

**AUSTRALIAN SPORTS
COMMISSION**

AUSTRALIAN SPORTS COMMISSION

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Sports Commission (ASC) is the Commonwealth Government body responsible for the delivery of funding and development of Australian sport through the implementation of the Federal Government's sport policy. The role of the ASC is to provide national leadership in all facets of sport development, through National Sporting Organisations (NSOs), government, the private sector, schools and the wider sport community.

The Government's required outcomes of the ASC are an effective national sports system that offers improved participation in quality sports activities by Australians and to secure excellence in sports performance by Australians.

APPROPRIATIONS AND RESOURCING

The total appropriation for the ASC in the 2003-04 Budget is \$122.472m.

Table 1.1, on the following page, shows the total appropriation for the ASC for 2003-04 by the two Government outcomes, and by price of output appropriation.

Australian Sports Commission – appropriations 2003-04

Table 1.1: Appropriations and other revenue

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)			Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)		Special appropriations	Total administered appropriations	
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾			
	(A)	(B)	(C = A+B) (C1) ¹	(D)	(E = C+D) (E1) ¹	(F)	(G)	(H)	(I = F+G+H) (I1) ¹	(J=C+I)
1. An effective national sports system that offers improved participation in quality sports activities by Australians	27,265	-	27,265	4,789	32,054	-	-	-	-	27,265
					85.1%					
2. Excellence in sports performances by Australians	95,207	-	95,207	11,782	106,989	-	-	-	-	95,207
					89.0%					
Total	122,472		122,472 (K1) ¹	16,571	139,043	-	-	-	-	122,472
						Departmental capital (equity injections and loans)			(K3) ¹	-
						Administered Capital			(K4) ¹	-
						Total appropriations				122,472

1. Cells C1 and E1 refer to information provided in Total Resources for Outcome tables. Amount K1 refers to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.

2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), new agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.

3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.

4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Table 1.3.

Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

MEASURES – AGENCY SUMMARY

Table 1.2: Summary of Measures disclosed in the 2003-04 Budget

Measure	Outcome	Output affected	Appropriations budget			Appropriations forward estimate 2004-05			Appropriations forward estimate 2005-06			Appropriations forward estimate 2006-07		
			2003-04 (\$'000)			2004-05 (\$'000)			2005-06 (\$'000)			2006-07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expense	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Tough On Drugs In Sport - drug testing	1	1.1	Nil	(400)	(400)	Nil	(409)	(409)	Nil	(418)	(418)	Nil	(427)	(427)
Olympic and Paralympic Games in Athens 2004	2	2.1	Nil	1,000	1,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Communications, Information Technology and the Arts Portfolio - decreased resourcing in 2003-04	2	2.1	Nil	(30)	(30)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

REVENUE FROM INDEPENDENT SOURCES

Table 1.3: Revenue from independent sources

	Estimated revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
Sales of goods and services	14,718	15,478
Interest revenue	1,074	924
Net gains from sale of assets	50	50
Other	120	119
Total estimated revenue	15,962	16,571

ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ASC has no administered capital and is not budgeted to receive departmental equity injections or loans in 2003-04.

