

**AUSTRALIAN SPORTS  
COMMISSION**



# AUSTRALIAN SPORTS COMMISSION

## Section 1: Agency 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 (NSO), 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.

**Table 1.1: Agency outcomes and output groups.**

Outcome	Output
<b>Outcome 1</b> An effective national sports system that offers improved participation in quality sports activities by Australians	<b>Output 1.1</b> National Sport System Development
<b>Outcome 2</b> Excellence in sports performances by Australians	<b>Output 2.1</b> National Elite Athlete Development

## Section 2: Agency resources for 2005-06

### 2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification. The total appropriation for the ASC in the 2005-06 Budget is \$189.303 million, including an equity injection of \$20.672 million.

**Table 2.1: Appropriations and other resources 2005-06 ('000)**

Outcome	Appropriations					Revenue from other sources <sup>5</sup>		Total resources <sup>7</sup>
	\$'000 Bill No. 1	\$'000 Bill No. 2 <sup>2</sup>	\$'000 Special Approp <sup>3</sup>	\$'000 Total Approp <sup>4</sup>	% <sup>6</sup>	\$'000	% <sup>6</sup>	\$'000
<b>Outcome 1</b>								
An effective national sports system that offers improved participation in quality sports activities by Australians	57,666	-	-	57,666	91.56%	5,317	8.44%	62,983
<b>Outcome 2</b>								
Excellence in sports performances by Australians	110,965	-	-	110,965	89.46%	13,080	10.54%	124,045
<b>Total Australian Sports Commission</b>	<b>168,631</b>	<b>-</b>	<b>-</b>	<b>168,631</b>	<b>90.16%</b>	<b>18,397</b>	<b>9.84%</b>	<b>187,028</b>
Departmental capital (equity injections)	-	20,672	-	20,672	100%	-	-	20,672
Previous year's outputs	-	-	-	-	-	-	-	-
<b>Total resources</b>	<b>168,631</b>	<b>20,672</b>	<b>-</b>	<b>189,303</b>	<b>190.16%</b>	<b>18,397</b>	<b>9.84%</b>	<b>207,700</b>

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

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

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

## 2.2: 2005-06 BUDGET MEASURES

Budget measures relating to ASC as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

**Table 2.2: ASC measures**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Backing Australia's Sporting Ability - a More Active Australia - continuation	1&2	1.1&2.1	-	-	-	-	-	-	-	-	-	-	-	-
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1&2	1.1&2.1	-	(408)	<b>(408)</b>	-	(839)	<b>(839)</b>	-	(1,153)	<b>(1,153)</b>	-	(1,011)	<b>(1,011)</b>
Elite sport - additional funding	2	2.1	-	5,000	<b>5,000</b>	-	11,300	<b>11,300</b>	-	12,400	<b>12,400</b>	-	12,600	<b>12,600</b>
EuroHub - European training base for Australian athletes <sup>1</sup>	2	2.1	-	665	<b>665</b>	-	2,600	<b>2,600</b>	-	2,700	<b>2,700</b>	-	2,700	<b>2,700</b>
EuroHub - European training base for Australian athletes <sup>2</sup>	2	2.1	-	2,335	<b>2,335</b>	-	-	-	-	-	-	-	-	-
EuroHub - European training base for Australian athletes <sup>3</sup>	2	2.1	-	-	-	-	660	<b>660</b>	-	660	<b>660</b>	-	660	<b>660</b>

1. This is an expense measure

2. This is a capital measure

3. This is a revenue measure

### 2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources available to be used. These are included in Table 2.1.

**Table 2.3: Other resources to be used**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental other revenue</b>		
Sales of goods and services	15,978	16,478
Interest revenue	755	719
Proceeds from sale of assets	4,700	1,200
Other	120	-
<b>Total departmental other revenue available to be used</b>	<b>21,553</b>	<b>18,397</b>

