

The Parliament of the Commonwealth of Australia

REPORT ON

ANNUAL REPORT 1988-89

AND

STRATEGIC PLAN 1 JANUARY 1990 TO 31 DECEMBER 1993

OF THE AUSTRALIAN SPORTS COMMISSION

House of Representatives

Standing Committee on Environment,

Recreation and the Arts

December 1990

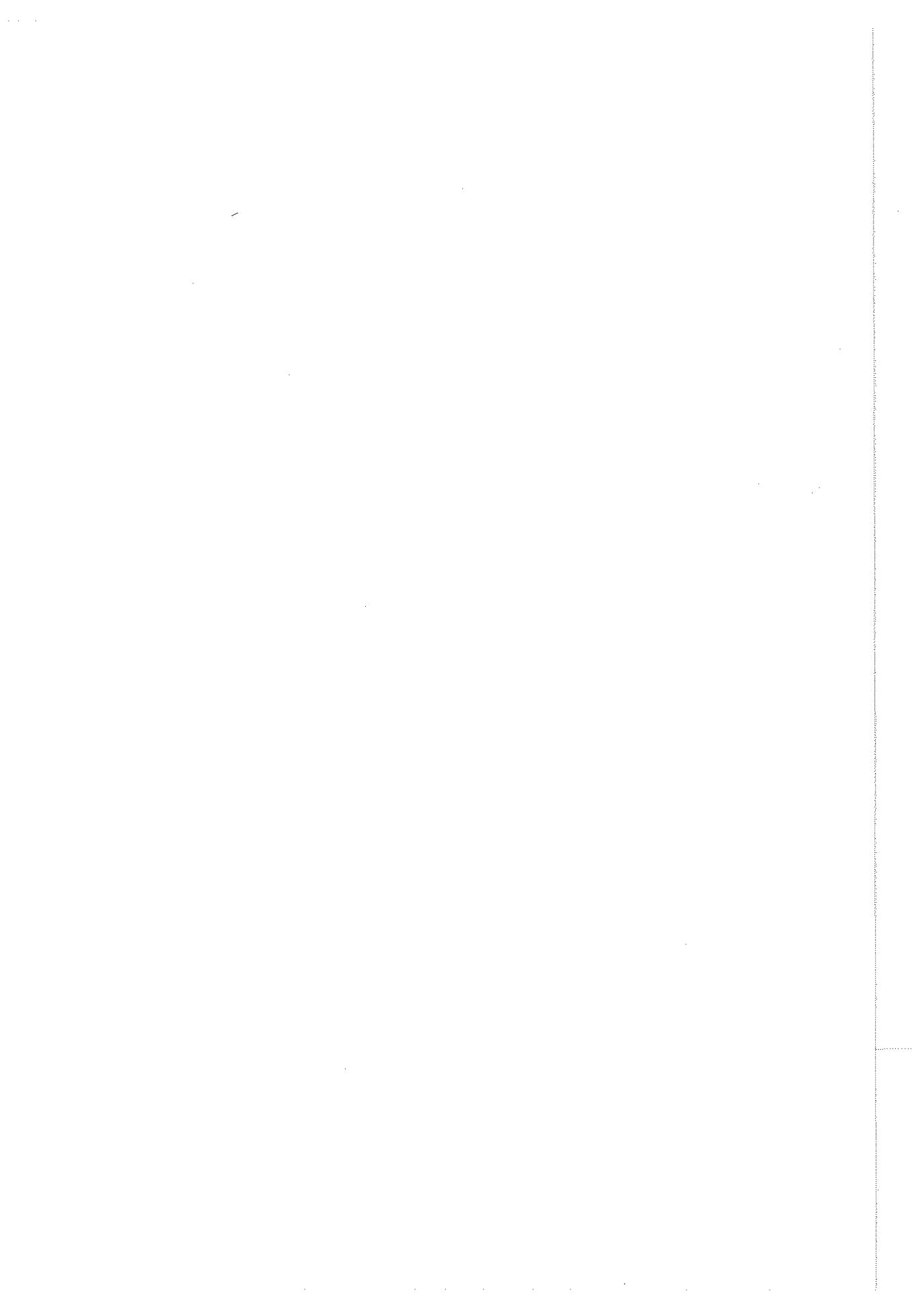
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REPORT ON ANNUAL REPORT AND STRATEGIC PLAN OF THE AUSTRALIAN SPORTS COMMISSION

THE INQUIRY

1. On 15 May 1990, the House of Representatives referred to the Committee the Australian Sports Commission (ASC) *Annual Report 1988-89* and the ASC *Strategic Plan 1 January 1990 to 31 December 1993*.
2. The Committee held discussions on 15 November 1990 and 5 December 1990 with the Executive Director of the ASC, Mr J Ferguson, and the Director, Sports Development and Participation, Mr P Crosswhite.
3. The Department of the Arts, Sport, the Environment, Tourism and Territories (DASETT) was invited to comment on the documents. Its response is at APPENDIX A.