Section 2: Outcomes and outputs information

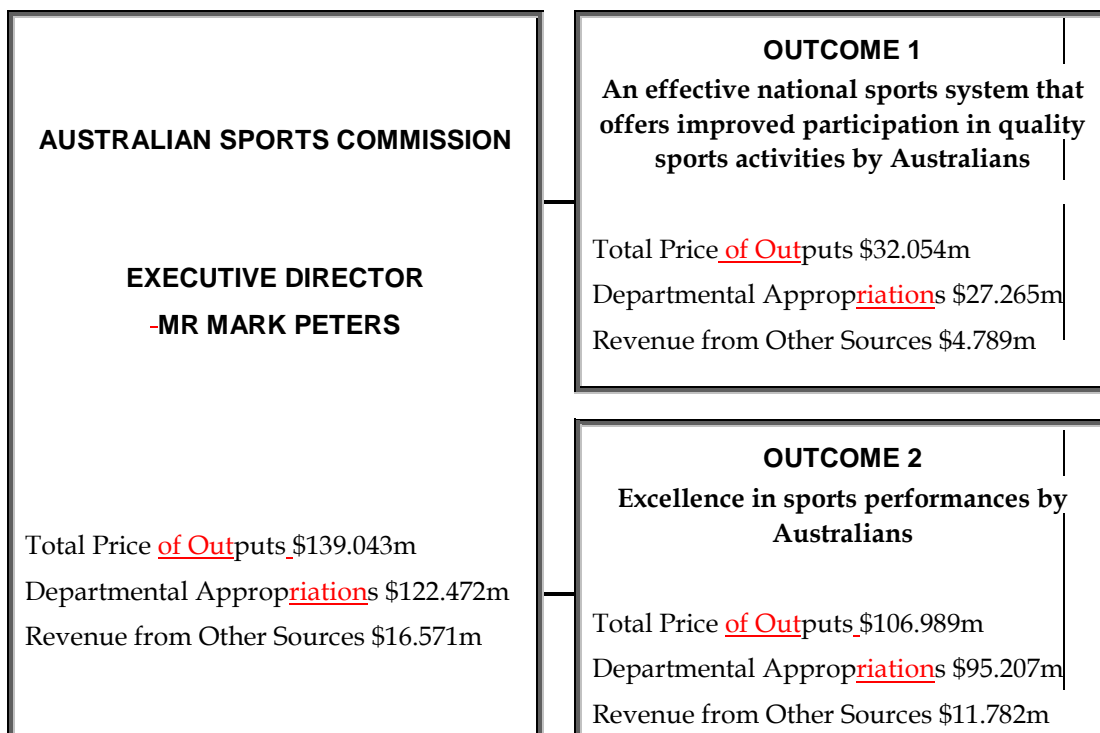
OUTCOMES AND OUTPUT GROUPS

The maps on the following pages show the relationship between the outcomes and contributing outputs for the ASC. Financial details for Outcome 1 by outputs appear in Table 2.1.1 while non-financial information for Outcome 1 appears in Table 2.2.1. Financial details for Outcome 2 by outputs appear in Table 2.1.2 while non-financial information for Outcome 2 appears in Table 2.2.2.

OUTPUT COST ATTRIBUTION

The ASC has mapped its primary internal delivery programs to outputs, and allocates the direct cost of these programs to outputs accordingly. Supporting activities, and general overhead costs, have also been mapped to the primary internal delivery programs and are attributed on a variety of bases such as staff numbers, staff time spent, assets used, area occupied, etc. All costs are allocated using a full accrual based outcome/output framework.

Map 1: -Outcome structure



CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the ASC’s outcome and output structure.

Map 2: -Outcome 1 — contributing outputs

OUTCOME	OUTPUTS
<p style="text-align: center;">OUTCOME 1</p> <p style="text-align: center;">An effective national sports system that offers improved participation in quality sports activities by Australians</p> <p>Total Price <u>of Output</u> \$32.054m Departmental Appropriations \$27.265m Revenue from Other Sources \$4.789m</p>	<p style="text-align: center;">OUTPUT 1.1</p> <p style="text-align: center;">National sport system development</p> <p>Total Price <u>of Output</u> \$32.054m Departmental Appropriations \$27.265m Revenue from Other Sources \$4.789m</p>

Note: Revenue from Government (Appropriations) contributes 85.1% to the Total Price of Outputs for Outcome 1 in 2003-04.

OUTCOME 1 — DESCRIPTION

An effective national sports system that offers improved participation in quality sports activities by Australians.

The Government envisions a national sports system that is robust and self-sustaining backed by a dynamic sports industry that plays a vital role in the development of sport in Australia at all levels. The Australian Sports Commission plays a central leadership role in developing this holistic sports delivery system.

