

**SPORT NZ GROUP**

**ANNUAL**

**REPORT**

—  
1 JULY 2017 – 30 JUNE 2018



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# FROM THE CHAIR AND CHIEF EXECUTIVE

There has been a lot to celebrate this year. After a 26-year wait, New Zealand secured its second, then third, Winter Olympic medal, and the 46-medal result made Gold Coast our most successful Commonwealth Games outside of New Zealand. In between, there was plenty of inspiration – and three medals – at the Paralympic Winter Games.

We also celebrate the enormous progress made this year against our Community Sport Strategy. Across the country, there is real momentum in the work our partners are doing to respond to the changing needs of participants, particularly young people. We are seeing traditional sports adapt, and there are exciting new offerings emerging for young people looking for something less organised and competitive. This mix is vitally important.

Getting that combination right – and empowering more young people to be active – will help us maximise the value of sport and active recreation. That value was powerfully articulated this year in a new study published by Sport NZ. The Value of Sport confirmed there's no question sport is part of our DNA, but that being physically active also creates happier, healthier people, better connected communities and a stronger New Zealand.



The Value of Sport is a powerful tool for Sport NZ and all our partners. It enables us to better understand the contribution sport and active recreation make, particularly in growing human and social capital, and to better advocate for our sector based on those contributions.

This year we also welcomed the Hon Grant Robertson as the new Minister for Sport and Recreation. From the start, he has made clear his commitment to improving the living standards of everyone in New Zealand through sport and active recreation, and we have been working hard to ensure that Sport NZ is contributing to the Government's wellbeing outcomes.

The Minister quickly established as his number one priority improving the leadership, participation and visibility of women and girls in sport and active recreation. We have responded to this by working with the sector to develop an ambitious strategy and that will become a core focus for us over the coming year and beyond.

This work builds on the strides we have made, together with our partners, to grow youth participation, particularly among young women and ethnic communities, under our current Community Sport Strategy. At the heart of this work are three approaches: Insights, Locally Led and Physical Literacy.

Our partners tell us that the Insights approach now has real momentum and that they are committed to using research and intelligence to inform their work. This year we released the first Active NZ survey in four years – the first ever to include both young people and adults – and its findings are helping our partners by providing further insights into the changing landscape of participation through the lenses of age, gender, ethnicity and deprivation.

Our Locally Led approach seeks to harness the existing strengths within communities and to challenge inequity in the system. We do this by enabling communities, especially those that face higher barriers, to find their own innovative solutions to

increase play, active recreation and sporting opportunities. An important part of this is acknowledging that, as a sector, we do not have all the answers, and we have a responsibility to be partners, enablers, champions and connectors in the communities we work with and invest in.

Our Physical Literacy approach is the heart of our participant focus. It recognises that everyone has their own combination of motivation, confidence and competence to be active, along with their own knowledge and understanding of how being active contributes to their lives. This determines if and how they value and choose to be involved in physical activity throughout their lives.

These three approaches are brought to life in Play.sport – a collaborative intervention led by Sport NZ with the support of the Ministries of Health and Education, together with ACC, that is being piloted in 45 schools with nearly 20,000 students in Upper Hutt and Waitakere. Following a positive second-year evaluation of its impact in improving the quality of PE and physical activity, Play.sport is now being expanded to schools in Hamilton and Invercargill.

Our three approaches represent a step change in the way we and the sector work, and for the model of delivering sport and active recreation. We are heartened to see our partners respond to this challenge by resetting their strategic direction, developing internal capability in line with our three approaches, and both collaborating with and powering up the communities in which they operate.

We have also undertaken a lot of important work to reset Sport NZ for the future. In collaboration with the sector, we have undertaken reviews of KiwiSport and both disability and secondary age sport and recreation. Following last year's Māori participation review, we welcomed our Toihautū -Principal Advisor Māori, Moana-Lee Raihania, to help us and our partners better understand and reflect Māori culture, and through this better respond to the needs of Māori in the areas

of sport and active recreation. To support this work, we have recently launched an internal cultural capability programme for all Sport NZ staff.

These reviews are among the many ways we are building the capability of our partners to deliver quality sport and active recreation. Our work in governance is also a key area, and this year four more partners were awarded our Governance Mark, along with Sport NZ, and a further 30 organisations are currently working towards it.

Another focus is workforce development. This year we launched a new leadership development framework and associated resources, together with three development programmes for executive leaders, emerging leaders and women in leadership.

Change is also happening in the boardroom. The Minister has set a target of a minimum of 40% female directors on all boards across the sport and recreation sector. For Sport NZ partners, we will be striving to achieve this by 2021.

This and other partner capability work, together with our broader partner investment, would not be possible without the ongoing funding we receive from Lotto NZ, and we would like to thank them for their support and what this enables.

While we are making giant strides in community sport, we have, once again, also been winning on the world stage. We pay tribute to all our elite athletes who have represented our country so well over the past year and inspired us with their commitment, successes and humility.

At PyeongChang in February, New Zealand far surpassed our Winter Olympic target by winning two bronze medals. Then, in March, we also met our Paralympic Winter Games target of one gold.

This success flowed on into the Commonwealth Games on the Gold Coast. This was our best ever Commonwealth Games performance away from home, with 46 medals (including 15 Gold). This performance gives us real confidence, at the halfway point, as we head to Tokyo Olympic and Paralympic Games in 2020.

While our international success is recognised around the world, we acknowledge there are challenges that need to be addressed within the high performance system. This year has seen a number of organisations, including High Performance Sport NZ (HPSNZ), conduct reviews in relation to athlete welfare. These are important pieces of work as we look to develop a sustainable high performance system.

There is no doubt we must find a better balance between winning and the welfare of athletes, coaches and others working within the high performance system. To support this and strengthen the system, HPSNZ has begun work on a 10-year blueprint that will underpin development and sustainable growth for all key facets of the New Zealand high performance system.

All around the world the issue of sport integrity is being challenged and tested. To ensure we continue to strengthen and safeguard our system, Sport NZ recently announced a Sport Integrity Review. This stocktake, now underway, covers all areas of sport integrity, from elite to grassroots: doping, match fixing, corruption, child protection, member protection, and athlete rights and welfare.

We would like to formally welcome Raewyn Lovett, Rowan Simpson and Dr Farah Palmer to the Sport NZ Board, and Kylie Clegg and Tony Hall (as the New Zealand Olympic Committee appointment) to the HPSNZ Board. We are pleased that recent appointments mean we are leading from the front in terms of gender diversity, with parity on the boards of both Sport NZ and HPSNZ.

At the same time, we thank and farewell outgoing Sport NZ Directors Jackie Barron, Brendon O'Neill and Paul Cameron, together with outgoing HPSNZ Director Simon Wickham, for their valuable contributions.

We also pay tribute to Sir Paul Collins for his strong and successful leadership of Sport NZ and HPSNZ over the past nine years. Since taking over as Chair of Sport NZ – then SPARC – in 2009, Paul oversaw a step change in how we lead the sport and recreation sector.



In 2011, he oversaw the creation of HPSNZ as a wholly owned subsidiary of Sport NZ responsible for leading our high performance system. The results speak for themselves. New Zealand won 13 medals at the 2012 London Olympics. Four years later, in Rio, it was 18 – our best ever Olympic result. We've also had two straight Paralympics atop the per capita medal table.

Sir Paul's tenure also saw a material change to our approach to participation, with the introduction in 2015 of a new, innovative Community Sport Strategy. The shifts in the system as a result of this strategy have been significant and will be a lasting legacy of Sir Paul's vision and leadership.

Paul, thank you for these and your many other achievements.

Finally, we celebrate and thank the one in four adult New Zealanders who have volunteered in sport and recreation this year. Without you, none of this would be possible.

**Peter Miskimmin**  
CHIEF EXECUTIVE

**Bill Moran**  
CHAIR

# ABOUT THE SPORT NZ GROUP

We are the Crown agency responsible for oversight and leadership of the sport and recreation sector, increasing participation and ensuring there are more New Zealanders winning on the world stage.

The Sport NZ Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ), and its wholly owned subsidiary High Performance Sport New Zealand Limited (HPSNZ).

## SPORT NZ

Sport NZ was established as a Crown entity on 1 January 2003 under the Sport and Recreation New Zealand Act 2002. Our purpose is to promote, encourage and support physical recreation and sport in New Zealand. More details about our functions are available on our website: [sportnz.org.nz/about-us/who-we-are/what-were-working-towards](http://sportnz.org.nz/about-us/who-we-are/what-were-working-towards)

## HPSNZ

HPSNZ was established as a Crown entity subsidiary by the Board of Sport NZ in August 2011 with a mandate to lead the high performance system. Its key objective is 'making New Zealand the most successful sporting nation in the world by developing high performance sport'. Other objectives are available on our website: [hpsnz.org.nz/what-we-do/our-vision-and-values](http://hpsnz.org.nz/what-we-do/our-vision-and-values)

## GOVERNANCE

Sport NZ is governed by a board whose members and Chairperson are appointed by the Minister for Sport and Recreation. The Board is responsible for setting the Sport NZ Group's strategic direction and for providing governance and leadership.

The Board members, who bear responsibility for this Annual Report, are:

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Bill Moran – Chair from July 2018  
 Jason Shoebridge – Deputy Chair  
 Darrin Sykes  
 Hilary Poole  
 Kylie Clegg  
 Raewyn Lovett (commenced July 2018)  
 Dr Farah Palmer (commenced July 2018)  
 Rowan Simpson (commenced July 2018)

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Chelsea Grootveld is a Future Director Intern on the Sport NZ Board

HPSNZ is governed by its own board of directors, as provided in its Constitution. Members are appointed by the Sport NZ Board with approval from the Minister for Sport and Recreation. The directors are:

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Bill Moran – Chair from July 2018  
 Hilary Poole – Deputy Chair from July 2018  
 Alison Shanks  
 Ian Hunt  
 Waimarama Taumaunu  
 Kylie Clegg (commenced July 2018)  
 Tony Hall (NZOC appointment)  
 Peter Miskimmin (ex officio)

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The Ministry for Culture and Heritage monitors the performance of the Sport NZ Group, as agent of the Minister for Sport and Recreation.

## MINISTERIAL DIRECTIONS

The Sport NZ Group did not receive any directions from the Minister for Sport and Recreation during 2017/18.

## ACTS IN BREACH OF STATUTE

No natural person acts have been enforced against the Sport NZ Group under section 20(3) of the Crown Entities Act 2004 during 2017/18.

## PERMISSION TO ACT

Section 68(6) of the Crown Entities Act 2004 requires disclosure of a permission (by the Chair or Deputy Chair) to act despite a board member's interest in a matter. No permissions were sought in 2017/18.

Sport NZ board members



BILL MORAN  
(CHAIR)



JASON SHOEBRIDGE  
(DEPUTY CHAIR)



DARRIN SYKES



HILARY POOLE



KYLIE CLEGG



RAEWYN LOVETT



DR FARAH PALMER



ROWAN SIMPSON



CHELSEA GROOTVELD  
(FUTURE DIRECTOR INTERN)



PETER MISKIMIN  
(CHIEF EXECUTIVE)

# OUR PERFORMANCE

## OUR STRATEGIC PLAN

The Sport NZ Group Strategic Plan 2015-2020 outlines a vision for New Zealand to be the world's most successful sporting nation, as measured by more kids and adults participating in sport and active recreation and more winners on the world stage. We believe that sport and active recreation can enrich lives regardless of age, gender, ethnicity or ability.

Our Strategic Plan is centred on participants – whether they're Kiwi kids involved in active play with friends, club members or gym-goers, rising stars or established high performance athletes. We believe that if New Zealanders are to continue to participate, all young people must develop the skills and confidence needed for lifelong involvement. We need to reduce barriers to participation and provide opportunities for those interested in active recreation. We need strong clubs and strong competition pathways. And we need New Zealanders to continue to win on the world stage, so future generations are inspired to do the same.

In developing the Strategic Plan, we recognised that more insights would enable us to better understand the wants and needs of participants, and to support the system in providing sport and active recreation opportunities at all levels. In 2017/18 we gathered more and richer evidence about the sport system in New Zealand, and about how New Zealanders value and participate in sport. Our report on the Value of Sport<sup>1</sup> will inform decision-making and contribute to cross-government activities.

International success inspires the next generation of participants and makes us feel proud to be Kiwis. The achievements of elite athletes contribute to our national identity and give New Zealand positive international exposure. HPSNZ leads our high performance sport system which has experienced unprecedented success in the past three years – at the most recent summer and winter Olympic and Paralympic Games, at World Championships in targeted non-Olympic sports, and in breaking world records.

Over the course of this strategic period we have continued to encourage participation in lower-participating groups, and are placing a greater emphasis on promoting sport and recreation in a way that is appropriate to Māori. Insights about barriers to participation help us focus our investment and resources in the areas of the system where we can make the most difference. As we enter the last two years of the Sport NZ Group Strategic Plan 2015-2020, we reflect on the strong foundation we and our partners have built for future achievement. We are seeing some changes in the strategic context, building on this foundation, and beginning to focus more on how sport contributes to wellbeing.

The Community Sport Strategy 2015-2020 and High Performance Strategic Plan 2017-2020 are integral to the Group Strategic Plan 2015-2020. We are in the process of determining our future strategic direction. This will continue for the remainder of 2018 and include different stages of stakeholder consultation. Within the high performance system, we are developing a 10-year blueprint that seeks to develop a sustainable system across multiple Olympiads.

<sup>1</sup> Sport NZ released the report "The Value of Sport – Main Report 2017" in March 2018.

## ACHIEVEMENTS TOWARD STRATEGIC OUTCOMES FOR 2020

# 1

**MORE KIDS IN SPORT  
AND RECREATION**

# 82%

of young people  
spend at least 3 hours  
in organised and/or  
informal sport in any  
given week

# 51%

of young people do at least  
3 hours of organised sport  
each week

# 59%

of young people do at least  
3 hours of informal sport  
each week



# 2

**MORE NEW ZEALANDERS  
INVOLVED IN SPORT  
AND RECREATION**



# 73%

of adults participate  
in sport and active  
recreation in any given  
week, for an average of  
5.3 hours in 2.3 sports  
and activities

# 25%

of adults volunteered  
for sport and active  
recreation in the last  
12 months

# 3

**MORE NEW ZEALAND  
WINNERS ON THE  
WORLD STAGE**

# 2

Olympic Winter  
Games medals  
at PyeongChang



# 3

Paralympic Winter  
Games medals  
at PyeongChang

# OUR PERFORMANCE

## PROGRESS ON KEY PRIORITIES IN 2017/18



### YOUNG PEOPLE PLAN

Our Statement of Performance Expectations (SPE) for 2017/18 outlined seven key priorities for the financial year. This is a summary of our progress in each area.

Young people (ages 5-18) are the focus of our Community Sport Strategy. Through our Young People Plan (YPP)<sup>2</sup>, together with our partners, we continue to focus on providing better quality opportunities, support and experiences. Crucial to progress in this area is a shared understanding across the sector of our Physical Literacy approach, which takes a holistic view of participant needs at different life stages.

In 2017/18 we made good progress against the YPP, including:

- promoting and facilitating Physical Literacy approach activation with key partners, so that nine out of 14 Regional Sports Trusts (RSTs) now show alignment with the YPP
- establishing and promoting 'Play Principles'<sup>3</sup> as the foundation of physical literacy
- through Play.sport<sup>4</sup>, evaluating understanding of the Physical Literacy approach in schools, its value to students, teachers and school leaders, and how well best practice is being shared among schools
- progressing development of a tracking tool to measure improvement in young people's physical literacy
- assessing Physical Literacy initiatives as part of our investment reporting process.



2. [sportnz.org.nz/assets/Uploads/2015-20-SportNZ-YoungPeoplePlan-v01.pdf](https://sportnz.org.nz/assets/Uploads/2015-20-SportNZ-YoungPeoplePlan-v01.pdf) 3. [sportnz.org.nz/assets/Uploads/attachments/Sport-New-Zealand-Play-Principles-Nov-2017.pdf](https://sportnz.org.nz/assets/Uploads/attachments/Sport-New-Zealand-Play-Principles-Nov-2017.pdf) 4. [sportnz.org.nz/news-and-events/media-releases-and-updates/articles/play-sport-baseline-evaluation](https://sportnz.org.nz/news-and-events/media-releases-and-updates/articles/play-sport-baseline-evaluation)

## 2.

**HIGH  
PERFORMANCE  
SPORT NEW  
ZEALAND (HPSNZ)**

HPSNZ focuses on seven strategic priorities to support its overall objective of more New Zealanders winning on the world stage.

2017/18 saw New Zealand athletes achieve unprecedented international success, including performing beyond medal targets at the PyeongChang Winter Olympic and Paralympic Games, and recording our best ever off-shore medal tally at the Gold Coast 2018 Commonwealth Games.

Two new high performance training facilities were opened during the year, further enhancing the daily training environments for elite canoe slalom and canoe racing athletes.

At the end of 2017, HPSNZ undertook its Performance Review of National Sport Organisations (NSOs): 'point in time' discussions among key NSO and HPSNZ personnel, along with representatives from Sport NZ and the New Zealand Olympic Committee. As part of its priority to work in partnership to increase NSO stability and high performance capability, the review process helps ensure an aligned, efficient and partner-driven approach with sports. It is an opportunity to better understand their priorities and pressures, with an aim to improve the two-way dialogue around performance and accountability in the lead-up to Tokyo 2020 and beyond.



# OUR PERFORMANCE

## 3.

### BETTER PARTICIPATION INFORMATION

This year we released our Active NZ Survey 2017<sup>5</sup>, providing information about participation in sport, active recreation and play, explored through the lenses of age, gender, ethnicity and deprivation. It provides information about who participates, how they participate, and how frequently; what motivates people to be more physically active, and what gets in the way of that.

Moving from point-in-time surveys to a continuous data collection method enables us to better track our strategic progress and provide more regular intelligence to inform decision-making both within Sport NZ and in the sector. This was the first Active NZ survey in four years, and the first ever to include both young people and adults (young people were last surveyed in 2011). We surveyed 33,042 New Zealanders (including 6,004 young people, which is proportionate to their incidence in the population) through online and paper-based surveys.

Active NZ findings provide important insights into the changing landscape of participation in sport and active recreation in New Zealand, and will enable us to report changes in participation going forward. There will be more reports on topics that explore the needs and wants of specific participant groups.



## 4.

### PARTNERSHIPS

The work of our Partnerships Team in 2017/18 was driven by establishing and maintaining quality relationships which derive value from our investments in the sector, and the desire for a more coordinated approach to relationship management. This has been led by overarching partner plans which outline agreed expectations around shared objectives, and are reflected in changes to the annual reporting requirements at the end of the year.

We worked with our partners to develop national and regional plans that provide information about sport and recreation priorities, key regional projects and relationships in these regions. Progress was made on a new stakeholder engagement approach designed to improve the quality and consistency of our work in the sector and our engagement with partners.

5. [sportnz.org.nz/assets/Uploads/Main-Report.pdf](http://sportnz.org.nz/assets/Uploads/Main-Report.pdf). More technical detail about the survey is available in the Technical Report: [sportnz.org.nz/assets/Uploads/Active-NZ-2017-Technical-Report.pdf](http://sportnz.org.nz/assets/Uploads/Active-NZ-2017-Technical-Report.pdf)

## 5.

STRONGER  
RELATIONSHIPS  
WITH OTHER  
GOVERNMENT  
AGENCIES

Across government, we are actively seeking opportunities to work collaboratively with other agencies to improve understanding about how sport and active recreation support the achievement of wider outcomes. Our focus in this area enabled us to respond quickly to the Government's wellbeing agenda with relevant value propositions.

Improved engagement with the Ministries of Education and Health saw us providing joint advice to ministers on how to improve physical activity and nutrition in education settings, and heightened our understanding of and connection to the mutual benefits that working with government agencies can deliver. During 2017/18 we have helped the sector better understand government process and engage in developing relevant legislation.

This year we launched The Value of Sport<sup>6</sup> – a study that presents the key findings of research commissioned by Sport NZ during 2016/17. The study articulates the wider value New Zealanders place on sport and recreation, that being physically active creates happier, healthier people, better connected communities and a stronger New Zealand. We prepared tailored reports for the Ministries of Health and Education and are engaging with these entities to identify where we can together contribute to New Zealanders' wellbeing.

## 6.

## PERFORMANCE

During the year, we developed a performance framework for Sport NZ that allows for a clear articulation of our performance against our strategy and business plans. With measurement methodology and targets set and included in our accountability documents and business plan for the upcoming year, the framework has established a reporting regime that tells the story at appropriate levels for our Sport NZ senior leaders, Board, and the Minister for Sport and Recreation.

## 7.

PEOPLE  
AND CULTURE

Our Organisational Development Team's work in 2017/18 focused on building a sustainable, talented and agile workforce with the capability and talent to meet our current and future needs. Learning and development workshop opportunities were provided, and selected staff were offered positions on the Innovation Leadership Development Programme.

