

The Auditor-General  
Audit Report No.12 2008–09  
Performance Audit

# **Active After-school Communities Program**

**Australian Sports Commission**

Australian National Audit Office

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of Australia 2008

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Canberra ACT  
10 December 2008

Dear Mr President  
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the *Australian Sports Commission* in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit and the accompanying brochure. The report is titled *Active After-school Communities Program*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Steve Chapman', is positioned above the printed name.

Steve Chapman  
Acting / Auditor-General

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
Canberra ACT

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# Abbreviations and Glossary

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AASC	Active After-school Communities (program)
ANAO	Australian National Audit Office
ABS	Australian Bureau of Statistics
ASC	Australian Sports Commission
BAHAA	Building a Healthy, Active Australia
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CATI	Computer Assisted Telephone Interview
CCTP	Community Coach Training Program, a training program developed by the ASC
CIU	Cabinet Implementation Unit, the Department of the Prime Minister and Cabinet
CrimTrac	A Commonwealth Government Agency that delivers national criminal history record checks for accredited agencies
Deliverers	Persons who run AASC activity sessions at primary schools and out of school hours care services. Fully registered AASC deliverers have undertaken the Community Coach Training Program (CCTP) and have a satisfactory criminal history check. Deliverers may also have probationary status
EOI	Expression of Interest
Fundamental Motor Skills	Foundation movements or precursor patterns to more specialised, complex skills in games, sports and other physical activities
GAF	Grant Application Form



Inactivity	Defined by the Australian Sports Commission as three hours or less of structured physical activity per week not including structured physical activity in school hours
OSHCS	Out of School Hours Care Services, otherwise known as after school care services
Playing For Life	An approach to coaching developed by the ASC that uses games as the focus of development
Regional Coordinator (s)	ASC staff located in communities to facilitate delivery of the AASC program
RFT	Request for Tender
SIG	Special Initiative Grant
Site	A primary school or Out of School Hours Care Service that runs the Active After-school Communities program
Structured Physical Activity (SPA)	A physical activity that is supervised or organised by someone appropriate and occurs at a set time and place



## **Summary and Recommendations**



# Summary

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## Introduction

1. The Australian Sports Commission (ASC) plays a leadership role in the development and promotion of sport in Australia. It is a statutory authority operating under the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and the *Australian Sports Commission Act 1989* (ASC Act). The ASC is governed by a Commission (referred to as the ASC Board) that is appointed by, and reports to, the Minister for Youth and Sport. Its Chief Executive Officer (CEO) is responsible for the day-to-day operations of the ASC.
2. The ASC is responsible for implementing the Government's sports policy. It manages the Australian Institute of Sport and programs for elite athletes and is the principal funding body for National Sporting Organisations. The ASC has also provided sports participation opportunities for school aged children through its earlier programs such as Aussie Sport and the Active Australia Schools Network, delivered through the States and Territories.

## Building a Healthy, Active Australia

3. In November 2002, Australian Health Ministers agreed that the increase in the rate of overweight and obesity in Australia's population was a significant public health problem, particularly, the rising incidence in children. The National Obesity Taskforce was established in 2003 and developed the *National Action Agenda—Healthy Weight 2008* to combat rising obesity levels and declining physical activity.
4. In June 2004, the then Prime Minister announced the *Building a Healthy, Active Australia* package to address the growing problems of declining physical activity and poor eating habits of Australian children. A major component of this initiative was the Active After-school Communities (AASC) program. The ASC received \$90 million in funding over three years to establish an after-school physical activity program in over 3000 primary schools and Out of School Hours Care Services (OSHCS) for an estimated 150 000 children. The program was extended for a further three years (2008 to 2010) in April 2007 and received \$124.4 million in additional funding. Implementing the program increased the number of ASC staff by 180, from 458 in June 2004 to 655 in June 2005, an increase of over 30 per cent.

## Active After-school Communities program

5. The AASC program delivers structured physical activity sessions to primary school aged children at sites after school between 3.00pm and 5.30pm.<sup>1</sup> Over 3000 sites in metropolitan, regional, rural and remote communities Australia wide participate in the program. Underpinning the program is the ASC's 'Playing for Life' philosophy, which uses a 'game sense' approach to coaching. The activities delivered in the AASC program are designed to increase children's participation in structured physical activity, develop fundamental motor skills, and foster a life long love of physical activity.

6. The initial long-term objectives of the program were to improve the health and physical activity levels of Australian primary school aged children, and to grow community capacity. These objectives were revised in January 2005 to enable the outcomes of the program to be evaluated and to give a greater emphasis to physical activity, which the ASC considers contributes to the health outcomes of participating children. The current program objectives are to:

- enhance the physical activity of Australian primary school aged children through a nationally coordinated program:
  - increase participation levels of inactive children within structured physical activity;
  - attitude of inactive children towards structured physical activity improved;
  - increase in fundamental motor skill development of inactive children;
- provide increased opportunities for inclusive participation in quality, safe and fun structured physical activities; and
- grow community capacity and stimulate local community involvement in sport and structured physical activity.

7. Table 1 outlines the number of sites and children participating in the program and the actual funds expended since the program was established.

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<sup>1</sup> Sites are participating primary schools and Child Care Benefit (CCB) approved Out of School Hours Care Services (OSHCS).

**Table 1****Total funding, participating sites and children per financial year**

Financial Year	Total Funding (\$ million)	Total number of participating sites	Total number of participating children
2004–05	11.6	1000	37 557
2005–06	27.5	1874	90 000
2006–07	39.2	3250	140 000
2007–08	43.1	3250	150 000
<b>Total</b>	121.4	N/A	N/A

Source: Australian National Audit Office based on Australian Sports Commission data

**Delivering the program**

8. The program is coordinated nationally and managed in all States and Territories through a network of State and Regional Managers and Regional Coordinators. The program is only run at ASC approved sites. The sites selected to participate in the program are required to provide appropriate facilities, nominate a co-ordinator for the program, contract and pay ASC registered deliverers and supervise participating children. They are also required to develop strategies to target inactive children. By agreeing to participate in the program, the sites accept responsibility and ownership of the program, including the duty of care for the day to day running of the physical activity sessions.

9. Sites that have been accepted into the program are eligible to apply for grant funding. These grants are not intended to cover the administration costs associated with running the activity sessions but are directed towards specific program expenses, such as deliverers' fees, costs of supervision, venue hire, transportation costs and equipment.

10. The funding agreement with the sites requires them to engage ASC registered deliverers to run the AASC physical activity sessions. All deliverers must complete the Community Coach Training Program (CCTP) and be assessed as competent, and receive a satisfactory national criminal history check before becoming fully registered with the ASC. Deliverers must be

re-registered every two years, including undergoing a new criminal history check.<sup>2</sup>

## Audit scope and objective

11. The audit objective was to assess the effectiveness of the implementation and administration of the AASC program by the ASC. The extent to which the ASC is able to determine that the program is achieving its objectives was also examined. Particular emphasis was given to the following areas:

- the implementation and the ongoing management of program; and
- the selection of sites and administration of grants funded under the program.

The elements of the *Building a Healthy, Active Australia* package undertaken by other agencies were not included in the scope of this audit.

## Overall conclusion

12. The AASC program was established in 2004 as a national initiative to help address the declining physical activity levels of children and the increase in childhood obesity. In 2007–08, approximately 150 000 children and 3250 sites Australia-wide participated in the physical activity program that is underpinned by the ASC's 'Playing for Life' philosophy.

13. The ASC successfully implemented this program within a very short timeframe. National and State managers and a network of Regional Coordinators administer the program and oversight the delivery of the activity sessions and the sites. The ASC established a management framework for the program and a quality based approach to training and registering deliverers. Systems and processes for selecting sites and administering the grants provided to sites were also developed. Although this management framework is reasonably effective, improvements could be made to strengthen the governance arrangements supporting the program and a number of administrative processes could be streamlined. Quality control processes would also be strengthened through better monitoring of the program's quality standards.

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<sup>2</sup> Deliverers may be recruited from a variety of sources, such as parents, community members, high school or university students, teachers, OSHCS workers, and local sporting club members. Deliverers may be volunteers and receive a small fee to reimburse their costs, or may be professionals contracted by the site.



14. A sub-committee of the ASC Board was established to advise and oversee the program. However, its role and responsibilities were not clearly defined. The Board sub-committee last met in March 2008 and was dissolved in June 2008. The governance mechanisms supporting the program were oral briefings to the Board by the Chair of the sub-committee and fortnightly meetings between the CEO, program Director and General Manager. Key decisions and some approvals were not always sought or appropriately documented, particularly for the evaluation project. At the time of the audit, there were no management reports provided to the CEO (or the Board). Oversight of the program would be improved if the program area was to report regularly on the performance of the program.

15. In designing the program, the ASC established two key quality controls—deliverers of the structured physical activity sessions must: complete the Community Coach Training Program (CCTP); and have satisfactory criminal history checks. To monitor program delivery at sites, the ASC developed a national quality management model, with the quality assurance role being undertaken by the Regional Coordinators. However, a number of exemptions to these two quality controls have been granted to probationary deliverers, which risks undermining the standards and philosophy that underpin the program. In 2007, 634 probationary deliverers received an exemption from training and 298 from the criminal history check, without oversight or review by State Managers or at the national level.

16. Sites were selected to participate in the program either through an expression of interest process or direct recruitment by Regional Coordinators. In the earlier years of the program, assessments were not properly documented, particularly for those sites directly recruited by Regional Coordinators. The assessment process for selecting sites improved considerably in 2007. Sites received grants ranging from \$320 to \$3518 to assist them in running the program. Given the number of grants and the relatively small amounts involved, the processes currently in place to assess and acquit the grants are overly complex and resource intensive. Improvements could be made by simplifying processes and assessing the merits of automating the grant application process.

17. The ASC is undertaking an evaluation project to determine the success of the program and the final report for Phase One (2004–2007) is expected to be finalised in late 2008. Phase Two will cover the period 2008 to 2010. The ANAO has highlighted a number of issues relating to the evaluation methodology and

reporting the evaluation results. The ASC has advised that it will ensure that all relevant caveats and interpretation notes are included in the final report.

18. The ANAO has made four recommendations aimed at improving the administration of the program.

## Key findings by chapter

### Establishment of the Program (Chapter Two)

19. In response to the then Prime Minister's request for options to address childhood obesity, the ASC prepared a brief outlining a proposal to deliver a national out-of-school hours physical activity program for primary school aged children. In late May 2004, the Department of the Prime Minister and Cabinet (PM&C) advised the ASC that the AASC program had been approved with specific parameters and funding. The program was to be delivered by the ASC through a network of staff rather than through its State and Territory counterparts.

#### *Implementation planning*

20. As the AASC program was monitored by the Cabinet Implementation Unit (CIU) in PM&C, the ASC developed an implementation plan, which it lodged in September 2004 (Plan One). A second plan was lodged in November 2005 (Plan Two), which included a revised budget and timetable for recruiting sites. The ASC advised that it worked closely with PM&C during the early stages of the program and that both implementation plans were emailed directly to PM&C. The AASC program management team advised that oral approval of the plans was given by the responsible Director. The quarterly reports to the CIU were also approved by the Director and the General Manager of the program.

21. The AASC program's implementation plans were comprehensive and included a risk management plan documenting 11 risks across key areas and appropriate mitigation strategies. The ANAO considered this was a reasonable assessment of the strategic risks facing the program at the concept stage. However, the practical experience gained in establishing the program was not reflected in the risk management plan submitted in Plan Two, 14 months later, as it did not include operational risks. This was particularly important as the ASC advised that this was the only risk management plan developed for the program.

22. As the Government decision did not define objectives for the program, the ASC developed the program's long-term and short-term objectives for Plan One. These were later revised as part of the evaluation project and included in Plan Two.<sup>3</sup> The revised objectives gave greater emphasis to the concept of inactivity and moved away from the original health focus. Neither the initial nor revised objectives were endorsed by the then Government or approved by anyone outside of the AASC program management team. It would have been prudent to have sought formal approval of the program's objectives from the then Minister to ensure alignment between the Government's expectations and the ASC's plans for delivery of the program.

*Establishing the AASC program at the national, State and regional levels*

23. Within a very short timeframe, the ASC established the program at the national, State and regional levels, including:

- recruiting State and Regional Managers and Regional Coordinators;
- accommodating regional staff and developing communications infrastructure;
- delivering staff induction training;
- selecting primary schools and OSHCS for the program; and
- training and registering deliverers for the program.

*Governance arrangements for the AASC program*

24. The governance arrangements in place when implementing the program included oversight by the ASC Board and a management framework within the ASC responsible to the CEO. Under these arrangements, the General Manager of National Junior Sport Division met fortnightly with the Director of Sports Performance and Development.<sup>4</sup> There were also fortnightly meetings between the Director and the CEO. Reporting at this meeting was by exception, with action items agreed and updated. Although the AASC program was discussed at these meetings, key decisions and the reasons for these decisions were not routinely documented. There were no formal management reports relating to the AASC program prepared for the CEO.

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<sup>3</sup> The original and revised objectives are outlined in Table 2.2 in Chapter Two.

<sup>4</sup> As of July 2007, Community Sport became its own division, and the Director of Community Sport now reports directly to the CEO. The AASC program and Junior Sport are contained within this new division.

25. A sub-committee of the ASC Board was set up to 'advise and oversee' the program. The AASC sub-committee first met on 6 August 2004 but minutes of meetings were not recorded until May 2005. Although the sub-committee was created 'to advise and oversee' the implementation of the AASC program, the CEO advised that the sub-committee was not intended as a decision making body and minutes of the sub-committee meetings confirm that no decisions were made. There were no formal terms of reference for the sub-committee outlining its role and responsibilities nor was a quorum specified for meetings, as required by the *Australian Sports Commission Act 1989*.

### **Managing Program Delivery (Chapter Three)**

26. The ASC established two major quality controls over program delivery—deliverers of the structured physical activity sessions must: complete the Community Coach Training Program (CCTP); and have satisfactory criminal history checks. On successful completion of the training and the criminal history check, a deliverer will usually progress to probationary deliverer status and commence delivering sessions at AASC sites. A deliverer can be given an exemption from the training and/or a criminal history check for the six month probationary period. In these cases, the site is required to sign an exemption form for the deliverer as it bears the risk. In 2007, 8384 deliverers were presenting physical activity sessions at AASC program sites and, of these, 3625 (43 per cent) were probationary deliverers. Of these probationary deliverers, 634 (17.5 per cent) had a training exemption and 298 (8 per cent) had an exemption from a criminal history check.<sup>5</sup>

27. Exemptions are negotiated between the deliverer, the Regional Coordinator and the site without oversight by the State Manager or national office. Under current arrangements, a deliverer may commence presenting sessions with no training or national criminal history check, which means that there are no minimum standards operating for deliverers. The ANAO considers that allowing exemptions for these two key quality controls runs the risk of undermining the quality of program delivery. Minimum standards should be introduced such as requiring a probationary deliverer to complete a criminal history check form, if there is no existing check, and to complete the mandatory modules of the CCTP before commencing delivery of AASC physical activity sessions.

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<sup>5</sup> Probationary deliverers could have received both exemptions.

## Ongoing review and assessment of sites and deliverers

28. The AASC program quality standards also require the ongoing assessment and review of sites and deliverers by Regional Coordinators. Although there was sufficient time to conduct site and deliverer appraisal visits in 2007, the program was not operating at full capacity until Term Three. The ASC advised that the number of visits will increase from 2008 and this could impinge on the Regional Coordinator's ability to perform other tasks, such as community development work with local sporting organisations.

## AASC database

29. The AASC database captures key information about the program. Although a business case was not prepared for the database, the need for one was identified in the AASC implementation plans. It has been continually modified as the information needs of the program became better understood. It is now used as a management tool by Regional Coordinators and, as at June 2008, had cost approximately \$1.1 million.

30. The absence of clearly defined business requirements means that the effectiveness of the database as a management tool cannot be properly assessed. There was also no budget for the initial development, ongoing maintenance or future development of the database. Ongoing changes have been made to the database without considering costs or alternative options. The ANAO considers there would be benefits in reviewing the operational effectiveness of the database in line with current arrangements for delivering the program and good management practices.

## *Ongoing governance arrangements for the AASC program*

31. The governance arrangements during implementation of the program continued until the AASC sub-committee was dissolved by the Chair of the Board and the CEO in June 2008. These arrangements involved oral briefings to the Board by the AASC sub-committee and, since July 2007, fortnightly meetings between the Director of Community Sport and the CEO.<sup>6</sup> During the audit, the Director began documenting these meetings. There are no formal reports relating to the program provided to the CEO (or the Board).

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<sup>6</sup> In July 2007, the position of Director of Community Sport Division was created and included responsibility for administering the AASC program. Prior to this date, meetings were held with the Director of Sports Performance and Development.

## Conflict of interest

32. Where there is a potential or actual conflict of interest, the procedures to be followed are outlined in the CAC Act, essentially requiring members of the Board to declare their interest and abstain from voting. During the course of the audit, the ANAO noted an issue relating to the AASC program and a member of the Board. In 2006, the AASC program contracted two sports ambassadors to raise its media profile. One of these sports ambassadors was a member of the ASC Board and of the Board AASC sub-committee. A perception of a potential conflict of interest could have arisen as the Board member was paid to provide services to a program the member was also responsible for overseeing. According to the minutes of the Board meetings, the decision to contract the member of the Board for this role was not discussed or decided by the Board.

33. The Chair advised that he had been approached by the CEO and endorsed the appointment as he considered there was no potential conflict of interest. The decision to engage the Board member was made outside the ASC Board's general business and the legislative procedures for making decisions where a potential conflict of interest exists were not followed. Also, the rationale, process for selection, contract negotiations and the decision to engage and contract with the Board member were not documented by the ASC.

## *Governance arrangements at program level*

34. The governance arrangements at the program level generally operate well. Operational planning and reporting are linked with performance management. The Community Sport Business Plan and AASC State/Territory operational plans also align with the ASC's Strategic Plan. The risk management plan in the implementation plans is the only risk management plan for the program and was last reviewed in November 2005. The program was not fully implemented until Term Three, 2007 and, during the intervening period, new risks have emerged in the strategic and operating environments and previously identified risks may have changed. The plan does not currently include operational risks, although the design of the program addresses some operational risks. The ASC advised that it has recently engaged a consultant to undertake an assessment of the risks facing the program.

35. State Managers report to national office biannually on the operations of their State and regions, with a particular emphasis on program delivery. While each report is reviewed, the information is not consolidated and analysed to

provide a national perspective. More frequent reporting would provide assurance that the program is being delivered consistently across regions and enable key aspects of program delivery to be reported and monitored. The reports could form the basis of regular and formal management reports to the CEO and Board.

## **Assessment of Sites and Administration of Grants (Chapter Four)**

36. Sites are selected to participate in the AASC program either through an Expression of Interest (EOI) process or direct recruitment by Regional Coordinators. When accepted into the program, the sites may apply for grant funding twice a year, with each application being for two consecutive school terms. The ANAO reviewed a sample of 67 EOIs for sites selected between 2004 and 2007.

37. The ASC advised that time constraints did not allow it to undertake a comprehensive needs-based analysis of sites Australia-wide that would most benefit from participating in the program. Instead, to determine the target number of sites in each region, the AASC program management team equally apportioned potential sites to educational regions. This approach meant that places were allocated without being able to consider the relative needs of regions.

38. Sites were to be assessed against specific selection criteria. However, these criteria were only applied where there was competition within a region for a place in the program. For the 15 sites recruited in 2004 reviewed in the ANAO's sample, the only documentation completed to support the selection process was a selection report that noted the name and type of site, and whether it had been accepted into the program. The reports did not include an assessment against the selection criteria. For six sites, there was no selection report available.

### ***Ongoing recruitment of sites***

39. The EOI form was reviewed and updated in June 2005 and used for EOI rounds in 2005 and 2006. A new selection report was also developed in 2006 and, unlike the earlier selection report, included a provision for an assessment of the site against the selection criteria. The ANAO examined EOIs and selection reports for 13 sites selected in 2006. Five did not have selection reports or other assessment documentation on file. For the eight sites for which there were selection reports, three did not use the revised selection report and, of the five that did, three did not have the accompanying assessment form on

the site file. In 2007, the selection criteria for assessing sites and the selection report also changed.<sup>7</sup> From the ANAO's sample of 31 EOIs submitted in 2007, 29 had selection reports and were assessed against the selection criteria. The other selection reports were not on the site files.

#### Direct recruitment

**40.** In regions where the number of EOIs received did not meet the target, Regional Coordinators contacted sites directly to invite them to deliver the program. As the Regional Coordinators did not document their assessments of these sites, the ANAO was unable to determine whether all sites were assessed consistently across regions. Regional Coordinators continued to directly recruit sites until 2007.