The ASC works with sports delivery agencies, including grassroots sporting clubs, to enhance their management to offer improved participation in quality sport for Australians, while ensuring that Australia’s elite teams are provided with the opportunity to excel in competition on the world stage.

The ASC plays a vital role in fostering cooperation in sport between Australia and other countries by providing resources, services and facilities related to sport. Our national successes have allowed us to export our expertise overseas as well as to work with other countries to help develop their communities through sport.

Measures affecting Outcome 1¹

Tough On Drugs In Sport – drug testing

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Sports Commission	-0.4	-0.4	-0.4	-0.4

Funding of \$7 million over four years will be provided to the Australian Sports Drug Agency (ASDA) to continue the Tough on Drugs in Sport Programme (TODIS) which conducts drug testing and drug education programmes for elite athletes. This funding will enable TODIS to maintain testing at peak activity levels.

This increase in funding will be partially offset by reductions in resourcing for the Australian Sports Commission and National Office for the Information Economy.

¹ This relates to measures disclosed in the 2003-04 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO))

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1.

Table 2.1.1: Total resources for Outcome 1

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
Administered appropriations			
Total administered appropriations	-	-	(I1)
Departmental appropriations			
Output 1.1 - National sport system development	29,943	27,265	
Total revenue from government (appropriations)	29,943	27,265	(C1)
Contributing to price of departmental outputs	86.7%	85.1%	
Revenue from other sources			
Output 1.1 - National sport system development	4,613	4,789	
Total revenue from other sources	4,613	4,789	
Total price of departmental outputs			
(Total revenue from government and from other sources)	34,556	32,054	(E1)
Total estimated resourcing for Outcome 1			
(Total price of outputs and administered appropriations)	34,556	32,054	
	2002-03	2003-04	
Average staffing level (number)	88	88	

OUTCOME 1 – CONTRIBUTION OF OUTPUTS

Output 1.1 – National sport system development

The ASC's output to ensure an effective national sports system reflects the Government's commitment to foster, support and encourage sport development from grassroots community sport through to high performance sport.

By working with its key stakeholders, the ASC will:

- Provide integrated services and funding, based on their individual needs, priorities and capacity to contribute to the ASC's objectives;
- Provide specialised sport sector expertise and knowledge (eg high performance, governance, business management and planning, on-line education);
- Develop strategies and programs to improve recruitment of new participants, better management of clubs, accreditation of sport coaches and officials, and access to quality sport for target population groups;
- Negotiation of strategic partnerships to increase involvement in grassroots sports;
- Design, implement and manage single funding and service level agreements (FSLA); and
- Provide leadership in the areas of sport ethics and drug-free sport.

The output also contributes to the Government's interest in developing initiatives to increase sources of, and opportunities for, off-budget revenue. It also contributes to strengthening, through sport, the Government's engagement with overseas partners, in particular in the Asia-Pacific region.

Further, it reflects the ASC's role in providing advice to Government and other entities on policy issues affecting the development of Australian sport, and its charter to examine avenues to diversify and increase the sport resource base.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

Performance information for departmental outputs

Output 1.1 - National Sport System Development

Activity 1.1 - Programs and Services and National Leadership

Leadership and Partnership	<p>Quantity</p> <p>70 FSLA's, including high performance and service commitments, jointly agreed to by funded NSO's.</p> <p>8 FSLA's, including service commitments, jointly agreed to by funded States/Territory Depts and/or stakeholders.</p> <p>70 funded NSO's to implement or partially implement Member Protection Policies, Risk management frameworks and the Junior Framework/Policy.</p> <p>10 significant targeted interventions and/or initiatives to assist funded NSO's improve their business practices, such as strategic planning, governance and structural change.</p> <p>2 specific sector leadership forums for the sports industry.</p> <p>6 workshops to improve high performance planning and implementation.</p> <p>Assist 10 of the smaller NSO's to support their administrative arrangements to enable capacity building.</p> <p>70 funded NSO's to implement World Anti-Doping Agency and Commonwealth Government compliant anti-doping policies in accordance with WADA's specified time frame.</p> <p>Quality</p> <p>Sport Performance and Development programs, such as Targeted Sport Participation Growth, Indigenous, Project CONNECT, Coaching, & Officiating, and Junior Sport achieve regional reach in conjunction with funded NSO's and other funded stakeholders.</p> <p>Work with NSO's to support a national initiative to improve sporting experiences and skills of primary school-aged children.</p> <p>Conduct Year of the Official, Project CONNECT, ISP Athlete Development, and Coaching & Officiating Scholarship programs.</p>
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Table 2.2.1: Performance information for Outcome 1 (continued)

