



# ANNUAL REPORT 2017

[SPORTNZ.ORG.NZ](http://SPORTNZ.ORG.NZ)



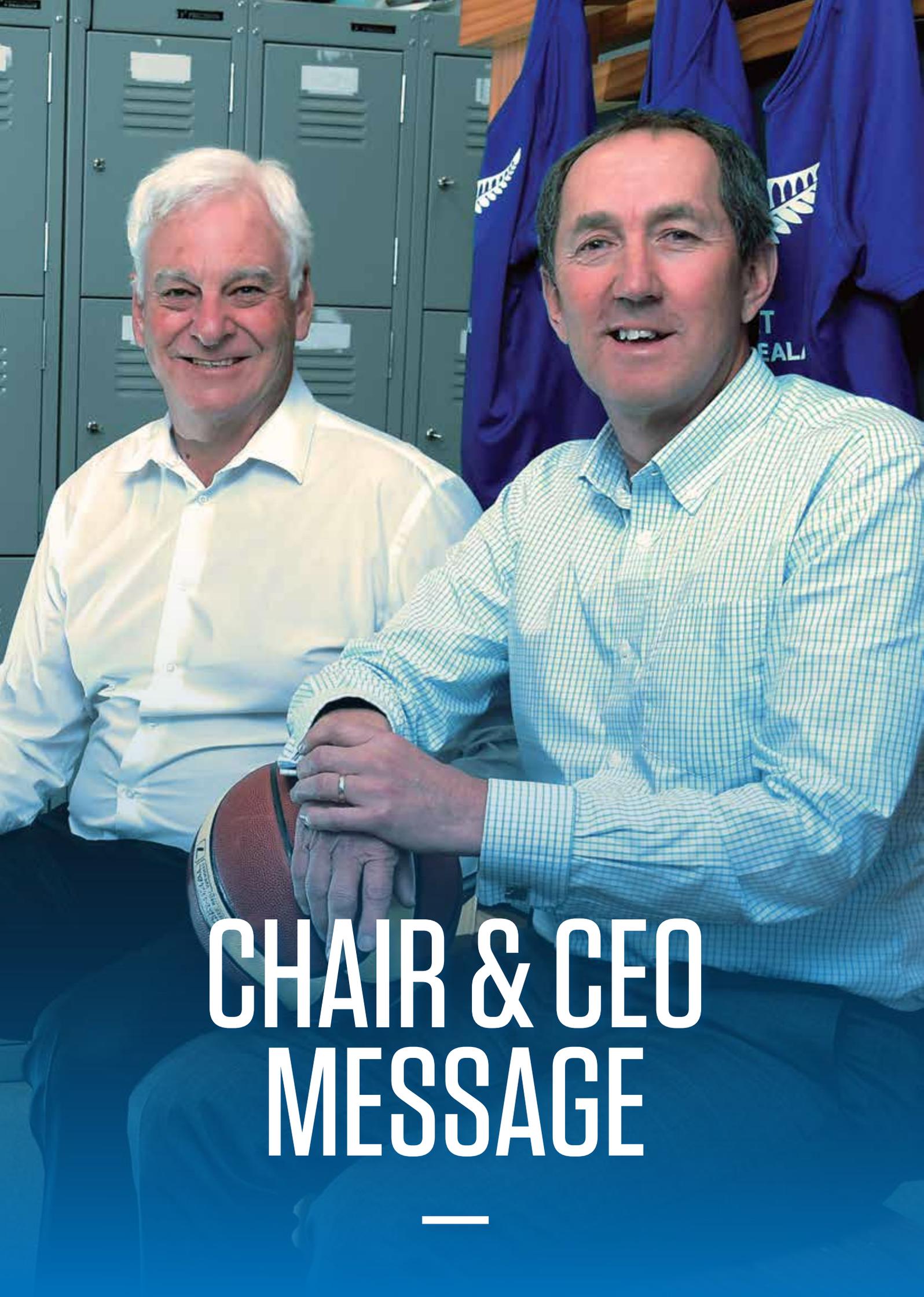
SPORT  
NEW ZEALAND





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# CHAIR & CEO MESSAGE

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## FROM THE CHAIRMAN AND CHIEF EXECUTIVE

Coming off our best ever Olympics in Rio, this has been a year of major events and a celebration of our national sporting culture. These have reinforced the importance of the work we are doing to improve the quality of community sport and continue our high performance success.

With 18 medals in nine sports, Rio was not only our most diverse display of Olympic success, but also demonstrated the strength and effectiveness of our system-based approach to athlete support and investment.

This approach continued to help Kiwi athletes reap excellent results in 2017 – most recently a great team effort at the Canoe Sprint World Championships, world titles from Tom Walsh and the Black Ferns, and excellent results at the World Rowing and Canoe Slalom Championships. These, of course, followed an emphatic victory by Emirates Team New Zealand to reclaim the America's Cup.

There's been much to savour on home soil too. Auckland and the Waikato hosted more than 28,000 athletes from around the globe for the World Masters Games. Held over 10 days in April, this is the largest multi-sport event in the world, and one that exceeded all targets and reinforced the economic and social value of New Zealand hosting major sports events. This was followed in June and July by a Lions Series, our first here since 2005, which captivated rugby fans old and new. To top off the action, the Silver Ferns beat arch rival Australia to capture netball's Quad Series for the first time in September.

Each of these events brought us closer together as a nation to celebrate sport in a positive way.

### A LIFE-LONG LOVE OF SPORT

This has also been the second full year of our Community Sport Strategy 2015-20. Having last year launched a number of important plans and approaches, we are now seeing regional sports trusts (RSTs) and national sport organisations (NSOs)

embrace this new way of thinking and leading. Many have re-set their strategic direction and developed capability in key areas such as insights, locally-led delivery and spaces and places.

The extent of this alignment and momentum was evident when the sector came together in May for the Connections Conference and Sport & Recreation Awards. The importance of understanding the participant and putting them first, the critical role of research and insights, the power of connecting communities to drive local solutions to local problems – each was discussed and great examples were celebrated.

The aim of these and all other aspects of our Community Sport Strategy is to ensure young New Zealanders develop a life-long love of participating in sport and active recreation. This can only happen by improving the quality of the opportunities available to them – whether that's at school, in a club environment or elsewhere in their community.

This is critical work. Although our kids are very active by world standards, their participation is vulnerable to decline with the impact of factors such as urbanisation and increased screen time. We also know from our research that if kids are given the time and quality opportunities to find the types of physical activity that are right for them, they are more likely to stay active and realise all the benefits this brings.

### LOOKING AHEAD TO TOKYO

Rio will be hard to top, but we are now in the building phase of a new Olympic and Paralympic cycle. The road to Tokyo includes next year's Winter Olympics and Commonwealth Games – which, based on Australia's Gold Coast, offer a tremendous opportunity to get our athletes across the ditch – as well as other pinnacle world championships events. This year we have identified and applied key lessons from Rio, re-set our investment strategy and begun to develop talent, plans and innovations to lift New Zealand's collective performance by working in partnership with athletes, coaches and NSOs.

Another key component of supporting our elite athletes is providing them world-class training environments. Efforts made this year in partnership

with sports and other stakeholders will ensure that over the next 12 months we will see the opening of three new high performance facilities: a Canoe Slalom High Performance Training Centre at Vector Wero in Manukau, a Canoe Racing New Zealand High Performance Centre at Karapiro and an Equestrian High Performance Training Centre in Taupō.

## CROSS-GOVERNMENT COLLABORATION

This year we took important steps to work more collaboratively across government, focusing our efforts on the three organisations with the greatest potential to align in support of government priorities: the Ministry of Health, the Ministry of Education and ACC.

At the heart of this work is Play.sport, a pilot being conducted across 45 schools to find ways to improve the quality of physical education (PE) and school sport. Part of the government's Childhood Obesity Plan, this is led by Sport NZ and supported by the Ministries of Health and Education along with ACC. The pilot, which celebrated its first anniversary in April, is already identifying new approaches to physical education and school sport that, over time, will have tremendous potential around the country.

## FROM GOOD TO GREAT

We could not expect to achieve such significant change without also considering the structure of our own organisation. A review of our organisational structure led to changes in December 2016, most notably combining our Research and Insights teams to enhance the ability of Sport NZ and our partners to make evidence-led decisions, and bringing together our partnership managers, Communications and Marketing teams into a single sector-focused business unit.

In assembling that unit, we also introduced four new Regional Partnership Manager roles, and these managers oversee our relationships with RSTs and local authorities, as well as other key regional stakeholders. This regional focus supports and reinforces locally-led delivery, which is a cornerstone of our Community Sport Strategy.

We are actively working to strengthen partner organisations. For example, through HPSNZ, we are working with each of its 11 targeted NSOs to enhance their capability to meet the changing requirements for winning performance. The goal is to increase NSO self-reliance to support athlete success by helping

high performance programme strategy development and support mechanisms, as well as leadership and coach development.

## ACKNOWLEDGEMENTS

We would like to farewell and thank our Sport NZ and HPSNZ outgoing Directors – Bill Birnie, Joanna Perry, Murray Gutry and Mike Stanley – for their dedication and years of service to sport in New Zealand. We are also delighted to welcome Waimarama Taumaunu to the HPSNZ Board, together with Hilary Poole, who also joins the Sport NZ Board alongside Kylie Clegg. Each of them brings a wealth of knowledge and experience in the sector to see us through our strategies to 2020.

Earlier in the year we welcomed Future Director Chelsea Grootveld – appointed to observe the Sport NZ Board until March 2018, she brings expertise in kaupapa Māori education and health to Board discussions.

We would also like to thank Lotto NZ, whose ongoing funding allows us to bring our Community Sport Strategy to life through targeted investment, building partner capability and aligning partner initiatives to our core plans and philosophies.

Lotto also partners with Sport NZ to deliver the Lotto Volunteers programme, which recognises our country's 'Sport Makers'. We thank them for their support with this partnership and extend our appreciation to the almost one million New Zealanders who volunteer in sport and recreation each year.

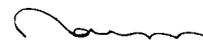
Finally, we farewell Alex Baumann, Chief Executive of HPSNZ since 2012. At the helm through an unprecedented period of sporting success, he has lifted the bar for high performance sport in New Zealand and built an organisation that is among the best in the world. We wish Alex all the best in his future endeavours.

Our sport system is still the envy of many countries around the world. Across the Sport NZ Group, and in partnership with our sector partners, we are working hard to ensure this is maintained for the benefit of Kiwis today – and in the future.

Yours in sport,



**PETER MISKIMMIN**  
CHIEF EXECUTIVE



**SIR PAUL COLLINS**  
CHAIRMAN



# ABOUT SPORT NZ GROUP



## ABOUT THE SPORT NZ GROUP

We are the Crown agency responsible for the 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 NZ 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*”, and more details about our functions are available on our website: [sportnz.org.nz](http://sportnz.org.nz).

Sport NZ is comprised of two main functions: Community Sport (responsible for participation) and Group Strategic Support (building sector capability and supporting the Community Sport and High Performance Strategies).

### HIGH PERFORMANCE SPORT NZ

HPSNZ was established as a Crown entity subsidiary by the Sport NZ Board 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](http://hpsnz.org.nz).

Based at the AUT Millennium Institute of Sport and Health in Auckland, HPSNZ leads the high performance sport system in New Zealand. It works in partnership with NSOs and others so that more New Zealanders can win on the world stage at Olympic and Paralympic Games and at world championships in targeted sports.

## GOVERNANCE OF SPORT NZ AND HPSNZ

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 providing governance and leadership for the agency.

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

- Sir Paul Collins – Chair
- Jason Shoebridge – Deputy Chair
- Jackie Barron
- Darrin Sykes
- Paul Cameron
- Bill Moran
- Hilary Poole
- Kylie Clegg.

HPSNZ is governed by its own Board of Directors, appointed by the Minister for Sport and Recreation as per its constitution. The current Directors are:

- Sir Paul Collins – Chair
- Simon Wickham
- Alison Shanks
- Ian Hunt
- Bill Moran
- Waimarama Taumaunu
- Hilary Poole
- Peter Miskimmin, Sport NZ Chief Executive (*ex officio*).

*Note: The Ministry for Culture and Heritage monitors the performance of the Sport NZ Group, as agent for 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 2016/17.

#### 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 during 2016/17.

#### 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 2016/17.

# STRATEGIC CONTEXT

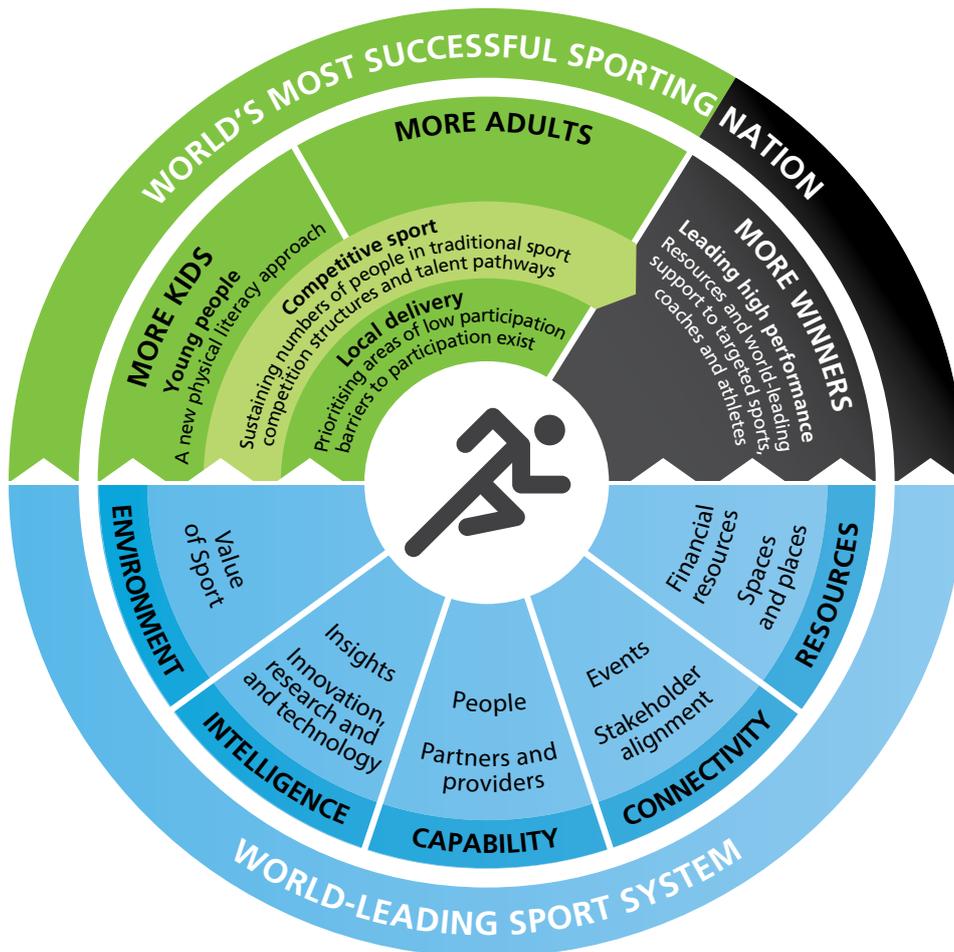
The Sport NZ Group Strategic Plan 2015-20 outlines a vision for New Zealand to be the world's most successful sporting nation, as measured by more kids and adults in sport and active recreation and more winners on the world stage.

Participants and athletes are at the heart of our Strategic Plan. Evidence tells us that people are happier, healthier and better connected to their communities when they participate regularly in sport and active recreation.

We believe that if New Zealanders are to continue to participate and win at sport, the starting point is for young people to be given the chance to develop a love of sport, and the skills and confidence needed for life-long involvement.

We must have a system that is adaptable and accessible, that reduces the barriers to participation. Within this we still need strong clubs – and strong development pathways through competitive sport and into the elite world. We need a world-class high performance system to develop and support our top sporting stars, and we need these stars to continue to win on the world stage so that future generations are inspired to get active and, for some, follow in their footsteps.

The Community Sport Strategy 2015-20 and High Performance Strategic Plan 2013-20 are integral to the Group Strategic Plan 2015-20. More information can be found at [sportnz.org.nz](http://sportnz.org.nz).





# OUR PERFORMANCE

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# OUR PERFORMANCE

This report sets out our progress and results against our Statement of Intent 2015-20 (SOI) and Statement of Performance Expectations 2016/17 (SPE).

Both the SOI and the SPE align with the Sport NZ Group Strategic Plan 2015-20.

## OVERVIEW OF EXPECTED PROGRESS TO 2020

### YEAR 2: 2016/17

System improvement frameworks will be implemented and adopted ✓

Evaluation across priority projects to measure shifts will be in place ✓

Initial findings from Insights programme and others will be provided to the sector and used to guide ongoing improvement actions ✓

Initial return on investment (ROI) metrics across Community Sport investments will be available, providing evidence of system improvement shifts for priority partners – development to continue into 2017/18 ✗

Best practice tools, resources and advice are available to support partner decision-making and delivery ✓

Debrief Rio performance alongside planning and preparation for Tokyo 2020 Olympics and Paralympics, including re-setting investment levels ✓

Development of NSO capability towards greater levels of self-reliance (on track) ✓

*National Measurement Tool* is fully implemented with access to national and regional trend information to support decision-making (pilots completed) ✓

Value of Sport is understood, can be well articulated for multiple audiences, is evidence-based and is used to promote/protect participation – to continue into 2017/18 (foundation research completed) ✗

### YEARS 3-5: 2017-2020

Our medium-term impacts, the changes that we want to see and will make or influence through system improvements, include:

#### FOR SCHOOL-AGED CHILDREN

##### Across targeted school communities:

- Improved physical literacy
- Increased understanding of the value of physical activity and increased confidence to deliver
- Local delivery projects are matched to local sport and physical activity needs
- Sector alignment and collaboration in local delivery provision

##### Across partners and targeted participant groups:

- Increased awareness and improved delivery of age-appropriate coaching
- Increased time allocated to sports coordinator roles

#### FOR ADULTS

- Local delivery projects are matched to local sport and physical activity needs
- Sector alignment and collaboration in local delivery provision
- Clear talent pathways
- More (fit-for-purpose) training available for coaches

#### FOR WINNERS ON THE WORLD STAGE

- Continued success of our high performance athletes across their pinnacle events, in particular, Tokyo 2020 Olympics and Paralympics, 2018 Winter Olympics, 2018 Commonwealth Games and world championships of targeted non-Olympic sports

#### FOR PROGRESS IN ALL AREAS OF A WORLD-LEADING SPORT SYSTEM

- Supportive cross-government and regulatory environment
- Participants demonstrate an understanding of the Value of Sport
- A well-informed, participant-focused sporting system at all levels
- The sector takes a coordinated approach to address workforce challenges
- Across the sector, staff and volunteers feel valued in their role/workplace
- More (and increasingly) collective efforts are being applied to key issues and opportunities across the system to achieve better results (than working alone or less in collaboration could achieve)
- Successful events that provide leverage to meet Sport NZ and wider government goals
- Funds are directed to where they are most needed to have the greatest impact on the sport system, participants and athletes
- There are more fit-for-purpose places that meet participant needs

## COMMUNITY SPORT

Participating in community sport helps build individual wellbeing, brings communities together and keeps feeding and growing our high performance sports system.

In the second full year of our Community Sport Strategy 2015-20 we, along with our partners, have taken further important steps to address declining participation by improving the quality of sport and recreation opportunities available to New Zealanders. Our focus is on young people (5-18 years), so that across the sector we can look to create a life-long love of being physically active.

This is being achieved through a system-build approach including cross-government collaboration, building partner capability, aligning partner initiatives to our core plans and philosophies in areas such as physical literacy, and talent development and locally-led delivery. All of this is underpinned by targeted investment.

Below are summaries of our performance against key priorities for 2016/17 as outlined in our SPE.

### INSIGHTS

In this financial year we formed an Intelligence team, bringing together the three key disciplines of research, evaluation and insights. This has strengthened our ability to be evidence-led, and we also work with our partners to help them connect and share information, understand their impact and better respond to participant needs.

This year we began piloting a revised version of our longstanding *Active NZ Survey*. Through continuous sampling of 20,000 adults and 5,000 young people aged 5-18, the new survey is designed to give greater flexibility over how and when we measure participation in sport and active recreation, as well as insights into the barriers and enablers of participation. The first full year results will be published in early 2018.

We have also continued our *Voice of Participant* programme, and this year 10 NSOs took part in a club member experience survey, generating 25,500 respondents from across New Zealand. For the first time, these 10 sports can track changes in how well they are delivering experiences for their club members. This survey will continue to be run twice a year, and be expanded to include additional NSOs.



### CASE STUDY: NEW ZEALAND FOOTBALL

“Sport NZ’s Voice of Participant programme provides us with a platform to engage with our members so that we better understand what drives their satisfaction within the club environment, through a member experience survey. These insights indicate that our members want a friendly, welcoming and social environment, effective communication, quality facilities and great coaches, as well as an opportunity to reach their full sporting potential – both at social and talented levels.

“In 2017 we will be on the road talking with the community leaders who drive our clubs, reflecting on our successes and our members’ insights and discussing our collective responsibility to remain relevant and provide meaningful engagement opportunities for our communities. To ensure we continue to achieve our stated participation outcomes for men’s football, women’s football and futsal, the needs of our players must remain at the core of our thinking and doing.”