In 2017, a Culture Team was established to support an organisational culture that lifts performance, notably through the behaviours articulated in 'The Sport NZ Way' – the basis of our cultural transformation programme initiated in the previous year. The team comprises Sport NZ staff who volunteered out of personal commitment to the cultural change. The team's work has included quarterly surveys to gauge employee engagement, and a guide to assessing the Sport NZ Way behaviours as part of performance discussions. A series of Sport NZ Way workshops has also linked with ongoing learning and development opportunities for staff.

We began working on recommendations from the 2016/17 Māori Participation in Community Sport Review, with an appointment to the new role of Toihautū - Principal Advisor Māori, and began a focus on building Māori cultural capability within Sport NZ.

6. The Value of Sport main report is available on our website ([sportnz.org.nz/assets/Uploads/The-Value-of-Sport-Main-Report.pdf](http://sportnz.org.nz/assets/Uploads/The-Value-of-Sport-Main-Report.pdf)). The comprehensive report of that research is called The Value of Sport and Active Recreation to New Zealanders ([sportnz.org.nz/assets/Uploads/Angus-Associates-Value-of-Sport-FINAL.pdf](http://sportnz.org.nz/assets/Uploads/Angus-Associates-Value-of-Sport-FINAL.pdf)).



# COMMUNITY SPORT

Sport NZ invests in our partners to provide quality support and opportunities in the system, so that participants can enjoy quality sport, active recreation and play experiences.

Our simple logic is that the provision of quality experiences will lead to increased participation. Participating in community sport helps build individual wellbeing, brings communities together and keeps feeding and growing our high performance sport system. We use a wide definition of community sport, which includes play (age and stage appropriate development opportunities for young people), active and outdoor recreation, and competitive sport taking place through clubs and events.

Sport NZ seeks to increase participation in community sport through working into the sport and active recreation system to impact people's behaviour. This critically includes partnering with others and building collaboration to improve the system's ability to deliver quality experiences. Detailed reporting and assessment of the impact of initiatives that we invest in, and independent research and evaluations of programmes we lead, provide valuable insights to inform ongoing decision-making and planning. Our focus in 2017/18 on getting better participation information has also put us in a good position for reporting participation trends in future, against the new baselines established this year.

A key tenet of coaching sport is that if you focus on playing the game well, the result will look after itself. We believe the same to be true of our sport system. We therefore continued to focus our efforts during the year on improving the sport system, in order to increase participation. In adopting a system-led approach, we do not expect to see measurable change in participation rates at a national level at this point in the strategy. This will take time.

# COMMUNITY SPORT

## MORE NEW ZEALANDERS INVOLVED IN SPORT AND ACTIVE RECREATION

### Measuring participation

The Active NZ 2017 and Value of Sport 2017 reports represent significant improvements in information about participation in sport and active recreation. Active NZ 2017 explores participation through the lenses of age, gender, ethnicity and deprivation, and provides insights about how and why people participate. Active NZ 2017 and Value of Sport 2017 tell us that most New Zealanders see value in sport and active recreation, regardless of whether they are currently physically active.

Active NZ 2017 provides a snapshot of participation in sport and active recreation in 2017 by people aged 5 and older. The survey of 6,004 young people (aged 5–17) and 27,038 adults (aged 18+) was conducted between 5 January 2017 and 4 January 2018. It tells us that, in any given week, 95% of young people and 73% of adults participate in sport and active recreation.

ACTIVE NZ 2017 TELLS US THAT, CURRENTLY:	BY 2020 WE EXPECT:
82% of young people participate in at least 3 hours of organised and/or informal activity each week	90% of young people to be doing at least 3 hours of organised and/or informal sport each week
51% of young people do at least 3 hours of organised sport each week	Not less than 60% of young people to be doing 3+ hours of organised sport each week
59% of young people do at least 3 hours of informal sport each week	Not less than 70% of young people to be doing 3+ hours of organised sport each week
73% of adults participate in sport and active recreation in any given week	An increase in adult participation
25% of adults volunteered for sport and active recreation in the last 12 months	An increase in volunteering

Using the new survey method and continuous data collection approach, future Active NZ data will enable us to report on movements in participation in sport, active recreation and play in 2020 compared to the Active NZ 2017 baseline.

### Participation trends

In June 2017, Sport NZ published the 16-Year Adult Participation Trends Report 1998–2014.<sup>7</sup> This brought together data from three different Sport NZ surveys – from 1998, 2008 and 2014, for the 39 sports and activities common to all three surveys – to provide a picture of how adult participation in sport and active recreation had changed over those 16 years. Although this still showed high levels of participation, it also showed that national weekly adult participation fell by 7.7% between 1998 and 2014 (from 73.3% to 65.6%), including a 2.3% decrease in the number of adults volunteering.

We had no participation trend for young people, with results only from the Young People Survey 2011. That survey showed that 89% of young people were doing at least 3 hours of organised and/or informal sport each week; 56% were doing 3+ hours of organised sport each week; and 66% were doing 3+ hours of informal sport each week.

The method used for Active NZ 2017 surveys adults and young people at the same time (a household approach). Compared to earlier surveys, this method is more robust, cost effective, and accurate, and provides timely access to information. Active NZ sets new baselines for participation, with a sequential mixed method that we will use for future reporting. Due to the change in survey method, Active NZ 2017 results are not directly comparable with earlier surveys.

7. [sportnz.org.nz/managing-sport/search-for-a-resource/research/16-year-adult-participation-trends-report-1998-2014](http://sportnz.org.nz/managing-sport/search-for-a-resource/research/16-year-adult-participation-trends-report-1998-2014).

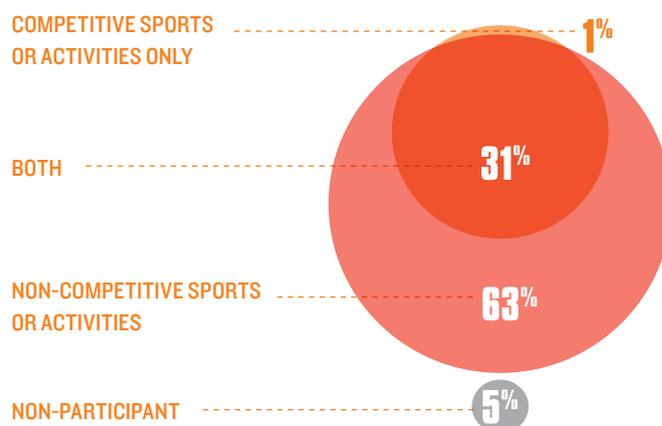
## Framework for increasing participation

To achieve the strategic outcomes of seeing more New Zealanders participating in sport and active recreation, our Community Sport Strategy focuses on increased participation of young people. We work with partners across the sector to improve the ability of the system to deliver quality experiences through three Community Sport Approaches and five System Build Priorities. The remainder of this section sets out our progress against measures in the Sport NZ Group Statement of Intent 2015-2020 (SOI) and SPE 2017/18, which contribute to the strategic outcomes.

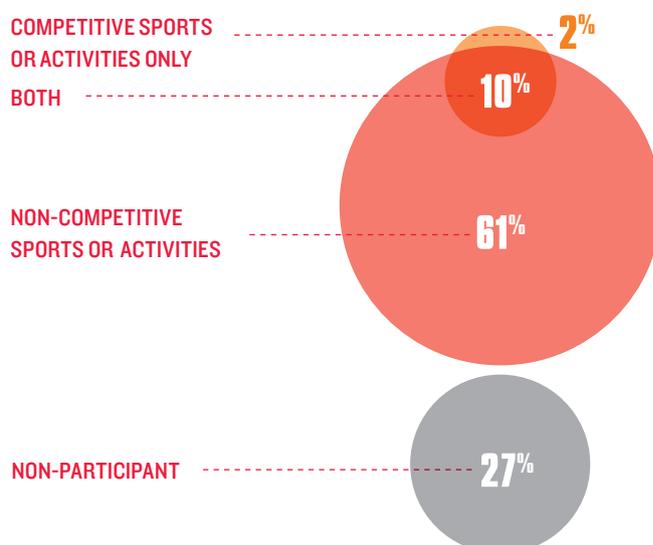
## WEEKLY PARTICIPATION IN COMPETITIVE AND NON-COMPETITIVE SPORTS AND ACTIVITIES

Most weekly participation is in non-competitive sports and activities: 63% of young people and 61% of adults. Non-competitive participation refers to sports and activities undertaken outside of a league or club competition, tournament or competitive event.

### YOUNG PEOPLE



### ADULTS



# COMMUNITY SPORT

## YOUNG PEOPLE

**Sport NZ's Young People Plan 2015-2020 (YPP) encapsulates our focus on school-aged children, with the vision of enriching and inspiring the lives of young people by creating a lifelong love of being physically active.**

Active NZ 2017 shows that, on average, young people spend 11 hours per week participating in 5.4 sports and activities, including time spent playing with friends. In the last 12 months, 48% of young people volunteered in sport and active recreation. Over the past year, our focus with sector partners who are working to provide quality experiences for young people, has been on building a shared understanding of physical literacy and of play as the foundation for this. In November 2017 we launched a set of play principles that recognise, and are being used to protect, the right of young New Zealanders to play. We also collaborated with the Ministry of Health to develop two sets of guidelines (for under-fives, and children aged 5 to 17) that recognise the importance of play.

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS <sup>8</sup>
Young People Plan implemented across Partners	More Partners than in 2016/17 adopt the Young People Plan: 7 (out of 14) Regional Sports Trusts (RSTs) demonstrate alignment with the YPP [2016/17: 5]	Achieved. 9 out of 14 RSTs are demonstrating alignment with the YPP
STRATEGIC FOCUS AREA	EXPECTED PROGRESS BY 2020	2017/18 PROGRESS COMMENTS <sup>9</sup>
School-aged young people (5-18 years) More young people participate in physical activity and sport	An increase in children taking part in 3 hours or more of organised and/or informal sport a week in schools by 2020	82% of young people participate in at least 3 hours of organised and/or informal activity each week <sup>9</sup>
Competitive sport More kids participating through formal competitive structures	An increase in high engagement participation reported from Partners by 2020. [2016/17: 53% (NZSSSC 2016)]	53% of secondary school children participated in competitive sport <sup>10</sup>

## PLAY.SPORT

Play.sport is a core collaborative intervention for young people. It is intended to improve the quality of physical education (PE), sport, physical activity, and play experiences in schools, as well as the connection between schools and their communities, including sports clubs and the home. Play.sport is led by Sport NZ and fully implemented in two locations as a four-year pilot that began in 2016: Waitakere (28 schools) and Upper Hutt (17 schools).

Evaluations throughout the pilot provide insights about the effectiveness of the implementation strategy and the impact on participants and their communities, enabling us to responsively adapt the pilot. Sport NZ facilitates shared learning across the participating schools, and has developed videos for sharing insights more widely.

Findings from the evaluation in 2017/18 clearly demonstrate that Play.sport is making significant progress in: improving teacher confidence to deliver quality PE, sport and physical activity experiences, encouraging students to lead, and the prioritisation of PE, sport and physical activity in school culture. Based on these successes, we are expanding the pilot from two locations to four. Play.sport is now in the early stages of establishment in Hamilton and Invercargill.

8. Throughout this annual report, we report results achieved against SPE targets for 2017/18, and progress comments against focus areas in the SOI for 2015-2020. 9. Active NZ Survey 2017. 10. NZ Secondary Schools Sports Council data for 2017. School children who represented the school, or took part in a sport provided in-school over a period of 6 weeks or more, or played for a club that the school has a close working relationship with.

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
Play.sport is fully implemented across pilot schools in Waitakere and Upper Hutt	Initial results demonstrate improved teacher practice and beliefs (competence and confidence):  Through a range of evaluations, improved teacher practice and beliefs (competence and confidence) in participating schools	Achieved.  Key findings from the Play.sport year 2 evaluation are: <ul style="list-style-type: none"> <li>70% of staff feel more confident in setting up at least one PE learning opportunity as a result of Play.sport</li> <li>45% of staff feel more confident in setting up 6-8 PE learning opportunities as a result of Play.sport</li> <li>75% of Play.sport teachers think differently about PE, physical activity and sport</li> <li>85% of staff feel Play.sport has helped strengthen at least one area of school health and PE planning</li> </ul>

## QUALITY EXPERIENCES

We know from our Value of Sport research that, to reap the full benefits of physical activity, people need quality experiences that increase their confidence, competence and motivation to participate in sport and physical activity for life.

Sport NZ aims to improve the capability of the sport system to provide opportunities for quality participation experiences, particularly for young people and those in our target participant groups.

Our 2017/18 Voice of Participant research surveyed members of 10 NSOs. 30% of these members belong to their club to play competitively. The next most common reasons for belonging were to have fun, and to learn or improve skills. Almost two-thirds (63%) of respondents are more than satisfied with the overall experience of playing at their club, and 65% are either very satisfied or extremely satisfied with the quality of coaches or instructors.

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
Targeted investment – Investing in National Sport Organisations (NSOs) delivering sport and recreation to targeted low-participating communities	NSOs receiving 'Grow' investment engage effectively with low-participating communities, designing specific programmes/initiatives or creating opportunities to increase physical activity in these targeted communities:  8 (out of 10) NSOs with 'Grow' investment <sup>11</sup> have designed specific programmes/initiatives or created opportunities targeting low-participation communities [2016/17: Not achieved]	Achieved. All 10 NSOs that received 'Grow' investment in 2017/18 have specific initiatives designed to further their ability to target low-participation communities <sup>12</sup>

11. Grow investment totalled \$1.57m in 2017/18 12. Sport NZ assessment of these 10 NSOs' performance reporting for 2017/18.

# COMMUNITY SPORT

Play.sport improves teachers' confidence and competence so that they can provide better quality experiences for young people, fostering a lifelong love of being physically active.

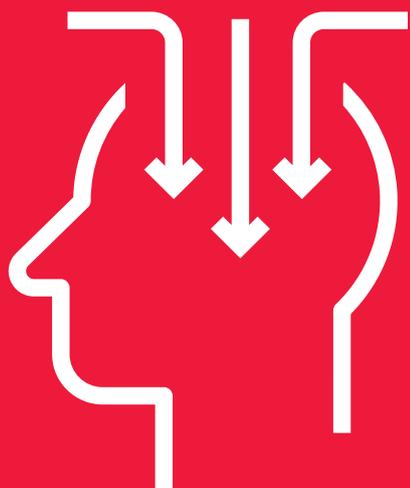


**70%**

of staff feel more confident in setting up at least one PE learning opportunity as a result of Play.sport

**45%**

of staff feel more confident in setting up 6-8 PE learning opportunities as a result of Play.sport



**75%**

of Play.sport teachers think differently about PE, physical activity and sport



**85%**

of staff feel Play.sport has helped strengthen at least one area of school health and PE planning

# COMMUNITY SPORT

## COMMUNITY SPORT APPROACHES

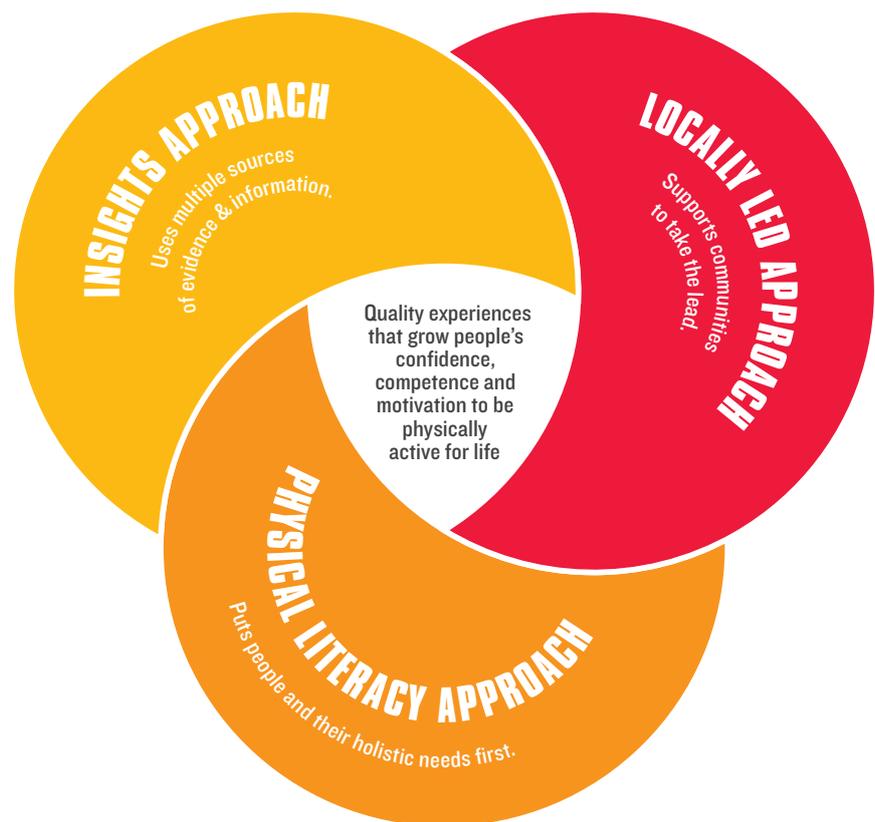
Sport NZ developed three community sport approaches – Insights, Physical Literacy, and Locally Led – that provide a participant-centred way of thinking and working, to improve the sport system by providing quality support, opportunities and experiences for both adults and young people.

In 2017/18, we have worked with our partners to understand and then embed these approaches, and developed resources that demonstrate their practical application.

The Insights approach encourages evaluation and learning that informs ongoing practice, to ensure that initiatives continue to be effective in meeting the needs of participants.

The Physical Literacy approach is about promoting quality experiences that contribute to a person valuing and taking responsibility to be physically active for life, and encourages consideration of the different needs and reasons people participate across different life stages.

The Locally Led approach is a way of working with targeted communities towards mutually agreed outcomes that encourage organisations to support, empower and enable local communities to take a lead.



## INSIGHTS



Through surveys, data collection and analytical techniques, we are supporting our partners to identify what New Zealanders want and need in terms of participation, and translating these insights into intelligence, to help the sport system respond effectively.

Active NZ is an instrumental tool for Sport NZ and our partners. Insights from Active NZ 2017 enable us to anticipate, plan and respond to changes in the way New Zealanders participate. The redesigned survey puts the participant front and centre, and is based on extensive qualitative research, cognitive testing and piloting. The data collection methodology ensures that voices, of both participants and those who are not currently participating, are heard.

Our 2017/18 annual performance meetings with 33 regional and national partners revealed they had used innovative ways of embedding the Insights approach, including incorporating this in staff performance assessments, providing environmental scans to their boards, and creating working groups from across the organisation to discuss research results and findings.

## PHYSICAL LITERACY



We are working to improve system understanding and adoption of the Physical Literacy approach, and supporting partner capability in delivering participation opportunities that are founded on the approach. Work began in 2017/18 to develop a physical literacy tool that will help us measure the extent to which physical literacy in young people improves over time as our partners adopt the approach.

## LOCALLY LED



We support our partners to engage with local communities, including those in high deprivation areas or facing greater barriers to participation that require the sport system to respond differently. During these first two years of implementation, we have been working most intensively with our RST partners because of their regional reach and community connectedness. In the 2017/18 annual performance meetings, RSTs were positive about using the Locally Led approach, and reported a number of successes using it throughout their organisations and in the community.

The 2017/18 evaluation of the Locally Led approach has primarily focused on how well it is being embedded by RSTs, and its impact (who is participating and the quality of their experiences) within targeted communities. It reflects that RSTs and initiatives are at different levels of maturity, and RSTs and their partners are growing their understanding of each others' skills and expertise. Findings indicate that the locally led initiatives being facilitated by RSTs are largely centred around key Sport NZ target participant groups, connecting with people who were not previously participating, but it is too early to have confidence of sustainable participation growth from using this approach. Although there has been notable progress in understanding the participating communities and establishing a learn-as-you-go culture, there have been some challenges, such as identifying leaders in the community to champion initiatives and sustaining genuine community partnerships.