### 2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

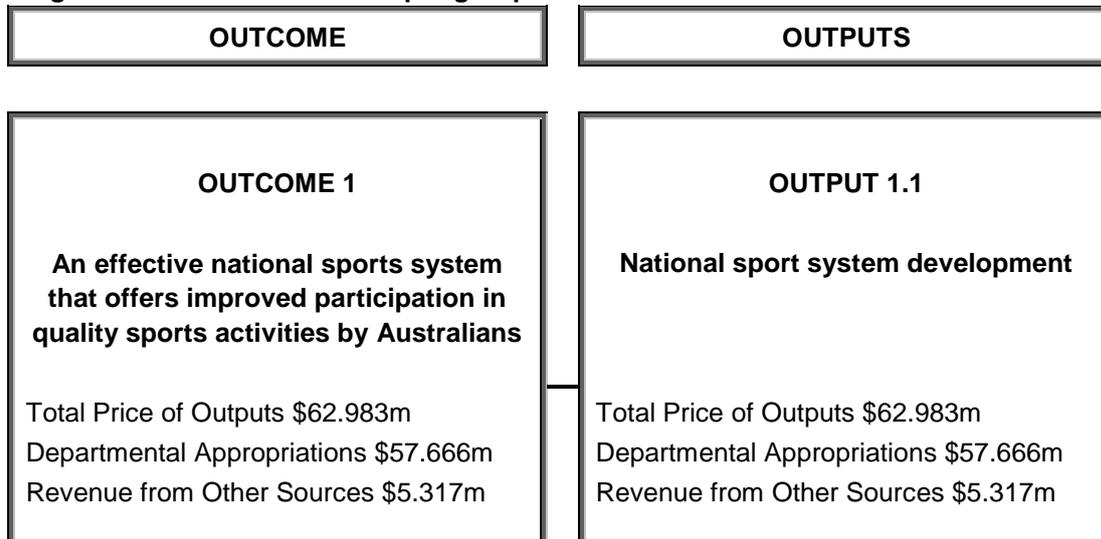
The ASC is budgeted to receive \$20.672m of department equity injections in 2005-06. This reflects funding for the establishment of the AIS EuroHub (\$2.335m) and the second year of budgeted capital injections from the Government to assist in funding the capital improvements to the infrastructure and facilities at the Australian Institute of Sport's Bruce Campus (\$18.337m). Government capital injections for the improvements will total \$41.0m over 3 years.

## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the two outcomes for ASC.

### SUMMARY OF OUTCOME 1

Figure 4.1: Outcomes and output groups



Note: Revenue from Government (Appropriations) contributes 91.56% to the Total Price of Outputs for Outcome 1.

### 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 ability to offer improved participation in quality sport for Australians, while at the same time ensuring that Australia's elite teams are provided with the optimal 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 assist in the development of their communities through sport.

## OUTCOME 1 - RESOURCING

### Outcome 1 resourcing

Table 3.1.1 shows how the 2005-06 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), other resources available to be used (Departmental) and the total price of outputs.

**Table 3.1.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental appropriations</b>		
Output 1.1 - National Sport System Development	42,129	57,666
<b>Total revenue from government (appropriations)</b>	<b>42,129</b>	<b>57,666</b>
<i>Contributing to price of departmental outputs</i>	<i>88.98%</i>	<i>91.56%</i>
<b>Revenue from other sources</b>		
Output 1.1 - National Sport System Development	5,218	5,317
<b>Total revenue from other sources</b>	<b>5,218</b>	<b>5,317</b>
<b>Total price from departmental outputs</b>	<b>47,347</b>	<b>62,983</b>
(Total revenue from government and from other sources)		
	2004-05	2005-06
<b>Average staffing level (number)</b>	182	259

## **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 (e.g. high performance, governance, business management and planning, coaching & officiating, 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;
- Work with departments of health, education, family & community services, sport and recreation, local government agencies and various national and community organisations to develop and implement a program aimed at providing more opportunities for children to become physically active in the after school hours environment;
- Negotiate strategic partnerships to increase involvement in grassroots sports;
- Design, implement and manage funding and service level agreements (FSLA) with national sporting organisations and state departments of sport and recreation; 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. 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 AND INDICATORS FOR OUTCOME 1