*Cam Mitchell – Community Football Director,  
New Zealand Football*

We also completed our first ever *RST Stakeholder Survey* to better understand how RSTs are working in their key partner networks, which will enable them to develop ways of better influencing regional and local decision-making. The survey is scheduled to be re-run in March 2018.

Since the release in June 2016 of our *Insights Tool* – an interactive online resource/repository of information and data designed specifically for those involved in the sport and recreation sector – we have been delivering

training to maximise its use and effectiveness. All RSTs and a number of local councils, NSOs and consultants are now using the tool to help better meet the sport and active recreation needs of their communities.

STRATEGIC PRIORITY <sup>1</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Insights</b> A well-informed, participant-focused sporting system at all levels Quality participant insights will allow our partners to better target their approach to the needs of participants and those not yet participating, and Sport NZ to better target our investment and expertise over time	Implement <b>Community Sport Insights</b> programme The programme disseminates participant insights at national, local and community levels to our partners and supports their improved capability to interpret and apply insights to their delivery approach	Partners become more responsive to participants' needs, and participants are more satisfied	Improvement in overall NSO Net Promoter Score (NPS) <sup>2</sup> (baseline 43%) and satisfaction (baseline 61%)	Not achieved 40% NPS 61% satisfaction
			Establishing overall RST NPS and overall performance across 14 (out of 14) RSTs	Achieved <sup>3</sup> – overall NPS = 0 Achieved – overall performance (excellent, very good) = 56%
		Partners are connecting and sharing insights information with national, regional and local organisations	20% of RSTs meeting the criteria <sup>4</sup> (excellent or very good) Note: current baseline is 0%, with measurement beginning in 2016/17	Collaboration – 70% baseline 2016/17 Sharing research – 46% baseline 2016/17
		Partners influencing others through insights	20% of partners with this contractual requirement meeting the criteria <sup>5</sup> 0% baseline 2015/16	This is a long-term result due to be reported in 2020
		Partners use the <i>Insights Tool</i>	12 (out of 14) RSTs registered to use the <i>Insights Tool</i> (2015/16 baseline = 3)	Achieved – 14
	14 (out of 14) RSTs completing the <i>Stakeholder Survey</i> (baseline 2015/16 = 0)	Achieved – 14		

<sup>1</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>2</sup> For more information on the NPS, see section above on measuring value to the participant (Insights).

<sup>3</sup> NPS measures customer experience. Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).

<sup>4</sup> Criteria: Results from RST Stakeholder Survey question: "How would you rate the performance of RST X with regards to communicating with you in the following area (from excellent to poor)? – Sharing research, information and knowledge with you that is of relevance and interest to your organisation?"

<sup>5</sup> Criteria: Reporting showing at least one clear example where a key stakeholder (e.g. from Ministry of Health, education sector or local government) has an outcome in their strategies/plans that has been informed by an outcome of the RST or NSO (demonstrated through aligned language).

**OUR PERFORMANCE**  
 Community Sport

STRATEGIC PRIORITY <sup>1</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
System Intelligence	<b>National Measurement Tool</b> is developed to provide annual participation data to inform better decision-making across the sector	National and regional participation levels are available, identifying participation information: who, what, how and why	New participation baselines are developed (by December 2016) and first participation levels are published at year end (2016/17 Annual Report)	Not achieved – The development of baselines was postponed to coincide with the initial results of our new <i>Active NZ Survey</i>
			At least 85% partner satisfaction – NSOs, RSTs and territorial authorities (TAs), e.g. local councils – with information sharing by Sport NZ [2014/15: 93%]	Partially achieved These results are split into two aspects: <ul style="list-style-type: none"> <li>• 86% of partners think that Sport NZ shares important information in a timely manner</li> <li>• 83% of partners get value from Sport NZ resources, knowledge and research</li> </ul>

## PEOPLE

We help our partners to ensure critical roles in the sport and active recreation sector are filled by people with the right skills. We then work closely with them to build their capability to achieve a common purpose, providing more New Zealanders with quality sport and active recreation experiences.

In 2016/17, we worked with seven RSTs to develop their regional workforce plans, guided by Sport NZ's *Workforce Planning Framework*. This included establishing a community of practice from each RST that meets regularly to discuss issues and share ideas relating to attracting, recruiting, supporting, developing and retaining a skilled paid and voluntary workforce in their region.

We have invested in an 18-month professional development plan for each RST CEO. We also began a two-year pilot Innovation Leadership programme, a professional development opportunity for three staff within each RST to learn how to innovate, and bring those skills to life by developing an innovative locally-led project within their region.

Our work to build partner capability included a wide range of workshops to upskill around 250 people employed within our partner network in key areas such as insights, physical literacy, locally-led delivery and coaching.

Through our Coach Developer Training and Performance Coach Advance (PCA) programmes, we continued to build a network of skilled coaches and coach developers. In November 2016, we brought together over 200 coaches from around the country at our Connecting Coaches Conference in Dunedin.

Through our CoachMark process, we worked with 25 NSOs and 14 RSTs to review and develop their coaching systems, working with them to identify priorities for the next 12 months and providing support in these areas.

## CASE STUDY: PERFORMANCE COACH ADVANCE

**Knowing what you don't know**

North Shore-based Gavin Elminger has been a canoe racing coach for 13 years. Attracted by the chance to keep improving his coaching skills, three years ago he joined Sport NZ's PCA programme. This is aimed at developing coaches working with pre-elite athletes who are in the performance arena to advance knowledge, thinking, practice and performance. One of the key ways the programme has done that is to help him see his blind spots as a coach.

"If you don't know what you don't know, you can't change it. Performance Coach Advance has helped me become more self-aware of things I can work on, and open my mind to areas I may not have thought about before."

Ultimately, that's helped Gavin deliver better to the athletes.

"I'm now more focused on empowering them to do their best, and giving them ownership of their own development, so they're the drivers of their own journey."

For Gavin, the non-threatening environment of PCA has made it easy to share concerns and be more open to working with other coaches. "I've definitely become more humble as a coach – to be more willing to share and see other points of view as we go through our own journey as coaches."

STRATEGIC PRIORITY <sup>6</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>People</b> The health of the sport system is heavily influenced by the quality of both paid and volunteer parts of the workforce. In an environment of increasing competition for quality workers, it is essential that there is wide understanding of future workforce needs and a proactive and coordinated approach to workforce planning and development The Community Sport aim is to ensure critical roles (identified in 2015/16) are filled by people with the right skills, at the right time, and for those people to be better connected to achieve a common purpose	Support RSTs to develop Workforce Plans that reflect national and regional workforce priorities	Workforce Plans in place reflect national and regional workforce priorities	4 (out of 14) RSTs with Workforce Plans in place that reflect national and regional priorities (2015/16 baseline: 1/14 RSTs have Workforce Plans in place)	Achieved – 4 RSTs have Workforce Plans in place
	<b>Coaching</b> Deliver Year 3 of Coach Developer training programme Deliver Year 3 of PCA programme Review, with NSO and RST partners, overall coaching system process	A network of skilled coaches supporting participants Partners access the Sport NZ Coach Developer programme to provide extra development for targeted coach developers Partners have a clear development pathway for coaches at all levels Partners have a network of skilled coach developers working with their coaches	20 partners to complete a 'Triversity review' <sup>7</sup> of their Coach Developer programme Establishing overall NPS baseline for the PCA programme	Achieved – 20 partners completed Triversity reviews Achieved – 54 NPS baseline 2016/17

<sup>6</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>7</sup> A Triversity review is a feedback-rich review from three different stakeholder perspectives, aimed at providing the information needed for continuous improvement.

## SPACES AND PLACES (FACILITIES)

Sport NZ provides leadership to help partners create fit-for-purpose sport and recreation facilities that meet the needs of communities now and in the future. Using the *National Sporting Facilities Framework* and our internal expertise, we help partners and key stakeholders (particularly councils) make optimum decisions about what type of new facilities are progressed. This year we have been working on more than 20 projects with a collective value of \$500 million.

We have continued to champion a collaborative regional approach for future facility planning. In 2016/17, we worked with several partners, resulting in four regional plans being finalised. The process to finalise plans includes formal endorsement by regional stakeholders, and this process has taken longer than originally expected. Sport NZ is on track to achieve its aim of all 14 regions having a strategy developed, being implemented and, in some cases, reviewed before the end of 2020.

Alongside this, we have been working with and investing in RSTs and NSOs to establish resources that build overall sector capability for spaces and places provision. This includes work to create a virtual team of facility advisors throughout the RST network to work with partners to implement strategies and improve decision-making.

### CASE STUDY: SPACES AND PLACES

#### Collaboration a key feature of The Peak

A new indoor recreation centre in northeast Hamilton – The Peak Te Pūmanawa o Rototuna – is an exemplar of the collaborative approach to regional facilities planning being championed and supported by Sport NZ.

The 3,470 m<sup>2</sup> facility is the consequence of the Waikato Regional Sports Facilities Plan, which identified the need for indoor courts as a top priority for Hamilton City. Built on the site of the new Rototuna Senior and Junior High Schools, the facility is the result of a partnership between the Ministry of Education, the Rototuna High Schools' Establishment Board of Trustees and Hamilton City Council.

Facilitated by Sport Waikato with assistance from Sport NZ, a collaborative approach and investment from Hamilton City Council has enabled four full-sized indoor courts to be built for school use during the day and community use outside of school hours, instead of the school constructing two three-quarter-sized gymnasiums for use by school students.

The \$9.2 million facility opened in August 2017, and caters to a range of indoor sports including volleyball, basketball, netball, futsal and badminton, as well as community activities such as performance groups.

STRATEGIC PRIORITY <sup>8</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<p><b>Spaces and Places</b></p> <p>The long-term objective is to create more fit-for-purpose spaces and places that are sustainable and meet the needs of communities and sport and recreation participants. For more information, please see the <i>National Sporting Facilities Framework</i> at <a href="http://sportnz.org.nz/managing-sport/strategy-and-policy/better-value-from-new-zealand-sporting-facilities">sportnz.org.nz/managing-sport/strategy-and-policy/better-value-from-new-zealand-sporting-facilities</a></p>	<p><b>Providing leadership</b></p> <p>We will engage across the sector and local and central government, facilitating alignment and collaboration between all those with an interest in the planning and development of sporting facilities</p> <p><b>Guiding investment</b></p> <p>We will use the <i>National Sporting Facilities Framework</i> to help guide and influence investment more wisely in sport and recreation facilities projects</p> <p><b>Enabling others</b></p> <p>We will develop our capacity as a one-stop shop for sporting facility knowledge, resources and expertise</p>	Key national, regional and local organisations work together to identify national, regional and local priorities	<p>6 (out of 14) RSTs<sup>9</sup> with Spaces and Places Plans that reflect national and regional spaces and places priorities and consistent with the <i>National Sporting Facilities Framework</i> (2015/16: 3)</p> <p>200<sup>11</sup> nationwide facilities registered on the <i>National Facilities Benchmarking Tool</i><sup>12</sup> (2015/16: 150)</p>	<p>Not achieved – four regions with completed Spaces and Places (Sports Facility) Strategies are: Northland, Waikato, Hawke's Bay and Bay of Plenty<sup>10</sup></p> <p>Not achieved – 122 registrations</p>

<sup>8</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>9</sup> The Spaces and Places programme extends to 2020, with RST plan results being cumulative e.g. year-on-year.

<sup>10</sup> Auckland region planning commenced in 2016/17 but was not completed at 30 June 2017.

<sup>11</sup> The target of 200 was an initial estimate which has proved to be unrealistic, given the need to improve the original technology to become more user-friendly. This improvement was made in 2016/17.

<sup>12</sup> The National Facilities Benchmarking Tool collects high-level facility operational information annually through a registration process.

## PATHWAYS

Sport NZ's *physical literacy approach* takes a holistic view of the needs of a participant at different life stages and points on their community sport pathway.

During 2016/17, our work to enrol the sector in our *physical literacy approach* included establishing an advocacy group that includes representatives from Sport NZ, sector partners and private organisations working with young people. This group provides consistent messaging, advice, support and tools to the community sport sector to enable effective implementation of practices and programmes consistent with the *physical literacy approach*. To support the group's ongoing learning and expertise, in April 2017 we hosted International Physical Literacy Association (IPLA) Trustee and former Chair Liz Taplin, who met with and facilitated an IPLA foundation training course for the group. This certification has also helped grow the group's value in supporting the wider sector.

Our Talent Plan 2016-20 focuses on growing the capability of the competitive sporting system to keep participants involved in competitive sport and better prepare them for high performance through quality sporting experiences. Over the year, our work to grow understanding and support for this plan has included presentations to the sector, development of resources to help the sector influence change, and working beside identified sector partners to gain learnings to inform future work.

This was the third year of Pathway to Podium (P2P), our nationwide Talent Development programme supporting 299 emerging athletes and 152 coaches. P2P is a joint initiative between Community Sport and HPSNZ, designed to better prepare athletes for the demands of the high performance sports environment. This year 44 graduates became carded athletes within HPSNZ's Athlete Development programme.

STRATEGIC PRIORITY <sup>13</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Pathways</b> There are two parts to this priority: i. Physical literacy – a holistic approach that seeks to understand the needs of a participant at different life stages ii. Talent – this is specifically focused on improving the pathways within the competitive sport environment, to sustain participation within existing competition structures and continue to 'feed' the high performance system	Implement the <i>physical literacy approach</i>	Evidence of alignment of the <i>physical literacy approach</i> across our partners	<b>Physical literacy approach</b> 5 (out of 14) RSTs understand the <i>physical literacy approach</i> and can demonstrate alignment to it	Achieved – 5 out of 14 Sport Northland, Sport Canterbury, Sport Southland, Sport Gisborne and Sport Waikato
	<b>P2P programme</b> for pre-carded athletes continues to operate across the 14 regional hubs	<b>P2P programme</b> is meeting the needs of participating NSOs and athletes	<b>Pathway to Podium</b> 85% NSO satisfaction with the P2P programme <sup>14</sup> (2015/16: 91%) 85% of athletes state the P2P programme is meeting their development needs (2015/16: 91%)	Achieved – 92% NSO satisfaction with the P2P programme Achieved – 90% of athletes state the P2P programme is meeting their development needs
			Increase <sup>15</sup> in the number of athletes reselected for additional year(s) of the P2P programme (2015/16: 250)	Not achieved – 145 athletes reselected

<sup>13</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>14</sup> This measure will be adjusted from 2017/18 forward to reflect value rather than satisfaction.

<sup>15</sup> The current measure does not explain that the Programme is, in effect, a two-year programme. There are Year 1 and Year 2 athletes, as there is a new intake each year. The 2015/16 'baseline' reflects the number attending in the first two-year phase which has a high reselection percentage. As Year 1 athletes transition out of the programme, reselection drops, as expected. The measure does not accurately reflect this drop.



Anna Pratt

## YOUNG PEOPLE

Young people or children aged 5-18 are the focus of our Community Sport Strategy. We along with our partners are focusing on providing better quality opportunities, support and experiences. This will ensure the community sport sector is meeting young people's needs, so they are having fun and the best chance to build a life-long love of being physically active.

To encourage all organisations involved in community sport for young people to explore what 'quality' means to them, this year Sport NZ developed and published indicators. These can be used as a starting point for a facilitated conversation with young people, sports organisations, local authorities and schools – in fact, any person or organisation likely to have an impact on young people's sport and physical activity experiences.

In March 2017, we marked the first anniversary of our flagship project, Play.sport. The Prime Minister and the Minister for Sport and Recreation joined principals, teachers, children and community representatives for a celebration at Upper Hutt's Fergusson Intermediate.

There are now 45 schools in Upper Hutt and Waitakere enrolled in Play.sport, involving around 1,000 teachers and 20,000 children. With the support of ACC and the Ministry of Education, this four-year pilot aims to:

- improve the confidence and competence of teachers
- create quality and engaging PE, sport and physical activity experiences for young people
- improve young people's physical literacy.

Sport in Education (SiE) shares the same underpinning concepts as Play.sport, but is tailored to the secondary school environment. Since 2012, the approach has helped 26 secondary schools around the country use the power of sport to help address academic and social challenges, with great success. Both Play.sport and SiE are among 22 initiatives that form part of the government's Childhood Obesity Plan, promoting cross-government collaboration on social investment to address some of New Zealand's tough issues.

### CASE STUDY: PLAY.SPORT

#### Redefining successful PE

For Year 5/6 teacher Sam Blandford, one of the highlights of Play.sport has been the way in which it has opened up new opportunities for kids to enjoy and be successful in PE.

Play.sport puts a different lens on PE, says Sam, helping him and his fellow teachers at Pinehaven School in Upper Hutt to approach PE differently, have more confidence teaching it and explore ways to integrate PE into other parts of the curriculum, rather than just going out for a game.

He has watched kids for whom PE was a negative experience, because they weren't necessarily good at certain physical skills, become more engaged through success being based not just on these skills, but things such as cooperation and maths work. "Play.sport has highlighted the fact that what you use in a literacy lesson or a maths lesson is just as effective when you're teaching PE," he says. "It's wonderful to see a child who knows they can succeed even though they may not feel like they are amazing at the physical skills – for example, by working well with others and listening to others' ideas."

That's the power of Play.sport, Sam says, and it gives all kids a better chance to succeed.

STRATEGIC PRIORITY <sup>16</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>School-aged Children (5-18)</b> Developing a love of sport at an early age is more likely to encourage life-long participation, hence our strategic focus in this area	<b>Young People Plan (YPP)</b> , developed in 2015/16, is implemented across partners	Evidence of adoption of the YPP across our partners	<b>Young People Plan</b> 5 (out of 14) RSTs will demonstrate alignment with the Sport NZ YPP  Note: zero baseline in 2015/16 as YPP released in 2016/17	Achieved – 5 out of 14 RSTs can demonstrate alignment with the Sport NZ YPP
	<b>Play.sport</b> programme is fully implemented across the pilot schools in Waitakere and Upper Hutt	Full roll-out of the programme across the pilot schools	<b>Play.sport</b> 34 (out of 44) schools have implementation plans in place, which include improvement in competence and confidence of teachers and pupils* for schools implementing the programme in Terms 3 and 4 of the 2016 school year	Achieved – 45 <sup>17</sup> schools have implementation plans in place
		Early evaluation results demonstrate improved competence and confidence of teachers and pupils	(*from baseline developed July 2016)	Year 1 evaluation is complete including a baseline of teachers' confidence and competence
	<b>Sport in Education (SiE)</b> continues to operate across the enrolled schools	The SiE programme supports an increase in school sport participation, improvement in academic achievement and reduction in truancy/behavioural issues	<b>Sport in Education</b> 18 schools participating in the SiE programme (2015/16: 8)	Achieved – 22 schools are participating in the programme at 30 June 2017
			Evaluation results across the 8 initial pilot schools demonstrate an approach that utilises sport as a vehicle to improve student and staff engagement, academic and sporting performance, and to improve links between schools and their communities	Achieved – see final evaluation report <i>Staying the Distance – Sustaining Practice Developed through the Sport in Education Initiative</i> – NZCER 2016

<sup>16</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>17</sup> This is a pilot programme where schools were invited to take part. One school accepted the invitation later than others and we were able to support this school in addition to the original group of 44 schools.

## LOCALLY-LED DELIVERY

Sport NZ's *locally-led delivery approach* is driven off research that tells us low socio-economic communities, as well as communities with larger populations of certain ethnicities tend to have lower levels of participation in sport and active recreation.<sup>18</sup> These communities face different barriers to participation, which requires the sports system to respond differently.

A key focus of locally-led delivery aims to build the capability of RSTs to work collaboratively with local partners and focus resources and energy into targeted communities. To support this, in 2016/17 we established a community of practice for locally-led delivery leads within each RST. The leads are responsible for championing the principles of locally-led delivery within their targeted communities, providing support as communities develop their own aspirations and are empowered to make positive changes in their own lives. Thirteen of the 14 RSTs have been building their capability in locally-led delivery in 2016/17.

Our ongoing work in locally-led delivery also involves engaging with other key partners, including NSOs and councils, to enhance their understanding of the approach so they can promote collaboration at a local level. We are also enhancing our cross-government collaboration to align our approach with similar approaches across other agencies, such as the Ministry of Health's Healthy Families New Zealand pilot.

We have invested \$1.385 million this year in Active – Auckland Sport & Recreation to identify and support local partners in creating quality opportunities for low-participant communities in Auckland. This includes Active working with RSTs to institute Family Fun Clubs, made up of activities for kids and parents alike, and operating a contestable fund for Indian and Samoan community groups to increase participation in their local social environments such as churches.

A new monitoring and evaluation framework has been developed and new measures will be developed.

The following table provides results and commentary against Output Class 1 in the Statement of Performance Expectations 2016/17.



