



Statement of Intent
2005/06

Our mission is to be recognised by 2006 as world leading in our approach to sport and physical recreation measured by:

- > Being the most active nation
- > Having athletes and teams winning consistently in events that matter to New Zealanders
- > Having the most effective sport and physical recreation systems.

VISION

All New Zealanders have a right to enjoy participating and reaching their potential in sport and physical recreation, are proud of their own active, healthy lifestyles, and are proud of their achievements as a nation in sport.

Kia hiwa rā, kia hiwa rā.
Kia hiwa rā ki tenei tuku.
Kia hiwa rā ki tērā tuku.
Kia tū, kia toa, kia mataara!

Tihei mauri ora.

He mihi atu tēnei ki ngā maunga tapu me ngā marae maha o te motu o Aotearoa-whānui.

Tēnā koutou katoa.

Kei te poroporoaki ki ngā tini aituā kua whetūrangitia, kua haere atu ki te pō, moe mai, moe mai, moe mai i tē moenga roa.

Kei te mihi atu ki a tātou ngā kanohi ora e noho mai nei ki runga i tēnei whenua ātaahua. Nō reira, e ngā mana, e ngā reo, rau rangatira mā, tēnā koutou, tēnā koutou, tēnā tātou katoa.



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Foreword

New Zealand is a nation that values sport and recreation. We value what an active lifestyle can contribute to our enjoyment of our surroundings, how sport delivers benefits to ourselves and our nation, and how participating in physical activity can bring us together as individuals, families and communities. We love to see ourselves perform on the international stage, we love to see our children playing sport on a Saturday morning, and we hope that all our family and whānau members will be active and healthy throughout their lives.

There are thousands of sport and recreation organisations throughout New Zealand that contribute every day to the development and strengthening of sport and recreation activities. Sport and Recreation New Zealand (SPARC) has focused on supporting these organisations to build a sustainable, effective and capable sector. Some of our partners work to raise the physical activity levels of young people, and some work to ensure that our elite athletes can perform to the best of their ability, but all work to help New Zealanders realise their potential.

The Government invests in sport and recreation to deliver improved outcomes for all New Zealanders. This Statement of Intent lists a series of milestones and outputs which will enable the progress of SPARC to be monitored.

As SPARC enters 2005/06, it is time to reflect on our past work, to review what we know about the relationship between ourselves and sport and recreation, and to look to the future. This document notes that this coming year is a time for strategic review, for forward planning and, most importantly, for finding a vision that SPARC can share with the sector and with all New Zealanders.

I look forward to a new phase of development for SPARC, and the sport and recreation sector, as we work towards 2012 and beyond.

John Wells
Chairman, Sport and Recreation New Zealand

Summary

SPARC has been operating under the original strategic plan put in place in 2002 to carry the organisation through until 2006. During the 2005/06 year SPARC will consolidate and build on achievements and plans already in place.

SPARC will also undertake a major strategic review over this year which will take it forward from 2006 to 2012. This review will be the most significant project for the year.

The New Zealand Government has shown its continuing commitment to sport and recreation through an increase of \$9.75 million in funding to SPARC. The key projects that SPARC will invest in are detailed later in this document.

SPARC's mission is to be recognised as world leading in its approach to delivering improved physical activity and sport outcomes. SPARC invests in a range of organisations, delivers services, and develops policies which are specifically targeted at:

- Being the most active nation
- Having athletes and teams winning consistently in events that matter to New Zealanders
- Having the most effective sport and physical recreation systems.

SPARC continued to make significant progress in 2004/05 towards achieving its mission.

SPARC invested \$19 million in the New Zealand Olympic team's build-up to the 2004 Athens Olympic Games. This has proved to be money well spent, with a

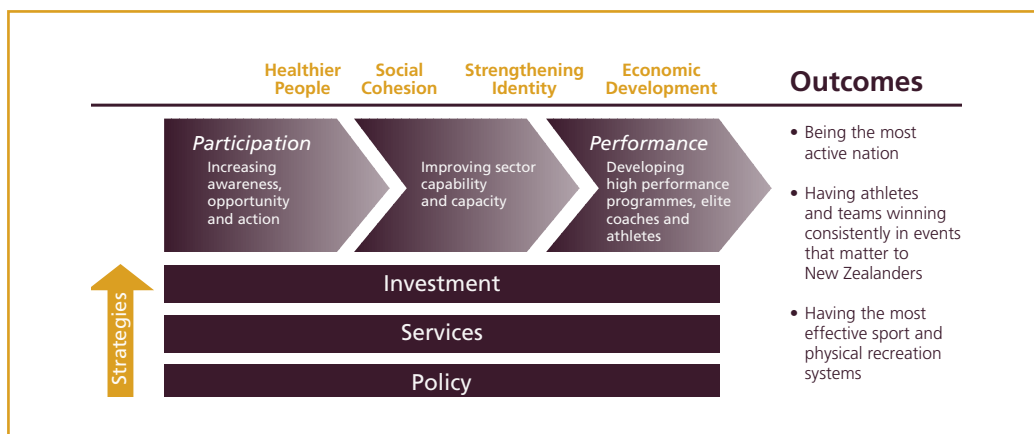
significant improvement over the results achieved four years ago in Sydney, both in terms of the number of medals won and the number of fourth to eighth place finishes.

There has been substantial growth in the level of strategic and targeted investment SPARC has made in the sport and recreation sector and in organisations that can increase participation levels of New Zealanders. In 2002/03 SPARC invested \$26.8 million in the sector. In the space of three financial years, the level of investment has more than doubled, with SPARC investing a total of \$59.8 million in 2005/06.

A priority has been investing in the "revitalisation" of selected sports, such as swimming and cycling, that have potential to achieve in the international arena as well as having broader roles in relation to getting New Zealanders to participate in physical activity. These sports are now operating under long-term investment contracts.

Other significant initiatives, launched or implemented in 2004/05, that will help New Zealanders achieve international sporting success, encourage them to participate in physical activity and make New Zealand the most active nation are:

- Developing strategies to implement the July 2004 findings of the SPARC-initiated "**Talent Identification Taskforce**", which emphasised the importance of children acquiring basic motor skills in early childhood and considered whether it is possible to identify sporting talent at a young age



- Launching the *New Zealand Coaching Strategy*, which lays the foundations for creating a world-class coaching environment in New Zealand.
- Implementing the *Performance Enhancement Grants* (PEGs) scheme, which allocates grants to high performance athletes and coaches to help them cover general living costs and devote more time to achieving sporting excellence.
- Engaging in capability assessments of specific National Sports Organisations and Regional Sports Trusts to clarify and improve their performance across governance, leadership and other key areas and releasing the first of a series of easy-to-use organisational development tool-kits.
- Appointing four permanent relationship managers at SPARC who work to ensure that effective relationships exist between SPARC, National Sports Organisations and Regional Sports Trusts.
- In July 2004 a Memorandum of Understanding was signed by SPARC and the Ministries of Education and Health. This is targeted at encouraging children to be more active and make healthy eating choices. Collaboration between the parties continued into 2004/05.
- *Active Movement* physical activity guidelines for under-fives were launched in May 2004 and progressed in the 2004/05 year with the launch of 14 “how to” brochures. These resources target parents and caregivers and highlight the crucial role movement plays in human development. They recommend appropriate ways to incorporate movement into young children’s daily lives.
- The *Active Schools* programme was launched in October 2004. *Active Schools* is about getting children more active more often. It aims to increase awareness, skills and education regarding quality physical activity and physical education within school communities, and to enhance student physical activity and overall wellbeing.

Operating Environment

SPARC was established under the *Sport and Recreation New Zealand Act 2002* on the recommendation of the *Ministerial Taskforce on Sport, Fitness and Leisure (2001)*. SPARC was given the task of promoting, encouraging and supporting physical recreation and sport in New Zealand. Changes in the family, social and working environments of New Zealanders in recent years have made this task challenging. Many New Zealanders now lead “time-stressed” lifestyles and there are more entertainment options than ever competing for whatever spare time people have. As a consequence, for some New Zealanders, participation in sports and physical activity may not hold the high priority it did previously. Technological developments and transportation issues also contribute to inactivity. These and other pressures have meant that the physical activity levels of some New Zealanders have declined in recent times. The fact that New Zealand has an increasingly “aging population” also presents specific challenges in encouraging people to maintain physically active lifestyles. In addition, there are challenges involved with getting young people physically active, many of whom are failing to develop fundamental movement skills or adopt healthy, active lifestyles. The following section provides an overview of the environment SPARC operates in, including problem areas and pressure points requiring ongoing attention.