### Performance information for Outcome 1

**Table 3.2.1: Performance information for Outcome 1**

Performance information for departmental outputs	
Output 1.1 - National Sport System Development	
<b>Activity 1.1 - Programs and Services and National Leadership</b> Leadership and Partnership	<p><b>Quantity</b>                      All recognised NSOs where appropriate have executed agreements which outline ASC performance and compliance requirements and detail funding and/or support services to be provided by the ASC.                      FSLAs, jointly agreed to by the ASC and funded States/Territory Departments and/or stakeholders to provide national coverage for relevant ASC programs.                      All recognised NSOs continue to implement, review and update as required policies and procedures in relation to member protection and anti-doping.                      10 significant targeted interventions and/or initiatives to assist NSOs to improve their financial management, business practices such as strategic planning, governance and structural change.                      3 specific sector leadership forums for the sports industry.                      Assist selected and smaller NSOs to support their administrative arrangements to enable capacity building.</p> <p><b>Quality</b>                      Conduct National Junior Sport, Disability, Indigenous, Club Development, Coaching and Officiating and Women's Leadership programs.                      Sport Performance and Development national programs achieve rural and regional reach in conjunction with funded NSOs and other funded stakeholders.</p>
<b>Activity 1.1 - Programs and Services and National Leadership (continued)</b> Participation	<p><b>Quantity</b>                      Recognised NSOs accessing program initiatives across the Sport Performance and Development program areas, including coaching &amp; officiating, Indigenous, disability, junior, women, club development and membership growth.                      The Active After-school Communities (AASC) program will target up to 2,000 primary schools/OSHCS and involve up to 100,000 children.                      420 registered projects with the Australian Sports Foundation designed to improve the Australian sporting system infrastructure.</p> <p><b>Quality</b>                      Facilitate the development of a national and related plans for sport for people with a disability that will provide for a more robust infrastructure for disability sport, and hence an enhanced framework for funding national sporting organisations for athletes with a disability into the future.                      Major partnerships with DCITA, ACHPER, VicHealth and the Australian Paralympic Committee to support increased participation in sport.</p>

Table 3.2.1: Performance information for Outcome 1 (continued)

**Table 3.2.1: Performance information for Outcome 1 (continued)**

<b>Activity 1.2 - Research</b>	<p><b>Quantity</b> 4 major performance orientated research initiatives to improve understanding of sport impact, involvement by young people and sporting club membership. Quarterly collection of adult exercise, recreation and sport participation data and annual findings.</p> <p><b>Quality</b> Maintain and strengthen research evidence, linking sport with social, health and economic outcomes.</p>
<b>Activity 1.3 - Commercial Activities</b>	<p><b>Quantity</b> Generate and manage 3 new off-budget commercial initiatives.</p>
<b>Activity 1.4 - International Development Assistance</b>	<p><b>Quality</b> Maintain and strengthen the management of 4 international sports-development assistance programs.</p>