#### *Reducing the administrative effort involved in processing grant applications*

**41.** Sites apply for grant funding bi-annually by completing a Grant Application Form (GAF). In 2007, grants ranged from \$320 to \$3518.<sup>8</sup> The grants process is resource intensive, involving sites, Regional Coordinators, a grant administration team, and the ASC's Corporate Finance section. Many tasks are duplicated and the AASC database does little to facilitate the process. The costs involved in processing the grants have not been calculated or compared against alternative approaches.

**42.** The ANAO considers that there are several options available to reduce the level of administrative effort required to process the grants. The grant cycle could be reduced to once per year, with scheduled term payments, and combined with the EOI for first time applicants. The current system is a combination of paper based and electronic assessment. Automating the grant application process would reduce the resources currently required to administer grants and could include a verification process to ensure all fields are completed accurately before submitting. This would obviate the need for AASC staff to follow up incomplete or inaccurate information.

#### Acquittal of grants

**43.** Sites are required to acquit their grants each term, up to four times per year.<sup>9</sup> Sites submit their completed and signed acquittal form to their Regional

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<sup>7</sup> The 2007 selection report included an assessment against program requirements as well as a regional strategic assessment.

<sup>8</sup> The maximum grant available to sites is based on the number of children participating per session and the number of sessions run at the site per week. Sites do not automatically receive the maximum grant available if they have applied for less than the maximum amount.

<sup>9</sup> With three school terms, sites in Tasmania are required to acquit three times per year.



Coordinator, who is required to certify that funds were spent by the site on running the program. Given the value of grants, there should be a better balance between the financial integrity of the grants process and the quality of program delivery. Less resource intensive acquittal processes could be introduced for the program. For example, a risk-based approach to acquittals could require the testing of only a sample of grants annually, rather than the confirmation of all 3250 grants four times per year. For the sample of 41 grants reviewed by the ANAO, all grants were appropriately acquitted.

## **Measuring the Success of the Program (Chapter Five)**

44. The announcement of the AASC program included the requirement that the program be evaluated. The ASC planned the evaluation project in parallel with implementing the program. The ASC outlined in the RFT the broad objectives of the proposed evaluation and some key methodological processes. The contractor was expected to refine the evaluation objectives with the ASC and propose specific methodologies to undertake the evaluation.

### *Negotiation of the proposed contract*

45. The ASC entered into discussions with the successful contractor about the evaluation objectives, development of the evaluation plan and methodology during October 2004. These discussions led to the program objectives being revised in January 2005, increasing the complexity and cost of the evaluation project. The ASC considered the revised objectives better articulated the program's objectives.

46. The ASC had allocated \$600 000 to meet the projected costs of the evaluation. As this amount exceeded the threshold of \$500 000, the ASC sought approval for the contract from the then Minister as required by the ASC's procurement guidelines. Changes in the evaluation methodology increased the cost of the four year contract (2005 to 2008) from \$587 030 to \$1.1 million. There was no documentation to demonstrate that the ASC had sought the then Minister's approval for the 80 per cent increase in the cost of the evaluation resulting from these changes. There was also no documentation to show that the CEO, the AASC sub-committee or the ASC Board had been advised of the increase in project costs, revised objectives and methodology.

47. On 11 February 2005, the AASC program management team approved the proposed contract variation and revised costing. However, when the contract was signed by the CEO on 17 February 2005, it had not been amended to reflect the variations to the methodology or the revised contract amount

of \$1.1 million. The ASC advised that the acceptance of the evaluation plan, with the revised methodology and costing, constituted the ASC's and the contractor's acceptance of the variation. There was adequate time to amend the contract to reflect the revised methodology and costs before it was signed by the CEO.

### *Measuring the effectiveness of the program*

48. The ASC is undertaking a wide-ranging review of the program's impact and operations across eight objectives and a range of useful information will be provided by this evaluation. The absence of predetermined targets will impact on the ASC's ability to effectively measure the program's success. A number of points have been raised about the survey questions, in particular, the bias inbuilt into some of the questions, the length and interpretation of key questions and the treatment of attrition and non-response rates. Care also needs to be taken when reporting evaluation results.

49. In the past, the ASC has published preliminary results in its Annual Report, and in briefings to the former Minister and the AASC sub-committee that may have been misleading. The reporting of evaluation results could be improved by providing, where relevant, appropriate information to qualify these results. Qualifications are needed to adequately interpret findings because results can be compromised by the methodologies employed or by the way in which differences of statistical significance are ascertained. For example, definitions used and attrition and non-response rates can affect the assessment of outcomes. The ASC has advised that all relevant caveats and interpretation notes will be included in the final evaluation report.

## **Summary of agency response**

50. The Australian Sports Commission (ASC) is pleased to note that the ANAO has found that the Active After-school Communities (AASC) program was successfully implemented by the ASC. The ASC believes that it overcame a number of significant challenges to successfully implement such an important high priority initiative within a very short timeframe.

51. The ASC has recognised that improvements can be made to the ongoing implementation of the program and has continued to review and refine Governance procedures and implementation processes. The ASC has taken on board the ANAO recommendations and has already addressed them or is currently taking steps to address them.

# Recommendations

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## Recommendation No. 1

### Paragraph 3.14

To improve the management of quality standards for the Active After-school Communities program, the ANAO recommends that the Australian Sports Commission:

- develop and apply a minimum standard for training and criminal history checks; and
- monitor the use of exemptions at the State and national levels.

Australian Sports Commission response: **Agreed**

## Recommendation No. 2

### Paragraph 3.33

To determine whether the Active After-school Communities program database is meeting the program's current and future needs, the ANAO recommends that the Australian Sports Commission review the purpose and function of the database.

Australian Sports Commission response: **Agreed**

## Recommendation No. 3

### Paragraph 4.29

To reduce the resources currently required to process grant applications for the Active After-school Communities program, the ANAO recommends that the Australian Sports Commission (ASC) review and streamline existing processes and assess the merits of automating the grant application process.

Australian Sports Commission response: **Agreed**

**Recommendation  
No. 4**

**Paragraph 4.35**

To improve the efficiency of acquitting Active After-school Communities program's grants, the ANAO recommends that the Australian Sports Commission adopts a risk based approach that includes:

- an assessment of the control environment for the program;
- a sampling methodology for selecting grants; and
- a process for analysing and communicating results.

Australian Sports Commission response: **Agreed**

## **Audit Findings and Conclusions**



# 1. Background and Context

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*This chapter discusses the Australian Sports Commission and the context for establishing the Active After-school Communities program. The audit objective, scope and methodology are also outlined.*

## Australian Sports Commission

**1.1** The Australian Sports Commission (ASC) plays a leadership role in the development and promotion of sport in Australia. It was established in 1985 and amalgamated with the Australian Institute of Sport in 1987. The ASC's objectives are to:

- secure an effective national sports system that offers improved participation in quality sports activities by Australians; and
- secure excellence in sports performance by Australians.<sup>10</sup>

**1.2** The ASC is a statutory authority operating under the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and the *Australian Sports Commission Act 1989* (ASC Act). It is governed by a Commission (referred to as the ASC Board) that is appointed by, and reports to, the Minister for Youth and Sport. Its Chief Executive Officer is responsible for the day-to-day operations of the ASC.

**1.3** The ASC is responsible for implementing the Government's sports policy. It manages the Australian Institute of Sport and programs for elite athletes and is the principal funding body for National Sporting Organisations. The ASC has also provided sports participation opportunities for school aged children through its earlier programs, such as Aussie Sport and the Active Australia Schools Network, delivered through the States and Territories.

## The National Action Agenda to address obesity

**1.4** In November 2002, Australian Health Ministers agreed that the increase in the rate of overweight and obesity in Australia's population was a significant public health problem, particularly, the rising incidence in children. The National Obesity Taskforce was established in 2003 and developed a

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<sup>10</sup> Australian Sports Commission, *Strategic Plan 2006–2009*, Canberra, 2006, p. 9.

*National Action Agenda—Healthy Weight 2008*.<sup>11</sup> The goals of this agenda are shown in Figure 1.1.

**Figure 1.1**

### **The goals of the National Action Agenda—Healthy Weight 2008**

In response to the escalating prevalence of childhood overweight and obesity, the initial focus of a national effort will be on children and young people (0–18 years) and the families that influence and support them. This has the potential in the longer term to reduce overweight and obesity in the broader adult population. The goals of Healthy Weight 2008 are:

1. Achieve healthier weight in children and young people through actions which first stop and then reverse the increasing rates of overweight and obesity;
2. Increase the proportion of children and young people who participate in and maintain healthy eating and adequate physical activity;
3. Strengthen children, young people, families and communities with the knowledge, skills, responsibility and resources to achieve optimal weight through healthy eating and active living;
4. Address the broader social and environmental determinants of poor nutrition and sedentary lifestyles; and
5. Focus action on giving children, young people and families the best possible chance to maintain healthy weight through their everyday contacts and settings.

Source: National Obesity Taskforce 2003

**1.5** In 2004, the New South Wales Centre for Overweight and Obesity conducted the *Schools Physical Activity and Nutrition Survey* of 5400 students from Kindergarten to Year 10. The survey showed, among other things, that the rates of overweight and obesity were increasing in children in New South Wales. A quarter of boys surveyed were categorised as being overweight or obese and almost the same proportion of girls.<sup>12</sup>

### **Building a Healthy, Active Australia**

**1.6** In June 2004, the then Prime Minister announced the *Building a Healthy, Active Australia* (BAHAA) package to address the growing problems of declining physical activity and poor eating habits of Australian children. The package included funding of \$116 million over four years, with four programs administered by three different agencies, as shown in Table 1.1.<sup>13</sup>

<sup>11</sup> National Health Ministers Advisory Council—National Obesity Taskforce, *Healthy Weight 2008*, 2003, Canberra, p. i.

<sup>12</sup> New South Wales Centre for Overweight and Obesity, *School Physical Activity and Nutrition Survey*, 2004, p. 6.

<sup>13</sup> Working Together for a Healthy, Active Australia<[www.healthylife.gov.au](http://www.healthylife.gov.au)>accessed on 17 March 2008.



**Table 1.1****Building a Healthy, Active Australia package**

Program name	Program description	Administered by
Active After-school Communities Program	To establish an after-school physical activity program in over 3000 primary schools and approved after school hours care services for an estimated 150 000 children	Australian Sports Commission
Active School Curriculum	As part of new funding conditions, education authorities were to include in their curriculum at least two hours of physical activity per week in primary schools and junior high schools	Department of Education, Employment and Workplace Relations
Healthy School Communities program	To provide grants of up to \$1500 to community organisations linked with schools (for example, Parents and Citizens Associations) to initiate activities to promote healthy eating	Department of Health and Ageing
Healthy Eating and Regular Physical Activity-Information for Australian Families	To develop and disseminate guidance and information on healthy eating and physical activity	Department of Health and Ageing

Source: Working Together for a Healthy Active Australia website

**1.7** The package has evolved over time and is now known as *Healthy Active Australia*. The AASC program remained a central component of the *Healthy Active Australia* package and was extended for a further three years (2008 to 2010) in April 2007.<sup>14</sup>

## Active After-school Communities program

**1.8** The AASC program was developed in 2004 and was intended to work in concert with all programs in the BAHAA package to address goal two of the *National Action Agenda—Healthy Weight 2008* (Figure 1.1). With funding of \$90 million over three years, the program delivers structured physical activity<sup>15</sup> sessions to up to 150 000 primary school aged children at sites after school between 3.00pm and 5.30pm.<sup>16</sup> Over 3000 sites in metropolitan, regional, rural and remote communities Australia-wide participate in the program.

<sup>14</sup> Funding of \$124.4 million over three years was provided for the package.

<sup>15</sup> Structured physical activity is defined by the ASC as an activity that is supervised or organised by someone appropriate and occurs at a set time and place.

<sup>16</sup> Sites are participating primary schools or Child Care Benefit approved Out of School Hours Care Services.

**1.9** The 'Playing for Life' philosophy, which uses a 'game sense' approach to coaching, underpins the program. The activities delivered in the AASC program are designed to increase children's participation in structured physical activity, develop fundamental motor skills and foster a life long love of physical activity.<sup>17</sup>

*Children participating in the AASC program*



Source: Photo courtesy of Australian Sports Commission

**1.10** The initial long-term objectives of the program were to improve the health and physical activity levels of Australian primary school aged children through a nationally coordinated program, and to grow community capacity.<sup>18</sup> These objectives were revised in January 2005 to enable the outcomes of the program to be evaluated and to give a greater emphasis to physical activity, which the ASC considers contributes to the health outcomes of participating children. The current program objectives and sub-objectives are to:

- enhance the physical activity of Australian primary school aged children through a nationally coordinated program:
  - increase participation levels of inactive children within structured physical activity;
  - attitude of inactive children towards structured physical activity improved; and

<sup>17</sup> Skills are gained while playing specially designed games, in five categories: invasion; striking and fielding; net and court; movement; and target games.

<sup>18</sup> The short-term objectives were the numbers of sites and children participating in the program.

- increase in fundamental motor skill development of inactive children;
- provide increased opportunities for inclusive participation in quality, safe and fun structured physical activities; and
- encourage local community involvement in structured physical activity and sport.

**1.11** Table 1.2 outlines the number of sites and children participating in the program and the actual funds expended since the program was established.

**Table 1.2**

**Total funding, participating sites and children per financial year**

Financial Year	Total Funding (\$ million)	Total number of participating sites	Total number of participating children
2004-05	11.6	1000	37 557
2005-06	27.5	1874	90 000
2006-07	39.2	3250	140 000
2007-08	43.1	3250	150 000
<b>Total</b>	121.4	N/A	N/A

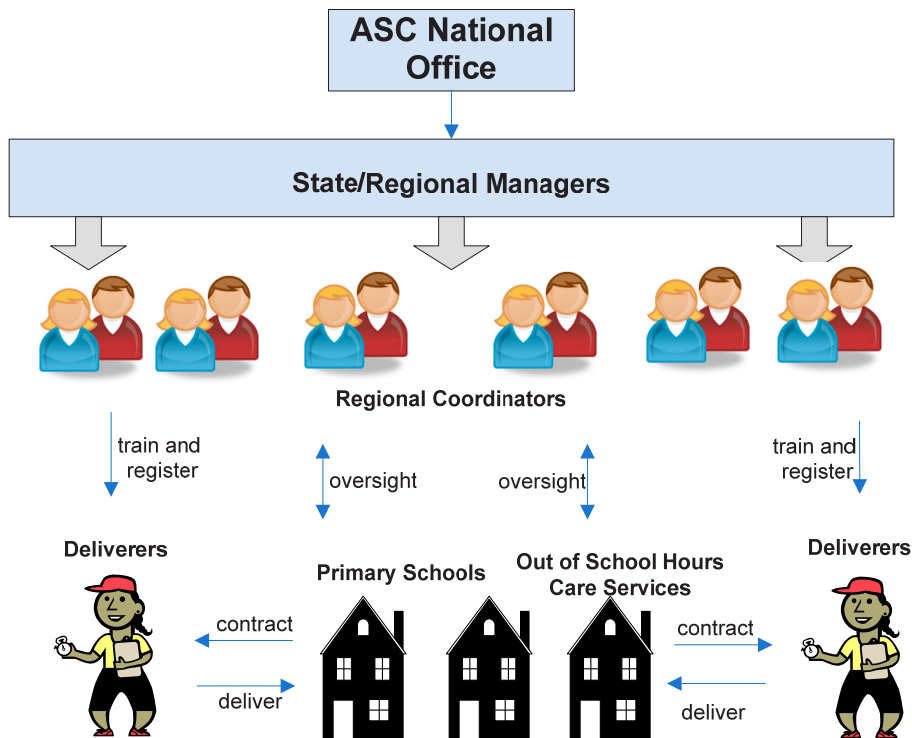
Source: Australian National Audit Office based on Australian Sports Commission data

## Delivering the program

**1.12** The program is coordinated nationally and managed in all States and Territories through a network of State and Regional Managers and Regional Coordinators, as shown in Figure 1.2. Implementing the program increased the number of ASC staff by 180, from 458 in June 2004 to 655 in June 2005, an increase of over 30 per cent.

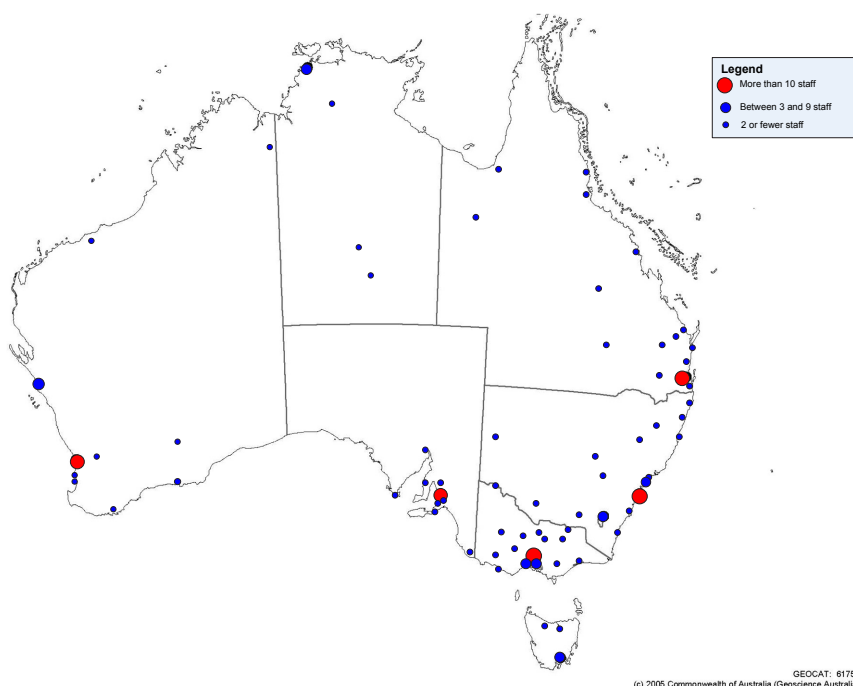
Figure 1.2

Organisational structure of the AASC program



Source: Australian National Audit Office based on Australian Sports Commission data

**1.13** Regional Coordinators have a primary role in delivering the program and are located in communities throughout Australia (as shown in Figure 1.3). Each Regional Coordinator is allocated to a specific region. For example, in the metropolitan area of Sydney a region could equate to a cluster of suburbs in the inner west of the city. In the Northern Territory, a region could cover a quarter of the Territory and may cross State borders into other parts of outback Australia. A Regional Coordinator will be responsible for, on average, 20 sites.

**Figure 1.3****Location of Regional Coordinators around Australia in 2007**

Source: Australian National Audit Office based on Australian Sports Commission data

**Sites participating in the AASC program**

**1.14** The program is only run at ASC approved sites. Sites are required to provide appropriate facilities, nominate a site co-ordinator for the program, contract and pay AASC registered deliverers, and supervise participating children. They are also required to develop strategies to target inactive children. By agreeing to participate in the program, sites accept responsibility for, and ownership of, the program, including the duty of care for the day to day running of the physical activity sessions.

**1.15** Sites that have been accepted into the program are eligible to apply for grant funding. These grants are not intended to cover the administration costs associated with running the activity sessions but are to be directed towards specific program costs, including:

- deliverers' fees and cost of supervision;
- venue hire and transporting children to and from venues; and

- equipment and afternoon tea.<sup>19</sup>

## Deliverers

**1.16** The funding agreement between the ASC and sites requires the site to engage ASC registered deliverers only to run the AASC physical activity sessions. To become fully registered with the ASC, deliverers must complete the Community Coach Training Program (CCTP) and be assessed as competent, and receive a satisfactory national criminal history check. The CCTP contains five modules and is provided free of charge by the ASC.<sup>20</sup> All deliverers must complete modules one and five regardless of their previous experience and training.<sup>21</sup> Deliverers must be re-registered every two years, including undergoing a new criminal history check. Deliverers may be recruited from a variety of sources, such as parents, community members, high school or university students, teachers, OSHCS workers, and local sporting club members. Deliverers may be volunteers, or may be professionals contracted by the site.<sup>22</sup>

## Special projects incorporating the AASC program

**1.17** The AASC program has been adapted for two special projects run in collaboration with the Department of Health and Ageing (DOHA) and the Department of Immigration and Citizenship (DIAC). DoHA provided the ASC with funding in April 2006 to implement a modified version of the AASC program, with a specific focus, for a two-year project in Anmatjere, a remote Northern Territory indigenous community. The project aimed to create a community owned, self-sustainable project that enhanced the physical activity levels and general health of the children in Anmatjere, and provided training, leadership and casual employment opportunities for young people in the community.

**1.18** The ASC and DIAC commenced the All Australian Sporting Initiative (AASI) program in September 2006. The AASI program is being undertaken in

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<sup>19</sup> OSHCS are funded for supervision and afternoon tea through their existing funding arrangements.

<sup>20</sup> The five modules are: a program overview; communication and behaviour management; safe environments; nutrition and well-being; and planning, preparing, delivering and reviewing 'Playing for Life' activity sessions. Modules One and Five are delivered face to face while the remaining modules may be completed online.