PHYSICAL ACTIVITY LEVELS

From the end of the 20th century and into the 21st century, it is evident that while overall levels of physical activity in adults have increased slightly, physical activity levels among children and young people have decreased. There are also concerns about physical activity levels among some other demographic groups. Data from the New Zealand Sport and Physical Activity Surveys (SPARC 2003) and other studies indicate the following:

Adults

Overall physical activity levels among adult New Zealanders increased over the period 1997–2001 with the proportion of adults engaging in 2.5 hours’ total physical activity per week increasing from 67% to 70% in that period (SPARC 2003). When we take into account the proportion who are **regularly** active (which is considered more beneficial to health), that is they engage in 30 minutes of physical activity **on five or more days**, the proportion was significantly lower at

39%. However, this figure has remained stable between 1997 and 2001. These trends for adults are unusual globally, with many countries experiencing declines in physical activity among all age groups (e.g. Australia, United Kingdom). While activity levels are positive by international comparisons, clearly there is much room for improvement as approximately 60% of adults could be doing more physical activity to protect their health.

While physical activity levels for adults in general have increased slightly, levels within some specific adult demographic groups are concerning:

- Women overall are less active than men throughout their lifespan, especially those between 25 and 34 years of age.
- People with disabilities have a slightly lower participation rate than the overall population.
- New Zealanders of ethnicities other than European, Māori or Pacific Island appear the least active among adults. Fifty-one percent of New Zealand adults from other ethnicities (including Asian, African and Middle Eastern) were physically inactive in 2001.

Young People (5–17 years)

Particularly concerning trends have emerged around physical activity levels of children and young people. New Zealand has witnessed a decrease in ability, interest and participation in sport and physical activity among young people:

- The overall physical activity levels of young people (engaged in 2.5 hours’ physical activity per week) **decreased** 3% between 1997/98 (69%) and 2000/01 (66%).
- Further, the proportion of young people who were sedentary (did not engage in physical activity in the previous two weeks) **increased** 5% between 1997/98 (8%) and 2000/01 (13%).
- Pacific young people are among the most inactive New Zealanders, with only 52% being physically active. **The overall levels of Pacific children and young persons who were sedentary increased substantially between 1997/98 and 2000/01 from 6% to 33%.**
- Activity levels among Māori young people declined between 1997/98 and 2000/01 from 75% to 66%.

- The most active children are those aged 9–12. However, there is a marked drop in physical activity between entering and leaving secondary school.
- Research conducted for the Primary School Physical Activity Pilot programme, involving 424 students aged up to 10 years old, found that only 17 (4%) of these students could manage all core physical skills. Only two of the 17 students were girls.

These trends are concerning given that they are occurring in an environment that features substantial health promotion initiatives and extensive support of sporting codes.

This raises questions relating to why some people are choosing not to participate. A major recent study commissioned by SPARC, *Obstacles to Action: A Study of New Zealanders' Physical Activity and Nutrition*, has provided valuable information about motivations and barriers to people participating. It found different groups of people have quite different motivations for participating in physical activity, such as: an awareness of health benefits; a desire to be physically attractive; a desire to maintain a healthy weight; social interaction; and a desire for approval by others. Thus a generic "one size fits all" approach is unlikely to be successful in motivating and encouraging all people to participate in physical activity. Key barriers identified included a lack of time and/or energy, lack of encouragement or support from others, no one to exercise with and difficulty in sticking to a routine. These motivations and barriers are all further impacted upon by the changing stages people go through in their lives, such as aging, states of health, and changes in career and family commitments. This information will be invaluable to SPARC in developing effective and targeted strategies to get New Zealanders to overcome their "obstacles" to participating in physical activity.

OBESITY AND DIABETES

Obesity and diabetes have both been established as worldwide epidemics. The rapid changes in human lifestyles over the last century, resulting in physical inactivity and unhealthy diets, are considered to be largely responsible for the incidence of these epidemics (National Health Committee 1998).

The Ministry of Health records that 81,000 New Zealanders suffered from type-2 diabetes in 1996 and predicts that in 2011 this figure could

increase to around 145,000 (Ministry of Health 2002). Māori and Pacific peoples are more than twice as likely to have diabetes as non-Māori or non-Pacific peoples (Ministry of Health 1999). Physical inactivity has been identified as a key risk factor for type-2 diabetes. The United Kingdom Department of Health reported that the risk of developing type-2 diabetes is 33% to 50% lower for physically active people compared with those who are physically inactive. There is growing evidence that preventing type-2 diabetes is possible and that increased physical activity before the onset of impaired glucose tolerance appears to lead to the greatest benefits (United Kingdom Department of Health 2004).

The incidence of obesity has been increasing in New Zealand, with a 50% increase in adult obesity being reported in the last decade (Ministry of Social Development 2003). In the late 1990s New Zealand ranked fourth out of 15 countries in the rate of obesity in the adult population (OECD 2002). Twenty-one percent of New Zealand adults are obese and a further 35% are overweight (Ministry of Health 2004). Obesity is also affecting our children and young people and it has been reported that 21% of New Zealanders aged between five and 14 were overweight and a further 10% were obese (2002 National Children's Survey). Physical activity clearly has a role in weight control and management and can therefore be a factor in reducing the incidence of obesity.

While physical activity has a role to play in preventing and/or reducing the incidence of diabetes and obesity, this can be somewhat of a "catch-22" as it is likely that some people who suffer from obesity and/or diabetes may find exercise and other physical activity difficult and potentially discouraging due to factors relating to their health and physical states. Promoting the health benefits of exercise, in relation to diabetes and obesity, therefore assumes some importance.

RISK MANAGEMENT

There was concern throughout the sport and recreation sector when, as a result of a competitor in a cycling race colliding with a car and subsequently dying, the organiser of the event was convicted in the District Court of criminal nuisance under the Crimes Act 1961. The organiser was found to have failed in her legal duty to take reasonable care not to cause danger as her instructions to competitors about road closures were

alleged to be misleading. This case led to some sports events and activities being cancelled, as organisers were unwilling to risk subjecting themselves to such criminal liability. The Court of Appeal subsequently overturned the conviction. However, the Court of Appeal made it clear that event organisers have a duty to take reasonable care and precautions not to cause danger to participants or the public. SPARC has undertaken initiatives including disseminating advice about the implications of this case and other aspects of legal liability to the sports and recreation sector, developing risk management standards and consulting with representative event organisers. However, despite these measures, the fact that sports event organisers do have legal responsibilities might potentially make some organisers less willing or eager to organise events. Any reduction in events and activities is likely to impact on physical activity and sport participation levels.

COMPETITIVE HIGH PERFORMANCE ENVIRONMENT

New Zealanders believe winning in international events is important. It creates a strong sense of national identity and pride. Over the last year or so, New Zealand sportspeople have had some great international successes in a diverse range of sports. New Zealanders have been crowned world champions in softball, rugby (sevens and under 21), cycling, triathlon, aerobics, inline speed skating, bowls, lifesaving, mountain running and mountain biking. Then of course there was Athens, with some great successes in the Olympic Games and the Paralympic Games – moments all New Zealanders can be proud of.

However, winning on the international stage is becoming increasingly more challenging for New Zealanders. Talent alone is no longer enough to win. International sport has developed rapidly over the last decade with more money involved, and higher standards and professionalism being the norm. Our competitors are committing substantial and increasing amounts of money. Being a small country, we have a smaller pool of athletes than some of our much larger rivals. For example, we performed creditably at the Paralympics, securing six gold medals and four other medals, all from a pool of only 300 disabled athletes to choose from. China, by comparison, has a pool of some 27,000 registered disabled athletes to choose from.

It is evident that New Zealand cannot compete on the basis of size and funding, as we are unable to equal the seemingly endless resources of the larger major sporting countries. While the level of investment is important, we do not have the resources to simply outspend our rivals, so we have to outsmart them and be wise, innovative and strategic in how we invest.

VOLUNTEERS

Volunteers contribute significantly to the sport and recreation sector in a variety of roles such as coaches, referees, sports administrators and parent helpers and undertaking a variety of organisational duties. Around 500,000 people contribute their unpaid labour as volunteers across the sector. While 27% of adult New Zealanders were involved or volunteered in 2000/01 (SPARC 2003), many sports report that they have a shortage of volunteers.

There are a number of possible reasons why people may choose not to volunteer. The changing lifestyles of many New Zealanders in recent times may be affecting people's ability and willingness to commit to volunteer work. Many people have less leisure time available and may be more selective in how they spend that time. The recent high profile prosecutions involving event organisers, and increased public awareness that those involved in organising sports events may be legally liable if something goes wrong, may also have made some people wary of offering their services as volunteers for fear of being held liable for some mishap. Both the lack of opportunities in training and development for volunteers and a perceived lack of recognition and support from sports administrators appear to be important factors affecting people's willingness to volunteer. Another factor may be that as more positions in the sport and recreation sector become paid positions, this may be affecting the motivation of volunteers to offer their labour for free.