# COMMUNITY SPORT

## Community Sport approaches continued

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
<b>INSIGHTS APPROACH</b>		
Identifying and understanding national participation levels	National and regional participation information is available to inform decision-making across the sector: 2017/18 national participation levels are developed (baselines) [New measure]	Achieved. Active NZ Survey 2017 established new baselines of national participation, and provides regional data to inform decision-making
<b>PHYSICAL LITERACY APPROACH</b>		
Further implement the holistic Play.sport approach across participants' different life stages	More Partners adopt the Physical Literacy Approach: 10 (out of 14) RSTs understand and demonstrate alignment with the Physical Literacy Approach [2016/17: 5 out of 14]	Achieved. 11 RSTs understand and demonstrate alignment with the Physical Literacy approach <sup>13</sup>
<b>LOCALLY LED APPROACH</b>		
Locally Led delivery approach – Finalise evaluation approach, collaborate with communities in identifying their own goals for physical activity and co-designing initiatives to reach their goals	In partnership with low-participating communities, initiatives are designed, developed and implemented: 10 (out of 14) Regional Sports Trusts demonstrate more community-led initiatives than in 2016/17, using the Locally Led delivery approach [2016/17 baseline: 0]	Achieved. All 14 RSTs demonstrate more community-led initiatives, using the Locally Led approach <sup>14</sup>

STRATEGIC FOCUS AREA	EXPECTED PROGRESS BY 2020	2017/18 PROGRESS COMMENTS
<b>LOCALLY LED APPROACH</b>		
More adults participating through locally led projects	A 3% increase in participation in supported projects by 2020 Our impact: <ul style="list-style-type: none"> <li>Local projects matched to local need</li> <li>Sector alignment and collaboration</li> </ul>	All RSTs reported using the approach, collaborating with a range of groups and organisations in 77 communities across New Zealand with whom they have had little previous engagement. Most RSTs reported initiatives that were specifically targeted at young people. RSTs have reported that non-participating New Zealanders are now participating due to the implementation of the Locally Led approach. <sup>15</sup>
More kids participating through locally led projects	A 3% increase in participation in supported projects by 2020 Our impact: <ul style="list-style-type: none"> <li>Local projects matched to local need</li> <li>Sector alignment and collaboration</li> </ul>	

<sup>13</sup>. Partner Confidence Survey 2018. RST respondents that have either embedded, or are in the process of embedding, the Physical Literacy approach. <sup>14</sup>. Partners' performance reporting to Sport NZ for 2017/18. <sup>15</sup>. Evaluation Report of the Locally Led approach (2018).

## SYSTEM BUILD PRIORITIES

Sport NZ identified five strategic priorities for building the sport system's provision of quality support and opportunities for participation

<b>1.</b>	Insights – a better-informed sporting system
<b>2.</b>	People – improved people capability (including workforce and coaching)
<b>3.</b>	Spaces and places – better spaces and places to participate in community sport
<b>4.</b>	Partners/providers – increased capability of partners and providers
<b>5.</b>	Pathways – increased and improved opportunities to meet the needs of participants

We simplified our annual reporting requirements with partners for the 2017/18 financial year. Partners were encouraged to provide rich and concise responses to results-based accountability questions, supported with documented evidence. An additional end-of-year process involved Sport NZ meeting with 33 partners to review performance. An independent observer attended these meetings and reported on the overall system-building progress. Through this enhanced process, we have achieved greater understanding of the evidence of progress in building the system through our five strategic priorities and where further opportunities exist for us to support or hasten progress, and we have developed stronger partnerships with our partners.

# COMMUNITY SPORT

## System build priorities

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
<b>I. INSIGHTS</b>		
Progress Community Sport Insights Programme – Identifying the participation needs and wants of New Zealanders to enable the sport system to meet those needs	Partners are using insights data in cycles of review and learning in product development and delivery: RSTs provide stakeholders with an enhanced understanding of the sector which improves decision-making. Target 50% (baseline 45%). [New measure]	Achieved. 51% of stakeholders are satisfied that RSTs provide enhanced understanding of the sport and recreation sector to inform decision-making <sup>16</sup>
	Partners become more responsive to participant needs: Improvement in overall NSO Net Promoter Score <sup>17</sup> (NPS) (baseline: 43) and Satisfaction (baseline: 61%) [New measure]	Achieved. NPS 44 and Satisfaction 63% <sup>18</sup>
	Participants are more satisfied: Improvement in overall RST NPS (baseline: -2) and Satisfaction (baseline: 54%) [New measure]	Achieved. NPS 14 and Satisfaction 61% <sup>19</sup>
<b>2. PEOPLE</b>		
Coaching – Further develop a network of skilled coaches to support participants	Completion of 3rd intake and selection of 4th intake of 102 coaches in Performance Coach Advance [New measure]	Achieved. 4th intake of 102 coaches began in January 2018
	Improvement in overall NPS for Performance Coach Advance [New measure. Baseline 53.5]	Achieved. Performance Coach Advance 3rd programme completed, and achieved NPS of 72
	Completion of 10th, 11th and 12th residential courses of Coach Developer Training Programme: Improvement in NPS for Coach Developer Training Programme [New measure. Baseline: 72]	Achieved. The 10th, 11th and 12th Coach Developer Training courses were completed in 2017/18 and achieved NPS of 76
<b>3. SPACES AND PLACES</b>		
These measures are covered in the strategic priorities for creating a world-leading sport system (Appendix 2)		Achieved. 146 facilities are registered on the National Facilities Benchmarking Tool. Ten regional facility plans are in place. Two new national sport facility plans and one existing plan was reviewed in 2017/18
<b>4. PARTNERS/PROVIDERS</b>		
Stakeholder engagement to develop regional sport and recreation plans	Stakeholders across the system work collaboratively to achieve common objectives: 5/14 Regional sport and recreation plans under development/implemented [New measure]	Achieved. 14 regional sport and recreation plans are under development/implemented

16. Results of Very Good and Excellent in the RST Stakeholder Survey 2018. 17. Net Promoter Score (NPS) measures the proportion of respondents who would promote the service/product. The score is calculated by deducting the percentage of negative responses from the percentage of positive responses. 18. Voice of Participant Survey 2017/18. 19. RST Stakeholder Survey 2018.

## System build priorities continued

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
<b>4. PARTNERS/PROVIDERS CONTINUED</b>		
Support Community Sport investment partners to achieve our shared outcomes, including monitoring and measuring their performance	<p>Evidence of system improvement shifts for partners:</p> <p>12 (out of 14) RSTs demonstrate positive improvements across system building initiatives invested in [2016/17: 13]</p> <p>10 (out of 18) NSOs demonstrate positive improvements across system building initiatives invested in [2016/17: 15]</p> <p>Stakeholders view the Overall Performance of RSTs as improving Target 60% (baseline 54%) [New measure]</p>	<p>Our focus for 2017/18 was on achieving positive impact across the system, measured by assessment of the impact of individual initiatives<sup>20</sup></p> <p>Achieved. All 14 RSTs demonstrated positive impact across one or more initiatives. 57% of initiatives (across the 14 RSTs) were rated Very Good or Good for impact relative to investment, and 94% were Adequate or better<sup>21</sup></p> <p>Achieved. 17 NSOs demonstrated positive impact across one or more initiatives. 60% of initiatives (across 19 national partners) were rated Very Good or Good for impact relative to investment, and 93% were Adequate or better<sup>22</sup></p> <p>Achieved. Stakeholder satisfaction with overall performance of RSTs is 61%<sup>23</sup></p>
	<p>NSOs show consistent participation levels: 10 (out of 18) NSOs maintain or improve current membership levels [2016/17: 10]</p>	<p>Not Achieved. 6 (out of 18) NSOs have maintained or improved membership levels<sup>24</sup></p>
<b>5. PATHWAYS</b>		
Talent Plan – Develop systems to sustain people participating in traditional sport competition structures and pathways	<p>Development of training approach and resources for targeted leaders of participant and athlete development across sector:</p> <p>Establishment of baseline NPS score from participants on athlete development leaders training course [New measure]</p>	<p>Achieved. A pilot Sport Development Leader residential course was held in June 2018 and received very positive feedback from participants. In 2018/19 we will deliver two Sport Development Leader residential courses. Baseline NPS score has been established</p>
<b>STRATEGIC FOCUS AREA</b>		
<b>PATHWAYS</b>		
More adults participating through formal competitive structures	An increase in high engagement <sup>25</sup> participation reported from targeted sports by 2020	60% of NSOs that received 'Grow' investment in 2017/18 maintained or increased numbers of adults in high engagement participation compared to last year; achieving 2% increase this year to 298,934 adults

20. This is a change in measurement approach from last year, following recommendations of an independent review of the performance management framework. It is based on the enhanced process for partners' annual performance reporting, which reflects our focus on assessing impact achieved. 21./22. Sport NZ assessment of the evidence demonstrating positive impact in 2017/18 across system-building initiatives invested in, for all RSTs and 19 national partners. This change in measurement approach is based on the enhanced process for partners' annual performance reporting, which reflects our focus on assessing impact achieved. 23. Results of very good and excellent in the RST Stakeholder Survey 2018. 24. The 18 NSOs for this measure were 10 NSOs identified with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$200,000 per annum. 25. High engagement is defined as an activity that occurs over a minimum of 6 weeks and lasts over 18 hours in total (eg, seasonal club competition), or for a one-off activity, the activity lasts more than 3 hours and requires material self-training to participate.

# COMMUNITY SPORT

## PARTNER CAPABILITY

Sport NZ aims to ensure sufficient capability in the sector to build a sustainable world-leading system, by working with our partners on individual business capability initiatives as well as making system-wide improvements.

In 2017/18, we helped our partners improve their capability in the leadership, governance, finance, people and technology areas of their business.

We initiated three new leadership programmes in 2017/18 that will run during 2018/19 – Executive Leaders, Future Leaders and Women in Leadership. We also launched, together with Sport Wellington, Puna: The Leadership Framework for Sport and Recreation in Aotearoa New Zealand,<sup>26</sup> with resources and courses that have been designed to build on leadership capability in the sector.

Sport NZ continued to develop the Governance Mark to recognise improved governance in sport and recreation organisations. It applies a robust and independently verified development and assurance process, based on internationally recognised good practice, in a way that supports continuous and sustainable improvement. The Governance Mark was first awarded in 2016/17. Four organisations were awarded the Governance Mark in 2017/18, and a further 30 organisations are undertaking the process. The Sport NZ Board has also completed the process and achieved the Governance Mark – formally awarded in October 2018. There is significant interest from other sectors (including the Crown) in the system and process.

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
Partner capability – Monitor and advise on financial stability	Financial stability. More partners can meet their short-term cash flow requirements: 80% of priority partners have sufficient working capital available [New measure]	Achieved. 95% of priority partners have sufficient working capital <sup>27</sup>
Partner capability – Assess governance arrangements	Governance. More partners receiving governance support can demonstrate an improvement in their governance: Six organisations achieve the Governance Mark [New measure]	Not achieved. Four partners awarded the Sport NZ Governance Mark in 2017/18. Another 30 organisations are in progress

26. [sportandrecleadership.org.nz](http://sportandrecleadership.org.nz) 27. Financial statements of priority partners. Working capital is calculated as current assets (including term deposits, excluding inventory) less current liabilities, and determined to be sufficient if it is greater than 30 days of fixed expenditure.

## PARTNERSHIPS AND RELATIONSHIPS WITH OTHER GOVERNMENT AGENCIES

**Strong and capable sector partners at national and regional levels are critical to the success of our strategies.**

Sport NZ also recognises the value of working across the state sector to enhance our goals and contribute to the broader wellbeing of New Zealanders. Improving the quality of our engagement with partners, and further developing our relationships across government, were key priorities for 2017/18.<sup>28</sup>

Extending our relationships, building collaboration more widely, and facilitating connections and knowledge flow between our partners and those they interact with (enablers and deliverers within the system) enables ideas and solutions to emerge. In building this capability within our partner network, we are actively influencing change. In 2017 we established regional partnership managers to facilitate regional networks and alignment, and a government relations role to explore collaboration with central government.

Sport NZ's work in developing strong cross-government partnerships progresses our participation outcomes while also supporting wider government outcomes. This enabled us to quickly align to the Government's wellbeing agenda, providing a more relevant and universally understood value proposition for sport and recreation. We have also contributed to the sector's improved understanding of, and engagement with, government process.

In 2017/18, Sport NZ regional partnership managers helped RSTs and their partners develop regional plans that identify key relationships, sport and recreation priorities and projects, relationships and work programmes. Similarly, our national partnership managers developed partner plans to guide mutual outcomes, agreed accountabilities and work programmes with national partners (NSOs, National Recreation Organisations (NROs) and national disability and education organisation partners).

Leaders and key staff across the sport and recreation sector were highly satisfied with our 2018 Connections Conference.<sup>29</sup> We hosted forums with local government elected members and senior sport and recreation managers of all metro and I5 provincial territorial authorities, strengthening connections across local government, and ran many forums for leadership groups across the sector.

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
Stakeholder engagement to develop regional sport and recreation plans	Stakeholders across the system work collaboratively to achieve common objectives: Stakeholder engagement strategies (plans) completed for RSTs, NSOs and Territorial Authorities (TAs) [New measure]	Achieved. Sport NZ completed stakeholder engagement strategies (plans) for RSTs, NSOs and TAs.

28. We operate in the spirit of partnership, consistent with the Kia Tutahi Relationship Accord. The Accord was signed in 2011 and is an important symbol of commitment between the Government and communities to engage effectively to achieve social, economic, cultural and environmental outcomes. It sets expectations about how government agencies and communities will work together. [dia.govt.nz/KiaTutahi](http://dia.govt.nz/KiaTutahi)

29. Connections Conference evaluation results: 86% of responses for overall satisfaction were Very Satisfied or Extremely Satisfied.

# COMMUNITY SPORT

## COST OF SERVICE BY OUTPUT EXPENSE

### Sport and Recreation Programmes

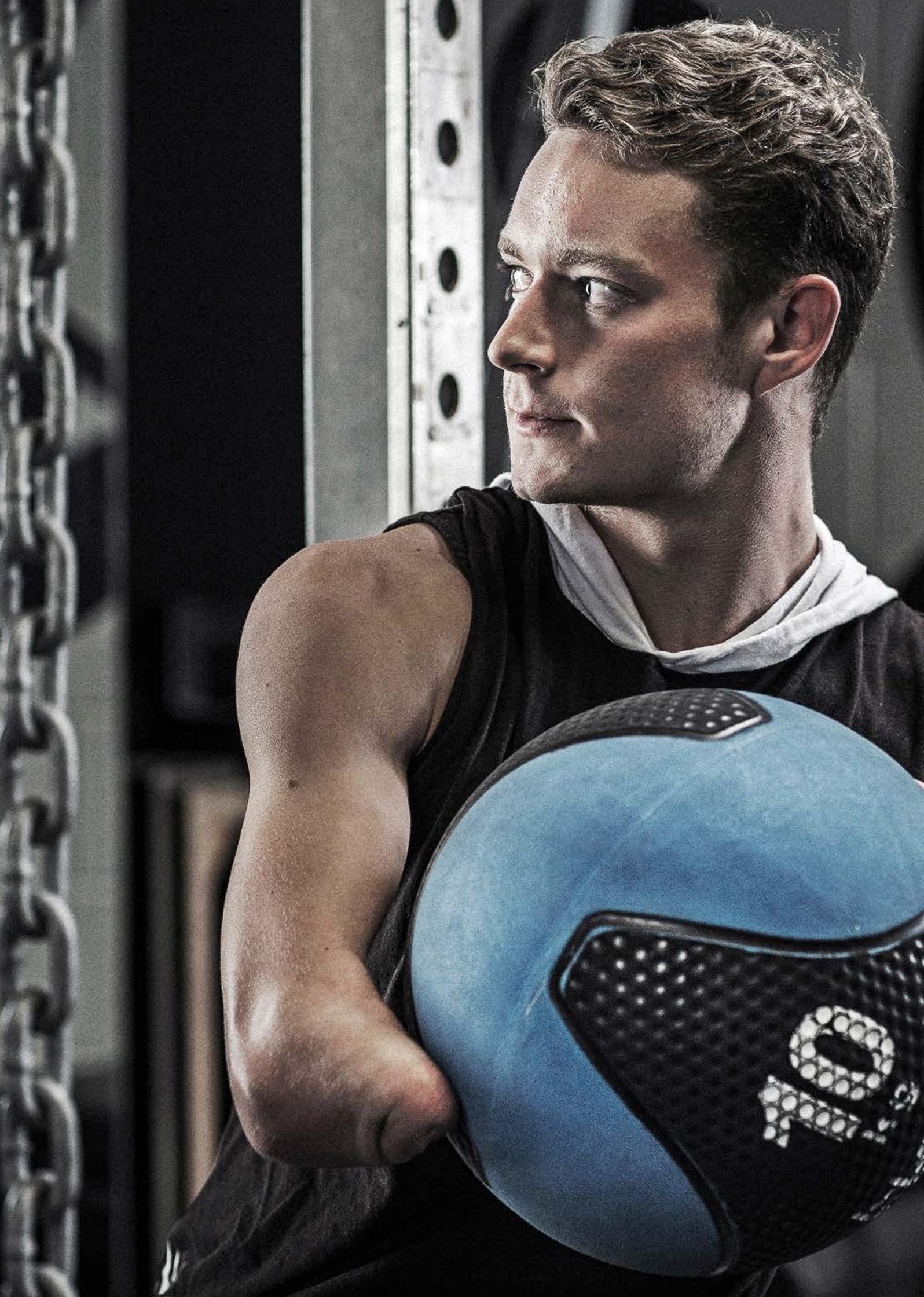
	ACTUAL 2017 \$000		ACTUAL 2018 \$000	BUDGET 2018 \$000
	19,151	Crown funding	19,151	19,151
	56,405	Other operating revenue	56,291	46,253
	<b>75,556</b>	<b>Total Revenue</b>	<b>75,442</b>	<b>65,404</b>
		<b>Less expenses</b>		
	47,017	Sector investment and consulting	45,709	45,781
	4,751	Programme management	5,317	5,643
	10,103	Technical advice and resources	11,693	13,085
	1,343	Policy advice	1,473	1,510
	1,589	Knowledge and information	1,558	1,426
	<b>64,803</b>	<b>Total Expenses</b>	<b>65,750</b>	<b>67,445</b>
	<b>10,753</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>9,692</b>	<b>(2,041)</b>

## COST OF SERVICE BY OUTPUT EXPENSE

### Sport and Recreation Programmes — World Cups Office

	ACTUAL 2017 \$000		ACTUAL 2018 \$000	BUDGET 2018 \$000
	2,950	Crown funding	-	-
	<b>2,950</b>	<b>Total Revenue</b>	<b>-</b>	<b>-</b>
		<b>Less expenses</b>		
	2,754	Sector investment and consulting	-	-
	299	World Cups office	304	481
	<b>3,053</b>	<b>Total Expenses</b>	<b>304</b>	<b>481</b>
	<b>(103)</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>(304)</b>	<b>(481)</b>





# HIGH PERFORMANCE SPORT NZ

It has been another remarkable year  
for high performance sport.

# HIGH PERFORMANCE SPORT NZ

## MORE NEW ZEALAND WINNERS ON THE WORLD STAGE

Our mission is to create a world-leading, sustainable high performance sport system.

83% of New Zealanders believe that high performance sport helps instil a sense of pride in our country.<sup>30</sup> With more New Zealanders winning on the world stage, we can inspire the nation.

The SOI set targets for results we are seeking from our athletes on the world stage. Continuing an unprecedented period of success that saw these targets exceeded at the Rio 2016 Olympics, we witnessed some tremendous performances from Olympic and Paralympic athletes at the Winter Games this year, resulting in one gold and four bronze medals, and a strong complement of top ten placings.

In addition, at the Gold Coast 2018 Commonwealth Games, New Zealand achieved its best ever away result with 46 medals, surpassing the previous feats of Glasgow 2014. Our targeting of podium potential sports and athletes continues to see improvement in world championship results.

PINNACLE EVENT	TARGET RESULTS	PAST PERFORMANCE	2017/18 RESULTS
Medals at Olympic Summer Games	14+ in 2016 16+ in 2020	2012: 13 medals Rio 2016: 18	N/A
Medals at Olympic Winter Games	1 in 2018	2014: 0 medals	Achieved. 2 medals at PyeongChang Winter Olympic Games <sup>31</sup>
Gold medals at Paralympic Summer Games	12 in 2016 10-14 in 2020	2012: 6 medals Rio 2016: 9 gold and 21 total medals <sup>32</sup>	N/A
Gold medals at Paralympic Winter Games	1 in 2018	2014: 0 medals	Achieved. 1 Gold (and 3 medals in total) at Paralympic Winter Games

On an annual basis we are seeking results comparative to the same year in the previous Olympic cycle.

ANNUAL RESULTS SOUGHT	COMPARATOR	PAST PERFORMANCE (2013 RESULTS)	2017 RESULTS <sup>33</sup>
Consistent number of New Zealand athletes/teams placed in the top 3, top 5, top 8 in the world in Olympic disciplines	The annual results for the comparative year in the previous Olympic cycle. I.e.; 2013 as compared with 2017, being three years out from Olympic Games  Budget standard Top 3: 16, Top 5: 24, Top 8: 32	Athletes/teams in world championships or similar events across Olympic disciplines  Top 3: 21 Top 5: 23 Top 8: 36	Achieved. Top 3: 22 Top 5: 30 Top 8: 45
Consistent number of New Zealand Paralympic athletes placed in the top 3 and top 5 in Paralympic disciplines	The annual results for the comparative year in the previous Olympic cycle. I.e.; 2013 as compared with 2017, three years out from Olympic Games  Budget standard Top 3: 18, Top 5: 24	Top 3: 4 Top 5: 12	Achieved. Top 3: 10 Top 5: 13

30. Value of Sport report. 31. This is New Zealand's best ever result at a Winter Olympic Games. 32. Paralympics results were below the expected gold medal target, but surpassed London results by 3 medals and retained New Zealand's first place in the world on the per capita medal table. 33. Athlete/team placings are reported on a calendar-year basis, for comparison with the equivalent year in the previous Olympic cycle. Not all sports have a pinnacle event every year, so the comparison between equivalent years in the Olympic cycle provides a more reasonable indication of results tracking.