<sup>21</sup> Some deliverers may have prior learning recognised and receive credit for modules Two to Four.

<sup>22</sup> Some community members volunteer this time for a small fee to reimburse their costs incurred in delivering the program.

Lakemba and Macquarie Fields as a three-year pilot study. The initiative is part of the Australian Government's national action plan to address issues of concern to the whole Australian community and to support Australians from culturally diverse backgrounds to participate effectively in the broader community. The AASI program builds on the foundations of the AASC program by providing children and their families with the opportunity to participate jointly in sport to strengthen local community integration.

## Audit objective, scope and methodology

**1.19** The audit objective was to assess the effectiveness of the implementation and administration of the AASC program by the ASC. The extent to which the ASC is able to determine that the program is achieving its objectives was also examined. Particular emphasis was given to the following areas:

- the implementation and ongoing management of the program; and
- the selection of sites and administration of grants funded under the program.

**1.20** The elements of the *Building a Healthy, Active Australia* package undertaken by other agencies were not included in the scope of this audit. Broader aspects of the ASC were only examined where they related to the management of the AASC program.

## Audit Methodology

**1.21** The audit methodology included interviews with ASC management in Canberra, visits to a number of metropolitan, regional and remote sites and file and documentation reviews. To review the selection of sites and administration of grants, a sample of 67 expressions of interest from sites and 41 grants were examined, as well as the AASC database. As part of reviewing the AASC evaluation project, the ANAO sought advice from the Australian Bureau of Statistics Statistical Consulting Unit (ABSSCU) on the evaluation methodology and the reporting of preliminary results.

**1.22** The audit was conducted in accordance with ANAO auditing standards, at a cost of \$370 000.

**Acknowledgements**

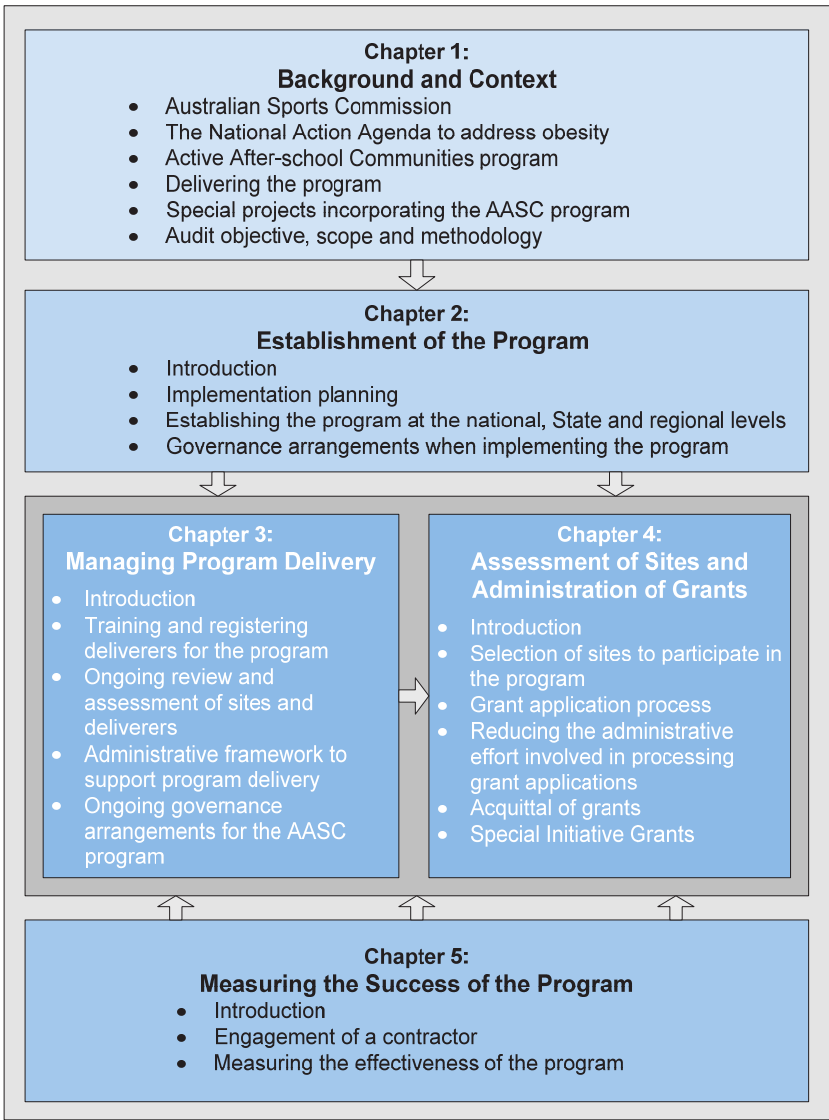
1.23 The ANAO would like to express its appreciation to the ASC and, in particular, the staff of the AASC program for their assistance in the conduct of this audit.

**Structure of the report**

1.24 The structure of the report is shown in Figure 1.4.

**Figure 1.4**

**Structure of the report**





## 2. Establishment of the Program

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*This chapter discusses the context for policy and program implementation in the Australian Sports Commission and examines the establishment of the Active After-school Communities program.*

### Introduction

**2.1** In response to the then Prime Minister's request for options to address the problem of childhood obesity, the ASC developed proposals for a structured physical activity program for primary school aged children.<sup>23</sup> In April 2004, a meeting of senior cross portfolio staff was convened to discuss the various proposals put forward by agencies and the ASC's out of school hours program was seen as the most viable option.

**2.2** In late May 2004, PM&C advised the ASC that, after consideration of its proposals, the AASC program had been approved, with specific parameters and funding. The program was to be delivered by the ASC through a network of staff rather than through its State and Territory counterparts. The Government decided that the three year program was to:

- be run at at least 3250 sites;
- include Child Care Benefit (CCB) registered Out of School Hours Care Services (OSHCS) as well as primary schools;
- cater for a minimum of 150 000 children;
- be offered free to participating families; and
- provide a network of 162 Regional Coordinators.

**2.3** The program was to be fully implemented during Terms 3 and 4, 2005. A typical structured physical activity session was to include some free play, a nutritious snack and around one hour of structured physical activity one or more days a week for 40 school weeks of the year.

**2.4** The ANAO examined the implementation of the program from its announcement in June 2004 to November 2005<sup>24</sup>, including implementation planning, the establishment of the program at national, State and regional levels, and governance arrangements.

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<sup>23</sup> The proposals included in school and out of school hours structured physical activity programs.

<sup>24</sup> The ongoing management of the program is discussed in Chapter Three.

**2.5** The ASC advised that not all decisions and activities during the implementation phase of the program were routinely documented. In some instances, to put into context the ASC's establishment of the program, the ANAO has relied on advice from the program management team and information provided in reports to external parties.

## Implementation planning

**2.6** The ASC had to amend its implementation strategy, program design and budget to fit within the parameters and \$90 million funding (over three years) approved by the then Government.<sup>25</sup> It also had to review how it could provide grants to the sites, as the funding did not include a specific component for grants. Additional funding of \$12 million was subsequently transferred from the ASC's Targeted Sport Participation Growth program to the AASC program for this purpose, with the approval of the then Prime Minister. The ASC was unable to promote the program, enter into contracts or hire staff during 2004 election caretaker period, which delayed implementation. Consequently, the ASC decided to adopt a staged roll out of the program and developed targets for recruiting sites, which also released additional funds.

### Implementation plan developed for the Department of the Prime Minister and Cabinet

**2.7** As the AASC program was monitored by the Cabinet Implementation Unit (CIU) in PM&C, the ASC was required to develop an implementation plan, which it lodged with PM&C in September 2004 (Plan One). A second plan was lodged in November 2005 (Plan Two), which included the revised timetable for recruiting sites. The ASC advised that it worked closely with PM&C during the early stages of the program and that both implementation plans were emailed directly to PM&C. The AASC program management team advised that oral approval of the plans was given by the responsible Director.

**2.8** The plans outlined the deliverables for the program, key milestones and success factors, which are outlined in Table 2.1. Although there were no key performance indicators to measure whether the objectives of the program had been achieved, the plans included provision for an evaluation of the program, which is discussed in Chapter Five.

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<sup>25</sup> The ASC advised that the original appropriation for the program was \$10 million less than the budget proposed by the ASC.

**Table 2.1****Success factors included in the AASC Implementation Plan**

Output	Success criterion
Implementation plan	Used as a management tool
Registration of deliverers	Number and availability of registered deliverers
Uptake of sites	As per the specific target for the semester
Participation of children	As per the specific target for the semester
Growth in community capacity	Increase in skilled professionals Enhanced links between schools and community organisations Growth in participation with local sporting organisations

Source: Australian National Audit Office based on information from the Australian Sports Commission

**2.9** Both implementation plans included a program budget.<sup>26</sup> The budgets had provision for salaries, travel, grants, depreciation, suppliers and information technology related items. In addition, corporate costs and allocations for corporate account managers were included. The ASC advised that the Government's decision and the program budget agreed in 2004 did not provide for a national administration component. In Plan Two, the budget was revised to include national office staff (that is, the program manager, the project manager and administrative staff).

### *Meeting implementation milestones*

**2.10** The revised timetable in Plan Two stated that the program would commence within seven months of the announcement.<sup>27</sup> Under this ambitious timeframe, multiple tasks had to be undertaken in parallel, such as recruiting staff, establishing infrastructure, negotiating and consulting with stakeholders and developing policies and guidelines to support the program. The implementation strategy outlined the milestones and timelines, and the actions taken to meet these milestones were reported to the CIU on a quarterly basis.<sup>28</sup> The ANAO reviewed the CIU reports and, against the majority of the milestones, the ASC reported that the implementation was on track or only

<sup>26</sup> The ANAO was advised that the budget underwent many revisions, which were not retained as part of ASC documentation.

<sup>27</sup> According to Plan One the program was to be fully implemented in Term Two 2005. However, the ASC advised that the initial start date was in Term Four, 2004.

<sup>28</sup> The ASC continued to report quarterly to the CIU from September 2004 until July 2007.

required minor refinement as there were no significant difficulties or risks emerging. The AASC program management team advised that the reports were reviewed and approved by the Director and the General Manager responsible for the program.

### *Assessment of risks*

**2.11** The implementation plans included a risk management plan documenting eleven risks across the following areas: media profile; implementation timeframes; community capacity; program safety and quality; and funding levels beyond 2007. Program safety and funding issues were identified as high priority and were given an extreme risk rating. Strategies to mitigate the identified risks were also outlined in the implementation plans. The ANAO considered this was a reasonable assessment of strategic risks facing the program at the concept stage. Between Plan One (September 2004) and Plan Two (November 2005), there is evidence of some limited review of the risk management plan. For example, three new mitigation strategies were added and accountabilities were updated to reflect changes in staff. However, the practical experience gained in establishing the program was not reflected in the risk management plan submitted 14 months later in Plan Two, as it did not include operational risks. This was particularly important as the ASC advised that this was the only risk management plan developed for the program.

### *Communication strategy*

**2.12** Prior to the establishment of the AASC program, the ASC already had a good understanding of its environment and relevant stakeholders. It also had existing mechanisms for engaging with stakeholders, such as National Sporting Organisations.<sup>29</sup> Both implementation plans included a list of key stakeholders and a broad communication strategy, outlining the messages and information to be delivered to stakeholders.

**2.13** Consultation with State and Territory stakeholders during the early stages of the program was not documented. For example, in 2004, the ASC conducted roadshows in Sydney and Melbourne to consult with representatives from National Sporting Organisations and almost all State and Territory Departments of Sport and Recreation. However, the issues raised and the feedback given at these sessions were not recorded. Nevertheless, these meetings provided the foundation for more formalised consultation forums,

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<sup>29</sup> The ASC provides quarterly updates to National Sporting Organisations.

such as the National Strategic Advisory Committee for the AASC program and its state-based counterparts.

### *Program objectives*

**2.14** The Government decision did not define objectives for the program beyond the number of participating sites and children. In preparing its implementation plan for the CIU, the ASC articulated long-term and short-term objectives for the program. These objectives were later revised (in January 2005) when developing the methodology for evaluating the program.<sup>30</sup> The revised objectives were included in Plan Two, lodged in November 2005.<sup>31</sup> Table 2.2 shows the change in objectives from Plan One to Plan Two.

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<sup>30</sup> The evaluation project was being undertaken in parallel with implementing the program and is discussed in Chapter Five.

<sup>31</sup> The ASC advised that it continually overwrote the original plan until Plan Two was lodged with the CIU in November 2005. Therefore, it is not possible to determine with any precision when changes to the original plan took place. For that reason, changes have been attributed to the date of Plan Two.

**Table 2.2**

**AASC program objectives**

Plan One Objectives
<p>Long term</p> <ul style="list-style-type: none"> <li>• To improve the health and physical activity levels of Australian primary school aged children through a nationally coordinated program that provides opportunities for inclusive participation in quality, safe and fun sporting activities.</li> <li>• To grow community capacity and stimulate local community involvement in sport to increase participation levels.</li> </ul> <p>Short term</p> <ul style="list-style-type: none"> <li>• 3250 Australian primary schools and/or CCB approved OSHCS to participate in the AASC program.</li> <li>• 150 000 Australian children to participate in the AASC program (approximately 50 children per school/CCB approved OSHCS).</li> </ul>
Plan Two Objectives
<ul style="list-style-type: none"> <li>• To enhance the physical activity of Australian primary school aged children through a nationally coordinated program. <ul style="list-style-type: none"> <li>– Increase participation levels of inactive children within structured physical activity</li> <li>– Attitude of inactive children towards structured physical activity improved</li> <li>– Increase in fundamental motor skill development of inactive children</li> </ul> </li> <li>• Provide increased opportunities for inclusive participation in quality, safe and fun structured physical activities.</li> <li>• To grow community capacity and stimulate local community involvement in sport and structured physical activity.</li> <li>• 3250 Australian primary schools and/or CCB approved OSHCS to participate in the AASC program.</li> <li>• 150 000 Australian children to participate in the AASC program (approximately 50 children per school/CCB approved OSHCS).</li> </ul>

Source: Australian Sports Commission

**2.15** The revised objectives gave greater emphasis to the concept of ‘inactivity’ and moved away from the original health focus. The ASC advised that the AASC program was intended to address the physical activity components of the ‘health’ outcome, and that it is generally accepted that physical activity is a critical factor in improving health. Neither the initial nor the revised objectives were endorsed by the then Government or approved by anyone outside of the AASC program management team. The manner in which the program objectives were developed had flow-on effects for the program. For example, initial Expressions of Interest (EOIs) from schools and OSHCS were sought prior to the program objectives being documented. Subsequent changes to the EOI forms and site recruitment processes reflected a

gradual alignment with the new concept of ‘inactivity’. The recruitment of sites is discussed in Chapter Four.

## Conclusion

**2.16** The ASC successfully implemented a program that was considerably different to the one it had originally proposed, particularly in terms of the funding available and the number of sites participating. The implementation timeframe of seven months was also ambitious. The program was re-designed to accommodate the parameters decided by then Government and a phased in approach to the recruitment of sites was adopted.

**2.17** The two versions of the implementation plan reviewed by the ANAO were comprehensive and demonstrated that the ASC had considered the program’s operational needs in its early stages. The strategic risks associated with implementing the program were identified and mitigation strategies developed. However, the risks were not reviewed when developing the second implementation plan to reflect the operational reality of the program.

**2.18** The ASC consulted widely across all stakeholder groups. However, the paucity of documentation of the first round of State and Territory stakeholder consultation meant that it was not clear whether the issues raised by the various stakeholders were addressed in the program design and implementation.

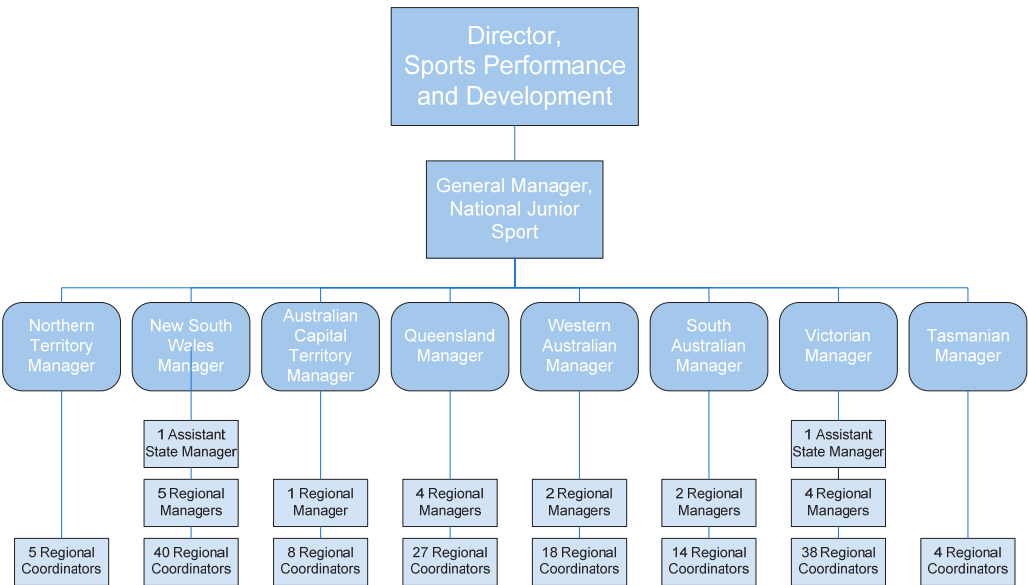
**2.19** As the Government decision did not include a formal objective, the ASC developed long and short term objectives for the program. The long-term objective was later revised to give greater emphasis to physical activity. The ANAO considers that the approval of the AASC program objective and the changes to the objective over time lacked the authority normally associated with new program initiatives. It would have been prudent to have sought formal approval of the program’s objectives from the then Minister to ensure alignment between the Government’s expectations and the ASC’s plans for delivery of the program.

## Establishing the program at the national, State and regional levels

**2.20** The AASC program is supported by a national and State/Territory based management framework. Figure 2.1 illustrates the management framework in place during the establishment of the AASC program.

Figure 2.1

National, State and Territory AASC program management framework<sup>32</sup>



Source: Australian National Audit Office based on Australian Sports Commission data

## Establishing the management framework

**2.21** Managers were recruited by the ASC for each State and Territory and, with senior staff in Canberra<sup>33</sup>, formed the National Management Team. The team was responsible for coordinating strategic and operational aspects of the program and met quarterly to discuss national operational issues.<sup>34</sup> Each State Manager reports to the General Manger and is responsible for ensuring the program is delivered in their respective State, consistent with the national standards.

**2.22** The decision to establish the program stated that 162 Regional Coordinators were to be employed on contract and located in communities across Australia. The ASC recruited most of the Regional Coordinators in a one week period in August 2004, using the services of a recruitment agency and staff from across the ASC.

<sup>32</sup> As of July 2007, a new division was created within the ASC called Community Sport. The General Manager of National Junior Sport was promoted to the Director of Community Sport and now reports directly to the CEO.

<sup>33</sup> Currently this is the Director of Community Sport and the General Manager of the AASC program.

<sup>34</sup> The quarterly meetings were supplemented by regular telephone conferences.



## **Accommodation and infrastructure**

**2.23** Regional Coordinators were accommodated in either: State/Territory Departments of Education; Departments of Sport and Recreation; or commercial accommodation. To enable Regional Coordinators to communicate with program staff and the national office team, the ASC had to put in place appropriate communications infrastructure. A secure web-based server was developed so that participants and staff could gain access to program data and corporate systems. The ASC advised that the success of this infrastructure development had flow on benefits to the rest of the organisation as it was a substantial upgrade.

## **Initial staff induction training**

**2.24** The ASC needed to train staff and deliverers in the 'Playing for Life' approach, develop educational resources, and design quality assurance processes. For the initial induction training in November 2004 and January 2005, the ASC trained staff in delivering the 'Playing for Life' philosophy. The training covered the essential principals of what became the Community Coach Training Program (CCTP).<sup>35</sup> In late January 2005, the first version of the CCTP package was ready and State Managers received further training. They, in turn, delivered this training to Regional Coordinators in their State or Territory. This meant that, in a relatively short timeframe, program staff had received training in how the program was to be delivered.

## **Recruiting primary schools and OSHCS**

**2.25** In July 2004, expressions of interest were sent to primary schools and OSHCS to invite them to participate in the program. The program commenced with a pilot of 19 schools in Term One, 2005. During this time, Regional Coordinators prepared a further 897 sites to commence the program in Term Two. The target for the end of 2005 was 1491 sites and the actual number of sites recruited was 1416. The ASC advised that the target was not met because of over demand in some regions and under demand in others.<sup>36</sup>

**2.26** As the ASC required that only ASC registered deliverers were to run the program sessions, Regional Coordinators had to train all deliverers in the CCTP. In 2004–05, approximately 6000 potential deliverers were trained,

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<sup>35</sup> The Community Coach Training Program is a program developed by the Australian Sports Commission to ensure registered deliverers understand the program objectives, safety standards and training approach.