Activity 1.1 - Programs and Services and National Leadership (continued)	
Participation	<p>Quantity 23 funded NSO's accessing numerous program initiatives in areas including coaching & officiating, indigenous, disability, junior, women, club development, targeted sport participation growth, and high performance.</p> <p>Club membership through ASC programs significantly increased (target: one million additional members over 4 years, 2001-02 to 2004-05).</p> <p>4 major partnerships with ATSIC, ACHPER, VicHealth and the Australian Paralympic Committee to support initiatives in sports programs.</p> <p>Quality Adapt the national Coaching Accreditation Scheme and the National Officiating Accreditation Scheme to adjust to the changing needs of funded NSO's and other stakeholders.</p>
Activity 1.2 - Systems Improvement	<p>Quality 80% of funded NSO's satisfied with Sport Performance and Development program performance and service delivery.</p>
Activity 1.3 - Research	<p>Quality Review of data collection systems to improve understanding of sport involvement by young people and sporting club membership.</p> <p>A review of data linking sport with social, health and economic outcomes.</p> <p>Quantity Quarterly collection of adult participation data and annual reporting of findings.</p>
Activity 1.4 - Commercial Activities	<p>Quantity Generate and manage 3 new off-budget commercial initiatives.</p>
Activity 1.5 - International Development Assistance	<p>Quality Maintain and strengthen the management of 4 international sports-development assistance programs.</p>