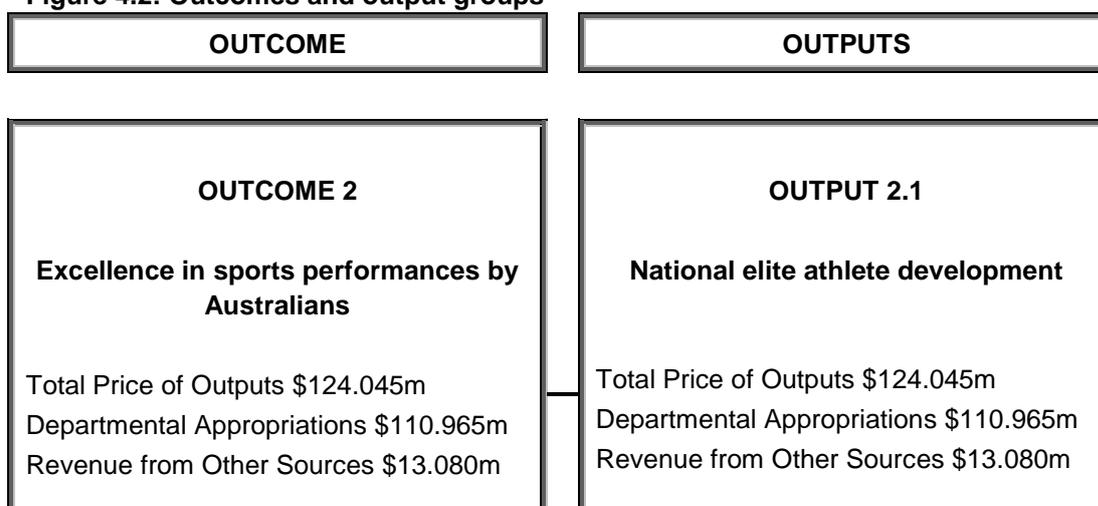
**EVALUATIONS**

Evaluation of the performance information included in Table 3.2.1 will be provided in the Commission's Annual Report.

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 all internal audit reviews and oversees the implementation of any recommendations. Auditor-General Reports tabled in Parliament are also reviewed by the Audit Committee for issues relevant to the Commission.

## SUMMARY OF OUTCOME 2

Figure 4.2: Outcomes and output groups



Note: Revenue from Government (Appropriations) contributes 89.45% to the Total Price of Outputs for Outcome 2.

### OUTCOME 2 — DESCRIPTION

#### Excellence in sports performance 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 Australia's 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 High Performance Success Program, delivered through the ASC, underpins the sustained success of Australian athletes through continued international competition and exposure to world-class coaches. The High Performance Success Program provides essential funding to NSOs based on individual strategic plans with emphasis on high performance.

## OUTCOME 2 - RESOURCING

### Outcome 2 resourcing

Table 3.1.2 shows how the 2005-06 Budget appropriations translate to total resourcing for outcome 2, including administered expenses, revenue from government (appropriation), other resources available to be used (Departmental) and the total price of outputs.

**Table 3.1.2: Total resources for Outcome 2 (\$'000)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental appropriations</b>		
Output 2.1 - National Elite Athlete Development	103,665	110,965
<b>Total revenue from government (appropriations)</b>	<b>103,665</b>	<b>110,965</b>
<i>Contributing to price of departmental outputs</i>	<i>86.39%</i>	<i>89.46%</i>
<b>Revenue from other sources</b>		
Output 2.1 - National Elite Athlete Development	16,335	13,080
<b>Total revenue from other sources</b>	<b>16,335</b>	<b>13,080</b>
<b>Total price from departmental outputs</b>	<b>120,000</b>	<b>124,045</b>
(Total revenue from government and from other sources)		
	2004-05	2005-06
<b>Average staffing level (number)</b>	369	370

## OUTCOME 2 — CONTRIBUTION OF OUTPUTS

### Output 2.1 - National elite athlete development

The ASC's high performance success 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 continue to lead and facilitate a nationally coordinated approach to the planning of High Performance Sport for the 2005-09 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 is working 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 conduct the Melbourne 2006 Direct Athlete Support Scheme which will assist our top athletes to sustain the training regime they need to maintain top level status for competition at the Melbourne 2006 Commonwealth Games.

The ASC will continue to 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 AND INDICATORS FOR OUTCOME 2

