

**AUSTRALIAN SPORTS
COMMISSION**

AUSTRALIAN SPORTS COMMISSION

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Sports Commission (ASC) is the 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 2004-05 Budget is \$139.142m.

Table 1.1, on the following page, shows the total appropriation for the ASC for 2004-05 by the two Government outcomes, and by price of output appropriation.

MEASURES - SUMMARY

Table 1.2: Summary of measures disclosed in the 2004-05 Budget

Measure	Outcome	Output affected	Appropriations budget		Appropriations forward estimate 2005-06 (\$'000)		Appropriations forward estimate 2006-07 (\$'000)		Appropriations forward estimate 2007-08 (\$'000)				
			Admin	Dept	Admin	Dept	Admin	Dept	Admin	Dept			
Melbourne 2006 Commonwealth Games - contribution	1	1.1	Nil	175	Nil	161	161	Nil	166	166	Nil	Nil	Nil
			Admin	Dept	Admin	Dept	Admin	Dept	Admin	Dept	Admin	Dept	Total
			expenses outputs	Total	expenses outputs	Total	expenses outputs	Total	expenses outputs	Total	expenses outputs	Total	outputs

REVENUE FROM INDEPENDENT SOURCES**Table 1.3: Revenue from independent sources**

	Estimated revenue 2003-04 \$'000	Estimated revenue 2004-05 \$'000
Departmental revenues		
Sales of goods and services	15,478	15,978
Interest revenue	1,053	756
Proceeds from sale of assets	1,200	1,200
Other	119	119
Total estimated revenue	17,850	18,053

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ASC is budgeted to receive \$11.632m of departmental equity injections in 2004-05. This reflects the first 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. Government capital injections will total \$41.0m over 3 years.

The ASC does not have administered capital and is not budgeted to receive departmental loans in 2004-05.

Section 2: Outcomes and outputs information

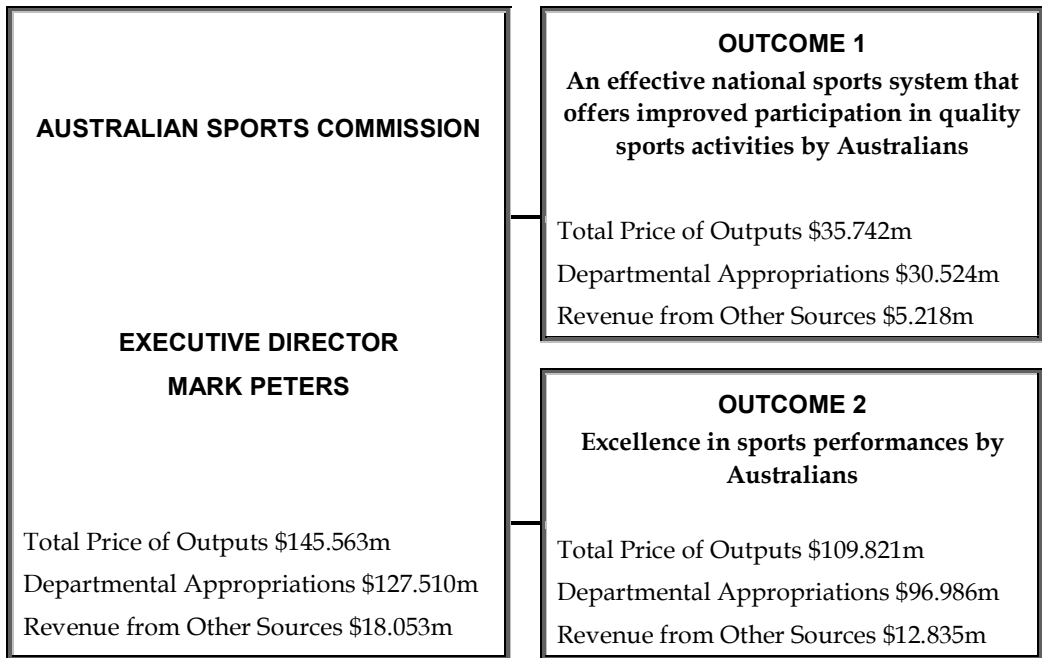
OUTCOMES AND OUTPUT GROUPS

The ASC works towards achieving the outcomes specified by Government. The following section provides an agency overview, and then each outcome is discussed in turn. The map on the following page shows the relationship between the outcomes.

