

**AUSTRALIAN SPORTS
COMMISSION**

AUSTRALIAN SPORTS COMMISSION

Section 1: Agency overview

The Australian Sports Commission (ASC) is the Australian Government body that funds, manages and develops sport at all levels in Australia. It provides leadership, co-ordination and support for the sport sector while promoting an effective national sporting system that offers improved participation in quality sports activities by all Australians. Additionally, it assists those athletes that are talented and motivated to reach their potential excellence in sports performance.

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

Section 2: Agency resources for 2006-07

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification. The total appropriation for the ASC in the 2006-07 Budget is \$204.549 million including an equity injection of \$12.121 million.

Table 2.1: Appropriations and other resources 2006-07 ('000)

	Departmental			Special Appropriation	Revenue from other sources	Total
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000				
Outcome 1						
An effective national sport system that offers improved participation in quality sports activities by Australians	66,971	-	-	5,410	72,381	
Outcome 2						
Excellence in sports performances by Australians	125,457	-	-	13,311	138,768	
Equity injections	-	12,121	-	-	12,121	
Loans	-	-	-	-	-	
Previous years' outputs	-	-	-	-	-	
Administered assets and liabilities	-	-	-	-	-	
Special capital appropriation	-	-	-	-	-	
TOTAL	192,428	12,121	-	18,721	223,270	

2.2: 2006-07 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	Outputs affected	Appropriations budget 2006-07 (\$'000)		Appropriations forward estimate 2007-08 (\$'000)		Appropriations forward estimate 2008-09 (\$'000)		Appropriations forward estimate 2009-10 (\$'000)					
			Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs				
Expense Measures														
Australian Institute of Sport - integrated sports system	2	2.1	-	11,777	11,777	-	12,896	12,896	-	14,365	14,365	-	15,139	15,139
Sport - funding for regional universities	1	1.1	-	2,500	2,500	-	2,500	2,500	-	2,500	2,500	-	2,500	2,500
Total Expense Measures			-	14,277	14,277	-	15,396	15,396	-	16,865	16,865	-	17,639	17,639
Capital Measures														
Australian Institute of Sport - integrated sports system	2	2.1	-	1,128	1,128	-	116	116	-	182	182	-	90	90
Total Capital Measures			-	1,128	1,128	-	116	116	-	182	182	-	90	90
TOTAL OF ALL MEASURES			-	15,405	15,405	-	15,512	15,512	-	17,047	17,047	-	17,729	17,729

2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by the ASC for provision of goods or services. These resources are approved for use by the ASC and are included in Table 2.1.

Table 2.3: Other resources to be used

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental resources		
Sales of goods and services	16,478	16,568
Interest revenue	740	953
Proceeds from sale of assets	1,200	1,200
Total departmental other resources available to be used	18,418	18,721

2.7: DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ASC is budgeted to receive \$12.121m of department equity injections in 2006-07. \$10.993m of this funding relates to the final year of budgeted capital injections to assist in funding the improvements to the infrastructure and facilities at the Australian Institute of Sport's Bruce Campus in Canberra. Government capital injections for the improvements will total \$41.0m over 3 years. Despite some delays, construction is still expected to be complete by the end of the 2006-07 financial year.

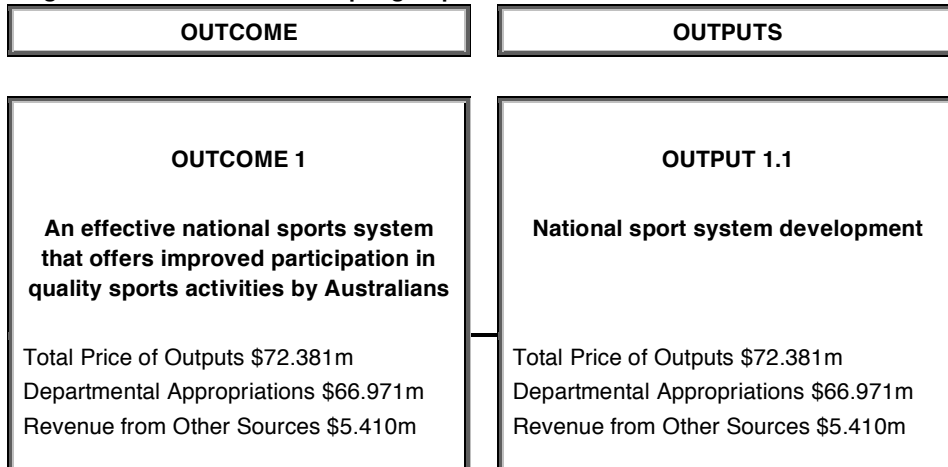
The balance of the departmental equity injection (\$1.128m) relates to plant and equipment purchases for the AIS – Integrated Sport System budget measure.