### Performance information for Outcome 2

**Table 3.2.2: Performance information for Outcome 2**

<b>Performance Information for Departmental Output 2.1 - National Elite Athlete Development</b>	
<b>Activity 2.1 - AIS Programs and Services and National Leadership</b> National Leadership	<b>Quantity</b> AIS Scholarship programs in 26 sports. Provide service provision for up to 20 national teams on a commercial basis. 35 sports programs annual plans, including service commitments, jointly agreed to by NSOs and the AIS. Conduct 4 national programs; Athlete Career and Education, Talent Search, Laboratory Standards Assistance Scheme, and National Elite Sports Research Program. Conduct 2 technical benchmarking projects. Conduct 20 approved applied research projects.
	<b>Quality</b> 80% of NSO and AIS satisfaction with national team service delivery effectiveness. Annual reviews conducted for all AIS programs. 80% of NSO and AIS satisfaction with sport program performance and service delivery effectiveness. 60% of eligible AIS athletes annually chosen to represent Australia in international competition.
<b>Activity 2.2 - Sports Excellence Program</b>	<b>Quantity</b> Review of the status of NSO high performance programs under the nationally coordinated approach to High Performance Planning for the 2005-09 quadrennium. 4 sport specific workshops to improve high performance planning and implementation. Conduct an anti-doping assessment process against the ASC's Terms and Conditions of Funding for all high performance funded NSOs (in conjunction with the Australian Sports Drug Agency) to ensure NSOs understand and are able to implement their anti-doping roles and responsibilities. Selected NSOs supported to conduct high performance activities as outlined in the NSO's planning documents. 20 High Performance Management Committees implemented to oversight the high performance programs of targeted sports leading into the 2008 Beijing Olympics and Paralympics. Medal potential athletes provided with direct financial support towards the costs of their daily living and training environment in the lead-up to the Melbourne 2006 Commonwealth Games.

## EVALUATIONS

The next major review of the AIS programs will take place during the year of the Beijing Olympic Games.

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

## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

The ASC does not have any purchaser-provider arrangements.

### **4.2: COST RECOVERY ARRANGEMENTS**

The ASC does not have any cost recovery arrangements.

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Departmental

##### Statement of Financial Performance

The ASC is budgeting for a breakeven operating result in 2005-06.

The increase in revenue from government in 2005-06 primarily reflects a funding increase for the Active After-school Communities (AASC) program. Significant movements in revenue from government for 2006-07 and onwards also reflect funding movements relating to the AASC program.

Significant changes in employee, supplier and grants expenses are a result of the implementation of the 4 year AASC program.

Depreciation and amortisation costs show budgeted increases from 2005-06 onwards. The increased building depreciation costs will occur as the enhanced facilities at the Australian Institute of Sport are completed as part of the AIS Bruce Campus site redevelopment and upgrade.

##### Statement of Financial Position

The Total Equity position of the ASC is budgeted to increase significantly from 2004-05 to 2006-07. This reflects approved budgeted capital injections from the Government totalling \$41.0m (refer to the Statement of Cash Flows, Financing Activities) to assist in funding the capital improvements to the infrastructure and facilities at the AIS Bruce Campus.

##### Statement of Cash Flows

The ASC sold the Del Monte property in Adelaide during 2004-05 for \$3.5m. This is reflected in the large increase in Proceeds from Sales of Property Plant & Equipment in the 2004-05 Estimated Actual.

Results under the Repayment of Loans, Investing Activities and Repayment of Debt, Financing Activities for 2005-06 to 2007-08 reflect the repayment of loans by the Football Federation Australia (formerly Australia Soccer Association) and ASC's subsequent repayment to the Department of Finance & Administration.

Capital Injections from 2004-05 to 2006-07 relate to the capital improvements to the infrastructure and facilities at the AIS Bruce Campus.

