

AUSTRALIAN SPORTS COMMISSION

Entity Resources and Planned Performance

ASC

Australian Sports Commission

Health Portfolio Entity

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The logo for the Australian Sports Commission (ASC) is a black vertical rectangle with the letters 'ASC' written in white, oriented vertically.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

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 our operations, and a context against which the pillars of the ASC's corporate plan is based. 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 which provides 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, state institutes and academies of sport, and peak bodies such as the Australian Olympic Committee, Australian Paralympic Committee and the Australian Commonwealth Games Association.

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 2016-17 will be the continued delivery of the Sporting Schools program.

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.

1.2 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 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July¹	76,797	71,409
FUNDS FROM GOVERNMENT		
Annual appropriations		
Ordinary annual services ²		
Outcome 1	253,646	250,669
Other services ³		
Equity injection	-	-
Total annual appropriations	253,646	250,669
Amounts received from related entities⁴		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	253,646	250,669
Funds from other sources		
Interest	3,146	2,666
Sale of goods and services	21,174	20,235
Other	-	-
Total funds from other sources	24,320	22,901
Total net resourcing for ASC	354,763	344,979
	2015-16	2016-17
Average staffing level (number)	584	582

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.

¹ Includes cash and investments.

² Appropriation Bill (No. 1) 2016-17.

³ Appropriation Bill (No. 2) 2016-17.

⁴ Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

This section is not applicable to the ASC.

1.4 Changes to Outcome and Program Structure

Figure 1.1: Comparison of 2015-16 and 2016-17 Outcome Structures

2015-16	2016-17
<p>Outcome 1 - Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity.</p>	<p>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.</p>
<p>Outcome 2 - Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research.</p>	

Figure 1.2: Mapping 2015-16 to 2016-17 Outcome and Program Structure

2015-16 ¹	2016-17 ²
<p>Outcome 1 (1) <i>Program</i> 1.1 Australian Sports Commission (1.1)</p>	<p>Outcome 1 (1&2) <i>Program</i> 1.1 Australian Sports Commission (1.1 & 2.1)</p>
<p>Outcome 2 (1) <i>Program</i> 2.1 Australian Sports Commission (1.1)</p>	

¹ Bracketed numbers indicate where Outcomes and Programs have **moved to** in 2016-17 structure.

² Bracketed numbers indicate where Outcomes and Programs have **moved from** in 2015-16 structure.

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: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

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

Linked Programs

Commonwealth Entity and Linked Program	Contribution to Outcome 1 made by linked programs
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.
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.
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.

Budgeted Expenses for ASC

This table 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 ASC

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Australian Sports Commission					
Revenue from Government Ordinary annual services ¹	253,646	250,669	213,001	214,564	216,137
Revenues from independent sources	24,320	22,901	22,843	22,939	23,063
Operating deficit (surplus)	14,941	6,048	6,048	-	-
Total expenses for Program 1.1	292,907	279,618	241,892	237,503	239,200
Total expenses for Outcome 1	292,907	279,618	241,892	237,503	239,200
	2015-16	2016-17			
Average staffing level (number)	584	582			

¹ Appropriation Bill (No. 1) 2016-17.

Table 2.1.2: Performance Criteria for ASC

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.³ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

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 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.
Purpose	To strengthen Australian sport – to enable more people to play sport and Australian athletes and teams to succeed on the world stage. ⁴
Delivery	Program activities, which are intended to benefit all Australians, including athletes, sporting organisations, sport participants and school students, will be delivered under the following program objectives: A. Delivering international sporting success B. Increasing participation in sport C. Improving the sustainability of sports
Program objective	
A. Delivering international sporting success	
The ASC, through the AIS, is focussed on delivering consistent and sustainable success by Australian athletes and teams on the world stage. To achieve this, the ASC will target its investment and support to those sports and athletes that stand the greatest chance of international success, now and into the future. The ASC will develop the high performance coaches, leaders and support staff who underpin our system, support the development of innovations in high performance to enhance Australia’s competitive advantage and operate world-class training facilities. The ASC will work with the National Institute Network to facilitate a more aligned high performance system that supports <i>Australia’s Winning Edge</i> identified athletes.	

³ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 ASC Annual Report.