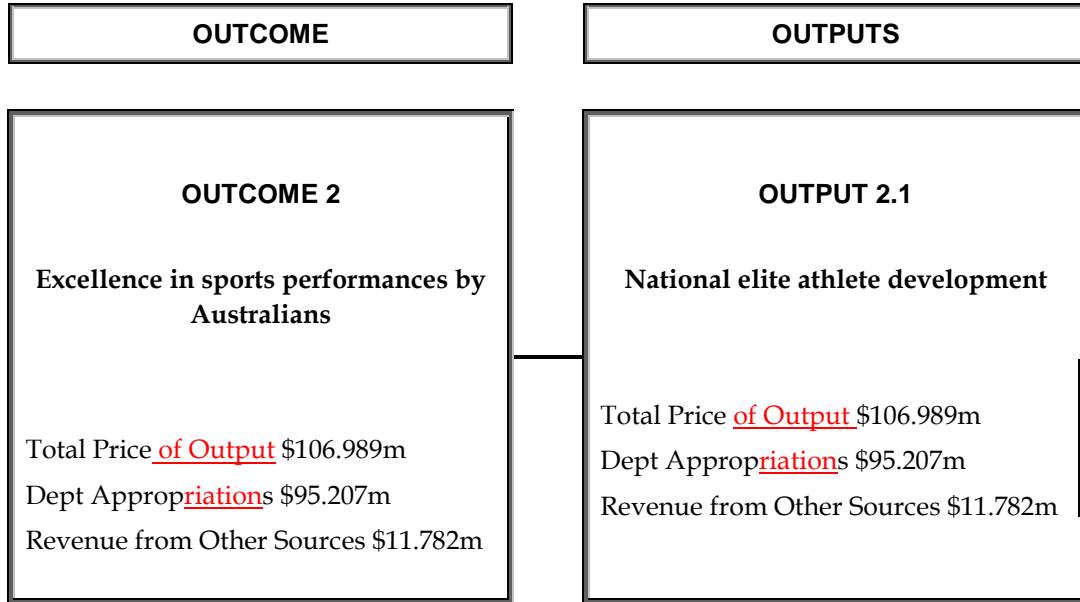
EVALUATIONS

During 2002-03 the ASC reviewed the structure and performance of its Sport Development and Performance (SP&D) programs and their various NSO programs with the aim of ensuring accountability in the application of government funds while streamlining processes wherever appropriate. Evaluations planned for 2003-04 include continuing assessment of the effectiveness of the ASCs Targeted Sports Participation Program in increasing clubs membership in targeted sports and engaging the private sector in supporting grassroots sports programming.

Evaluation of corporate service activities planned for 2003-04 includes all aspects of information management. Areas of corporate services where recent reviews and evaluations have led to re-structuring during 2002-03 include International Programs, Communications and Events, Sponsorship Servicing, Business Development Services, and Contract Management.

Internal audit reviews and evaluations are conducted on a continuing basis within the Commission. The Commission's Audit Committee, a committee of the ASC Board, review internal audit reviews and evaluations.

Map 3: -Outcome 2 — contributing outputs



Note: Revenue from Government (Appropriations) contributes 89.0% to the Total Price of Outputs for Outcome 2 in 2003-04.

OUTCOME 2 – DESCRIPTION

Excellence in sports performances by Australians

Maintaining Australia’s level of success in international sport remains a challenge. The ASC is committed to strengthening Australia’s high performance sport system, and backing Australian sporting ability to enable Australian athletes to excel at international competition.

Each Australian Institute of Sport (AIS) program has a unique role in the international elite sport pathway with programs focused at either the elite senior or developmental level. Through the AIS, the ASC provides a world-class training environment to support AIS athletes and coaches, including services such as planning and evaluation, athlete and coach services, and technical direction.

The Sports Excellence Program, delivered through the ASC, underpins the sustained success of Australian athletes through continued international competition and exposure to world-class coaches. The Sports Excellence Program provides essential funding to NSOs based on individual strategic plans with emphasis on high performance.

Measures affecting Outcome 2²

Olympic and Paralympic Games in Athens 2004

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Sports Commission	1.0	-	-	-

The Government will provide an additional \$1 million in 2003-04 to assist elite athletes preparing for the 2004 Olympic and Paralympic Games in Athens.

Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Sports Commission	-0.030	-	-	-

The Government has identified savings of \$0.5 million in 2003-04 which will be effected across the portfolio.

See related measure titled *Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04*, in the Department of Communications, Information Technology and the Arts.

² This relates to measures disclosed in the 2003-04 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO))

OUTCOME 2 – RESOURCING

Table 2.1.2 shows how the 2003-04 appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell reference C1 and E1 show the links back to Table 1.1.

Table 2.1.2: Total resources for Outcome 2

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
Administered appropriations	-	-
Total administered appropriations	-	- (I1)
Departmental appropriations		
Output 2.1 - National elite athlete development	104,355	95,207
Total revenue from government (appropriations)	104,355	95,207 (C1)
Contributing to price of departmental outputs	90.2%	89.0%
Revenue from other sources		
Output 2.1 - National elite athlete development	11,349	11,782
Total revenue from other sources	11,349	11,782
Total price from departmental outputs (Total revenue from government and from other sources)	115,704	106,989 (E1)
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	115,704	106,989
	2002-03	2003-04
Average staffing level (number)	361	363

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

Output 2.1 – National elite athlete development

The ASCs Sports Excellence output reflects the Government's commitment to work in partnership with NSOs and State Institutes and Academies of Sport to deliver high quality sports excellence programs to ensure that Australian athletes excel at the highest levels of international competition. The ASC will lead and facilitate a nationally coordinated approach to the planning of High Performance Sport for the 2005-08 quadrennium, which aims to apply the collective resources of the ASC, the AIS and State Institutes and Academies in a coordinated fashion in order to achieve the maximum return in terms of elite performance.