<sup>36</sup> The selection of sites to the program is discussed further in Chapter Four.

although not all became deliverers. The ASC also required deliverers to have criminal history checks and adequate public liability and professional liability insurance coverage before commencing delivery of the program. The training and registration of deliverers is discussed in Chapter Three.

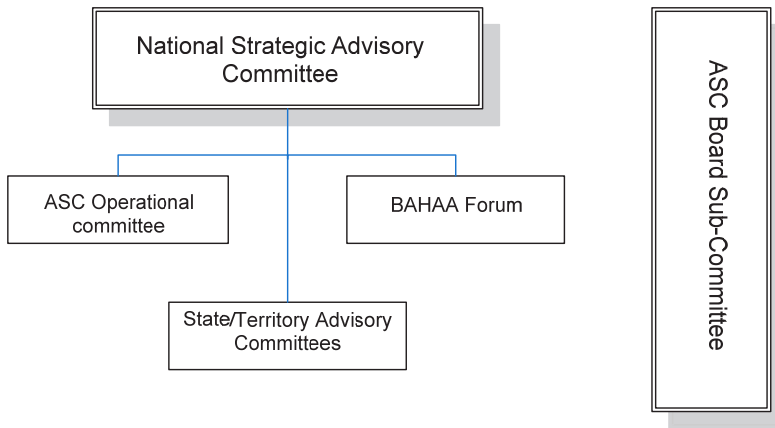
## **Conclusion**

**2.27** The ASC effectively implemented the AASC program in a short time frame. Staffing levels increased by 30 per cent as the ASC established a national office team and recruited State and Regional Managers and a network of Regional Coordinators to manage and deliver the program. Although the program concept had been developed at the policy development stage, there was no program material, staff or infrastructure in place at the time of the announcement of the program. The ASC provided accommodation, communications infrastructure, recruited staff and provided induction training within a very short timeframe. However, the timeframe also placed additional pressure on the national management team to commence the program before procedures, processes and education resources were finalised. The program fell slightly short (5 per cent) of its participation target of 1491 sites for Term Four, 2005.

## **Governance arrangements when implementing the program**

### **Proposed governance arrangements**

**2.28** The second implementation plan outlined a governance structure for the program that included internal and external stakeholder forums as illustrated in Figure 2.2.

**Figure 2.2****AASC program governance structure outlined in the second implementation plan**

Source: Australian Sports Commission

**2.29** The National Strategic Advisory Committee and the BAHA Forum did not have the capacity or authority to be part of the AASC program's governance framework. The arrangements also included the ASC Operational Committee. The ASC advised that this committee did not meet and was replaced by a cross-Commission working group that met informally to share information on the status of implementation actions of the various corporate account areas. A sub-committee of the ASC Board was set up to 'advise and oversee' the program in August 2004.

### **Governance arrangements in practice**

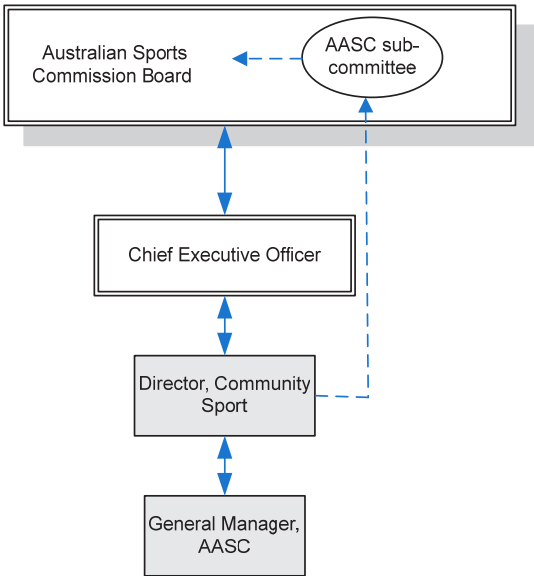
**2.30** The ASC governance arrangements for the program included oversight by the ASC Board and a management framework within the ASC responsible to the CEO. Under these arrangements, the General Manager of National Junior Sport Division reported fortnightly to the Director of Sports Performance and Development as illustrated in Figure 2.3.<sup>37</sup> There were also fortnightly management meetings between the Director and the CEO. Reporting at this meeting was by exception with action items being agreed and updated before each meeting. Although the AASC program was discussed at these meetings, key decisions and the reasons for them were not routinely

<sup>37</sup> As of July 2007, a new division was created within the ASC called Community Sport. The General Manager of National Junior Sport was promoted to the Director of Community Sport and now reports directly to the CEO. The AASC program and Junior Sport are contained within this new division.

documented. There were also no regular management reports relating to the program prepared for the CEO.

**Figure 2.3**

**Actual governance arrangements for the AASC program**



Source: Australian National Audit Office

**Board AASC sub-committee**

**2.31** The Board AASC sub-committee first met on 6 August 2004 and continued to meet during the establishment period. However, minutes were not recorded for these meetings until May 2005. Although the *Australian Sports Commission Act 1989* requires sub-committees formed by the Board to have a quorum specified<sup>38</sup>, no quorum was specified for the AASC sub-committee. There were also no formal terms of reference documented for the sub-committee. The CEO advised that the sub-committee was not intended as a decision making body and the minutes of the sub-committee meetings confirm that no decisions were made.

**2.32** Developing and agreeing on terms of reference for the sub-committee would have provided a basis for all parties to understand the role of the sub-committee and ensured its members had a clear understanding of their delegated responsibility. Although the sub-committee has been put forward as a governance mechanism, it does not appear to have operated in this capacity.

<sup>38</sup> Section 22(4).

For example, neither the sub-committee nor the Board were asked to review the implementation plans or endorse the objectives of the program.

**2.33** The AASC program management team advised that it prepared discussion points for the sub-committee covering, for example: the number of sites participating in the program; promotion opportunities or activities; and the resources to be provided to participants. The Chair of the sub-committee used these discussion points, which were also included in the Board papers, to orally brief the Board. The CEO and the Chair of the Board also briefed the Minister on the activities of the ASC (including the AASC program) every six months.

## **Conclusion**

**2.34** Although there was a governance framework in place to support the implementation of the program, it did not operate as effectively as it could have. There were regular meetings between: the General Manager of the National Junior Sport Division and the Director of Sport Performance and Development; and between the CEO and the Director. However, key decisions and the reasons for these decisions were not routinely documented.

**2.35** At the program level, regular management reporting to the CEO would have provided an avenue for demonstrating progress in implementing the program and whether key milestones were met and any significant outstanding issues addressed. The quarterly reports to the CIU would also have provided a mechanism for executive oversight.

**2.36** The governance arrangements would also have been more effective if terms of reference had been developed for the Board AASC sub-committee, clearly defining its role and delegated responsibilities. In addition, a quorum should have been specified for the sub-committee as required by the ASC Act.

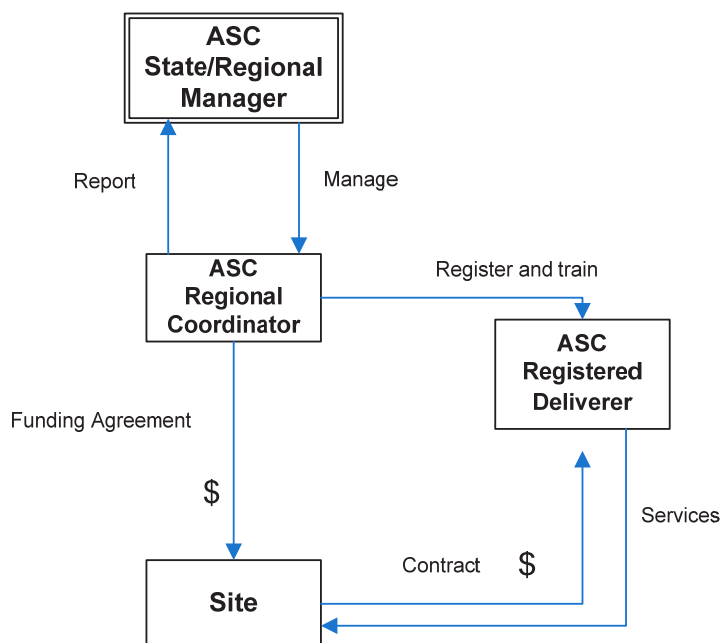
# 3. Managing Program Delivery

*This chapter provides an overview and analysis of the ongoing management of the Active After-school Communities program.*

## Introduction

**3.1** As previously noted, the AASC program is managed at the national, State and regional level. Sites recruited to the program contract deliverers, who are trained and registered by Regional Coordinators, to deliver structured physical activity sessions. Sites have a duty of care when running the program. That is, the sites run the program at their own risk, hire deliverers and are responsible for the supervision of children, including health and safety arrangements. The relationship between the program, sites and deliverers is shown in Figure 3.1.

**Figure 3.1**  
**Relationship between State Managers, Regional Managers, Regional Coordinators, deliverers and sites**



Source: Australian National Audit Office

**3.2** The Regional Coordinators have a primary role in delivering the AASC program as they are responsible for:

- recruiting sites to run the program;
- recruiting, training and registering deliverers;
- undertaking the administrative aspects of grant applications and acquittals, deliverer criminal history checks and Community Coach Training Program (CCTP);
- oversighting and quality control of program delivery; and
- building relationships with sporting clubs and community organisations.

The Regional Coordinator's role in selecting sites and administering grants is discussed in Chapter Four.

**3.3** In assessing the ongoing management of the program, the ANAO reviewed the training and registering of deliverers, quality assurance processes, the administrative framework supporting the program and governance arrangements. As part of the assessment, the ANAO also visited sites in selected remote, rural, regional and metropolitan areas to discuss the administration of the program with State and Regional Managers and Regional Coordinators.

## **Training and registering deliverers for the program**

**3.4** The design of the AASC program established two major quality controls over program delivery. These are that deliverers:

- complete all modules of the CCTP; and
- undertake a criminal history check.

**3.5** The funding agreements between the ASC and sites require that only ASC registered deliverers are contracted to run program sessions. Deliverers are sourced from the community and, as noted previously, can be parents, teachers, students, local sporting club members and OSHCS workers, or private providers who engage professional coaches. The turnover of deliverers presents challenges for Regional Coordinators as they need to continually recruit and train deliverers as well as assess the quality of program delivery.

**3.6** The ASC has adopted a quality based approach to training and registering deliverers. This model is illustrated in Figure 3.2.

**Figure 3.2**

**Quality management process for the AASC program**



Source: Australian Sports Commission

## **Deliverer training**

**3.7** All deliverers must complete the CCTP before they can become a fully registered deliverer. Training is provided free of charge and is available to interested community members and private providers.<sup>39</sup> Not all those who undertake the CCTP become deliverers. The CCTP contains five modules, as shown in Table 3.1, and deliverers must complete modules one and five, regardless of previous experience or training. Deliverers may have prior learning recognised and credit may be given for the other three modules.<sup>40</sup> Evidence of prior learning is assessed by Regional Coordinators and recorded on the AASC database and deliverer's file.

<sup>39</sup> A number of resources supporting the 'Playing for Life' approach are provided on a CD and in hard copy to deliverers.

<sup>40</sup> Automatic credit is given to deliverers who are a qualified teacher or a person in their fourth year of teacher training; or have completed the National Coach Accreditation Scheme (NCAS) Beginning Coaching General Principles (or NCAS entry level coaching accreditation); and/or have completed a Certificate III in Childcare or above.



**Table 3.1****Community Coach Training Program (CCTP)**

Module	Status	Presentation method
1. Active After-school Communities Program Overview	Compulsory	Face-to-face
2. Communication and behaviour management	Prior learning recognised	On line or face-to-face
3. Safe environments	Prior learning recognised	On line or face-to-face
4. Nutrition and well-being	Prior learning recognised	On line or face-to-face
5. Planning, preparing, delivering and reviewing 'Playing for Life' activity sessions	Compulsory	Face-to-face

Source: Australian National Audit Office based on Australian Sports Commission data

**Probationary registration**

**3.8** To apply for registration, the deliverer must complete the relevant registration form.<sup>41</sup> Potential deliverers must also provide evidence of a current satisfactory National Criminal History Record Check or Working with Children Check.<sup>42</sup> If deliverers are in a State<sup>43</sup> where mandatory legislation applies to working with children and have not completed these checks, they will be required to apply through the relevant authorities. In a State/Territory<sup>44</sup> where legislation is yet to be introduced and deliverers do not have a current criminal history check, they may apply through the ASC, as it is an agency of CrimTrac. Where the ASC facilitates the check, the deliverer submits a criminal history check form and 100 points of identification to the Regional Coordinator. The documentation is then sent to national office for processing and the relevant information entered into the AASC database. On successful completion of the training and the criminal history check, a deliverer will usually progress to probationary deliverer status and commence delivering sessions. The training and registration process are shown in Figure 3.3.

<sup>41</sup> There are three types of registration forms: for sole providers, internal providers and for deliverers from organisations. Organisations must first apply for recognition in order to nominate deliverers for registration.

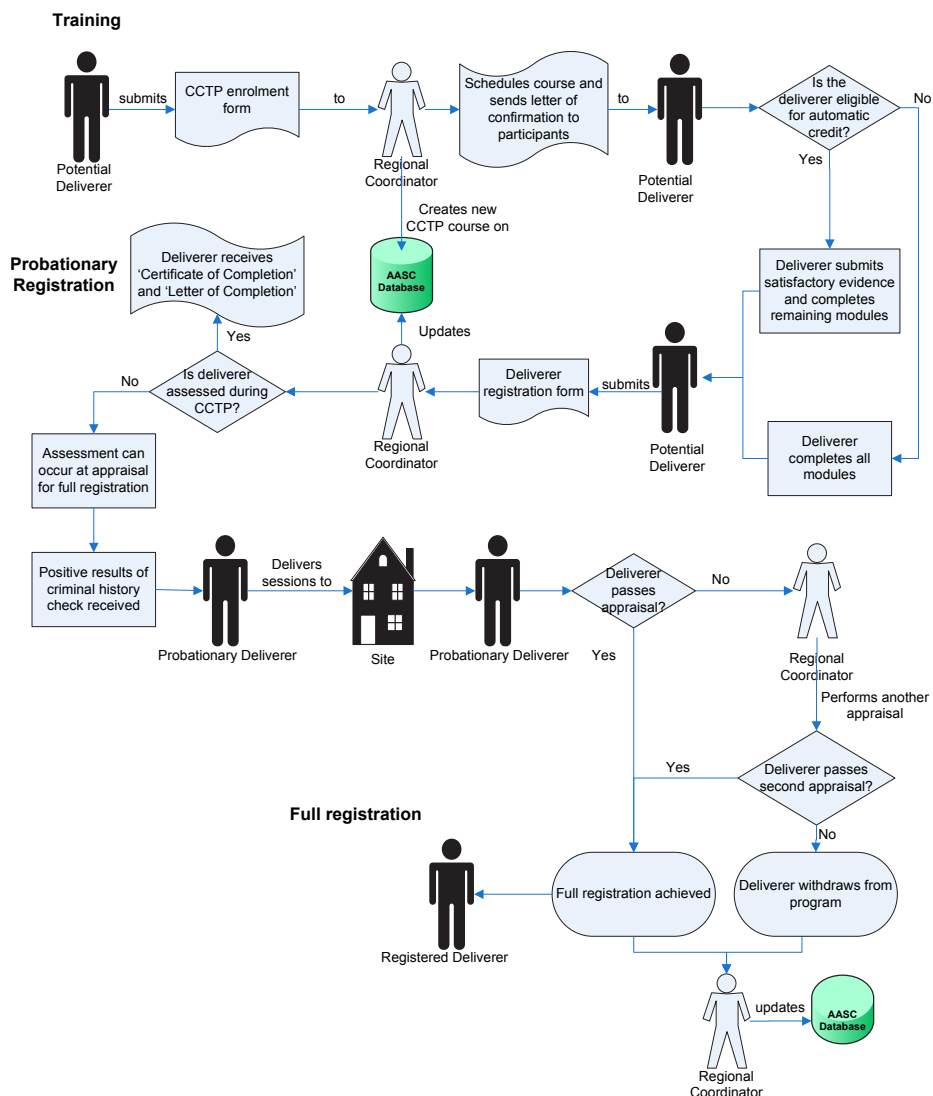
<sup>42</sup> The New South Wales office of the AASC program facilitates Working With Children Checks through the NSW Department of Education and Training for deliverers in that State.

<sup>43</sup> These States include New South Wales, Queensland, Western Australia and Victoria.

<sup>44</sup> These States include Australian Capital Territory, Tasmania, Northern Territory and South Australia.

**Figure 3.3**

## Normative training and registration process for the AASC program



Note: The diagram does not include the exemption process.

Source: Australian National Audit Office based on Australian Sports Commission data

## Training and criminal history exemptions

**3.9** A deliverer can be given an exemption from the training and/or a criminal history check for the six month probationary period (termed 'probationary with exemption'). The probationary period can be extended for up to a maximum of 12 months. In these cases, the site is required to sign an exemption form for the deliverer. If a site is unwilling to engage a deliverer

with an exemption, another registered deliverer would need to be sourced, impacting on the ability of the site to commence the program on the allocated commencement date.

**3.10** In 2007, 8384 deliverers were presenting physical activity sessions at AASC program sites and, of these, 3625 (43 per cent) were probationary deliverers. Of these probationary deliverers, 634 (17.5 per cent) had a training exemption and 298 (eight per cent) had an exemption from a criminal history check.<sup>45</sup> Exemptions are negotiated between the deliverer, the Regional Coordinator and the site without oversight by the State Manager or national office. The Regional Coordinator must indicate on the database that the site has granted an exemption to the deliverer. However, this entry only indicates that an exemption is granted and the type and it does not include the reasons for the exemption. The ANAO examined files of 41 sites, ten of which had granted 27 separate exemptions. Of these :

- 16 were exemptions from the criminal history check;
- four were from the CCTP;
- six were from both the CCTP and criminal history check; and
- one exemption type was not specified.


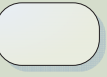
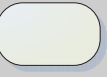
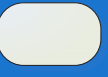
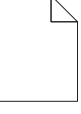
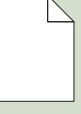










**3.11** Where deliverers had received an exemption from the training requirement, it was not possible to determine from the information available whether they had any training in the 'Playing for Life' philosophy. The 'Playing for Life' approach underpins the structured physical activity sessions that the AASC program is to deliver. It is this approach that the ASC considers makes the program stand apart from others. For example, sites could hire coaches independent of the AASC program to provide coaching to enrolled children, whereas the AASC program has in place a methodology, standards and a quality assurance process. It is recognised that there may be legitimate reasons for granting exemptions to deliverers, particularly in the early stages of the program. However, under current arrangements, a deliverer may commence presenting sessions with no training or national criminal history check, which means that there are no minimum quality standards operating for AASC deliverers. Granting exemptions to these key quality controls runs the risk of undermining the quality of the program delivery, as shown in Figure 3.4.

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<sup>45</sup> Probationary deliverers could have received both exemptions.

**Figure 3.4**

**AASC minimum standards of training and criminal history checking**

Steps in the process	Probationary deliverer with exemption	Probationary deliverer	Fully registered deliverer	Deliverer re-registration process every two years
Completed CCTP training ↓	 ?	 ✓	 ✓	 ✓
Received a satisfactory criminal history check ↓	 ?	 ✓	 ✓	 ✓
Satisfactory appraisal achieved as assessed by Regional Coordinator ↓	 ✗	 ✗	 ✓	 ✓
Delivers 'Playing for Life' structured physical activity sessions	 ✓	 ✓	 ✓	 ✓

Source: Australian National Audit Office based on data supplied by the Australian Sports Commission

## Full registration and re-registration

**3.12** For a deliverer to become fully registered with the program, a Regional Coordinator must assess the deliverer, within six months, usually during an AASC session.<sup>46</sup> If the deliverer fails the appraisal, the probationary period can be extended for a further six month period. In these instances, the Regional Coordinator will provide feedback on the areas the probationary deliverer needs to improve and schedule another appraisal. Fully registered deliverers are required to undergo re-registration every two years. As part of the re-registration process, deliverers must also undergo another criminal history check and either a refresher CCTP course or other evidence of competency, such as sports related training.

<sup>46</sup> According to the AASC Operations Manual, this session must be for a minimum of 60 minutes. The Regional Coordinator examines various aspects of the delivery of the session, including behaviour management, delivering the 'Playing for Life' techniques and how well the deliverer interacts with the children.

