



SUBMISSION TO THE FEDERAL GOVERNMENT BUDGET 2021/22

FROM: AUSTRALIAN OLYMPIC COMMITTEE, AND COMMONWEALTH GAMES AUSTRALIA ON BEHALF OF THEIR MEMBER SPORTS

Introduction

The Australian Olympic Committee (AOC) and Commonwealth Games Australia (CGA) welcome the opportunity to provide this Pre-Budget Submission (“the Submission”) ahead of the Federal Government’s 2021/22 Budget.

In recognising the impact of the COVID-19 pandemic, this Submission is measured and has been calibrated to focus on an immediate two-year period, appreciating the Government’s diverse priorities in leading the nation out of the pandemic and the associated economic challenges.

Accordingly, the Submission seeks to ensure that the Sports are able to play their important role in the community, while at the same time successfully representing Australia on the international stage thereby inspiring and uniting the country.

In the 2021/22 year, the Sports and their athletes will be representing Australia at the Tokyo Summer Olympic and Paralympic Games (July-August 2021), the Beijing Winter Olympic and Paralympic Games (February 2022) and the Birmingham Commonwealth Games (July-August 2022).

The athletes will be training, qualifying and competing in the environment of the continuing COVID-19 health crisis. This requires significant ongoing logistical and financial commitments from the Sports, so their athletes are able to represent Australia at these Games.

In parallel with the challenges of this extraordinary Games’ period, the Sports in 2021/22 are doubling down on their efforts to drive recovery in their businesses to support the development and growth of their clubs and grassroots.

The Government should be assured that the Sports will continue to play their part in reconnecting our communities and getting our nation back on track, as they did during the bushfires in 2020 and during the early lock down phases of the COVID-19 pandemic.

We remain committed to the power of sport to keep the Australian community connected, motivated and healthy - a commitment that aligns to the Government’s National Sports Plan - *Sport 2030*.

Further, separate from the immediacy of 2021/22 challenges, the Sports, along with the AOC and CGA are developing a submission that will set out a detailed 10-Year Sport Investment Project for the Federal Government's 2021 Intergenerational Report (IGR), due to be delivered by 30 June 2021.

The IGR submission that will be provided to the Government for inclusion in its formulation of the IGR will be recommending fundamental changes in the strategic approach of how the Government invests in the sport industry in Australia.

As a precursor to the more detailed 10-Year Sport Investment Project submission, this Pre-Budget Submission for FY21/22 makes the following recommendations with each providing support for the Sports to improve their capability and capacity to manage their operations successfully in participation and performance on the other side of the pandemic:

1. **'Sports Performance Fund'** provided in 2021/22 to assist Sports and their athletes manage the exceptional, abnormal and ongoing challenging circumstances presented by the COVID-19 pandemic in preparing and participating in the Olympic and Paralympic Games and Commonwealth Games. These exigent circumstances could not have been foreseen and are not covered under existing AIS grant and program funding; and
2. **'Sports Participation Growth Fund'** provided in 2021/22 to assist Sports with their specific initiatives to activate a quick return to community sport and to grow participation numbers with this funding to be an incremental increase to existing participation funding provided by Sport Australia.

The Submission

Collectively, the AOC and CGA have 49 Member Sports (the Sports list attached). The size and capacity of the membership varies. Their collective membership represents more than 9 million participants and millions more volunteers across Australia.

The Sports cover all genders, young and old, all aspirations and skills and are represented in all of Australia's multicultural and Indigenous communities. They are a great asset for the nation and play an important role in the national economy. As a great resource of inclusion and social capital for the nation, we also contend that the role of the Sports in bringing the fabric of Australian society together has never been more important as we emerge from the COVID-19 pandemic.

In terms of positive economic contributions to the country, the Government's own research has found that the direct economic, productivity and volunteering benefits from sport create a total economic value to the national economy of approximately \$50 billion annually. This same research also suggests a return to Australian communities of at least \$7 for every \$1 invested.¹ Sport is an industry.

¹The Boston Consulting Group, *Intergenerational Review of Australian Sport 2017*, https://www.clearinghouseforsport.gov.au/data/assets/pdf_file/0004/808681/Intergenerational_Review_of_Australian_Sport_2017.pdf

1. Sports Performance Fund

\$40m

The challenges of the COVID-19 pandemic are causing significant financial challenges for the Sports and their athletes in preparing for the Tokyo Olympic and Paralympic Games in 2021 the Beijing Winter Olympic and Paralympic Games 2022 and Birmingham Commonwealth Games 2022.

Due to the uncertain circumstances surrounding qualification and preparation periods, pre-Games Training Camps, the pre-assembly of Australian Olympic and Paralympic Teams and Commonwealth Games Teams travel to Tokyo (2021), Beijing (2022), and Birmingham (2022) and the return of Australian teams home, it is recommended that a specific 'Sport Performance Fund' of up to \$40m be established.

The Sports are facing significant additional expenditure in safely preparing their athletes to represent Australia at the Games:

(a) Qualification and preparation periods

- (i) increased costs associated with attending international events and/or training camps (accommodation, transport, general movements) in COVID affected cities/regions, both domestically and internationally;
- (ii) cost of hosting local qualification competitions in lieu of cancellation of equivalent international competitions; and
- (iii) costs of quarantine compliance on re-entering home cities.

(b) Pre-Games Training Camps

- (i) increased costs of holding pre-Games training camps, domestic or international, in a COVID safe environment including implementation of biosecurity protocols.

(c) Pre - Assembly of Athletes for the Australian Olympic and Paralympic Teams for Tokyo (2021) and Beijing (2022) and the Australian Commonwealth Games Team to Birmingham (2022)

- (i) increased costs of accommodation, that enable athletes and officials to pre-assemble safely in a COVID compliant environment; and
- (ii) incremental costs of charter flights required to travel athletes and officials to Games to satisfy Games organisers COVID safety requirements.

