

AUSTRALIAN SPORTS COMMISSION

Entity Resources and Planned Performance



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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT¹

The Australian Sports Commission's (ASC) vision is for Australia to be the world's most active sporting nation, known for its integrity, sporting success and world leading sports industry.

In 2018-19, the ASC adopted a new brand, Sport Australia, to reflect its changing role in sport and promote a better connection with the Australian community. Sport Australia plays a central leadership role across the sport and physical activity sector, building collaboration, alignment and effectiveness. Sport Australia 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.

As the Australian Government's lead agency for sport and physical activity, Sport Australia will contribute to improving the health and wellbeing of Australians and making communities stronger through sport and physical activity. The Government continues to invest in high performance sports and to get Australians moving more often. The investments are targeted to those organisations who are best placed to assist Sport Australia to deliver on its purpose. Sport Australia also contributes to the delivery of the Government's *Sport 2030* priority of safeguarding the integrity in sport.

In addition to providing funding, Sport Australia will work with partners to improve the capacity and capability of sporting organisations. To enable them to thrive as viable operations and maximise their contributions to high performance and participation outcomes. Sport Australia also engages directly with Australians to increase awareness of the value of physical activity as a part of everyday life.

The Australian Institute of Sport (AIS), which operates under the direction of the Sport Australia Board, is Australia's strategic high performance sport agency, responsible for leading and enabling a united high performance system that supports Australian athletes and teams to achieve podium success. In 2019-20, a focus will continue on the revitalisation of the AIS site in Canberra.

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

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 2019-20 as at Budget April 2019

	2018-19 ^(a) Estimated actual \$'000	2019-20 Estimate \$'000
Opening balance/cash reserves at 1 July ^(b)	82,005	24,318
FUNDS FROM GOVERNMENT		
Annual appropriations		
Ordinary annual services ^(c)		
Outcome 1	374,346	388,893
Other services		
Equity injection ^(d)	856	-
Total annual appropriations	375,202	388,893
Total funds from Government	375,202	388,893
Funds from other sources		
Interest	2,000	1,750
Sale of goods and services	20,293	20,155
Other	65	102
Total funds from other sources	22,358	22,007
Total net resourcing for ASC	479,565	435,218
	2018-19	2019-20
Average staffing level (number) ^(e)	457	491

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) Annual appropriation amounts appearing for 2018-19 include the Appropriation Bills (No. 3) and (No. 4) 2018-19, although they have not yet been enacted at the time of publication.

^(b) Includes cash and investments.

^(c) Appropriation Bill (No. 1) 2019-20 and Appropriation Bill/Act (No. 1,3) 2018-19.

^(d) Appropriation Bill (No. 2) 2019-20 and Appropriation Bill/Act (No. 2,4) 2018-19.

^(e) In 2018-19, the ASC is forecasting an Average Staffing Level of 457 compared to a budget of 491. The difference reflects the delay in finalising the structural change in the organisation.



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 2019-20 Budget Measures

Program		2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Implementing Sport 2030 ^(a)						
Australian Sports Commission						
Departmental expenses	1.1	42,540	57,184	51,459	3,500	3,500
Total		42,540	57,184	51,459	3,500	3,500

^(a) The ASC is not the lead entity for this measure. 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.sportaus.gov.au/media_centre/publications

The ASC's most recent Annual Performance Statement is available at:
www.sportaus.gov.au/media_centre/publications

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
Australian Sports Anti-Doping Authority (ASADA) Program 1.1: Engagement, Deterrence, Detection and Enforcement 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 (Health) Program 3.1: Sport and Recreation 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 (PM&C) Program 1.1: Prime Minister and Cabinet PM&C contributes to improving the diversity of sporting organisations by working to increase female representation in sport leadership roles.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Sports Commission					
Revenue from Government					
Ordinary annual services ^(a)	416,886	346,353	280,254	232,208	224,030
Revenues from independent sources	22,703	22,287	22,033	22,028	22,024
Expenses not requiring appropriation in the Budget year ^(b)	9,846	8,958	8,958	8,958	8,958
Total for Program 1.1	449,435	377,598	311,245	263,194	255,012
Total expenses for Outcome 1	449,435	377,598	311,245	263,194	255,012

	2018-19	2019-20
Average staffing level (number)	457	491

^(a) Appropriation Bill (No. 1) 2019-20 and Appropriation Bill/Act (No. 1,3) 2018-19.

^(b) Expenses not requiring appropriation in the Budget year mainly consist of unfunded depreciation and amortisation expenses.

Movement of Funds

There were no movements of Administered funds between years.

Planned Performance for the ASC

Table 2.1.2 details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered and where 2019-20 Budget measures have materially changed the program.