### 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	145,794	168,631	181,007	168,001	149,417
Goods and services	15,978	16,478	17,638	18,138	18,638
Interest	755	719	550	741	803
Dividends	-	-	-	-	-
Revenue from sales of assets	4,700	1,200	1,200	1,200	1,200
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	120	-	-	-	-
<b>Revenues from ordinary activities</b>	<b>167,347</b>	<b>187,028</b>	<b>200,395</b>	<b>188,080</b>	<b>170,058</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	40,715	46,565	50,251	45,828	40,034
Suppliers	37,015	38,345	39,817	35,944	37,110
Grants	74,559	89,692	96,795	91,985	78,679
Subsidies	-	-	-	-	-
Depreciation and amortisation	10,056	10,960	12,235	13,085	13,085
Write-down of assets and impairment of assets	4,650	1,150	1,150	1,150	1,150
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>166,995</b>	<b>186,712</b>	<b>200,248</b>	<b>187,992</b>	<b>170,058</b>
Borrowing costs expense	352	316	147	88	-
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or (loss) on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outside equity interests in net surplus or (deficit)	-	-	-	-	-
<b>Net surplus or deficit attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit or (credit) to equity	-	-	-	-	-
Adjustments arising from standards recognised as direct debit or (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity	-	-	-	-	-
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.2: Budget departmental statement of financial position  
as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	20,912	18,536	22,694	30,701	37,933
Receivables	4,001	4,001	4,001	4,001	4,001
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	4,335	3,335	1,335	335	335
<b>Total financial assets</b>	<b>29,248</b>	<b>25,872</b>	<b>28,030</b>	<b>35,037</b>	<b>42,269</b>
<b>Non-financial assets</b>					
Land and buildings	145,794	166,557	173,692	165,985	159,053
Infrastructure, plant and equipment	11,921	14,206	13,906	13,606	13,306
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	1,273	1,273	1,273	1,273	1,273
Intangibles	-	-	-	-	-
Other non-financial assets	925	925	925	925	925
<b>Total non-financial assets</b>	<b>159,913</b>	<b>182,961</b>	<b>189,796</b>	<b>181,789</b>	<b>174,557</b>
<b>Total assets</b>	<b>189,161</b>	<b>208,833</b>	<b>217,826</b>	<b>216,826</b>	<b>216,826</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	4,000	3,000	1,000	-	-
Leases	120	120	120	120	120
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>4,120</b>	<b>3,120</b>	<b>1,120</b>	<b>120</b>	<b>120</b>
<b>Provisions</b>					
Employees	8,517	8,517	8,517	8,517	8,517
Other provisions	1,461	1,461	1,461	1,461	1,461
<b>Total provisions</b>	<b>9,978</b>	<b>9,978</b>	<b>9,978</b>	<b>9,978</b>	<b>9,978</b>
<b>Payables</b>					
Suppliers	4,493	4,493	4,493	4,493	4,493
Grants	1,039	1,039	1,039	1,039	1,039
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>5,532</b>	<b>5,532</b>	<b>5,532</b>	<b>5,532</b>	<b>5,532</b>
<b>Total liabilities</b>	<b>19,630</b>	<b>18,630</b>	<b>16,630</b>	<b>15,630</b>	<b>15,630</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	111,617	132,289	143,282	143,282	143,282
Reserves	66,489	66,489	66,489	66,489	66,489
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(8,575)	(8,575)	(8,575)	(8,575)	(8,575)
<b>Total parent entity interest</b>	<b>169,531</b>	<b>190,203</b>	<b>201,196</b>	<b>201,196</b>	<b>201,196</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>169,531</b>	<b>190,203</b>	<b>201,196</b>	<b>201,196</b>	<b>201,196</b>
<b>Current assets</b>	<b>31,446</b>	<b>28,070</b>	<b>30,228</b>	<b>37,235</b>	<b>44,467</b>
<b>Non-current assets</b>	<b>157,715</b>	<b>180,763</b>	<b>187,598</b>	<b>179,591</b>	<b>172,359</b>
<b>Current liabilities</b>	<b>11,233</b>	<b>12,233</b>	<b>11,233</b>	<b>10,233</b>	<b>10,233</b>
<b>Non-current liabilities</b>	<b>8,397</b>	<b>6,397</b>	<b>5,397</b>	<b>5,397</b>	<b>5,397</b>