(d) Return of Australian teams home from Games

- (i) Cost of quarantine of athletes and officials on return to Australia to satisfy Federal, State and Territory Government requirements. These costs are difficult to quantify and will be incurred on a rolling basis to capture arrivals home from the Games over staggered periods.

The purpose of the 'Sports Performance Support Fund' is to enable Sports, upon making an application, to have their relevant costs reimbursed on a formal acquittal basis. The fund would be available to draw on in the period 1 June 2021 to 30 September 2022.

As the Fund is specific to Games preparation under the COVID circumstances, it is recommended that this Fund be managed by the Australian Institute of Sport (AIS) as part of its' role in Sports high performance funding. In addition, to assist the process, it is recommended that an advisory committee, consisting of representatives of AOC, PA, CGA and the AIS, be established to make recommendations to the Minister of Sport on individual grant allocations.

2. Sport Participation Growth Fund

\$25m

Like many industries, Sport was and is being severely impacted by the COVID-19 environment.

Despite this, all our Members Sports remain committed to the growth and development of their participants – their grassroots. No participants, no future champions - no growth. Participation growth is critical to each Sport and is critical in the delivering the power of sport for the community.

Accordingly, it is recommended that a 'Sport Participation Growth Fund' of \$25m be made available for Sports to make funding application/s that directly support initiatives that build capacity and specialist resources required to foster a return to sport and drive participation growth.

Sport Australia's research in 2020² found:

"... that whilst Sports significantly benefited from Federal Government Stimulus packages, the negative financial impact of COVID-19 on non-high-performance operations means the majority have minimal ability to absorb any other unforeseen financial shocks to their organisations, which threatens their ongoing viability. Sports are anticipating significant reductions in non-HP key revenue streams (membership and commercial revenue), which if ongoing would place Sports in acute financial distress".

The AOC and CGA recently conducted a survey of their Member Sports on a variety of issues including participation. From this survey, the top three barriers identified by the Sports as restricting their ability to grow participation were:

- (a) resource capacity to deliver participation programs;
- (b) access to appropriate facilities; and
- (c) access to appropriate accredited coaches and officials.

While participation programs are a core objective for the Sports and many Sports can access grant funding from Sport Australia, a specific funding boost is required in the current environment to deliver the objective of reinvigorating the Australian community in staying connected, motivated, and healthy.

The clear and unequivocal benefits to the nation of these connections have been seen across the country throughout the pandemic thus far and are undeniable.

² Sport Australia: 'Preliminary initial key findings COVID-19 Financial Analysis of NSOs / NSODs funded by the ASC', June 2020 (attached)

The establishment of the \$25m 'Sport Participation Growth Fund' is in addition to any Sport Australia funding for participation programs. The 'Sport Participation Growth Fund' would be managed by Sport Australia, but as with the 'Sports Performance Support Fund', we recommend that an Advisory Committee with representation from AOC, CGA, PA and Sport Australia be established to make recommendations on the approval of applications to the Fund to the Minister for Sport.

Future Positioning - 10 Year Sport Investment Project

The AOC and CGA and their collective Member Sports are undertaking a Project that will detail a comprehensive blueprint for long term investment in the Sports for consideration in multiple forward estimate budget cycles and the Federal Government's 2021 IGR.

The Government's National Sports Plan – *Sport 2030* makes a very clear case for the importance of sport in the Australian community – our collective health in addressing the nation's obesity crises, chronic diseases, mental health and personal development, strengthening our communities, contributing to Australia's economy, sporting excellence and sport diplomacy, as well as research, pride, and motivation.

As stated, the strategies, targets and outcomes set out in *Sport 2030* are commendable, but the Plan has never been properly funded and many of its strategic goals, without appropriate funding, can at best be described as 'aspirational'. To achieve what the Government seeks for the nation requires increased direct investment in the Sports so they can deliver for all Australians.

In the 2019/20 Federal budget, additional program funding was provided to Sport Australia/AIS. While this was welcomed, the funding available for direct grants to sports was not increased and Sport Australia/AIS had to reduce grants to several sports and for some sports cut grants to zero.

In a presentation by the AIS to the Sports and the Peak Bodies in January 2020³, it was stated that the optimal level of funding for Sport on a per annum basis should be \$186.3m.

In FY19/20, actual funding was \$153.4m (pre additional funding mentioned above), with projections to fall to \$128.1m in FY20/21, then to \$101.1m in each of the years FY21-24.

These funding shortfalls mean Sport Australia/AIS have developed a sport investment model based on what is available, not on what is needed by the sports to deliver on the Government's priorities as articulated in *Sport 2030*. This has meant that the only way to maintain or increase funding to some sports is to reduce or totally cut funding to others.

Sports on the margins of an unfavourable assessment by the AIS about future performance potential are placed under stress, including their athletes. A match result can turn on an umpiring decision, which can then turn off the investment support. If there is no increase to investment for the future, there will only be 'winners' and 'losers' among the Sports. For some sports and their communities, the impact will be devastating.

³ AIS: 'Paris 2024 Investment & Planning: Australian Olympic Committee Update', 30 January 2020 (attached).

As stated, the deficiencies of the existing sport funding model as it currently exists in Australia will be addressed in our 10-Year Sport Investment Project with the clear goal of securing ongoing and sustainable financial investment.

The 10-Year Sport Investment Project coincides with a decade-plus period of opportunity where the Sports will be able to lift Australia's spirit like never before.

In the immediate four-year fiscal cycle, there will be four Games in four years. The postponed Tokyo Olympic and Paralympic Games 2020; Beijing Winter Olympic and Paralympic Games 2022; Birmingham Commonwealth Games 2022; and the Paris Olympic and Paralympic Games 2024.

Then in terms of future positioning, the Queensland candidature for the 2032 Olympic and Paralympic Games continues to quietly gain momentum. A successful candidature for the 2032 Olympic and Paralympic Games will bookend a unique decade of opportunity for Australia from 2022 to 2032.