## Conclusion

**3.13** There is a methodology, delivery approach, training and appraisal processes in place for deliverers that are designed to ensure the quality of the AASC sessions and the appropriateness of deliverers. However, exemptions from these quality standards are being granted. For example, some probationary deliverers running AASC sessions at sites in 2007 had exemptions from training (17 per cent) and from criminal history checks (8 per cent). The ANAO considers that allowing exemptions for these two key quality controls risks undermining the quality of program delivery. To mitigate this risk, steps need to be taken at both the State and national levels to monitor the use of exemptions. Also, minimum standards should be introduced such as requiring a probationary deliverer to complete a criminal history check form, if there is no existing check, and to complete the mandatory modules of the CCTP before commencing delivery of AASC physical activity sessions. The administrative process for training and registering deliverers could also be streamlined by combining the current forms and/or introducing an automated application process, which is discussed in Chapter four.

## Recommendation No.1

**3.14** To improve the management of quality standards for deliverers in the Active After-school Communities program, the ANAO recommends that the Australian Sports Commission:

- develop and apply a minimum standard for training and criminal history checks; and
- monitor the use of exemptions at the State and national levels.

*Australian Sports Commission response:*

**3.15** Agreed.

**3.16** The ASC has contracted an external party to review and produce a new framework and policies for all of the AASC quality standards including training and criminal history checks and exemptions.

## Ongoing review and assessment of sites and deliverers

**3.17** The AASC program quality standards also require the ongoing assessment and review of sites and deliverers by Regional Coordinators. For sites, the focus of review includes: the quality of supervision; the facilities

available to run sessions; equipment purchased or used for the program; and the number of children participating in sessions. The main focus of ongoing assessment for deliverers is how well the 'Playing for Life' sessions are being presented.

**3.18** Due to the nature of the program, Regional Coordinators have limited opportunities to visit sites while an activity session is in progress.<sup>47</sup> The program runs for 28 weeks per year and the average number of sessions at a site is two per week. Sites also tend to run the program on the same days (Tuesday, Wednesday and Thursday). For sites operating only one session per week, the window of opportunity narrows to a maximum of 28 opportunities a year. Regional Coordinators may also find it difficult to visit more than one site in an afternoon in rural and regional areas because of the distance involved, and in metropolitan areas, because of the traffic. On average, a Regional Coordinator has a maximum of 84 opportunities per year to observe the program.<sup>48</sup>

**3.19** The quality standards for assessing deliverers require an on-site appraisal of a new deliverer within six months of gaining probationary registration. Using the 2007 numbers for CCTP training, this would mean, on average, 23.5 deliverers to be appraised per Regional Coordinator. Regional Coordinators must then conduct ongoing appraisals twice per year, once a deliverer is fully registered. Although there was sufficient time to conduct site and deliverer appraisal visits in 2007, the program was not operating at full capacity until Term Three. The ASC advised that the number of site visits will increase from 2008 and this could impinge on the Regional Coordinator's ability to perform other tasks, such as community development work with local sporting organisations.

**3.20** To ensure adequate quality control over the program, and to better manage the Regional Coordinators' workload, the ANAO considers that there would be benefits in the ASC adopting a risk-based quality assurance approach to ongoing assessment. For example, where a site has been running the program well for a long period of time, with stable deliverers, the Regional Coordinator may assess them as low risk and visit them less frequently, maintaining contact through telephone and email. A newer site, with a new

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<sup>47</sup> On average, a Regional Coordinator is responsible for 20 sites.

<sup>48</sup> That is 28 weeks by three times per week. Using the mean number of session this reduces the number of available times to 56.

deliverer or deliverer with exemptions, would be assessed as being a higher risk and would require more regular visits.

**3.21** During site visits, the ANAO observed sessions being run that did not fully apply the 'Playing for Life' methodology. The Regional Coordinators provided these deliverers with feedback to improve future sessions. These interactions emphasised the importance of the role of the Regional Coordinator in providing quality assurance over program delivery.

## Conclusion

**3.22** Regional Coordinators have a major quality assurance role in ensuring that structured physical activity sessions adhere to the 'Playing for Life' philosophy. The number of sites Regional Coordinators are required to supervise and the afternoon timeslot for activity sessions allow limited opportunities to undertake the quality assurance role. The ANAO considers there would be benefits in the ASC adopting a risk-based approach to scheduling quality assurance visits to sites. Such an approach would assist Regional Coordinators to meet not only their quality assurance responsibilities, but also allow more time, for example, to work with local sporting organisations and the community.

## Administrative framework to support program delivery

**3.23** The AASC national management team has developed policies and procedures covering the delivery of the program and management of staff. The *AASC Operations Manual* provides guidance to staff on procedural matters, such as assessing grant applications and the acquittal process. The secure web contains standard letter templates and forms. There is also documentation on how to use elements of the database. Over the life of the program, the ANAO was often unable to determine when particular procedures and policies were developed and issued as they did not include a date of issue, who authorised the document, and/or a version number. However, the documentation of procedures had improved considerably since 2007.

## Ongoing training of AASC staff

**3.24** All AASC staff participate in an induction process that is intended to:

- instil a corporate identity and awareness of the ASC's role;
- provide on the job training and support;
- disseminate policy and procedures to staff;

- address the risk of staff acting beyond the boundaries of the program; and
- ensure staff provide consistent messages.

**3.25** Currently, there is comprehensive national and State induction training, which complement each other. Additional training is also provided to support the specific requirements of the role. For example, where a Regional Coordinator is located in a region where they need to drive a four wheel drive, vehicle training is provided for personal safety. The ASC advised that all Regional Coordinators had attended induction training or, if recently engaged, were scheduled to attend the next national induction training program. The ASC also has a commitment to continually improving and refining its approach to managing staff and program delivery. There are seven topic-based national project teams that work across States/Territories to address issues and suggest improvements to aspects of the program's administration.

## **AASC Database**

**3.26** The database captures key information about the program, including:

- CCTP training provided, including dates and participants;
- deliverer details, including date of registration;
- grant applications, payments and acquittals; and
- types of sessions to be delivered.

**3.27** Although a business case was not prepared for the AASC database, the need for a database was identified in the AASC implementation plans. It has been continually modified as the information needs of the program became better understood. Although it primarily had a record keeping function, it is now used as a management tool by Regional Coordinators. As at June 2008, the database had cost approximately \$1.1 million. Preparing a business case and business requirements based on a needs analysis during the development of the program (and for subsequent modifications) could have included:

- the business requirements of the database (short and long term);
- project cost identified by core and additional functionality;
- possible enhancements or improvements to design;
- development timelines;
- budget for ongoing maintenance; and



- integration capability with the data and systems architecture of the ASC and the Australian Government.

**3.28** The absence of clearly defined business requirements means that the effectiveness of the database as a management tool cannot be properly assessed. There was also no budget for the initial development, ongoing maintenance or future development of the database. Ongoing changes have been made to the database without considering costs or alternative options. The ANAO considers that a well developed information system has the potential to solve a number of the documentation problems faced by the program and facilitate online data entry by sites. It could also be used for the automated processing of grant applications and acquittals.

**3.29** The ANAO examined the AASC database in relation to its environment, security and administration procedures. Introducing a standardised and documented procedure for database access, including user access request forms, would provide for consistency in the control environment and could incorporate elements of system security, including:

- granting and terminating user access;
- review of user accounts, including restricting sensitive information to a 'need to know' basis;
- monitoring of user activity; and
- storage and archival of access request forms.

**3.30** The database has undergone many system modifications during the course of the program. However, there are no formal change management procedures in place. Developing processes and documenting procedures will enable a clearer identification of the origin of the change request, approval for the change, costs, and the management of the development, testing and quality assurance of the change. This approach would limit the opportunity for unapproved and untested changes being implemented and provide a sound framework for managing the database. The ANAO considers there would be benefits in reviewing the operational effectiveness of the database in line with current arrangements for delivering the program and good management practices.

## Conclusion

**3.31** The AASC program currently has well documented procedures. However, lack of attention to version control and retention of documents over

time meant that the ANAO and the ASC could not determine when particular procedures applied. National and State induction processes work well together and effective continuous improvement processes are in place to incorporate operational expertise into the administration of the program.

**3.32** The need for the AASC database was identified in the program implementation plans. However, the ASC did not clearly define business requirements or prepare a budget for the database. Ongoing changes have been made without considering costs or alternative options. As at 30 June 2008 over \$1 million had been spent on the database. There would be benefits in the ASC reviewing the purpose and function of the database. Improvements could also be made to strengthen the ASC's change management processes and user access arrangements

## Recommendation No.2

**3.33** To determine whether the Active After-school Communities program database is meeting the program's current and future needs, the ANAO recommends that the Australian Sports Commission review the purpose and function of the database.

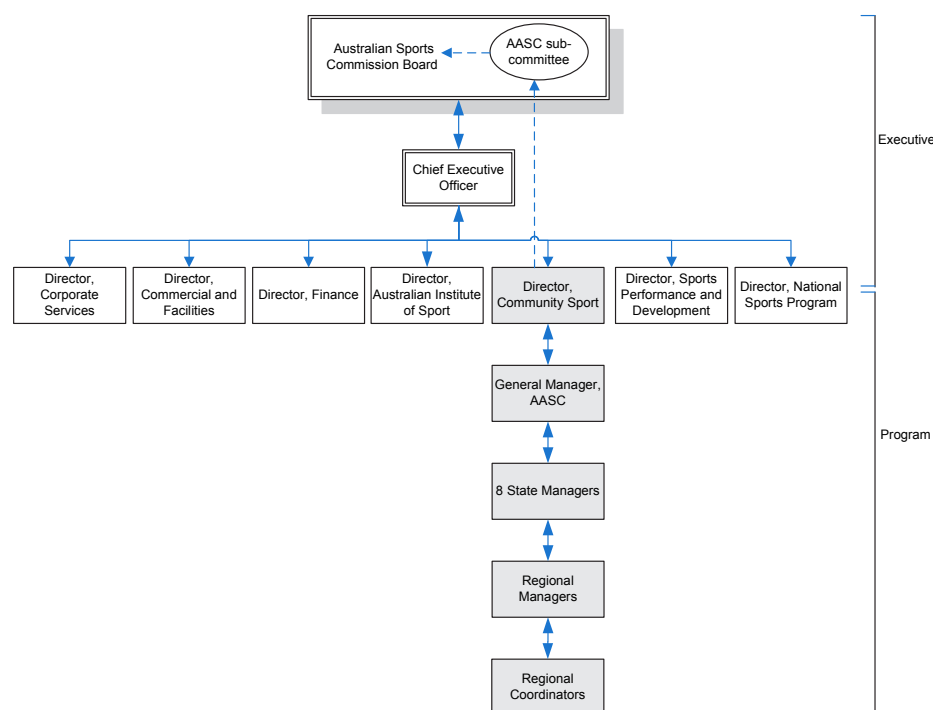
*Australian Sports Commission response:*

**3.34** Agreed.

**3.35** The AASC program has a dedicated National Project Team to continually review and provide feedback on the ongoing development requirements of the database. This project team oversees and prioritises a list of development requests. In addition, the ASC will be contracting an external party to review the AASC database with a view to updating and streamlining the functionalities of the database to ensure that it best meets current and future needs.

## Ongoing governance arrangements for the AASC program

**3.36** The ASC's legislative and policy framework largely determines its governance arrangements. The CAC Act and regulations outline reporting requirements and corporate planning obligations. The ASC Act also outlines the requirements of both the Board and the ASC in relation to governance activities. For the AASC program there were two levels of governance, the executive level and the program level, which are illustrated in Figure 3.5.

**Figure 3.5****Organisational structure for the AASC program within the ASC as at July 2007**

Note: The Director of Community Sport is responsible for the Junior Sport Unit as well as the AASC program.

Source: Australian National Audit Office based on Australian Sports Commission data

**Governance arrangements at the executive level**

**3.37** The ASC is governed by the ASC Board. For the AASC program, a Board sub-committee operated from August 2004 to June 2008 when it was dissolved by the Chair of the Board and the CEO. Processes are in place to facilitate communication and reporting between the Board, the ASC and the Minister.<sup>49</sup> As previously noted, the Chair and the CEO brief the Minister biannually, including on the AASC program. The Chair of the AASC sub-committee also orally briefed the Board in relation to the program, based on the discussion points provided by AASC program management team. As discussed in Chapter Two, the sub-committee did not have clearly defined

<sup>49</sup> The former and current Ministers issued a Statement of Expectation to the Chair of the Board and the Board responded with its Statement of Intent.

terms of reference, was not seen as having a decision making role and a did not have a quorum specified.

**3.38** The ASC advised that, from July 2007, there have been fortnightly management meetings between Director of Community Sport and the General Manager of the AASC program.<sup>50</sup> There were also fortnightly meetings between the Director and the CEO. Reporting for these meetings was by exception, with action items being agreed and updated before each meeting. Although the program was discussed at these meetings, key issues and decisions were not routinely documented. During the audit, the Director of Community Sport began documenting these meetings. There are no formal management reports relating to the program provided to the CEO.

#### *Conflict of interest*

**3.39** During the course of the audit, the ANAO noted an issue relating to the AASC program and a member of the Board that had the potential to create the perception of a potential conflict of interest. The procedures for dealing with a potential conflict of interest are outlined in the CAC Act, essentially requiring members of the Board to declare their interest and abstain from voting. The ASC's Code of Conduct also applies to Board members.

**3.40** In 2006, the AASC program contracted two sports ambassadors to raise its media profile. One of these sports ambassadors was a member of the ASC Board and of the Board AASC sub-committee. A perception of a potential conflict of interest could have arisen as the Board member was paid to provide services to a program the member was also responsible for oversighting. According to the minutes of the Board meetings, the decision to contract the member of the Board for this role was not discussed or decided by the Board.

**3.41** The Chair advised that he had been approached by the CEO and endorsed the appointment as he considered there was no potential conflict of interest. The decision to engage the Board member was made outside the ASC Board's general business and the legislative procedures for making decisions where a potential for conflict of interest exists were not followed. Also, the rationale, process for selection, contract negotiations and the decision to engage and contract with the Board member were not documented by the ASC.

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<sup>50</sup> As noted in Chapter Two, these meetings previously took place between the General Manager of National Junior Sport and the Director of Sports Performance and Development.

**3.42** During a Board meeting, the Board member should declare a potential conflict of interest, absent themselves when the issue is being discussed, and not take part in any decision making process.<sup>51</sup> The discussions and the voluntary abstention by the Board member should also be recorded in the meeting minutes. If the ASC had followed this procedure, the potential conflict of interest situation would have been dealt with in a transparent and accountable manner, relieving the Board member of any perceived conflict of interest.

**3.43** The ANAO suggests that the management and Board of the ASC clearly define situations where a potential or actual conflict of interest situation may exist, in particular in relation to the engagement and payment of Board members for services relating to ASC programs. Appropriate procedures should be developed to ensure that conflict of interest situations are considered in accordance with the CAC Act.

## **Governance arrangements at the program level**

**3.44** The governance arrangements at the AASC program level generally operate well. Operational planning and reporting are linked with performance management, as shown in Appendix Two. The Community Sport Business Plan and AASC State/Territory Operational Plans also align with the ASC's Strategic Plan.

## **Risk management**

**3.45** The risk management plan developed during the implementation of the program is the only risk management plan for the program and was last reviewed in November 2005. The program was not fully implemented until Term Three, 2007 and, during the intervening period, new risks have emerged in the strategic and operating environments and previously identified risks may have changed. To be effective, risk management needs to be ongoing and undertaken as part of business planning processes.

**3.46** Although the risk management plan does not include operational risks, the design of the program addresses some operational risks. It is important that an assessment of operational risks is undertaken and appropriate mitigation strategies developed. Strategic risks should also be reviewed and the plan appropriately updated. The ASC advised that it has recently engaged a consultant to undertake an assessment of the risks facing the program.

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<sup>51</sup> *Commonwealth Authorities and Companies Act 1997*, s. 27J.

## **Reporting at the program level**

**3.47** State Managers report to national office biannually on the operations of their State and regions, with a particular emphasis on program delivery. While each report is reviewed, the information is not consolidated and analysed to provide a national perspective. More frequent reporting would provide assurance that the program is being delivered consistently across regions and enable key aspects of program delivery to be reported and monitored. For example, the use of exemptions, performance against deliverables and the program budget could be monitored. The reports could form the basis of regular and formal management reports to the CEO and Board.

## **Record management practices**

**3.48** Record keeping is part of a sound control environment. Records of key decisions made and the basis for them aid an agency's accountability for its actions. A major challenge for the program is to balance the focus on results with appropriate accountability for those results. Throughout the audit, the lack of documentation has meant that the ASC was unable to provide evidence that key accountability requirements had been met. The deficiencies in record keeping may be more widespread than the AASC program. To strengthen record keeping practices, there would be benefits in the ASC reviewing its policies and providing training to help ensure greater adherence to its own record keeping policies as well as those of the Australian Government. Greater attention to creating and maintaining records will enable the ASC to capture the processes applied and lessons learned when implementing and administering the AASC and other programs.

## **Conclusion**

**3.49** Oversight of the program at the executive level was primarily through oral briefings provided to the Board by the Chair of the AASC sub-committee, supported by the discussion points provided by AASC program management team. In addition, fortnightly meetings occurred between the CEO and Director of Community Sport. Key issues and decisions relating to the program were not documented at these meetings until December 2007 and there were no regular management reports prepared for the CEO (or the Board) on the status of the program. As noted previously, there have been instances where the Board and CEO had not been involved in decisions relating to the program. Furthermore, the sub-committee last met in March 2008 and was dissolved in June 2008.

**3.50** At the program level, the ongoing governance arrangements are underpinned by a coordinated planning and reporting framework. However, the AASC program management team should seek to identify its operational risks, particularly those affecting the quality of program delivery, and update its risk management plan. In this context, the ASC advised that it is undertaking an assessment of the program's risk. AASC State and Territory management reports provided to national office also need to be consolidated and analysed from a national perspective. Currently, management reports are received from State Managers biannually. More frequent reports would provide assurance that the program is being delivered consistently across the regions and enable key aspects of the program delivery to be monitored. These reports could form the basis of regular management reports for the CEO and the Board. Effective management of the program could be improved by better attention to record keeping and the ASC would benefit from reviewing its record keeping policies and procedures and, where necessary, providing training to staff.

## 4. Assessment of Sites and Administration of Grants

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*This chapter examines the recruitment of sites for the Active After-school Communities program and the administration of grants given to these sites.*

### Introduction

**4.1** Sites are selected to participate in the program either through an expression of interest (EOI) process or direct recruitment by Regional Coordinators. When accepted into the program, sites may apply for grant funding twice a year, with each application being for two consecutive school terms.<sup>52</sup> The grant available to sites is based on the number of children participating per session and the number of sessions run at the site per week.<sup>53</sup> As previously noted, the grants do not cover the administration costs associated with running the activity sessions but rather specific program expenses, such as deliverers' fees, cost of supervision, venue hire, transportation costs, and equipment.<sup>54</sup>

**4.2** Of the \$103 million expended on the program, total grants paid to sites across the first three years of the program were: \$1.6 million in 2004–05; \$9.3 million in 2005–06; and \$17.6 million in 2006–07. In 2007–08, the total value of grants was \$21.9 million with individual grants ranging from \$320 to \$3518 per term.<sup>55</sup> The grants are administered by national office as well as at the State and regional level. Sites may also apply for special initiative grants (SIGs). SIGs are designed to provide further opportunities for communities with special needs and to enable sites to collaborate with local clubs, other AASC program sites and the community. Third party not-for-profit (NFP) organisations may also apply for SIGs where multiple sites will benefit and community capacity is increased. In 2007–08, \$369 006 was paid in SIGs with \$98 915 (26.8 per cent) going to NFPs.

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<sup>52</sup> The funding model for Tasmania is different as that State runs three school terms per year.

<sup>53</sup> Sites do not automatically receive the maximum grant available if they have applied for less than the maximum amount.

<sup>54</sup> OSHCS are funded for afternoon tea and supervision through their existing funding arrangements.

<sup>55</sup> Appendix Three outlines the funding available to the sites participating in the program in 2008.



**4.3** In undertaking the audit, the ANAO examined the:

- selection of sites to participate in the program;
- grant assessment and acquittal processes;
- management of debts; and
- funding arrangements for SIGs.

The ANAO reviewed a sample of 67 EOIs for sites selected for the program between 2004 and 2007. A sample of 41 grants made to sites in Term Three 2007<sup>56</sup>, and 35 SIG applications covering the period 2005 to 2008 were also reviewed.

**4.4** The AASC program management team advised that not all decisions and activities relating to the selection of sites and administration of grants, including the information provided to potential applicants, were routinely documented. The ASC did provide printed publications and was able to provide information from the ASC website at a later stage of the audit.

## Selection of sites to participate in the program

**4.5** As previously noted, the program adopted a staged approach for recruiting sites, increasing the number of sites each term. In Term One 2005, a pilot program of 19 sites was undertaken. In Term Two 2005, this increased to 1001 sites. From Term Three 2005 onwards, approximately 250 new sites nationwide were recruited each term. The program reached its target number of 3250 sites in Term Three 2007.