The ASC will work with NSOs to ensure anti-doping policies are developed and effectively implemented and will actively promote a sporting environment free from drug cheats.

The ASC will strengthen the effectiveness of the AIS by maintaining its continuous improvement philosophy and by providing innovative and integrated support services to enhance athlete and program performance. The AIS will also provide technical and national program leadership to Australian sport.

PERFORMANCE INFORMATION FOR OUTCOME 2

Table 2.2.2: Performance information for Outcome 2

Performance information for departmental outputs	
Output 2.1 - National Elite Athlete Development	
Activity 2.1 - AIS Programs and Services and National	
National Leadership	<p>Quantity AIS Scholarship programs in 26 sports. 35 sports programs annual plans, including service commitments, jointly agreed to by NSOs and the AIS. Conduct four nation programs; Athlete Career and Education, Talent Search, Laboratory Accreditation Standards Scheme, and National Elite Sports Research Program. Conduct two technical benchmarking projects. Conduct 20 approved applied research projects. Provide service provision for up to 20 national teams on a commercial basis. Conduct at least three commercially funded</p> <p>Quality 60% of eligible AIS athletes annually chosen to represent Australia in international competition. Annual reviews conducted for all AIS programs. 80% of NSO and AIS satisfaction with sport program performance and service delivery effectiveness. 80% of NSO and AIS satisfaction with national team service delivery effectiveness.</p>
Activity 2.2 - Sports Excellence Program	<p>Quantity One major initiative to facilitate a nationally coordinated approach to High Performance Planning for the 2005-08 quadrennium. 6 sport specific workshops to improve high performance planning and implementation. One major initiative to assist funded NSOs in implementing Drug Free Sport policies and understanding their "Drugs in Sport" responsibilities. Conduct 2 Anti-doping Assessment processes against ASCs Terms and Conditions of Funding for all funded NSOs (in conjunction with ASDA).</p>

EVALUATIONS

Following the success of the Sydney Olympics in 2000 and with the launch of the Government's new sports policy – *Backing Australia's Sporting Ability: A More Active Australia* – a comprehensive review of the AIS was undertaken in 2001-02.

The review resulted in three key findings: the need for an enhanced planning and evaluation process for all operating areas and programs of the AIS; better integration and delivery of the services supporting AIS sports; and an emphasis on the AIS keeping at the forefront of development of successful high performance athletes and coaches.

Outcomes of the review include the implementation of the Performance Enhancement Program (PEP) to ensure AIS programs are effectively and efficiently servicing coaches and athletes, a revised AIS structure for better integration and delivery of support services, introduction of a defined system of allocating service provision to AIS sports, and a focus on continued improvement and leadership in high performance sport.

The next major review of the AIS programs will take place after the completion of the Athens Olympic Games.

For information on corporate services evaluations and re-structuring, and internal audit reviews, see the relevant paragraph under Outcome 1.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the ASC's budgeted financial statements, as reflected in the departmental statements following this section, is provided below.

Departmental

Statement of Financial Performance

The ASC is budgeting for a small operating surplus of \$1.0m in 2003-04. Revenues from Government for 2003-04 is showing as decreasing significantly from the previous year due to the Government's decision to cease the application of, and the funding for, the capital use charge. This decision will have no impact on the ASCs activities or financial performance.

Sales of goods and services show an upward trend over the forward years. This reflects the ASCs commitment to growing off-budget revenue sources over the long term.

Depreciation and amortisation costs show budgeted increases in 2005-06 and 2006-07. This reflects the increased building depreciation costs that will occur as the enhanced facilities of the Australian Institute of Sport (AIS) capital redevelopment project are progressively completed. The Government approved a capital investment for AIS facility improvements of \$65.4m over four years, beginning in 2003-04, in the 2002-03 budget.