Recruiting and retaining volunteers is a major concern across the sport and recreation sector, as is risk management associated with volunteer work. A lack of sufficient volunteers is a real threat to the continuation of organised sport and physical activity. In light of this, SPARC will be developing a major volunteers strategy in 2005/06, which will involve the development of training resources and a campaign recognising the crucial contribution volunteers make to the sector.

PARTNERSHIP WITH MĀORI

SPARC acknowledges and recognises the importance of a partnership between Māori and non-Māori under the Treaty of Waitangi. SPARC aims to ensure that the needs of Māori are provided for across the whole sector and to develop culturally effective strategies for all New Zealanders.

SPARC is also concerned to improve outcomes for Māori and in particular to improve participation rates. While Māori are active participants in physical activity and sport, overall levels of activity have declined among Māori from 1997 to 2001 (SPARC 2003). While adult Māori are a relatively active population group, spending more than 10 hours per week on physical activity, the proportion of Māori children and young people who are inactive constitutes one of the highest population groups among New Zealand children and young people (although not as high as Pacific children and young people). Among young Māori, the percentage of those who identify as physically active has declined from 75% in 1997 to 66% in 2001.

The proportion of sedentary young Māori has tripled over this time from 6% to 18%. The increase for sedentary Māori boys over this time was from 5% to 17% and for sedentary Māori girls was from 6% to 20%.

A range of barriers has been identified which may limit the uptake of physical activity and sport by Māori. Te Puni Kōkiri (1995) identified: cost (including perceived cost); transport difficulties; work and whānau commitments; lack of childcare; whakama (sense of shame or embarrassment); low self-esteem; communication difficulties; transience due to seasonal work; low awareness of the impact of physical activity on their lives; and low awareness of facilities and opportunities available to undertake physical activity. Māori are represented within the priority target segments identified in the *Obstacles to Action* research (2003). These segments are based on a range of common barriers and motivating factors (mirrored in the Te Puni Kōkiri research) that will be addressed to improve physical activity opportunities and behaviours.

Contributing to Shared Government Outcomes

Participation in physical activity and sport creates benefits that go well beyond the sport and recreation sector and contribute to New Zealand as whole. Improving physical activity levels and participation in sport, developing effective sport and recreation systems, and having international sporting successes can all contribute to increased health, social and economic benefits for New Zealanders. SPARC seeks to collaborate with other government agencies to deliver wider objectives for the whole of government.

HEALTH

That physical activity has direct health benefits is now indisputable. There is no shortage of evidence identifying physical activity as having protective and mitigating benefits in combating a range of health disorders. For example, there is cogent research evidence demonstrating that physical activity reduces the risk of contracting and/or dying from serious diseases and medical conditions including cardiovascular disease, obesity, type-2 diabetes, some forms of cancer, osteoporosis, osteoarthritis and depression (Ministry of Health 2003).

There is also evidence demonstrating that physical activity, by improving strength, co-ordination and balance, can help protect people from fractures and other injuries sustained from falls and other accidents. Engaging in moderate physical activity has been shown to significantly reduce the risk of falls in older people. (DiBrezza et al 2003; Cyarto et al 2004).

Physical inactivity has been ranked the fifth major mortality risk and has been estimated to account for over 2,600 deaths per year in New Zealand (Ministry of Health 2003). That is more than four times the road toll. It has been estimated that 600 lives would be saved per year if New Zealanders increased their physical activity by a mere 10%. The evidence is therefore persuasive that low levels of nationwide participation in sport or other physical activity presents a public health danger, a danger that could be eliminated.

EDUCATION

Meaningful and positive physical activity in education settings contributes to the holistic development of children and young people by having positive benefits on physical, social, mental and cognitive development. In this way, opportunities for physical activity are

fundamental to quality of life and learning for all children. There is a compelling evidence base that supports the value of physical activity and physical education interventions within the education sector (CDC 2003; WHO 2003). Research studies from around the world provide evidence of the positive impact physical activity has on academic achievement, self-esteem, and accelerated psycho-motor development (McKenzie, Sallis et al 2004; Rowe 2000; Bauman 2002; Scheuer and Mitchell 2003; Shephard 1997).

Health and physical education is a key learning area in the New Zealand national curriculum and the development of fundamental movement skills is part of the *Health and Physical Education in the New Zealand Curriculum*. SPARC is working closely with the Ministry of Education and the Ministry of Health to implement the new *Active Movement* and *Active Schools* initiatives designed to improve the quality, accessibility and level of participation in physical activity for all children and young people in New Zealand.

Targeted policy and initiatives driven by SPARC's *Sport and Physical Activity in Learning Communities Framework* support both the Ministry of Education's mission (Raising Student Achievement and Reducing Disparity) and the *Education Priorities in New Zealand* (for more information see Ministry of Education Statement of Intent 2003–2008). SPARC initiatives align with national curriculum outcomes, provide resourcing for enhancing quality teaching, and focus on strengthening family and community collaboration.

NATIONAL IDENTITY

Physical activity and sport lie at the heart of New Zealand's national identity. The fervour with which the New Zealand public celebrates the international sporting success of New Zealand competitors and teams, especially in high profile sports such as rugby and netball, will be readily apparent to most New Zealanders. Market research reinforces that winning or performing well at international sporting events is important to New Zealanders (NFO 2003). Volkering (2000) noted that 95% of New Zealanders derive greater satisfaction from world-class performances by New Zealand athletes than from similar successes by artists or scientists. Sporting achievements have been said to promote a sense of identity and belonging (Coakley 2001).

ECONOMIC DEVELOPMENT

Physical activity and sport make a significant contribution to the New Zealand economy. The *Ministerial Taskforce on Sport, Fitness and Leisure* (2001) identified “immeasurable” societal benefits of sports participation, not to mention \$300 million per annum in sport-generated tax payments. In 1999, the real gross output of the sport and physical recreation sector was \$1.97 billion. It has been calculated that \$4.8 million per day is contributed to the New Zealand economy by recreation and sport (Hillary Commission 1998).

Hosting international events has major benefits for the New Zealand economy, such as generating external revenue and potentially providing opportunities for developing domestic businesses and creating increased employment. The hosting of the America’s Cup in Auckland was estimated to have contributed \$474 million to Auckland’s regional GDP and \$640 million to the national GDP (McDermott Fairgray Group and Ernst & Young 2000). Sport provides a vehicle to reinforce and enhance our brand image, improve the value of traded products and enhance tourism opportunities. For example, international tourists who visited New Zealand to watch or play sport contributed \$120 million to the economy in 1999 (BERL 2000).

Consistent evidence shows that certain segments of the physical activity and sport industry are showing increased demand and growth. Evidence suggests that in some segments there has been an increase in the number of paid occupations, which are replacing volunteer-based positions (ABS 2003). The New Zealand sport and recreation sector has been estimated to directly employ some 41,000 people (BERL 2000).

SOCIAL COHESION

Physical activity and sport can play an important role in furthering personal and social development for individuals and communities. There are more than 10,000 sports clubs in New Zealand. Approximately one-third of all New Zealanders participate in organised sporting activities (SPARC 2003).

Therefore a large number of New Zealanders are choosing to engage in the positive experiences and social interactions that are integral to engaging in organised sporting activity. Sport and recreation clubs lie at the heart of New Zealand communities, drawing individuals together, and providing facilities and access to community services. This activity fosters co-operation and helps strengthen social ties and networks within communities (Sullivan 1998 and New Zealand Institute of Economic Research 2000).

Strategies

SPARC has three key strategic domains that drive how our mission will be achieved and inform the development of a sustainable and effective sport and recreation sector. These are: (1) policy; (2) investment; and (3) services. These functions are outlined in the *Sport and Recreation New Zealand Act 2002*, and they underpin how SPARC operates. These strategies are governed by principles to guide operations in each of the three areas.

POLICY

Five common principles underpin SPARC's policy approach:

1. SPARC seeks to operate at a strategic policy level to ensure programmes and interventions are measured and effective and the sport and recreation sector has clear and objective leadership.
2. SPARC seeks to adopt a whole-of-government approach that emphasises collaborative and co-ordinated strategies and partnerships across central and local government and non-government organisations through consultative policy development, advocacy and information sharing.
3. SPARC will consider sport and recreation in a broad and holistic manner, and in particular the value created by people being physically active and participating in organised sport.
4. SPARC recognises the importance of the partnership between Māori and non-Māori under the Treaty of Waitangi and will give regard to developing culturally relevant and effective strategies for all New Zealanders.
5. SPARC will advocate for policy change based on strong research and evidence-based studies, undertaken both nationally and internationally, that are applicable to New Zealand.