**4.6** The ASC advised that time constraints did not allow it to undertake a comprehensive needs-based analysis of sites Australia-wide that would most benefit from participating in the program. Instead, to determine the target number of sites in each region, the AASC program management team equally apportioned potential sites to educational regions. This approach meant that places were allocated without being able to consider the relative needs of regions. That is, regions where sporting programs and facilities are not readily available have the same proportion of sites participating in the program as regions where existing programs and sporting organisations already offer children opportunities to undertake physical activity.

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<sup>56</sup> For each State and Territory, five grants were selected for review, large and small in value and situated in either remote, rural, regional or metropolitan areas.

## **Expressions of interest**

4.7 Each year from 2004, the ASC invited sites to express interest in participating in the program in the following year. EOIs were assessed and sites were either accepted into the program, put onto the pending list or rejected.<sup>57</sup> Where there was insufficient interest from regions, sites in that region were directly recruited by Regional Coordinators.

### **Initial expressions of interest for commencement in 2005**

4.8 In July 2004, the ASC invited all primary schools and CCB approved OSHCS in Australia to express interest in the program and sent out:

- an EOI form to enable sites to register interest in running the program; and
- a needs analysis form requesting site details, estimated number of participants and sessions, resources and facilities for physical activity sessions.

4.9 The program received 2600 EOIs with the response rate varying between States and regions. Some sites returned both the EOI and the needs analysis form, while some returned the EOI only. Sites were to be assessed against the following criteria: regional representation; diversity and equity; details provided within needs analysis; and date of receipt of EOI and needs analysis.

4.10 However, these criteria were only applied where there was competition within a region for a place in the program. In these regions, the ASC advised that sites were required to return the needs analysis form and were assessed against the selection criteria. For the 15 sites recruited in 2004 reviewed in the ANAO's sample, the only documentation completed to support the selection process was a selection report that noted the name and type of site and whether it had been accepted into the program. The reports did not include an assessment against the selection criteria. For six sites, there was no selection report available.

4.11 In regions where insufficient EOIs were received to reach the target number of sites, the EOI was the only assessment documentation used. The needs analysis form was not required by the ASC although it advised that, in these cases, Regional Coordinators assessed the site to ensure it was capable of

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<sup>57</sup> Sites may have been given 'pending' status because, for example, they have met program requirements but were from a region with high levels of interest and were not selected to participate in the program.

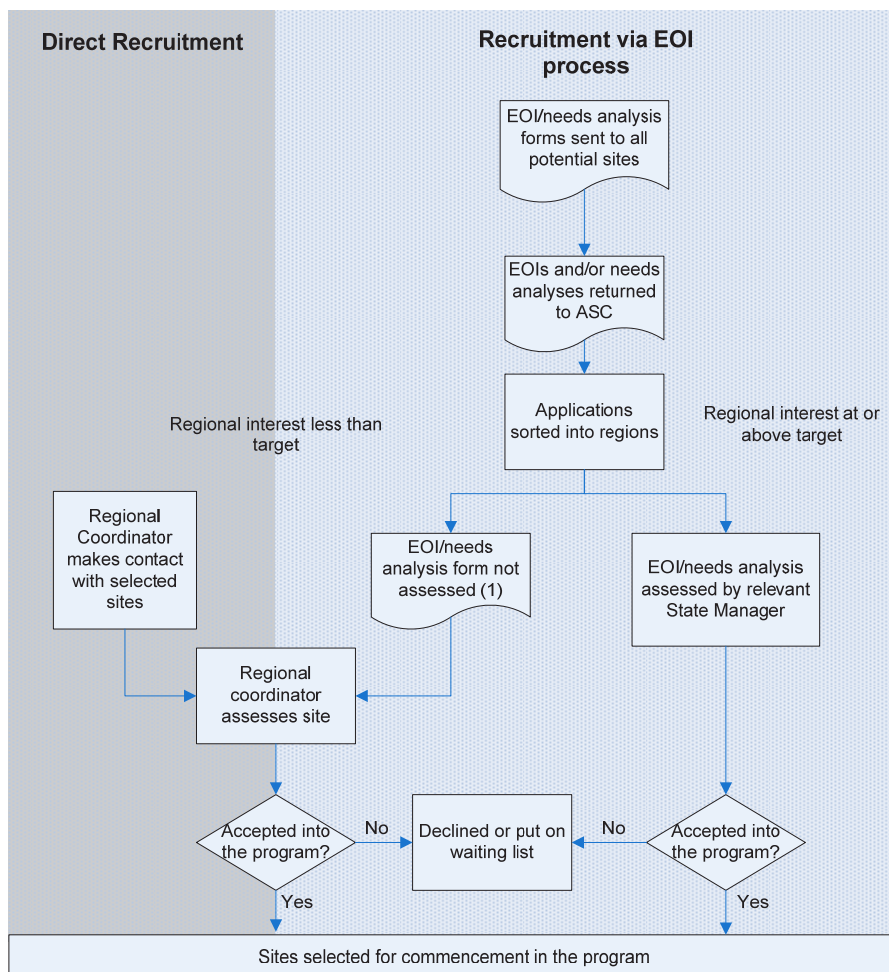
running the program. However, these assessments were not documented. The program management team was unable to provide information on the number of sites that were assessed against the selection criteria for admission into the program and the number selected through EOI forms only.

#### *Direct recruitment*

**4.12** In regions where the number of EOIs received did not meet the target, Regional Coordinators contacted sites directly to invite them to deliver the program. Sites selected through this process did not necessarily complete an EOI or the accompanying needs analysis form, depending on the timing of their recruitment. Instead, the Grant Application Form (GAF) was treated as a defacto EOI and needs analysis form. However, the GAF did not require the same information as the needs analysis form. Regional Coordinators were responsible for ensuring that sites met the program's requirements. However, as the Regional Coordinators did not document their assessments, the ANAO was unable to determine whether all sites were assessed consistently across regions. Regional Coordinators continued to directly recruit sites until 2007. Figure 4.1 outlines both the EOI and direct recruitment processes.

**Figure 4.1**

# EOI process for commencement in the AASC program from 2005 to 2007



Note 1: This step relates to assessments undertaken in 2004 for commencement in 2005 only.

Source: Australian National Audit Office based on Australian Sports Commission data

## Ongoing recruitment of sites in 2005 and 2006

**4.13** The EOI form was reviewed and updated in June 2005 and used for EOI rounds in 2005 and 2006. As in 2004, letters and EOI forms were sent to all non-participating primary schools and OSHCS to invite them to express interest in joining the program.<sup>58</sup> A new selection report was developed in 2006 and, unlike the earlier selection report, included a provision for an assessment

<sup>58</sup> Potential sites could download the forms and Fact Sheets from the ASC website or obtain the forms directly from Regional Coordinators.

of the site against the selection criteria, which was also revised. The ANAO examined EOIs and selection reports for 13 sites selected in 2006. Five did not have selection reports or other assessment documentation on file. For the eight sites for which there were selection reports, three did not use the revised selection report and, of the five that did, three did not have the accompanying assessment form on the site file.

## **Recruitment of sites for the extension of the program**

**4.14** As previously noted, the program was extended in May 2007 for a further three years and a new round of EOIs was undertaken in July 2007. For this round, the ASC sent letters to all existing and pending sites, giving them the opportunity to submit an EOI. When these were returned, the ASC then determined which regions had vacancies, and sent EOIs to all sites within those regions. In regions where there were no vacancies, non-participating schools and OSHCS were not given the opportunity to participate in the program. Direct recruitment of sites was not undertaken at this time because the program was full.

**4.15** In 2007, the selection criteria for assessing sites and the selection report also changed.<sup>59</sup> The ANAO also noted improvements in the assessments and the selection reports contained information that would allow comparison between competing sites. For the ANAO's sample of 31 EOIs submitted in 2007, 29 had selection reports and were assessed against the selection criteria. The other two selection reports were not on the site file.

## **Revised program objectives and the change in the expression of interest forms**

**4.16** As previously noted, the objectives for the AASC program were revised in January 2005. The EOI forms and selection reports also changed over time to reflect the increased focus on inactivity. The initial EOI had been distributed prior to determining the program objectives, during which time 1416 sites were recruited to the program. The program management team advised that, while it did not focus on inactivity in its first EOI form, Regional Coordinators worked with sites to develop strategies to engage inactive children. However, these strategies were not documented in the site files reviewed by the ANAO.

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<sup>59</sup> The 2007 selection report included an assessment against program requirements as well as a regional strategic assessment.

**4.17** The revised 2005 EOI form included several new questions to elicit information about the site's capacity to run the program, including a requirement for strategies to engage traditionally inactive children. However, these strategies were not always adequately documented or assessed. The ANAO examined 52 EOIs for sites accepted into the program between 2005 and 2007. Of these, 15 EOIs (29 per cent) did not contain sufficient detail to determine if there were actual strategies for engaging inactive children. The 2004 and 2006 selection reports also did not include an assessment of the strategies.

**4.18** In 2007, the new EOI form required sites to estimate the percentage of participating children who were considered to be inactive. However, the ANAO found no evidence that sites had in place standardised processes to assess participants in relation to their levels of activity. Nor could the ANAO find where the concept of 'inactivity' had been communicated to sites.<sup>60</sup> Therefore, the percentage of inactive participating children provided by sites cannot be considered to be reliable. Furthermore, of the 30 EOIs submitted in 2007 examined by the ANAO, six sites did not include this information. The ASC advised that, although this information was not assessed, it was requested to assist Regional Coordinators complete their selection report.

## **Procedures to support assessment process**

**4.19** Sites were generally competing for a limited number of places in the program. The capability of Regional Coordinators to effectively assess EOIs had the potential to directly affect the quality of sites accepted into the program and ensure that sites selected best met the program's parameters and target demographic. From the sample of EOIs covering the entire period, the ANAO observed that there was considerable variability in the quality of the EOIs completed by the sites. Although the quality of EOIs and selection reports for successful sites improved as the program continued, for some sites accepted into the program, the documentation was incomplete and cursory attention was given to key aspects of the selection criteria. The ASC could not provide the procedures that existed prior to 2007 to guide staff in assessing EOIs. Without these, it is difficult for the ANAO to assess whether there was adequate support for staff to assess EOIs or that staff assessed sites in line with ASC procedures.

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<sup>60</sup> The concept of 'inactivity' had been defined by the ASC for research purposes for the period 2004 to 2007 as three hours or less of structured physical activity undertaken out of school hours.

## Conclusion

**4.20** Sites were apportioned equally to education regions without the AASC program management team being able to consider the relative needs of these regions. The EOIs and criteria for selecting sites for the program changed annually from 2004 to 2007 to reflect, in part, the revised program objectives. In regions where there was under demand for places, the assessment process was not competitive and where they met the minimum requirements to run the program, they were considered eligible.

**4.21** In regions where there was excess demand for places, EOIs were to be assessed against the selection criteria. However, not all applications were assessed against the selection criteria and assessments undertaken by Regional Coordinators were not documented. A lack of documentation also meant that the ANAO was unable to determine what procedures were in place at the time and whether staff adhered to them. The assessments undertaken in the 2007 round, which for the first time included an assessment of strategies to engage inactive children, showed greater consistency and provided sufficient information to make comparisons between sites. However, not all strategies were documented or assessed.

## Grant application process

**4.22** Sites applied for grant funding biannually by completing a Grant Application Form (GAF), which included site details, a physical activity delivery plan and budgeted program costs.<sup>61</sup> Regional Coordinators reviewed the GAFs, liaised with the site to clarify or request additional information and entered the information into the AASC database. Because of numerous errors in the GAFs, from 2008 the State Managers are also required to quality check one GAF per Regional Coordinator before all GAFs are sent to the grants administration team in national office for further processing.

**4.23** The grant administration team verified the information in the database with the GAF and against the grant guidelines.<sup>62</sup> Information such as Australian Business Numbers (ABNs) and the appropriate treatment of Goods and Services Tax (GST) is also verified.<sup>63</sup> The total funding required by each

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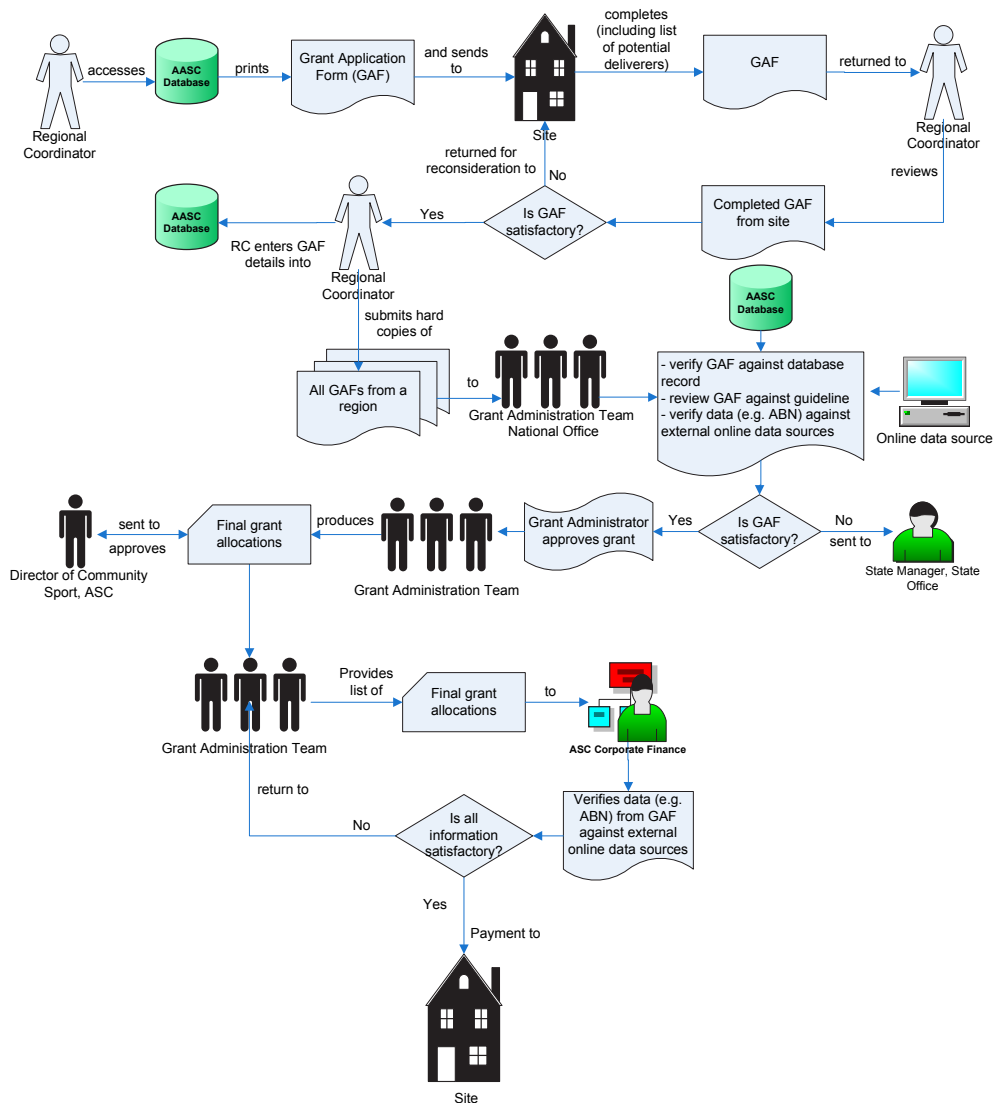
<sup>61</sup> Appendix 3 outlines the maximum grant funding available per site, which is based on the number of children participating per session and the number of sessions run at the site per week.

<sup>62</sup> This can involve contacting the Regional Coordinators and sites for clarification or additional information.

<sup>63</sup> If a site is registered for GST, their grant is increased to compensate for this and a Recipient Generated Tax Form has to be signed by the site.

State is calculated and the Program Director approves the bulk funding of all grants. A list of grant payments is then given to the ASC Corporate Finance section, who duplicate some of the checks already undertaken by the administration team before paying the grants. The application process takes approximately six to eight weeks from submission to notification of funding. These processes are outlined in Figure 4.2.

**Figure 4.2**  
**Grants application process at the regional, State and national level**



Source: Australian National Audit Office based on Australian Sports Commission data Reducing the administrative effort involved in processing grant applications



**4.24** The grant application process was designed to maximise the funds provided to sites, with grants ranging from \$320 to \$3518 in 2007. The grants process is resource intensive, involving sites, Regional Coordinators, a grant administration team, and the Corporate Finance section. As previously noted, many tasks are duplicated, such as the verification of ABNs and GST treatment, and the AASC database does little to facilitate the process. The costs involved in processing the grants have not been calculated or compared against alternative approaches.

**4.25** For this type of grant application process, involving multiple recipients and small funding amounts, the ANAO considers that there are several options available to reduce the level of administrative effort required. For example, the grant cycle could be reduced to once per year, with scheduled term payments, and combined with the EOI for first time applicants.

**4.26** The current system is a combination of paper based and electronic assessment. An automated grant application process would reduce the resources currently required to administer grants and could include a verification process to ensure all fields are completed accurately before submitting. This would obviate the need for AASC staff to follow up incomplete or inaccurate information. The expenditure involved in automating processes could be offset by reduced administrative costs.

**4.27** The current AASC database does not have the capacity to make payments and has a manual interface to the ASC finance system for the Corporate Finance area to generate payments. There is no formal reconciliation of the information in the database to that in the finance system. The ASC advised that an attempt was made to undertake this reconciliation in 2007 but without success and the payment file is not reconciled routinely. The ASC has spent \$1.1 million on a database that does little to facilitate the grant assessment process. Efficiencies could be gained by streamlining and automating grant application processes. Any proposal to implement or change the current system should include an assessment of how the grant application process could be integrated with the finance system and reduce duplication of effort for sites and the ASC.

## **Conclusion**

**4.28** Given the number of grants and the relatively small amounts to be paid, the processes currently in place to administer the grants for the AASC program are overly complex and resource intensive. Grants processing

involves the sites, Regional Coordinators, State Managers, the grant administration team and the ASC's Corporate Finance area. The process was designed to provide accountability for all funds expended but the administrative cost associated with the grant process has not been taken into consideration. Improvements could be made by streamlining processes. There would also be benefits in assessing the merits of automating the grant administration process.

### Recommendation No.3

**4.29** To reduce the resources currently required to process grant applications for the Active After-school Communities program, the ANAO recommends that the Australian Sports Commission (ASC) review and streamline existing processes and assess the merits of automating the grant application process.

*Australian Sports Commission response:*

**4.30** Agreed.

**4.31** The ASC has begun work on scoping the automation of the grant application process. This will form part of the streamlining being undertaken as part of the ASC's response to Recommendation 2.

### Acquittal of grants

**4.32** Sites are required to acquit their grants each term, up to four times per year<sup>64</sup>, and report funds spent, committed funds, unspent funds, participant numbers, and number of sessions cancelled. Sites submit their completed and signed acquittal form to their Regional Coordinator, who is required to certify that funds were spent by the site on running the program. To verify spending, some Regional Coordinators copy all receipts, which is not required by the national guidelines and adds to their existing workload. The form is then posted to national office and a copy retained. The national office administration team also checks that the forms have been completed correctly, approves the acquittal and enters the amounts into the database.<sup>65</sup>

**4.33** The acquittal form has been revised several times, in response to feedback from sites and ASC staff. For example, the concept of committed

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<sup>64</sup> With three school terms, sites in Tasmania are required to acquit three times per year.

<sup>65</sup> Where a form is missing information or a signature, the Regional Coordinator is requested to provide the necessary information, which may require going back to the site.

funds was introduced in 2007, resulting in several changes to the form. These changes have made it difficult for sites to complete the acquittal form, and Regional Coordinators continue to assist sites. In October 2005, State Managers noted that feedback from the sites indicated that acquitting grants four times per year was onerous. However, the frequency of this process has not changed.

## Conclusion

**4.34** The program's acquittal process is designed to provide assurance that grant money is expended on the program. However, given the value of the grants, there should be a better balance between the financial integrity of the grants process and the quality of program delivery. Less resource intensive acquittal processes could be introduced for the program. For example, a risk based approach to acquittals could require the testing of only a sample of grants annually, rather than the confirmation of all 3250 grants four times per year. This would allow the effort applied by sites and Regional Coordinators to acquitting grants to be focussed on providing quality assurance over the delivery aspects of the program. The ASC has acknowledged the need to review and streamline the current acquittal process.

## Recommendation No.4

**4.35** To improve the efficiency of acquitting Active After-school Communities program's grants, the ANAO recommends that the Australian Sports Commission adopts a risk based approach that includes:

- an assessment of the control environment for the program;
- a sampling methodology for selecting grants; and
- a process for analysing and communicating results.

*Australian Sports Commission response:*

**4.36** Agreed.

**4.37** The ASC has already implemented this recommendation for Terms three and four 2008.

## Special Initiative Grants

**4.38** As previously noted, SIGs are intended to provide further opportunities for:

- communities with special needs;
- collaborative initiatives within the community;
- increasing the scope and capacity of currently funded AASC programs; and
- creating pathways to local clubs and communities.