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 cost, 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.

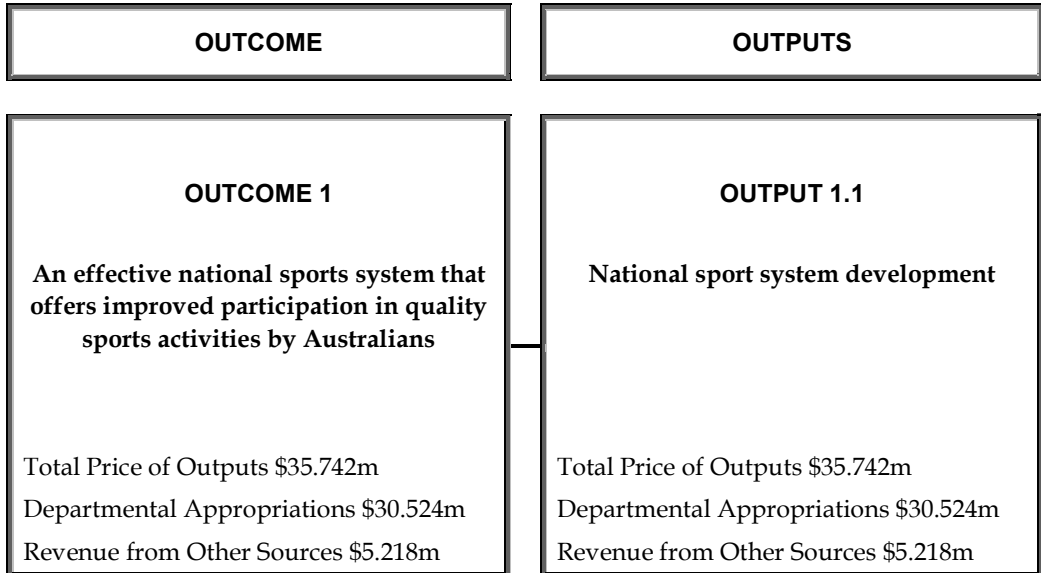
Map 1: Outcome structure



CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to ASC outcomes and outputs structure.

Map 2.1: Outcome 1 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 85.4% 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 Australian at all levels. The 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 communities through sport.

Measures affecting Outcome 1¹

Melbourne 2006 Commonwealth Games - contribution

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
All agencies	8.0	90.3	1.3	-
<i>Related Capital</i>				
All agencies	0.1	0.1	-	-
<i>Related Revenue</i>				
All agencies	-	-1.4	-	-

(a) A negative number for revenue indicates a decrease in the fiscal balance.

The Government will provide a package of assistance totalling \$272.5 million over four years from 2003-04 to 2006-07 to contribute to the staging of the Melbourne Commonwealth Games (M2006) to be held from 15-26 March 2006.

The assistance package includes \$139.8 million (including \$40 million in 2003-04) in new funding over the four years as a contribution to meeting the costs of the Games. The Government will also provide \$132.7 million in services and support which will be absorbed within existing resources.

Funding includes a grant of \$102.9 million to the Victorian Government for specific M2006 initiatives. These include \$40 million for the Opening and Closing Ceremonies, \$15 million for the Queen's Baton Relay, \$18.2 million for the M2006 Volunteer Programme, \$10 million for the Elite Athletes with a Disability Programme, \$7.5 million to provide airfare subsidies for athletes from developing countries participating in M2006, and \$6 million towards the costs of the M2006 Cultural Programme.

Funding of \$84.8 million will be provided over three years to provide security services and support to ensure a safe and secure M2006. Of this, \$56.5 million will be funded from existing resources.

¹ This relates to measures disclosed in the 2004-05 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook (MYEFO)*).

Funding of \$27.1 million (including capital of \$0.2 million) over three years will be provided for non-security related services associated with staging M2006, of which \$18.5 million will be provided from existing resources. Activities involved include pre-event drug testing of international athletes, sporting programmes for people with disabilities, provision of aviation safety information and increased trade and investment promotion activities.

The Australian Sports Commission will provide an estimated \$55.3 million in direct assistance for M2006 sports through existing programmes over two years from 2004-05. Significant indirect assistance is also provided to support athletes, coaches and support staff of M2006 sports.