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	15,978	16,478	17,638	18,138	18,638
Appropriations	145,794	168,631	181,007	168,001	149,417
Interest	756	720	551	742	804
Dividends	-	-	-	-	-
Other	11,000	11,000	11,000	11,000	11,000
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>173,528</b>	<b>196,829</b>	<b>210,196</b>	<b>197,881</b>	<b>179,859</b>
<b>Cash used</b>					
Employees	40,715	46,565	50,251	45,828	40,034
Suppliers	37,015	38,345	39,817	35,944	37,110
Grants	74,559	89,692	96,795	91,985	78,679
Borrowing costs	352	316	147	88	-
Other	11,000	11,000	11,000	11,000	11,000
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>163,641</b>	<b>185,918</b>	<b>198,010</b>	<b>184,845</b>	<b>166,823</b>
<b>Net cash from or (used by) operating activities</b>	<b>9,887</b>	<b>10,911</b>	<b>12,186</b>	<b>13,036</b>	<b>13,036</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	4,700	1,200	1,200	1,200	1,200
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	1,000	2,000	1,000	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>4,700</b>	<b>2,200</b>	<b>3,200</b>	<b>2,200</b>	<b>1,200</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	33,915	35,158	20,220	6,228	7,003
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>33,915</b>	<b>35,158</b>	<b>20,220</b>	<b>6,228</b>	<b>7,003</b>
<b>Net cash from or (used by) investing activities</b>	<b>(29,215)</b>	<b>(32,958)</b>	<b>(17,020)</b>	<b>(4,028)</b>	<b>(5,803)</b>

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June (continued)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	11,632	20,672	10,993	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>11,632</b>	<b>20,672</b>	<b>10,993</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	-	1,000	2,000	1,000	-
Capital use charge paid	-	-	-	-	-
Dividends paid	1	1	1	1	1
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>1</b>	<b>1,001</b>	<b>2,001</b>	<b>1,001</b>	<b>1</b>
<b>Net cash from/(used by) financing activities</b>	<b>11,631</b>	<b>19,671</b>	<b>8,992</b>	<b>(1,001)</b>	<b>(1)</b>
<b>Net increase or (decrease) in cash held</b>	<b>(7,697)</b>	<b>(2,376)</b>	<b>4,158</b>	<b>8,007</b>	<b>7,232</b>
Cash at the beginning of the reporting period	28,609	20,912	18,536	22,694	30,701
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>20,912</b>	<b>18,536</b>	<b>22,694</b>	<b>30,701</b>	<b>37,933</b>

Table 5.4: Departmental capital budget statements

Table 5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	11,632	20,672	10,993	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	<b>11,632</b>	<b>20,672</b>	<b>10,993</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	11,632	20,672	10,993	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	<b>11,632</b>	<b>20,672</b>	<b>10,993</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	11,632	20,672	10,983	-	-
Funded internally by	22,283	14,486	9,237	6,228	7,003
Departmental resources					
<b>Total</b>	<b>33,915</b>	<b>35,158</b>	<b>20,220</b>	<b>6,228</b>	<b>7,003</b>

**Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)**

	Land	Investment property	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	\$'000
<b>As at 1 July 2005</b>									
Gross book value	14,440	-	245,127	-	24,843	-	-	-	<b>284,410</b>
Accumulated depreciation	4,243	-	109,530	-	12,922	-	-	-	<b>126,695</b>
<b>Opening net book value</b>	<b>10,197</b>	-	<b>135,597</b>	-	<b>11,921</b>	-	-	-	<b>157,715</b>
Additions:									
by purchase	-	-	28,395	-	6,763	-	-	-	<b>35,158</b>
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	7,632	-	3,328	-	-	-	<b>10,960</b>
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals:									
write back of original cost	-	-	-	-	(4,428)	-	-	-	<b>(4,428)</b>
write back of accum depn	-	-	-	-	(3,278)	-	-	-	<b>(3,278)</b>
<b>As at 30 June 2006</b>									
Gross book value	14,440	-	273,522	-	27,178	-	-	-	<b>315,140</b>
Accumulated depreciation	4,243	-	117,162	-	12,972	-	-	-	<b>134,377</b>
<b>Closing net book value</b>	<b>10,197</b>	-	<b>156,360</b>	-	<b>14,206</b>	-	-	-	<b>180,763</b>

## 5.3: NOTES TO THE FINANCIAL STATEMENTS

### Departmental Financial Statements and Schedule of Administered Activity

Under the Australian Government's accrual-based 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 Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's funding for 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).

### 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.