⁴ This purpose text will be reflected in the 2016-17 ASC Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
A more aligned performance network that supports <i>Australia's Winning Edge</i> identified athletes and teams.		Remaining National Institute Network recommendations implemented on schedule.				
Improved capability of national sporting organisations to deliver effective high performance programs.		The 2016 Annual Sport Performance Review assessment shows improvement in the high performance capability of national sporting organisations across the six high performance drivers. ⁵				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Number of athletes that receive direct financial support to achieve their high performance outcomes.	750	750	750	750	750	
Percentage of <i>Australia's Winning Edge</i> funded sports rated by the AIS as achieving their performance targets.	80%	85%	85%	85%	85%	
Program objective						
B. Increasing participation in sport						
The ASC aims to see more Australians, particularly young Australians, participating in sport more often. To achieve this, the ASC will develop and share research and data including intelligence from the new AusPlay national participation survey, to better understand what is happening in sport, support the network that supplies sport – our sporting organisations – and help drive demand for lifelong participation in sport by implementing the Sporting Schools program.						
Qualitative performance criteria		2016-17 Reference point or target				
Increase in the percentage of Australians participating in organised sport (traditional or social) with a national sporting organisation or affiliate.		AusPlay survey results show an increase in organised sport participation compared to the baseline established in 2015-16.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of priority participation national sporting organisations growing their participation base.	80%	80%	80%	80%	80%	
Number of children participating in the Sporting Schools program.	600,000	860,000	N/A ⁶	N/A	N/A	

⁵ The six high performance drivers are: athletes; coaching; leadership; daily training environment; competition; and research and innovation.

⁶ The Sporting Schools program is funded until the end of 2016-17.

Program objective					
C. Improving the sustainability of sports					
The ASC is committed to seeing more sports with the structure, workforce and leadership capacity to develop and run successful sport programs. To achieve this, the ASC will provide targeted support and advice in the areas of governance, product development and commercial sustainability, workforce development, coaching and officiating, facilities and infrastructure, digital capability, and integrity in sport. ⁷					
Qualitative performance criteria			2016-17 Reference point or target		
Improved organisational capability of national sporting organisations.			The organisational capability assessment of national sporting organisations shows an improvement across the four components of the organisational development tool compared to the baseline established in 2015-16. ⁸		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of targeted national sporting organisations which have demonstrated satisfactory progress towards compliance with the Mandatory Sports Governance Principles. ⁹	N/A ¹⁰	90%	90%	90%	90%
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

⁷ The ASC's role in the integrity of sport complements the work of the Department of Health's National Integrity of Sport Unit and the Australian Sports Anti-Doping Authority.

⁸ The four components of the organisational development tool are: governance; culture and leadership; delivery; and research and evidence base.

⁹ Available at: www.ausport.gov.au/ais/australias_winning_edge/mandatory_sports_governance_principles

¹⁰ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 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 entity resource statement (Table 1.1) provides a consolidated view of all the resources available in 2016-17. 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

Comprehensive income statement

The ASC is budgeting for an operating loss of \$14.9 million in 2015-16 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 and externally funded programs occurs.

The ASC is budgeting for an operating loss for the 2016-17 Budget year and one forward estimates period arising from additional and unfunded depreciation expense reflecting revaluations of assets. The impact of the additional depreciation expense from revaluations has not been factored into 2018-19 and 2019-20 while the ASC undertakes a review of its options for depreciation and capital funding.