This 10-year runway already includes international sporting events: the FIBA Women's Basketball World Cup; FIFA Women's Football World Cup; and the UCI Road World Championships. Add the high probability of a Rugby World Cup and Netball World Cup in 2027, several World Para Championships and potential Commonwealth Games bid for 2026, then this decade presents Australia with a unique opportunity.

This "green and gold runway" of international sporting events is a platform for so much more than the tremendous economic and tourism boom the sporting events will deliver and can deliver 'generational' change through a strategic whole-of-government collaboration across multiple portfolios.

Both the 2021/22 Federal Budget and 2021 IGR will be critically important tools for the Government as it charts the way forward in rebuilding the economy and the nation post COVID-19.

The IGR submission will make a very clear case for the importance of sport in the Australian community – our collective health in addressing the nation's obesity crises, chronic diseases, mental health and personal development, strengthening our communities, contributing to Australia's economy, sporting excellence, as well as research, pride, and motivation.

In drafting the IGR submission, the AOC and CGA will highlight the importance of leadership, innovation and co-design between government and the entire Sports Industry in constructing a whole-of-society approach. In this context, the AOC and CGA urge all levels of government to harness the power of sport in meeting these challenges.

The AOC, CGA and the Sports believe that to achieve this change a partnership is required between the Federal Government portfolio areas of: Sport, Education and Youth, and Health; as well as so-called non-traditional portfolios such as: Indigenous Australians, Foreign Affairs, Infrastructure and Regional Development, Urban Infrastructure and Cities, Industry, Science and Technology and Migrant Services and Multicultural Affairs.

With respect, however, there have successive government reports (at the State and Federal level) dating back to the Crawford Report⁴ (and earlier) highlighting the need for interagency collaboration in dealing with both participation in sport and ever-growing health challenges,

⁴Independent Sport Panel, *The Future of Sport in Australia*, 2009 (The Crawford Report), <https://apo.org.au/sites/default/files/resource-files/2009/11/apo-nid19766-1240311.pdf>

including mental health, youth mental health and obesity, including (this is not an exhaustive list):

- CSIRO, *The Future of Australian Sport - Megatrends shaping the sports sector over the coming decades*, April 2013⁵;
- Intergenerational Review of Australian Sport 2017⁶;
- Productivity Commission, *Shifting the Dial: 5-Year Productivity Report* – 3 August 2017⁷; and
- National Sport Plan - *Sport 2030*⁸.

All of these reports express to varying degrees a consistent theme - the need for inter-agency collaboration between the portfolios in addressing these challenges.

Nationally, the policy space is fragmented with a very high level of duplication. Almost every State and Territory has a version of a health and wellbeing, youth action, community or sport and recreation plan/s either in place or under development. These various plans and strategies at the State and Territory level, while welcome, are in addition to existing similar policy instruments at the Federal level.

While unquestionably well-intentioned, these various plans and strategies are not well coordinated and often operate in complete isolation. As such, the ability to deliver coordinated, longer-term goals is structurally challenging. Furthermore, many of these multiple plans exist within the same jurisdiction, but with different agency leads and with little to no inter-agency collaboration to maximise positive outcomes.

In the Federal context, there currently exist four (4) separate policy initiatives addressing the health of all Australians in different, but related ways:

- the 10-year National Preventive Health Strategy;
- the National Physical Activity Strategy – (COAG agenda item);
- the National Obesity Strategy; and
- the National Sport Plan - *Sport 2030*;

The AOC and CGA note that some (but not all) of these policy initiatives exist as components of Australia's Long Term National Health Plan, which includes:

- the 2030 mental health vision, including a new strategy specifically for children under 12 years;
- the 10-year Primary Health Care Plan;
- Continued improvement of private health insurance;
- the 10-year National Preventive Health Strategy; and
- the 10-year Medical Research Future Fund investment plan.

⁵ CSIRO, *The Future of Australian Sport - Megatrends shaping the sports sector over the coming decades*, April 2013, https://www.clearinghouseforsport.gov.au/_data/assets/pdf_file/0007/564073/The_Future_of_Australian_Sport_-_Full_Report.pdf.

⁶ The Boston Consulting Group, *Intergenerational Review of Australian Sport 2017*, https://www.clearinghouseforsport.gov.au/_data/assets/pdf_file/0004/808681/Intergenerational_Review_of_Australian_Sport_2017.pdf

⁷ Productivity Commission, *Shifting the Dial: 5-Year Productivity Report* – 3 August 2017, <https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review.pdf>

⁸ *National Sport Plan - Sport 2030*, https://www.sportaus.gov.au/_data/assets/pdf_file/0005/677894/Sport_2030_-_National_Sport_Plan_-_2018.pdf

While all these initiatives are supported by the AOC and CGA in terms of their respective objectives, we highlight the urgent need for these various policy initiatives to be coordinated by an overarching or common thread and the inter-relationship of one to the other to be properly defined so as to avoid financial wastage. We especially stress the importance of properly mapping the connection of all these policy initiatives with Sport, which currently is not clear and seemingly has not been considered.

Consistent with the recommendations of the listed reports, the AOC and CGA recommend a strategic approach harnessing the collective resources from a whole-of-government perspective through cross agency collaboration across a range of portfolios.

For these exact reasons, the AOC and CGA and their Members Sports will ensure that the IGR submission will map out an entirely new blueprint for the Government's investment in Sport.

The IGR submission will detail a 10-Year Sport Investment Plan deliberately calibrated to align with the Government's longer term policy priorities around preventative health and "generational" challenges such as childhood obesity, chronic disease and youth mental health, while at the same time mapping strategic connections with community infrastructure investment and major sporting events.

Conclusion

This submission for the 2021/22 Budget is measured and appreciates the priorities of the Government in leading the nation out of the pandemic and the resultant economic fallout.