The impact we expect to see as a result of our high performance programme is:

OUR IMPACT	HOW IMPACT WILL BE MEASURED	2017/18 RESULTS
More than 80% of High Performance programme goals are achieved by targeted sports	Annual performance assessments across related KPIs for targeted sports	Achieved. 89% of high performance programme goals were achieved by targeted sports in 2017

## HIGH PERFORMANCE EXPERTISE

HPSNZ leads a highly effective high performance system in partnership with NSOs and peak bodies (New Zealand Olympics Committee and Paralympics New Zealand) that ensures resources are targeted and prioritised to deliver performance outcomes.

With less than two years to go until Tokyo 2020, collaboration and engagement across partners is crucial.

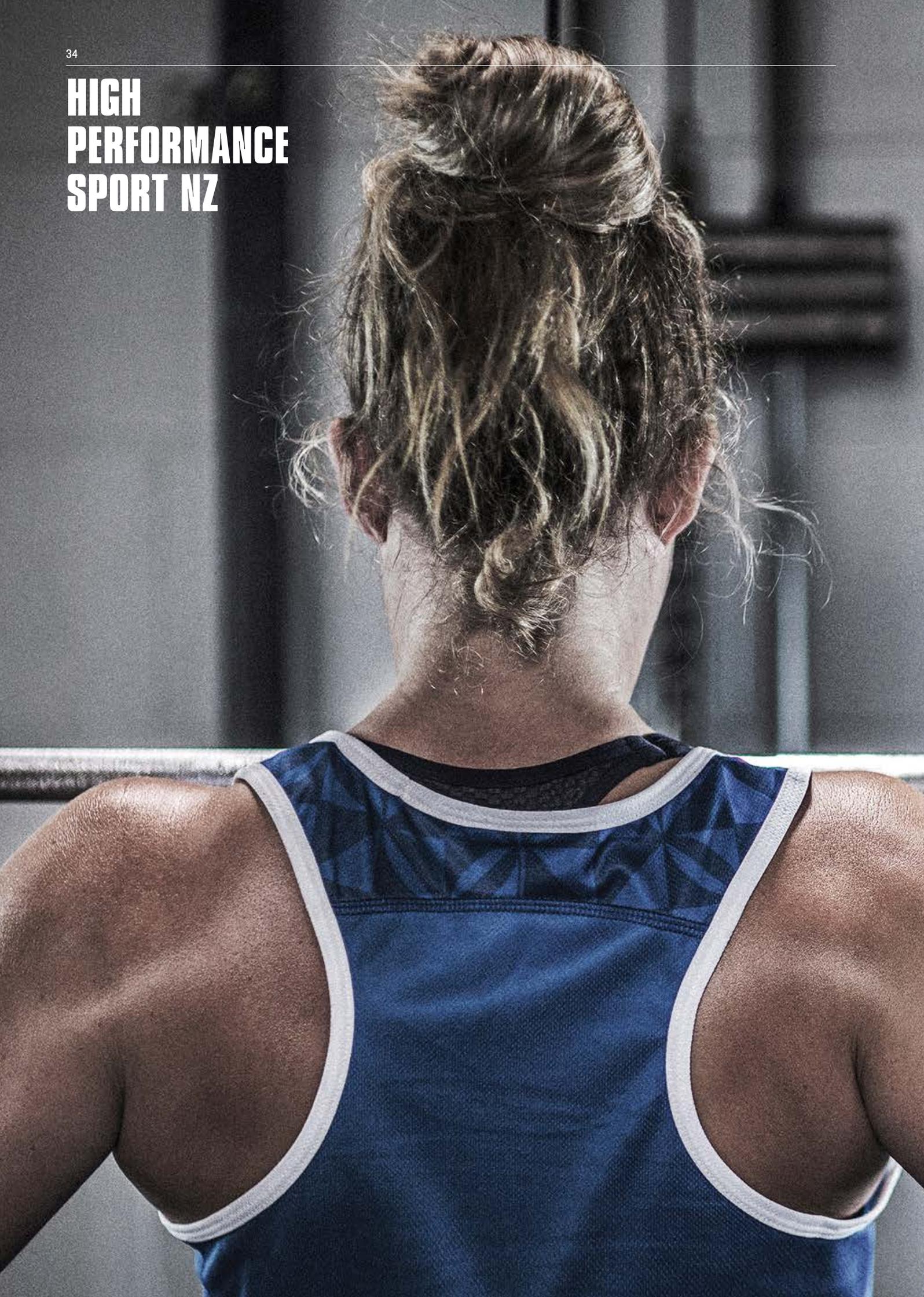
In 2017/18 we worked with the 10 targeted NSOs to evaluate their high performance programmes and enhance their capability and capacity through the development of programme strategies and support mechanisms, as well as leadership and coach development.

HPSNZ works in partnership with athletes, coaches and sports to develop and deliver applied innovation projects. The innovation project evaluation panel ratified 100% of these projects, due to a more robust and consultative approach prior to submitting applications.

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2017/18 RESULT
Technical advice for high performance expertise	HPSNZ provides expert advice, guidance and assistance to NSOs to improve the delivery of their high performance programmes and athlete development	At least 80% partner satisfaction with quality of consultancy provided 2016/17: 93%	Achieved. 91% <sup>34</sup>

34. Partner Confidence Survey 2018. Responses from targeted HPSNZ partners.

**HIGH  
PERFORMANCE  
SPORT NZ**



THE IMPACT WE EXPECTED  
TO SEE AS A RESULT OF  
OUR HIGH PERFORMANCE  
SPORT PROGRAMME

80%

of High Performance  
programme goals achieved  
by targeted sports

RESULT

89%

of High Performance  
programme goals achieved  
by targeted sports

# HIGH PERFORMANCE SPORT NZ

## SECTOR INVESTMENT AND MANAGEMENT

**Athlete-focused support helps maximise their potential to achieve at pinnacle events.**

Our people use innovative practices that go beyond existing knowledge to contribute to sustainable success for our athletes. The formula of having the right people in the right team environment is a model our athletes say gives them peace of mind and a sense of family – significant components in their success.

More than 70% of HPSNZ staff are embedded within athlete performance support. In 2017/18, our team of experts supported over 500 elite and emerging athletes and 100 high performance coaches through the provision of world-leading performance knowledge and experience. During the Tokyo cycle, we will provide around 500,000 hours of athlete performance support to athletes training for the next Olympic Games and their coaches.

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2017/18 RESULT
Investment to support NSO high performance initiatives	High performance system programme goals are achieved, which include: podium performances, world class athletes, world class leaders, coaches and support staff, world class planning and execution, world class daily training environments, athlete development, effective partnerships with NSOs, New Zealand Olympic Committee, Paralympics New Zealand and HPSNZ	At least 85% of total high performance funding will be invested in high performance programmes and initiatives <sup>35</sup> [2016/17: 89%]	Achieved. 93%

## ATHLETE SUPPORT SERVICES

Significant progress has been made in growing coach capability (through the Coach Performance Programme) and leadership, building coaching capacity (through increased full-time roles and full-time equivalents) and introducing Coaching Managers in some of the larger NSOs. This reflects that NSOs increasingly prioritise coaching.

In partnership with NSOs, we are also focused on developing a collaborative HP coaching community that supports coaches, encourages cross-sport learning and grows New Zealand's coaching knowledge. In 2018, we welcomed our 10th intake into the Coach Accelerator Programme, which has overseen 41 graduate coaches and 31 current coaches from 19 sports since its inception.

We are committed to strengthening high performance athlete development systems to support the future of high performance sport. 86% of targeted sports have current evidence-based HP athlete development pathways. We are now looking to advance these towards fully integrated athlete pathways, which requires the involvement of more disciplines and expertise to logically sequence development.

35. Programmes and initiatives include: Investment to targeted sports, PEGs, Technology and Innovation, High Performance Events and direct costs associated with the provision of technical advice, resources and athlete services to targeted sports/athletes/coaches.

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2017/18 RESULTS
High performance athlete support services	HPSNZ directly supports athletes by allocating grants and providing specialist services <sup>36</sup>	At least 80% of coaches and athletes say that HPSNZ support and training environment positively impacts performance [2016: 81% of coaches, 83% of athletes]	Achieved. 86% of coaches and 89% of athletes say that HPSNZ support and training environment positively impacts performance
		Performance Enhancement Grants (PEGs) allocated to at least 200 high performance athletes [2016: 235]	Achieved. PEGs awarded to 237 high performance athletes
		400 athletes receive funding and/or access to services through the high performance system [2016: 514]	Achieved. 527 athletes received funding and/or access to services through the high performance system

HPSNZ manages seven multi-sport high performance hubs (Auckland, Cambridge, Karapiro, Wellington, Christchurch, Dunedin and Wanaka) with training, performance and recovery environments for elite athletes. Two high performance facilities targeted in Sport NZ's National Sporting Facilities Framework were opened in 2017/18:

- The Canoe Slalom New Zealand High Performance Training Centre at Vector Wero White Water Park in Manukau was opened in March 2018. The shared facilities approach with high performance athletes and community groups enriches the experiences of all involved.
- The Canoe Racing NZ High Performance Centre and Perry Community Water Sports Centre at Karapiro house Canoe Racing New Zealand's high performance training centre as well as local clubs. This was a collaboration between Sport NZ, Waipa District Council, Canoe Racing NZ and the Cambridge Yacht Club, and opened in February 2018.

HPSNZ partners with the NZOC, Paralympics New Zealand and NSOs to create performance environments at the Olympic and Paralympic Games. Preparation and recovery areas were set up in the Athletes' Village to benefit New Zealand athletes competing at the Gold Coast 2018 Commonwealth Games. These areas, which aim to mimic and simulate the athletes' daily training environment as closely as possible, were first piloted at the 2014 Glasgow Commonwealth Games and enhanced at the record-breaking Rio 2016 Summer Olympics.

In addition, to ensure a seamless transition between the training and Games environment, 25 HPSNZ performance specialists provided on-the-ground continuous support to athletes throughout the Winter and Commonwealth Games.

36. For example, exercise physiology, biomechanics, strength and conditioning, nutrition, physiotherapy, massage, planning, athlete life and medical services.

# HIGH PERFORMANCE SPORT NZ

## PRIME MINISTER'S SPORT SCHOLARSHIPS

The Prime Minister's Sport Scholarships programme enhances the sustainability of New Zealand's world-leading sport system by providing development and retention opportunities for sporting talent at the high performance level.

It supports the sustainability of our athlete talent pool and helps retain talented athletes in their sports, by enabling elite athletes to undertake tertiary study and vocational qualifications while pursuing elite level sport. This investment contributes toward their post-athletic career and supports that transition. The programme also provides scholarships for coaches, officials and support team personnel to undertake professional development that directly impacts high performance sport outcomes.

The awarded scholarships provide financial contributions towards academic fees, living expenses and other study-related costs such as exam fees and text books.

All six gold medallists and 32 of 35 medallists overall in New Zealand's Rio 2016 Olympic team received scholarships. In total, 77% of the Rio team athletes have benefited from Prime Minister's Sport Scholarships.

We continued to achieve the administrative efficiency of this programme, with administration costs well below our targeted maximum.

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2017/18 RESULTS
Investment	High performance athletes, coaches, officials and support personnel balance their sport development by pursuing educational and personal development opportunities	Administration costs are less than 4% of the total funding [2016/17: 2.7%]	Achieved. 3.1%
		At least 300 athlete scholarships are awarded [2016/17: 312 athletes]	Achieved. 313
		At least 100 coach, official and support team scholarships are awarded [2016/17: 139 awards]	Achieved. 143

## COST OF SERVICE BY OUTPUT EXPENSE

### High Performance

	ACTUAL 2017 \$000		ACTUAL 2018 \$000	BUDGET 2018 \$000
	62,192	Crown funding	62,192	62,192
	4,125	Other operating revenue	5,858	5,735
	<b>66,317</b>	<b>Total Revenue</b>	<b>68,050</b>	<b>67,927</b>
		<b>Less expenses</b>		
	40,197	Sector investment and consulting	42,811	42,490
	1,501	Infrastructure expenditure	2,691	5,237
	2,032	Programme management	1,880	2,056
	6,088	Technical advice and resources	6,176	6,803
	14,234	HP athlete services	15,281	16,351
	<b>64,052</b>	<b>Total Expenses</b>	<b>68,839</b>	<b>72,937</b>
	<b>2,266</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>(789)</b>	<b>(5,010)</b>

## COST OF SERVICE BY OUTPUT EXPENSE

### Prime Minister's Sport Scholarships

	ACTUAL 2017 \$000		ACTUAL 2018 \$000	BUDGET 2018 \$000
	4,250	Crown funding	4,250	4,250
	<b>4,250</b>	<b>Total Revenue</b>	<b>4,250</b>	<b>4,250</b>
		<b>Less expenses</b>		
	3,835	Sector investment	3,548	4,250
	115	Programme management	132	158
	<b>3,950</b>	<b>Total Expenses</b>	<b>3,680</b>	<b>4,408</b>
	<b>300</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>570</b>	<b>(158)</b>



# SPORT NZ GROUP

Sport New Zealand is proud to be the guardian of our country's world-leading sporting system, from childhood play through to elite sport. We are committed to improving collaboration across the system.

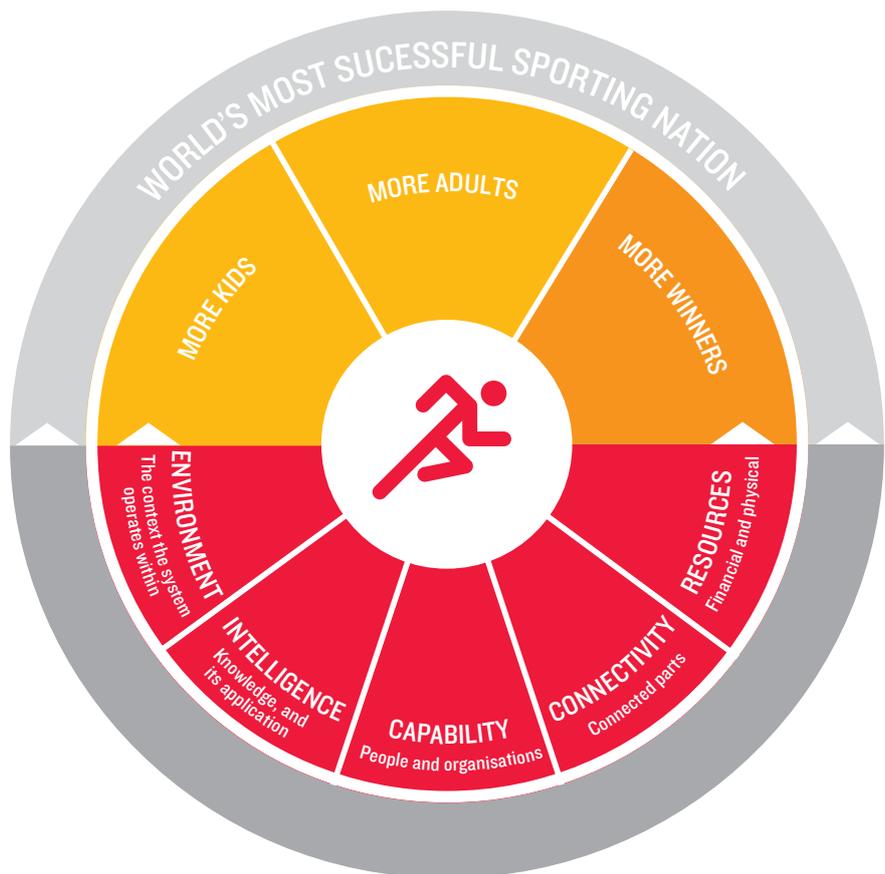


# WORLD-LEADING SPORT SYSTEM

The New Zealand sport system spans commercial, state services and community sectors.

To deliver the Group Strategic Plan 2015-2020, we rely on progress being made across different areas of the sport system. We identified five attributes of a world-leading sport system where we consider it critical to make progress:

- Environment – the context the system operates within
- Intelligence – knowledge and its application
- Capability – people and organisations
- Connectivity – sharing and collaboration across the system
- Resources – financial and physical inputs.

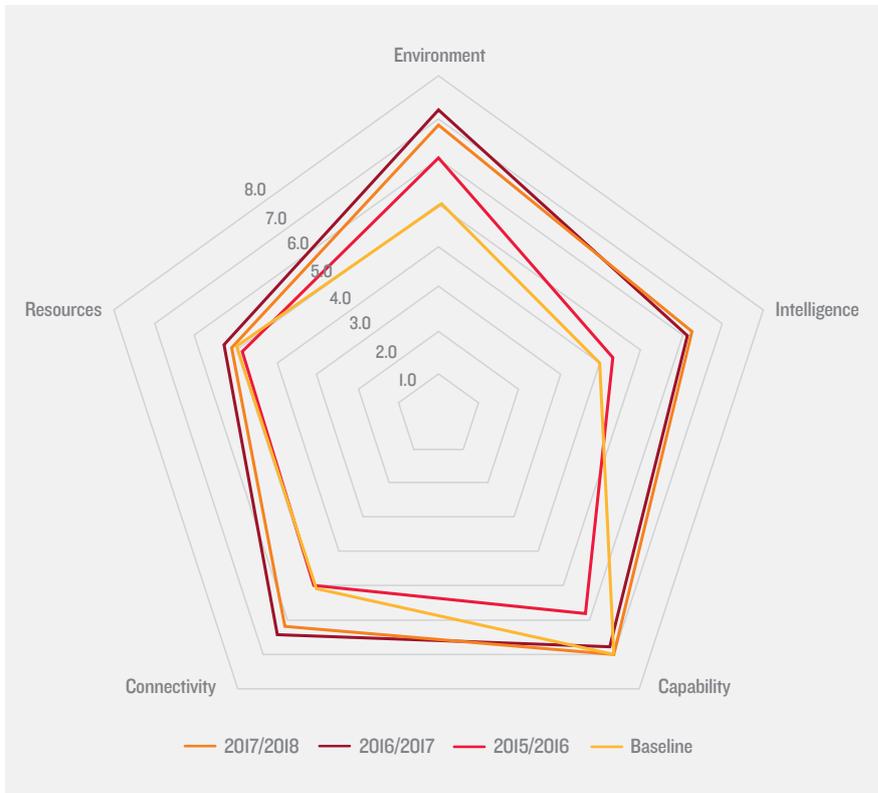


**Progress in all areas of a world-leading sport system**

The SOI set out medium-term impacts for each of the system attributes that we believe are key to developing and sustaining a world-leading sport system at national, regional and local levels, as appropriate, across New Zealand. Information on progress is in Appendix 2.

We also undertake an annual high-level assessment of the five identified attributes of the system, with information from partners. The diagram below illustrates that our partners see that there have been improvements in the sport system during the current strategic period, with all attributes now being rated higher than 5.0 (representing ‘Satisfactory for now – meeting current needs but little future focus and preparation’) and moving toward 10 (‘World class – recognised as being world-leading by international peers, anticipates accurately and meets changing needs of participant-focused system’).

The 2017/18 assessment shows both increases and decreases compared with last year, with no notable change, but resources (financial and physical inputs) are again the lowest-rated attribute. There is always more we can do within a sector that is not wealthy and is heavily reliant on volunteers. This rating is also within the context of increasing high performance costs as we continue to compete against large, well-resourced nations. We continue to look at the efficiency of our investment, and work to establish an understanding of return on investment, where it is possible to do so.



# MANAGING THE ORGANISATION

## THE SPORT NZ WAY

A cross-unit team was formed in November 2016 to co-create, with all staff, an overarching plan for a Sport NZ performance culture, and to embed desired cultural and behaviour outcomes.

The plan was completed in June 2017 following widespread consultation that also identified constraints in the business. It set out a vision of the future organisation while detailing key projects and behavioural change required to succeed.

The co-created set of behaviours that define our work are called the Sport NZ Way and they underpin the cultural vision that 'together we can make great things happen'.

Some of the key projects during the period that have brought the Sport NZ Way to life include:

- embedding the Sport NZ Way behaviours as a major part of the performance review process, and in recruitment and inductions
- developing a cultural capability programme to start rolling out later in 2018
- developing a learning framework and rolling workshops for staff, to enhance relevant skills and capability
- surveying staff quarterly about progress with our culture, tracking progress and informing communications
- focusing on getting to know each other better and embracing our different styles
- establishing a new office environment that focuses on creating collaboration and flexible work environments.

While there is still progress to be made, the staff engagement survey has improved significantly this year – up 5% for Sport NZ staff – and other survey data indicates that Sport NZ staff feel their work environment has noticeably improved and they are more connected to the business and each other.