STRATEGIC PRIORITY <sup>19</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Locally-led Delivery</b> The opportunity exists to increase sport uptake by improving the connectivity of all those involved in local delivery This will be particularly targeted towards low-participation communities and where barriers to greater participation exist	The <b>locally-led delivery approach</b> is developed	The <b>locally-led delivery approach</b> is developed and published/communicated to partners	By 31 December 2016	Achieved – the <b>locally-led delivery approach</b> was released to all RSTs and other key partners
	In partnership with selected partners, specific programmes for targeted low-participation communities are being designed and implemented	Programmes implemented for low-participation communities meet participant needs and are consistent with the <i>Local Delivery Approach</i>	50% of target participant group programmes are designed using specific community-based insights and aligned with the <i>Local Delivery Approach</i>	Not measured – the measures on the left are no longer applicable There was a change and the <b>locally-led delivery approach</b> is being implemented through RSTs and integrated with the <i>physical literacy approach</i> and the Insights programme
	This is a new approach, with most of the investments in this area being effective from 1 July 2016		Community feedback demonstrates that the programmes <sup>20</sup> meet their needs and have a positive impact on their participation levels (baseline to be confirmed in 2016/17)	Not measured – the measures on the left are no longer applicable Progress in 2016/17: Our work with low-participation communities has started and is guided by: <ul style="list-style-type: none"> <li>• using data to identify who to target</li> <li>• supporting and working with targeted local communities to design participation to meet their own needs<sup>21</sup></li> </ul> RSTs identified and selected appropriate communities to work with, and collaboration began in several communities The monitoring and evaluation framework design was completed and evaluation commenced

<sup>19</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>20</sup> During 2016/17, the locally-led delivery Approach was adjusted, resulting in the design of a new evaluation framework. The measure of 'community feedback' has been removed.

<sup>21</sup> For further information on what we expect to achieve, see page 9 of The Statement of Performance Expectations 2017/18 [sportnz.org.nz/assets/Uploads/SNZ-SPE-2017.pdf](http://sportnz.org.nz/assets/Uploads/SNZ-SPE-2017.pdf)

## INVESTMENT

Our Community Sport investment aims are to sustain and grow participation through improving the system that delivers sport and active recreation. We assess both system and participation improvements to measure return on investment. In 2016/17, we have placed greater emphasis on seeking system improvements from our partners, and are seeing early evidence of this, with 13 out of 14 regional partners and 15 out of 18 national partners showing improvements across system building initiatives.

Over time, we expect these system improvements to result in our partners demonstrating increased participation, particularly across our targeted low-participation communities.

In line with the priorities set out in our SPE, we undertook reviews of Māori participation and active recreation to inform future investment strategies. The Māori Participation Review's 21 recommendations fall into three overarching themes to help us build stronger engagement with Māori: leadership; cultural capability; and advice, tools and resources. We are now implementing some key immediate actions which include developing a Māori Participation Plan.

A planned 2016/17 review of our Kiwisport Regional Partnership Fund will now take place in 2017/18.

Throughout the year, we also continued to work with major funders such as gaming and community trusts to improve their impact on participation and to fuel the system in a way that best meets the needs of local communities.

STRATEGIC PRIORITY <sup>22</sup>	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Strategy and Investment</b> In 2015/16 a fully contestable process was undertaken to align Community Sport investment (non-programme investment) to national and regional partners against the new Community Sport Strategy. 2016/17 was the first year of this investment The primary purpose of this investment is to seek system improvements across the Community Sport Strategic Priorities of insights, people, spaces and places, partners/providers and pathways The expectation, in the medium term, is that participation levels across our partner NSOs remain at least constant, with increases seen across specific NSOs targeted for growth <sup>23</sup>	Supporting Community Sport investment partners achieve their key performance indicators (KPIs), including monitoring and measuring their performance Specific technical support to partners is reflected under the relevant Strategic Priorities above	Early evidence of system improvement shifts for partners	<b>System improvements</b> RSTs – 12 (out of 14) can demonstrate positive improvements across system building initiatives invested in	Achieved – 13 out of 14 RSTs demonstrated positive improvements across system building initiatives invested in
		NSOs show consistent participation levels NSOs receiving 'Grow' investment have designed programmes to target low-participation communities	NSOs – 10 (out of 18) can demonstrate positive improvements across system building initiatives invested in	Achieved – 15 out of 18 NSOs demonstrated positive improvements across system building initiatives invested in
		<b>Participation</b> 10 (out of 18 NSOs) maintain or improve current membership levels 6 (out of 10 NSOs) receiving 'Grow' investment have designed specific programmes to target low-participation communities	Achieved – 10 NSOs maintained or improved current membership levels Not achieved NSOs are working through Insights projects that will allow them to develop programmes for target participant groups	

<sup>22</sup> In Strategic Priorities, 'Partners' refers to our large investment partners which include 14 RSTs, 10 NSOs with the potential to impact on our target participant groups, and eight large NSOs receiving investment of more than \$160,000 per annum. Therefore, RSTs refers to 14 RSTs and NSOs refers to 18 NSOs.

<sup>23</sup> This work continues into 2017/18. Programme investments include Kiwisport Regional Partnership Fund, Play,sport, Sport in Education, Regional Sport Directors, Rural Travel Fund, Māori Participation, Auckland Target Participant Groups, Coaching, Talent Development and Hillary Expedition.

<p>Undertake reviews across programme investments to confirm alignment with the new Community Sport Strategy, in particular:</p> <ul style="list-style-type: none"> <li>• Māori Participation</li> <li>• Kiwisport Regional</li> <li>• Partnership Fund</li> <li>• Active Recreation</li> </ul>	<p>Investments are aligned to the Community Sport Strategy and the outcomes being sought</p>	<p>Review recommendations are implemented for 2017/18 investments</p>	<p>Not achieved Progress commentary: The <i>Māori Participation in Community Sport Review</i> report was published in May 2017 and is available on our website.<sup>24</sup> The development of the Māori Participation Plan is postponed as we await the appointment of the Senior Advisor Māori Participation</p> <p>The Kiwisport Regional Partnership Fund review has been postponed to 2017/18. This will inform our thinking for the next strategic period 2021-25</p> <p>The <i>Future Proofing the Active Recreation Sector</i> report was published in November 2016. As a result, Sport NZ has developed an action plan that focuses on better intelligence, greater ownership and proactive communication<sup>25</sup></p>
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<sup>24</sup> *Māori Participation in Community Sport Review*  
<http://sportnz.org.nz/managing-sport/search-for-a-resource/tools-and-resources/maori-participation-in-community-sport-report>

<sup>25</sup> *Future Proofing the Active Recreation Sector*  
<http://www.sportnz.org.nz/managing-sport/search-for-a-resource/tools-and-resources/sport-nz-active-recreation-sector>

## SYSTEM BUILD

To build a world-leading community sport system, one that is both responsive and adaptive to participants' needs now and in the future, we identified the different capabilities our partners would need. We also developed guidance and provided support to enable these new capabilities.

Across our priority partners, we have established starting points to assess progress in building partner capability, developed through a subjective assessment by our Community Sport team who work directly with these partners. The assessment has used a combination of our own experts' knowledge and the information provided through partner investment applications. Over time, we expect to reduce the level of subjectivity through collecting a range of evidence to support our assessments.

Expected and desirable progress may differ from partner to partner, but in general we would expect to see a one or two-step progression over the strategic period to 2020. The assessment scale is called the Competency Matrix and includes four levels: Not established (score 0-1), Emerging (score 2-4), Established (score 5-7) and Embedded (score 8-10). The consolidated baselines across priority partners are shown in the table below. The baseline scores confirm urgent priorities in workforce planning and recruitment, a lack of capability to develop and apply insights to sports products and services, and further room for improvement in facility development. Our work in coaching (guiding the people who train coaches) and in partnership working is relatively mature and this is also reflected in the baseline scores.

Strategic Priority	Investment Area	# Partners Assessed	Initial Indicative Baseline*	Indicative Baseline*
<b>INSIGHTS</b>	Customer insight	13	3.77	5.38
	Demographic trends	8	3.38	6.25
<b>PEOPLE</b>	Coaching	32	5.87	6.78
	Workforce	4	2.25	2.75
<b>SPACES AND PLACES</b>	Facility development	5	2.80	3.40
	Collaboration and partnerships	9	3.67	4.22
<b>PATHWAYS</b>	Partnering	12	6.00	6.00
	Provider network	17	6.00	6.00
<b>PROVIDERS</b>	Competition structure	16	4.88	5.69
	Physical literacy	14	4.14	4.86

\* Out of 10 points



## STATEMENT OF PERFORMANCE

### OUTPUT EXPENSE – SPORT AND RECREATION PROGRAMMES

This appropriation is limited to the delivery of programmes in accordance with Sport New Zealand's statutory functions to promote, encourage and support sport and recreation in New Zealand, and the provision of policy advice on and information relating to sport and recreation, including ministerial servicing.

### WHAT IS INTENDED TO BE ACHIEVED

Increased participation in sport and recreation by providing investment, technical expertise, knowledge and information, and technical advice to partner organisations and key stakeholders.

The measures from the Information Supporting the Estimates are summarised below. Other results for HPSNZ are in the section from page 33. The results are shown overleaf.

Assessment of Performance	2016/17 Budget Standard	2016/17 Results
Increase the number of young people and adults participating in Community Sport and memberships registered across priority NSOs	Increase in participation from 2015 baselines	Achieved <sup>26</sup>
Positive return on investment (ROI) for RSTs and NSOs identified as priority partners – indicated by adoption of system improvement frameworks and guidance in addition to participation growth for priority NSOs	Positive ROI	Adoption of system improvement frameworks and participation growth has been achieved <sup>27</sup>
Expert advice, guidance and assistance provided to partners	At least 85% partner satisfaction	Partner satisfaction with service quality: 91% Sport NZ priority partners <sup>28</sup>

We believe that, if these system improvements are made, they will collectively create conditions that will enable quality experiences for participants.

## STRATEGIC OUTCOME 1 – MORE KIDS IN SPORT AND RECREATION

During the strategic period, we undertook to measure the success of the sport sector at Strategic Outcome level and our own success using the Community Sport Strategic Focus Areas and Strategic Priorities.

Strategic Outcome 1 – By 2020, we expect	Past performance <sup>29</sup>
<b>90%</b> of young people doing at least 3 hours of organised and/or informal sport each week	89%
<b>Not less than 60%</b> of young people doing 3+ hours of organised sport each week	56%
<b>Not less than 70%</b> of young people doing 3+ hours of informal sport each week	66%

<sup>26</sup> To monitor participation levels, we monitor membership levels in national sports organisations.

<sup>27</sup> Adoption of system improvement frameworks by sector partners has progressed well in Insights (p13), People (p15), Spaces and Places (p17), though we did not achieve our target, the *physical literacy approach* (p18), the Young People Plan (p20), Play.sport (p19) and system build in Investment measures (p25).

<sup>28</sup> From the 2016/17 *Partner Confidence Survey*. Across all partners: 80% satisfaction with Sport NZ service quality.

<sup>29</sup> Source: Sport NZ's *Young People Survey 2011* (most recent data available)

We expect to have new participation levels for Strategic Outcome 1 by the end of 2017/18. Our *Active NZ Survey* has been designed to provide a more accurate and continuous picture of participants and participation than before. The new survey will enable us to gain important insights into people's needs, barriers and

enablers to their participation. We will also explore and measure the links between participation and our strategic intent to enrich lives and inspire the nation. We expect this information to enable better informed decision-making, not only in the Group, but across the sector.

## OUR STRATEGIC FOCUS AREAS AND INTENDED IMPACTS

Strategic Focus Areas	Expected Progress	Our Impact	How Impact Will Be Measured	Impact Measures (plus initial start points/baselines)	2016/17 Progress Comments										
<p><b>School-aged young people (5-18 years)</b></p> <p>More young people participate in physical activity and sport</p>	<p>An increase in children taking part in 3 hours or more of organised and/or informal sport a week in schools by 2020</p>	<p><b>Play.sport impacts</b></p> <p>Young people in targeted schools participate in quality physical activity (PA), PE and sport</p> <p>Targeted school communities provide quality PA, PE and sport</p> <p>Providers working together to deliver quality physical activity and sport</p>	<p>An evaluation of Play.sport that involves a mixed method approach (qualitative and quantitative measures) to monitor the progress of implementation, to assess the achievement of the outcomes/ impact and to answer specific evaluation questions</p>	<p><b>Indicators</b></p> <p>These results will not be reported until 2019/20</p> <table border="1"> <tr> <td>Quality of learning opportunities</td> <td>57%</td> </tr> <tr> <td>Being physically active in sports and clubs</td> <td>32%</td> </tr> <tr> <td>Enjoyment and confidence</td> <td>53%</td> </tr> <tr> <td>Engagement and belonging</td> <td>56%</td> </tr> <tr> <td>Health and wellbeing</td> <td>32%</td> </tr> </table>	Quality of learning opportunities	57%	Being physically active in sports and clubs	32%	Enjoyment and confidence	53%	Engagement and belonging	56%	Health and wellbeing	32%	<p>Year 1 of Play.sport evaluation has been completed<sup>30</sup></p> <p>Early findings include:</p> <ul style="list-style-type: none"> <li>PE is not integrated into the curriculum</li> <li>Students want more variety and challenge</li> <li>Play.sport workforce is highly valued</li> <li>80% of students like doing PE</li> <li>75% of students and teachers involved in at least one sports team</li> </ul>
Quality of learning opportunities	57%														
Being physically active in sports and clubs	32%														
Enjoyment and confidence	53%														
Engagement and belonging	56%														
Health and wellbeing	32%														

<sup>30</sup> This start point is a summary of survey data from 3185 students at 29 schools that are part of Play.sport. These measures were developed by summarising survey data from questions that relate to each of the five indicators. Student responses were grouped into scores of High, Medium or Low. The measures include the overall percentages for the High group responses. These initial start points will be enriched with additional information throughout the life of the project.

Strategic Focus Areas	Expected Progress	Our Impact	How Impact Will Be Measured	Impact Measures (plus initial start points/baselines)	2016/17 Progress Comments
<p><b>Local Delivery (now called the locally-led delivery approach)</b><sup>31</sup></p> <p>More kids participating through local delivery projects</p>	<p>A 3% increase in participation in supported projects by 2020</p>	<p>Local delivery projects are matched to local need (of the participants)</p> <ul style="list-style-type: none"> <li>• There is sector alignment/ collaboration in local delivery provision</li> </ul> <p>Within targeted local communities we expect to see the following changes:</p> <ul style="list-style-type: none"> <li>• Local leaders are developed to drive the change</li> <li>• The community determines their own needs and solutions</li> <li>• More opportunities are provided to participate</li> <li>• Partners work together to provide long-term solutions</li> <li>• Regular reflection increases learning for all parties involved, feeding into delivery improvements and increased self-reliance on own information by partners</li> </ul>	<p>Evaluation and participant surveys across funded projects</p> <ul style="list-style-type: none"> <li>• Examples of sector collaboration across funded projects</li> </ul> <p>With support from Sport NZ, targeted local communities will, annually:</p> <ul style="list-style-type: none"> <li>• Measure participant numbers (including male/ female, adult/ youth and ethnicity)</li> <li>• Measure participant retention</li> <li>• Survey the participants to gather their views</li> <li>• Catalogue their story of change</li> </ul>	<p>To be determined in 2017/18 to support these long-term outcomes:</p> <p>Targeted communities have a sense of pride and belonging</p> <p>Targeted communities are more physically active</p> <p>Targeted communities (and individuals) experience positive social, cultural, environmental and economic change)</p>	<p>The <i>locally-led delivery approach</i> is being implemented through RSTs and integrated with the <i>physical literacy approach</i> and the Insights programme</p> <p>RSTs have given early indications of adopting the <i>locally-led delivery approach</i>, including working in partnership to design community-led initiatives</p> <p>These 3 approaches lead our work with low-participation communities by:</p> <ul style="list-style-type: none"> <li>• using data to identify who to target</li> <li>• supporting and working with targeted local communities to design participation to meet their own needs</li> </ul> <p>RSTs identified and selected appropriate communities to work with and collaboration began in several communities</p>

<sup>31</sup> The activities and priorities for the *locally-led delivery approach* have changed since the Statement of Performance Expectations 2016/17 was published. Accordingly the measures will be updated. For further information on what we expect to achieve, see page 9 of the Statement of Performance Expectations 2017/18 available at [sportnz.org.nz/assets/Uploads/SNZ-SPE-2017.pdf](https://sportnz.org.nz/assets/Uploads/SNZ-SPE-2017.pdf)

Strategic Focus Areas	Expected Progress	Our Impact	How Impact Will Be Measured	Impact Measures (plus initial start points/baselines)	2016/17 Progress Comments
<b>Competitive Sport</b> More kids participating through formal competitive structures	An increase in high engagement participation reported from partners by 2020	We will apply resources to increase the delivery capability of priority partners in the following ways:	<b>Across partners and school communities</b> • School surveys through coach and participant surveys <sup>32</sup>	Evaluation arrangements to be confirmed	Progress comments: Secondary school sport participation 53% average (NZSSC, 2016)
		<ul style="list-style-type: none"> <li>• Application of the <i>physical literacy approach</i> in delivery</li> <li>• Increased awareness and improved delivery of age-appropriate coaching</li> </ul>			<i>Physical literacy approach</i> implemented  Awaiting new evaluation to be confirmed

## STRATEGIC OUTCOME 2 – MORE NEW ZEALANDERS INVOLVED IN SPORT AND RECREATION

During the strategic period, we undertook to measure the success of the sport sector at Strategic Outcome level and our own success using the Community Sport Strategic Focus Areas and Strategic Priorities.

By 2020, we expect	Past performance <sup>33</sup>
An increase in adult participation	74% of adults took part in sport and recreation in any given week
An increase in volunteering	28.6% volunteered in sport

We expect to have new participation levels for Strategic Outcome 2 by the end of 2017/18. Our *Active NZ Survey* has been designed to provide a more accurate and continuous picture of participants and participation than before. The new survey will enable us to gain important insights into people's needs, barriers and enablers to their participation. We will also explore and measure the links between participation and our strategic intent to enrich lives and inspire the nation. We expect this information to enable better informed decision-making, not only in the Group, but across the sector.

*We monitor membership numbers across 18 priority partners and note an increase in 10 of these NSOs from 2015/16.*

<sup>32</sup> Source: Sport NZ's *Young People Survey 2011* (most recent data available).

<sup>33</sup> Source: *Active NZ Survey 2013/14*.

## OUR STRATEGIC FOCUS AREAS AND INTENDED IMPACTS

Strategic Focus Areas <sup>34</sup>	Expected Progress	Our Impact	How Impact Will Be Measured	Impact Measures (plus initial start points/baselines)	2016/17 Progress Comments
<p><b>Local Delivery</b> (now called the <i>locally-led delivery approach</i>)<sup>35</sup></p> <p>More adults participating through local delivery projects</p>	A 3% increase in participation in supported projects by 2020	<p>Local delivery projects are matched to local need (of the participants)</p> <ul style="list-style-type: none"> <li>• There is sector alignment/ collaboration in local delivery provision</li> </ul> <p>Within targeted local communities we expect to see the following changes:</p> <ul style="list-style-type: none"> <li>• Local leaders are developed to drive the change</li> <li>• The community determines their own needs and solutions</li> <li>• More opportunities are provided to participate</li> <li>• Partners work together to provide long-term solutions</li> <li>• Regular reflection increases learning for all parties involved, feeding into delivery improvements and increased self-reliance on own information by partners</li> </ul>	<p>Evaluation and participant surveys across funded projects</p> <ul style="list-style-type: none"> <li>• Examples of sector collaboration across funded projects</li> </ul> <p>With support from Sport NZ, targeted local communities will, annually:</p> <ul style="list-style-type: none"> <li>• Measure participant numbers (including male/ female, adult/ youth and ethnicity)</li> <li>• Measure participant retention</li> <li>• Survey the participants to gather their views</li> <li>• Catalogue their story of change</li> </ul>	<p>To be determined in 2017/18 to support these long-term outcomes:</p> <p>Targeted communities have a sense of pride and belonging</p> <p>Targeted communities are more physically active</p> <p>Targeted communities (and individuals experience positive social, cultural, environmental and economic change)</p>	<p>To be determined in 2017/18 to support these long-term outcomes:</p> <p>Targeted communities have a sense of pride and belonging</p> <p>Targeted communities are more physically active</p> <p>Targeted communities (and individuals experience positive social, cultural, environmental and economic change)</p>
<p><b>Competitive Sport</b> – more adults participating through formal competitive structures</p>	<p>Across target participant groups and Strategic Focus Areas:</p> <ul style="list-style-type: none"> <li>• Increased awareness and improved delivery of age-appropriate coaching</li> <li>• Improved participant/ athlete development frameworks, including clear talent pathways</li> <li>• Increased coaches receiving fit-for-purpose training</li> </ul>	<p>Across targeted sports:</p> <ul style="list-style-type: none"> <li>• Annual performance assessment against related KPIs</li> <li>• Coach and participant surveys across specific projects</li> </ul>	<p>Developed new guidance and advice to support change including <i>physical literacy approach</i>, YPP, Talent Plan, Insights Tool and others</p> <p><i>Physical literacy approach</i> is being implemented through workshops and contains broad guidance on age and stage-appropriate development</p>	<p>Evaluation arrangements to be confirmed</p>	<p>New guidance and advice provided to sector, including <i>physical literacy approach</i></p>

<sup>34</sup> For *locally-led delivery approach* progress, see Strategic Focus Area table in Outcome 1 on page 29.