Statement of Financial Position

The total equity position of the ASC is budgeted to increase significantly from 2004-05 onwards. This reflects the budgeted capital injections from the Government totalling \$41.0m (refer to the Statement of Cash Flows, Financing Activities) to assist in funding the capital facility redevelopment project for the AIS.

DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted Departmental Statement of Financial Performance (Operating Statement)

This statement provides a picture of the expected financial results for the Agency by identifying full accrual expenses, accrual revenues and capital use charge, which highlights whether the Agency is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position (Balance Sheet)

This statement shows the financial position of the Agency. It helps decision-makers to track the management of the Agency's assets and liabilities.

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Capital Budget Statements

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Departmental Non Financial Assets — Summary of Movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

**Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	134,298	122,472	124,716	128,075	130,410
Goods and services	14,718	15,478	15,978	16,478	16,978
Interest	1,074	924	404	403	403
Dividends	-	-	-	-	-
Revenue from sales of assets	50	50	50	50	50
Reversals of previous asset w rite-dow ns	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	120	119	119	-	-
Total revenues from ordinary activities	150,260	139,043	141,267	145,006	147,841
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	30,144	31,935	33,011	33,332	34,044
Suppliers	32,573	31,696	32,898	34,544	35,369
Grants	63,592	65,304	65,450	66,773	67,379
Subsidies	-	-	-	-	-
Depreciation and amortisation	8,557	9,108	8,908	9,812	10,837
Write-dow n of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	134,866	138,043	140,267	144,461	147,629
Borrowing costs expense	-	-	-	-	-
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Operating surplus or deficit from ordinary activities	15,394	1,000	1,000	545	212
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or deficit	15,394	1,000	1,000	545	212
Capital Use Charge Paid *	14,394	-	-	-	-
Net surplus or deficit after CUC	1,000	1,000	1,000	545	212

* The Capital Use Charge will be abolished from 1 July 2003.

Table 3.1: Budgeted departmental statement of financial performance

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
Outside equity interests in net surplus or deficit	-	-	-	-	-
Net surplus or deficit attributable to the Commonwealth	1,000	1,000	1,000	545	212
Net credit (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit (credit) to equity	-	-	-	-	-
Adjustments arising from Standards recognised as direct debit (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	1,000	1,000	1,000	545	212

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	26,808	28,372	18,027	20,306	23,278
Receivables	3,417	3,417	3,417	3,417	3,417
Investments accounted for under the equity method	-	-	-	-	-
Other Investments	-	-	-	-	-
Accrued revenue	-	-	-	-	-
Other	159	159	159	159	159
Total financial assets	30,384	31,948	21,603	23,882	26,854
Non-financial assets					
Land and buildings	104,688	104,069	126,991	143,644	151,927
Infrastructure, plant and equipment	13,362	13,297	13,232	13,182	13,132
Heritage and cultural assets	-	-	-	-	-
Inventories	1,082	1,082	1,082	1,082	1,082
Intangibles	-	-	-	-	-
Other	661	661	661	661	661
Total non-financial assets	119,793	119,109	141,966	158,569	166,802
Total assets	150,177	151,057	163,569	182,451	193,656
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	240	120	-	-	-
Total interest bearing liabilities	240	120	-	-	-
Provisions					
Employees	7,071	7,071	7,071	7,071	7,071
Other	5,371	5,371	5,371	5,371	5,371
Total Provisions	12,442	12,442	12,442	12,442	12,442
Payables					
Suppliers	5,914	5,914	5,914	5,914	5,914
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Total Payables	5,914	5,914	5,914	5,914	5,914
Total liabilities	18,596	18,476	18,356	18,356	18,356