Table 2.1.2: Performance Criteria for the ASC

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 Objective - Program 1.1: Australian Sports Commission
Sport Australia is focused on getting more Australians to move more often, through sport and physical activity and building the capability of sports to create a robust, connected industry. Sport Australia, through the Australian Institute of Sport, will strive to deliver national pride and inspiration through international sporting success. This will be achieved by leading a unified sustainable sport sector that has the capability and capacity to maximise outcomes for the broader Australian community.
Delivery
<p>Sport Australia will focus on delivery of six important strategies across three key areas:</p> <p>National pride and inspiration through international success</p> <ul style="list-style-type: none"> • Leading and enabling a collaborative high performance system that supports Australian athletes to achieve podium success. • Evolving a system-wide approach to athlete well-being for athletes to engage with and inspire the community. <p>More Australians move more often</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. <p>Building the capability of sport and physical activity partners to create a robust, connected industry</p> <ul style="list-style-type: none"> • Building workforce capability across the sector. • Improving the digital capability of the Australian sports sector. <p>This focus is underpinned by a seventh internally focused strategy of driving a leaner and more efficient organisation and building a strong workforce culture.</p>



Performance Criteria		
Percentage of High Performance funded sports rated by the ASC as achieving their targets.		
2018-19 Target	2019-20 Target	2020-21 (& beyond) Target
On average, 85% of High Performance funded National Sporting Organisations (NSO) performance targets are achieved.	On average, 85% of High Performance funded NSOs performance outcomes are achieved.	As per 2019-20.
Estimated result		
It is expected that this target will be met during the course of 2018-19.		
Increase in sport and physical activity levels by Australian children.		
2018-19 Target	2019-20 Target	2020-21 (& beyond) Target
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.	30% of children in Australia aged 5 to 14 years participate for at least 3.2 hours per week in organised physical activity outside of school hours.	35% of children in Australia aged 5 to 14 years participate for at least 3.2 hours per week in organised physical activity outside of school hours.
Estimated result		
It is expected that this target will be met during the course of 2018-19.		
Australians participating in sport and physical activity.		
2018-19 Target	2019-20 Target	2020-21 (& beyond) Target
An increase of 204,000 Australians aged 15 or more meeting current physical activity guidelines ² for their age group when compared to the 2017-18 baseline result.	An increase of 207,000 Australians aged 15 or older meet current physical activity guidelines ³ for their age group.	An increase of 211,000 Australians aged 15 or older meet current physical activity guidelines ⁴ for their age group.
Estimated result		
It is expected that this target will be met during the course of 2018-19.		

² The physical activity guidelines are available at:
www.health.gov.au/internet/main/publishing.nsf/Content/health-pubhlth-strateg-phys-act-guidelines

³ Ibid.

⁴ Ibid.

Improving the organisational capability of targeted national sporting organisations.		
2018-19 Target	2019-20 Target	2020-21 (& beyond) Target
Average overall score on Sport.Scan ⁵ , for 23 targeted NSOs, is at least 75%.	Four NSOs transition to a whole of sport business model focusing on areas such as strategy, workforce (people) and financial management.	Eight NSOs transition to a whole of sport business model focusing on the areas of strategy, workforce (people) and financial management.
Estimated result		
It is expected that this target will be met during the course of 2018-19.		
Material changes to Program 1.1 resulting from the following measures:		
There are no material changes to Program 1.1 resulting from measures.		
Purpose		
The ASC will contribute to improving the health and well-being of Australians and making communities stronger through sport and physical activity.		



⁵ Sport.Scan is an organisational development tool.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 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 provides a consolidated view of all the resources available in 2019-20. This includes operating appropriations, 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 \$9.0 million in 2019-20 and over the forward estimates relating to unfunded depreciation.

Total revenue for 2019-20 is budgeted at \$368.6 million, a decrease of \$70.9 million from the 2018-19 estimated revenue, mainly due to the termination of funding for the Community Sport Infrastructure grant program, partially offset by new measures outlined in Table 1.2.

Grants in 2019-20 are budgeted at \$244.9 million, a decrease of \$67.0 million from the 2018-19 estimated actual mainly reflecting the one-off funding in 2018-19 for Community Sport Infrastructure grants.

Employee expenses of \$60.7 million support an Average Staffing Level (ASL) of 491 in 2019-20. For 2018-19, the ASC is forecasting an ASL of 457 compared to a budget of 491. The difference reflects the delay in finalising the structural change in the organisation.

Balance Sheet

Total assets for 2019-20 are estimated to be \$289.3 million, comprising \$56.9 million in financial assets and \$232.5 million in non-financial assets. Total liabilities for 2019-20 are estimated to be \$17.9 million, with the primary liabilities being accrued employee entitlements, which total \$12.1 million.

