28,957	35,507	21,482
Total cash used	20,462	21,152	28,957	35,507	21,482
Net cash from (or used by) investing activities	(20,186)	(20,023)	(27,840)	(34,565)	(21,332)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	1,069	-	-	-
Total cash received	-	1,069	-	-	-
Net cash from (or used by) financing activities	-	1,069	-	-	-
Net increase (or decrease) in cash held	(3,715)	(1,561)	(11,901)	(17,941)	(4,668)
Cash and cash equivalents at the beginning of the reporting period	75,842	72,127	70,566	58,665	40,724
Cash and cash equivalents at the end of the reporting period	72,127	70,566	58,665	40,724	36,056

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	1,069	-	-	-
Total capital appropriations	-	1,069	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	1,069	-	-	-
Total items	-	1,069	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	-	1,069	-	-	-
Funded internally from departmental resources	20,462	20,083	28,957	35,507	21,482
Total acquisitions of non-financial assets	20,462	21,152	28,957	35,507	21,482
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	20,462	21,152	28,957	35,507	21,482
Total cash used to acquire assets	20,462	21,152	28,957	35,507	21,482

^(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 2017-18)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017					
Gross book value	10,000	546,340	34,643	11,615	602,598
Accumulated depreciation/ amortisation and impairment	-	(335,084)	(22,034)	(8,323)	(365,441)
Opening net book balance	10,000	211,256	12,609	3,292	237,157
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - internal resources	-	12,492	5,914	2,746	21,152
Total additions	-	12,492	5,914	2,746	21,152
Other movements					
Depreciation/amortisation expense	-	(18,736)	(4,996)	(1,868)	(25,600)
Total other movements	-	(18,736)	(4,996)	(1,868)	(25,600)
As at 30 June 2018					
Gross book value	10,000	558,832	40,557	14,361	623,750
Accumulated depreciation/ amortisation and impairment	-	(353,820)	(27,030)	(10,191)	(391,041)
Closing net book balance	10,000	205,012	13,527	4,170	232,709