<sup>35</sup> The activities and priorities for the *locally-led delivery approach* have changed since the Statement of Performance Expectations 2016/17 was published. Accordingly the measures will be updated. For further information on what we expect to achieve, see page 9 of the Statement of Performance Expectations 2017/18 available at [sportnz.org.nz/assets/Uploads/SNZ-SPE-2017.pdf](http://sportnz.org.nz/assets/Uploads/SNZ-SPE-2017.pdf)

## COST OF SERVICE BY OUTPUT EXPENSE: SPORT AND RECREATION PROGRAMMES

For the year ended 30 June 2017

ACTUAL 2016 \$000		ACTUAL 2017 \$000	BUDGET 2017 \$000
19,151	Crown funding	19,151	19,151
39,702	Other operating revenue	56,405	42,885
<b>58,853</b>	<b>Total revenue</b>	<b>75,556</b>	<b>62,036</b>
	Less expenses		
47,267	Sector investment and consulting	47,017	47,857
2,989	Programme management	4,751	3,632
12,025	Technical advice and resources	10,103	10,532
1,634	Policy advice	1,343	1,339
1,432	Knowledge and information	1,589	1,653
<b>65,347</b>	<b>Total expenses</b>	<b>64,803</b>	<b>65,103</b>
<b>(6,494)</b>	<b>Net operating surplus/(deficit)</b>	<b>10,753</b>	<b>(2,977)</b>

## WORLD CUPS OFFICE

ACTUAL 2016 \$000		ACTUAL 2017 \$000	BUDGET 2017 \$000
-	Crown funding	2,950	-
-	Other operating revenue	-	-
<b>-</b>	<b>Total revenue</b>	<b>2,950</b>	<b>-</b>
	Less expenses	2,754	-
-	Sector investment and consulting	-	-
205	World Cups Office	299	398
<b>205</b>	<b>Total expenses</b>	<b>3,053</b>	<b>398</b>
<b>(205)</b>	<b>Net operating surplus/(deficit)</b>	<b>(103)</b>	<b>(398)</b>

# HIGH PERFORMANCE SPORT NZ



The Government invests in high performance sport for the many benefits it brings to our country, including the national pride we feel when we see New Zealanders standing on the podium.

HPSNZ was established in 2011 to create a performance-driven, athlete-focused and coach-led system that provides athletes with world-class support services and facilities, so they can focus solely on performance. To give us a competitive advantage over other nations, we work collaboratively with our partners, harness world-leading best practice, and respond quickly and decisively to meet the needs of our athletes.



This year we refreshed our strategy to achieve our vision of: more New Zealanders winning on the world stage, supported by our mission to create a world-leading, sustainable high performance sport system; our performance-driven, athlete-focused, coach-led philosophy; and our values of excellence, integrity and collaboration. Our Strategic Plan 2017-2020 sets out seven priorities:

- Lead a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes
- Work in partnership to increase the stability and high performance capability of NSOs
- Partner with NSOs to build world-leading coaching and high performance programme leadership
- Deliver world-leading performance support for our athletes and coaches
- Enhance the daily training and competition environments
- Strengthen high performance athlete development (HPAD) systems
- Lead an integrated and robust innovation, technology and knowledge programme to drive increased performance.



Following the hugely successful Rio Olympic and Paralympic Games, this year we transitioned into a new cycle. Our focus remains on system build, set up and implementing our learnings from the Rio cycle. A defining strength of the New Zealand system is purposeful collaboration across our stakeholders. With less than 1,000 days to go to Tokyo and the Winter Olympics and Commonwealth Games imminent, quality and continuous engagement with partners will be crucial throughout the Tokyo cycle.

Below are summaries of our performance against key priorities for 2016/17, as outlined in our SPE.

## INVESTMENT

### NSO HIGH PERFORMANCE INITIATIVES

Our investment priorities are sports and athletes with medal potential at the Summer and Winter Olympic Games, non-Olympic targeted sports that can win at world championships, and sports and athletes with gold medal potential at the Summer and Winter Paralympic Games. We provide investment into NSOs to support their high performance programmes.

In December 2016, HPSNZ announced a \$35 million core investment programme for 2017. This represents the first year of two, three and four-year funding agreements with NSOs. Over the four-year Tokyo cycle, HPSNZ will invest almost \$250 million into New Zealand's high performance sporting system.

The decision followed detailed reviews of performance across the Rio cycle. However, past performance is just one of four contestable investment criteria used by HPSNZ, along with future potential, quality of the individual sports' high performance programme and campaigns, and aspects of the individual sport context.

With 90% of HPSNZ staff frontline, and 92% of investment this year directly supporting sporting organisations, our drive for effectiveness and efficiency ensures the maximum use of resources with minimal duplication in an environment where New Zealand faces increasing financial and other challenges to remain world leading.

### PRIME MINISTER'S SPORT SCHOLARSHIPS

In 2016/17, HPSNZ invested just over \$3.8 million in high performance athlete, coach, official and support personnel development through the Prime Minister's Sport Scholarships. HPSNZ administers this funding to support these individuals and groups in achieving educational or professional qualifications while continuing in sport.

The Athlete Scholarships programme invests in educational opportunities that assist New Zealand's top athletic talent to develop holistically outside sport in ways that contribute to their post-athletic careers and make our athlete talent pool more sustainable. The programme supports the achievement of tertiary and vocational qualifications while pursuing excellence in sport. HPSNZ invested around \$2 million in support for high performance athletes in 2016/17.

The Coach, Official and Support Team Scholarships programmes support professional development activities (for example, accreditation requirements, business coaching, mentoring, training, internships, conferences, study visits, observations at key sporting events, discussions on best practice, on-the-job shadowing, participation in peer network activities, international committees or working groups, peer review of professional work, travel, accommodation, incidentals and reimbursement for lost income). Of the \$3.8 million, HPSNZ invested over \$1.6 million in coaches (\$800,000 in Coach Accelerator), officials (\$180,000) and support team personnel (\$620,000) in 2016/17.

**SECTOR INVESTMENT AND MANAGEMENT**

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2016/17 RESULTS
Investment to support NSO high performance initiatives	Sport NZ invests in high performance sport, on the recommendation of HPSNZ, to achieve high performance outcomes	At least 85% of total high performance funding will be invested in high performance programmes and initiatives <sup>36</sup> [2015/16: 92%]	Achieved – 89% of total high performance funding was invested in high performance programmes and initiatives
Investment	Sport NZ invests in the development of high performance athletes, coaches, officials and support personnel through the allocation of Prime Minister’s Sport Scholarships as administered independently and recommended by HPSNZ	Administration costs are less than 4% of the total funding [2015/16: 3.6%] At least 300 athlete scholarships are awarded [2015/16: 394 athlete scholarships] At least 100 coach, official and support team scholarships are awarded [2015/16: 197 coach, officials, support team scholarships]	Achieved – 2016/17: 2.7%  Achieved – 312 athletes  Achieved – 139 awards



<sup>36</sup> 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.

## HIGH PERFORMANCE EXPERTISE

HPSNZ leads a highly effective high performance system in partnership with NSOs and peak bodies that ensures resources are targeted and prioritised to deliver performance outcomes. Our targeting of podium potential sports and athletes has overseen the continued improvement of Olympic results, with New Zealand rising from 19th to 14th in world ranking, while retaining the number one Paralympic medals per capita status.

Our evidence-based approach to the monitoring and evaluation of programmes and campaigns ensures resources continue to enhance performance, and with a conversion rate of 53% (vs an international average of 34%), our approach is working.

We work with NSOs, the New Zealand Olympic Committee (NZOC) and Paralympics New Zealand to lead the broader high performance system. Together we deliver initiatives to address system-wide issues and create engagement that connects, shares and informs New Zealand on high performance good practice. An example of such collaboration is the biennial Performance Summit held in collaboration with the NZOC and Paralympics New Zealand.

This year the Summit connected over 290 delegates from across 39 sports within the New Zealand high performance sport community. With a focus on lessons from the Rio cycle, the summit was a catalyst for effective preparation for future pinnacle events.

Feedback from this year's summit has been very positive, with over 93% of survey respondents finding the summit valuable or extremely valuable.

## NSO CAPABILITY

To support system sustainability, we work purposefully in partnership to increase NSO high performance capability. We worked with each of the 11 targeted NSOs to enhance their capability and capacity to meet the changing requirements for winning performance.

Our goal is to increase NSO self-reliance to support athlete success, and this year we've worked closely with targeted NSOs such as rowing, athletics and netball to evaluate their high performance programmes and identify opportunities that impact performance.

We work directly with targeted sports to support high performance programme strategy development and support mechanisms, as well as leadership and coach development. In addition, we work with Sport NZ to enhance organisational development support for prioritised NSOs in the broader capability areas such as governance, HR, finance, commercial and IT. This year we continued to provide consulting and expert technical support and world-class high performance planning and preparation for targeted sports and medal potential campaigns.

### PERFORMANCE SUMMIT 2017 – BURLING AND TUKE SESSION

The Performance Summit 2017 offered a unique opportunity to engage in campaign learning workshops and hear the stories and key learnings from some of New Zealand's world-leading athletes and coaches.

Learnings from campaigns are used to improve future campaigns and provide valuable lessons to inform other campaigns and high performance programmes, ultimately improving the New Zealand high performance sport system.

Feedback from participants of the Pete Burling and Blair Tuke session included:

"The coach and athlete workshops were well structured, great preparation and generous sharing of content."

"Understanding the insights into the coach-player relationship, and how these can be so different dependent on the individuals involved, was incredibly valuable and applicable to my environment."

"I found the yachting campaign learning workshop provided excellent insights into their planning and preparation ... that will influence how our campaign prepares for Tokyo."

"The campaign learning sessions were excellent. I particularly found it valuable to gain insight on how these athletes found their pathway, travelled, competed and performed. I will take many learnings from it and hopefully be able to apply to other individual athletes who travel and compete."

## TECHNICAL ADVICE AND RESOURCES

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2016/17 RESULTS
Technical advice for high performance expertise	HPSNZ provides expert advice, guidance and assistance to NSOs to improve the delivery of their high performance programmes' athlete development	At least 85% partner satisfaction with quality of consultancy provided <sup>37</sup> [2015/16: 96%]	Achieved – 93% <sup>38</sup>

## ATHLETE SUPPORT SERVICES

### PERFORMANCE SUPPORT

Our team of experts deliver world-leading performance support for New Zealand athletes and coaches. In 2016/17, our team supported 582 athletes and more than 100 coaches through performance knowledge, experience and support.

With more than 70% of staff embedded within Athlete Support Services, 500,000 hours of athlete performance support were provided by our experts to athletes and coaches in preparation for Rio. To ensure seamless transition between the training and games environment, more than 30 frontline dedicated HPSNZ performance specialists provided continuous support to athletes on the ground throughout the Games.

Athlete-focused support helps athletes maximise their potential to achieve at pinnacle events and is supported by our use of innovative practices to go beyond existing knowledge. We do this to achieve sustainable success by developing our people and monitoring their wellbeing, creating specific pathways and ensuring robust recruitment and retention strategies.

### COACHING AND LEADERSHIP

In partnership with NSOs, our goal is to develop world-leading coaching and leadership programmes that prioritise coaching and create an environment where athletes are provided with the quality of coaching they need to win. Over the Rio cycle, there has been an increase from 38 to 68 full-time coaching roles across HPSNZ targeted sports, and full-time coaching equivalents (FTEs) increasing from 48 to 83, creating more time for coaches to coach.

Significant progress has also been made in growing coach capability (through the Coach Performance programme) and leadership, building coaching capacity (through increased full-time roles and FTEs) and introducing Coaching Managers in some of the larger NSOs. This reflects the growing prioritisation of coaching by NSOs.

We are also focused on developing a collaborative high performance coaching community that supports coaches, encourages cross-sport learning and grows New Zealand's coaching knowledge. In 2017, we welcomed our largest intake ever of 14 coaches in the Coach Accelerator programme, following a record intake of the Coach Campaign Leadership programme in 2016.

In addition to enhancing individual and collective leadership capability, we retained our focus on improving the connectedness and performance sustainability of the New Zealand system by supporting NSOs to build an environment to attract and retain the key high performance people.

### ATHLETE DEVELOPMENT

To support the future of high performance sport in New Zealand, we are committed to strengthening HPAD systems.

With evidence-based pathways now in place for 10 targeted sports (and five others in progress), we are supporting NSOs to develop effective HPAD systems and pathways to deliver the number and quality of athletes required to meet or exceed future medal targets. This year there are dedicated HPAD leaders in all 11 targeted sports (up from four post-London),

<sup>37</sup> Partners receiving targeted investment.

<sup>38</sup> Caution in interpreting results as the question was revised in 2016/17 as follows: How would you rate the quality of HPSNZ specialist services and consultancy overall? [Excellent, Good, Adequate, Poor, Very Poor].

and with greater capacity in HPAD coaching we are seeing more effective development earlier in athletes' careers.

Our drive to lead and support a better understanding of HPAD across the high performance system is focused on growing and developing HPAD capability in the form of sharing good practice, HPAD forums and collaboration with high performance leadership capability.

Feedback from our HPAD forums held this year has been very positive, with survey respondents rating the overall contribution 100% positive, and 83.3% very good or excellent when asked to rate the HPAD Leaders' forum. We also continue to work collaboratively with Sport NZ to improve the whole of sport pathway alignment through the development and implementation of the P2P programme. In addition, with the recent introduction of emerging Talent Performance Enhancement Grants (PEGs), we are also targeting support gaps and directly supporting next-cycle athletes to assist in their development towards high performance.

#### **FACILITIES (DAILY TRAINING ENVIRONMENT)**

HPSNZ operates out of a network of world-class facilities around the country. Across the network, we provide training, performance and recovery environments to meet the requirements of elite sport under one roof. In 2016/17, New Zealand athletes accessed our performance hubs in Auckland, Cambridge, Wellington, Christchurch, Dunedin and Wanaka. We have also invested in new high performance facilities at Wero (Manukau) Auckland and Karapiro – more information on these can be found on page 52 in the Group Strategic Support section.

In addition, we partner with the NZOC, Paralympics New Zealand and NSOs to create performance environments at the Olympic and Paralympic Games. For example, there were specially designated Rio Preparation and Recovery areas, developed in partnership with NZOC, to help Kiwi athletes find that extra edge in the white-hot environment of Olympic competition. Based in the Rio Olympic Village, the areas focused primarily on aiding preparation and recovery for athletes in the New Zealand Olympic team. Led by HPSNZ's General Manager for Athlete Performance Support, it was the first-time Kiwis were able to access such a facility at an Olympic Games, playing a crucial role in maximising athlete potential.

#### **INNOVATION AND TECHNOLOGY**

HPSNZ leads an integrated and robust innovation, technology and knowledge programme to drive increased performance. With a constant focus on performance, we ensure resources are effectively allocated and our network of innovation expertise is harnessed to develop and implement solutions to improve athlete performance.

We work in partnership with athletes, coaches and sports to develop and deliver applied innovation projects to solve performance issues, and are currently overseeing 17 live projects, 15 of which we forecast to complete this year. Through 'Knowledge for Tokyo', our goal is to improve collective NSO capability in pinnacle event learning to enhance decision-making and uncover cross-sport insights. Over the next year, HPSNZ will be working closely with the 'innovation ready' sports to put a Tokyo cycle innovation plan in place, to increase efficacy within and across sports, and ensure the projects are appropriately aligned to sports strategies and have an impact on overall performance.



## THE GOLDMINE PROGRAMME

### Pole Vault Analysis system

*"This system has fundamentally changed the way I coach."*

#### Jeremy McColl (Eliza McCartney's Coach)

The Pole Vault Analysis system, developed by Goldmine, optimises the coaching process by providing real-time visual and statistical feedback to the athletes. The provision of real-time objective feedback optimises the athlete's ability to learn and alter techniques from an evidence-based approach. The fixed camera positions allow novel longitudinal performance comparisons and innovative perspectives of performance that have enhanced the subsequent coaching interventions.

### Rowing and Kayak Rover Android app

*"This is a real game changer for us."*

#### Gordon Walker (Lisa Carrington's Coach)

The Rowing and Kayak Rover Android app, developed by Goldmine, leverages the ANT+ communication capability of Rover 2 units to display GPS data in real time on Android mobile devices. The project enables coaches to use real-time data irrespective of coaching mode (motor boat, kayak, bike), maximising the availability of objective data in the training environment.

### KZ1 Instrumented Paddle Enhancement

*"Thanks Goldmine for giving us a competitive edge for our 2016 campaign."*

#### Women's K4 500 m

The KZ1 Instrumented Paddle Enhancement, developed by Goldmine, generates data to use to describe paddling technique, reference force curves against blade orientation and allow calculation of power metrics for training monitoring. It maximises the implementation of the motion-sensing technology housed within KZ1 instrumented kayak paddles to provide paddle 3D kinematic output.

## ATHLETE SERVICES

KEY ACTIVITY	KEY OUTPUT	KEY INDICATOR	2016/17 RESULTS
High performance athlete support services	HPSNZ directly supports athletes through the allocation of grants and the provision of specialist services <sup>39</sup>	At least 85% of coaches and athletes say that HPSNZ support and training environment positively impacts performance [2016: athletes = 91%, coaches = 94%] PEGs allocated to at least 200 high performance athletes [2016: 251 athletes] 400 athletes receive funding and/or access to services through the high performance system [2016: 559 athletes]	83% of athletes and 81% of coaches recognised the support and training environments positively impacted performance Achieved – 2016: 235 Achieved – 2016: 514

<sup>39</sup> For example, exercise physiology, biomechanics, strength and conditioning, nutrition, physiotherapy, massage, planning, athlete life and medical services.



## STATEMENT OF PERFORMANCE

This appropriation is limited to delivery of initiatives aimed at improved sports performance at the elite level.

### WHAT IS INTENDED TO BE ACHIEVED

More New Zealanders winning on the world stage at Olympic/Paralympic Games and World Championships in targeted sports by leading the high performance sport system in New Zealand, working in partnership with NSOs and key stakeholders to allocate resources and provide support to impact NSO, coach and athlete performance.

### OUTPUT EXPENSE – HIGH PERFORMANCE SPORT

#### STRATEGIC OUTCOME 3 – MORE NEW ZEALAND WINNERS ON THE WORLD STAGE

PINNACLE EVENT	TARGET RESULTS	PAST PERFORMANCE	RESULTS
Medals at Olympic Summer Games	14+ in 2016 16+ in 2020	2012: 13 medals	Rio 2016: 18
Medals at Olympic Winter Games	1 in 2018	2014: 0 medals	N/A
Gold medals at Paralympic Summer Games	12 in 2016 10-14 in 2020	2012: 6 medals	Rio 2016: 9 gold and 21 total medals*
Gold medals at Paralympic Winter Games	1 in 2018	2014: 0 medals	N/A

\* Paralympics results were under the expected gold medal target, but still surpassed London results by 3 medals and retaining New Zealand's first place in the world on the per capita medal table.

**TO MONITOR PROGRESS IN THE FOUR-YEAR OLYMPIC CYCLE WE CHECK ANNUAL RESULTS:**

ANNUAL RESULTS SOUGHT	COMPARATOR	2012 RESULTS	2016 RESULTS
Consistent number of NZ 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. 2011 compared to 2015, a year out from Olympic Games in 2016	Athletes/teams in world championships/similar events across Olympic disciplines	Athletes/teams in world championships/similar events across Olympic disciplines
Budgeted standard		Top 3: 13	Top 3: 20
Top 3: 5		Top 5: 25	Top 5: 33
Top 5: 7		Top 8: 37	Top 8: 46
Top 8: 15			
Consistent number of NZ 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. 2011 compared to 2015, a year out from Olympic Games in 2016	Top 3: 17 Top 5: 27	Top 3: 21 Top 5: 32

**WORLD CHAMPIONSHIP AND PINNACLE EVENTS**

We also monitor the number of athletes or teams who win at world championship events (or agreed pinnacle events) in targeted non-Olympic sports in a calendar year. In 2015, netball was the targeted non-Olympic sport, and the Silver Ferns finished second in the 2015 Netball World Cup in Sydney.