The recommended 'Sport Performance Fund' will make \$40M in funding support to assist the Sports and athletes meet the significant financial challenges of the COVID-19 in preparing for the Tokyo Olympic and Paralympic Games in 2021, the Beijing Winter Olympic and Paralympic Games 2022 and Birmingham Commonwealth Games 2022.

This funding support will be applied to:

- (a) Qualification and preparation periods;
- (b) Pre-Games Training Camps;
- (c) Pre - Assembly of Athletes for the Australian Olympic and Paralympic and Commonwealth Games Teams for Tokyo, Beijing and Birmingham; and
- (d) Return of Australian teams home from Games.

The recommended 'Sport Participation Growth Fund' will make \$25m available for Sports to make application/s that directly support initiatives that build capacity and specialist resources required to foster a return to sport and drive participation growth.

The two proposed Funds are modest, but critical to ensuring that the Sports do not falter in representing Australia at the Games to be held over the next 18 months, while at the same time allowing the Sports to maintain a basic level of capacity and capability that will ensure they can rebuild participation in preparation for the "green and gold" runway of the 2020s.

Our Sports can give the entire nation, particularly our youth, a new vision of hope and inspiration post the pandemic, uniting and inspiring our country through sport like never before. A more active nation is a healthier nation. A healthier nation is more productive and has a brighter future which can shine through its inspirational champions.



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Sports

Artistic Swimming Australia Inc.	Australian Biathlon Association Inc.
Diving Australia Ltd	Australian Curling Federation Inc.
Swimming Australia Ltd	Australian Ice Hockey Federation Inc.
Water Polo Australia Ltd	Luge Australia Inc.
Archery Australia Inc.	Australian Ice Racing Inc.
Athletics Australia	Ice Skating Australia Inc.
Badminton Australia Ltd	Snow Australia Ltd
Australian Baseball Federation Inc.	Sliding Sports Australia Ltd
Softball Australia Ltd	Cricket Australia Ltd
Basketball Australia	Bowls Australia Ltd
Boxing Australia Inc.	Squash Australia Ltd
Paddle Australia Ltd	Netball Australia Ltd
Cycling Australia Ltd	
Equestrian Australia Ltd	
Australian Fencing Federation Inc.	
Football Federation Australia Ltd	
Golf Australia Ltd	
Gymnastics Australia Ltd	
Australian Handball Federation Inc.	
Hockey Australia Ltd	
Judo Federation of Australia Ltd.	
Australian Karate Federation Inc.	
Modern Pentathlon Australia	
Rowing Australia Inc.	
Rugby Australia Ltd	
Australian Sailing Ltd	
Shooting Australia	
Skate Australia Inc.	
Sport Climbing Australia Ltd	
Surfing Australia Inc.	
Table Tennis Australia Ltd	
Australian Taekwondo Ltd	
Tennis Australia Ltd	
Triathlon Australia Ltd	
Volleyball Australia Ltd	
Australian Weightlifting Federation Inc.	
Wrestling Australia Inc.	

SPORTAUS

Preliminary initial key findings

COVID-19 Financial analysis of NSOs / NSODs funded by the ASC

Prepared by

Sport Financial Advisory

June 2020

About this Document

Sport Australia's Sport Financial Advisory team has undertaken sector analysis of National Sporting Organisations (NSOs) and National Sporting Organisations for people with a disability (NSODs) (collectively "Sports") to understand the financial impact of the ongoing COVID-19 restrictions.

The analysis within this document is based on Sports funded by the ASC, excluding those that are part of the Coalition of Major Professional and Participation Sports (COMPPS), which in total comprises 57 Sports (noting that not all funded Sports have completed a template). The primary reason for selecting this subset was that the vast majority of COMPPS and unfunded NSOs did not complete the financial data collection template. As such this provided a distinct and predominantly complete group.

The data in this document is self-reported by Sports and was at a point in time; note that the underlying assumptions and projections may have subsequently changed.

Sport Financial Advisory has reviewed the data for clear errors and inconsistencies, including making some manual adjustments where obvious; discussed potential data anomalies with individual sports; and subsequently provided Sports the opportunity to update their template. That being said, Sport Financial Advisory is not able to independently verify all the data in this report, and subsequent review suggests continuing errors, omissions and inconsistencies. Given the ongoing delays in finalising this analysis, due to the significant delay in some Sports completing their template, it was agreed to proceed on an "as is" basis as at 18 May 2020 (the original due date from Sports was 20 April 2020).

Given the challenges noted above, and the acknowledgement that Sports were requested to make assumptions during a period of significant uncertainty, the findings presented in this report should be considered as indicative as opposed to absolute. The period covered is 15 months from 1 April 2020 to 30 June 2021.

A version of this document was provided to the Minister's Office on 25 May 2020, who has also subsequently been provided a dynamic dashboard with the projections from individual Sports.