INVESTMENT

Decisions on how investment will be made will be guided by the following principles:

1. Priorities will be set for SPARC investment. These priorities will be based on a clear justification for government investment. In particular, SPARC will direct its investment to activities which: do not crowd out private and community funding; support independence; support the development of an integrated and effective sport and recreation infrastructure; and have the most impact.

2. Return: SPARC will focus on investing funds rather than supporting entitlements. Allocation decisions will be made on the likelihood of maximising a return on investment (measured by the impact on SPARC's mission).
3. Certainty: SPARC will endeavour to make its investment decisions following clear and well-understood process. Changes in investment priorities will be signalled well in advance. Contracted targets will be clear, understood and agreed.
4. The capability of an organisation seeking SPARC investment will affect the quantum, term and prescriptiveness of the investment arrangements.
5. The performance of SPARC's investments will matter. Better performance should be recognised, while poor performance will be addressed. Investments will be monitored regularly.
6. "Fit for Purpose" Investment Terms: Contracting terms will reflect the risk/return profile for SPARC. For example, small investments into small organisations will be structured more like grants, while large, long-term investments in key organisations will be structured to reflect greater risk.
7. Recognition: SPARC investment is funded by the taxpayer. Users of this investment will be expected to give due recognition to SPARC and the taxpayer for these funds.

SERVICES

The principles governing the development of services are:

1. SPARC will promote innovation in the development of services; however, all proposals must be informed by evidence-based research.
2. SPARC will prioritise the development of services which target populations in need and where we can have the biggest impact on outcomes.
3. All services should be evaluated and monitored to ensure that they make a difference and are delivered in an efficient and effective manner.
4. SPARC will provide services where it is most appropriate for it to do so. SPARC will take account of the fact that there are many actual and potential service providers who can, and will be, better placed than SPARC to provide services.

2005/06 New Initiatives

As SPARC enters 2005/06 it is time to review the progress made on achieving our mission, consolidate our work, and plan for the future. There are seven new areas of work that we would like to highlight. These reflect where the budget increase of \$9.75 million will be targeted.

VOLUNTEERS

- SPARC will undertake the development of resources and the provision of training for volunteers.
- We will also develop a campaign which recognises the contributions these individuals make to the sport and recreation sector.

LEADERSHIP

- We will develop a new professional development programme aimed at improving the capability of the leadership of national and regional organisations.
- A component of this will be the release of a national leadership development pilot programme.

HEALTH POLICY DEVELOPMENT

- We will build a collaborative framework with the health sector linking effectiveness and best practice in relation to sport, physical activity and health outcomes.

MELBOURNE COMMONWEALTH GAMES

- SPARC will support our athletes and teams at the Melbourne Commonwealth Games in March 2006 and undertake a debrief after the event.
- We will be aiming for 40 or more medals at the Commonwealth Games.

ANTI-DOPING

- We are facilitating the introduction of new legislation to repeal and replace the New Zealand Sports Drug Agency Amendment Act.
- Further to this, the Government will ratify the International Convention Against Doping in Sport.

STRATEGIC REVIEW

- SPARC will develop a strategic plan for 2006–2012 and beyond.
- This work will involve developing a shared vision for sport and recreation with the sector.
- SPARC will sponsor a major conference to advance the vision amongst the sector.

“REALISING OUR POTENTIAL”

- We will co-ordinate a set of programmes that will enable New Zealanders to develop their physical talent. This will be informed by the findings of the *Talent Identification Taskforce*.

Delivering Outcomes

SPARC’s mission clearly identifies what the organisation seeks to achieve in terms of delivering improved sport and recreation outcomes. Setting challenging targets requires careful planning and indicators to measure success along the way. The following section outlines how SPARC’s ongoing work contributes to the mission, how the work will ultimately make a difference, and how we will evaluate that difference.

SPARC measures its outputs in three main classes. These three classes match the outcomes that make up our vision: to be the most active nation; to win in events that matter to New Zealanders; and to have effective sport and recreation systems.

OUTPUT CLASS 1:

Being the most active nation

SPARC’s goal is to ensure that most New Zealanders are physically active for more than 2.5 hours a week. In achieving this New Zealand is likely to be among the most active nations in the world. However, the rates of physical activity appear to be declining in some population groups, particularly among children, young people, Māori and Pacific peoples. Considerable work is required over the coming years to lift the levels of activity of all New Zealanders.

Intermediate Outcome Measures

- 2005/06** New Zealand is the most active nation as measured by the International Physical Activity Questionnaire
- 2006/07** Over 43% of adult New Zealanders are active for 30 minutes at least five days per week (compared with 39% in the 2000/01 New Zealand Sport and Activity Survey)

Over 72% of adult New Zealanders are active as determined by the New Zealand Sport and Physical Activity Survey (compared with 70% in the 2000/01 New Zealand Sport and Physical Activity Survey)¹
- 2007/08** New physical activity measures for children and young people (ages 5–17) are established and baselines provided

	MILESTONES	OUTPUTS
<p>POLICY</p> <p>In 2005/06 SPARC will undertake the development of several key strategies to target population groups and settings that have been identified as priority in reaching our mission of being the most active nation.</p>	<p>Education Framework</p> <p>2005/06 Framework released and implementation begins</p> <p>2006/07 Implementation ongoing Monitoring and assessment begins</p> <p>2007/08 Implementation ongoing Monitoring and assessment continues</p>	<p>Education Framework</p> <p><i>Sport and Physical Activity in Learning Communities – Towards 2012</i> is designed to provide a clear vision for New Zealand regarding physical activity in learning communities. This document will be supplemented by an Implementation Plan, outlining specific actions and initiatives to be undertaken by SPARC from 2005 to 2012.</p> <p>The framework also co-ordinates Active Movement, which aims to get more young children more active, and Active Schools, which is designed to deliver on recent education policy change that sees physical activity being given more of a priority in primary schools.</p>

¹ Surveys are carried out triennially after the 2006/07 year. If a survey does not fall in the year in question, that target is maintained and outcomes incorporated into the following year’s results.

MILESTONES		OUTPUTS
	<p>13–18 Year Old Strategy</p> <p>2005/06 Strategy developed with stakeholders</p> <p>2006/07 Strategy released</p> <p>2007/08 Implementation of strategy begins</p>	<p>13–18 Year Old Strategy</p> <p>SPARC will consolidate its work in the education sector with the development of a policy for the 13–18 year old age group. This group was identified as being in need of particular attention during consultation and research on the Education Framework.</p>
	<p>Health Policy Development</p> <p>2005/06 Strategy developed with the Ministry of Health</p> <p>2006/07 Strategy completed and implementation begins</p> <p>2007/08 Implementation continues</p>	<p>Health Policy Development</p> <p>SPARC will undertake a project aimed at establishing a strategic and robust approach towards maximising opportunities for collaboration and leverage between the sport and recreation and health sectors. The role of physical activity in health promotion is well established and increasing awareness and investment from Government and private organisations through co-operative planning is important.</p>
INVESTMENT	<p>Forecast: Programme and Service Investment</p> <p>2005/06 – \$31,500 million</p> <p>2006/07 – \$35,494 million</p> <p>2007/08 – \$35,463 million</p>	
<p>SERVICES</p> <p>SPARC seeks to develop strategic partnerships aimed at improving participation opportunities at a community and regional level.</p> <p>SPARC also delivers services in order to increase participation within groups that have lower levels of physical activity.</p>	<p>Community Partnerships</p> <p>2005/06 Strategic plans in 13 communities initiated</p> <p>Investment in agreed priority initiatives in 10 communities that impact on one million people</p> <p>2006/07 Review partnerships with three communities</p> <p>2007/08 Implement recommendations of 2006/07 review of partnership</p>	<p>Community Partnerships</p> <p>SPARC develops partnerships with communities, including the development of “physical activity plans”. These plans articulate how a community, with assistance from SPARC, will deliver services tailored to the needs of that community. SPARC also invests in agreed priorities with communities.</p>

	<p>Push Play</p> <p>2005/06 Baseline measure of awareness of <i>Push Play</i>, “why and how” to be active campaign established</p> <p>2006/07 Awareness of “why and how” to be active increased, particularly among target groups</p> <p>Physical activity levels increased, including in response to targeted campaign</p> <p>2007/08 Awareness of “why and how” to be active increased (compared with 2006/2007)</p>	<p>Push Play</p> <p>In 2004/05 SPARC developed <i>Push Play</i> partnerships and implemented programmes with at least 10 organisations representing over one million New Zealanders to communicate the <i>Push Play</i> messages. In 2005/2006 SPARC wants to increase awareness levels by adult New Zealanders². In particular we look to increase awareness in Māori and Pacific Island communities through programmes such as He Oranga Poutama. In addition, the <i>Push Play</i> campaign will be expanded to focus on the findings of the <i>Obstacles to Action</i> research which identified the motivation and barriers to physical activity. Using that research SPARC will implement a “why and how” campaign. This will specifically address the motivators and barriers to participating in physical activity among targeted groups, and providing support.</p> <p>In addition, in 2005/06, SPARC will continue its relationship with Pharmac to deliver the <i>Green Prescription</i> programme, and will maintain a minimum level of 48% of GRx patients being more active 6-8 months after receiving a <i>Green Prescription</i>.</p>
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OUTPUT CLASS 2

Having athletes and teams winning consistently in events that matter to New Zealanders

To enable this, SPARC seeks to create a world-leading high performance environment. Some sports will be

able to achieve notable improvements in the short term however, the expectation is that the “performance sports” will deliver improved world rankings, and consistently win key events or tournaments after 2006.