## GOOD GOVERNANCE



The Sport NZ Governance Mark process includes assessment of the standard of governance in an organisation, and supports continuous and sustainable improvement in governance performance. It is given for a period of three years. The Sport NZ Board undertook the independently verified process, and implemented recommendations within the resulting development plan during 2017/18, achieving the Governance Mark, which was formally awarded in October 2018.

## BEING A GOOD EMPLOYER

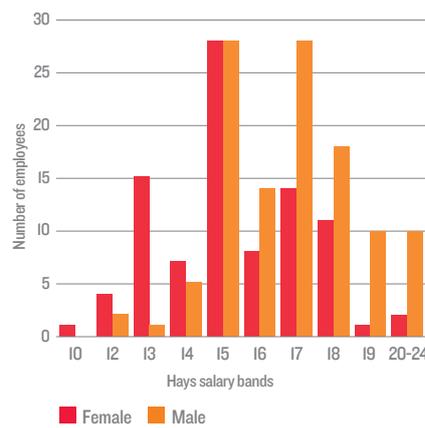
Sport NZ and HPSNZ have specific People Strategies to support the business priorities of both organisations.

The People Strategies aim to attract, develop and retain highly capable staff who have the opportunity to work at their best in a continuous learning environment, supported by an enabling culture.

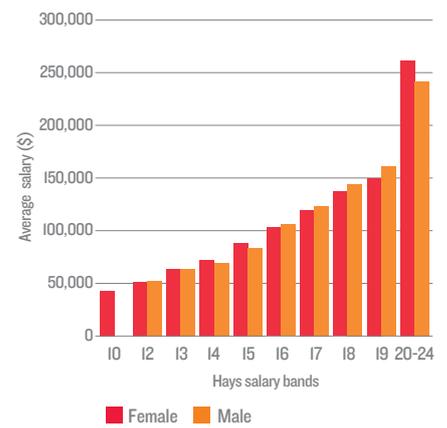
Sport NZ and HPSNZ strive to ensure that all staff are supported in the workplace. This includes support for those with disabilities, flexible work requirements, learning and development or other issues as they occur. An increased focus on diversity and inclusion aims to increase the gender and ethnic diversity within the workplace to ensure broad and diverse thinking and experiences that enhance performance.

There is an equal number of males and females in the Sport NZ senior leadership team and both the Sport NZ and HPSNZ Boards. We have more work to do to achieve gender balance across our management structures, where there is currently a predominance of female staff in the lower salary bands, and males in the upper bands. The overall gender pay gap (the difference between the average earnings of males and females) is 21.8%. Most staff (83%) are in the middle range of salary bands, where the gender pay gap is 10% and where 40% of those staff are female. Work is being undertaken in recruitment to increase the pool of female candidates for all roles, to promote more women in senior leadership positions, and to address the gender imbalance that currently exists in some roles.

Number of employees by salary band



Average salary by salary band



# MANAGING THE ORGANISATION

The Sport NZ Group meets its obligations as a good employer (under section 118 of the Crown Entities Act 2004). This includes providing equal employment opportunities (EEO), developing staff, and maintaining engagement through a range of initiatives.

ELEMENT	INITIATIVES
1. Culture and Staff Engagement	<ul style="list-style-type: none"> <li>■ Staff engagement is monitored regularly through surveys and action taken on feedback as appropriate</li> <li>■ Employee-led culture committees</li> <li>■ Feedback loops are in place to monitor and measure change initiatives</li> <li>■ Quarterly measurement of key metrics to monitor progress</li> <li>■ Quarterly reviews of team and business unit performance</li> </ul>
2. Recruitment and Induction	<ul style="list-style-type: none"> <li>■ Recruitment and selection policy and practice targets best possible candidates while maximising equal opportunities for both existing and potential employees</li> <li>■ A managers' recruitment toolkit and on-the-job coaching helps ensure processes are applied consistently and according to policy</li> <li>■ An induction package ensures completeness and consistency in training received by all new employees during their first 90 days</li> </ul>
3. Learning and Development	<ul style="list-style-type: none"> <li>■ Workforce planning identifies current and future capability needs</li> <li>■ Training and development are aligned to workforce planning and individual career aspirations</li> <li>■ Individual development plans form an integral part of the performance planning and development process</li> <li>■ Focus on building a continuous learning environment through coaching, on-the-job activity and feedback</li> </ul>
4. Reward and Recognition	<ul style="list-style-type: none"> <li>■ Job bands are set and updated based on job evaluations following Hay Group methodology</li> <li>■ The performance management process includes annual salary reviews and appropriate adjustments, supported by the Group-wide remuneration policy</li> <li>■ Annual audit undertaken by role and band to measure pay equity, with action taken if required</li> </ul>
5. Diversity and Inclusiveness	<ul style="list-style-type: none"> <li>■ Flexible work practices to address work-life balance and family needs.</li> <li>■ Where appropriate, part-time work and working from home options are available to staff</li> <li>■ The Diversity and Inclusion team is exploring and planning initiatives to increase diversity</li> <li>■ Increased emphasis of te reo Māori and cultural capability in the workplace</li> </ul>

# SPORT NZ GROUP STAFF



2017/18  
Full-time equivalent personnel



**207**

**201** 2016/17



**15.5%** 2017/18  
Annual staff turnover

**21.4%** 2016/17



**43** 2017/18  
Average age

**42** 2016/17



**4.25** 2017/18  
Average tenure in years

**4.1** 2016/17



**1** 2017/18 Staff  
disability profile  
(Sport NZ only)

**2** 2016/17



**44%** 2017/18 Female

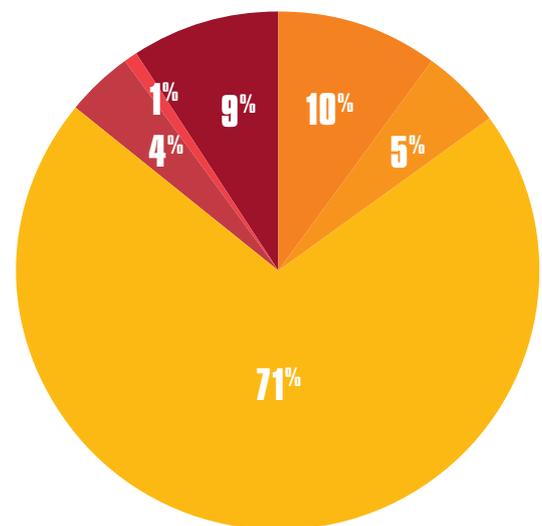
**42%** 2016/17



**56%** 2017/18 Male

**58%** 2016/17

ETHNIC DIVERSITY IN SPORT NZ AT THE END OF 2017/18  
(excluding HPSNZ, which does not currently collect this data)



■ European 
 ■ Māori 
 ■ New Zealand European 
 ■ Other 
 ■ Pacific Islander 
 ■ Not identified

# MANAGING THE ORGANISATION

## HEALTH, SAFETY AND WELLBEING

The Sport NZ Group is committed to providing a safe work environment that encompasses physical and mental wellbeing for all our employees, contractors, athletes, coaches and visitors.

The Sport NZ Group is also committed to continuously improving our health, safety and wellbeing systems, and ensuring there are no notifiable events<sup>37</sup> in the workplace.

To achieve these commitments, the Sport NZ Group works in a collaborative way with our board, employees, athletes, coaches and contractors. This includes the operation of both regional and national health and safety committees, monthly site inspections, appropriate signage throughout our facilities, training and induction for staff and for athletes and coaches using our training facilities, and health and safety reminders to staff, to maintain awareness.

Our health and safety policy, manual and practices are consistent with the Health and Safety at Work Act 2015. Health and safety is part of our cyclical internal audit programme.

The Sport NZ and HPSNZ Board members receive health and safety training and take an active involvement in ensuring there is a strong health and safety environment. They receive health and safety reports at Board meetings and through the Audit, Finance and Risk Committee. In addition, the Boards have undertaken site visits, which provide first-hand evidence of our workplace environment.

A confidential external counselling service is available for all employees, and we maintain a zero-tolerance approach to workplace bullying and harassment. This is supported by policies for identifying, reporting and addressing any such behaviour.

## WHOLE-OF-GOVERNMENT BUSINESS NUMBER IMPLEMENTATION

The New Zealand Business Number (NZBN) is an initiative which gives each registered company a unique business identifier to help reduce future effort by businesses in providing the same information to the Government in different ways.

We have undertaken to incorporate NZBN fields within our key IT platforms as we implement new systems or undertake significant changes to existing systems. For example, we have incorporated into our investment management and accounts payable systems the ability to identify vendors based on their NZBN.

## MANAGING RISK

The Sport NZ Group has risk management arrangements which include the Board's risk appetite, corresponding risk registers, a business continuity plan and cyber security plan. The Board receives regular reports of significant risks and risk management mitigation actions and controls. Staff have risk management resources including a risk management manual and policy. Maintaining risk awareness is an ongoing activity which enhances risk management and includes risk management workshops.

37. The Health and Safety at Work Act 2015 defines a notifiable event as a death, notifiable injury or illness, or notifiable incident. A notifiable workplace injury or illness is one that requires immediate medical treatment (other than first aid). A notifiable incident is an unplanned or uncontrolled incident that exposes a person to serious health or safety risk.

## PERFORMANCE ACROSS THE SPORT NZ GROUP

FOCUS AREA	TYPE OF PERFORMANCE MEASURE	PERFORMANCE INDICATOR	2017/18 RESULTS
Good employer	Level of staff engagement	At least 75% 2016/17: 75% Sport NZ Group 68% Sport NZ 81% HPSNZ  Benchmark: 75% overall engagement of high performing organisations (Source: H2R Consulting)	Staff engagement: 75% Sport NZ Group 73% Sport NZ 76% HPSNZ
	Annual staff turnover	11% or less 2016/17: 21.4% (higher turnover, as expected post Rio) Benchmark: 11.5% <sup>38</sup>	Annual staff turnover: 15.15%
Efficiency	Corporate and Business Operations expenditure is maintained within current levels	Within 7.5% of total expenditure 2016/17: 6.6% Benchmark: 10.2% <sup>39</sup>	Corporate and Business Operations expenditure: 7.1% of total expenditure
Efficiency and effectiveness	New organisational performance framework includes KPIs giving line of sight of ROI and value across key areas	New organisational performance framework is completed by 30 June 2018  Benchmark: No comparable benchmark available	Sport NZ has completed a new performance framework, for use from July 2018. The framework and the measures used give a line of sight from the outcomes sought to the initiatives being implemented. We are focusing more on how sport contributes to wellbeing, and how the living standards framework can support potential ROI measures.
Effectiveness	Partner confidence in Sport NZ Group	At least 80% 2016/17: 86% Sport NZ priority partners 84% Sport NZ all partners 100% HPSNZ targeted partners  No comparable benchmark available	Partner confidence: 92% Sport NZ priority partners <sup>40</sup> 76% Sport NZ all partners 92% HPSNZ targeted partners <sup>41</sup>
Financial information systems and controls	Annual audit rating on performance <sup>42</sup>	Maintain 'very good' rating 2016/17: Very good  No comparable benchmark available	Very Good
Service performance information and associated systems and control	Annual audit rating	Maintain 'good' rating 2016/17: Good  No comparable benchmark available	Good

38. [ssc.govt.nz/public-service-workforce-data](http://ssc.govt.nz/public-service-workforce-data). Core unplanned turnover across the Public Service in 2017. 39. [treasury.govt.nz](http://treasury.govt.nz). Benchmarking administrative and support services 2016/17. The state sector spent 10.2% of Organisational Running Costs on Administration and Support Services.

40. Partner Confidence Survey 2018. Respondents that rated the impact of Sport NZ on the organisation's ability to increase participation as Good or Excellent. Sport NZ worked more closely with this group of partners to maximise impact for the strategic outcomes in 2017/18.

41. Partner Confidence Survey 2018. Respondents that rated the impact of HPSNZ on the sport's ability to win on the world stage as Good or Excellent. 42. Audit New Zealand ratings are not performance ratings but an assessment of the performance environment, system and controls.

# MANAGING THE ORGANISATION

## EFFECTIVE MINISTERIAL RELATIONSHIP

Sport NZ advises the Minister for Sport and Recreation on a range of matters within the sport and active recreation sector, including local community participation and the high performance system.

## NEW ZEALAND ENVIRONMENT

Sport NZ has been positioning sport and physical activity strongly across government, highlighting our contribution to outcomes sought by other parts of government. Sport NZ is reviewing Kiwisport, secondary school age sport and active recreation, and access for those with disabilities, to ensure alignment with agencies such as the Ministries of Education, Social Development and Health.

Sport NZ is undertaking a Sport Integrity Review. This is important for ensuring the Government and the sector are responding appropriately to issues such as doping, match-fixing, player welfare and child protection, and wider diversity and inclusion.

Work commenced this year on the development of a cross-government strategic framework for women and girls in sport and recreation, which is a key Ministerial priority. This will complement New Zealand's role as Secretariat for the International Working Group on Women in Sport (2018-2022) and our capacity-building investment into Women in Sport Aotearoa.

## INTERNATIONAL ENVIRONMENT

This year, New Zealand took over representation for Oceania on the World Anti-Doping Agency (WADA) Executive Committee and joined the UNESCO working group on the International Convention against Doping in Sport. As the agency assigned to provide policy support in New Zealand, Sport NZ sees this as an opportunity for New Zealand to take a leadership role both regionally and globally on anti-doping issues.

KEY ACTIVITY	EXPECTED RESULTS FOR 2017/18 AND RESULTS MEASURES	2017/18 RESULTS
Provide high-quality policy advice and Ministerial servicing to the Minister for Sport and Recreation	<p>The Office of the Minister for Sport and Recreation is satisfied with Ministerial servicing</p> <ul style="list-style-type: none"> <li>■ Maintain Ministerial satisfaction [2016/17: Achieved]</li> <li>■ At least 95% of briefings and correspondence provided to the Minister for Sport and Recreation in the agreed timeframes [2016/17: 91%]</li> </ul>	<p>Achieved.<sup>43</sup></p> <p>Not achieved: 89% of briefings and correspondence provided within agreed timeframes<sup>44</sup></p>

43. Satisfaction survey completed by the Minister for Sport and Recreation covering the period from his appointment in October 2017.

44. This excludes speeches, talking points and media releases drafted by the Communications team. Additional resources are being applied to this function to improve our ability to meet target timeframes in future.



# STATEMENT OF RESPONSIBILITY

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We are responsible for the preparation of Sport and Recreation New Zealand's financial statements and statements of performance and for the judgements made in them.

We are responsible for any end-of-year performance information for Sport and Recreation New Zealand under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Sport and Recreation New Zealand for the year ended June 2018.

On behalf of the Sport New Zealand Board.



**Bill Moran**

CHAIR - SPORT NZ AND HPSNZ  
18 October 2018



**Jason Shoebridge**

DEPUTY CHAIR - SPORT NZ  
18 October 2018

# INDEPENDENT AUDITOR'S REPORT

## TO THE READERS OF SPORT NEW ZEALAND'S GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2018

The Auditor-General is the auditor of Sport and Recreation New Zealand (Sport NZ) and group (the Group). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information (including the performance information for appropriations) of the Group on his behalf.

### Opinion

We have audited:

- the financial statements of the Group on pages 57 to 79, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Group on pages 8 to 43.

In our opinion:

- the financial statements of the Group on pages 57 to 79:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 8 to 43:
  - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2018, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
      - what has been achieved with the appropriations; and
      - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
    - Complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 18th October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITOR'S REPORT: CONTINUED

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### Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Group for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Group, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

### Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Group's Statement of Performance Expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
  - We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 87, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Independence**

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard I (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.

A handwritten signature in black ink, appearing to read 'Chrissie Murray' with a large flourish underneath. A small number '18' is written below the signature.

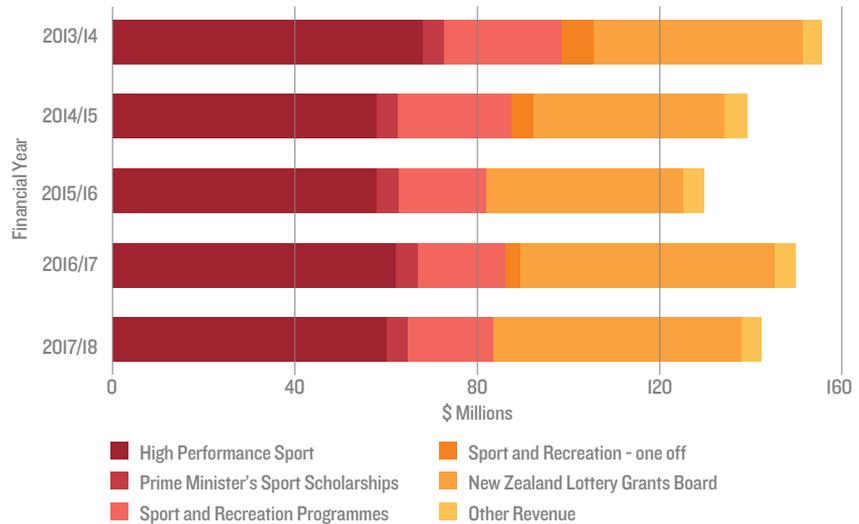
**Chrissie Murray**  
Audit New Zealand  
On Behalf Of The Auditor-General  
Wellington, New Zealand.

# FINANCIAL OVERVIEW

The financial information presented within this annual report is for Sport New Zealand (Sport NZ) and the consolidated Sport NZ Group (the Group), comprising Sport NZ and its wholly owned subsidiary High Performance Sport New Zealand (HPSNZ).

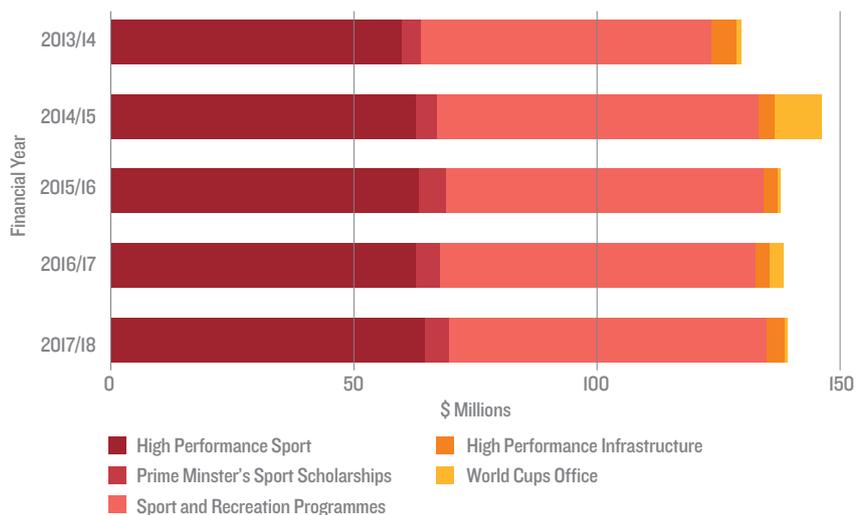
## ANALYSIS OF REVENUE FROM 2013/14 TO 2017/18

Funding for 2017/18 is up from 2016/17 due to Crown funding returns to its baseline, as in 2016/17 the Group was in receipt of a one off receipt of \$2.950 million to support leverage and legacy programmes related to the Lions Tour during the year. 2013/14 saw one-off Crown funding to invest in high performance sport infrastructure of \$10 million and an initial \$7 million contribution to support the Cricket World Cup and FIFA U20 World Cup leverage and legacy programmes, both held in 2015. In 2014/15 the Group received one-off increases in Crown funding of \$5.355 million, including \$2 million for the development of the Hagley Pavilion, and \$3.355 million for further investment into Cricket World Cup leverage and legacy programmes.



## ANALYSIS OF EXPENDITURE FROM 2013/14 TO 2017/18

This chart shows how Group expenditure was allocated across outputs since 2013/14. Expenditure related to both Sport and Recreation programmes and High Performance programmes has increased over time, utilising reserves and increased Crown funding.



# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2018

ACTUAL 2017 \$000			ACTUAL 2018 \$000	BUDGET 2018 \$000
<b>REVENUE</b>				
88,543	Crown funding		85,593	85,593
56,100	New Zealand Lottery Grants Board		57,414	47,084
709	Interest revenue		1,454	830
3,721	Sundry revenue		3,281	4,074
<b>149,073</b>	<b>Total revenue</b>	<b>2</b>	<b>147,742</b>	<b>137,581</b>
<b>EXPENDITURE</b>				
<b>SECTOR INVESTMENTS</b>				
1,247	Investment consulting		1,200	352
92,816	Partner investments		91,037	92,444
1,458	Infrastructure investments		2,667	5,178
<b>95,521</b>	<b>Total sector investments</b>	<b>3</b>	<b>94,904</b>	<b>97,974</b>
<b>OPERATING EXPENDITURE</b>				
236	Board members' remuneration	20	218	244
22,549	Personnel costs	4	23,667	25,504
6,115	Professional and technical services	5	7,948	8,025
2,331	Leased property		2,415	2,420
1,684	Depreciation and amortisation	9,11	1,573	1,713
7,409	Other operating costs		7,863	9,391
<b>40,324</b>	<b>Total operating expenditure</b>		<b>43,684</b>	<b>47,297</b>
<b>135,845</b>	<b>Total expenditure</b>		<b>138,588</b>	<b>145,271</b>
<b>13,228</b>	<b>Net Operating Surplus/(Deficit)</b>		<b>9,154</b>	<b>(7,690)</b>
(13)	Gain/(Loss) on disposal of assets		15	-
<b>13,215</b>	<b>Surplus/(Deficit)</b>		<b>9,169</b>	<b>(7,690)</b>
<b>13,215</b>	<b>Total comprehensive revenue and expense</b>		<b>9,169</b>	<b>(7,690)</b>

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

# FINANCIAL STATEMENTS: CONTINUED

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

ACTUAL 2017 \$000			ACTUAL 2018 \$000	BUDGET 2018 \$000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
12,026	Cash and cash equivalents	6	8,022	810
24,106	Trade and other receivables	7	19,116	14,153
204	Prepayments		222	36
11,000	Investments	8	29,500	15,500
<b>47,336</b>	<b>Total current assets</b>		<b>56,860</b>	<b>30,499</b>
<b>NON-CURRENT ASSETS</b>				
2,716	Property, plant and equipment	9	3,821	3,056
892	Intangible assets	11	887	1,199
26	Loans	12	23	67
<b>3,634</b>	<b>Total non-current assets</b>		<b>4,731</b>	<b>4,322</b>
<b>50,970</b>	<b>Total Assets</b>		<b>61,591</b>	<b>34,821</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
5,846	Trade and other payables	13	7,477	3,868
646	Revenue received in advance	14	618	928
1,707	Employee entitlements	15	1,708	1,624
150	Provisions	16	-	71
<b>8,349</b>	<b>Total current liabilities</b>		<b>9,803</b>	<b>6,491</b>
<b>NON-CURRENT LIABILITIES</b>				
31	Provisions	16	29	-
<b>31</b>	<b>Total non-current liabilities</b>		<b>29</b>	<b>-</b>
<b>8,380</b>	<b>Total Liabilities</b>		<b>9,832</b>	<b>6,491</b>
<b>42,590</b>	<b>Net Assets</b>		<b>51,759</b>	<b>28,330</b>
<b>42,590</b>	<b>Total Public Equity</b>		<b>51,759</b>	<b>28,330</b>

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

ACTUAL 2017 \$000		ACTUAL 2018 \$000	BUDGET 2018 \$000
29,375	Opening public equity	42,590	36,020
13,215	Total comprehensive income	9,169	(7,690)
<b>42,590</b>	<b>Closing Public Equity</b>	<b>51,759</b>	<b>28,330</b>

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

ACTUAL 2017 \$000		ACTUAL 2018 \$000	BUDGET 2018 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
88,543	Crown Funding	85,486	85,593
47,651	New Zealand Lottery Grants Board	62,774	54,176
3,104	Sundry revenue	2,986	4,074
621	Interest received	1,090	830
290	Goods and services tax	384	173
(94,882)	Sector investment	(93,512)	(101,886)
(16,201)	Other payments	(18,237)	(19,177)
(22,471)	Payments to employees	(23,688)	(25,921)
<b>6,655</b>	<b>Net cash flow from operating activities</b>	<b>17,283</b>	<b>(2,138)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
3	Disposal of fixed assets	13	-
-	Loan repayments	12	-
-	Investments maturing	8	4,500
(459)	Purchase of property, plant and equipment	9	(1,631)
(231)	Purchase of intangible assets	11	(811)
(11,000)	Acquisitions of investments	8	(18,500)
<b>(11,687)</b>	<b>Net cash flow from investing activities</b>	<b>(21,287)</b>	<b>2,058</b>
<b>(5,032)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,004)</b>	<b>(80)</b>
17,058	Cash and cash equivalents as at 1 July	12,026	890
<b>12,026</b>	<b>Cash and cash equivalents as at 30 June</b>	<b>8,022</b>	<b>810</b>

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

The goods and services tax (GST) component of operating activities reflects the GST paid to and received from the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2018

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### REPORTING ENTITY

These financial statements are for the Group for the year ended 30 June 2018 and were authorised for issue by the Board of Sport NZ on 18 October 2018. The Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ), and its wholly-owned subsidiary, High Performance Sport New Zealand Limited (HPSNZ).

Sport NZ is a Crown entity as defined by the Crown Entities Act 2004, and is domiciled and operates in New Zealand. The relevant legislation governing Sport NZ's operations includes the Crown Entities Act 2004. Sport NZ's ultimate parent is the New Zealand Crown.

Sport NZ was established as a Crown entity on 1 January 2003 under the Sport and Recreation New Zealand Act 2002 (the Act) to "promote, encourage and support physical recreation and sport in New Zealand". Its functions are set out in section 8 of the Act, which incorporate the functions of HPSNZ.

The Group does not operate to make a financial return and is designated a public benefit entity for financial reporting purposes.

### BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

There have been no changes to accounting policies from the prior period.

### Statement of compliance

The financial statements of the Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice, 'NZ GAAP'.

The financial statements have been prepared in accordance with Tier I PBE accounting standards.

### Measurement base

The financial statements have been prepared on a historical cost basis.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

### Standards issued and not yet effective and not early adopted

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments, for reporting periods beginning on or after 1 January 2021. Treasury has decided it will adopt the new accounting standard PBE IFRS 9 for the Financial Statements of the Government in 2018/19. The type and level of financial instruments held by Sport NZ means the impact of the new standard is likely to be minimal.

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## SIGNIFICANT ACCOUNTING POLICIES

### **Basis of consolidation**

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis and eliminating all significant intragroup balances, transactions, income and expenses upon consolidation.

### **Goods and services tax (GST)**

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis.

### **Income tax**

The Group is a public authority and consequently is exempt from the payment of income tax.

### **Budget figures**

The budget figures for the year ended 30 June 2018 are derived from the Statement of Performance Expectations (SPE) 1 July 2017 – 30 June 2018 as approved by the Sport NZ Board on 24 May 2017.

The budget figures were prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

### **Cost allocation**

Within the Statements of Performance, the cost of outputs has been determined through a combination of direct cost allocation and overhead allocation. Costs directly attributable to an output are allocated to that output. Overhead costs that comprise expenditure related to the Executive, Corporate Services, Business Operations and Marketing and Communications, are allocated to outputs based on the proportion of full-time equivalent employees (FTEs) working within each output.

## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Group has made estimates and assumptions concerning the future expectations that may differ from actual subsequent events. These estimates and assumptions are based on historical experience and other factors, including reasonable expectations as to likely future events, and continual re-evaluation of expectations in the light of new information.

There were no critical accounting estimates or assumptions applied in preparing the financial statements considered to have involved significant enough risk as to require material adjustment to the carrying amounts of assets and liabilities in the next financial year.

## CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In preparing these financial statements, no critical judgements were made in the application of accounting policies that are considered to have involved significant enough risk as to require material adjustment to the carrying amount of assets and liabilities in the next financial year.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 2. OPERATING REVENUE

ACTUAL 2017 \$000		ACTUAL 2018 \$000
<b>CROWN FUNDING</b>		
22,101	Sport and Recreation Programmes	19,151
62,192	High Performance Sport	62,192
4,250	Prime Minister's Sport Scholarships	4,250
<b>88,543</b>	<b>Total Crown Funding</b>	<b>85,593</b>
<b>OTHER REVENUE</b>		
56,100	New Zealand Lottery Grants Board	57,414
709	Interest received	1,454
3,721	Sundry revenue	3,281
<b>149,073</b>	<b>Total revenue</b>	<b>147,742</b>

#### Revenue recognition

Revenue is recognised based on the fair value of consideration received or receivable.

#### Crown funding

The Crown directly provides funding to the Group for the specific purpose and objectives of Sport NZ and HPSNZ, as set out in the SPE and according to the scope of relevant government appropriations.

Apart from the general restrictions, the Group considers there are no other conditions attached to Crown funding. It is recognised as revenue when earned and is reported in the financial period relating to which it was appropriated.

#### New Zealand Lottery Grants Board

Sport NZ receives annual funding from the New Zealand Lottery Grants Board (NZLGB), which in turn receives it from Lotto NZ. Sport NZ receives 20% of Lotto NZ net profits. Revenue from the NZLGB is recognised as revenue in the same year as the corresponding Lotto NZ net profits based on formal advice received from the NZLGB.

#### Interest

Interest income is recognised using the effective interest method.

### 3. SECTOR INVESTMENT

ACTUAL 2017 \$000		ACTUAL 2018 \$000
50,031	Sport and recreation programmes	45,878
41,655	High performance sport	45,478
3,835	Prime Minister's Sports Scholarships	3,548
<b>95,521</b>	<b>Total sector investments</b>	<b>94,904</b>

#### Investment consulting

Costs associated with engaging consultants to provide professional advice directly to partner organisations are recognised in the statement of comprehensive revenue and expense as 'investment consulting' expense under 'sector investments'.

#### Partner investments and infrastructure investments

The Group provides funding to various organisations in the sport and recreation sector to meet its primary objectives. This expenditure is recognised as an expense in the statement of comprehensive revenue and expense either as 'partner investments' or 'infrastructure investments' when contracted requirements are met and an obligation to distribute funds has arisen.

The Group must exercise judgement when recognising investment expenditure, to determine whether contracted requirements have been satisfied. This judgement is based on the facts and circumstances that are evident for each contract.

#### Sector investments by appropriation

A breakdown of sector investments made to individual organisations is available on [sportnz.org.nz](http://sportnz.org.nz).

### 4. PERSONNEL COSTS

ACTUAL 2017 \$000		% OF TOTAL REVENUE	ACTUAL 2018 \$000
<b>SALARY AND WAGES</b>			
10,891	Sector support	8%	11,307
6,182	Athlete services	4%	6,631
4,141	Corporate and business operations	3%	4,283
<b>21,214</b>	<b>Total salaries and wages</b>		<b>22,221</b>
742	Other personnel costs		943
554	Employer contributions to defined contribution schemes		569
39	Increase/(decrease) in employee entitlements		(66)
<b>22,549</b>	<b>Total personnel costs</b>		<b>23,667</b>

#### Salary and wages

The split in salary and wages represents three high level functional groupings across the Group.

Sector support represents staff working directly to the sector to provide knowledge, advice and technical expertise.

Athlete services includes specialists who provide direct performance support to athletes in exercise physiology, psychology, strength and conditioning, nutrition, biomechanics, physiotherapy, massage, planning, athlete life, medical and other specialist services.

Corporate and business operations costs relate to staff providing organisational infrastructure, advice and support.

#### Other personnel costs

Other personnel costs include recruitment and professional development costs.

#### Defined contribution schemes

The Group's contributions to Kiwisaver are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 5. PROFESSIONAL AND TECHNICAL SERVICES

ACTUAL 2017 \$000		ACTUAL 2018 \$000
2,321	Sector support consultants	3,145
2,028	Athlete service contractors	2,365
1,667	Other professional and technical services	2,347
89	Annual audit fees (Audit NZ)	91
10	Other audit services (Audit NZ)	-
<b>6,115</b>	<b>Total professional and technical services</b>	<b>7,948</b>

Sector support consultants represent professional and technical services we engage to directly support the sector.

Athlete service contractors, along with athlete service staff (note 4), represent a key part of the delivery for high performance athlete services.

Other professional and technical services are specialist advice and services engaged by the Group to assist with the delivery of the Group's work programmes and priorities. These services include information technology, research, legal, strategic advice, benchmarking and frameworks advice.

### 6. CASH AND CASH EQUIVALENTS

ACTUAL 2017 \$000			ACTUAL 2018 \$000
1,026	Bank balances and cash held	AA-	1,022
	<b>SHORT TERM TREASURY INVESTMENTS (deposits &lt; 90 days)</b>		
7,000	ASB Bank	AA-	-
-	Bank of New Zealand	AA-	2,000
4,000	Rabobank NZ	A	5,000
<b>11,000</b>	<b>Total short term Treasury investments</b>		<b>7,000</b>
<b>12,026</b>	<b>Total cash and cash equivalents</b>		<b>8,022</b>

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

As at 30 June 2018, the weighted average interest rate on the above cash and cash equivalents was 1.93% (2016/17 2.76%).

## 7. TRADE AND OTHER RECEIVABLES

ACTUAL 2017 \$000		ACTUAL 2018 \$000
22,108	New Zealand Lottery Grants Board	16,748
-	- Trade receivables due from the Crown	107
102	Interest receivable	465
981	Other trade receivables	1,265
915	Goods and services tax	531
<b>24,106</b>	<b>Total trade and other receivables</b>	<b>19,116</b>

All significant trade and other receivables are current. There has been no provision for the impairment of receivables (2016/17: Nil).

All trade and other receivables are unrated.

## 8. TREASURY INVESTMENTS

ACTUAL 2017 \$000			ACTUAL 2018 \$000
	<b>TREASURY INVESTMENTS (deposits &gt; 90 days)</b>		
5,000	ANZ Bank	AA-	10,000
-	- ASB Bank	AA-	3,000
-	- Bank of New Zealand	AA-	10,000
6,000	Kiwibank	A	2,000
-	- Rabobank NZ	A	3,000
-	- ICBC	AA-	1,500
<b>11,000</b>	<b>Total Treasury investments</b>		<b>29,500</b>

Treasury investments, term deposits with an initial term of 90 days or more, are measured at the amount invested. Interest is subsequently accrued and recorded as interest receivable (note 7).

There was no impairment provision for Treasury investments of 90 days or more at 30 June 2018. The weighted average interest rate on Treasury investments was 3.48% with an average maturity of 90 days (2016/17 3.15%).

Treasury investments are financial assets forming part of financial instruments. Financial instrument risks are discussed more fully in note 22 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 9. PROPERTY, PLANT AND EQUIPMENT

	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT AND EQUIPMENT \$000	FURNITURE AND FITTINGS \$000	COMPUTER EQUIPMENT \$000	TOTAL \$000
<b>COST</b>						
Balance at 1 July 2017	-	3,299	2,205	1,007	1,181	7,692
Additions	-	1,591	162	443	275	2,471
Disposals	-	(1,194)	(74)	(306)	(91)	(1,665)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>3,696</b>	<b>2,293</b>	<b>1,144</b>	<b>1,365</b>	<b>8,498</b>
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 July 2017	-	2,126	1,412	676	762	4,976
Depreciation expense	-	465	370	123	279	1,237
Eliminated on disposal	-	(1,145)	(74)	(226)	(91)	(1,536)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>1,446</b>	<b>1,708</b>	<b>573</b>	<b>950</b>	<b>4,677</b>
<b>Carrying amount at 30 June 2018</b>	<b>-</b>	<b>2,250</b>	<b>585</b>	<b>571</b>	<b>415</b>	<b>3,821</b>
<b>COST</b>						
Balance at 1 July 2016	3,396	3,276	1,981	1,036	1,026	10,715
Additions	-	23	204	53	179	459
Reclassification	-	-	24	-	(24)	-
Reclassification to NCAHFS	(3,396)	-	-	-	-	(3,396)
Disposals	-	-	(4)	(82)	-	(86)
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>3,299</b>	<b>2,205</b>	<b>1,007</b>	<b>1,181</b>	<b>7,692</b>
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 July 2016	3,396	1,604	1,061	602	465	7,128
Depreciation expense	-	522	355	155	297	1,329
Eliminated on reclassification	(3,396)	-	-	-	-	(3,396)
Eliminated on disposal	-	-	(4)	(81)	-	(85)
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>2,126</b>	<b>1,412</b>	<b>676</b>	<b>762</b>	<b>4,976</b>
<b>Carrying amount at 30 June 2017</b>	<b>-</b>	<b>1,173</b>	<b>793</b>	<b>331</b>	<b>419</b>	<b>2,716</b>

There are no restrictions over the title of the Group's property, plant and equipment nor any property, plant and equipment pledged as security for liabilities. No assets are under construction.

Property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

The Group does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

### **Apollo Projects Centre**

During 2016/17, the Group reclassified the Apollo Projects Centre building to non-current assets held for sale, on the expectation that it would be gifted to Christchurch City Council. At balance date, the Apollo Projects Centre building is still classified as a non-current asset held for sale on the expectation it will be gifted to Christchurch City Council.

### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The depreciation rates and useful lives associated with major classes of assets have been estimated as follows:

Buildings – Apollo Projects Centre	3 years	(33%)
Leasehold improvements	2 to 10 years	(10-50%)
Plant and equipment	2 to 10 years	(10-50%)
Furniture and fittings	4 to 10 years	(10-25%)
Computer equipment	2 to 5 years	(20-50%)

Leasehold improvements are depreciated over the lesser of the unexpired period of the lease or the estimated remaining useful lives of the respective improvements.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

## **10. NON-CURRENT ASSETS HELD FOR SALE**

Non-current assets held for sale are assets where their carrying amount will be recovered through a sale transaction rather than through continuing use. These assets are available for immediate sale and the sale is considered to be highly probable. Non-current assets held for sale are recognised at the lower of their carrying amount and fair value (market value), less costs to sell, and are not depreciated or amortised while classified as held for sale. Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Revenue and Expense.

### **Apollo Projects Centre**

It is expected that the Group will gift the Apollo Projects Centre to Christchurch City Council within the next 18 months. The carrying value of the Apollo Projects Centre is nil, reflecting that the asset has been fully depreciated.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 11. INTANGIBLE ASSETS

INTERNALLY GENERATED 2017 \$000	ACQUIRED SOFTWARE 2017 \$000	TOTAL 2017 \$000		INTERNALLY GENERATED 2018 \$000	ACQUIRED SOFTWARE 2018 \$000	TOTAL 2018 \$000
2,137	2,143	4,280	Opening balance at 1 July	2,256	2,109	4,365
128	102	230	Additions	73	256	329
(9)	(136)	(145)	Disposals	-	(59)	(59)
<b>2,256</b>	<b>2,109</b>	<b>4,365</b>	<b>Closing balance at 30 June</b>	<b>2,329</b>	<b>2,306</b>	<b>4,635</b>
<b>ACCUMULATED AMORTISATION</b>						
1,437	1,814	3,251	Opening balance at 1 July	1,660	1,811	3,471
232	122	354	Amortisation expense	186	150	336
(8)	(125)	(133)	Eliminated on disposal	-	(59)	(59)
<b>1,661</b>	<b>1,811</b>	<b>3,472</b>	<b>Closing balance at 30 June</b>	<b>1,846</b>	<b>1,902</b>	<b>3,748</b>
<b>595</b>	<b>298</b>	<b>893</b>	<b>Carrying amount at 30 June</b>	<b>483</b>	<b>404</b>	<b>887</b>

There are no restrictions over the title of the Group's intangible assets, nor any intangible assets pledged as security for liabilities.

Computer software licences longer than 12 months are capitalised on the basis of the costs incurred to acquire and make the specific software available for use.

Costs directly associated with the development of software for internal use by the Group are recognised as an intangible asset. Costs associated with the development and maintenance of the Group's websites are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired software	2 to 3 years	(33-50%)
Internally generated software	3 to 5 years	(20-33%)

## 12. LOANS

ACTUAL 2017 \$000		ACTUAL 2018 \$000
1,300	Loan drawn down	1,300
(871)	Fair value adjustment on initial recognition	(871)
(175)	Prior year loan repayment	(175)
(143)	Prior year fair value movement	(228)
<b>III</b>	<b>Opening balance</b>	<b>26</b>
(85)	Fair value movement	(3)
<b>26</b>	<b>Closing balance</b>	<b>23</b>
<b>26</b>	<b>Total loans</b>	<b>23</b>

Loans are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Movements in fair value, including those arising from impairment, are recognised in the Statement of Comprehensive Revenue and Expense.

Loans are unrated financial assets forming part of financial instruments. Financial instrument risks are discussed more fully in note 22.

### JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

#### Fair value of loans

At each balance date, the fair value of loans is determined based on the discounted cash flows of the expected repayments for each loan. In exercising its judgement with respect to determining both the expected future cash flows and the appropriate discount rate to apply to each loan, the Group takes into account the repayment term, currently prevailing interest rates, and any risk to achieving full recovery of the loan amount.

The Group has one loan on issue, \$1.3 million to part-fund Rowing New Zealand's loss incurred following the 2010 Rowing World Championships held at Lake Karapiro.

#### Rowing New Zealand

The loan to Rowing New Zealand was part funded by the Ministry of Business, Innovation and Employment (MBIE). The Group has a conditional obligation to MBIE for loan repayments received from Rowing New Zealand. At 30 June 2018, the portion of the loan due to MBIE has been recognised as a provision and is disclosed in note 16.

The loan to Rowing New Zealand has been written down to reflect the fair value movement of the future repayments due from Rowing New Zealand.