Section 3: Agency outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the 2 outcomes for the ASC.

SUMMARY OF OUTCOME 1

Figure 4.1: Outcomes and output groups



Note: Revenue from Government (Appropriations) contributes 92.5% 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 (ASC) 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 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental appropriations		
Output 1.1 - National sport system development	57,666	66,971
Total revenue from government (appropriations)	57,666	66,971
<i>Contributing to price of departmental outputs</i>	<i>91.55%</i>	<i>92.53%</i>
Revenue from other sources		
Output 1.1 - National sport system development	5,323	5,410
Total revenue from other sources	5,323	5,410
Total Resources	62,989	72,381
(Total revenue from government and from other sources)		
	2005-06	2006-07
Average staffing level (number)	259	267

Contributions to achievement of Outcome 1

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 support based on their individual needs, and 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.
- Deliver the structured physical activity program Active After-school Communities as part of the Government's Building a Healthy Active Australia package.
- 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.
- Provide leadership in the promotion of the integrity of sport.
- Actively contribute to international community sport development programs while increasing understanding of trends in sport internationally.

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 AND INDICATORS

Performance information for Outcome 1

Table 3.2.1: Performance information for Outcome 1

Performance Information for Departmental Output 1.1 - National Sport System Development	
<p>Activity 1.1 - Programs and Services and National Leadership Leadership and Partnership</p>	<p>Quantity 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. All recognised NSOs adopt and observe the mandatory provisions of the World Anti-Doping Agency Code and submit to the jurisdiction of ASADA. 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>Quality Conduct National Junior Sport including AASC, Disability, Indigenous, Club Development, Coaching and Officiating and Women's Leadership programs. Ensure Sport Performance and Development national programs achieve rural and regional reach in conjunction with funded NSOs and other funded stakeholders. Provide information and advice to sporting organisations on the development of appropriate policies and guidelines to ensure a fair, safe, ethical and inclusive sporting culture at all levels.</p> <p>Quantity Recognised NSOs accessing program initiatives across the Sport Performance and Development program areas, including coaching & officiating, Indigenous, disability, junior, women, club development and membership growth. The Active After-school Communities (AASC) program will target up to 2,900 primary schools/OSHCS and involve up to 145,000 children. Continue the development and implementation of the delivery model of the AASC program to engage inactive children, change attitudes toward physical activity, improve motor skills and develop community capacity. 430 registered projects with the Australian Sports Foundation designed to improve the Australian sporting system infrastructure.</p> <p>Quality 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 Australian Government and non Government stakeholders at national and state level to support increased participation in sport.</p>

Table 3.2.1: Performance information for Outcome 1 (continued)

Performance Information for Departmental Output 1.1 - National Sport System Development (continued)	
Activity 1.2 - Research	<p>Quantity 4 major performance orientated research initiatives to improve understanding of sport participation at the community and elite level. Quarterly collection of adult exercise, recreation and sport participation data and annual findings.</p> <p>Quality Actively contribute to improving access, across Australia and the region, to sport information. Maintain and strengthen research evidence and contribute to international networks which promote the health, and wider social and economic benefits of sport</p>
Activity 1.3 - Commercial Activities	<p>Quantity Generate and manage off-budget commercial initiatives.</p>
Activity 1.4 - Leadership in the International Sports Community	<p>Quality programs, including international community sport development programs, and the Australian sports system. programs including the Australian Sports Outreach Program.</p>