**Surf Life Saving – Rescue  
2016 (World Surf Life Saving  
Championships)**
 Gold – Black Fins

**Bowls – World Bowls 2016**
 Gold – Men's Singles

**Squash – World Doubles  
Championships 2016**
 Gold – Women's

 Gold – Men's Fours

 Gold – Mixed

 Silver – Women's Pairs

 Bronze – Men's

 Bronze – Men's Pairs

 Bronze – Men's Triples

 Bronze – Women's Singles

 Bronze – Women's Fours

## THE IMPACT WE EXPECT TO SEE AS A RESULT OF OUR HIGH PERFORMANCE PROGRAMME IS:

OUR IMPACT	HOW IMPACT WILL BE MEASURED	RESULTS
More than 80% of high performance programme goals are achieved by targeted sports	Across targeted sports: annual performance assessments across related KPIs	2016: 91% of high performance programme goals were achieved by targeted sports

### World Championship Results - Olympic

Sport	Athlete/Team	Event	Result
Athletics	Tom Walsh	Shot Put	1 <sup>st</sup>
Cycling	New Zealand	Team Sprint-M	1 <sup>st</sup>
Rugby Sevens	New Zealand	World Series-W	1 <sup>st</sup>
Cycling	New Zealand	Team Pursuit-M	2 <sup>nd</sup>
Cycling	Ethan Mitchell	Individual Sprint	3 <sup>rd</sup>
Cycling	New Zealand	Team Pursuit-W	3 <sup>rd</sup>
Ice Sports	New Zealand	Team Pursuit	2 <sup>nd</sup>
Ice Sports	Peter Michael	5000m	3 <sup>rd</sup>
Snow Sports	Zoi Synnott Sadowski	Snowboard-Slopestyle	2 <sup>nd</sup>
Snow Sports	Jamie Prebble	Ski-Cross	2 <sup>nd</sup>

Still to come in 2017 – Canoe Racing, Canoe Slalom, Rowing, Trampoline, Shooting, Triathlon

### World Championship Results - Paralympic

Sport	Athlete/Team	Event	Result
Para Alpine	Corey Peters	Ski - Super G (Sitting)	2 <sup>nd</sup>
Para Alpine	Corey Peters	Ski - Downhill (Sitting)	2 <sup>nd</sup>
Para Alpine	Adam Hall	Ski - Slalom (Standing)	3 <sup>rd</sup>
Para Athletics	William Stedman	800m T36	2 <sup>nd</sup>
Para Athletics	Holly Robinson	Javelin F46	2 <sup>nd</sup>
Para Athletics	Keegan Pitcher	800m T36	3 <sup>rd</sup>
Para Athletics	Keegan Pitcher	400m T36	3 <sup>rd</sup>
Para Athletics	Jessica Hamill	Shot Put F34	3 <sup>rd</sup>

Still to come in 2017 – Para Swimming

### World Championship Results – non-Olympic

Sport	Athlete/Team	Event	Result
Bowls*	Shannon McIlroy	Men's Singles	1 <sup>st</sup>
Bowls*	New Zealand	Men's Fours	1 <sup>st</sup>
Bowls*	New Zealand	Women's Pairs	2 <sup>nd</sup>
Bowls*	New Zealand	Men's Pairs	3 <sup>rd</sup>
Bowls*	New Zealand	Men's Triples	3 <sup>rd</sup>
Bowls*	Jo Edwards	Women's Singles	3 <sup>rd</sup>
Bowls*	New Zealand	Women's Fours	3 <sup>rd</sup>
Softball	Black Sox	Men's	1 <sup>st</sup>
Squash	New Zealand	Women's Doubles	1 <sup>st</sup>
Squash	New Zealand	Mixed Doubles	1 <sup>st</sup>
Squash	New Zealand	Men's Doubles	2 <sup>nd</sup>
Surf Life Saving*	Black Fins	Rescue 2016	1 <sup>st</sup>

Still to come in 2017 – Rugby League  
\* Results achieved late 2016

## COST OF SERVICE BY OUTPUT EXPENSE: HIGH PERFORMANCE SPORT

For the year ended 30 June 2017

ACTUAL 2016 \$000		ACTUAL 2017 \$000	BUDGET 2017 \$000
58,192	Crown funding	62,192	62,192
7,675	Other operating revenue	4,125	4,277
<b>65,867</b>	<b>Total revenue</b>	<b>66,317</b>	<b>66,469</b>
	Less expenses		
41,120	– Sector investment and consulting	40,197	40,384
1,657	– Infrastructure expenditure	1,501	1,867
1,909	– Programme management	2,032	4,338
6,502	– Technical advice and resources	6,088	7,448
14,439	– HP athlete services	14,234	15,196
<b>65,627</b>	<b>Total expenses</b>	<b>64,052</b>	<b>69,233</b>
<b>240</b>	<b>Net operating surplus/(deficit)</b>	<b>2,265</b>	<b>(2,764)</b>

## COST OF SERVICE BY OUTPUT EXPENSE: PRIME MINISTER'S SPORT SCHOLARSHIPS

For the year ended 30 June 2017

ACTUAL 2016 \$000		ACTUAL 2017 \$000	BUDGET 2017 \$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>
	Less expenses		
4,883	– Sector investment	3,835	4,250
154	– Programme management	115	141
<b>5,037</b>	<b>Total expenses</b>	<b>3,950</b>	<b>4,391</b>
<b>(787)</b>	<b>Net operating surplus/(deficit)</b>	<b>300</b>	<b>(141)</b>

## GROUP STRATEGIC SUPPORT

With an overall aim to build a world-leading sport system, the role of Sport NZ Group Strategic Support is to help further the strategic objectives of and ensure alignment between Community Sport and HPSNZ.

The Sport NZ teams involved in the work of Group Strategic Support provide a combination of frontline advice to sector partners, sector-wide policy and research, and the suite of corporate services supporting the Sport NZ Group business.

Below are summaries of our performance against key priorities for 2016/17 as outlined in our SPE.

## POLICY ADVICE

Sport NZ advises the Minister for Sport and Recreation on matters ranging from local community participation, the high performance system and challenges to the integrity of sport. The Minister's Office was satisfied with Sport NZ's ministerial servicing in 2016/17. In that year, we provided 91 per cent of briefings and correspondence in the agreed timeframes, missing our benchmark of 95 per cent mainly due to increased activity.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
Policy advice <sup>40</sup>	Sport NZ provides high-quality policy advice to the Minister for Sport and Recreation	The Office of the Minister for Sport and Recreation is satisfied with ministerial servicing 2015/16: Achieved	<i>Comparative information from other entities:</i> Ministry for Culture and Heritage: Ministerial satisfaction with the quality and timeliness of advice Budget 2015 standard 80% Actual performance 60%  <i>Source: mch.govt.nz/annual-report-2008/annual-report-2015/vote-arts-culture-and-heritage-policy-advice-monitoring-funded</i>	Achieved
		95% of briefings and correspondence provided to the Minister for Sport and Recreation in the agreed timeframes 2015/16: 98%	<i>Comparative information from another entity:</i> 97.2% ministerial correspondence replies completed within 20 working days of receipt by the Ministry of Social Development, unless otherwise agreed  <i>Source: msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/2014-2015/assessing-our-performance.html</i>	Not achieved – 91%

<sup>40</sup> In addition to ministerial servicing, Sport NZ responded to 25 of 28 requests under the Official Information Act 1982 within 20 working days.



## SYSTEM INTELLIGENCE

Decisions made in a world-leading sport system must be evidence-based and in line with current trends. This year the Sport NZ Intelligence team piloted a *National Measurement Tool* – a revised version of our longstanding *Active NZ Survey* – to provide annual participation data and ultimately help our sector partners make better informed decisions.

We also completed our first ever *Stakeholder Survey* on how RSTs are working with their key partner networks to help them better influence regional and local decision-making. We expect to run the survey again in March 2018. More information on these initiatives can be found in the Community Sport section.

## VALUE OF SPORT

Sport NZ has a leading role in ensuring New Zealanders understand the wider value of sport to individual health, wellbeing and personal development, and for bringing families and communities together. Key outputs from our Value of Sport work in 2016/17 included a literature review and a report comprising quantitative data on what New Zealanders value.

The findings of this report are now being prepared for release and will also inform and be embedded in our communications and marketing activity.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
System Intelligence	<i>National Measurement Tool</i> is developed to provide annual participation data to inform better decision-making across the sector	National and regional participation levels are available, identifying participation information: who, what, how and why	New participation baselines are developed (by December 2016) and first participation levels are published at year end (2016/17 Annual Report)	Not achieved – The development of baselines was postponed to coincide with the initial results of our new <i>Active NZ Survey</i>
			At least 85% partner satisfaction – NSOs, RSTs and territorial authorities (TAs), e.g. local councils – with information sharing by Sport NZ [2014/15: 93%]	Partially achieved These results are split into two aspects: <ul style="list-style-type: none"> <li>•86% of partners think that Sport NZ shares important information in a timely manner</li> <li>•83% of partners get value from Sport NZ resources, knowledge and research</li> </ul>

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Value of Sport</b> Understanding and communicating the evidence base around the value of sport to New Zealanders	Continue to lead cross-agency integrity group Foundation work (research to draw together an evidence base) Communication campaign (promote) Integrity (protect)	Value of Sport is understood, can be well articulated for multiple audiences, evidence-based and used to promote/protect participation	The following are in place: Value of Sport evidence base/foundation is completed. To include: <ul style="list-style-type: none"> <li>• a body of evidence on Value of Sport</li> <li>• consistency in the way we talk about and understand value</li> <li>• communication campaigns incorporate the Value of Sport story across selected priority activities</li> </ul>	Not achieved <sup>41</sup> Cross-agency integrity group continued Value of Sport foundation research stage completed Statements of the value of sport have been finalised, ready for communication

## SYSTEM CONNECTIVITY

World-leading systems rely on high levels of collaboration. A key leadership role for Sport NZ is to facilitate collaboration by bringing people together to explore opportunities for mutual benefit and to learn from one another. This builds relationships and understanding, and better positions us to achieve our outcomes of growing participation and winning on the world stage.

In 2016/17, we continued to facilitate collaboration on many fronts. This included bringing our traditional NSO and RST partners together, and extended to hosted sessions with Young People Leads from within RSTs. These forums are a critical part of our connectivity approach in Community Sport, and extend to locally-led delivery, secondary school coordinators, as well as Play.sport staff.



<sup>41</sup> The project was completed in 2016/17, with recommendations and value statements approved by the Board on 10 July. The feasibility of a communications campaign is being considered in 2017/18. For the purposes of Strategic Outcome 4, Environment, the result is expected after 2017/18.

**OUR PERFORMANCE**  
Group Strategic Support

The 2016/17 year also marked a continued effort to build work to forge cross-government leverage toward shared outcomes, formalising a connection with the Ministry of Education and furthering collaborative work with ACC and the Ministry of Health. Work is underway to partner with the Department of Internal Affairs, the Ministry of Social Development and Local Government NZ in the coming year.

May 2017 marked the 10th anniversary of our annual Connections Conference for sport and recreation

sector leaders. Themed *Partnerships and Collaboration*, this year we broadened the conference to around 200 delegates, including leaders of RSTs and NSOs through to government and local community organisations. Attendees shared what best practice partnerships and collaboration look like in a range of sport and community contexts – from local, regional, national and international perspectives. The conference was a resounding success, with an 85 per cent satisfaction rate and networking opportunities described as invaluable.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<p><b>System Connectivity</b></p> <p>The sport system, as with any system, can only be as effective as the quality of its connections</p> <p>We will continue to create opportunities to bring the right people together and facilitate discussion that better positions us to address problems or take advantage of opportunities</p>	<p>Cross-government leverage to achieve shared outcomes</p> <p>Connections Conference</p> <p>Partner/provider forums</p>	<p>Evidence of multiple stakeholders across the system working collaboratively to achieve common objectives</p> <p>Stakeholders, partners and providers satisfied at quality of opportunities provided</p>	<p>Strategic relationships in place with other government agencies to achieve shared outcomes</p> <p>Satisfaction ratings: Connections Conference – target 80% satisfied [76% in 2015/16]</p> <p><i>Partner Confidence Survey</i> – target 80% satisfied with support in coordinating or connecting SportNZ Group personnel/teams to improve operations [2015/16: 72%]</p>	<p>Achieved<sup>42</sup></p> <p>Achieved – Connections Conference 85% satisfaction rating</p> <p>Not achieved – 72%</p>



<sup>42</sup> For Strategic Outcome 4, Environment, this result shows progress towards the system impact of relevant government initiatives. A relevant regulatory change is due to be made in 2018.

## SYSTEM CAPABILITY

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

In 2016/17, our Business Capability team's work included:

- investing directly in NSO commercial capability
- helping our partners develop commercial strategies
- providing best practice advice, templates, training and resources to our partners' finance departments
- supporting best practice recruitment and offering advice in areas of people management, remuneration and health and safety
- assisting our partners in digital transformation and delivering fit-for-purpose, cost-efficient IT solutions.

A key area for sector capability is quality of governance, and in 2016/17 we awarded the first Sport NZ Governance Mark to Sport Wellington. To achieve the mark, an organisation must have processes in place for director recruitment, clarity on roles, well-structured meetings and a culture of external accountability. A further 19 of our partners are now working towards the mark.

In addition to the Governance Mark process, we supported director recruitment and selection, strategic planning, and online and face-to-face governance training, together with our Women in Governance programme. In its fifth year in 2016/17, Women in Governance provides mentor support for women currently on boards, or scholarships to further understanding of governance. Sport NZ has a target of 40 per cent women on sport and recreation sector boards by 2020, and in 2016/17 we helped the sector reach 35 per cent.

Financial stability is a cornerstone of a sustainable system, and many NSOs operate with less than 90 days of available capital to meet their short-term cash flow requirements. We continue to work towards a benchmark of 80 per cent of NSOs with 90 days or more cover – 60 per cent of NSOs met this benchmark in 2016/17. In addition, 24 per cent of partners have enough cash to cover expenses for periods of between 30 and 90 days. As this is the first year monitoring partners' financial results, the 80% target can be viewed as a test measure which assists in setting a baseline for the future. Partners who have 30 days or less are being provided financial assistance to help them move towards a more stable reserve amount.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>System Capability</b> Capability in the system is a critical element of system sustainability We aim to ensure sufficient capability in the system by providing: <ul style="list-style-type: none"> <li>• individual partner capability initiatives</li> <li>• system-wide improvements and support for financially vulnerable partners</li> </ul>	A range of partner capability support System-wide improvement: workforce planning and development	<b>Financial stability</b> More partners can meet their short-term cash flow requirements	80% of NSO and RST partners have 90+ days of available capital	Not achieved – 60% (2016/17 baseline)
		<b>Commercial performance</b> Partners receiving commercial support demonstrate an appropriate Commercial Performance Index (CPI, which is a ratio of commercial revenue compared to commercial costs) and reduced commercial risk	Baseline in 2015/16: 15 organisations had an average CPI of over 10, with an average CPI of 22.5	Achieved – 10 of 11 organisations had an average CPI of over 10, with an average of 32.8 <sup>43</sup>

<sup>43</sup> This is a provisional result based on 11 organisations.

**OUR PERFORMANCE**  
 Group Strategic Support

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
		<p><b>Quality of governance</b></p> <p>More partners receiving governance support can demonstrate an improvement in their governance</p> <p>More partners receiving governance support demonstrate appropriate levels of women in governance roles</p>	<p>2015 baseline: zero organisations have achieved the Governance Quality Mark as it has just been launched; targeting 35 organisations by 2020</p> <p>Women in governance improved to 34% in 2015 from a starting point of 27% in 2012</p> <p>Sport NZ has a 2020 target of a minimum of 40% women on sector boards by 2020</p>	<p>Achieved – one organisation achieved the Governance Quality Mark</p> <p>Achieved – 35%</p>
		<p><b>Workforce planning</b></p> <p>We identify ways for partners to attract the right people to critical roles within the high performance sport system and the Community Sport system</p>	<p>Complete our workforce planning foundation projects to improve retention of critical roles and engagement of sector staff; baselines are yet to be established</p>	<p>Partially achieved – 5 of 6 projects completed<sup>44</sup></p> <p>4 profiles of critical roles completed (2016/17 baseline)</p>
		<p><b>Partners value our support</b></p>	<p>At least 80% partner organisation satisfaction (priority partners) with the quality of capability consultancy [2015/16: 75%]</p>	<p>Achieved – 80% partner satisfaction (91% satisfaction of priority partners)</p>

## SYSTEM FUNDING

The sport system benefits from multiple funding sources. Sport NZ has a key role to ensure this funding is both aligned and maximised. One critical source of funding comes from Class 4 Gaming proceeds (gambling in pubs and clubs), which provides approximately \$120 million of funds to amateur sports. In 2016/17, as part of a legislative review of 'Class 4' Gaming, we engaged in a working group to improve the impact and sustainability of Class 4 funding. We also aligned our recently appointed regional partnership managers to the more significant Class 4 societies to build connections and influence.

The commission from sports betting is another important and growing source of funding. As part of changes to the Racing Act 2003, Sport NZ is working with the New Zealand Racing Board on the use of funds in the sports sector. The Bill had its first reading in August 2017.

To align with the government's interest in public-private partnerships, we also seek opportunities to increase system funding from the private sector. Our Black Gold programme was established in 2014 as a philanthropy-seeking partnership between the Sport NZ Group and the NZOC to increase investment in the sport system. In the period to the Rio Olympics, Black Gold raised \$9.35 million for the sport sector at a cost of around \$1.5 million to Sport NZ.

A review of Black Gold following the Rio Olympics found that the programme has largely achieved our original objectives and there is a strong future value proposition over the longer term. This year we appointed a Director for the new version of the programme heading into the Tokyo Olympics and Paralympics – Black Gold 2020. This will be a key element of the wider commercial strategy we will progress in 2017/18.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>System Funding<sup>45</sup></b> With funding from multiple sources, including user pays schemes, central and local government, commercial partners, gaming trusts etc., there are opportunities to ensure funding is aligned, sustainable and used wisely  There are also opportunities to further increase funding into the system	Collaboration with other funders to achieve greater alignment	Revenue opportunities for the Sport NZ Group and the wider system are maximised	Evidence of funder alignment as a result of Sport NZ facilitation and leadership	Achieved with gaming trusts and NZ Racing Board
	Commercial (including marketing strategy)		Commercialisation strategy is developed and early evidence of impact is available	Partially achieved – an initial brand strategy was developed but the timeline has been extended into 2017/18
	Black Gold review (philanthropic strategy)		The Black Gold programme is reviewed	Achieved – Black Gold will be adjusted and continue

<sup>45</sup> These results contribute to Outcome 4 in the Resources attribute.

## MAJOR AND MEGA EVENTS

Hosting world-class sporting events showcases our country globally, inspires more Kiwis to participate in sport, and brings economic and social benefits to our communities. This year New Zealand hosted two major events – the World Masters Games and the DHL New Zealand Lions Series.

The World Masters Games is the largest multi-sport event in the world and April 2017 saw Auckland host more than 28,000 participants in 28 sports across 48 competition venues. Nearly 4,000 volunteers helped make the event a huge success, and around 1,800 of those have expressed interest in future events through national sporting and recreation organisations.

The Lions Series was a much-anticipated tour that saw the British & Irish Lions play three tests against the All Blacks and seven other matches between June and July 2017. The economic benefits are still being assessed, but are likely to surpass the previous Lions Series, which attracted more than 20,000 international visitors and had an overall positive impact on GDP estimated at \$135 million.

In partnership with the Ministry of Business, Innovation and Employment's New Zealand Major Events team, Auckland Tourism, Events and Economic Development, the Ministry for Culture and Heritage, and many other central and local government agencies, Sport NZ's World Cups Office team met our project deliverables for both events and is now focused on the Rugby League World Cup 2017.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Major and Mega Events<sup>46</sup></b> The National Events Strategy <sup>47</sup> highlights the value of hosting national and international events in New Zealand, both for NZ Inc and the specific sport	<b>Mega event delivery</b> Prospecting Plan implementation	NZ hosted events (World Masters Games and Lions Tour) – core government services are coordinated and successfully delivered Event hosts are supported to deliver successful bids for future events	Project deliverables met for NZ-hosted events  At least 80% partner satisfaction (priority NSOs, RSTs and TAs) with the quality of events consultancy [2015/16: 83%]	Achieved  Achieved – 82% <sup>48</sup>

<sup>46</sup> These results contribute to Outcome 4 in the Resources attribute. The Rugby League World Cup 2017 is due to finish in December 2017.

<sup>47</sup> Mega events are the largest type of event which attract global media coverage and have an impact on NZ's international reputation. See p17 of the NZ Sports Events Strategy for more information <http://www.sportnz.org.nz/managing-sport/strategy-and-policy/better-outcomes-from-new-zealand-sporting-events>.

<sup>48</sup> Caution small sample size (n=11). Future methodology is under consideration.

## HIGH PERFORMANCE FACILITIES

We continued work on our *National Sporting Facilities Framework* in 2016/17 and several targeted Facilities of National Significance are currently in near completion, design and build stages:

- Canoe Slalom High Performance Training Centre – Vector Wero, Manukau: the centre is substantively complete and operational
- National Equestrian Centre – Taupō: the centre is 90 per cent complete and operational
- Metro Sports Hub – Christchurch: detailed design is now close to completion and has HPSNZ (future tenant) and Christchurch City Council (future landlord) approval
- Ngā Puna Wai – Christchurch: Sport NZ investment in the sports hub is on track and the project is now launched, but requires further cost engineering and revenue raising
- Canoe Racing NZ High Performance Centre and Perry Community Water Sports Centre – Karapiro: construction is underway and scheduled for completion in summer 2017/18.

STRATEGIC PRIORITY	2016/17 PLANNED ACTIVITIES	2016/17 EXPECTED RESULTS	2016/17 RESULT MEASURES	2016/17 RESULTS
<b>Facilities</b> Using the <i>National Sporting Facilities Framework</i> we will continue to ensure the planning, investment, building and management of sport facilities are best practice and aligned to a national plan	Facilities of National Significance are supported in design and build stages	Developed facilities are fit-for-purpose and, where relevant, attract a significant proportion of private investment	Metro (Christchurch) – detailed design is judged to meet both community sport and high performance sport needs	Achieved
			Ngā Puna Wai (Christchurch) – detailed design is judged to meet community sport needs	Achieved
			<sup>49</sup> Facility investments are aligned to the <i>National Sporting Facilities Framework</i> – 90% alignment	Achieved

<sup>49</sup> This relates to external funding.