DRAFT - FOR DISCUSSION PURPOSES ONLY

1

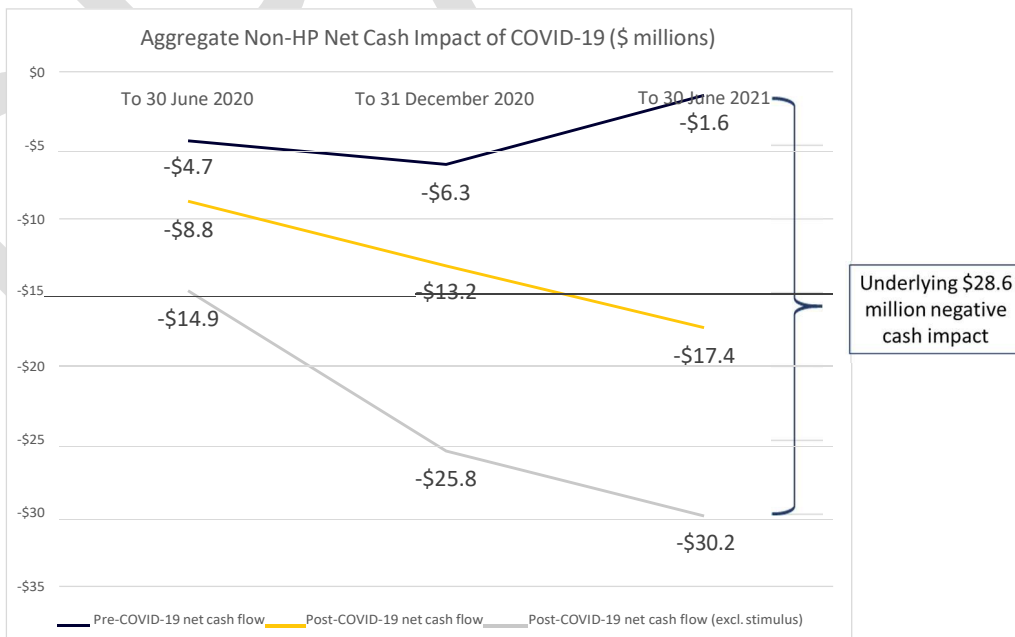
Key Message 1 - Sports have significantly benefited from Federal Government Stimulus packages



What does this mean?: Without Federal Government stimulus support, Sports would have been in a materially worse financial position, which would have led to further redundancies and reduced staff hours, as well as potential financial distress.

2

Key Message 2 - The negative financial impact of COVID-19 on Sports' non-HP operations means that the majority have minimal ability to absorb any further unforeseen financial shocks to their organisations, which threatens their ongoing viability



What does this mean?: Whilst Sports have significantly reduced their cost base (non-HP payments), this is anticipated to be more than offset by lost receipts. There is an anticipated underlying negative non-HP cash impact of \$29 million, which is partially offset by the receipt of \$13 million in non-HP Federal Government Stimulus support.



3 Key Message 3 - Sports are anticipating significant reductions in non-HP key revenue streams (membership and commercial revenue), which if ongoing would place Sports in acute financial distress



✗ \$24.7 million
Membership receipts (net of insurance payments) have fallen by **59%**



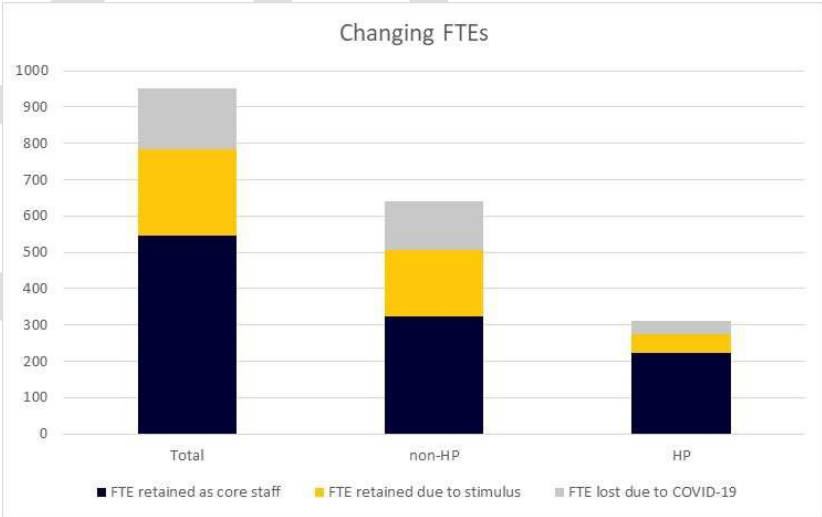
✗ \$29.2 million
Commercial receipts have fallen by **49%**



✗ \$6.6 million
Net Receipts from State Sporting organisations have fallen by **58%**

What does this mean?: The timely reactivation of Sport is vital to the ongoing financial viability of these organisations, given non-HP reliance on membership (directly and through State Sporting Organisations), and sponsorship.

4 Key Message 4 – A broad range of Sports have taken action to survive by reducing their underlying cost base, including redundancies and standing down staff, as well as suspending programmes

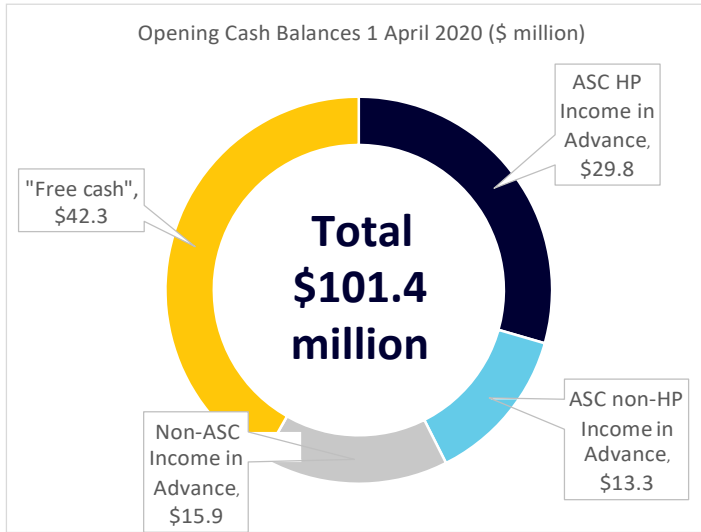


What does this mean?: Whilst proactive steps have been taken to safeguard financial sustainability, staff reductions and programme suspensions will likely negatively impact on the ability of Sports to assist in the reactivation of Sport; which will have wider longer term financial and social implications.



5

Key Message 5 - Whilst Sports reported significant opening cash balances at 1 April 2020, the majority of this relates to income in advance, hence cannot necessarily be used to absorb the cash shortfalls noted above



What does this mean?: A high proportion of reported cash must contractually be used for specific purposes, and hence provides limited flexibility to be redirected to support the wider organisation through COVID-19. In many cases funding is also required to be held in a separate bank account.