**4.39** The original intent of SIGs was to redirect any unspent funds from the grants funding back to the sites by encouraging them to identify special initiatives and offset additional costs related to the demographics of the sites or their participants. The ASC advised that SIGs became essential to the successful operation of the AASC program and a permanent budget line was created, rather than relying on unspent grant funds.

**4.40** As the budget was limited during the initial stages of the program, SIGs were not openly publicised to sites. Regional Coordinators identified where the SIG funding would provide the most benefit. Information on SIGs is now available on the AASC program's secure website. Third party NFP organisations may also apply for SIGs where multiple sites will benefit and community capacity is increased. Since the program began in 2005, \$1.4 million has been paid in SIGs. Of this, \$356 000 (26 per cent) has been to NFPs. The 2008–09 budget for SIGs is approximately \$1.2 million.

### Assessment of Special Initiative Grants

**4.41** Sites and/or NFP organisations apply for a SIG using a specific application form, which is submitted to their Regional Coordinator. Applications that are supported are forwarded to the State Office. The State Manager assesses the SIGs against the criteria (outlined in paragraph 4.38) and within the constraints of the State SIG budget. The ASC advised that if the site/NFP meets the requirements, the State Manager signs the application form. This is the only record of the assessment process. Endorsed applications are then forwarded to the General Manager in national office for approval. The ANAO reviewed 35 SIG applications for the period 2005 to 2008, and these had been reviewed by the relevant State Manager and approved by the General

Manager. Recipients are required to acquit SIG funds within 30 days of the time period specified in the funding agreement.

### **Special Initiative Grants paid to third parties**

**4.42** The same funding agreement is used for sites and NFP organisations. However, NFP organisations are generally deliverers of the program, and have a contractual relationship with the sites, not the ASC. In examining the funding agreement, the ANAO found that ownership of the equipment purchased with SIG funds was unclear. For example, a group that had received funding to purchase equipment had subsequently disbanded and returned the equipment to the AASC program office. It would be logistically problematic for the ASC if more organisations were to do the same. The ANAO considers that the current funding agreement between the ASC and NFPs should be reviewed, with particular attention given to:

- the length of time the equipment must be used for the AASC program:
- the use of the equipment, if the NFP organisation ceases delivering the program:
- the ownership of the equipment if the NFP organisation disbands; and
- assessing the viability of funding a particular site to purchase the equipment and developing sharing arrangements where the equipment may be used across multiple sites.

### **Conclusion**

**4.43** As the process for applying for a SIG is essentially competitive, more attention should be paid to documenting the assessment of the relative merits of each application. Also, feedback to unsuccessful applicants would assist them when preparing future applications. The funding agreement currently used for the grants to NFP organisations for services and to purchase equipment does not cover the ownership and use of equipment. Where the SIG funding is for the purchase of equipment, the ANAO suggests that the funding agreement be reviewed and the ownership and disposition of equipment purchased be considered, in particular if the NFP ceases operation.

## 5. Measuring the Success of the Program

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*This chapter discusses the Australian Sports Commission's project for evaluating the Active After-school Communities program for the years 2005 to 2007. The contract management arrangements and the evaluation methodology used to assess the success of the program were examined.*

### Introduction

**5.1** The announcement of the AASC program included the requirement that the program be evaluated. The ASC planned the evaluation project in parallel with implementing the program. As a result, the Request for Tender (RFT) documents were developed before the program had been established at any site. A second phase of the evaluation project will cover the period 2008 to 2010. The ANAO reviewed the first phase of the evaluation project, giving particular attention to the engagement of the research contractor, and how the effectiveness of the program was measured and interim results reported.

### Engagement of a contractor

**5.2** Prior to the tender documents being prepared, the ASC advised that it determined the type of evaluation to be undertaken, the methodology and how it would approach the market. None of the earlier deliberations behind these decisions were documented. The project was managed by the AASC program management team and ASC's Corporate Research Unit. The Corporate Research Unit also provided technical advice, with staff being recruited specifically for the evaluation project.

### Request for tender

**5.3** In September 2004, the ASC advertised for a contractor, having prepared a detailed RFT, tender evaluation plan, and project procurement plan.<sup>66</sup> In the RFT, the ASC outlined the broad objectives of the proposed evaluation and some key methodological processes, that included:

- a longitudinal study;
- a scientific design with the use of control groups;

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<sup>66</sup> The ANAO did not review the ASC's assessment of tenders for the evaluation project.

- valid and reliable methodologies and data collection instruments; and
- sampling considerations and implications, including the inclusion of participants from mainstream, special needs and Indigenous schools, participants from diverse cultural and linguistic backgrounds, rural and remote communities, providers and key stakeholder groups.

The contractor was expected to refine the evaluation objectives with the ASC and propose specific methodologies to undertake the evaluation.

### **Negotiation of the proposed contract**

**5.4** The ASC entered into discussions with the successful contractor about the evaluation objectives, development of the evaluation plan and methodology during October 2004. As previously noted in Chapter Two, these discussions led to the program objectives being revised in January 2005, increasing the complexity and cost of the evaluation process. The ASC considered the revised objectives better articulated the program's objectives.

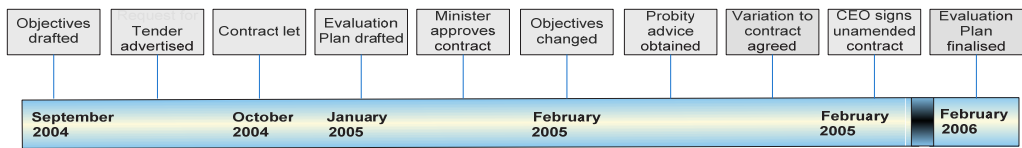
**5.5** The ASC had allocated \$600 000 to meet the projected costs of the evaluation. As this amount exceeded the threshold of \$500 000, the ASC sought approval from the then Minister for the contract as required by its procurement guidelines. Changes to the evaluation methodology increased the cost of the four year contract (2005 to 2008) from \$587 030 to \$1.1 million. There was no documentation to demonstrate that the ASC had sought the Minister's approval to the 80 per cent increase in the cost of the evaluation. There was also no documentation to show that the CEO, the AASC sub-committee or the ASC Board had been advised of the increase in project costs, revised objectives and methodology.

**5.6** On 11 February 2005, the AASC program management team approved the proposed contract variation and revised costing. However, when the contract was signed by the CEO on 17 February 2005, it had not been amended to reflect the variations to the methodology or the revised contract amount of \$1.1 million. The ASC advised that the acceptance of the evaluation plan, with the revised methodology and costing, constituted the ASC's and the contractor's acceptance of the variation. However, there was adequate time to amend the contract to reflect the revised methodology and costs before it was signed by the CEO. The development of the evaluation plan continued for another 13 months with at least 14 versions of the plan being discussed before the final plan was agreed by the ASC in February 2006. The timeline for the

contract negotiations and development of the evaluation plan is shown in Figure 5.1.

**Figure 5.1**

**Timeline for contract development**



Source: Australian National Audit Office based on Australian Sports Commission data

**Improving oversight of the evaluation project**

5.7 The ANAO noted a lack of oversight and accountability for the implementation of the evaluation project, particularly in regard to the documentation of key decisions and some approvals. The ANAO considers establishing a steering committee, with clearly defined terms of reference, at the planning stage would have provided a mechanism for better oversight of the evaluation project. Also, as the complexity of the project increased, there could have been benefits in the ASC seeking further independent technical advice to gain additional assurance that the evaluation approach and proposed changes to the methodology would give the best project outcome.

**Conclusion**

5.8 As the evaluation project was to be run in parallel with implementing the program, the ASC engaged an evaluation contractor before the pilot of the program commenced. Discussions with the successful contractor led to changes in the program’s objectives and the evaluation methodology, increasing the complexity and cost of the project. The contract did not reflect these changes, even though they were agreed to by the AASC program management team before the contract was signed by the CEO. The increase in costs was not adequately documented nor was formal approval sought from the then Minister.

5.9 The lack of documentation of key decisions and approvals indicated a lack of oversight or accountability for the project. A project steering committee would have been a useful mechanism to provide this oversight. Also, because the evaluation is large and complex, independent expertise, particularly for Phase Two, could provide additional assurance to the ASC and a steering



committee that the evaluation approach and methodology adopted will provide the best project outcome.

## Measuring the effectiveness of the program

**5.10** Various methodologies are available to assist in compiling research data for evaluation projects. These are determined based on judgement, budget and the respective disadvantages and advantages of the approach taken. The ASC's approach included an assessment of the impact of the program on children participating in the AASC's structured physical activities and comparing their results to an equivalent population of non-participating children. The evaluation collected a range of quantitative and qualitative data to assess eight objectives, which are outlined in Appendix Four.<sup>67</sup>

**5.11** In evaluating the approach adopted by the ASC, the ANAO sought advice from the Australian Bureau of Statistics Statistical Consulting Unit (ABSSCU) on both the methodology and the reporting of preliminary results. The ANAO also discussed the evaluation approach and the changes introduced over the life of the evaluation project with the contractor but did not analyse the raw data collected. As the evaluation for the first three years of the program had not been completed at the time of the audit, the ANAO is unable to comment on the final evaluation report or the preliminary information collected for the third year.

## Program objectives

**5.12** Following discussions with the successful contractor, the objectives for the program and evaluation were revised in January 2005. The revised objectives are outlined in Figure 5.2. The ANAO focussed on the extent to which Objective 1(a) and its three sub-objectives were being measured.

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<sup>67</sup> Quantitative data is measurable and verifiable data that can be statistically manipulated. Qualitative data is descriptive and approximates but does not measure the attributes of a thing or phenomenon.

**Figure 5.2**

**Revised objective for the AASC program and evaluation**

Revised objectives *
1 Whether the AASC program has achieved its key stated objectives: a) To enhance the physical activity of Australian primary school aged children through a nationally coordinated program. For the purposes of the evaluation, this is defined further as: <ul style="list-style-type: none"><li>– increase in participation levels of non-active children within structured physical activity;</li><li>– attitude of non-active children towards structured physical activity improved;</li><li>– increase in fundamental motor skill development of non-active children.</li></ul> b) Provide increased opportunities for inclusive participation in quality, safe and fun structured physical activity; and c) To grow community capacity and stimulate local community involvement in sport and structured physical activity.

Note: \* The ASC use the terms non-active and inactive interchangeably.  
Source: Australian Sports Commission

**Measuring success**

**5.13** The ASC developed measurable objectives and collected baseline data for the evaluation. However, it did not specify pre-determined targets, against which results could be measured, particularly the increase in participation levels in structured physical activity (SPA). Information on the impact of the program was to be collected through surveys of parents of inactive children. The ASC advised there were no generally accepted definitions of inactivity and SPA when commencing the evaluation. It defined inactivity as three hours or less of SPA per week in the after school time slot. The measure of SPA was defined as organised, supervised physical activities that happen on a regular basis, at a set time and place, not including compulsory school activities.

**Sampling approach**

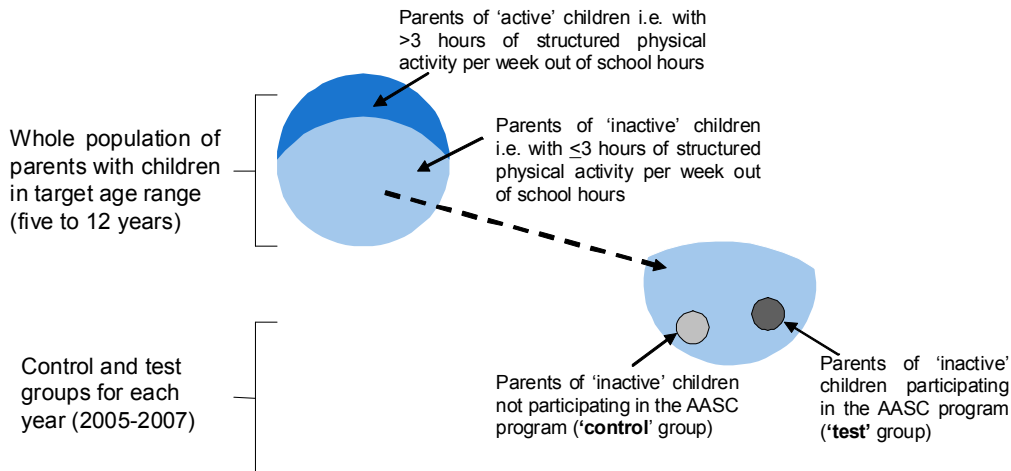
**5.14** The ASC advised that the evaluation methodology used the concept of ‘control’ and ‘test’ groups to explore the basic premise that there is a difference between participating and non-participating children. Developing a Computer Assisted Telephone Interview (CATI) survey was also considered to be the most practical approach. Responses to the initial CATI survey were recorded prior to the enrolled children commencing in the program. These were used to categorise parents of SPA inactive children for both groups at the pre-test stage for each of the three years (2005, 2006 and 2007). To recruit parents into the respective groups, parents were asked about their child’s SPA level in an average week in Term Two.<sup>68</sup> The data collected was used to calculate the

<sup>68</sup> Term One in Tasmania.

baseline measure of SPA for each group and similar data was collected one year later to establish post-test measures. The ABSSCU considered that, at the specified confidence levels and expected margins of error, the sample sizes of each group were reasonable. The sample selection process is illustrated in Figure 5.3.

**Figure 5.3**

**Sample selection of parents of SPA 'inactive' children**

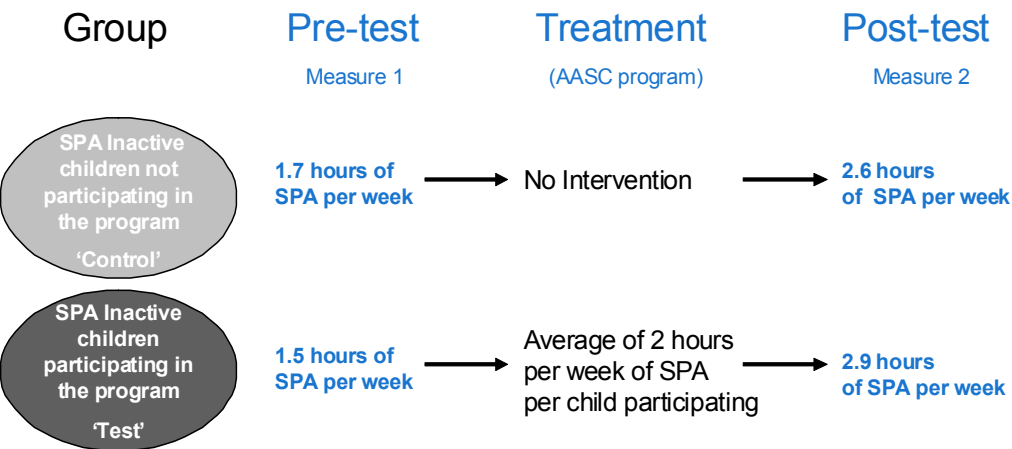


Source: Australian National Audit Office based on Australian Sports Commission data

**5.15** Participating children attended a 60 minute SPA session between one and three times per week during the school term. As mentioned, data from each group was compared at the pre-test and post-test stages. Figure 5.4 shows the treatment of the two sample groups for the second year of the program 2006–07.<sup>69</sup>

<sup>69</sup> Samples across the three years were treated similarly.

**Figure 5.4**  
**Treatment of samples 2006–07**



Source: Australian National Audit Office based on Australian Sports Commission data

**5.16** As there was no pre-determined target set, the objective for achieving an increase in SPA was considered met if:

- there was a statistically significant increase in participation in SPA in the participating group between pre and post measures; and
- the increase of the participating group over the non-participating group was statistically significant.

**5.17** Table 5.1 outlines the differences between the pre and post test measures for the inactive participating and non-participating groups for 2005–06 and 2006–07.

**Table 5.1****Measures for SPA inactive participating and non-participating groups for the period 2005–06 and 2006–07**

Year	Group	Pre-test measure	Post-test measure	Difference
2005–06	Control	1.6 hrs per week	2.5 hrs per week	0.9 hrs – significant
	Test	1.5 hrs per week	2.9 hrs per week	1.4 hrs – significant
	<b>Difference</b>	<b>0.1 hrs – (six minutes) Not significantly different</b>	<b>0.4 hrs – (24 minutes) Significantly different at 5 per cent</b>	
2006–07	Control	1.7 hrs per week	2.6 hrs per week	0.9 hrs – significant
	Test	1.5 hrs per week	2.9 hrs per week	1.4 hrs – significant
	<b>Difference</b>	<b>0.2 hrs – (12 minutes) Not significantly different</b>	<b>0.3 (18 minutes) – Significantly different at 5 per cent</b>	

Source: Australian Sports Commission data based on preliminary results

**5.18** The preliminary results for 2005–06 show the non-participating group increased SPA from 1.6 to 2.5 hours, while the participating group increased SPA from 1.5 to 2.9 hours. As 2.9 was significantly higher than 2.5 (24 minutes) at an appropriate level of significance, the program was considered successful (as was the increase of 18 minutes in 2006–07). However, in the preliminary results there is no mention of how different the non-participating and participating group measures should be (as there were no pre-determined targets) in order to judge the program successful. For example, these results do not explain the:

- increase in the non-participating group; and
- effect of program participation on the participating group, in terms of substitution for other SPA outside the program.

**5.19** Also, as the program offers between one to three hours of SPA per week, it is unclear whether the 24 minutes in 2005–06 (and 18 minutes in 2006–07) is a sufficient increase in SPA. The very existence of the program should demonstrably increase the SPA levels of those children participating in it. This is where a target would have been useful to better determine success. Attrition and non-response rates for the collection of post-test data were also higher

than expected (nearly double at 29 per cent) in the first year of the program. The impact of these rates on the quality of the results was not included in the preliminary reports.

## **Appropriateness of measure**

**5.20** The use of an inactivity measure as the basis for establishing a baseline and measuring the change in activity of children is acceptable. However, the threshold of three hours or less of SPA for recruitment into the AASC evaluation program is both arbitrary and high, particularly as it excludes SPA undertaken during school hours. A consequence of this threshold is that it delivers an artificially large number of children identified as inactive participating in the program. The ASC advised that the inactivity measure used for the first three years of the program is being reviewed. The ANAO supports this review as such a measure should be validated through appropriate testing and, desirably, include SPA during school hours to allow a more comprehensive assessment of an individual child's activity level.

**5.21** The ABSSCU suggested that a better measure of the program's effectiveness would require a longer term examination of the participating and non-participating groups, including after the participating group had ceased attending the program. Such a measure would establish whether participating children had internalised the program's positive messages about physical activity. For the next phase of the evaluation, the ASC could consider a post program assessment of changed attitudes to SPA as a measure of success. That is, whether children who no longer participate have increased their level of SPA in the longer term. The ASC advised it had considered the possibility of undertaking a longer term examination and has sought agreement from respondents to be contacted beyond 2008.

## **Assessment of three sub-objectives**

**5.22** The three sub-objectives of Objective 1(a) provided a basis to measure improved participation levels, attitude and fundamental motor skill development of non-active children. The main instrument for gathering information to measure the first sub-objective was the questionnaire used in the CATI for parents of participating and non-participating SPA inactive children. The two other sub-objectives were measured using the CATI and other instruments such as case studies.

### *Sub-objective one*

**5.23** For the first sub-objective, the participating and non-participating groups were asked the same question about SPA in an average week in Term Two, at the pre-test stage and twelve months later. The ABSSCU raised concerns about whether the question would provide appropriate data for this sub-objective. The definition of SPA used in the questionnaire requires interpretation of 'organised' and 'supervised'. The question is also long for a telephone interview and may be interpreted differently by the respondents. In addition, as there is a year between pre and post measures, the same parent may not interpret the question the same way on both occasions.

### *Sub-objective two*

**5.24** To assess changes in children's attitudes towards SPA, survey results from the CATI and online surveys of children were used. The online survey of children, including questions on their attitude towards SPA, was only applied to the participating group and only at the end of the program. Therefore no improvements could be measured. Very young children may also have had difficulty interpreting the questions asked in the survey without help from an adult and any intervention from an adult would have the potential to bias the results. Recognising the limitations of the survey approach, the ASC advised that Regional Coordinators were trained in ways to minimise the potential to bias children's responses. It will also acknowledge these limitations when reporting this data.

**5.25** Parents in both control and test groups were asked questions about their children's attitude to SPA. Although parents may be expected to be biased when reporting their children's attitudes, this type of bias would affect both non-participating and participating parents in a similar way. Rather than seeking the parent to report on the level of enjoyment their child experiences during physical activities, a more neutral framing of the question might be expected to elicit a more accurate response.

**5.26** While attrition and non-response rates are an issue with all surveys, techniques are available to assess the impact of these on survey results. The ANAO suggests that the collection of follow-up data from some parents whose children leave the program is an essential part of an adequate data collection regime and is particularly relevant to assessing this sub-objective. The ASC advised it is considering following up with children who have left the program.