Table 3.2: Budgeted departmental statement of financial position

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
EQUITY					
Parent entity interest					
Contributed equity	99,985	99,985	111,617	129,954	140,947
Reserves	42,761	42,761	42,761	42,761	42,761
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(11,165)	(10,165)	(9,165)	(8,620)	(8,408)
Total parent entity interest	131,581	132,581	145,213	164,095	175,300
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	131,581	132,581	145,213	164,095	175,300
Total assets and liabilities by maturity					
Current assets	32,127	33,691	23,346	25,625	28,597
Non-current assets	118,050	117,366	140,223	156,826	165,059
Current liabilities	15,476	15,476	15,356	15,356	15,356
Non-current liabilities	3,120	3,000	3,000	3,000	3,000

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	14,715	15,478	15,978	16,478	16,978
Appropriations	134,298	122,472	124,716	128,075	130,410
Interest	1,074	924	404	404	404
Dividends	-	-	-	-	-
Other	7,940	8,040	8,040	8,040	8,040
Extraordinary items	-	-	-	-	-
Total cash received	158,027	146,914	149,138	152,997	155,832
Cash used					
Employees	29,995	31,935	33,011	33,332	34,044
Suppliers	32,489	31,696	32,898	34,544	35,369
Grants	63,592	65,304	65,450	66,773	67,379
Borrowing costs	-	-	-	-	-
Other	7,940	8,041	8,041	8,041	8,041
Extraordinary items	-	-	-	-	-
Total cash used	134,016	136,976	139,400	142,690	144,833
Net cash from/ (used by) operating activities	24,011	9,938	9,738	10,307	10,999
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	1,200	1,200	1,200	1,200	1,200
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayment of loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	1,200	1,200	1,200	1,200	1,200
Cash used					
Purchase of property, plant, equipment, and intangibles	5,800	9,574	32,915	27,565	20,220
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	5,800	9,574	32,915	27,565	20,220
Net cash from/ (used by) investing activities	(4,600)	(8,374)	(31,715)	(26,365)	(19,020)

Table 3.3: Budgeted departmental statement of cash flows

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	11,632	18,337	10,993
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	-	-	11,632	18,337	10,993
Cash used					
Repayments of debt	-	-	-	-	-
Capital use charge paid	14,908	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	14,908	-	-	-	-
Net cash from/ (used by) financing activities	(14,908)	-	11,632	18,337	10,993
Net increase/(decrease) in cash held	4,503	1,564	(10,345)	2,279	2,972
Cash at the beginning of the reporting period	22,305	26,808	28,372	18,027	20,306
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	26,808	28,372	18,027	20,306	23,278

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	- (K3) ¹	11,632	18,337	10,993
Total loans	-	- (K3) ¹	-	-	-
Represented by					
Purchase of non-current assets	-	-	11,632	18,337	10,993
Other	-	-	-	-	-
Total	-	-	11,632	18,337	10,993
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	-	11,632	18,337	10,993
Funded internally by Departmental resources	5,800	9,574	21,283	9,228	9,227
Total purchase of non-current assets	5,800	9,574	32,915	27,565	20,220

¹ These two lines link to (K3) in Table 1.1

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	10,451	94,237	-	13,362	-	-	-	118,050
Additions	-	5,146	-	4,428	-	-	-	9,574
Disposals	-	-	-	(1,150)	-	-	-	(1,150)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(5,765)	-	(3,343)	-	-	-	(9,108)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	10,451	93,618	-	13,297	-	-	-	117,366
Total additions								
Self funded	-	5,146	-	4,428	-	-	-	9,574
Appropriations	-	-	-	-	-	-	-	-
Total	-	5,146	-	4,428	-	-	-	9,574

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes Administered Items

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies,
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies,
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Capital Use Charge

The Government has agreed to discontinue the Capital Use Charge from 1 July 2003.

Administered investments in controlled entities

Each Commonwealth Department is required to show an Administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These Administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset valuation

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

Cash Received – Other/Cash Used – Other

The amounts disclosed in the Cashflow Statement for "Cash received – Other" and "Cash Used – Other" relate to GST amounts collected and remitted.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

The ASC does not have Purchaser/Provider arrangements.

COST RECOVERY ARRANGEMENTS

The ASC does not have Cost Recovery arrangements.