Rowing New Zealand has not been required to make a loan repayment under the agreed calculation formula since 2015/16.

The fair value movement reflects a longer than expected repayment period as a result of the forecast profits from Rowing New Zealand, and its forecast cash flow over the next five years.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 13. TRADE AND OTHER PAYABLES

ACTUAL 2017 \$000		ACTUAL 2018 \$000
<b>PAYABLES UNDER EXCHANGE TRANSACTIONS</b>		
1,718	Creditors	1,947
258	Accrued expenses	215
<b>1,976</b>	<b>Total payables under exchange transactions</b>	<b>2,162</b>
<b>PAYABLES UNDER NON-EXCHANGE TRANSACTIONS</b>		
284	Other taxes payable (PAYE, ACC and rates)	338
3,586	Investment accruals	4,977
<b>3,870</b>	<b>Total payables under non-exchange transactions</b>	<b>5,315</b>
<b>5,846</b>	<b>Total payables</b>	<b>7,477</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying value of trade and other payables therefore approximates their fair value.

### 14. REVENUE RECEIVED IN ADVANCE

ACTUAL 2017 \$000		ACTUAL 2018 \$000
472	Lease incentive payment	442
174	Sundry revenue	176
<b>646</b>	<b>Total revenue received in advance</b>	<b>618</b>

In 2014/15 Sport NZ received a lease incentive payment of \$388,608 toward the fit-out of a new Auckland premise that acts as a hub, housing a number of sports organisations. In 2015/16 Sport NZ leased additional space in this premise resulting in a further lease incentive payment of \$158,659.

In 2017/18 Sport NZ moved into new premises in Wellington. At balance date, the lease has not commenced because the landlord has incomplete obligations under the Agreement to Lease. Once the obligations are complete, Sport NZ will enter into a 10-year lease for the premises. Until the lease commences, Sport NZ is not paying rent. This period is being treated as a lease incentive to be spread over the lease term once it begins, the value at balance date is \$65,526.

These lease incentive payments are recognised as revenue received in advance and are being amortised over the expected term of the lease. Lease incentive income is non-exchange in nature.

## 15. EMPLOYEE ENTITLEMENTS

ACTUAL 2017 \$000		ACTUAL 2018 \$000
1,248	Annual leave provision	1,243
13	Sick leave provision	33
398	Remuneration accrued	408
48	Long service leave provision	24
<b>1,707</b>	<b>Total employee entitlements</b>	<b>1,708</b>

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include annual leave earned but not taken at balance date, sick leave, salaries and wages accrued up to balance date, and long service leave.

The Group recognises a liability and an expense for bonuses it is contractually obliged to pay, or where a past practice has created a constructive obligation and a reliable estimate of the obligation can be made.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 16. PROVISIONS

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	<b>CURRENT PROVISIONS</b>	
150	Make good provision	-
<b>150</b>	<b>Total Current Provisions</b>	<b>-</b>
	<b>NON CURRENT PROVISIONS</b>	
13	Loan repayment	11
18	Make good provision	18
<b>31</b>	<b>Total Non current Provisions</b>	<b>29</b>
<b>181</b>	<b>Total provisions</b>	<b>29</b>
	Represented by:	
	<b>REDUNDANCY</b>	
95	Opening provision	-
(95)	Unused amounts reversed	-
<b>-</b>	<b>Closing Provisions</b>	<b>-</b>
	<b>MAKE GOOD PROVISION</b>	
168	Opening provision	168
	Unused amounts reversed	(142)
-	Amounts used	(8)
<b>168</b>	<b>Closing provision</b>	<b>18</b>
	<b>LOAN REPAYMENT</b>	
56	Opening provision	13
13	Additional provisions made	11
(56)	Amounts used	(13)
<b>13</b>	<b>Closing provision</b>	<b>11</b>
<b>181</b>	<b>Total provisions</b>	<b>29</b>

#### Redundancy

The Group has made no provision for redundancies at balance date (2016/17: Nil).

#### Loan

The Group has a provision for the repayment of the portion of the loan to Rowing New Zealand, which represents the Group's constructive obligation for half the loan that was funded by MBIE. The provision is equal to half the value of the fair value of future repayments.

#### Make good

The Group has lease make good obligations of \$18,000 at one of its premises (2016/17: \$168,000). At the expiry of the lease term, the Group is required to make good any damage caused to the premises and to remove any fixtures and fittings that have been installed by the Group since the lease commenced. The Group has the option to renew the lease, which affects the timing of expected cash outflows to make good the premises.

The Group has assumed lease expiry dates in accordance with those reported in note 18.

## 17. CONTINGENCIES

The Group has no contingent liabilities and no contingent assets as at 30 June 2018 (2016/17: Nil and Nil).

## 18. CAPITAL COMMITMENTS AND OPERATING LEASES

The Group has no contracted capital commitments for the acquisition or development of property, plant and equipment or intangible assets as at 30 June 2018 (2016/17: Nil).

ACTUAL 2017 \$000		ACTUAL 2018 \$000
<b>NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b>		
1,994	Less than one year	1,498
4,896	One to five years	7,293
2,334	Over five years	5,699
<b>9,224</b>	<b>Total non-cancellable operating lease commitments</b>	<b>14,490</b>

### Operating leases

Non-cancellable operating lease commitments include:

- lease of premises, \$14,313 million (2016/17: \$9.016 million)
- lease of computer and office equipment, \$0.001 million (2016/17: \$0.002 million)
- lease of vehicles, \$0.177 million (2016/17: \$0.206 million)

The Group has entered into four major non-cancellable operating leases. All relating to leased premises, as follows:

Location	Expiry date	Total future minimum lease payments
North Shore	26/02/2024	\$1,304,856
Dunedin	30/06/2022	\$1,319,588
Auckland	30/04/2024	\$3,119,580
Cambridge	15/03/2029	\$2,209,397

Sport NZ moved into new office premises in Wellington during 2017/18, but the lease term has not begun due to the landlord not having met obligations under the Agreement to Lease. It is anticipated that the obligations will be met by 31 January 2019 at which time Sport NZ will commence a 10-year lease.

Location	Expiry date	Total future minimum lease payments
Wellington	31/01/2029	\$6,235,143

It is anticipated that, once the new 10-year lease term commences, Sport NZ will enter into new subleases with sub-tenants for its Wellington office space. At balance date, there are no subleases for the Wellington office space (2016/17: \$56,250).

Sport NZ leases office space in Auckland, which acts as a hub for sports organisations. At 30 June 2018, the Group had subleased part of this space and had future commitments to receive \$1,493,274 from sub-tenants beyond balance date (2016/17: \$2,096,969).

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 19. RELATED PARTY TRANSACTIONS

Sport NZ is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Sport NZ would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

No other related party transactions have occurred that are required to be disclosed.

#### Key management personnel compensation

ACTUAL 2017 \$000		ACTUAL 2018 \$000
<b>BOARD MEMBERS</b>		
236	Remuneration	218
<b>LEADERSHIP TEAM</b>		
2,490	Salaries and other short-term employee benefits	2,200
10.0	Full-time equivalent personnel	9.0
<b>2,726</b>	<b>Total key management personnel compensation</b>	<b>2,418</b>

Key management personnel includes members of the Sport NZ and HPSNZ Boards, the chief executives of both Sport NZ and HPSNZ, and the general managers from both organisations.

Board members represent 1.43 full-time equivalent personnel (2016/17: 1.42). This has been determined based on the expectations of the Minister for Sport and Recreation in 2007 that each Board member would be remunerated based on a maximum of 25 days.

## 20. BOARD MEMBER REMUNERATION

The total value of remuneration paid to Board members for the year ended 30 June 2018 is as follows:

ACTUAL 2017 \$000	SPORT NZ BOARD	APPOINTED	TERM ENDS	ACTUAL 2018 \$000
32	Sir Paul Collins (Chair)	May 2009	Jun 2018	32
8	Bill Birnie	May 2009	Dec 2016	-
16	Joanna Perry	Aug 2011	Jun 2017	-
16	Murray Gutry	Aug 2011	Jun 2017	-
16	Jackie Barron	May 2013	Jun 2018	16
16	Darrin Sykes	Aug 2013	Dec 2018	16
16	Brendan O'Neill	Jul 2015	Sep 2017	4
16	Paul Cameron	Jul 2015	Jun 2018	16
13	Bill Moran	Sep 2016	Jul 2019	16
8	Jason Shoebridge	Jan 2017	Dec 2019	16
-	Hilary Poole	Jul 2017	Jun 2020	16
-	Kylie Clegg	Jul 2017	Jun 2020	12
<b>157</b>				<b>144</b>
ACTUAL 2017 \$000	HPSNZ BOARD	APPOINTED	TERM ENDS	ACTUAL 2018 \$000
14	Sir Paul Collins (Chair)	Jul 2011	Jun 2018	14
5	Bill Birnie	Jul 2011	Dec 2016	-
10	Mike Stanley	Jul 2011	Jul 2017	-
10	Simon Wickham	Jul 2011	Dec 2017	5
10	Murray Gutry	Jul 2014	Jul 2017	-
10	Alison Shanks	Jul 2015		10
10	Ian Hunt	Jul 2015		10
5	Bill Moran	Jan 2017		10
5	Hilary Poole	Jan 2017		10
-	Anthony Hall	Jan 2018		5
-	Waimarama Taumaunu	Jul 2017		10
<b>79</b>				<b>74</b>
<b>236</b>	<b>Total Board Members' Remuneration</b>			<b>218</b>

Peter Miskimmin is a non-voting ex officio member of the HPSNZ Board.

In addition to the remuneration reported in the table above, there were gifts provided for three departing Board members valued at approximately \$637 (2016/17: \$661).

During the year, a payment of \$10,000 (2016/17: \$20,000) was made to Bill Birnie for work related to the establishment of the Black Gold Club, a joint philanthropic venture between HPSNZ, Sport NZ and New Zealand Olympic Committee. Sport NZ engaged TNS New Zealand Limited, of which Jason Shoebridge is a director, to produce a piece of research work totalling \$31,000 (2016/17: Nil). In addition, payments totalling \$2,000 (2016/17: \$1,250) were made to De Novo Limited in relation to staff coaching services provided by Bill Moran. Payments totalling \$119,613 (2016/17: \$59,114) were made to HOB0 Medical Services Limited in relation to services provide as a medical director to HPSNZ by Brendan O'Neill. Payments totalling \$141,538 (2016/17: Nil) were made to Martin Jenkins Limited, of which Hilary Poole is a director, in relation to consulting services provided to Sport NZ.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### BOARD MEMBER REMUNERATION CONTINUED

All transactions with Board members were on normal commercial terms and at arm's length. There were no other payments to committee members who were not Board members during the year ended 30 June 2018 (2016/17: Nil).

During 2017/18 the Group received a donation of \$50,000 from the Hoku Foundation, a charitable trust of which Rowan Simpson is a trustee. Rowan was appointed to the Sport NZ Board during the year, effective from 1 July 2018, by the Minister of Sport and Recreation.

The Group has provided Directors and Officers Liability and Professional Indemnity insurance cover for Board members and employees for the year ended 30 June 2018.

### 21. EMPLOYEE REMUNERATION

The number of employees who received, or who are due to receive, remuneration of \$100,000 or more during the year ended 30 June 2018 is provided, within \$10,000 bands, in the table below.

ACTUAL 2017		ACTUAL 2018
1	430,001 - 440,000	-
1	390,001 - 400,000	1
-	310,001 - 320,000	1
1	290,001 - 300,000	-
1	250,001 - 260,000	-
-	230,001 - 240,000	1
1	220,001 - 230,000	-
-	210,001 - 220,000	2
1	200,001 - 210,000	1
4	190,001 - 200,000	3
1	180,001 - 190,000	2(1)
4	170,001 - 180,000	3
3	160,001 - 170,000	6
10(1)	150,001 - 160,000	12(1)
13	140,001 - 150,000	14(1)
16	130,001 - 140,000	11
4	120,001 - 130,000	6(1)
13(2)	110,001 - 120,000	14(1)
16(1)	100,000 - 110,000	14(3)
<b>90(4)</b>		<b>91(8)</b>

The above table includes those employees who ceased employment during the periods reported. For the year ended 30 June 2018, eight employees who ceased employment during the period had received remuneration of greater than \$100,000, as indicated in brackets (2016/17: 4).

The Sport NZ and HPSNZ chief executives' salaries are within the band range \$390,001 to \$400,000 (2016/17: \$390,001 to \$400,000) and \$430,001 to \$440,000 (2016/17: \$430,001 to \$440,000) respectively.

HPSNZ had two chief executives during the year (and one of the Senior Leadership Team members was acting chief executive in between). The combined remuneration of the two chief executives was within the band range \$260,001 to \$270,000.

During the year ended 30 June 2018, there were no employees who received, or were entitled to receive, compensation or other benefits in relation to cessation of employment (2016/17: 6 employees and \$24,182).

During the 2017/18 financial year, the Group had a 2.5% general pay increase (2016/17: 2.9%).

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## 22. FINANCIAL INSTRUMENTS

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### Fair value

The fair value of the Group's financial assets and liabilities within each category is equivalent to their carrying amounts and these are disclosed separately in the Statement of Financial Position. The Group's financial assets and liabilities have not been disclosed by fair value hierarchy due to their nature and the materiality of this disclosure.

With the exception of the loan to Rowing New Zealand, which has been written down to reflect the fair value movement of the future repayments, the fair value of all financial instruments has been determined in accordance with level I of the fair value hierarchy.

The Group's financial liabilities are all non-interest bearing trade and other payables that are normally settled on 30-day terms.

### Financial instrument risks

The Group's activities expose it to a variety of financial instrument risks, including market, credit and liquidity risk. The Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies prohibit entering into speculative transactions.

### Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, owing to changes in market interest rates.

The Group's exposure to interest rate risk is limited to bank deposits that are held at fixed rates of interest. The Group does not actively manage its exposure to fair value interest rate risk.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has no material exposure to currency risk.

### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Group is not exposed to price risk because it does not hold any listed equity investments.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss.

Due to the timing of its cash inflows and outflows, the Group invests surplus cash with registered banks. In line with the Group's investment policy, funds may only be deposited with registered banks having an AA- or better credit rating and within limits of credit exposure to any one institution.

The single most significant receivable carried at balance date is for NZLGB revenue. This receivable comprises the fourth quarter instalment and the final wash-up payment for the 2017/18 financial year, received each year in July and October respectively. These are guaranteed amounts and are, therefore, low risk. The Group does not have significant concentrations of credit risk for any other financial instruments.

The Group's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net receivables, as detailed in notes 6 and 7 respectively. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Group closely monitors its forecast cash requirements with expected cash drawdowns from the Crown and NZLGB. The Group maintains cash on hand to meet liquidity requirements.

## NOTES TO THE FINANCIAL STATEMENTS: CONTINUED

### 23. RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

ACTUAL 2017 \$000		ACTUAL 2018 \$000
<b>13,215</b>	<b>Net surplus/(deficit)</b>	<b>9,169</b>
	<b>Add/(deduct) non-cash items</b>	
1,684	Depreciation and amortisation	1,573
-	- Loss on disposal of assets	126
13	Loss on disposal of intangibles	-
85	Net fair value movement in financial assets	3
<b>1,782</b>	<b>Total non-cash items</b>	<b>1,702</b>
	<b>Add/(deduct) item classified as investing</b>	
(2)	Gain on disposal of assets	(12)
<b>(2)</b>	<b>Total items classified as investing</b>	<b>(12)</b>
	<b>Add/(deduct) movements in working capital items</b>	
(8,737)	Trade and other receivables	5,354
(87)	Interest receivable	(363)
127	Prepayments	(20)
33	Inventories	-
453	Trade and other payables	1,697
(22)	Revenue received in advance	(28)
(137)	Provisions	(151)
29	Employee entitlements	(66)
<b>(8,340)</b>	<b>Net movement in other working capital items</b>	<b>6,423</b>
<b>6,655</b>	<b>Net cash outflows from operating activities</b>	<b>17,282</b>

### 24. CAPITAL MANAGEMENT

The Group's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Group is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Sport NZ Board has set a minimum level of public equity at \$10.5 million to manage the Group's cashflow profile and unforeseen fluctuations in NZLGB revenue.

## 25. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Group's budgeted figures in the SPE 2017/18 are as follows:

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

#### Revenue

##### New Zealand Lottery Grants Board

The NZLGB has reported another record year in terms of both sales and profit. Lotto game changes in 2016-17 have had a significant positive impact on sales. There has been an increase of \$10 million relating to Lottery revenue.

##### Interest received

Interest received is significantly higher than budget due to higher average investment balances at higher average interest rates.

##### Sundry revenue

Sundry revenue in the 2018 budget included revenue from the New Zealand Racing Board, being a portion of net betting revenue. This was not received in 2018 due to delays in the introduction of the Racing Amendment Bill and changes to net betting distributions.

#### Sector investments

Sector investments of \$94.904 million is \$3 million less than budget. \$2.511 million of this variance is due to delays in several high performance infrastructure projects. This spend has largely moved into the 2018/19 financial year. The 2018/19 financial year will see work on the National Hockey Training Centre at Rosedale Park in Auckland progressing to near completion and commencement of the National High Performance and Community Sailing Centre in Auckland.

#### Operating expenditure

Personnel costs were \$1.837 million less than budget primarily due to the difficulty in filling staff vacancies in a highly competitive and global market. Subsequent to New Zealand's unprecedented sporting success at the Rio Olympics, many HPSNZ staff were headhunted and recruited into international systems. Vacancies in Sport NZ were filled by temporary staff, which have been categorised as professional and technical services.

### STATEMENT OF FINANCIAL POSITION

#### Assets

Cash and investments (term deposits) were \$21.212 million higher than expected. This variance reflects higher than expected NZLGB revenue received during the year, lower than expected expenditure and a higher than projected opening balance.

Trade and other receivables were \$4.963 million higher than expected due to additional NZLGB revenue receivable at balance date.

#### Liabilities

Trade and other payables of \$7.479 million is \$3.611 million higher than budget. A change in the timing of Community Sport funding instalments to national partners, to match timing of cash inflows from the NZLGB, accounts for \$1.985 million of this variance.

## 26. EVENTS AFTER BALANCE DATE

There were no significant events after balance date requiring either adjustment to the financial statements or further disclosure in the accompanying notes.

# APPENDIX 1

## INTERESTS OF BOARD AND KEY MANAGEMENT PERSONNEL

Conflicts of interest are both defined and managed in accordance with relevant policies. The Sport NZ Group maintains Interests Registers for members of the Sport NZ and HPSNZ Boards, and staff. Board members and key management personnel (those on the Sport NZ and HPSNZ Senior Leadership Teams) have not been part of decision-making processes where the Group has entered into transactions with organisations in which they have disclosed interests.

Disclosed interests are listed here for current Board members and key management personnel, and those who were Board members in 2017/18.