6

Key Message 6 - Sports have assumed consistent AIS HP funding year-on-year, which comprises the vast majority of HP receipts; and they are projecting a closing indicative carried forward balance at 30 June 2021 of approximately a month



\$12.2 million

Indicative HP carry forward balance at 30 June 2021 across Sports



1.4 Months

Carry forward balance in relation to AIS HP Funding (appropriate given the usual timing of cash flows)



89%

AIS Receipts as a proportion of Total HP receipts

What does this mean?: If the AIS had been unsuccessful in securing consistent funding compared to 2019-20, there would have been a significant HP shortfall to Sports, who would likely have had to scale back proposed activity in the lead up to the Tokyo Olympics and Paralympics. On average Sports receive minimal external (i.e. non-Government) funding for HP, hence have limited options to address any such shortfalls.



Glossary

- AIS: Australian Institute of Sport. The high performance division of the ASC
- ASC: Australian Sports Commission. This is the Australian Government agency that develops, supports and invests in sport at all levels. This comprises the AIS and Sport Australia
- Assets reserves: Comparative level of net assets a business holds to meet medium to long-term liabilities and unforeseen financial shocks
- Carry Forward: Income in advance that is carried forward from one period to another (i.e. usually outstanding at year-end)
- Cash reserves: Comparative level of cash held to meet short term liabilities as well as absorb short-term unforeseen financial shocks
- COMPPS: Coalition of Major Professional and Participation Sports
- Corporate Re-charge: Where an organisation charges specific business units or programmes a fee to cover corporate overheads which support it
- Federal Government Stimulus Packages: Those Federal Support packages announced during the COVID-19 crisis. In the case of Sports this predominately relates to the JobKeeper and the Cash Flow Boost programmes
- "Free cash": This is reported cash adjusted for income in advance
- FTE: Full Time Equivalent, which indicates the number of active full-time equivalent employees (based on aggregated hours worked by all full-time and part-time employees) at a point in time
- Gross Cash Balance: This is reported cash on the balance sheet
- High Performance (HP): Elite Sport (focused on Olympics, Paralympics, Commonwealth Games and World Championships) programmes which collectively are considered (and reported in the template) as a separate business unit within the wider organisation
- Income in Advance: Receipts of funding that have yet to be earned. In effect it would need to be repaid unless it is subsequently used for the purposes it was provided (or the provider agrees to repurpose it for another use)
- National Sporting Organisation (NSO): The organisation recognised by Sport Australia as the pre-eminent body for the sport in Australia
- National Sporting Organisation for People with Disabilities (NSOD): The organisation recognised by Sport Australia as the pre-eminent body for the sport for People with Disabilities in Australia
- Negative Free Cash: An underlying cash shortfall with income in advance exceeding the gross cash balance
- Non-High Performance: The non-High Performance operations of the organisation. This usually comprises community sport / participation, events, membership services and corporate operations.
- Receipts: Physical receipt of cash as opposed to the recognition of revenue
- Ring-fenced Funding: Receipts that are to be used for a specific purpose which usually have restrictions in place (i.e. held in a separate bank account)





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Paris 2024 Investment & Planning

Australian Olympic Committee Update

30 January 2020

Context – Paris 2024 Investment Approach

High Performance Sport Investment



The AIS is moving to a **more tailored, whole-of-system approach to investment.**

Through **greater transparency** of the investment process we seek greater engagement and collaboration with sport.

Objective of sport meetings is to:

- discuss the level and time horizon of Federal Government funding,
- walk through the cost comparison framework and its inputs,
- discuss their sports specific inputs and
- understand those of other sports and that funding for each sport is commensurate with contribution to system outcomes

Outcomes of sport meetings:

- Review and amend (if required) sport specific inputs
- Understand what other specific projects/priorities their sport needs to consider to achieve outcomes
- Highlight expectations for the next phases of the Paris Investment & Planning process



Context – Paris 2024 Investment Approach

High Performance Sport Investment



The **framework is imperfect.**

Many unknowns, at both system and sport specific levels, that currently make the allocation of HP funding for the Paris cycle challenging.

1. The level and duration of Federal Government funding
2. Value to be committed by other system partners
3. Verification of sport specific factors

Currently there is **not enough investment in the system** to give all sports the upper range 100% figure.

Given the unknowns the **provision of indicative provisional HP funding levels** for the Paris cycle will not be confirmed until more of these factors become 'known'.