Budgeted departmental balance sheet

Total assets at 30 June 2017 are anticipated to be \$309.8 million, \$236.3 million (76 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 \$293.6 million at 30 June 2017. The reduction in equity over the forward estimates periods 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)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	64,323	65,494	57,415	58,805	60,183
Suppliers	39,291	34,744	33,434	32,533	31,670
Grants	166,357	156,440	128,585	129,755	130,937
Depreciation and amortisation	22,936	22,940	22,458	16,410	16,410
Total expenses	292,907	279,618	241,892	237,503	239,200
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	21,174	20,235	20,209	20,351	20,514
Interest	3,146	2,666	2,634	2,588	2,549
Total own-source revenue	24,320	22,901	22,843	22,939	23,063
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Net cost of (contribution by) services	268,587	256,717	219,049	214,564	216,137
Revenue from Government	253,646	250,669	213,001	214,564	216,137
Surplus (deficit)	(14,941)	(6,048)	(6,048)	-	-
Surplus (deficit) attributable to the Australian Government	(14,941)	(6,048)	(6,048)	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(14,941)	(6,048)	(6,048)	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,409	4,701	7,352	6,134	3,204
Trade and other receivables	5,120	5,129	5,114	5,099	5,088
Loans	3,799	3,646	2,650	1,656	828
Investments	60,000	60,000	60,000	50,000	35,000
Total financial assets	80,328	73,476	75,116	62,889	44,120
Non-financial assets					
Land and buildings	214,842	215,195	206,289	217,563	234,893
Property, plant and equipment	14,481	14,198	14,796	16,352	15,586
Intangibles	4,671	4,671	5,604	5,321	7,854
Inventories	467	467	467	467	467
Other	1,749	1,749	1,749	1,749	1,749
Total non-financial assets	236,210	236,280	228,905	241,452	260,549
Total assets	316,538	309,756	304,021	304,341	304,669
LIABILITIES					
Payables					
Suppliers	2,764	2,764	2,764	2,764	2,764
Grants	40	40	40	40	40
Other payables	1,482	1,482	1,482	1,482	1,482
Total payables	4,286	4,286	4,286	4,286	4,286
Provisions					
Employees	12,547	11,813	12,126	12,446	12,774
Other provisions	49	49	49	49	49
Total provisions	12,596	11,862	12,175	12,495	12,823
Total liabilities	16,882	16,148	16,461	16,781	17,109
Net assets	299,656	293,608	287,560	287,560	287,560
EQUITY					
Contributed equity	150,210	150,210	150,210	150,210	150,210
Reserves	183,904	183,904	183,904	183,904	183,904
Retained surpluses (accumulated deficits)	(34,458)	(40,506)	(46,554)	(46,554)	(46,554)
Total equity	299,656	293,608	287,560	287,560	287,560

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings (accumulated deficit)	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(34,458)	183,904	150,210	299,656
Surplus (deficit) for the period	(6,048)	-	-	(6,048)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance				
as at 30 June 2017	(40,506)	183,904	150,210	293,608

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	21,174	20,235	20,209	20,351	20,514
Appropriations	253,646	250,669	213,001	214,564	216,137
Interest	3,000	2,500	2,500	2,500	2,496
Total cash received	277,820	273,404	235,710	237,415	239,147
Cash used					
Employees	63,777	66,228	57,102	58,485	59,851
Suppliers	39,291	34,744	33,434	32,533	31,670
Grants	166,357	156,440	128,585	129,755	130,937
Total cash used	269,425	257,412	219,121	220,773	222,458
Net cash from (or used by) operating activities	8,395	15,992	16,589	16,642	16,689
INVESTING ACTIVITIES					
Cash received					
Repayment of loans and interest	89	310	1,145	1,097	888
Total cash received	89	310	1,145	1,097	888
Cash used					
Purchase of property, plant and equipment and intangibles	12,822	23,010	15,083	28,957	35,507
Loan issuance	1,050	-	-	-	-
Total cash used	13,872	23,010	15,083	28,957	35,507
Net cash from (or used by) investing activities	(13,783)	(22,700)	(13,938)	(27,860)	(34,619)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(5,388)	(6,708)	2,651	(11,218)	(17,930)
Cash and cash equivalents at the beginning of the reporting period	76,797	71,409	64,701	67,352	56,134
Cash and cash equivalents at the end of the reporting period	71,409	64,701	67,352	56,134	38,204

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations provided for:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	12,822	23,010	15,083	28,957	35,507
Total acquisitions of non-financial assets	12,822	23,010	15,083	28,957	35,507
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	12,822	23,010	15,083	28,957	35,507
Total cash used to acquire assets	12,822	23,010	15,083	28,957	35,507

¹ 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 2016-17)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016					
Gross book value	10,000	518,571	36,025	11,666	576,262
Accumulated depreciation amortisation and impairment	-	(313,729)	(21,544)	(6,995)	(342,268)
Opening net book balance	10,000	204,842	14,481	4,671	233,994
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - internal resources	-	17,379	4,307	1,324	23,010
Total additions	-	17,379	4,307	1,324	23,010
Other movements					
Depreciation/amortisation expense	-	(17,026)	(4,590)	(1,324)	(22,940)
Total other movements	-	(17,026)	(4,590)	(1,324)	(22,940)
As at 30 June 2017					
Gross book value	10,000	535,950	40,332	12,990	599,272
Accumulated depreciation amortisation and impairment	-	(330,755)	(26,134)	(8,319)	(365,208)
Closing net book balance	10,000	205,195	14,198	4,671	234,064