Intermediate Outcome Measures

2005/06 40 or more medals at the 2006 Melbourne Commonwealth Games

Athletes and/or teams from 10 “performance sports” achieve higher world rankings at key international events than in 2002

2006/07 Athletes and/or teams achieve higher world rankings at key international events

2007/08 Athletes are identified for medal success and a support campaign put in place for the Beijing Olympic Games in 2008

² Based on Continuous Monitor measurement tool.

	MILESTONES	OUTPUTS
<p>POLICY</p> <p>To develop world-class coaches</p> <p>To develop world-class athletes</p>	<p>High Performance Review</p> <p>2005/06 Review undertaken and report completed</p> <p>2006/07 Review implemented</p> <p>2007/08 Implementation continues</p>	<p>High Performance Review</p> <p>This year will see a review of SPARC's high performance system. The review will be strategic in nature and will encompass all SPARC's investment and services in high performance. It will look at international practice and assess the progress made since the establishment of the New Zealand Academy of Sport and make recommendations on modifications and improvements.</p>
	<p>Melbourne Commonwealth Games</p> <p>2005/06 Support campaign developed and implemented</p> <p>Debriefing completed</p>	<p>Melbourne Commonwealth Games</p> <p>SPARC will work over 2005/06 to build an effective platform for success at the Melbourne Commonwealth Games. SPARC will support our athletes and teams at the Games in March 2006 and undertake a debrief after the event.</p>
<p>INVESTMENT</p>	<p>Forecast: Programme and Service Investment</p> <p>2005/06 – \$25,857 million</p> <p>2006/07 – \$29,857 million</p> <p>2007/08 – \$29,835 million</p>	
<p>SERVICES</p> <p>SPARC works to support sports with the greatest potential to succeed in international events important to New Zealanders</p>	<p>Talent Development</p> <p>2005/06 Talent development framework completed with key stakeholders</p> <p>2006/07 Implementation begins</p> <p>2007/08 Implementation ongoing</p>	<p>Talent Development</p> <p>The Talent Development (TD) Framework draws on the work of the Talent Identification Taskforce and the <i>Linking Promise to the Podium</i> report. The framework aligns with work across SPARC's Participation and Performance divisions, including the coaching and education areas. In addition, in 2005/06 SPARC will start to develop sport and talent development positions in those National Sports Organisations that demonstrate need and capability. SPARC will concentrate on sports which contribute to the development of physical literacy and National Sports Organisations that have quality sport development proposals and capability as determined by SPARC audits.</p>

	<p>High Performance Consulting Service</p> <p>2005/06 75% overall satisfaction with the services provided by the Performance Directors</p> <p>2006/07 75% overall satisfaction with the services provided by the Performance Directors</p> <p>2007/08 75% overall satisfaction with the services provided by the Performance Directors</p>	<p>High Performance Consulting Service</p> <p>The national office of the New Zealand Academy of Sport is contained within SPARC. Four Performance Directors provide strategic advice to target sports on their high performance programmes. One tool used to assist with this is the high performance assessment tool (HPAT). This tool assesses the quality of the sports programmes. Areas for development identified through this assessment create the focus for the Performance Director service. SPARC aims to provide a consistently high quality service in this area.</p>
	<p>Prime Minister's Scholarships</p> <p>2005/06 Scholarships provided to 400 athletes and 50 coaches</p> <p>2006/07 Scholarships provided to 400 athletes and 50 coaches</p> <p>2007/08 Scholarships provided to 400 athletes and 50 coaches</p>	<p>Prime Minister's Scholarships</p> <p>Prime Minister's Scholarships are intended to help athletes defray the cost of living and studying so that they can concentrate on their training. SPARC also supports coaches through Prime Minister's Scholarships for professional development. This programme will also be expanded in 2005/06 to include officials and applied sports science and sports medicine service providers.</p>
	<p>Carding Programme</p> <p>2005/06 Carding programme has 75% overall satisfaction rate</p> <p>2006/07 Carding programme has 75% overall satisfaction rate</p> <p>2007/08 Carding programme has 75% overall satisfaction rate</p>	<p>Carding Programme</p> <p>The carding programme allows National Sports Organisations to nominate high performance athletes and coaches for support through the New Zealand Academy of Sport. Athletes and coaches are able to access a range of applied services in sports science, sports medicine and athlete career education. The New Zealand Academy of Sport carries out an annual satisfaction survey to determine the impact of this programme on the training environment and sporting performances of athletes.</p>

OUTPUT CLASS 3:

Having the most effective sport and physical recreation systems

SPARC'S goal is to develop a world-leading sport and recreation environment. This entails developing effective National Sports Organisations, National Recreation Organisations and Regional Sports Trusts. As an outcome measure SPARC is looking to improve

the financial management, capability, governance and leadership of these organisations. Improvement will be assessed by way of an annual quantitative survey recording issues such as the numbers attending training programmes and the numbers of sports included in business solutions.

Intermediate Outcome Measures

- 2005/06** SPARC, National Governing Bodies and Regional Sports Trusts demonstrate commitment to continual improvement and building effective working partnerships
- 2006/07** SPARC, National Governing Bodies and Regional Sports Trusts demonstrate commitment to continual improvement and building effective working partnerships
- 2007/08** SPARC, National Governing Bodies and Regional Sports Trusts demonstrate commitment to continual improvement and building effective working partnerships

	MILESTONES	OUTPUTS
<p>POLICY</p> <p>To develop regulatory environment in which sport and recreation operates</p>	<p>Strategic Review</p> <p>2005/06 Strategic review undertaken Strategic plan developed</p> <p>2006/07 Implementation of strategic plan</p> <p>2007/08 Implementation of strategic plan</p>	<p>Strategic Review</p> <p>It is time to review the progress made on achieving SPARC's mission, consolidate current work and plan for the next strategic phase. As part of this work SPARC, in consultation with the sector, will develop a strategic plan for 2006–2012 and beyond, and work with the sector to articulate a vision for sport and recreation in New Zealand.</p>

	<p>Volunteers</p> <p>2005/06 Volunteer strategy development</p> <p>2006/07 Implementation of volunteer strategy</p> <p>2007/08 Evaluation of strategy implementation and impact</p>	<p>Volunteers</p> <p>A new initiative for the 2005/06 year will be the development of a volunteers strategy. Volunteers make significant contribution to the sport and recreation sector. However, many sports report a shortage of volunteers as increasing demands on people's spare time place a strain on availability and commitment to volunteer work. SPARC will support volunteers within the sport and recreation sector through (1) the development of resources and the provision of training for volunteers; and (2) a campaign that recognises the contributions these individuals make to the sport and recreation sector.</p>
	<p>Leadership</p> <p>2005/06 A leadership development framework established</p> <p>2006/07 Implementation of the framework</p> <p>2007/08 Continued implementation</p>	<p>Leadership</p> <p>In 2004/05 SPARC focused on establishing a professional development programme aimed at improving the capability of the governance of national and regional organisations. In 2005/06 SPARC will work with tertiary education providers to develop a framework aimed at dramatically improving the skills of current and future leaders.</p>
	<p>Coach Education</p> <p>2005/06 Coach Education framework endorsed by 60% of targeted sports</p> <p>2006/07 Coach Education framework endorsed by 70% of targeted sports</p> <p>2007/08 Coach Education framework endorsed by 80% of targeted sports</p>	<p>Coach Education</p> <p>As part of the <i>New Zealand Coaching Strategy</i> launched in February 2005 a key initiative identified was to review and improve professional development/ education for coaches. This will build an enhanced professional development pathway for coaches.</p>
<p>INVESTMENT</p>	<p>Forecast : Programme and Service Investment</p> <p>2005/06 – \$11,603 million</p> <p>2006/07 – \$11,490 million</p> <p>2007/08 – \$11,425 million</p>	