Visa application costs will be waived for Commonwealth Games Family Members, resulting in revenue forgone of \$1.4 million. Exemptions from Income and Withholding Tax for the Commonwealth Games Federation, estimated at \$1 million, were recorded as a measure, *Income tax exemption for the Commonwealth Games Federation*, in the *2002-03 Mid-Year Economic and Fiscal Outlook*

Note: the Australian Sports Commission will receive \$0.5 million over three years from 2004-05 to 2006-07 to implement a legacy flowing from the Melbourne Commonwealth Games.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2004-05 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** and **E1** show the links back to Table 1.1 (the Appropriations and Other Revenue Table for the ASC).

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	
Departmental appropriations			
Output 1.1 - National Sports Development	28,831	30,524	
Total revenue from government (appropriations)	28,831	30,524	
Contributing to price of departmental outputs	84.82%	85.40%	(C1)
Revenue from other sources			
Output 1.1 - National Sports Development	5,159	5,218	
Total revenue from other sources	5,159	5,218	
Total price from departmental outputs			
(Total revenue from government and from other sources)	33,990	35,742	(E1)
	2003-04	2004-05	
Average staffing level (number)	91	91	

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;
- 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	Quantity
Leadership and Partnership	75 FSLA's, including details of funding and support services, jointly agreed to by the ASC and funded NSOs.
	8 FSLA's, jointly agreed to by the ASC and funded States/Territory Departments and/or stakeholders.
	75 funded NSOs to implement or partially implement Member Protection Policies, Risk Management Frameworks and the Junior Framework/Policy.
	10 significant targeted interventions and/or initiatives to assist funded NSOs improve their business practices, such as strategic planning, governance and structural change.
	2 specific sector leadership forums for the sports industry.
	70 funded NSOs to adopt and implement ASC compliant ant-doping policies, including the incorporation of the World Anti-Doping Code mandatory clauses, within ASC specified timeframes.
	Assist 10 of the smaller NSOs to support their administrative arrangements to enable capacity building.
	Quality
	Conduct project <i>CONNECT</i> , ISP Athlete Development, and Coaching and Officiating Scholarship programs.
	Sport Performance and Development programs, such as Targeted Sport Participation Growth, Indigenous, Project <i>CONNECT</i> , Coaching, & Officiating, and Junior Sport achieve regional reach in conjunction with funded NSOs and other funded stakeholders.
	Work with NSOs to support a national initiative to improve sporting experiences and skills or primary school-aged children.
	Three project in on-line education to assist the development of e-learning capacity in NSOs to improve the flexibility and reach of educational material for athletes, coaches, officials and administrators.

Table 2.2.1: Performance information for Outcome 1 (continued)

Table 2.2.1: Performance information for Outcome 1 (continued)