THE AUSTRALIAN SPORTS COMMISSION

4. The ASC was created by the *Australian Sports Commission Act 1989*, which came into effect on 1 May 1989. This Act repealed the *Australian Sports Commission Act 1985* and the *Australian Institute of Sport Act 1986*.
5. The ASC now administers the full range of Commonwealth sports assistance programs, and its objectives and functions are determined by the Act. The Australian Institute of Sport (AIS) is a division of the ASC.
6. Section 11 of the Act allows the Minister to give written directions to the Commission with respect to the policies and practices to be followed by the ASC in the performance of its functions. None have been given to date.

THE 1988-89 ANNUAL REPORT

7. This is the first report following the merging of the ASC and the AIS and covers only two months' operation of the expanded Commission. However, section 61 of the Act requires the report to refer not only to the operation of the new organisation but to that of its predecessors as well.
8. The report conforms generally to the guidelines for the content, preparation and presentation of annual reports by statutory authorities but it is disjointed and repetitious and it fails to assess performance against objectives.

9. Certainly, the new organisation was unable to review its performance so soon after being established, but it should have been able to present in the report a more coherent appreciation of the deficiencies of the past which it was expected to overcome.

10. These inadequacies of the 1988-89 report have been recognised by the Commission and the Committee was assured that they will be overcome in the 1989-90 report. The annual report guidelines for statutory authorities are currently being reviewed by the Joint Committee on Public Accounts and the ASC will need to take into consideration any resultant changes when preparing future reports.

STRATEGIC PLAN

11. Under Section 23 of the Act, the ASC is required to prepare four-year strategic plans and annual operational plans for the Minister's approval. The strategic plans must be presented to Parliament.

12. As the objects and functions of the ASC are specified in the legislation, the strategic plan essentially sets the priorities.

13. The plan presents a list of things to be done but it is unclear to anyone reading the report how these things will be done and how the organisation will be able to determine whether or not it is doing them well. An example is the failure to present criteria for measuring performance.

14. DASETT and the ASC have in common a number of objectives, such as to:

- enhance Australia's standing in international competition;
- promote and develop internationally consistent sports drug testing procedures;
- increase the participation rate in safe and satisfying recreation and fitness activity;
- contribute to improvement of fitness levels and recreation opportunities for all Australians; and
- develop better coordination mechanisms in the sport, recreation and fitness area.

15. Even though the ASC and DASETT liaise regularly to achieve the objectives they share, the plan makes no mention of this relationship. The Executive Director told the Committee that this was an oversight, probably because the links were taken for granted, and he agreed that the relationship should be shown in future plans.

16. The Committee also raised with Mr Ferguson and Mr Crosswhite claims made at the March 1989 meeting of the Sport and Recreation Ministers' Council that the ASC had not been consulting adequately about the provision of assistance to elite athletes. The ASC hopes to overcome this problem by formalising the relationship it has established with the States and State sporting organisations. This is expected to be facilitated by introducing a national elite development plan. DASETT pointed out to the Committee that roles and functions will be further clarified at the next meeting of the Council, in March 1991.

EFFICIENCY AND ACCOUNTABILITY

17. The amalgamation of the former Commission and Institute of Sport was intended to create an improved management structure and to allow activities to be further decentralised. The Government's intention that the ASC be more accountable and efficient was reiterated by the responsible Minister when announcing the four-year funding program, "Next Step", in August 1989.

18. The Australian National Audit Office has not yet conducted either an efficiency audit or a program audit of the Commission, although it has the power to do so.

19. The ASC acknowledged in the report and the plan that management practices needed to improve. The annual report refers to the ASC's intention to "introduce more effective audits of performance and achievement to more accurately measure whether the results achieved warrant the financial support that is given" (page 3) and the strategic plan promises that the ASC will prepare an evaluation plan "which will target the programs of the Commission for evaluation, their objectives and the criteria by which each will be assessed" (page 23).

20. The Committee is pleased to note that since the documents were prepared the ASC has reviewed its management and program structure to reflect the organisation's priorities. This is the initial phase of an extensive two-part program that is intended first to improve the internal management, monitoring and evaluation arrangements of the Commission, and then to enable the performance of national sporting organisations to be evaluated.

21. It is the second phase of the evaluation program which attracts public attention and which is of particular concern to the Committee. Many of the objectives of the ASC as specified in the legislation and the strategic plan will be achieved through the activities of the national sporting organisations. As the annual report explains, the criteria for providing support to national sporting organisations are based on the organisation being representative of the sport nationally, affiliated in at least three States, properly constituted, able to produce annual financial statements and an annual report, and having been in existence for a prescribed period of time. Of greatest importance is that the organisation operate in a business-like and professional manner.