## STRATEGIC OUTCOME 4 – PROGRESS IN ALL AREAS OF A WORLD-LEADING SPORT SYSTEM

### WORLD-LEADING SPORT SYSTEM VIEW

The New Zealand sport system is large, complex and made up of many sub-systems. The system spans commercial, state services and community sectors.

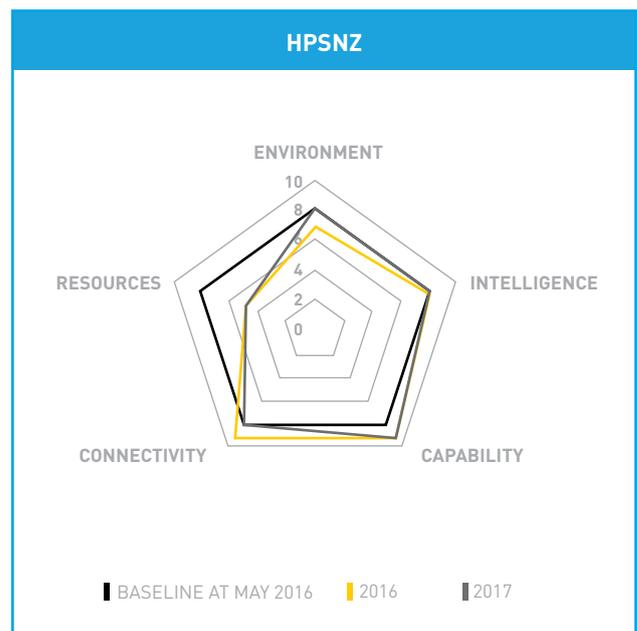
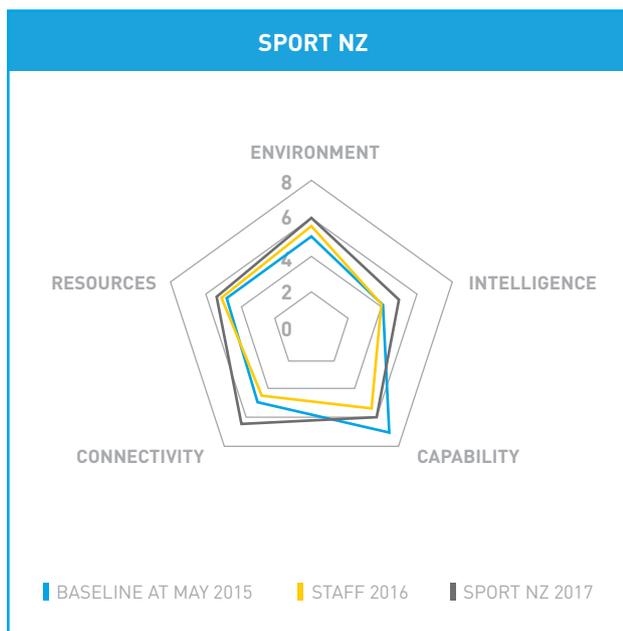
To deliver the Group Strategic Plan 2015-2020, which encompasses the supporting strategies in the Community Sport Strategy and HPSNZ Strategic Plan, we rely on progress being made across different areas of the sport system. We identified five attributes of a world-leading sport system where we consider 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.

### 2016/17 PROGRESS

Most RST partners and 26 NSO partners gave their appraisals of the sport system, and in Environment assessed that sport is valued highly by New Zealanders and integral to our culture. Together with our partners, we take a very broad look at the system and score each attribute, informed by changing risks and challenges. This is a broad, rolling appraisal which complements other information we have developed. For example, other sources suggest there is a challenge for clubs to respond to the needs of participants, so progress in intelligence varies across the system.

The diagrams below illustrate the shifts in our views of the system:



The 1-10 scale is very broad, ranging from:

- 1 being *'Absent – at the start of the journey to world-leading'* to
- 5 being *'Satisfactory for now – meeting current needs but little future focus and preparation'*, up to
- 10 being *'World class – recognised as being world-leading by international peers, anticipates accurately and meets changing needs of participant-focused system'*.



## OUR STRATEGIC PRIORITIES AND INTENDED IMPACTS

Our desired outcome is to develop and sustain a world-leading sport system at national, regional and local levels, as appropriate, across New Zealand. We identified the system 'attributes' or enablers we believe are key to this progress. Through our planning processes, which we are increasingly extending to sector partners, we have identified significant gaps. Through our roles as investor, consultant and support provider, we will concentrate our efforts towards addressing these gaps in the attribute areas below.

To mark the progress of our Group Strategic Plan 2015-2020, we set out the medium-term impacts and results we intended to achieve in our SOI 2015-2020. Information on progress is given in the table in Appendix 2. HPSNZ's performance is based on a calendar year to align with international seasons for Olympic discipline sports. The HPSNZ results in Appendix 2 are for the year ending 31 December 2016.



# OUR FINANCIALS



## STATEMENT OF RESPONSIBILITY

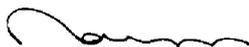
We are responsible for the preparation of Sport and Recreation New Zealand's financial statements and statements of performance and for the judgements made in them.

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.

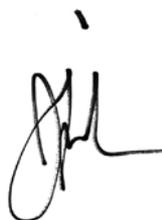
In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Sport and Recreation New Zealand for the year ended June 2017.

On behalf of the Sport New Zealand Board.



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**SIR PAUL COLLINS**  
CHAIR SPORT NZ AND HPSNZ  
11 OCTOBER 2017



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**JASON SHOEBRIDGE**  
DEPUTY CHAIR SPORT NZ  
11 OCTOBER 2017

# INDEPENDENT AUDITOR'S REPORT

## To the readers of Sport New Zealand Group's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of the Sport New Zealand 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 of the Group on his behalf.

### Opinion

We have audited:

- the financial statements of the Group on pages 63 to 82, that comprise the statement of financial position as at 30 June 2017, 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 statement of accounting policies and other explanatory information; and
- the performance information of the Group, that comprises the 2016/17 results, impact measures, and cost of service by output expense statements on pages 12 to 54.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; 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 the Public Benefit Entity Reporting Standards; and
- the performance information:
  - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2017, 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; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on date 12 October 2017. 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 opinion.

### **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 1 July 2016 – 30 June 2017, the Statement of Intent 1 July 2015 - 30 June 2020, and the Estimates and Supplementary Estimates of Appropriations 2016/17.

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 on pages 5 to 11, 56, 61 to 62, and 83 to 95, and the information on pages 12 to 54 that is not expressly covered by our audit opinion. It does not include the financial statements and the audited performance information, or 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.

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 1 (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.

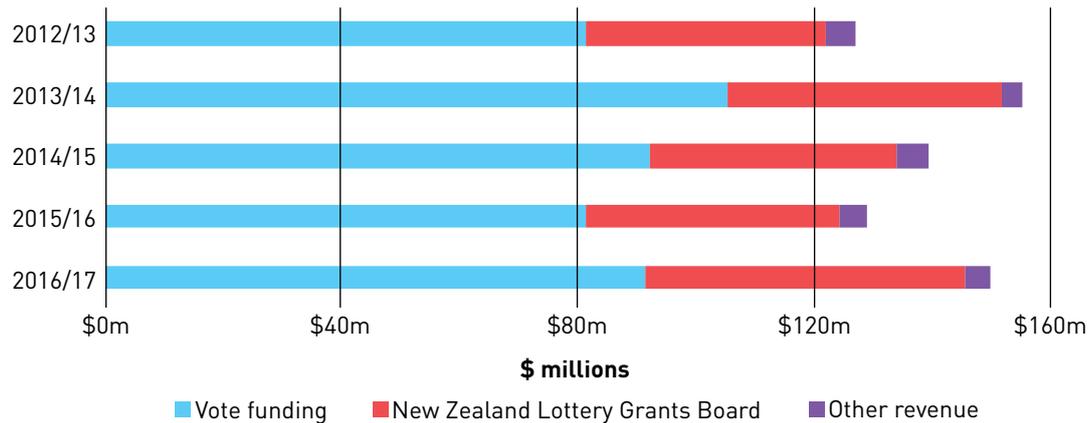


Chrissie Murray  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## 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).

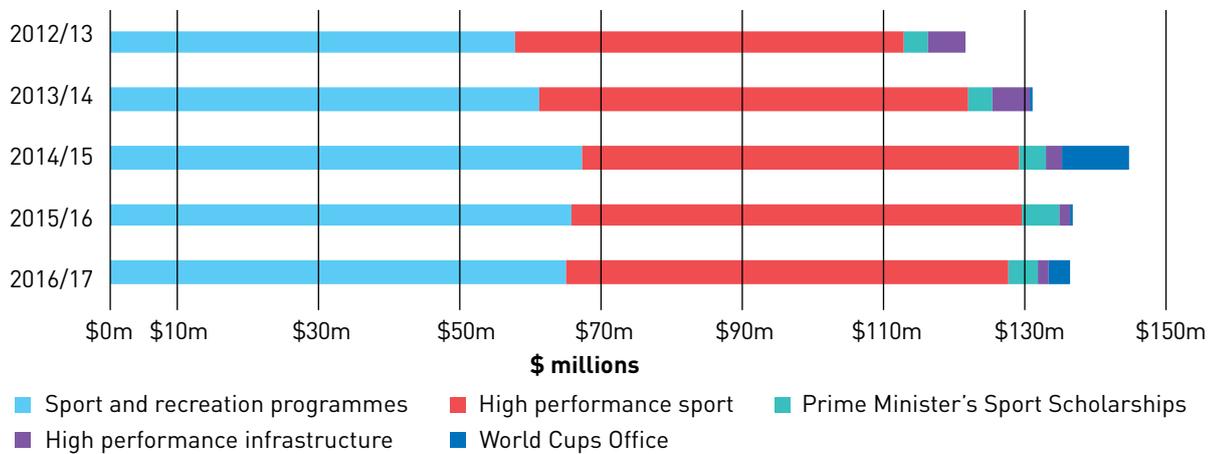
**Chart One: Revenue Trends from 2012/13 to 2016/17**



Crown funding has increased in 2016/17 because of a baseline increase to high performance funding of \$4 million per annum in recognition of the growing challenges in remaining competitive on the world stage. A further one-off receipt of \$2.950 million to support leverage and legacy programmes related to the 2017 Lions Tour was also received. 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.

Due to an exceptional 2016/17 financial year by Lotto NZ, additional Lotteries revenue of \$15.857 million was received, which was partially offset by a change in revenue recognition in the prior year, and which reduced revenue by \$3.519 million.

Chart Two: Expenditure Trends from 2012/13 to 2017/18



The increased expenditure in sport and recreation programmes has been for new initiatives to support the Community Sport Strategy, in particular, Pathway to Podium and Play.sport, and an increase in sport specialists supporting sector partners.

Expenditure related to high performance programmes has increased through the Olympic cycle, made possible by additional Crown funding.

World Cups Office expenditure peaked in 2014/15 related to the 2015 Cricket World Cup leverage and legacy programmes and in 2016/17 for the 2017 Lions Tour.



# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2017

ACTUAL 2016 \$000		Notes	ACTUAL 2017 \$000	BUDGET 2017 \$000
<b>Revenue</b>				
81,593	Crown funding		88,543	85,593
42,823	New Zealand Lottery Grants Board		56,100	43,823
912	Interest revenue		709	889
3,642	Sundry revenue		3,721	4,550
<b>128,970</b>	<b>Total revenue</b>	<b>2</b>	<b>149,073</b>	<b>134,855</b>
<b>Sector investments</b>				
1,221	Investment consulting		1,247	1,187
92,149	Partner investments		92,816	91,722
675	Infrastructure investments		1,458	4,338
<b>94,045</b>	<b>Total sector investments</b>	<b>3</b>	<b>95,521</b>	<b>97,247</b>
<b>Operating expenditure</b>				
218	Board member remuneration	21	236	230
22,009	Personnel costs	4	22,549	23,840
7,271	Professional and technical services	5	6,115	6,663
2,143	Leased property		2,331	2,335
2,425	Depreciation and amortisation	9,11	1,684	1,665
8,105	Other operating costs		7,409	9,155
<b>42,171</b>	<b>Total operating expenditure</b>		<b>40,324</b>	<b>43,888</b>
<b>136,216</b>	<b>Total expenditure</b>		<b>135,845</b>	<b>141,135</b>
<b>(7,246)</b>	<b>Net operating surplus/(deficit)</b>		<b>13,228</b>	<b>(6,280)</b>
-	Loss on disposal of assets		13	-
<b>(7,246)</b>	<b>Surplus/(deficit)</b>		<b>13,215</b>	<b>(6,280)</b>
-	Other comprehensive revenue and expense		-	-
<b>(7,246)</b>	<b>Total comprehensive revenue and expense</b>		<b>13,215</b>	<b>(6,280)</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 26.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

ACTUAL 2016 \$000		Notes	ACTUAL 2017 \$000	BUDGET 2017 \$000
<b>Assets</b>				
<b>CURRENT ASSETS</b>				
17,058	Cash and cash equivalents	6	12,026	889
15,211	Trade and other receivables	7	24,106	12,837
403	Prepayments		204	20
33	Inventories		-	-
-	Investments	8	11,000	11,060
<b>32,705</b>	<b>Total current assets</b>		<b>47,336</b>	<b>24,806</b>
<b>NON-CURRENT ASSETS</b>				
3,587	Property, plant and equipment	9	2,716	2,831
1,028	Intangible assets	11	892	919
111	Loans	12	26	235
<b>4,726</b>	<b>Total non-current assets</b>		<b>3,634</b>	<b>3,985</b>
<b>37,431</b>	<b>Total assets</b>		<b>50,970</b>	<b>28,791</b>
<b>Liabilities</b>				
<b>CURRENT LIABILITIES</b>				
5,376	Trade and other payables	13	5,846	9,415
668	Revenue received in advance	14	646	480
1,693	Employee entitlements	15	1,707	1,386
105	Provisions	16	150	-
<b>7,842</b>	<b>Total current liabilities</b>		<b>8,349</b>	<b>11,281</b>
<b>NON-CURRENT LIABILITIES</b>				
214	Provisions	16	31	-
<b>214</b>	<b>Total non-current liabilities</b>		<b>31</b>	<b>-</b>
<b>8,056</b>	<b>Total liabilities</b>		<b>8,380</b>	<b>11,281</b>
<b>29,375</b>	<b>Net assets</b>		<b>42,590</b>	<b>17,510</b>
<b>29,375</b>	<b>Total public equity</b>		<b>42,590</b>	<b>17,510</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 26.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

ACTUAL 2016 \$000		ACTUAL 2017 \$000	BUDGET 2017 \$000
36,621	Opening public equity	29,375	23,790
(7,246)	Total comprehensive income	13,215	(6,280)
<b>29,375</b>	<b>Closing public equity</b>	<b>42,590</b>	<b>17,510</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 26.*

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

ACTUAL 2016 \$000	Notes	ACTUAL 2017 \$000	BUDGET 2017 \$000
<b>Cash flows from operating activities</b>			
<b>CASH INFLOWS</b>			
81,593	Crown funding	88,543	85,593
37,529	New Zealand Lotteries Grants Board	47,651	42,682
4,067	Sundry revenue	3,104	5,092
1,051	Interest received	621	889
227	Goods and services tax (net)	290	-
<b>124,467</b>	<b>Total cash inflows</b>	<b>140,209</b>	<b>134,256</b>
<b>CASH OUTFLOWS</b>			
	Payments to suppliers		
93,818	- Sector investment	94,882	95,177
18,449	- Other payments	16,201	19,767
<b>112,267</b>	<b>Total payments to suppliers</b>	<b>111,083</b>	<b>114,944</b>
21,906	Payments to employees	22,471	23,060
<b>134,173</b>	<b>Total cash outflows</b>	<b>133,554</b>	<b>138,004</b>
<b>(9,706)</b>	<b>Net cash Inflows/(outflows) from operating activities</b>	<b>6,655</b>	<b>(3,748)</b>
<b>Cash flows from investing activities</b>			
<b>CASH INFLOWS</b>			
5	Disposal of fixed assets	3	-
-	Loan repayments	-	20
24,500	Investments maturing	-	4,424
<b>24,505</b>	<b>Total cash inflows</b>	<b>3</b>	<b>4,444</b>
<b>CASH OUTFLOWS</b>			
885	Purchase of property, plant and equipment	459	756
441	Purchase of intangible assets	231	195
-	Acquisitions of investments	11,000	-
<b>1,326</b>	<b>Total cash outflows</b>	<b>11,690</b>	<b>951</b>
<b>23,179</b>	<b>Net cash inflows/(outflows) from investing activities</b>	<b>(11,687)</b>	<b>3,493</b>
<b>13,473</b>	<b>Net increase/(decrease) in cash held</b>	<b>(5,032)</b>	<b>(255)</b>
3,585	Opening cash balance as at 1 July	17,058	1,144
<b>17,058</b>	<b>Closing cash balance as at 30 June</b>	<b>12,026</b>	<b>889</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 26. The GST (net) component of operating activities reflects the GST paid and received with the Inland Revenue Department. The GST (net) 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 2017

### Reporting entity

These financial statements are for the Group for the year ended 30 June 2017 and were authorised for issue by the Board of Sport NZ on 11 October 2017. 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. Sport NZ does not operate to make a financial return.

The Group is designated public benefit entities (PBEs) 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 prior periods.

### 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 1 PBE accounting standards. These financial statements comply with 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

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Group are:

- In January 2017, the External Reporting Board issued 2016 Omnibus Amendments to PBE Standards for reporting periods beginning on or after 1 January 2017. Earlier application is not permitted. Sport NZ will apply the updated standards in preparing its 30 June 2018 financial statements. Sport NZ expects there will be minimal or no change in applying the updated standards.
- 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.

### 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 2017 are derived from the Statement of Performance Expectations (SPE) 1 July 2016 – 30 June 2017 as approved by the Sport NZ Board on 21 June 2016.

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

There were no critical judgements made in applying accounting policies 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.

## 2. OPERATING REVENUE

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	<b>Crown funding</b>	
19,151	Sport and recreation programmes	22,101
58,192	High performance sport	62,192
4,250	Prime Minister's Sport Scholarships	4,250
<b>81,593</b>	<b>Total Crown funding</b>	<b>88,543</b>
	<b>Other revenue</b>	
42,823	New Zealand Lottery Grants Board	56,100
912	Interest received	709
3,642	Sundry revenue	3,721
<b>128,970</b>	<b>Total operating revenue</b>	<b>149,073</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 Sport NZ SPE and according to the scope of relevant government appropriations.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period relating to which it was appropriated.

Apart from the general restrictions, there are no unfulfilled conditions or contingencies attached to this funding.

## New Zealand Lottery Grants Board (NZLGB)

Sport NZ receive annual Lotteries funding from the NZ Lotteries Grants Board (NZLGB) who in turn receives it from LottoNZ, in accordance with section 279 of the Gambling Act 2003. The Group currently receives 20% of LottoNZ net profits through this means. Revenue from the NZLGB is recognised as revenue in the same year as the corresponding LottoNZ net profits based on formal advice received from the NZLGB.

Use of these funds is also subject to the general restrictions that apply to the direct Crown funding.

## Interest

Interest income is recognised using the effective interest method.

### 3. SECTOR INVESTMENT

#### 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

To meet its primary objectives, the Group provides funding to various organisations in the sport and recreation sector. 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 will be based on the facts and circumstances that are evident for each contract.

Sector investments are also disclosed by appropriation.

ACTUAL 2016 \$000		ACTUAL 2017 \$000
<b>Sector investment by appropriation</b>		
48,042	Sport and recreation programmes	50,031
41,120	High performance sport	41,655
4,883	Prime Minister's Sports Scholarships	3,835
<b>94,045</b>	<b>Total sector investment</b>	<b>95,521</b>

A breakdown of investments made to individual sector organisations is available on our website (not audited).<sup>50</sup>

### 4. PERSONNEL COSTS

ACTUAL 2016 \$000		% of total revenue	ACTUAL 2017 \$000
<b>Salary and wages</b>			
9,718	Sector support	7%	10,891
5,999	Athlete services	4%	6,182
5,043	Corporate and business operations	3%	4,141
<b>20,760</b>	<b>Total salaries and wages</b>		<b>21,214</b>
756	Other personnel costs		742
535	Employer contributions to defined contribution schemes		554
(42)	Increase/(decrease) in employee entitlements		39
<b>22,009</b>	<b>Total personnel costs</b>		<b>22,549</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 specialist services.

Corporate services 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 obligations and contributions to KiwiSaver are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

## 5. PROFESSIONAL AND TECHNICAL SERVICES

ACTUAL 2016 \$000		ACTUAL 2017 \$000
1,484	Sector support consultants	2,321
2,283	Athlete service contractors	2,028
3,417	Other professional and technical services	1,667
	Audit fees (Audit NZ)	
87	for annual audit	89
-	for other audit services	10
<b>7,271</b>	<b>Total professional and technical services</b>	<b>6,115</b>

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

Athlete service contractors along with athlete service staff, represent a key part of the delivery for high performance athlete services. Athlete service contractors are attributed to NSOs as an investment, a breakdown of which is available on our website.<sup>51</sup> This appendix is not audited and does not form part of the financial statements.