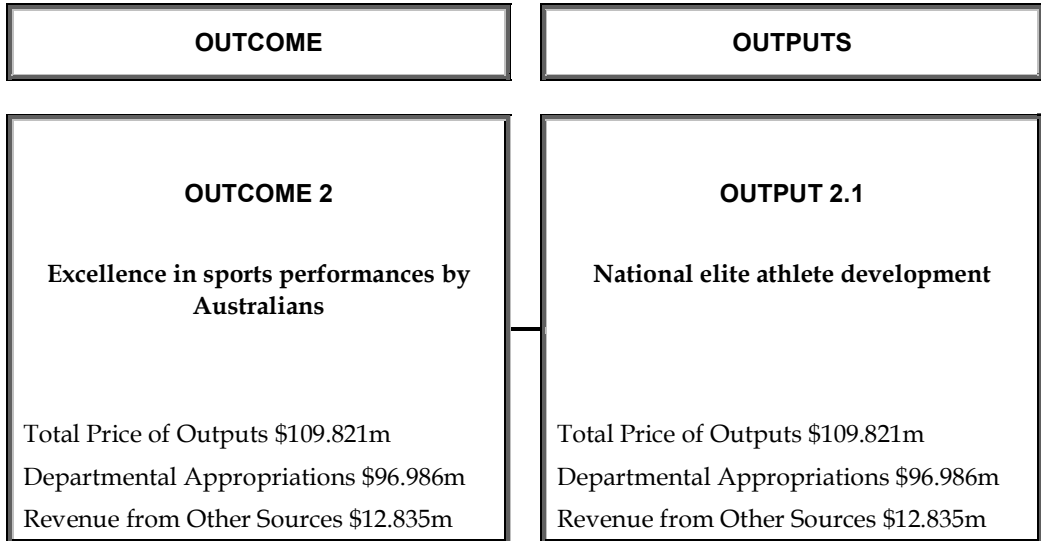
Activity 1.1 - Programs and Services and National Leadership (continued) Participation	<p>Quantity</p> <p>75 NSOs accessing program initiatives across the SPD program areas, including coaching & officiating, Indigenous, disability, junior, women, club development and Targeted Sport Participation Growth Program.</p> <p>Club membership through ASC programs significantly increased (target: one million additional members over 4 years, 2001-02 to 2004-05).</p> <p>400 registered projects with the Australian Sports Foundation designed to improve the Australian sporting system infrastructure.</p> <p>4 major partnerships with ATSIC, ACHPER, VicHealth and the Australian Paralympic Committee to support initiatives in sports programs.</p> <p>Quality</p> <p>Adapt the national Coaching Accreditation Scheme and the National Officiating Accreditation Scheme to adjust to the changing needs of funded NSOs and other stakeholders.</p> <p>Five major initiatives conducted in conjunction with the Aboriginal and Torres Strait Islanders Commission, ACHPER, VicHealth, Office of Status of Women and the Australian Paralympic Committee to support increased participation in sport.</p>
Activity 1.2 - Systems Improvement	<p>Quality</p> <p>80% of funded NSOs satisfied with support services and programs delivered by Sport Performance and Development.</p>
Activity 1.3 - Research	<p>Quantity</p> <p>4 major performance orientated research initiatives to improve understanding of sport impact, involvement by young people and sporting club membership.</p> <p>Quarterly collection of adult exercise, recreation and sport participation data and annual findings.</p> <p>Quality</p> <p>Maintain and strengthen research evidence, linking sport with social, health and economic outcomes.</p>
Activity 1.4 - Commercial Activities	<p>Quantity</p> <p>Generate and manage 3 new off-budget commercial initiatives.</p>
Activity 1.5 - International Development Assistance	<p>Quality</p> <p>Maintain and strengthen the management of 4 international sports-development assistance programs.</p>

EVALUATIONS

Evaluation of the performance information included in Table 2.2.1 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.

Map 2.2: Outcome 2 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 88.3% 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 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

There are no measures affecting Outcome 2.

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2004-05 Budget 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 references **C1** and **E1** show the links back to Table 1.1 (the Appropriations and Other Revenue Table for the ASC).

Table 2.1.2: Total resources for Outcome 2 (\$'000)

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	
Departmental appropriations			
Output 2.1 - National elite athlete development	96,761	96,986	
Total revenue from government (appropriations)	96,761	96,986	
Contributing to price of departmental outputs	88.40%	88.31%	(C1)
Revenue from other sources			
Output 2.1 - National elite athlete development	12,691	12,835	
Total revenue from other sources	12,691	12,835	
Total price from departmental outputs (Total revenue from government and from other sources)	109,452	109,821	(E1)
	2003-04	2004-05	
Average staffing level (number)	364	364	

² This relates to measures disclosed in the 2004-05 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook (MYEFO)*).

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

Output 2.1 - National elite athlete development

The ASC's Sport 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 continue to lead and facilitate a nationally coordinated approach to the planning of High Performance Sport for the 2005-09 quadrenniums, 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 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 FOR OUTCOME 2

Table 2.2.2: 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 National Leadership	<p>Quantity</p> <p>AIS Scholarship programs in 26 sports.</p> <p>Provide service provision for up to 20 national teams on a commercial basis.</p> <p>35 sports programs annual plans, including service commitments, jointly agreed to by NSOs and the AIS.</p> <p>Conduct four nation programs; Athlete Career and Education, Talent Search, Laboratory Standards Assistance Scheme, and National Elite Sports Research Program.</p> <p>Conduct two technical benchmarking projects.</p> <p>Conduct 20 approved applied research projects.</p> <p>Quality</p> <p>80% of NSO and AIS satisfaction with national team service delivery effectiveness.</p> <p>Annual reviews conducted for all AIS programs.</p> <p>80% of NSO and AIS satisfaction with sport program performance and service delivery effectiveness.</p> <p>60% or eligible AIS athletes annually chosen to represent Australia in international competition.</p>
Activity 2.2 - Sports Excellence Program	<p>Quantity</p> <p>Completion of the major initiative in facilitating a nationally coordinated approach to High Performance Planning for the 2005-09 quadrennium.</p> <p>Five sport specific workshops to improve high performance planning and implementation.</p> <p>70 NSOs accessing and benefiting from high performance grants.</p> <p>Conduct 2 Anti-doping Assessment processes against ASC's Terms and Conditions of Funding for all 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.</p>