### *Sub-objective three*

**5.27** Levels of fundamental motor skill development are difficult to assess without using established benchmarks for different age groups that take account of normal maturation processes.<sup>70</sup> These benchmarks are a feature of scientific models and usually require extensive testing to establish. The 'Playing for Life' activities target the development of fundamental motor skills.

**5.28** The ASC's evaluation approach assesses the increases in fundamental motor skills by asking parents and others about their observations of participating children. While it can provide an indication, this method is a subjective viewpoint only. Therefore, it cannot be demonstrated that the program has resulted in, or contributed to, an increase in fundamental motor skills in children participating in the AASC program. The ASC acknowledges that a scientific model provides an objective measure to demonstrate an increase in fundamental motor skills. However, as it did not have the budget to undertake the extensive testing required, it chose an approach that provided an indicative measure, where its stakeholders believed the program was having a positive impact on fundamental motor skills development.

### **Reporting of interim results**

**5.29** When reporting the results of an evaluation it is important that they are adequately qualified and explained, limiting the possibility that they could be misinterpreted. The ASC used preliminary results to make observations about the program in its 2005–06 Annual Report, in its briefings to the former Minister, and to the AASC sub-committee, for example:

88 percent of parents of participating children surveyed indicated that their children were inactive.<sup>71</sup>

**5.30** This result was presented without explanation of how the inactive measure was arrived at or defined. Furthermore, in preliminary reports, the contractor reported a significant increase in SPA levels in the participating group without specifying levels of significance and other caveats. Greater transparency around the collection and treatment of data needs to be reflected in statements made. In the final evaluation report, care should be taken in stating:

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<sup>70</sup> For primary school aged children, fundamental motor skills are defined as the foundation movements or precursor patterns to more specialised, complex skills in games, sports, and other physical activities.

<sup>71</sup> Australian Sports Commission, Annual report 2005–06, Canberra 2006, p. 45.



- how averages are calculated;
- margins of error and/or confidence intervals for these averages, with stated confidence levels;
- the rationale for which significance tests are chosen (where it is not obvious);
- any assumptions made when using the tests; and
- the level of significance for any observed differences.

**5.31** The ASC advised that, since 2007, it has not used the term inactive to describe participating children in its Annual Report. It was also aware of a number of issues raised by the ANAO in relation to the presentation of the evaluation findings and will ensure that all the relevant caveats and interpretation notes are included in the final report.

## **Conclusion**

**5.32** The ASC is undertaking a wide-ranging review of the program's impact and operations across eight objectives and a range of useful information will be provided by this evaluation. The absence of predetermined targets will impact on the ASC's ability to effectively measure the program's success. A number of points have been raised about how the questions used in the CATI may impact on the accurate measurement of the three sub-objectives for the program and care needs to be taken when reporting results. In particular, the bias inbuilt into some of the questions, the length and interpretation of key questions and the treatment of attrition and non-response rates.

**5.33** In the past, the ASC has published preliminary results in its Annual Report, in briefings to the former Minister and the AASC sub-committee that may have been misleading. The reporting of evaluation results could be improved by providing, where relevant, appropriate information to qualify these results. Qualifications are needed in some situations to adequately interpret findings because results can be compromised by the methodologies employed or by the way in which differences of statistical significance are ascertained. For example, definitions used and attrition and non-response rates can affect the assessment of outcomes. The ASC has advised that all relevant caveats and interpretation notes will be included in the final evaluation report.

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Steve Chapman

Acting /Auditor-General

Canberra ACT

10 December 2008

# Appendices



## Appendix 1: Agency response



**Australian Government**  
**Australian Sports Commission**

Mr Matt Cahill  
Group Executive Director  
Performance Audit Services Group  
Australian National Audit Office  
GPO Box 707  
CANBERRA ACT 2601

Dear Mr Cahill

Please find attached the Australian Sports Commission's (ASC) response to the report of the Active After-school Communities (AASC) program performance audit. The ASC's response to the audit report has been compiled in three parts as requested in your letter dated the 27 October 2008 and as follows:

1. formal agency comments on the proposed report, which will be included in full in an appendix to the final report;
2. a short (one to two paragraph) summary of the ASC's comments to be used in preparation of the report summary and brochure; and
3. a response to each of the audit's recommendations, that is whether the entity agrees, agrees with qualification or does not agree.

On behalf of the ASC I would like to thank you for the opportunity to respond to the AASC program's performance audit report and to acknowledge the significant work undertaken by ASC staff and your staff in gathering all the information required to inform this report.

Yours sincerely

Brent Espeland  
A/g Chief Executive Officer

21 November 2008

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## **Australian Sports Commission Response to the ANAO Audit Report**

### **1. Formal ASC comments to be included in full in an appendix to the final report:**

The ASC welcomes the audit findings and the acknowledgement by the ANAO that the Active After-school Communities (AASC) program has been successfully implemented. The ANAO's acknowledgement of the comprehensiveness of the program's implementation plan validated the feedback provided by the Cabinet Implementation Unit which complimented the ASC on the quality of the plan. The ASC recognises the significant challenge it undertook to roll out a high priority initiative in a short timeframe, and is proud of its achievements.

The complexity of establishing and implementing this project is hard to quantify, and, in the initial roll-out of the program was exacerbated by the need to commence delivery in parallel with the planning and design of the program policies, resources and procedures. The initial focus for program implementation was therefore on recruitment and training of staff and development of resources to support quality delivery of the program. The ASC acknowledges the areas for improvement identified by the ANAO particularly in relation to record keeping, planning and documentation during this initial implementation phase.

The ASC also recognises the success of the program within the first year, including engaging 1414 sites and 70,000 children, recruitment and induction of 180 new employees, development of best practice resources for the delivery of structured physical activity to children (the Community Coach Training Program and the Playing for Life resource kit), and the training of over 7000 deliverers nationwide. This success was also confirmed through the research findings at the conclusion of 2005, that identified that approximately 80% of children reported they had fun and wanted to come back and over 80% of deliverers and site staff were satisfied with the program implementation. These figures have been sustained or increased in each year of the program.

The ASC identified, at an early stage, the need for continual review and improvement of all elements of the program, incorporating feedback from regional staff involved with the delivery of the program. A matrix style management system was established, involving the creation of seven National Project Teams: Communication, Communities, Information Technology, Providers, Sites, Community Coach Training and Staff Learning and Development with each addressing different operational areas of the program. Each project team is chaired by a State Manager and has a representative Regional Coordinator from each state. The main roles of each project team are to act as a conduit for feedback from staff working on the ground, make recommendations on new developments and improvements, and to educate staff on changes to procedures.

The ANAO findings have highlighted that this system of continual improvement is working well, with a number of the ANAO findings acknowledging improvements over time, which is a reflection of the role the National Project Teams have played. For example, the enhancements made to the Expression of Interest process was led and implemented by the Sites National Project Team, resulting in a robust and comprehensive process implemented in 2007.

The AASC program continued to roll out to an additional 250 sites each term, until it reached its final target in term 3 2007. Having reached the program targets, 2008 presented the first major opportunity for consolidation and program review. As such, a strategic planning and review week was conducted in February 2008 involving the National Management Team and all National Project Team representatives. The key development priorities identified for implementation in 2008/09 included:

- development of a national quality management plan, inclusive of a risk management plan;
- a review of the grant acquittal process; and
- scoping of the development of online grant applications.

These areas were highlighted within the ANAO findings, once again validating the ASC's internal processes of continual improvement.

#### **Managing Program Delivery**

The requirement for the introduction of exemptions within the registration process was identified by the Providers National Project Team. The request was made to provide the necessary flexibility to remote and regional sites, where accessibility to complete the Community Coach Training Program was limited and/or there were significant delays in the return of results from the Working with Children Checks. The exemptions were only temporary, allowing time for the Regional Coordinators to conduct the training for the communities involved, whilst not holding up the program delivery.

Temporary exemptions for Working with Children Checks were only provided in the circumstances where there was no state legislation in place and/or the state legislation allowed for the exemption to be made. The ANAO findings have highlighted that the use of exemptions may have evolved to be utilised more generously than initially planned. This will be addressed within the development of a national quality management plan (a project that is currently underway), which will clearly identify the minimum standards for registration and parameters by which exemptions should be used (if at all).

Additionally, the ASC is addressing Governance issues raised by the ANAO with respect to program delivery. In 2006-2007 the ASC requested that our Internal Auditors conduct a review of ASC processes and procedures to ensure that the ASC was meeting the *Commonwealth Authorities and Companies Act 1997* requirements. The findings of the review included the need to develop an ASC Board Charter. A draft ASC Board Charter has been developed. The majority of the current ASC Board members were appointed in June 2008. The draft ASC Board Charter was reviewed by the ASC Audit Committee in June 2008 with the finalisation of the Charter deferred until the new ASC Chair has been appointed.

Following the recent amendments to the *Commonwealth Authorities and Companies Act 1997* taking effect July 2008, the ASC has provided all Board members with an update of the amendments and how they affect them in their role as Directors. The ASC has also commenced a process to provide a briefing to all ASC Board members regarding "Conflict of Interest" and "Material Interest" including updated declaration forms.

The ASC Board has re-established the AASC Board Sub-committee with Terms of Reference. The ASC notes that it will continue its existing process of providing a formal report on the implementation of the AASC program to the Board at each Board meeting. The ASC also notes that the Director of Community Sport will continue the existing practise of formally reporting to the Chief Executive Officer on a monthly basis in relation to the AASC program.

The ASC will continue the existing operational reporting processes identified by the ANAO as operating well, including biannual state reporting and quarterly regional reporting. The ASC will utilise these reports in the preparation and submission of a consolidated AASC national report to the CEO and Board on an annual basis.

#### **Assessment of Sites and Administration of Grants**

The ANAO identified a need to reduce the administrative effort involved in processing grant applications

In establishing the grant application process, all options were considered for processing and administration. There were two significant limiting factors to implementing an online automated system:

- the pressing time frame to establish a process and IT system within 6 months; and
- limitations within the ASC's existing IT infrastructure and capabilities.

As such, a paper based system was established and supported by a database for processing and approval of grants. In addition to being utilised for the processing of grants, this database has evolved to become the central repository of information concerning sites and deliverers, and as such is a critical reporting and analysis tool for the program.

Whilst the cost of the database has been identified as approximately \$1.1million over the four years, this cost is entirely consumed by the salaries of two existing employees and one contracted programmer, as the database was developed in house. As such, the only funding that would have been available to redirect to purchase the necessary infrastructure required for online automation of the grants, was the funding utilised for the contracted programmer (approximately \$160,000 per annum). Regardless, the services of this contractor would have been necessary to design and develop the new system.

The ASC's IT infrastructure is now suitably robust to evolve the existing system to accommodate an online grant application system, and as a result, this project was identified in February 2008 as a high priority for development over the following 12-18 months. It should be noted however, that a paper based system will need to be maintained for some sites who cannot access the online system.



The grant acquittal process was similarly identified by the ANAO as an area in need of review, even though it was identified as a sound and robust process. Ernst and Young were contracted in July 2008 to provide recommendations on how to decrease the administrative burden, whilst maintaining the integrity of the process. These recommendations have now been adopted and will be implemented for the acquittal of grants paid in semester 2, 2008.

### **Measuring the success of the program**

The ASC's commitment to a comprehensive evaluation of the AASC program has provided excellent opportunities for the attainment of ongoing feedback to further support its continual improvement and enhancement, as well as the establishment of valuable baseline data.

The ASC utilised both internal and external expertise to develop an evaluation framework which was methodologically robust enough to stand up to external scrutiny, whilst also being pragmatic in its approach to enable its implementation within the time and budget constraints. The resultant evaluation approach was able to provide insightful and useful data about the performance of the program which has subsequently been utilised to refine various elements of the program.

The ASC acknowledges there may be issues with some of the questions in the evaluation tools. It should be noted that these were worded so as to best represent the stated objectives as concisely as possible within the limited budget. In addition, to try and mitigate potential problems the Consultant adopted precludes and scales that were worded neutrally to ensure all respondents had equal opportunity to agree or disagree with the statements. When comparing findings across all six evaluation components and diverse informants (i.e. school/OSHCS Staff, AASC staff, deliverers and children participating in the program) consistent levels of agreement were achieved. However, the ASC recognises that improvements can be made and these will be addressed in the next phase of the evaluation.

The ASC and its Consultant have already considered the treatment of attrition and non-response rates, and are working on the final methodology and evaluation reports to ensure that these are addressed. Further and appropriate analysis and results will be provided in the final evaluation report with the relevant methodological caveats.

The ASC has considered a number of the issues raised by the ANAO regarding the presentation of its evaluation findings, and had identified the need to provide clear caveats around all definitions, in particular the definition of inactivity. As a result, in the 2007 report, reference to the labelling of children as inactive was removed. The definition was used as a screening for inclusion within the research only, and full detail of participation in all types of activity outside of school hours (both general and structured) was collected. Reporting was then based on the analysis of the number of hours participating in either type of activity and any changes identified.

The final evaluation and methodology reports will include the relevant caveats and interpretive notes to ensure the findings are transparent and adequately explained. The ASC is embarking on the next phase of its evaluation of the AASC program and has already considered many of the issues raised by the ANAO in this review based on the learnings it has gained from conducting the 2005 - 2007 Evaluation.

### **Record Keeping**

The ASC has implemented TRIM to assist in the filing and storage of information. The majority of ASC Divisions can access TRIM electronically, and have commenced the digital storage of files and documents. As the majority of AASC personnel are decentralised, often with very small bandwidth, the use of digital storage through TRIM has not been possible. The ASC is currently reviewing options to provide staff with greater education regarding identification and storage of records, as well as the opportunity to provide digital storage for decentralised staff.

## **2. Summary of the ASC's comments to be used in preparation of the report summary and brochure:**

The Australian Sports Commission (ASC) is pleased to note that the ANAO has found that the Active After-school Communities (AASC) program was successfully implemented by the ASC. The ASC believes that it overcame a number of significant challenges to successfully implement such an important high priority initiative within a very short timeframe.

The ASC has recognised that improvements can be made to the ongoing implementation of the program and has continued to review and refine Governance procedures and implementation processes. The ASC has taken on board the ANAO recommendations and has already addressed them or is currently taking steps to address them.

## **3. The ASC's response to each of the audit's recommendations:**

### *Recommendation No. 1*

To improve the management of quality standards for the Active After-school Communities program, the ANAO recommends that the Australian Sports Commission:

- Develop and apply a minimum standard for training and criminal history checks; and
- Monitor the use of exemptions at the state and national levels

**ASC response:** Agreed. The ASC has contracted an external party to review and produce a new framework and policies for all of the AASC quality standards including training and criminal history checks and exemptions.

### *Recommendation No. 2*

To determine whether the Active After-school Communities program database is meeting the program's current and future needs the ANAO recommends that the Australian Sports Commission review the purpose and function of the database.

**ASC response:** Agreed. The AASC program has a dedicated National Project Team to continually review and provide feedback on the ongoing development requirements of the database. This project team oversees and prioritises a list of development requests. In addition, the ASC will be contracting an external party to review the AASC database with a view to updating and streamlining the functionalities of the database to ensure that it best meets current and future needs.

*Recommendation No.3*

To reduce the resources currently required to process grant applications for the Active After-school Communities program, the ANAO recommends that the Australian Sports Commission review and streamline existing processes and assess the merits of automating the grant application process.

**ASC response:** Agreed. The ASC has begun work on scoping the automation of the grant application process. This will form part of the streamlining being undertaken as per the ASC's response to Recommendation 2.

*Recommendation No. 4*

To improve the efficiency of acquitting Active After-school Communities grants, the ANAO recommends that the Australian Sports Commission adopt a risk based approach that includes:

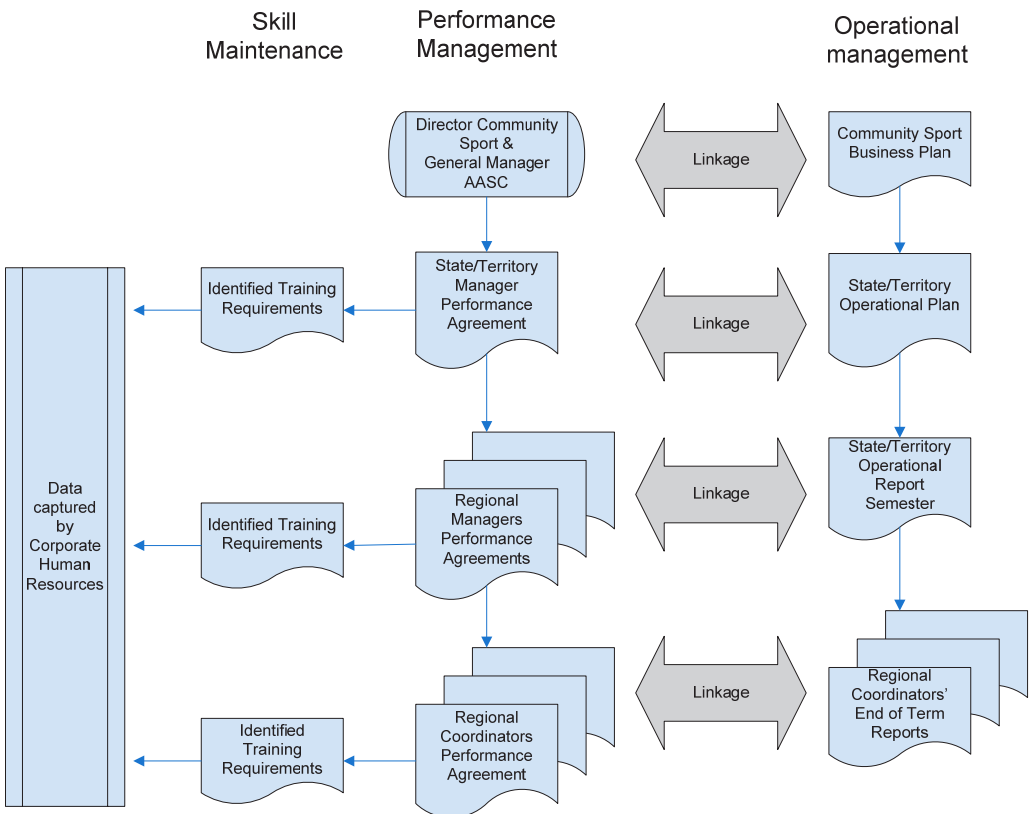
- An assessment of the control environment of the program;
- A sampling methodology for selecting grants; and
- A process for analysing and communicating results.

**ASC response:** Agreed. The ASC has already implemented this recommendation for Terms 3 and 4 2008.

# Appendix 2: Linkages between operational and staff management processes

Figure A 1

Linkages between operational and staff management processes



Source: Australian National Audit Office based on Australian Sports Commission data

## Appendix 3: Maximum funding for AASC participating sites per term for 2008

**Table A 1**

### Maximum funding for AASC participating schools per term for 2008

No. participants	1 x session per week	2 x sessions per week	3 x sessions per week
1-14	\$753	\$ 1505	\$ 2258
15-30	\$858	\$ 1715	\$ 2573
31-49	\$998	\$ 1995	\$ 2993
50+	\$ 1173	\$ 2345	\$ 3518

Source: Australian Sports Commission

**Table A 2**

### Maximum funding for AASC participating OSHCS per term for 2008

No. participants	1 x session per week	2 x sessions per week	3 x sessions per week
1-14	\$ 455	\$ 910	\$ 1365
15-30	\$ 560	\$ 1120	\$ 1680
31-49	\$ 700	\$ 1400	\$ 2100
50+	\$ 875	\$ 1750	\$ 2625

Source: Australian Sports Commission

Note 1: The figures in Appendix 3 show the funding arrangements per term for mainland sites only. The funding model for Tasmania differs as it runs three terms. Tasmanian sites apply for Term One funding in the first funding round, and Terms Two and Three funding in the second round.

## Appendix 4: Specific evaluation objectives

The specific research and evaluation objectives relating to the AASC program include:

1. determining the extent to which the AASC has achieved the stated aims and objectives as intended by key stakeholders, including:
  - a. to enhance physical activity levels of primary school aged children;
  - b. provision of a positive, safe, nurturing and healthy experiences for primary school children in the after-school environment; and
  - c. to grow community capacity and stimulate local community (and local government) involvement in sport (physical activity) to increase participation levels.
2. determine and evaluate the effectiveness of the associated quality assurance framework in supporting and guiding the development and implementation of the AASC;
3. monitor children's participation within the AASC program over the life of the program, including the transition of participating children from the AASC program to the local club structure and/or level of junior sport membership;
4. level of satisfaction with the AASC program from the perspective of participants, providers and other key stakeholders;
5. an ongoing measurement of the level of 'unmet' demand for the AASC program's services;
6. identify reasons for lack of participation among children in schools/OSHCS offering AASC and not offering the AASC including barriers to participation;
7. provide information and draw conclusions about the strengths and weaknesses of the AASC program model of delivery; and
8. suggest modifications deemed necessary to achieve the stated aims and objectives of the AASC program.

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