Other professional and technical services are specialist advice and services engaged by the Group not otherwise found in the organisation, 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 2016 \$000		Credit rating	ACTUAL 2017 \$000
1,471	Bank balances and cash held	AA-	1,026
	Short-term treasury investments (deposits < 90 days)		
5,000	ANZ Bank	AA-	-
-	ASB Bank	AA-	7,000
5,000	Kiwibank	A	-
-	Rabobank NZ	A	4,000
5,587	Westpac	AA-	-
<b>15,587</b>	<b>Total short term treasury investments</b>		<b>11,000</b>
<b>17,058</b>	<b>Total cash and cash equivalents</b>		<b>12,026</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 2017, the weighted average interest rate on the above cash and cash equivalents was 2.76% (2015/16 2.11%).

## 7. TRADE AND OTHER RECEIVABLES

ACTUAL 2016 \$000		ACTUAL 2017 \$000
13,660	New Zealand Lotteries Grant Board	22,108
15	Interest receivable	102
331	Other trade receivables	981
1,205	Goods and services tax	915
<b>15,211</b>	<b>Total trade and other receivables</b>	<b>24,106</b>

All significant trade and other receivables are current. There has been no provision for the impairment of receivables (2015/16: \$nil).

All trade and other receivables are unrated.

## 8. TREASURY INVESTMENTS

ACTUAL 2016 \$000	CREDIT RATING	ACTUAL 2017 \$000
Treasury investments (deposits > 90 days)		
- ANZ Bank	AA-	5,000
- Kiwibank	A	6,000
<b>- Total treasury investments</b>		<b>11,000</b>

Treasury investments (investments in bank deposits with an initial term of 90 days or more) are initially measured at fair value plus transaction costs.

After initial recognition, treasury investments in bank deposits are measured at amortised cost using the effective interest method less any provision for impairment.

There was no impairment provision for treasury investments of 90 days or more at 30 June 2017. The weighted average interest rate on treasury investments was 3.15% with an average maturity of 90 days. There were no treasury investments of 90 days or more at 30 June 2016.

Treasury investments are financial assets forming part of financial instruments. Financial instrument risks are discussed more fully in note 23 to the financial statements.

## 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 16	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 17</b>	<b>0</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 16	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 17</b>	<b>0</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 17</b>	<b>-</b>	<b>1,173</b>	<b>793</b>	<b>331</b>	<b>419</b>	<b>2,716</b>
<b>Cost</b>						
Balance at 1 July 15	3,396	2,854	1,765	940	795	9,750
Additions	-	424	260	96	274	1,054
Disposals	-	-	(44)	-	(43)	(87)
<b>Balance at 30 June 16</b>	<b>3,396</b>	<b>3,278</b>	<b>1,981</b>	<b>1,036</b>	<b>1,026</b>	<b>10,717</b>
<b>Accumulated depreciation</b>						
Balance at 1 July 15	2,547	1,192	777	450	256	5,222
Depreciation expense	849	415	326	152	247	1,989
Eliminated on disposal	-	-	(42)	-	(39)	(81)
<b>Balance at 30 June 16</b>	<b>3,396</b>	<b>1,607</b>	<b>1,061</b>	<b>602</b>	<b>464</b>	<b>7,130</b>
<b>Carrying amount at 30 June 16</b>	<b>-</b>	<b>1,671</b>	<b>920</b>	<b>434</b>	<b>562</b>	<b>3,587</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 asset classes have assets in the course of 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 the year, the Group has reclassified the Apollo Projects Centre building to non-current assets held for sale.

### 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 within the next 12 months the Group will gift the Apollo Projects Centre to Christchurch City Council. The carrying value of the Apollo Projects Centre is nil, reflecting that the asset has been fully depreciated.

## 11. INTANGIBLE ASSETS

INTERNALLY GENERATED 2016 \$000	ACQUIRED SOFTWARE 2016 \$000	TOTAL 2016 \$000		INTERNALLY GENERATED 2017 \$000	ACQUIRED SOFTWARE 2017 \$000	TOTAL 2017 \$000
1,939	2,165	4,104	Opening balance at 1 July	2,137	2,143	4,280
309	132	441	Additions	128	102	230
(111)	(154)	(265)	Disposals	(9)	(136)	(145)
<b>2,137</b>	<b>2,143</b>	<b>4,280</b>	<b>Closing balance at 30 June</b>	<b>2,256</b>	<b>2,109</b>	<b>4,365</b>
<b>Accumulated amortisation</b>						
1,260	1,819	3,079	Opening balance at 1 July	1,437	1,814	3,251
289	149	438	Amortisation expense	233	122	355
(111)	(154)	(265)	Eliminated on disposal	(8)	(125)	(133)
<b>1,438</b>	<b>1,814</b>	<b>3,252</b>	<b>Closing balance at 30 June</b>	<b>1,662</b>	<b>1,811</b>	<b>3,473</b>
<b>699</b>	<b>329</b>	<b>1,028</b>	<b>Carrying amount at 30 June</b>	<b>594</b>	<b>298</b>	<b>892</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 computer software	2 to 3 years	(33-50%)
Developed computer software	3 to 5 years	(20-33%)

## 12. LOANS

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	<b>Rowing New Zealand</b>	
1,300	Loan drawn down	1,300
(871)	Fair value adjustment on initial recognition	(871)
(175)	Prior year loan repayment	(175)
(36)	Prior year fair value movement	(143)
<b>218</b>	<b>Opening balance</b>	<b>111</b>
(107)	Fair value movement	(85)
<b>111</b>	<b>Closing balance</b>	<b>26</b>
<b>111</b>	<b>Total loan</b>	<b>26</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 23 to the financial statements.

### 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 as follows:

- \$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 2017, 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.

During 2015/16 and 2016/17 Rowing New Zealand was not required to make a loan repayment under the agreed calculation formula.

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.

## 13. TRADE AND OTHER PAYABLES

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	<b>Payables under exchange transactions</b>	
1,720	Creditors	1,718
379	Accrued expenses	258
<b>2,099</b>	<b>Total payables under exchange transactions</b>	<b>1,976</b>
	<b>Payables under non-exchange transactions</b>	
331	Other taxes payable (PAYE, ACC and rates)	284
2,946	Investment accruals	3,586
<b>3,277</b>	<b>Total payables under non-exchange transactions</b>	<b>3,870</b>
<b>5,376</b>	<b>Total payables</b>	<b>5,846</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 2016 \$000		ACTUAL 2017 \$000
549	Lease incentive payment	472
119	Sundry revenue	174
<b>668</b>	<b>Total revenue received in advance</b>	<b>646</b>

At the beginning of its lease in 2009 Sport NZ received a \$300,000 contribution toward the fit-out of its leased Wellington premises from the building's owner.

In 2014/15 Sport NZ received a lease incentive payment of \$388,608 toward the fit-out of a new Auckland premise which acts as a sports 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.

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 2016 \$000		ACTUAL 2017 \$000
1,305	Annual leave provision	1,248
20	Sick leave provision	13
306	Remuneration accrued	398
62	Long service leave provision	48
<b>1,693</b>	<b>Total employee entitlements</b>	<b>1,707</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.

## 16. PROVISIONS

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	<b>Current provisions</b>	
95	Redundancy	-
10	Loan repayment	-
-	Make good provision	150
<b>105</b>	<b>Total current provisions</b>	<b>150</b>
	<b>Non current provisions</b>	
46	Loan repayment	13
168	Make good provision	18
<b>214</b>	<b>Total non current provisions</b>	<b>31</b>
<b>319</b>	<b>Total provisions</b>	<b>181</b>
	Represented by:	
	<b>Redundancy</b>	
278	Opening provision	95
95	Additional provisions made	-
(98)	Unused amounts reversed	(95)
(180)	Amounts used	-
<b>95</b>	<b>Closing provisions</b>	<b>-</b>
	Make good provision	
-	Opening provision	168
168	Additional provisions made	-
<b>168</b>	<b>Closing provisions</b>	<b>168</b>
	<b>Loan repayment</b>	
109	Opening provision	56
56	Additional provisions made	13
(109)	Amounts used	(56)
<b>56</b>	<b>Closing provisions</b>	<b>13</b>
<b>319</b>	<b>Total provisions</b>	<b>181</b>

### Redundancy

The Group has made no provision for redundancies at balance date (2015/16: one role totalling \$94,500).

### 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 \$168,000 at two of its premises (2015/16: \$168,000). At the expiry of the lease terms 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. In both cases, the Group has the option to renew these leases, 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 19 Lease commitments.

## 17. CONTINGENCIES

The Group has no contingent liabilities and no contingent assets as at 30 June 2017 (2015/16: \$nil and \$nil).

## 18. CAPITAL EXPENDITURE COMMITMENTS

The Group has contracted commitments for the acquisition or development of property, plant and equipment or intangible assets as at 30 June 2017 of \$nil (2015/16: \$nil).

## 19. LEASE COMMITMENTS

ACTUAL 2016 \$000		ACTUAL 2017 \$000
<b>Non-cancellable operating lease commitments</b>		
2,338	Less than one year	1,994
5,902	One to five years	4,896
3,046	Over five years	2,334
<b>11,286</b>	<b>Total non-cancellable operating lease commitments</b>	<b>9,224</b>

Non-cancellable operating lease commitments include:

- lease of premises, \$9.016 million (2015/16: \$10.902 million)
- lease of computer and office equipment, \$0.002 million (2015/16: \$0.052 million)
- lease of vehicles, \$0.206 million (2015/16: \$0.331 million)

There are five major non-cancellable operating leases that the Group has entered in to, all relating to leased premises, as follows:

LOCATION	EXPIRY DATE	TOTAL FUTURE MINIMUM LEASE PAYMENTS
Wellington	25/02/2018	\$430,725
North Shore	27/02/2018	\$153,512
Dunedin	30/06/2022	\$1,649,485
Auckland	30/04/2024	\$3,335,437
Cambridge	15/03/2029	\$2,415,722

The Group has sub-leased part of its Wellington office space and has future commitments to receive \$56,250 from sub-tenants beyond the balance date (2015/16: \$67,708).

Sport NZ leases office space in Auckland which acts as a hub for sports organisations. At 30 June 2017 the Group had sub-leased part of this space and had future commitments to receive \$2,096,969 from sub-tenants beyond balance date (2015/16: \$1,904,203).

At balance date Sport NZ was in the process of reviewing its head office lease arrangements in Wellington as the current head office lease expires in February 2018. As a result of this review the decision has been made to move to a new location, still in the Wellington CBD.

## 20. 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 2016 \$000		ACTUAL 2017 \$000
<b>Board members</b>		
218	Remuneration	236
<b>Leadership team</b>		
2,486	Salaries and other short-term employee benefits	2,490
11.0	Full time equivalent personnel	10.0
<b>2,704</b>	<b>Total key management personnel compensation</b>	<b>2,726</b>

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

The Board Members make up 1.42 FTE personnel (2015/16: 1.5). The FTE amount for Board Members 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.

## 21. BOARD MEMBER REMUNERATION

The total value of remuneration paid to Board members for the year ended 30 June 2017 is as follows:

ACTUAL 2016 \$000	SPORT NZ BOARD	APPOINTED	TERM ENDS	ACTUAL 2017 \$000
32	Sir Paul Collins (Chair)	May 2009	Jun 2018	32
16	Bill Birnie	May 2009	Dec 2016	8
16	Joanna Perry	Aug 2011	Jun 2017	16
16	Murray Gutry	Aug 2011	Jun 2017	16
16	Jackie Barron	May 2013	Jun 2018	16
16	Darrin Sykes	Aug 2013	Dec 2018	16
16	Brendan O'Neill	Jul 2015	Jun 2018	16
16	Paul Cameron	Jul 2015	Jun 2018	16
-	Bill Moran	Sep 2016	Jul 2019	13
-	Jason Shoebridge	Jan 2017	Dec 2019	8
<b>144</b>				<b>157</b>

ACTUAL 2016 \$000	HPSNZ BOARD	APPOINTED	TERM ENDS	ACTUAL 2017 \$000
14	Sir Paul Collins (Chair)	Jul 2011		14
10	Bill Birnie	Jul 2011	Dec 2016	5
10	Mike Stanley	Jul 2011	Jul 2017	10
10	Simon Wickham	Jul 2011		10
10	Murray Gutry	Jul 2014	Jul 2017	10
10	Alison Shanks	Jul 2015		10
10	Ian Hunt	Jul 2015		10
-	Bill Moran	Jan 2017		5
-	Hillary Poole	Jan 2017		5
<b>74</b>				<b>79</b>
<b>218</b>	<b>Total Board member remuneration</b>			<b>236</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 to two of the departing Board members valued at approximately \$661 (2015/16: \$267).

During the year, a payment of \$20,000 was made to Bill Birnie (after his Board term ended) for work related to the establishment of the Black Gold Club, a joint philanthropic venture between HPSNZ, Sport NZ and New Zealand Olympic Committee. In addition, payments totalling \$1,250 were made to De Novo Limited in relation to staff coaching services provided by Bill Moran and payments totalling \$59,114 (2015/16: \$36,870) were made to HOB0 Medical Services Limited in relation to services provided as a medical director to HPSNZ by Brendan O'Neill. All transactions with Board members were on normal commercial terms at arm's length. There were no other payments to committee members who were not Board Members during the year ended 30 June 2017 (2015/16: \$nil).

The Group has provided Directors and Officers Liability and Professional Indemnity insurance cover for the year ended 30 June 2017 in respect of the liability or costs of Board members and employees.

## 22. 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 2017 are provided, within \$10,000 bands, in the table below.

ACTUAL 2016 \$000		ACTUAL 2017 \$000
-	430,001 - 440,000	1
1	420,001 - 430,000	-
-	390,001 - 400,000	1
1	380,001 - 390,000	-
-	290,001 - 300,000	1
1	280,001 - 290,000	-
-	250,001 - 260,000	1
1	240,001 - 250,000	-
1	220,001 - 230,000	1
1	200,001 - 210,000	1
2	190,001 - 200,000	4
3	180,001 - 190,000	1
1	170,001 - 180,000	4
6	160,001 - 170,000	3
5(1)	150,001 - 160,000	10(1)
13	140,001 - 150,000	13
17	130,001 - 140,000	16
5	120,001 - 130,000	4
15	110,001 - 120,000	13(2)
15	100,001 - 110,000	16(1)
<b>88(1)</b>		<b>90(4)</b>

The above table includes those employees who ceased employment during the periods reported. For the year ended 30 June 2017, four employees who ceased employment during the period had received remuneration of greater than \$100,000, as indicated in brackets (2015/16: 1).

The Sport NZ chief executive's salary is within the band range \$390,001 to \$400,000 (2015/16: \$380,001 to \$390,000).

The HPSNZ chief executive's salary is within the band range \$430,001 to \$440,000 (2015/16: \$420,001 to \$430,000).

During the year ended 30 June 2017, one employee has received, or is entitled to receive, compensation and other benefits in relation to cessation of employment totalling \$24,182, (2015/16: 6 employees and \$227,184).

During the 2017 financial year, the Group had a 2.9% general pay increase (2015/16: 2.9%).

## 23. FINANCIAL INSTRUMENTS

### Fair value

The fair value of the Group's financial assets and liabilities within each category are equivalent to their carrying amounts and 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 loans, which have been valued at amortised cost, using the effective interest rate method, all financial instruments' fair value is determined in accordance with level 1 of the 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 as 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. The receivable comprises the fourth quarter instalment and the final wash-up payment for the 2016/17 financial year received each year in July and October respectively. These are guaranteed amounts (representing a 20% share of NZLGB profit), 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 the NZLGB. The Group maintains a target level of available cash to meet liquidity requirements.

**24. RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

ACTUAL 2016 \$000		ACTUAL 2017 \$000
(7,246)	<b>Net surplus/(deficit)</b>	13,215
	<b>Add/(deduct) non-cash items</b>	
2,426	Depreciation and amortisation	1,684
(168)	Make-good value capitalised	-
-	Loss on disposal of intangibles	13
107	Net fair value movement in financial assets	85
<b>2,365</b>	<b>Total non-cash items</b>	<b>1,782</b>
	<b>Add/(deduct) item classified as investing</b>	
5	Gain on disposal of assets	(2)
<b>5</b>	<b>Total items classified as investing</b>	<b>(2)</b>
	<b>Add/(deduct) movements in working capital items</b>	
(4,965)	Trade and other receivables	(8,737)
139	Interest receivable	(87)
(159)	Prepayments	127
5	Inventories	33
39	Trade and other payables	453
36	Revenue received in advance	(22)
(69)	Provisions	(137)
143	Employee entitlements	29
<b>(4,831)</b>	<b>Net movement in other working capital items</b>	<b>(8,340)</b>
<b>(9,706)</b>	<b>Net cash outflows from operating activities</b>	<b>6,655</b>

**25. 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.

**26. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET AND PRIOR YEAR**

Explanations for major variations from the Group's budgeted figures in the SPE 2016/17 are as follows:

**Statement of comprehensive revenue and expense****Revenue****CROWN FUNDING**

The increase in Crown funding in 2016/17 reflects an increase in Government investment into the high performance system of \$4 million per annum [Budget 2016] and one-off unbudgeted funding of \$2.950 million to support leverage and legacy initiatives related to the Lions Tour.

### NEW ZEALAND LOTTERY GRANTS BOARD

NZLGB revenue is \$12.277 million higher than budgeted and \$13.277 million higher than last year.

Due to an exceptional 2016/17 financial year by Lotto NZ, additional revenue of \$15.857 million, in excess of the amount originally forecast has been made available to Sport NZ through the NZLGB.

The remaining \$3.580 million variance relates to the 2015/16 wash-up payment which was originally budgeted in the 2016/17 financial year but accounted for in the 2015/16 financial year due to a change in accounting policy.

	\$000
Budget	43,823
Change in accounting treatment of wash-up	(3,580)
Additional revenue	15,857
Actual	56,100

### Sector Investment

Sector investment was \$1.726 million less than budget, this is despite an additional \$2.754 million being spent in support of the Lions Tour. Spending on high performance infrastructure projects was \$2.880 million less than budget due to ongoing delays with several projects. All of the high performance infrastructure projects are funded as part of the additional \$10 million Crown funding received in the 2013/14 financial year, and as such unspent funds are carried forward to ensure the completion of all approved projects. In addition, High Performance Sport NZ has spent \$0.952 million less than originally budgeted principally relating to PEGS payments.

### Operating expenditure

Operating expenditure was \$3.564 million less than originally budgeted and \$1.847 million less than the prior year.

- Personnel costs were \$1.291 million less than budget but \$0.504 million higher than 2015/16. The lower than budgeted spend were driven by higher than expected vacancies in HPSNZ post-Rio Olympics and delays in recruitment in Sport NZ while it was completing the organisational restructure mid-year.
- Other operating costs were \$1.746 million less than budget and \$0.696 million less than 2015/16. This variance principally arose from delays in Sport NZ across a range of projects that were impacted by the Sport NZ restructure.

### Statement of financial position

#### Assets

- Cash and investments (term deposits) were \$11.077 million higher than expected. This variance reflects both the higher than expected revenue from NZLGB and lower than expected expenditure.
- The high level of trade receivables largely reflects an additional \$8.448 million due from NZLGB compared to the previous year.

### Statement of cash flows

- On the back of variances above the Group has invested cash on term deposit of \$11.000 million, which had been anticipated would be needed to fund operating costs.

## 27. EVENTS AFTER THE BALANCE DATE

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



# MANAGING THE ORGANISATION

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# MANAGING THE ORGANISATION

## CHANGING FOR THE FUTURE – THE SPORT NZ WAY

The results from the 2016 *Performance Improvement Framework* self-review, staff engagement and partner confidence surveys have been used to better align the organisation to Sport NZ's key priorities and strategic objectives.

### SPORT NZ

A review of roles, responsibilities, reporting lines and required future capability was undertaken to understand where Sport NZ had gaps and potential overlaps in the work undertaken. The resulting analysis and realignment of the structure has resulted in greater role clarity, role purpose and alignment to the organisation's strategy.

To support the objectives of the structural change, a cross-business unit team was formed to identify and drive the desired behavioural change. Following consultation with staff, the team developed and presented a cultural change plan that is currently being implemented. As part of the plan, the team created a vision of the future organisation along with the culture and behaviours required to succeed. We named this work 'The Sport NZ Way'.

We have better aligned the structure to the strategy and are now taking the first steps to embed the desired culture and in doing so increase the level of staff engagement.

### HPSNZ

HPSNZ has adjusted its organisational structure and tweaked it as necessary to ensure roles and responsibilities are tightly aligned to drive high levels of support and athlete performance for the next Olympic cycle to 2020. Following the four-year cycle of the Rio Olympic Games, HPSNZ has had as expected increased levels of staff turnover, but have been able to attract and recruit high calibre candidates to fill the vacant roles.

### GOOD GOVERNANCE

Our Board has started to use the Sport NZ Governance Mark, an independently-verified assessment, to inform its ongoing good practice. The initial assessment will be completed in the first quarter of 2017/18.

## BEING A GOOD EMPLOYER

The Group meets its obligations as a good employer (under section 118 of the Crown Entities Act 2004).

This includes developing staff and maintaining engagement in a range of ways.