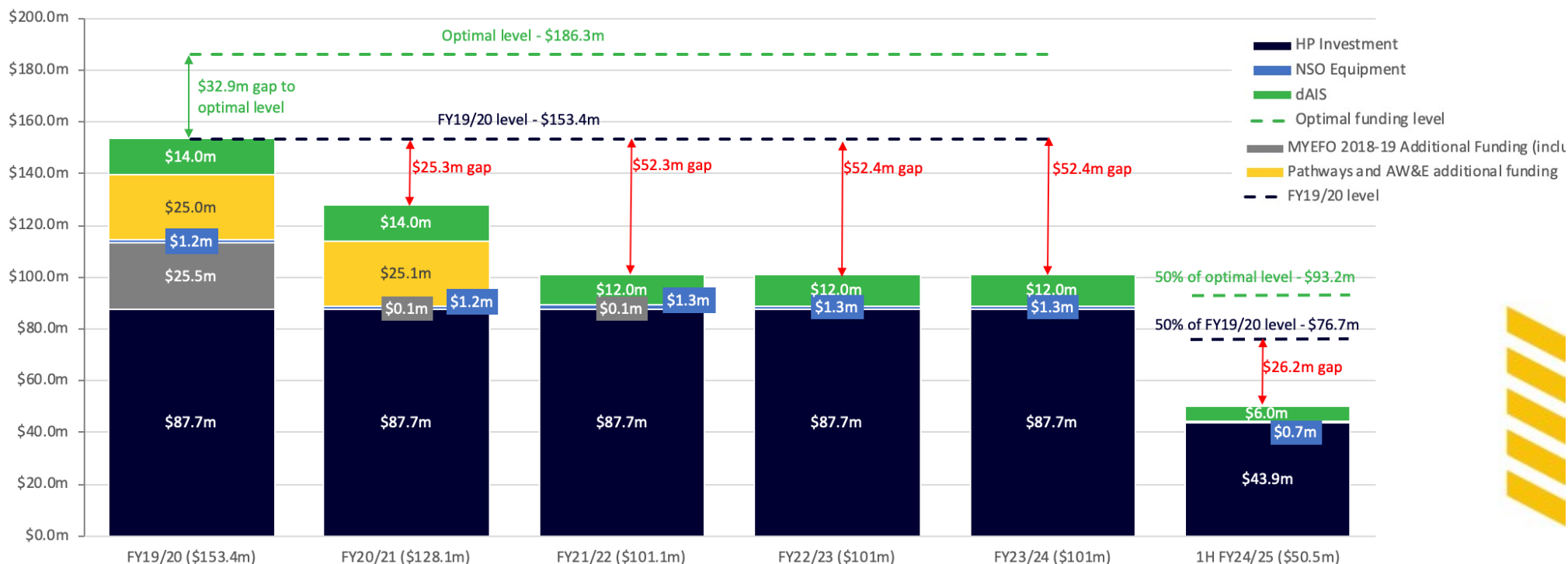
- All indicative provisional investment decisions are based on current level of HP investment being maintained.
- Federal Budget in May 2020 is a key milestone; however the ASC Board will not confirm more than 70% for any sport in June 2020.





1. Level and Duration of Federal Government Funding

- Uncertainty around the level and duration of high-performance sport investment from the Federal Government from July 2020 onwards.
- The AIS must consider investment into all sports within the constraints of limited funding – increasing funding to one sport requires taking from another – there is a balance to be found to ensure achievement of strategic objectives and sustainable success over multiple cycles.
- The AIS will have confirmation of HP investment for the Paris cycle from May 2020 following the Federal Budget (we may not know the duration at this point e.g. four years)
- The AIS is working with the Federal Government to increase funding and a longer funding commitment horizon.





2. Commitment & Amount – All System Partners

Whole-of-System Investment



- Traditionally investment decisions have been made in isolation by each system partner.
- The new framework being used considers the projected cost of each HP program and the investment allocations from all system partners.
- The AIS investment alone is not sufficient to meet the full projected costs of any sport's high-performance program, if success is to be sustained over multiple cycle.
- Our NIN partners provide an average of 23% of direct \$ and in-kind investment into sports each year, however, this varies across sports from 0-33% of total.
- **For the Paris Cycle:**
 - the **Tokyo cycle investment by each SIS/SAS** into each sport has been factored into the framework, based on our collaborative work with the NIN.
 - a **Cost Comparison Framework** was developed by the AIS as one additional input to decision making. It provides a method of comparing investment for the future cycles across sports using relative inputs and assumption – future system partner investment is still to be confirmed.
 - a **Should-Cost Framework** is a variation of the Cost Comparison model used to assess what a more appropriate overall investment level should be and is being used to communicate the sector's investment needs to government.
 - a **System Wide Investment Range** has been developed with lower and upper ranges, based on the initial assumption that NIN partner investment in the Tokyo cycle remains constant by sport.



3. Sport Specific Factors – Sample

DRAFT



Sport Specific Inputs	Pinnacle Event			Equipment	Competition	Facilities	Categorisation
	Olympic	1-1	3	Moderate	Moderate	Moderate	Prospective (Outside Medal Target)
	Paralympic	0-1	1	Significant	Moderate	Significant	Prospective (Medal Target)

Sport Specific Indicative Detail	Pinnacle Event	System Investment Range		Horizon	Rationale/Considerations
		Lower	Upper		
	Olympic	\$949,705	\$1,899,410	Prospective (Outside Medal Target)	Not proposing full increase to modelled upper range costs
Paralympic	\$84,420	\$168,840	Prospective (Medal Target)		

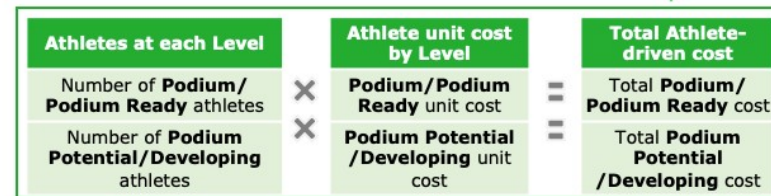
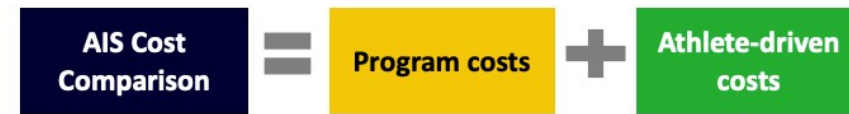


3. Verification of Sport Specific Factors Cost Comparison Framework



For the Paris Cycle a **Cost comparison framework** has been developed to provide a method of comparing investment across sports using relative inputs and assumptions.

- The framework includes both program and athlete-driven costs and provides a way by which some high-level consistency can be applied to resource allocation recognising some sport-specific differences.
- It does not necessarily reflect how each sport chooses to deploy its resources, but rather provides a perspective to highlight any potential anomalies.
- It is not used to calculate the investment, but rather as another input into decision making.



Cost Components and Factors

Factors which drive the level of cost	Program Costs				Athlete-driven Costs						
	Facilities	Comp Support	Applied Tech & Innov.	Performance People & Teams (Leadership, Coaching, Performance Support)	Addit'l coaching	Comp	Camps	Performance Support	Equip	Athlete Wellbeing & Engagement	Other (uniform, training gear)
Sport Categorisation	•	•	•	•	•	•	•	•	•	•	•
Pinnacle Event (Olympics, Paralympics, Commonwealth Games)	•	•	•	•	•	•	•	•	•	•	•
Individual v Team				•	•			•			
Facility rating (No Supp/Mod/Sig/High)	•										
Competition rating (Mod / Sig / High)						•					
Equipment rating (No Supp / Mod / Med / High / Extreme)									•		

Sport-specific factors



3. Verification of Sport Specific Factors

What are the sport specific input factors?