EVALUATIONS

Evaluation of the performance information included in Table 2.2.2 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.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Statement of Financial Performance

The ASC is budgeting for a breakeven operating result in 2004-05.

Depreciation and amortisation costs show budgeted increases from 2005-06 onwards. This reflects the increased building depreciation costs that will occur as the enhanced facilities at the Australian Institute of Sport capital redevelopment project are progressively completed. The Government approved an investment of \$65.4m over four years, beginning in 2003-04.

Statement of Financial Position

The Total Equity position of the ASC is budgeted to increase significantly from 2004-05 onwards. This reflects budgeted capital injections from the Government totaling \$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 Australian Institute of Sport's Bruce Campus.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted Departmental Statement of Financial Performance (Operating Statement)

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

Budgeted Departmental Statement of Financial Position (Balance Sheet)

This statement shows the financial position of the ASC. It helps decision-makers to track the management of the ASC'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 either 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 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
Revenues from ordinary activities					
Revenue from Government	125,592	127,510	130,429	129,412	131,507
Goods and Services	15,478	15,978	16,478	16,978	17,478
Interest	1,053	756	720	550	741
Dividends	-	-	-	-	-
Revenue from sales of assets	1,200	1,200	1,200	1,200	1,200
Net foreign exchange gains	-	-	-	-	-
Other	119	119	(1)	-	-
Revenues from ordinary activities	143,442	145,563	148,826	148,140	150,926
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	33,935	35,011	35,832	37,044	38,144
Suppliers	32,766	33,692	34,443	34,583	34,278
Grants	66,354	66,450	67,273	64,379	65,579
Subsidies	-	-	-	-	-
Depreciation and amortisation	9,108	8,908	9,812	10,837	11,687
Write-down of assets	1,150	1,150	1,150	1,150	1,150
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	143,313	145,211	148,510	147,993	150,838
Borrowing cost expense	129	352	316	147	88
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	-	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or deficit attributable to Commonwealth	-	-	-	-	-

Table 3.2: Departmental statement of financial position

**Table 3.2: Budget departmental statement of financial position
as at 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	22,080	10,735	12,469	15,229	21,838
Receivables	4,657	4,657	4,657	4,657	4,657
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	4,100	4,100	3,100	1,100	100
Total financial assets	30,837	19,492	20,226	20,986	26,595
Non-financial assets					
Land and buildings	105,192	128,114	144,767	153,050	146,491
Infrastructure, plant and equipment	13,304	13,239	13,189	13,139	13,089
Heritage and cultural assets	-	-	-	-	-
Inventories	1,440	1,440	1,440	1,440	1,440
Intangibles	-	-	-	-	-
Other	585	585	585	585	585
Total non-financial assets	120,521	143,378	159,981	168,214	161,605
Total assets	151,358	162,870	180,207	189,200	188,200
LIABILITIES					
Interest bearing liabilities					
Loans	4,000	4,000	3,000	1,000	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	120	-	-	-	-
Total interest bearing liabilities	4,120	4,000	3,000	1,000	-
Provisions					
Employees	7,196	7,196	7,196	7,196	7,196
Capital Use Charge	-	-	-	-	-
Other	-	-	-	-	-
Total provisions	7,196	7,196	7,196	7,196	7,196
Payables					
Suppliers	4,400	4,400	4,400	4,400	4,400
Grants	930	930	930	930	930
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	3,075	3,075	3,075	3,075	3,075
Total payables	8,405	8,405	8,405	8,405	8,405
Total liabilities	19,721	19,601	18,601	16,601	15,601