Element	Initiatives
1. Culture and Staff Engagement	<ul style="list-style-type: none"> <li>• Staff engagement is monitored regularly through staff engagement surveys and action taken on feedback as appropriate</li> <li>• Employees lead Culture Committees</li> <li>• Feedback loops in place to monitor and measure change initiatives</li> <li>• Quarterly measuring 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 helps ensure processes are applied consistently and according to policy</li> <li>• An induction package ensures a level of 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 to identify current and future capability needs</li> <li>• Training and development 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, 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>• Unconscious Bias Training</li> <li>• Targeted activity to promote more women in senior leadership positions</li> <li>• Increased emphasis of te reo Māori in the workplace</li> </ul>

Our People (Organisational Development) Strategy looks to build a broad and diverse workplace and in doing so bring more innovative thinking and alternative perspectives into the organisation. As part of this, equal employment opportunities principles are actively promoted to ensure an organisational culture which values all staff and provides opportunities for them to contribute to and share in the success of the organisation. The Group strives to ensure staff with disabilities are supported in the workplace. The Group has a graduate programme aimed at developing future

leaders in sports management and bringing young people's views into the organisation.

The total headcount of staff is 201 (FTE) with an average age of 42 years.

Ethnic diversity in Sport NZ (excluding HPSNZ) has been identified as: 2 per cent New Zealand Māori, 2 per cent Pacific Islander, 2 per cent Asian and 17 per cent other, with the remaining 77 per cent New Zealand European.

The gender split is 42% female and 58% male.

These results are monitored by the Human Rights Commission.

### Health and safety at work

The Sport NZ Group is committed to providing a safe and healthy work environment for all our employees, contractors and other workers, as well as our athletes and visitors. The Sport NZ Group is also committed to continuously improving our health and safety systems.

The Sport NZ Group is committed to ensuring there are no notifiable events<sup>52</sup> injuries/illness caused within the workplace

To achieve these commitments the Sport NZ Group works in a collaborative way with our Board, employees, athletes, coaches and contractors to address health and safety issues in our workplace. This includes the operation of both regional and national H&S Committees, monthly site inspections, the appropriate signage throughout our facilities, training and induction for staff and for athletes/coaches using our training facilities and H&S 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. During 2017/18, the policy and manual underwent a legal review with only minor changes required. H&S is part of our cyclical internal audit programme.

The Sport NZ and HPSNZ Boards have received H&S training and take an active involvement in ensuring there is a strong H&S environment. They receive H&S reports at Board meetings and through the Audit, Finance and Risk Committee. In addition, the Boards have undertaken a number of site visits to provide first hand evidence of our H&S 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

Sport NZ is contributing to Result 9 Better for Business – part of the Government’s Better Public Services programme. The New Zealand Business Numbers (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.

Sport NZ is a Tier Three agency for the purpose of implementing NZBN. The Government’s NZBN Directions require us to report implementation progress in our Annual Report.

Implementation steps to date:

Within our two primary technology systems – Salesforce (‘Kahiwi’ – a relationship and sector investment management system) and Sage 300 (Financial Management Information System) – we have identified that the inclusion of NZBN fields is feasible. There is no direct benefit yet to our sector partners, but we expect this to change once they participate within the NZBN programme and we are maintaining a watching brief on this.

We have undertaken to incorporate NZBN fields within our systems as we undertake other relevant developments. For example, we are integrating an automated accounts payable solution into Sage 300 and making an allowance for NZBN fields.

### Managing risk

Managing risk well is essential to reaching our aims. We maintain risk awareness to enhance risk management. All staff have access to resources supporting good risk management, including the Board’s risk appetite, a risk management manual and policy and risk registers. Organisational and strategic risks are discussed by the management and the Board on a regular basis.

<sup>52</sup> A work place accident/illness is classified as a notifiable event where hospitalisation is required and/or the staff member/contractor/athlete/coach/visitor is unable to resume their duties after a 3 week period.

## ACROSS THE SPORT NZ GROUP

Focus Area	Type of Performance Measure	Performance Indicator	2016/17 Results	Benchmark (or closest comparator, where available)
<b>Good employer</b>	Level of staff engagement	At least 75% 2015/16: 67% Sport NZ, 81% HPSNZ	75% Group 68% Sport NZ 81% HPSNZ	<b>Staff engagement 80%</b> Source: Employee Engagement Survey, H2R Consulting
	Annual staff turnover	12% or less (note that post-Rio we expect higher turnover than in other years – this is normal within a 4- year Olympic cycle) 2015/16: 11.6%	16.74%	<b>Public sector average 11.1%</b> <a href="http://ssc.govt.nz/sites/all/files/HRCReport-2016.pdf">ssc.govt.nz/sites/all/files/HRCReport-2016.pdf</a>
<b>Managing risk</b>	Partner satisfaction with the quality and timeliness of Sport NZ contract management	At least 80% 2015/16: overall 72% quality 65% Sport NZ 93% HPSNZ	Not achieved – overall 72% quality 69% Sport NZ 86% HPSNZ <sup>53</sup>	<b>74% Service Quality Score</b> Source: Kiwis Count Survey June 2015 <a href="http://ssc.govt.nz/kiwis-count">ssc.govt.nz/kiwis-count</a>
<b>Policy advice</b> <sup>54</sup>	Sport NZ provides high-quality policy advice to the Minister for Sport and Recreation	The Office of the Minister for Sport and Recreation is satisfied with Ministerial servicing: 2015/16: Achieved	Achieved	
		95% of briefings and correspondence provided to the Minister for Sport and Recreation in the agreed timeframes 2015/16: 98%	Not achieved – 91%	97.2% ministerial correspondence replies completed within 20 working days of receipt by the Ministry of Social Development, unless otherwise agreed. Source: <a href="http://msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/2014-2015/assessing-our-performance.html">msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/2014-2015/assessing-our-performance.html</a>
<b>Efficiency</b>	Corporate and Business Operations expenditure is maintained within current levels	Within 7.5% of total expenditure 2015/16: 6.8%	Achieved – 6.6%	No comparable benchmark available <sup>55</sup>

<sup>53</sup> Partners receiving targeted investment.

<sup>54</sup> In addition to ministerial servicing, Sport NZ responded to 25 of 28 requests under the Official Information Act 1982 within 20 working days.

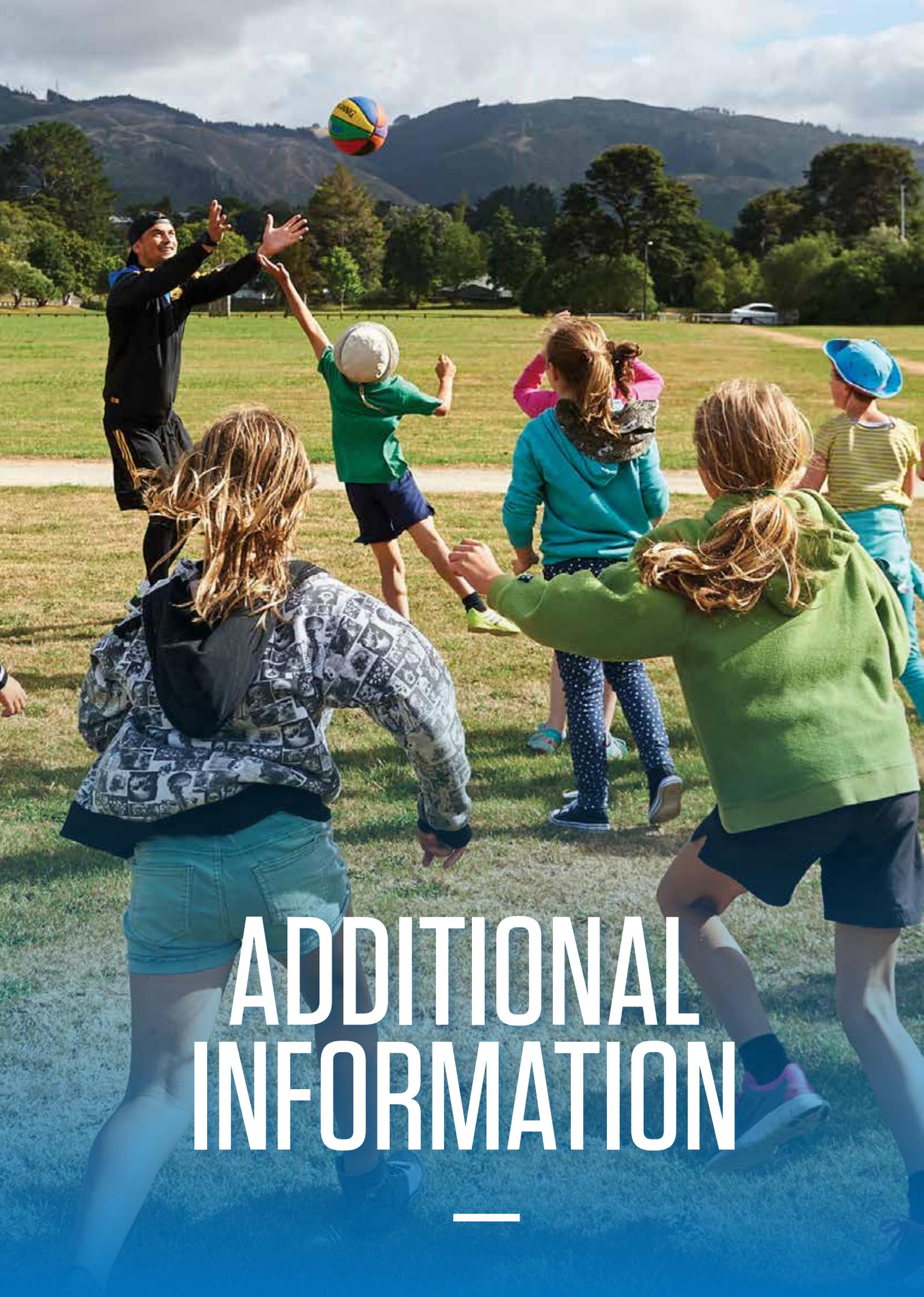
<sup>55</sup> The 2013/14 BASS public sector median spend on corporate and executive services for a small agency cohort in 2013/14 was \$17.5 million/4.4% of overall running costs. These small agencies have far greater expenditure than Sport NZ (average total expenditure of \$397m compared to Sport NZ \$131m for the same period). Treasury note that efficiency is generally restricted for small agencies, due to relatively high fixed costs.

Focus Area	Type of Performance Measure	Performance Indicator	2016/17 Results	Benchmark (or closest comparator, where available)
<b>Effectiveness</b>	Partner confidence in Sport NZ Group	At least 80% 81% Group 2015/16 (2015/16: 66% Sport NZ, 96% HPSNZ)	82% Group  84% Sport NZ <sup>56</sup> 100% HPSNZ <sup>57</sup>	79% trust level in public sector organisations Source: Kiwis Count Survey June 2015 <a href="http://www.ssc.govt.nz/kiwis-count">www.ssc.govt.nz/kiwis-count</a>
<b>Financial information systems and controls</b>	Annual audit rating on performance <sup>58</sup>	Maintain 'very good' rating 2015/16: very good	Very good	No comparable benchmark available
<b>Service performance information and associated systems and control</b>	Annual audit rating	Maintain 'good' rating. 2015/16: good	Good	No comparable benchmark available

<sup>56</sup> Response to new question in 2016/17: How would you rate the performance of Sport NZ, in terms of its impact on your organisation's ability to increase participation in sport?

<sup>57</sup> Partners receiving targeted investment. Response to new question in 2016/17: How would you rate the performance of HPSNZ, in terms of its impact on your sport's ability to win on the world stage? HPSNZ results year-on-year are not comparable due to a change in question to make it more aligned to the goals of HPSNZ. The question used in 2015/16 focused on building the confidence of NSOs in building effective relationships.

<sup>58</sup> Audit ratings are not performance ratings but an assessment of Sport NZ's performance environment, system and controls.



**ADDITIONAL  
INFORMATION**

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# APPENDIX 1:

## PERSONNEL INTERESTS REGISTER – BOARD AND KEY MANAGEMENT

The Sport NZ Group maintains an 'interests' register for members of Sport NZ and HPSNZ Boards and Sport NZ Group staff. Any interests they may have in any governing body which is funded by the Sport NZ Group or contracted by the Sport NZ Group for services are reported. Key management personnel are the Senior Leadership teams of both organisations.

Where the Group has entered into transactions with organisations where interests have been disclosed the Board and key management personnel have not been part of the decision-making process. The following interests were registered by Board and key management personnel pertaining to partners and suppliers of the Sport NZ Group.

Board and key management personnel		Organisation	Position
<b>Brendan O'Neill</b>	Board Member Sport NZ	Canoe Racing NZ	Medical Director
		HOBO Medical Services Limited	Director, Shareholder, Employee
<b>Hilary Poole</b>	Board Member Sport NZ	Hockey New Zealand	Board appointments panel
		Martin Jenkins Ltd	Independent Director
		Snow Sports New Zealand	Board appointments panel (independent)
<b>Jason Shoebridge</b>	Board Member Sport NZ	Kantar Insight New Zealand	CEO
		TNS New Zealand Limited	Director
<b>Kylie Clegg</b>	Board Member Sport NZ	Hockey New Zealand	Board Member
		Hockey Foundation	Chair and Trustee
<b>Paul Collins</b>	Chariman Sport NZ and HPSNZ	Offshore Racing and Sports Betting Working Group, NZ Racing Board	Member
<b>Murray Gutry</b>	Board Member Sport NZ and HPSNZ	The Lion Foundation	Trustee
<b>Darrin Sykes</b>	Board Member Sport NZ	Touch NZ Judicial, Legal and Constitutional Committee	Chair
		Touch NZ National	Director of Referees
		Wellington Regional Sports Education Trust (trading as Sport Wellington)	Trustee
<b>Paul Cameron</b>	Board Member Sport NZ	Halberg Foundation	Trustee
		NZ Volleyball	Chief Executive
<b>Bill Moran</b>	Board Member Sport NZ	New Zealand Football Foundation	Trustee
<b>Alison Shanks</b>	Board Member HPSNZ	Cycling NZ	Director
			Husband employed by Cycling NZ
		NZOC Athletes Commission	Member
		New Zealand Olympic Committee	NZOC Ambassador
<b>Simon Wickham</b>	Board Member HPSNZ	New Zealand Olympic Committee	Board Member Deputy Chair Selector
<b>Michael Stanley</b>	Board Member HPSNZ	New Zealand Olympic Committee	Chairman
		AUT Millennium Institute of Sport and Health	Chief Executive Officer
<b>Peter Miskimmin</b>	Sport NZ CEO and HPSNZ ex-officio Board Member	Hockey New Zealand	National Selector of Men's Black Sticks
<b>Joanna Perry</b>	Board Member Sport NZ	Rowing New Zealand	Director



## World-leading System Attribute

### Strategic Priorities

### Our Key Impact

### How Impact Will Be Measured

### 2016/17 Progress Comments

<p><b>Capability</b> - people and organisations within the system</p>	<p>Capable organisations (partner and provider organisations) including:</p> <ul style="list-style-type: none"> <li>• <i>Community Sport aspect:</i> a network of capable partners of sport, providing relevant sport experiences</li> <li>• <i>Sector Capability aspect:</i> a system of capable and connected people and organisations that can deliver world leading sporting outcomes</li> </ul>	<p>Targeted partners are capable, stable and sustainable</p>	<p>Demonstrated by partner understanding of own capability strengths and weaknesses through improvement plan progress/<i>Organisational Development Tool (ODTI)/Warrant of Fitness assessment</i></p>	<p>The ODT was adapted to the needs of local providers and is not being used to provide Sport NZ with partner capability assessments; this new tool is called Sport Compass</p>
<p>Capable people – there is a <b>balanced supply</b> of people with the <b>right skills</b> for critical roles required to deliver quality experiences to participants including:</p> <ul style="list-style-type: none"> <li>• <i>Community Sport aspect:</i> quality people throughout the system and they are well supported</li> </ul>	<p>The sector takes a coordinated approach to address workforce challenges in its planning, recruitment and role support and development</p>	<p>Increase % of partners demonstrating collaboration, workforce planning and recruitment results aimed at addressing workforce challenges</p>	<p>Increase % of partners demonstrating aligned strategic, operational and delivery plans with appropriate budget and performance monitoring</p>	<p>Four RST partners have plans aligning with the Community Sport Workforce</p>
<p>Assisting 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>Where applicable, project benefits reviews and other liaison activities</p>	<p>Not applicable – this measure will be removed</p>
<p>Leadership development programmes (incorporating professional development planning) achieve an average programme satisfaction score of 80% or greater</p>	<p>Leadership development programmes achieved approval ratings of:</p> <ul style="list-style-type: none"> <li>• Coach Accelerator programme: 92%</li> <li>• Coach Campaign Leadership programme: 84%</li> <li>• High Performance Director Leadership programme: 88%</li> <li>• Emerging Leaders (Talent Pool) programme: 86%</li> </ul>	<p>Achieved – 90% of campaigns received the coaching needed</p> <p>Achieved – 75% of priority 2020 medal potential campaigns received the coaching they need</p> <p>Achieved – 84% 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>4 RST partners have plans aligning with the Community Sport Workforce</p> <p>5 workforce planning foundation projects completed</p>	<p>Achieved – 90% of campaigns received the coaching needed</p> <p>Achieved – 75% of priority 2020 medal potential campaigns received the coaching they need</p> <p>Achieved – 84% 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>

World-leading System Attribute	Strategic Priorities	Our Key Impact	How Impact Will Be Measured	2016/17 Progress Comments
<p><b>HPSNZ 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>Achieved – High performance partners rated overall quality (93%) and impact (90%) of the consultancy and technical advice from HPSNZ as excellent or good</p> <p>Partners (97%) rated the timeliness of the advice as excellent or good</p>	<p>Achieved – 91% of high performance programme goals are achieved by targeted sports</p>
<p><b>HPSNZ 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 8 targeted sports</p>	<p>Achieved – Evidence-based pathways in place for 91% (1/11) targeted sports</p> <p>Achieved – Two athlete development forums held in April and November 2016 (April – 13 people from 12 sports, November – 16 people from 12 sports)</p>	<p>Achieved – Intake three of P2P programme (2016/17) 2% athletes received support</p>
<p><b>Connectivity</b> – sharing and collaboration across the system</p>	<p>Making and enabling cross-government relationships and partnerships</p> <p>Connecting the sector and creating strategic relationships</p> <p>Major and mega events overseen by the National Sporting Events System, coordinating government involvement in mega events and developing the NZ Major Events Investment process and portfolio</p>	<p>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)</p> <p>Successful events which provide leverage to meet Sport NZ and wider government goals</p> <p>A dynamic major/mega event Prospecting Plan supported by key event stakeholders (providing NZ with 10 years of events to host and leverage)</p>	<p>Number of regional and sport recreational plans aligning to the National Coaching Plan</p> <p>Perception of engaged stakeholders that report positive change in connectivity</p> <p>Six-monthly sector event report (from 2017 once monitoring and evaluation arrangements are developed)</p>	<p>Achieved – Several forums were held by Sport NZ across NZ including forums with metro and regional councils, school communities, workshops to embed physical literacy, locally-led delivery and workforce planning</p> <p>No longer measured</p> <p>Connections Conference 85% satisfaction rating</p> <p>Achieved for World Masters Games Rugby League World Cup 2017 due to finish December 2017 – results not yet available</p>

## World-leading System Attribute

### Strategic Priorities

#### Our Key Impact

#### How Impact Will Be Measured

#### 2016/17 Progress Comments

<p><b>Resources</b></p> <ul style="list-style-type: none"> <li>financial and physical 'inputs' to the system</li> </ul>	<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>Gaming trusts aligned with Sport NZ funding strategies</p> <p>Six regions with completed Spaces and Places (Sports Facility) Strategies are: Northland, Waikato, Hawke's Bay, Manawatu-Whanganui, Bay of Plenty and Taranaki</p> <p><i>Locally-led delivery approach</i> evaluation is due to commence in 2017/18; 14 RST case studies demonstrating implementation in 2016/17</p>
<p>Community Sport Spaces and Places</p>	<p>There are more fit-for-purpose places that are sustainable and meet the needs of communities and sport and recreation participants</p>	<p>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:</p> <ul style="list-style-type: none"> <li>the number of facilities plans based on best practice, evidence-based decision models and aligned with national facility strategies</li> </ul>	<p>122 facilities are registered on the <i>National Facilities Benchmarking Tool</i></p>
<p><b>HPSNZ 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 KPIs have been achieved</p>	<p>Achieved – 89% of total high performance funding was invested in high performance programmes and initiatives</p> <p>Achieved – 91% of core investment was allocated to targeted sports</p> <p>Achieved – 91% of high performance programme goals are achieved by targeted sports</p>

World-leading System Attribute	Strategic Priorities	Our Key Impact	How Impact Will Be Measured	2016/17 Progress Comments
	<p><b>HPSNZ Strategic Priority 3</b> 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>At least 80% partner satisfaction with quality and timeliness of HPSNZ consultancy and advice</p> <p>Manage a minimum of 4 multi-sport performance hubs across major cities in NZ to ensure regional athlete and coach needs are met</p>	<p>Achieved – 97% of athletes were satisfied or extremely satisfied with HPSNZ training centre facilities</p> <p>Achieved – 86% of athletes surveyed rated as either satisfied or extremely satisfied with high performance support</p> <p>Quality: 93% of high performance partners rating good or excellent specialist services and consultancy<sup>59</sup></p> <p>7 multi-sport performance hubs are in 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>

59. Partners receiving targeted investment





**SPORT  
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