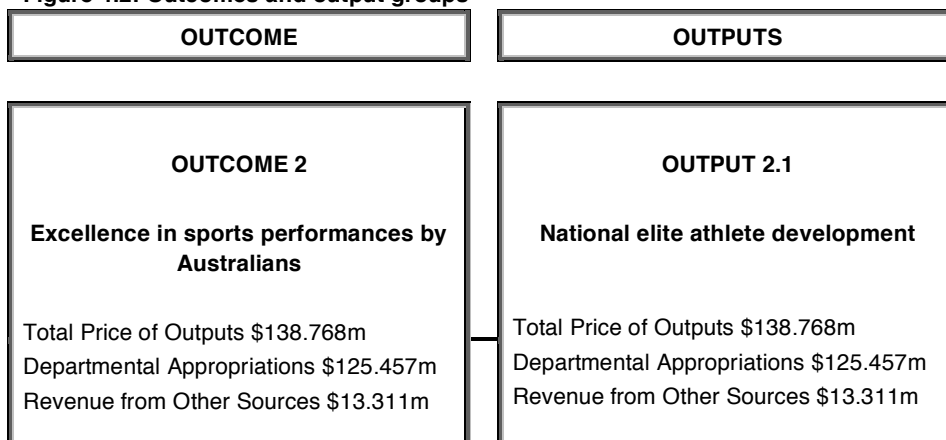
EVALUATIONS FOR OUTCOME 1

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 90.41% to the Total Price of Outputs for Outcome 2.

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 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 ASC underpins excellence in sport performance by providing services, funding and support in order to strengthen national sporting structures. Such assistance provides Australian athletes and coaches with the support systems and programs to sustain and build international sporting success.

OUTCOME 2 – RESOURCING

Outcome 2 resourcing

Table 3.1.2 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental appropriations		
Output 2.1 - National elite athlete development	110,965	125,457
Total revenue from government (appropriations)	110,965	125,457
<i>Contributing to price of departmental outputs</i>	<i>89.44%</i>	<i>90.41%</i>
Revenue from other sources		
Output 2.1 - National elite athlete development	13,095	13,311
Total revenue from other sources	13,095	13,311
Total Resources	124,060	138,768
(Total revenue from government and from other sources)		
	2005-06	2006-07
Average staffing level (number)	385	458

Contributions to achievement of Outcome 2

Output 2.1 - National elite athlete development

The ASC's national elite athlete development 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 will work in partnership with the Australian Sports Anti-Doping Authority (ASADA) in the fight against doping in sport.

The ASC will conduct an Athlete Support Scheme which will assist our top athletes to sustain the training regime they need to maintain top level status for competition.

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

Performance information for Outcome 2

Table 3.2.2: Performance information for Outcome 2

Performance Information for Departmental Output 2.1 - National Elite Athlete Development	
Activity 2.1 - AIS Programs and Services and National Leadership National Leadership	<p>Quantity Conduct 35 AIS Scholarship programs in 26 sports. Provide services 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. Annual reviews conducted for all 35 AIS programs. 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. Complement the Australian Sports Anti-Doping Authority's education curriculum by educating AIS athletes on their anti-doping responsibilities.</p> <p>Quality 80% of all NSOs holding a Quadrennium Agreement with the AIS for Sports Science/Sports Medicine service provision renew their servicing agreement for the following year. 60% of eligible AIS athletes annually chosen to represent Australia in international competition. 70% of AIS Sport programs meet program performance targets jointly agreed to by national sporting organisations and the AIS.</p>
Activity 2.2 - High Performance Success Program	<p>Quantity 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. Selected NSOs supported to conduct high performance activities as outlined in the NSOs 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. Conduct an Athlete Support Scheme which will assist medal potential athletes to sustain the training regime they need to maintain top level status for competition.</p> <p>Quality Continue the establishment of the European Training Centre.</p>

EVALUATIONS FOR OUTCOME 2

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 2006-07.