Total equity is forecast to be \$271.4 million at 30 June 2020. 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)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	55,795	60,651	62,469	64,344	66,274
Suppliers	56,733	47,351	41,090	32,593	28,597
Grants	311,963	244,939	183,416	141,996	136,182
Depreciation and amortisation	24,944	24,657	24,270	24,261	23,959
Total expenses	449,435	377,598	311,245	263,194	255,012
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	20,651	20,491	20,491	20,491	20,491
Interest	2,052	1,796	1,542	1,537	1,533
Total revenue	22,703	22,287	22,033	22,028	22,024
Total own-sourced income	22,703	22,287	22,033	22,028	22,024
Net cost of (contribution by) services	426,732	355,311	289,212	241,166	232,988
Revenue from Government	416,886	346,353	280,254	232,208	224,030
Surplus (deficit) attributable to the Australian Government	(9,846)	(8,958)	(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	(9,846)	(8,958)	(8,958)	(8,958)	(8,958)

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,858	2,682	3,151	2,388	2,641
Trade and other receivables	51,150	8,610	8,610	8,610	8,610
Loans	619	563	508	454	294
Investments	17,460	45,000	35,000	38,000	33,000
Total financial assets	76,087	56,855	47,269	49,452	44,545
Non-financial assets					
Land and buildings	201,864	210,236	211,175	199,606	191,945
Property, plant and equipment	11,289	10,505	10,404	10,698	10,538
Intangibles	7,482	9,507	9,986	10,465	14,235
Inventories	690	690	690	690	690
Other non-financial assets	1,550	1,550	1,550	1,550	1,550
Total non-financial assets	222,875	232,488	233,805	223,009	218,958
Total assets	298,962	289,343	281,074	272,461	263,503
LIABILITIES					
Payables					
Suppliers	3,938	3,938	3,938	3,938	3,938
Other payables	2,600	1,611	1,611	1,611	1,611
Total payables	6,538	5,549	5,549	5,549	5,549
Provisions					
Employees	11,761	12,089	12,425	12,770	12,770
Other provisions	309	309	309	309	309
Total provisions	12,070	12,398	12,734	13,079	13,079
Total liabilities	18,608	17,947	18,283	18,628	18,628
Net assets	280,354	271,396	262,791	253,833	244,875
EQUITY					
Contributed equity	152,135	152,135	152,488	152,488	152,488
Reserves	195,052	195,052	195,052	195,052	195,052
Retained surpluses (accumulated deficits)	(66,833)	(75,791)	(84,749)	(93,707)	(102,665)
Total equity	280,354	271,396	262,791	253,833	244,875

Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2019-20)

	Retained earnings (accumulated deficit) \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(66,833)	195,052	152,135	280,354
Surplus (deficit) for the period	(8,958)	-	-	(8,958)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2020	(75,791)	195,052	152,135	271,396

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	19,801	20,013	20,155	20,155	20,155
Receipts from Government	374,346	388,893	280,254	232,208	224,030
Contribution from Government entities	492	142	-	-	-
Interest	2,000	1,750	1,500	1,500	1,500
Total cash received	396,639	410,798	301,909	253,863	245,685
Cash used					
Employees	58,217	61,312	62,133	63,999	66,274
Suppliers	56,397	47,015	40,754	32,257	28,261
Grants	312,055	244,939	183,416	141,996	136,182
Total cash used	426,669	353,266	286,303	238,252	230,717
Net cash from (or used by) operating activities	(30,030)	57,532	15,606	15,611	14,968
INVESTING ACTIVITIES					
Cash received					
Repayment of loans and interest	65	102	97	91	193
Total cash received	65	102	97	91	193
Cash used					
Purchase of property, plant and equipment and intangibles	28,578	34,270	25,587	13,465	19,908
Total cash used	28,578	34,270	25,587	13,465	19,908
Net cash from (or used by) investing activities	(28,513)	(34,168)	(25,490)	(13,374)	(19,715)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	856	-	353	-	-
Total cash received	856	-	353	-	-
Net cash from (or used by) financing activities	856	-	353	-	-
Net increase (or decrease) in cash held	(57,687)	23,364	(9,531)	2,237	(4,747)
Cash and cash equivalents at the beginning of the reporting period	82,005	24,318	47,682	38,151	40,388
Cash and cash equivalents at the end of the reporting period	24,318	47,682	38,151	40,388	35,641

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	856	-	353	-	-
Total capital appropriations	856	-	353	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	856	-	353	-	-
Total items	856	-	353	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	856	-	353	-	-
Funded internally from departmental resources	27,722	34,270	25,234	13,465	19,908
Total acquisitions of non-financial assets	28,578	34,270	25,587	13,465	19,908
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	28,578	34,270	25,587	13,465	19,908
Total cash used to acquire assets	28,578	34,270	25,587	13,465	19,908

^(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 2019-20)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019					
Gross book value	10,000	555,675	29,979	17,854	613,508
Accumulated depreciation/ amortisation and impairment	-	(363,811)	(18,690)	(10,372)	(392,873)
Opening net book balance	10,000	191,864	11,289	7,482	220,635
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - equity injection	-	-	-	-	-
By purchase - internal resources	-	27,435	2,931	3,904	34,270
Total additions	-	27,435	2,931	3,904	34,270
Other movements					
Depreciation/amortisation expense	-	(19,063)	(3,715)	(1,879)	(24,657)
Total other movements	-	(19,063)	(3,715)	(1,879)	(24,657)
As at 30 June 2020					
Gross book value	10,000	583,110	32,910	21,758	647,778
Accumulated depreciation/ amortisation and impairment	-	(382,874)	(22,405)	(12,251)	(417,530)
Closing net book balance	10,000	200,236	10,505	9,507	230,248