	MILESTONES	OUTPUTS
<p>SERVICES</p> <p>To support the development of capable and effective people and organisations</p>	<p>Business Improvement Services</p> <p>2005/06 Implementation of governance and leadership programmes across 70% of targeted organisation</p> <p>2006/07 Completion of capability assessment of all targeted organisation</p> <p>2007/08 Programmes extended to new target groups</p>	<p>Business Improvement Services</p> <p>SPARC will provide quality, relevant business solutions aimed at improving the capability of the target organisations. Capability assessments help SPARC target those organisations that are yet to fulfil their potential, and identify specific areas requiring improvement. Solutions will include advice and resources for effective financial management, human resource management, and strategic planning.</p>
	<p>Coaching</p> <p>2005/06 Implementation of the Coaching Strategy continued</p> <p>2006/07 Implementation of the Coaching Strategy completed across targeted organisations</p> <p>2007/08 Evaluation of the Coaching Strategy undertaken</p>	<p>Coaching</p> <p>SPARC launched the <i>New Zealand Coaching Strategy</i> in February 2005, flagging the most significant changes to be made to coaching in New Zealand for many years. Also announced was the extension of a major coaching initiative, <i>CoachCorp</i>, which has been successfully piloted in Auckland. Implementation of these programmes will continue throughout 2005/06. This work will build on previous SPARC work in the coaching environment, such as coach development scholarships through the Prime Minister’s Coach Scholarship programme, and investment in Coaching Directors and National Coaches.</p>

	<p>Anti-Doping Development</p> <p>2005/06 Passing of anti-doping legislation</p> <p>Ratification of International Convention Against Doping in Sport</p> <p>Compliance with World Anti-Doping Code</p> <p>2006/07 New Zealand compliant with Code</p> <p>2007/08 Continual monitoring of compliance</p>	<p>Anti-Doping Development</p> <p>SPARC, in conjunction with the New Zealand Sports Drug Agency, is responsible for ensuring that New Zealand is compliant with international anti-doping standards and agreements such as the UNESCO International Convention Against Doping in Sport and the World Anti-Doping Code. As part of this work we have developed a model anti-doping policy for National Sports Organisations and are introducing legislation to repeal and replace the New Zealand Sports Drug Agency Amendment Act. The Government also will ratify the Convention in late 2005.</p>
	<p>New Zealand Sport Disputes Tribunal</p> <p>2005/06 Resolution of sports disputes</p> <p>2006/07 Resolution of sports disputes</p> <p>2007/08 Resolution of sports disputes</p>	<p>New Zealand Sport Disputes Tribunal</p> <p>The Board of SPARC established the New Zealand Sports Disputes Tribunal on the recommendation of the <i>Ministerial Taskforce on Sport, Fitness and Leisure</i>. Its aim is to ensure that National Sports Organisations and other parties to a dispute (such as an athlete) have access to an affordable, just and speedy means of resolving a sports dispute. The Tribunal is an independent body.</p>
	<p>National Research Strategy</p> <p>2005/06 National Research Strategy completed and implementation plan developed</p> <p>2006/07 Implementation ongoing</p> <p>2007/08 Implementation ongoing</p>	<p>National Research Strategy</p> <p>The National Research Strategy provides guidance on the direction of research in the sector. The strategy aims to facilitate a more focused approach to research, identify priorities and deliver research that meets the needs of, and is utilised by, the sector.</p>

	MILESTONES	OUTPUTS
	<p>New Zealand Sport and Physical Activity Survey (NZSPAS)</p> <p>2005/06 NZSPAS conducted</p> <p>2006/07 Analysis of dataset and production of report</p> <p>2007/08 Planning for next NZSPAS in 2008/09</p>	<p>New Zealand Sport and Physical Activity Survey (NZSPAS)</p> <p>The NZSPAS is conducted to provide updated baseline measure of sport, recreation and physical activity interests and levels of the adult population (aged 16 and over).</p>

Organisational Health and Capability

VALUES	KEY ELEMENTS	MILESTONES 2005/06
<p>PEOPLE FOCUSED</p> <p>SPARC places considerable emphasis on supporting and valuing people. The goal of SPARC is to foster whanaunatanga (caring for, and support of, one another like a family) where individuals are valued and able to achieve their full potential and to develop successful relationships.</p>	<p>Identity</p>	<p>SPARC seeks to demonstrate the integrity of its people and processes. This means ensuring that the organisation acts ethically and professionally. By June 2006 SPARC will have completed a legislative compliance review and promoted across the organisation the ethical standards expected for SPARC employees.</p> <p>SPARC will also be seeking to promote itself as an employer of choice by creating and promoting policies and practices that enhance the organisation's profile.</p> <p>SPARC will also be repositioning its products and programmes to ensure the public is aware of SPARC as the lead government agency in the sport and recreation sector.</p>
<p>STRIVES FOR EXCELLENCE</p> <p>SPARC strives for excellence in everything it does. This is characterised by the development of a nimble, innovative and dynamic organisation. In this regard SPARC seeks to develop excellent internal processes so as to ensure the organisation's ongoing viability and success.</p>	<p>HR Strategic Plan</p>	<p>In August 2006 SPARC will have developed its Human Resource Strategic Plan. Over 2005/06 the plan will help to co-ordinate and refine human resource systems and policies to ensure SPARC recruits, develops and retains the best people.</p> <p>By June 2006, SPARC will have reviewed its existing Equal Employment Opportunity policies and processes. Also, SPARC will be looking at strategies to embed the principles of the New Zealand Disabilities Strategy within the organisation.</p>
<p>DEMONSTRATES LEADERSHIP</p> <p>As the lead agency in the sport and recreation sector, people and organisations look to SPARC to provide leadership and direction. SPARC's goal is to provide effective, focused and inspiring leadership.</p>	<p>Stakeholder/ Relationship Management</p>	<p>Relationship Management is a strategic link to stakeholders to ensure SPARC remains relevant, connects to the community and is able to respond to change and realities in the sector. The Relationship Management Strategy is a realisation that people-to-people interaction is paramount. Strong relationships with the sector will result in collective and shared outcomes, effective uptake of decisions, wider understanding, and shared knowledge of each party's needs and priorities.</p> <p>SPARC is also keen to ensure that the needs of Māori are provided for across the sector. This means both developing our internal capacity and supporting sector organisations to cater for Māori needs and aspirations.</p>

VALUES	KEY ELEMENTS	MILESTONES 2005/06
<p>DISPLAYS INTEGRITY</p> <p>SPARC wishes to demonstrate the integrity of its process and of its people. This means ensuring that the organisation acts ethically and professionally in all aspects of its work</p>	<p>International Strategy</p>	<p>SPARC operates in a dynamic global environment in which strategies, programmes and practices are constantly changing. This requires SPARC to be proactive on the international scene to keep up to date with the latest developments, in order to achieve its goals and objectives.</p> <p>The planning and execution of SPARC's international activities are not perceived as optimal and a more objective, co-ordinated approach has been identified.</p> <p>Five key action areas that are central to SPARC's international relationships have been outlined:</p> <ul style="list-style-type: none"> • International participation • Agreements with key partners • Networking • Hosting • Database opportunities. <p>By co-ordinating and planning our activities in each of these five areas it is hoped that better results will be forthcoming from our international relationships.</p>
	<p>Active Workplace</p>	<p>As part of SPARC's responsibility to be a good employer and its commitment to promoting an active nation, the organisation will continue to provide opportunities for staff to engage in physical activity.</p>
	<p>Koanga</p>	<p>The development of a new contracts and investment management system will provide a single view of all the contracts and investment arrangements. It will capture and track information and outcomes of key decisions, manage and monitor the contracts against performance measures, and provide reporting capability. The development of the system will utilise good practice techniques to achieve the above functionality.</p>
	<p>Web</p>	<p>The aim of the Web project will be to provide a platform to host the SPARC public web presence. The project consolidates all SPARC websites to a single platform.</p>

Managing Risk

SPARC must manage and mitigate risk areas in addition to the normal corporate risks of disaster recovery, succession and security etc faced by all organisations in New Zealand. In particular SPARC operates in a sector and environment where the expectations placed on the organisation by its stakeholders are not homogeneous, are in some cases contradictory and are in many cases unachievable. As such, reputation risk management is important to SPARC as it seeks to match its capacity against the expectations of the sector and the Government.