The increase in Revenue from Government in 2006-07 reflects appropriation funding for new policy measures relating to the Australian Institute of Sport (AIS) – Integrated Sports System, Australian University Sport and full year of operations for the Active After-School Communities (AASC) programmes. Movements in revenue from government for 2007-08 and onwards also reflect funding movements relating to the AIS, University Sport and AASC programmes. Changes in employee, supplier and grants expenses are a result of the implementation of these programmes.

Statement of Financial Position

Changes in Loans reflect a change resulting from the rescheduling of the repayment of loans by the Football Federation Australia (formerly Australia Soccer Association) and ASC's subsequent repayment to the Department of Finance & Administration.

The Total Equity position of the ASC is budgeted to increase from 2005-06 to 2006-07. This reflects approved budgeted Capital Injections from the Government to assist in funding the capital improvements to the infrastructure and facilities at the AIS Bruce Campus.

Statement of Cash Flows

Change in Net Cash from Operating Activities from 2005-06 to 2006-07 reflects increased funding for the AIS, University Sport and AASC programmes.

Changes in Investing – Repayments of loans made reflects the change resulting from the rescheduling of 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 for 2006-07 relate to the capital improvements to the infrastructure and facilities at the AIS Bruce Campus.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

For an explanation of the Budgeted Financial Statements tables, please see the User Guide.

Table 5.1: Budgeted departmental income statement for the period ended 30 June

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenues					
Revenues from Government	168,631	192,428	182,035	165,096	155,048
Goods and services	16,478	16,568	18,906	19,541	19,388
Interest	740	953	988	1,003	1,103
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	-	-	-	-	-
Total Revenue	185,849	209,949	201,929	185,640	175,539
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	1,200	1,200	1,200	1,200	1,200
Other	-	-	-	-	-
Total Gains	1,200	1,200	1,200	1,200	1,200
Total Income	187,049	211,149	203,129	186,840	176,739
EXPENSE					
Employees	46,565	57,937	53,794	47,800	49,350
Suppliers	38,345	46,659	46,513	44,773	45,666
Grants	89,692	92,982	88,150	79,789	67,189
Subsidies	-	-	-	-	-
Depreciation and amortisation	10,960	12,271	13,437	13,328	13,384
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	1,150	1,150	1,150	1,150	1,150
Net losses from assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	337	150	85	-	-
Total expenses	187,049	211,149	203,129	186,840	176,739
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result from continuing operations	-	-	-	-	-
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discounted operations	-	-	-	-	-
Operating result	-	-	-	-	-
Minority interest in net surplus (or deficit)	-	-	-	-	-
Net surplus (or deficit) attributable to the Australian Government	-	-	-	-	-

Table 5.2: Budget departmental balance sheet as at 30 June

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	24,806	28,915	37,574	46,224	55,030
Receivables	4,000	4,000	4,000	4,000	4,000
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	4,355	1,355	355	355	355
Total financial assets	33,161	34,270	41,929	50,579	59,385
Non-financial assets					
Land and buildings	165,781	172,916	165,334	157,927	150,520
Infrastructure, plant and equipment	12,037	14,814	14,353	13,892	13,283
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	986	986	986	986	986
Intangibles	818	818	818	818	818
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	4,718	4,718	4,718	4,718	4,718
Total non-financial assets	184,340	194,252	186,209	178,341	170,325
Total assets	217,501	228,522	228,138	228,920	229,710
LIABILITIES					
Interest bearing liabilities					
Loans	4,000	1,000	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	4,000	1,000	-	-	-
Provisions					
Employees	9,420	9,820	10,320	10,920	11,620
Other	-	-	-	-	-
Total provisions	9,420	9,820	10,320	10,920	11,620
Payables					
Suppliers	6,564	8,064	8,064	8,064	8,064
Grants	394	394	394	394	394
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	2,422	2,422	2,422	2,422	2,422
Total payables	9,380	10,880	10,880	10,880	10,880
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	22,800	21,700	21,200	21,800	22,500
EQUITY*					
Parent entity interest					
Contributed equity	132,289	144,410	144,526	144,708	144,798
Reserves	65,777	65,777	65,777	65,777	65,777
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(3,365)	(3,365)	(3,365)	(3,365)	(3,365)
Total parent entity interest	194,701	206,822	206,938	207,120	207,210
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	194,701	206,822	206,938	207,120	207,210
Current assets	38,865	39,974	47,633	56,283	65,089
Non-current assets	178,636	188,548	180,505	172,637	164,621
Current liabilities	15,403	16,303	15,803	16,403	17,103
Non-current liabilities	7,397	5,397	5,397	5,397	5,397