22. The Committee would like to see the recipients of ASC funds being assessed also on their record of support of the objectives of the Commission. It welcomes progress, both made and planned, to this end.

CONCLUSION

23. The ASC in its present form is a young organisation which has only recently settled on an appropriate administrative structure and has not yet finalised its management systems. It cannot yet identify how much more efficient or effective it is than its predecessor organisations and the annual report and strategic plan that the Committee has examined could only convey its intentions to improve.

24. The two-phase evaluation program will not be complete for three more years. The Committee has been told that future annual reports will identify programs and other objectives more clearly and that evaluation information will be available for consideration when the next four-year strategic plan is prepared.

25. The Committee recognises that the processes of planning and performance evaluation are as important as the plans and reports that are produced. The direction in which the ASC is moving in order to improve its efficiency and to respond to the need to be more accountable is appropriate and the Committee looks forward to the planned processes taking place. However, the Committee also looks forward to improvements in the documentation that the Commission presents to the Parliament.

26. The Committee notes the limitations placed on it by the process of referral of these reports for evaluation. It believes that more useful examination can be undertaken if detailed financial information were made available to it in the future to enable it to more adequately scrutinise the activities of the Commission.

Jeannette McHugh
CHAIR

6 December 1990

APPENDIX A



DEPARTMENT OF THE ARTS, SPORT, THE ENVIRONMENT, TOURISM AND TERRITORIES COMMENTS ON THE 1988-89 ANNUAL REPORT AND 1990-93 STRATEGIC PLAN OF THE AUSTRALIAN SPORTS COMMISSION

Background

The Australian Sports Commission Act 1989 specifies that the Commission produce an annual report, strategic plans covering successive four year periods, and annual operational plans which are consistent with the current strategic plan.

The Government sees these reporting requirements as being extremely important in ensuring that its sports objectives are realised. The Government's two major objectives in this area are to promote and encourage widespread community participation in sport and to significantly improve Australia's sporting performance at the elite level.

This is particularly so in the light of the "Next Step" funding initiative which was launched in August 1989. The "Next Step" injected \$230 million into sports programs over the four year period from 1989-90 through 1992-93, and represented an increase of more than \$100 million above funding which would have been provided if the level of assistance allocated to sport in 1988-89 were maintained over the same period.

It is relevant to note that the then Minister for Sport, Senator the Hon Graham Richardson, said when launching the "Next Step", "the initiatives announced in this package have not come without a price. Given general budgetary constraints and prevailing economic circumstances that price is accountability and efficiency".

Annual Report and Strategic Plan

The 1990-93 ASC Strategic Plan does not set many quantifiable, outcome oriented performance indicators against which to assess achievements. In addition, the goals, objectives and priorities set out in the plan are not fully reflected in the ASC's program structure and spending priorities.

The 1988-89 ASC Annual Report in reviewing the performance of the Commission over the year focuses on the activities of each program in the previous twelve months without necessarily linking those outcomes back to the objectives of the ASC and assessing if and how effectively those objectives have been achieved.

However, it should be noted that the ASC is in the process of implementing a program of evaluation which will assess the outcome of ASC programs against performance indicators which will focus on increasing the effectiveness of program outcomes. Achievements over the last year will be evaluated against objectives. The findings of program evaluations will be taken into consideration by program managers during the development of subsequent annual operational and strategic plans.

Ongoing Evaluation

The ASC is fully committed to implementing a program of ongoing evaluation. Implementation will be a two part process. The process has been endorsed by the ASC Board.

As a first step, the ASC will develop an evaluation system which is fully integrated with the budgetary processes, grant acquittals and the annual operational and strategic planning process. This will encompass:

- a review of organisational and program structures;
- a review of objectives and the development of performance indicators for all ASC programs;
- an upgrading of the management information system to ensure the efficient collection, storage, manipulation and retrieval of performance data;
- the development of a long term program of evaluations of all ASC programs and all national sporting organisations on a cyclical basis to coincide with the ASC's four year strategic planning period; and
- the implementation of mechanisms to enable program managers to regularly collect performance data on programs in order to permit six-monthly reviews of program performance and a change of emphasis from input to outcome analysis of programs.

The second step involves a commitment to evaluate all ASC programs, and each national sporting organisation, in terms of efficiency of delivery and effectiveness of outcomes by the end of 1993. Evaluation information will then be available for consideration during preparation of the ASC's next strategic plan which will cover the period 1 January 1994 to 31 December 1997.