**Table 3.2: Budget departmental statement of financial position
as at 30 June (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
EQUITY					
Parent equity interest					
Contributed equity	99,985	111,617	129,954	140,947	140,947
Reserves	42,761	42,761	42,761	42,761	42,761
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(11,109)	(11,109)	(11,109)	(11,109)	(11,109)
Total parent equity interest	131,637	143,269	161,606	172,599	172,599
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	131,637	143,269	161,606	172,599	172,599
Current liabilities	8,525	8,405	8,405	8,405	8,405
Non-current liabilities	11,196	11,196	10,196	8,196	7,196
Current assets	28,762	17,417	19,151	21,911	28,520
Non-current assets	122,596	145,453	161,056	167,289	159,680

Table 3.3: Departmental statement of cash flows

**Table 3.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	125,592	127,510	130,429	129,412	131,507
Goods and services	15,478	15,978	16,478	16,978	17,478
Interest	1,053	756	720	551	742
Dividends	-	-	-	-	-
Other	8,040	8,040	8,040	8,040	8,040
Extraordinary Items	-	-	-	-	-
Total cash received	150,163	152,284	155,667	154,981	157,767
Cash used					
Employees	34,735	35,011	35,832	37,044	38,144
Suppliers	32,766	33,692	34,443	34,583	34,278
Grants and subsidies	66,354	66,450	67,273	64,379	65,579
Borrowing costs	129	352	316	147	88
Other	8,040	8,040	8,040	8,040	8,040
Extraordinary items	-	-	-	-	-
Total cash used	142,024	143,545	145,904	144,193	146,129
Net cash from/(used by) operating activities	8,139	8,739	9,763	10,788	11,638
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	-	-	1,000	2,000	1,000
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	1,200	1,200	2,200	3,200	2,200
Cash used					
Purchase of property, plant and equipment	4,428	4,428	4,428	4,428	4,428
Purchase of financial instruments	4,000	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	5,146	28,487	23,137	15,792	1,800
Extraordinary items	-	-	-	-	-
Total cash used	13,574	32,915	27,565	20,220	6,228
Net cash from/(used by) investing activities	(12,374)	(31,715)	(25,365)	(17,020)	(4,028)

**Table 3.3: Budgeted departmental statement of cash flows
for the period ended 30 June (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
FINANCIAL ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	4,000	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	11,632	18,337	10,993	-
Extraordinary items	-	-	-	-	-
Total cash received	4,000	11,632	18,337	10,993	-
Cash used					
Repayments of debt	-	-	1,000	2,000	1,000
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	1	1	1	1	1
Extraordinary items	-	-	-	-	-
Total cash used	1	1	1,001	2,001	1,001
Net cash from/(used by) financing activities	3,999	11,631	17,336	8,992	(1,001)
Net increase in cash held	(236)	(11,345)	1,734	2,760	6,609
Cash at the beginning of the reporting period	22,316	22,080	10,735	12,469	15,229
Effect of exchange rate movements on cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	22,080	10,735	12,469	15,229	21,838

Table 3.4: Departmental capital budget statement

Table 3.4: Departmental capital budget statement**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	11,632	18,337	10,993	-
Total loans	4,000	-	-	-	-
Total	4,000	11,632	18,337	10,993	-
Represented by					
Purchase of non-financial assets	-	11,632	18,337	10,993	-
Other	4,000	-	-	-	-
Total	4,000	11,632	18,337	10,993	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	11,632	18,337	10,993	-
Funded internally by departmental resources	9,574	21,283	9,228	9,227	6,228
Total	9,574	32,915	27,565	20,220	6,228

Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2004-05)

	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	10,302	94,890	-	13,304	-	-	-	118,496
Additions	-	28,487	-	4,428	-	-	-	32,915
Disposals	-	-	-	(1,150)	-	-	-	(1,150)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(5,565)	-	(3,343)	-	-	-	(8,908)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	10,302	117,812	-	13,239	-	-	-	141,353
Total additions								
Self funded	-	16,855	-	4,428	-	-	-	21,283
Appropriations	-	11,632	-	-	-	-	-	11,632
Total	-	28,487	-	4,428	-	-	-	32,915

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.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

The ASC does not have and purchaser/provider arrangements.

COST RECOVERY ARRANGEMENTS

The ASC does not have any cost recovery arrangements.