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	16,478	16,568	18,906	19,541	19,388
Appropriations	168,631	192,428	182,035	165,096	155,048
Interest	740	953	988	1,003	1,103
Dividends	-	-	-	-	-
Other	11,000	13,000	13,000	13,000	13,000
Total cash received	196,849	222,949	214,929	198,640	188,539
Cash used					
Employees	46,565	57,537	53,294	47,200	48,650
Suppliers	38,345	45,159	46,513	44,773	45,666
Grants	89,692	92,982	88,150	79,789	67,189
Financing costs	337	150	85	-	-
Other	11,000	13,000	13,000	13,000	13,000
Total cash used	185,939	208,828	201,042	184,762	174,505
Net cash from or (used by) operating activities	10,910	14,121	13,887	13,878	14,034
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,200	1,200	1,200	1,200	1,200
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	3,000	1,000	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	1,200	4,200	2,200	1,200	1,200
Cash used					
Purchase of property, plant and equipment	52,641	23,333	6,544	6,610	6,518
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	-	-	-	-	-
Total cash used	52,641	23,333	6,544	6,610	6,518
Net cash from or (used by) investing activities	(51,441)	(19,133)	(4,344)	(5,410)	(5,318)

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	20,672	12,121	116	182	90
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	20,672	12,121	116	182	90
Cash used					
Repayments of debt	-	3,000	1,000	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	3,000	1,000	-	-
Net cash from/(used by) financing activities	20,672	9,121	(884)	182	90
Net increase or (decrease) in cash held	(19,859)	4,109	8,659	8,650	8,806
Cash at the beginning of the reporting period	44,665	24,806	28,915	37,574	46,224
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	24,806	28,915	37,574	46,224	55,030

**Table 5.4: Departmental statement of changes in equity – summary of movement
(Budget 2006-07)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balances as at 1 July 2006					
Balance carried forward from previous period	(3,365)	65,777	-	132,289	194,701
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balances	(3,365)	65,777	-	132,289	194,701
Income and expenses					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expenses	-	-	-	-	-
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	12,121	12,121
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	12,121	12,121
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2007	(3,365)	65,777	-	144,410	206,822

Table 5.5: Departmental capital budget statement

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	20,672	12,121	116	182	90
Total loans	-	-	-	-	-
Total capital appropriations	20,672	12,121	116	182	90
Represented by:					
Purchase of non-financial assets	20,672	12,121	116	182	90
Other	-	-	-	-	-
Total represented by	20,672	12,121	116	182	90
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	20,672	12,121	116	182	90
Funded internally by	31,969	11,212	6,428	6,428	6,428
Departmental resources					
Total	52,641	23,333	6,544	6,610	6,518

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	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
As at 1 July 2006									
Gross book value	13,895	-	271,522	-	25,084	-	-	1,481	311,982
Accumulated depreciation	4,441	-	115,195	-	13,047	-	-	663	133,346
Opening net book value	9,454	-	156,327	-	12,037	-	-	818	178,636
Additions:									
by purchase	-	-	15,792	-	7,541	-	-	-	23,333
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	8,657	-	3,614	-	-	-	12,271
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	(4,428)	-	-	-	(4,428)
write back of original cost	-	-	-	-	(3,278)	-	-	-	(3,278)
write back of accumulated depreciation	-	-	-	-	-	-	-	-	-
As at 30 June 2007									
Gross book value	13,895	-	287,314	-	28,197	-	-	1,481	330,887
Accumulated depreciation	4,441	-	123,852	-	13,383	-	-	663	142,339
Closing net book value	9,454	-	163,462	-	14,814	-	-	818	188,548

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 (AASB), 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).

The ASC does not have any administered appropriations.

Asset valuation

Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. Fair value essentially reflects the current market value of an asset.