The importance of the evaluation program and the need to monitor the performance of the ASC programs in terms of efficient and effective use of resources is acknowledged by both the Commission and the Department. A Departmental officer has been seconded by the ASC on a full-time basis to develop and implement the evaluation program.

Program Structure

Changes in the ASC's program structure have already been put in place. The program structure now reflects the nine key areas of program assistance which received significant funding increases as a part of the Government's "Next Step" package of increased sports assistance.

The nine major areas of assistance are elite athlete development, coaching development, assistance for national sporting organisations, sport for people with disabilities, women's sport, children's and youth sport, sports science/medicine and applied sports research, national sports information centre, and drugs in sport. The ASC's reporting mechanisms now reflect this emphasis and report specifically on these areas of assistance and the degree to which they are achieving program objectives. The Portfolio Budget Explanatory Notes for 1990-91 were prepared in this format, and future Annual Reports will adopt a similar reporting format. Achievements of each program over the last year will be measured against objectives to ensure effective outcomes are being achieved.

Sports Matrix

The ASC has also developed a sports matrix which will allow the performances of individual national sporting organisations in their use of funding assistance across all ASC programs to be monitored. This represents a significant improvement over the previous approach of assessing a sporting organisation's performance against individual ASC program elements without reference to the sporting organisation's performance against other ASC programs.

The development of a similar expenditure/performance matrix in relation to State/Territory expenditure on sport is planned. This matrix will help to avoid duplication of effort by the Commonwealth and the States and Territories.

The Minister for the Arts, Sport, the Environment, Tourism and Territories, the Hon Ros Kelly, MP, is keen to avoid duplication of function, and to this end moved at the most recent meeting of the Sport and Recreation Ministers' Council that a special meeting of the Council be convened to co-ordinate sports functions as part of the Prime Minister's "New Partnership" initiative. The meeting will be held in Adelaide in March 1991. Issues listed for consideration include:

- the continued decentralisation of AIS sports to the States and Territories;
- the development of complementary drugs in sport legislation at the State and Territory level;
- the development of a common approach to the question of tobacco sponsorship of sport; and
- co-ordination of policies and programs for women in sport.

Coaching

The ASC has suffered in the past from the absence of a specific coaching program to coordinate the implementation of functions performed variously by:

- the Australian Coaching Council (administration of the National Coaching Accreditation Scheme and organisation of Elite Coach Seminars);
- the AUSSIE SPORTS and Youth Sports programs (coaching and leadership courses for parents, teachers, non-accredited coaches and young adults);
- the Australian Institute of Sport (elite and satellite coaches and the provision of Coaching Scholarships for potential elite coaches); and
- the Sports Development Program (provision of funding to sporting organisations to assist with the employment of National Coaching Directors).

In a speech made at the 1990 Annual General Meeting of the Confederation of Australian Sport, which was delivered on behalf of the Minister by the Portfolio Secretary on 14 September, it was suggested that "there is no real strategy for coaching in this country. There is no specific program to address coaching in its entirety - no objectives and no strategies. I (the Minister) expect this problem to be addressed."

An administrative restructuring of the ASC recently announced by the Executive Director of the ASC is a step in the right direction in this regard as it has drawn together the various coaching functions of the ASC. All non-AIS coaching policies and programs become the responsibility of the Australian Coaching Council.

The Council retains its current responsibilities in relation to coaching. In addition it takes on increased responsibility for coaching aspects of the AUSSIE SPORTS and Youth Sports programs and provides advice on the funding of National Coaching Director positions. The Australian Institute of Sport retains responsibility for the coaches it employs. A new position of Coaching Coordinator has been created within the AIS. This position has overall responsibility for certain aspects of AIS coaching activities. The Coaching Coordinator works as an assistant to the Director of the AIS and ensure that coaches views are considered by the Director.

The restructuring should result in a more efficient use of ASC funds for coaching and more effective outcomes.

ASC Restructuring

The recent administrative restructuring will also benefit the Commission in other areas. Aspects of the restructuring which will improve the ASC's program delivery systems include:

- the consolidation of the Commission's research, information and sports science and sports medicine programs;

- the strengthening of the AIS role in elite sports development, including the provision of policy advice;
- the strengthening of the Commission's marketing and public relations arm in order to attract increased funding from the private sector; and
- the establishment of a single contact point within the ASC for each sporting organisation in receipt of funding assistance.

Conclusion

The Department retains a general responsibility for the provision of advice to the Minister on sports policy and the performance of ASC programs. The Department considers that significant steps have been taken to improve the efficiency and effectiveness of the ASC and of Australian sport generally in the context of the "Next Step" initiative, and that from 1990-91 there should be a consolidation of program administration at the ASC and the establishment of more effective linkages between the Commission and Australian sport.