SPARC also actively manages the risks around its brands, in particular Push Play and the New Zealand Academy of Sport. These brands form an important part of SPARC's delivery mechanism to achieve the outcomes described in this Statement of Intent, as such brand management forms an integral part of SPARC's risk management framework.

SPARC operates a risk framework co-ordinated by the Board and Management that covers the following components:

- Oversight by the Audit and Risk Committee of the Board
- Financial control environment
- Physical and electronic security
- Disaster recovery planning
- Brand management
- Insurance and indemnity
- Project management methodologies
- Annual risk assessments
- A comprehensive internal audit function.

Forecast Financial Statements 2004/05 to 2007/08

Statement of Forecast Financial Performance

For the four years 2004/05 to 2007/08

	Budget 2004/05 \$000	Forecast 2004/05 \$000	Forecast 2005/06 \$000	Forecast 2006/07 \$000	Forecast 2007/08 \$000
REVENUE					
NZ Lottery Grants Board	28,217	28,217	28,217	30,889	30,889
Vote Funding – Sport & Recreation	36,790	36,790	44,244	51,089	52,289
Contract Revenue	4,400	5,691	6,478	7,023	6,478
Other Revenue	800	1,422	800	800	800
Total operating revenue	70,207	72,120	79,739	89,801	90,456
COST OF SERVICES					
Programme Investment	54,696	53,688	59,803	66,668	66,750
Programme Support	6,802	9,361	9,157	10,173	9,973
SPARC Costs	10,988	11,120	14,898	13,186	13,541
Total operating expenditure	72,486	74,169	83,858	90,027	90,264
Net surplus/(deficit)	(2,279)	(2,049)	(4,119)	(226)	192

Statement of Forecast Movements in Accumulated Funds

For the four years 2004/05 to 2007/08

	Budget 2004/05 \$000	Forecast 2004/05 \$000	Forecast 2005/06 \$000	Forecast 2006/07 \$000	Forecast 2007/08 \$000
Opening Accumulated Funds	7,068	9,394	7,345	3,226	3,000
Net Surplus/(Deficit)	(2,279)	(2,049)	(4,119)	(226)	192
Closing Accumulated Funds	4,789	7,345	3,226	3,000	3,192

Forecast Output Class Allocation

For the four years 2004/05 to 2007/08

	Budget 2004/05 \$000	Forecast 2004/05 \$000	Forecast 2005/06 \$000	Forecast 2006/07 \$000	Forecast 2007/08 \$000
OC1 – BEING THE MOST ACTIVE NATION					
Programme Investment	22,651	21,643	24,538	27,265	27,305
Programme Support	5,619	7,752	6,962	8,229	8,158
SPARC Costs	3,895	5,371	6,776	6,253	6,420
Total	32,165	34,766	38,276	41,747	41,883
OC2 – WINNING CONSISTENTLY IN EVENTS THAT MATTER TO NEW ZEALANDERS					
Programme Investment	21,500	21,500	24,720	28,858	28,900
Programme Support	656	596	1,137	999	935
SPARC Costs	3,428	3,112	4,509	3,792	3,892
Total	25,584	25,208	30,366	33,649	33,727
OC3 – MOST EFFECTIVE SPORT AND PHYSICAL RECREATION SYSTEMS					
Programme Investment	10,545	10,545	10,545	10,545	10,545
Programme Support	1,163	1,013	1,058	945	880
SPARC Costs	3,029	2,637	3,613	3,141	3,229
Total	14,737	14,195	15,216	14,631	14,654
Total Operating Expenditure	72,486	74,169	83,858	90,027	90,264

Statement of Forecast Financial Position

For the four years 2004/05 to 2007/08

	Budget as at 30 June 2005 \$000	Forecast as at 30 June 2005 \$000	Forecast as at 30 June 2006 \$000	Forecast as at 30 June 2007 \$000	Forecast as at 30 June 2008 \$000
CURRENT ASSETS					
Cash on hand and at Bank	70	70	70	70	70
Short Term Investments	9,756	14,918	9,432	8,381	7,748
Accounts Receivable	1,921	1,921	1,921	1,921	1,921
Total Current Assets	11,747	16,909	11,423	10,372	9,739
LESS CURRENT LIABILITIES					
Bank Overdraft					
Accounts Payable	4,240	4,524	4,172	4,172	4,172
Funds Held on Behalf of Crown – PM Scholarship Fund	3,448	5,470	4,645	3,820	2,995
Total Current Liabilities	7,688	9,994	8,817	7,992	7,167
Working Capital Surplus	4,059	6,915	2,606	2,380	2,572
NON-CURRENT ASSETS					
Fixed Assets	730	430	620	620	620
Total Non-Current Assets	730	430	620	620	620
Net Assets	4,789	7,345	3,226	3,000	3,192
Represented by:					
Opening Accumulated Funds	7,068	9,394	7,345	3,226	3,000
Net Surplus/(Deficit) for the year	(2,279)	(2,049)	(4,119)	(226)	192
Total Accumulated Funds	4,789	7,345	3,226	3,000	3,192

Statement of Forecast Cashflows

For the four years 2004/05 to 2007/08

	Budget 2004/05 \$000	Forecast 2004/05 \$000	Forecast 2005/06 \$000	Forecast 2006/07 \$000	Forecast 2007/08 \$000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash Inflow					
NZ Lottery Grants Board	28,217	28,217	28,217	30,889	30,889
Vote Sport and Recreation	36,790	36,790	44,244	51,089	52,289
Funds Received – Administered on Behalf of Crown	5,000	5,000	5,000	5,000	5,000
Other Crown Contracts	4,400	5,263	6,478	7,023	6,478
Other	785	1,422	800	800	800
Total	75,192	76,692	84,739	94,801	95,456
Cash Outflow					
Cash Disbursements to Operations	76,021	78,550	83,910	89,727	90,014
Funds Paid – Administered on Behalf of Crown	5,600	4,100	5,825	5,825	5,825
Total	81,621	82,650	89,735	95,552	95,839
Net Cash Inflow/(Outflow) from Operating Activities	(6,429)	(5,958)	(4,996)	(751)	(383)
CASH FLOW FROM INVESTING ACTIVITIES					
Sale of Assets	–	–	–	–	–
Purchase of Assets	600	271	490	300	250
Net Cash Inflow/(Outflow) From Investing Activities	(600)	(271)	(490)	(300)	(250)
<i>Net Increase/(Decrease) in Cash Held</i>	<i>(7,029)</i>	<i>(6,229)</i>	<i>(5,486)</i>	<i>(1,051)</i>	<i>(633)</i>
Opening Cash Balance as at 1 July	16,855	21,217	14,988	9,502	8,451
Closing Cash Balance as at 30 June	9,826	14,988	9,502	8,451	7,818
MADE UP OF					
Cash on Hand and at Bank	70	70	70	70	70
Short Term Investments	9,756	14,918	9,432	8,381	7,748
Total	9,826	14,988	9,502	8,451	7,818

Notes to the Financial Statements

1 Cost of SPARC services

In 2005/06 and out-years the increased revenue provided by the Crown has been split between increased direct investment of funds through payments to sport and recreation sector organisations, and indirect investment into the sector through services provided by SPARC or on behalf of SPARC. Examples of indirect investment in the sector include awareness campaigns on the benefits of physical movement and the importance of volunteering to the sector; and professional development training provided to the sport and recreation sector on behalf of SPARC.

2 The Prime Minister's Scholarships are administered and distributed by SPARC on behalf of the Crown.

See *Figure 1: Funds Held and Administered on Behalf of the Crown*.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity and Statutory Basis for Reporting

These are the financial statements of Sport and Recreation New Zealand, which was established by the *Sport and Recreation Act 2002*. This Act defines Sport and Recreation New Zealand as a Crown entity for purposes of the Public Finance Act 1989.

The financial statements have been prepared in accordance with Sport and Recreation New Zealand's governing legislation and section 41 of the Public Finance Act 1989.

In addition Sport and Recreation New Zealand has reported on funds held and administered on behalf of the Crown.

Measurement Base

Historical and fair value accounting measurements have been applied in the preparation of these financial statements.

Accounting Policies

The following accounting policies which materially affect the measurement of income and expenditure and the financial position have been applied.

Goods and Services Tax

The financial statements are prepared on a GST-exclusive basis, with the exception of accounts payable and accounts receivable, which include GST invoiced. Where GST is irrecoverable as an input tax, it is recognised as part of the related assets or expense.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, will be included in Accounts Payable or Accounts Receivable.

Taxation

SPARC is a Public Authority in terms of the *Sport and Recreation Act 2002* and is exempt from income tax in accordance with section CW31 of the Income Tax Act 2004.