NAME	ORGANISATION	POSITION
Jackie Barron Board Member Sport NZ	St Hilda's Collegiate School	Principal and Board of Trustees
	WiSPA	Director
Paul Cameron Board Member Sport NZ	Halberg Foundation	Trustee
	New Zealand Volleyball	Chief Executive
Kylie Clegg Board Member Sport NZ	Auckland Transport	Director
	Counties Manukau District Health Board	Director
	Hockey New Zealand	Board Member (to October 2017)
	Hockey Foundation	Chair and Trustee (to April 2018)
	Waitemata District Health Board	Deputy Chair
	Well Foundation	Trustee and Ex Officio Member
Sir Paul Collins Chair Sport NZ and HPSNZ (to June 2018)	Hurricanes Limited	Director
	Offshore Racing and Sports Betting Working Group, New Zealand Racing Board	Member
	Wairarapa District Health Board	Chair
Chelsea Grootveld Future Director Intern Sport NZ	Iwi affiliations: Ngāti Porou, Ngai Tai, Whānau a Apanui, Whakatōhea, Te Arawa	
	Aiko Consultants Limited	Director
	Hato Pāora Board of Trustees	Chair
	JR McKenzie Trust	Trustee
	Niwaha Foundation	
	TriPōneke	Executive Member
Murray Gutry Board Member Sport NZ and HPSNZ	The Lion Foundation	Trustee
Tony Hall Board Member HPSNZ	Agriculture and Life Sciences Lincoln/Massey and Industry Partnership for Excellence	Chair
	Community Colleges NZ	Governing Director
	Core Education Trust	Chair
	Lincoln University Hospitality Limited	Chair
	New Zealand Olympic Committee	Board Member
	NZOC Selection Panel	Member
	Waikuku Beach Surf Lifesaving	Patron
Ian Hunt Board Member HPSNZ	Court of Arbitration for Sport	Arbitrator
	Young Hunter Lawyers (provides legal advice to individual athletes, national and local sports organisations)	Partner

NAME	ORGANISATION	POSITION
Raewyn Lovett Board Member Sport NZ (from July 2018)	CHT Healthcare	Trustee
	Darroch Limited	Director
	Duncan Cotterill (providing legal services to Sport NZ, Hockey NZ, and Surf Lifesaving NZ)	Partner
	Dunedin Venues Management Limited	Chair
	International Working Group on Women and Sport	Co-Chair
	Quotable Value Australia Pty Limited	Director
	Quotable Value Limited	Chair
	Sir Ray Avery Foundation	Trustee
	WiSPA	Board appointments panel
	Women's Sport Leadership Academy	Mentor
	Niece is in the NZ Track Cycling team	
	Business partner is on Football NZ Executive Committee and Netball Central	
	Bill Moran Board Member Sport NZ and HPSNZ, Chair from July 2018	Aspen Initiative NZ
Dementia Prevention Trust		Trustee
De Novo		Contractor
NZ Football Foundation		Trustee
Olive Leaf Centre		Trustee
Otago Polytechnic		Deputy Chair
Pioneer Energy		Director
Play It Strange		Advisory Trustee
School of Government, Victoria University		Advisory Trustee
Youthtown		Director
Brendan O'Neill Board Member Sport NZ	Canoe Racing New Zealand	Medical Director
	HOB0 Medical Services Limited	Director, Shareholder, Employee
Farah Palmer Board Member Sport NZ (from July 2018)	Iwi affiliations: Ngāti Maniapoto (Ngāti Waiora) and Waikato (Ngāti Mahuta ki te hauāuru) – Tainui	
	Aho ki Rangi Trust	Member
	Kind Hearts Movement (Manawatū)	Ambassador
	Massey University	Chair
	New Zealand Māori Rugby Board	Chair
	New Zealand Rugby Union	Director
Hilary Poole Board Member Sport NZ and HPSNZ	New Zealand Women in Leadership	Steering Committee Member
	Auckland Regional Amenities Funding Board	Independent Director
	Badminton NZ	Board appointments panel
	Hockey New Zealand	Board appointments panel
	Homotech Ltd	Independent Chair
	Just Water International Ltd	Independent Chair
	Martin Jenkins Ltd	Independent Director
	Snow Sports New Zealand	Board appointments panel (independent)
	The Clubhouse NZ Ltd (NZ Women's Golf Open – LPGA Event 2017-2019)	Independent Director

NAME	ORGANISATION	POSITION
Alison Shanks Board Member HPSNZ	Cycling NZ	Director
	HPSNZ	Husband employed by HPSNZ
	NZOC Athletes Commission	Member
	New Zealand Olympic Committee	Ambassador
	Member Commonwealth Federation Athlete Advisory Commission	Member
	Toro Mai Trust	Trustee
Jason Shoebridge Board Member Sport NZ	Colmar and Brunton Research Limited	Director
	Kantar Insight New Zealand	CEO
	NFO Worldgroup Holdings Limited	Director
	Research International Limited	Director
	Rosmini College Board of Trustees	Trustee
	TNS New Zealand Limited	Director
Rowan Simpson Board Member Sport NZ (from July 2018)	Atomic.io Limited	Director
	Hoku Foundation	Trustee
	Timely Limited	Director
	Valar NZ Limited	Director
	Winter Games NZ Trust	Trustee
Michael Stanley Board Member HPSNZ	AUT Millennium Institute of Sport and Health	Chief Executive Officer
	New Zealand Olympic Committee	Chairman
Darrin Sykes Board Member Sport NZ	Capital and Coast District Health Board	Government appointed Board Member
		Chair of the Finance, Risk and Audit Committee
		Member of the Remuneration Committee
	Crown Forestry Rental Trust	Chief Executive
	Federation of International Touch Referees Commission	Member
	Forestry Emission Unit Trust	Secretary
	Touch NZ Judicial, Legal and Constitutional Committee	Chair
	Touch NZ	Chair of the Judicial, Legal and Constitutional Committee
		Integrity Review Officer
		National Director of Referees
Wellington Regional Sports Education Trust (trading as Sport Wellington)	Trustee	
Waimarama Taumaunu Board Member Sport NZ and HPSNZ	International Netball Federation	Rules Advisory Panel Member
	Ministry of Culture and Heritage	Māori Advisory Group Member
	Netball Central Zone	High Performance Director (permanent, part time)
	Netball NZ	Contractor (part time)
	NZ Community Trust	Wellington Regional Advisory Committee member
Simon Wickham Board Member HPSNZ	New Zealand Olympic Committee	Board Member Deputy Chair Selector
Peter Miskimmin Sport NZ CEO and HPSNZ Ex Officio Board Member	Hockey New Zealand	National Selector of Men's Black Sticks

# APPENDIX 2

## CREATING A WORLD-LEADING SPORT SYSTEM – OUR STRATEGIC PRIORITIES AND INTENDED IMPACTS

STRATEGIC PRIORITIES	OUR KEY IMPACT	HOW IMPACT WILL BE MEASURED	2017/18 PROGRESS COMMENTS
<b>World-leading system attribute: ENVIRONMENT – the context the system operates within</b>			
Championing the value of sport	Relevant government initiatives and the regulatory environment support sport and recreation outcomes; sport is used to achieve other government outcomes	Examples of sport and recreation centred policies and regulatory change that support our outcomes and achieve cross-government outcomes	We contributed to cross-government outcomes through tailored value propositions demonstrating how sport contributes to broader education and health outcomes
	New Zealanders demonstrate an increased understanding of the 'value of sport'	Evaluation and participant surveys across funded projects	Sport NZ released the Value of Sport, a significant body of evidence from research on understanding the value of sport. <sup>45</sup> This shows that New Zealanders have a good understanding of the positive impact that sport and active recreation have on our sense of wellbeing, including mental and physical health, development of essential life skills, and bringing people and communities together
<b>World-leading system attribute: INTELLIGENCE – knowledge and its application by people in the system</b>			
A Community Sport Insights programme (including research support) to put the participant at the heart of our decisions and actions for growing participation	A well-informed, participant-focused sporting system at all levels  Partners are utilising Insights knowledge to design quality sports services and products, leading to quality sports experiences for participants	Evidenced through annual partner performance assessments	Sport NZ has provided a substantial body of insights knowledge in 2017/18, including the Active NZ report, Value of Sport report, and Voice of the Participant survey results  85% of RSTs have embedded, or are in the process of embedding, the Community Sport Insights approach <sup>46</sup>  50% of direct stakeholders rate the insights-sharing performance of RSTs as Very Good or Excellent <sup>47</sup>
<b>HP strategic priority 4</b> Delivering world-leading performance support for our athletes and coaches	Provide world leaders in high performance knowledge, experience and support, thus creating, challenging and influencing world-class performance	At least 80% athlete and coach satisfaction with the quality of the high performance support and advice	Achieved: 93% <sup>48</sup> athlete and 86% <sup>49</sup> coach satisfaction with the quality of high performance support and advice
<b>HP strategic priority 7</b> Leading an integrated and robust innovation, research and technology programme to drive increased performance	Harness New Zealand and overseas technology, research, minds and resources towards improving performance in high performance sport.  Deliver applied research and technology projects to solve performance issues identified by sports, coaches and athletes.  Provide platforms to capture and disseminate and leverage high performance knowledge to improve performance and sustainability.	At least 80% satisfaction by targeted sports with delivery of HPSNZ innovation and technology projects  Lead two contestable funding rounds per year to enable targeted sports to access innovation and technology resources to impact athlete performance and provide a rigorous evaluation framework for innovation investment decisions  Pinnacle event learning system is implemented with a minimum of 7 targeted sports with at least 80% satisfaction	Achieved: 89% satisfaction rating from sports that received innovation and technology interventions <sup>50</sup>  Achieved: Two contestable funding rounds in 2017/18  Achieved: The pinnacle event learning system is implemented with 7 targeted sports, achieving >80% satisfaction.

45. Sport NZ released the report "The Value of Sport – Main Report 2017" in March 2018. This report presents the findings of research commissioned by Sport NZ and undertaken by Angus and Associates over three stages to understand the value of sport and active recreation in New Zealand. 46. Partner Confidence Survey 2018 47. RST Stakeholder Survey 48. HPSNZ Athlete Survey 2017. Respondents that rated their overall satisfaction with the quality of HPSNZ support and advice as Satisfied or Extremely Satisfied. 49. HPSNZ Coach Survey 2017. Respondents that rated their overall satisfaction with the quality of HPSNZ support and advice as Satisfied or Extremely Satisfied. 50. Partner Confidence Survey 2018. Responses from targeted HPSNZ partners that rated Innovation and Technology support as Good or Excellent.

## APPENDIX 2: CONTINUED

STRATEGIC PRIORITIES	OUR KEY IMPACT	HOW IMPACT WILL BE MEASURED	2017/18 PROGRESS COMMENTS
<b>World-leading system attribute: CAPABILITY – people and organisations within the system</b>			
<p>Capable organisations (partner and provider organisations) including:</p> <ul style="list-style-type: none"> <li>Community Sport aspect: a network of capable partners of sport, providing relevant sport experiences</li> <li>Sector Capability aspect: a system of capable and connected people and organisations that can deliver world-leading sporting outcomes</li> </ul>	Partners are capable, stable and sustainable	<p>Demonstrated by partner understanding of own capability strengths and weaknesses through improvement plan progress/ Organisational Development Tool (replaced with Sport Compass in 2016/17)/Warrant of Fitness assessment</p> <p>Increase percentage of partners demonstrating aligned strategic, operational and delivery plans with appropriate budget and performance monitoring. Where applicable, project benefits reviews and other liaison activities</p>	<p>Achieved: Sport Compass is a self-service organisational-development tool that is developed and supported by Sport NZ. Ninety-two organisations completed at least one self-assessment module in Sport Compass in the year to December 2017, with 42% rating their organisation's health as developing</p> <p>Achieved: Four partners awarded the Governance Mark in 2017/18. Another 30 organisations are in progress. A key component of Governance Mark is ensuring the organisation has a strategy that is clear on its purpose and outcomes, and is aligned to the resources required to deliver on its plan</p> <p>Governance Mark also addresses alignment of resources to strategy, and reporting to Board</p> <p>Sport NZ conducts Financial Health Checks to identify areas for improvement in the reviewed partner organisations. These reviews cover a range of financial and risk management processes, including budget process, alignment, and operating and strategic reporting to the Board</p>
<p>Capable people – there is a balanced supply of people with the right skills for critical roles required to deliver quality experiences to participants including:</p> <p>Community Sport aspect: quality people throughout the system</p>	The sector takes a coordinated approach, to address workforce challenges in its planning, recruitment and role support and development	Increase percentage of partners demonstrating collaboration, workforce planning and recruitment results aimed at addressing workforce challenges	Achieved: All eight RST partners receiving investment for Regional Workforce Planning have plans aligned to the sector Workforce Planning Framework. Regional plans draw on insights to identify and address local workforce challenges
<p><b>HP strategic priority 2</b> Assisting national sport organisations (NSOs) to build world-leading coaching and high performance programme leadership</p>	<p>Ensure NSOs prioritise coaching and enable high performance coaches to provide athletes with the coaching they need to win</p> <p>Improve the viability of high performance coaching as a career, by working with NSOs to attract, develop and retain high performance coaches and develop succession plans</p> <p>Increase coaching capability to lead and case manage athlete campaigns and provide individualised development support for carded coaches</p> <p>Increase high performance director and athlete development leader capability by implementing individual performance and development plans</p> <p>Assist NSOs to build the environment to attract and retain the right high performance leaders, and provide specialist recruitment, retention and succession planning support</p>	<p>At least 80% of priority 2016 medal potential athletes receive the coaching they need</p> <p>At least 70% of priority 2020 medal potential athletes receive the coaching they need</p> <p>At least 80% of coaches who are highly engaged in the high performance coaching programme have improved coaching performance</p> <p>Leadership development programmes (incorporating professional development planning) achieve an average programme satisfaction score of 80% or greater</p>	<p>Achieved: 88% of the priority medal campaigns received the coaching needed</p> <p>Achieved: 74% of 2024 medal potential campaigns received the coaching needed</p> <p>Achieved: 82% of the high engaging coaches have shown evidence of coaching improvement, based on observed coaching behaviour, athlete performance, coach self-reporting and athlete feedback</p> <p>Achieved: Leadership programmes achieved ratings of:</p> <ul style="list-style-type: none"> <li>Coach Accelerator programme 92%</li> <li>Coach Campaign Leadership Programme 88%</li> <li>High Performance Leaders Development Programme 88%</li> <li>Emerging High Performance Leaders Development Programme 90%</li> </ul>

STRATEGIC PRIORITIES	OUR KEY IMPACT	HOW IMPACT WILL BE MEASURED	2017/18 PROGRESS COMMENTS
<p><b>HP strategic priority 5</b> Working in partnership to increase the high performance capability of NSOs</p>	<p>Enhance capability and capacity within sports to meet the challenging requirements for winning performance so they are increasingly self-reliant and support their athletes to win consistently</p> <p>Work closely with NSOs to evaluate their high performance programmes and identify opportunities to impact performance</p> <p>Provide consulting and expert technical support to targeted podium potential sports, to increase capability and athlete performance</p>	<p>At least 80% targeted sport satisfaction with quality and timeliness of HPSNZ consultancy and advice</p> <p>At least 80% of NSO high performance key performance indicators have been achieved</p>	<p>Achieved: 91% satisfaction with quality of HPSNZ specialist services and advice<sup>51</sup></p> <p>Achieved: 89% of high performance programme goals achieved by targeted sports</p>
<p><b>HP strategic priority 6</b> Strengthening high performance athlete development (including talent identification and development)</p>	<p>Ensure NSOs have best practice high performance athlete development systems to deliver the number and quality of athletes required across their pathway to meet or exceed their medal targets</p> <p>Assist NSOs to develop and implement high performance athlete development pathways and track performance of developing athletes</p>	<p>At least 80% of targeted sports have current evidence-based high performance athlete development pathways</p> <p>Two high performance athlete development forums held annually with participation by a minimum of eight targeted sports</p> <p>At least 250 athletes receive support through Pathway to Podium programme</p>	<p>Achieved: 86% of targeted sports have current evidence-based high performance athlete development pathways</p> <p>Achieved: Two high performance athlete development forums were held in 2018 with participation from 10 sports</p> <p>Not achieved: The Pathway to Podium programme currently supports 161 athletes. The measure of 250 athletes was based on the previous model run in partnership between Sport NZ and HPSNZ. The programme was fully transitioned to HPSNZ in April 2018, providing more direct support to athletes and coaches.</p>

51. Partner Confidence Survey 2018. Responses from targeted HPSNZ partners.

## APPENDIX 2: CONTINUED

STRATEGIC PRIORITIES	OUR KEY IMPACT	HOW IMPACT WILL BE MEASURED	2017/18 PROGRESS COMMENTS
<b>World-leading system attribute: CONNECTIVITY – sharing and collaboration across the system</b>			
Making and enabling cross-government relationships and partnerships	More, (and increasingly) collective efforts are being applied to key issues and opportunities across the system to achieve better results (than lone working or lesser collaboration could achieve)	Number of quality regional and sport recreational plans	Sport NZ has supported the development of 14 regional plans and/or facility plans to foster collaboration, connectivity and efficiencies within regions. We also held a number of forums with partners and providers that facilitated collaboration and partnership development across NZ, and resulted in communities of practice where those organisations connect and share learning
Connecting the sector and creating strategic relationships		Perception of engaged stakeholders that report positive change in connectivity	Through our cross-government relationships, we collaborated with Ministries of Education and Health to provide joint advice to Ministers. At local government level, Sport NZ hosted forums with elected members and senior sport and recreation managers of all metro and 15 provincial TAs  Sport NZ hosted forums with national and regional funders (gaming trusts, electricity trusts, etc) to encourage alignment of strategy and investment  Sport NZ's Connections Conference achieved an 86% satisfaction rating <sup>52</sup>
Major and mega events overseeing the National Sporting Events System, coordinating government involvement in mega events and developing the NZ Major Events Investment process and portfolio	Successful events which provide leverage to meet Sport NZ and wider government goals  A dynamic major/mega event 'prospecting plan' supported by key event stakeholders (providing NZ ten years of events to host and leverage)	Six monthly sector event report (from 2017 once monitoring and evaluation arrangements are developed)	Sport NZ maintains and reports regularly on a dynamic 10-year prospecting plan for major and mega events. Sport NZ led feasibility, prospecting and bid work, and coordinated government involvement for World Sailing Championships 2022, Netball World Cup 2023, UCI Track World Cups 2019 and 2020, World 49er/49erFX and Nacra Champs 2029, Asia Cup Basketball Qualifiers, World Women's Rugby World Cup 2021  Sport NZ has worked with organisers of a large number of major events to ensure delivery of successful leverage and legacy outcomes, including: Asia Pacific Golf Open, NZ Golf Open, Winter Games NZ, Crankworx, Volvo Ocean Race, Rugby League World Cup, World Junior Squash World Champs, Tarawera Ultrathon, Waterpolo World League and Pan Pacific Champs

52. Connections Conference evaluation results: 86% of responses for overall satisfaction were Very Satisfied or Extremely Satisfied.

STRATEGIC PRIORITIES	OUR KEY IMPACT	HOW IMPACT WILL BE MEASURED	2017/18 PROGRESS COMMENTS
<b>World-leading system attribute: RESOURCES – financial and physical ‘inputs’ to the system</b>			
<p>System funding review to:</p> <ul style="list-style-type: none"> <li>ensure optimal use of funding across the sector</li> <li>support financial and economic sustainability of the sector</li> </ul>	<p>Funds are directed to where they are most needed to have the greatest impact on the sport system, participants and athletes</p> <p>Maintain or increase funding to the sector</p>	<p>Indicator: Evidence Key funders are aligned with Sport NZ funding strategies (e.g. coordinated facilities planning, investment in development and retention of people in the sector, appropriate attention to low-participation communities)</p>	<p>Enhanced awareness of funding priorities through hosting funders forum. Continued to strengthen relationships with key gaming trusts and the Department of Internal Affairs (DIA) leading to improved ability to influence funding alignment. Initiated research to establish where funding from gaming trusts is being allocated</p> <p>Relationships continued to be strengthened with key gaming trusts and DIA – leading to improved ability to influence funding alignment</p>
Community Sport Spaces and Places	There are more fit-for-purpose places that are sustainable and meet the needs of communities and sport and recreation participants	A range of measurement tools will be used including demand modelling, benchmarking and post-evaluation to identify and measure progress. These tools will measure, for example: the number of facilities plans based on best practice, evidence-based decision models and aligned with national facility strategies	<p>146 facilities are registered on the National Facilities Benchmarking Tool</p> <p>Ten regional facility plans are in place</p> <p>Two new national sport facility plans, and one existing plan was reviewed in 2017/18</p>
<p><b>HP strategic priority 1</b></p> <p>Leading a highly-effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes</p>	<p>Maximise high performance outcomes through optimal allocation of investment to targeted podium potential sports and athletes</p> <p>Drive for efficiency and effectiveness in the high performance system and HPSNZ operations, ensuring maximum use of resource with minimal duplication</p> <p>Ensure we retain, develop and attract people who can provide sustained world-leading support</p>	<p>At least 85% of total high performance funding will be invested in high performance programmes and initiatives</p> <p>A minimum of 80% of core investment is allocated to targeted sports</p> <p>At least 80% of NSO high performance key performance indicators have been achieved</p>	<p>Achieved: 93% of total high performance funding was invested in high performance programmes and initiatives</p> <p>Achieved: 92% of core investment allocated to targeted sports</p> <p>Achieved: 89% of high performance programme goals achieved by targeted sports</p>
<p><b>HP strategic priority 3</b></p> <p>Enhancing the daily training and competition environments (meeting targeted sports’ high performance facility needs)</p>	<p>Provide an accessible training, performance and recovery support environment through integrated facilities to meet the needs of athletes and coaches, including athlete preparation and recovery at the Olympic Games</p> <p>Create a world-leading high performance environment in regional hubs where there is a critical mass of elite athletes</p> <p>See more medal potential athletes immersed in a high performance environment to enhance learning, development and sustained performance over multiple cycles</p>	<p>At least 80% athlete and coach satisfaction with HPSNZ training centre facilities</p> <p>At least 80% athlete satisfaction with high performance support</p> <p>Manage a minimum of four multi-sport performance hubs across major cities in New Zealand to ensure regional athlete and coach needs are met</p> <p>At least 80% partner satisfaction with quality and timeliness of HPSNZ consultancy and advice</p>	<p>Achieved: 92% of athletes were Satisfied or Extremely Satisfied with HPSNZ training centre facilities</p> <p>Achieved: 89% of athletes surveyed rated as either Satisfied or Extremely Satisfied with high performance support</p> <p>HPSNZ manages seven multi-sport performance hubs (Auckland, Cambridge, Karapiro, Wellington, Christchurch, Dunedin and Wanaka). HPSNZ employs regional relationship managers within these regions to ensure athlete and coach needs are met within each facility</p> <p>Achieved: 91% satisfaction with quality of HPSNZ specialist services and advice<sup>53</sup></p>

53. Partner Confidence Survey 2018. Responses from targeted HPSNZ partners.





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