Medals	Provisional Medal Range as agreed with Campaign lead
Medalists	Number of potential medalists if above maximum medal target is achieved, specific campaigns as identified in medal target discussions produced the number of potential medalists
Equipment	A relative assessment across sport on the comparative support required for equipment – <i>No Support, Moderate, Significant, High, Extreme</i>
Competition	A relative assessment across sport on the comparative support required for competition requirements – <i>Moderate, Significant, High</i>
Facilities	A relative assessment across sport on the comparative support required for facilities access – <i>No Support, Moderate, Significant, High</i>
Categorisation	Simplified Sport Categorisation Framework to align with the new AIS strategy of producing more medals and medallists over multiple cycles; will consider both past performance and future performance potential – <i>Foundation, Prospective, Emerging</i>
Pinnacle Event	Paris 2024 Olympic or Paralympic Games



Next Steps – Paris 2024 Investment & Planning



Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
February – March 2019	March – October 2019	October – December 2019	January – March 2020	June – December 2020
Planning and Consultation	Internal Review of Medal Targets and Budget Planning Against Allocation	Collaborate with NSOs and Agree Medal Targets and Indicative Budget	Finalise 2024 HP Planning documentation	Confirm final targets and investment allocations
<ul style="list-style-type: none"> Initial planning and consultation phase including AIS Board, NIN, System partners and the sports AIS Board approved the process and timeline <p>COMPLETED</p>	<ul style="list-style-type: none"> Initial internal medal targets for Paris 2024 developed based on various performance factors: <ul style="list-style-type: none"> International profile – No. of opportunities and quality of international competition Sport profile – Sports categorisation and segmentation; past performance at Olympics, world championships or equivalent events; campaign trajectories and gap analysis Athlete/team profile – athlete/team trajectories versus international competition Depth and quality of athlete pathway Internal review of investment allocations: <ul style="list-style-type: none"> Internal development of initial allocations by sport based on various cost factors Program costs – staffing, pathway development, corporate recharge Sport-specific costs – DTE, camps/competitions No. of medal potential athletes No of athletes to be supported <p>COMPLETED</p>	<ul style="list-style-type: none"> Collaboration with sports: <ul style="list-style-type: none"> discussions using shared data to amend medal targets where necessary AIS internal calibration of investment allocation ranges December AIS Board meeting to agree provisional medal targets and provisional investment allocation ranges by sport Discuss with NIN – late December Discuss with sports their preliminary medal/ medallist targets and indicative budget allocation ranges (Baseline and contestable for F1, F2 & P1 and total allocation for P2) <p>IN PROGRESS – will complete early January</p>	<ul style="list-style-type: none"> Sports develop 2024 HP planning documentation with support from AIS <ul style="list-style-type: none"> HP strategy, operational plans and budgets Use preliminary medal targets and indicative investment allocations as basis for preparing these documents AIS, with NIN, Review and ensure alignment of 2024 HP planning documentation <ul style="list-style-type: none"> Potential to adjust mix of funding between AIS and SIS/SAS - either between sports or between podium/ready focus and emerging/developing/ potential focus to better reflect NHPSS principles (may be limited by funding in less well-funded states like Victoria). Finalise planning process with Sports end March to allow them to exclusively focus on Tokyo preparation – This then becomes the input into Board decision making post Federal Budget with commitments made at June 2020 Board meeting. 	<ul style="list-style-type: none"> June/July 2020 – Pre-Tokyo & Post Federal Budget <ul style="list-style-type: none"> Provide 70% of overall indicative funding amount up to December 2024 for F1, F2 & P1 Provide 30% of overall indicative funding for F1, F2 & P1 for two /three or four years Provide 30% of overall indicative funding for P2 Post Tokyo Olympics/ Paralympics <ul style="list-style-type: none"> Review targets and adjust investment allocations where necessary Sports adjust 2024 planning documentation based on confirmed targets and investment allocations Dec 2020 – HP funding confirmed: <ul style="list-style-type: none"> Provide final investment allocations up to Dec 2022 for F1, F2 and P1 sports Provide total funding up to December 2022 for P2 sports



Next Steps – Paris 2024 Investment & Planning

What Support is Available?



AIS - Internal	AIS Supported Consultants	Other NIN/ System Partners
<ul style="list-style-type: none"> • AIS Sport Strategy & Investment Team – is the AIS team leading this work and should be your first point of contact for issues relating to Paris Investment & Planning - Alex Newton (Director), Phil Loong (Manager, Investment), Katie Culbert (Manager, Sport Strategy) • AIS Priority Campaign Contacts – primary focus is ensuring you have the solutions required to keep your Tokyo 2020 medal campaigns on track, may play a supporting role in the development of Paris 2024 planning documentation across multiple sports • AIS Pathways Team – can assist sport with development of your Pathways strategy (aligned to your overall HP strategy); can assist development of WITTW profiles and help translate that into the Pathway • AIS Teams – you should engage with each of the AIS Teams as appropriate for your sports needs as you develop your Paris 2024 planning documentation e.g. Technology Road Map • AIS Sport Contacts – don't need to play a role in your Paris 2024 planning process (unless you wish to include them) 	<ul style="list-style-type: none"> • AIS Sport Strategy & Investment has a pool of consultants who can be engaged to support sport with this work • To access this kind of support please contact Katie Culbert (Manager, Sport Strategy) 	<ul style="list-style-type: none"> • You should engage with the relevant system partners as appropriate for your sports needs as you develop your Paris 2024 planning documentation





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