REVENUE

Goods and Services

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Figure 1: Funds Held and Administered on Behalf of the Crown

	Budget 2004/05 \$000	Forecast 2004/05 \$000	Forecast 2005/06 \$000	Forecast 2006/07 \$000	Forecast 2007/08 \$000
Prime Minister's Scholarships					
Funds brought forward	4,048	4,570	5,470	4,645	3,820
Funds received Vote Sport and Recreation	5,000	5,000	5,000	5,000	5,000
Funds disbursed	5,600	4,100	5,825	5,825	5,825
Balance held on behalf of the Crown	3,448	5,470	4,645	3,820	2,995

Grants Received

Grants received from the Crown and its agents have been accounted for as income in the Statement of Financial Performance. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities in the Statement of Financial Position.

Investment Income

Interest income is recognised when earned and is reported in the financial period to which it relates.

EXPENDITURE

Grant Funding Expenditure

Grants are expensed against the financial year for which the grant has been approved.

Cost of Service Statements

The costs of outputs, as reported in the statement of objectives and service performance, report the costs of inputs and services purchased externally or provided internally, necessary to produce the outputs.

Cost Allocation

SPARC derives the costs of outputs using the following cost allocation system:

- Direct costs are charged directly to significant activities. Indirect costs are charged to significant core activities based on cost drivers and related activity/usage information.
- Indirect costs are the costs of providing internal corporate and support services.

Cost Drivers

SPARC allocates overheads (being the provision of corporate and support services) on the basis of cost drivers that appropriately link indirect costs to the outputs. The cost drivers include floor space, number of staff and budgets.

FIXED ASSETS

Initial Recording

All assets costing more than \$2,000 will be capitalised and recorded at historical cost, which is the value of consideration given to acquire or create the asset and any direct attributable costs of bringing the asset to working condition for its intended use.

Depreciation

Depreciation is provided on a straight line basis at rates that will allocate the costs of the assets over their estimated useful lives. The useful lives have been estimated as follows:

Audio-visual equipment	3 years
Furniture and fittings	5 years
Office equipment	5 years
Leasehold improvements	over the remaining term of the lease
Computer equipment	3 years

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. SPARC leases office premises and office equipment. These leases are classified as operating leases. The lease payments are representative of the pattern of benefits derived from the leased assets and accordingly charged to the Statement of Financial Performance in the period in which they are incurred.

Accounts Receivable

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectible debts.

Investments

Investments are stated at the lower of cost and net realisable value.

Employee Entitlements

Provision has been made for SPARC's liability for annual leave. Annual leave provision has been calculated on an actual accumulated entitlement basis at current rates of pay. This equates to the cash amount necessary to settle the obligation as at balance date.

Financial Instruments

SPARC is party to financial instruments as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, investments, debtors and creditors. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of

Financial Position at their estimated fair value, when a contractual obligation has been established. Specific methods and assumptions are disclosed in the individual policy statements associated with each item.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which SPARC invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of SPARC and cash payments made for the supply of goods and services.

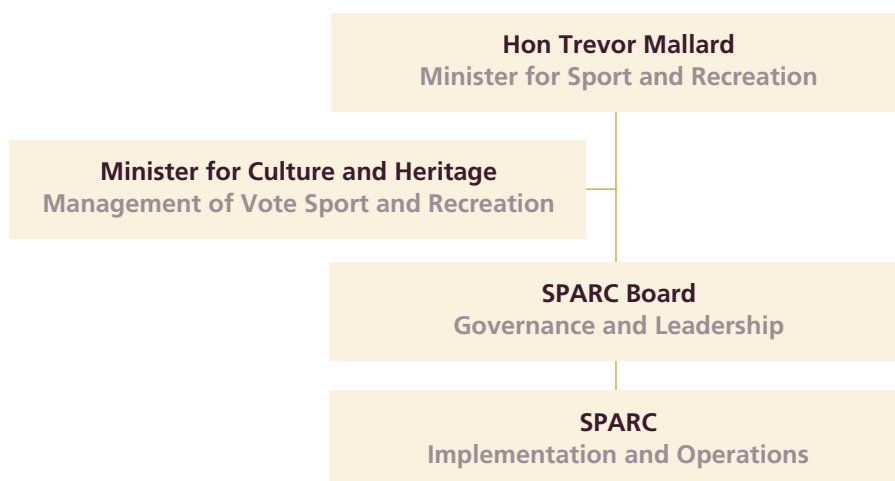
Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Organisational Directory

As a Crown Agent, SPARC has a close working relationship with Government. The organisation reports directly to the Minister for Sport and Recreation, Hon Trevor Mallard, and is responsible for the provision of policy advice to Government on sport and recreation. However, the Ministry for Culture and Heritage is

responsible for the management and disbursement of Vote Sport and Recreation. The Ministry is also responsible for monitoring of the Crown's interests in government sports sector organisations, namely SPARC and the New Zealand Sports Drug Agency.

RELATIONSHIP WITH GOVERNMENT



SPARC is governed by a nine-member Board appointed in accordance with the *Sport and Recreation New Zealand Act 2002*. The role of the Board is to set the strategic direction of SPARC and provide

governance and leadership for the organisation. SPARC also supports Te Roopu Manaaki (Māori Advisory Committee) to provide strategic advice with respect to Māori.



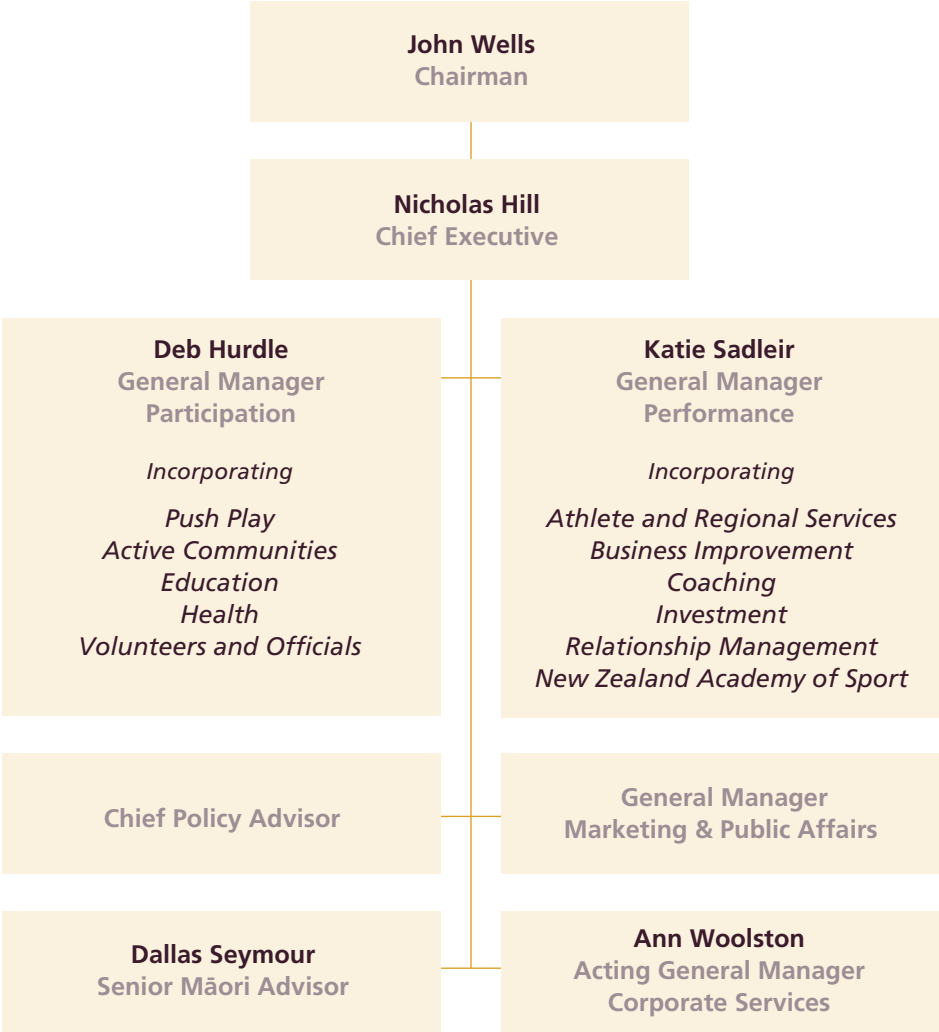
Board Members

Back Row: Tina Karaitiana, Sarah Sandley, Christopher Doig, Jenny Ross, David Collins

Front Row: Graham Condon, John Wells (Chairman), Nicholas Hill (CEO), Elizabeth Coutts

Absent: Rob Fisher

ORGANISATIONAL STRUCTURE







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