



Sport NZ Board

**Sport NZ Group Performance Improvement Framework (PIF)
Self-review**

June 2016

This is the report of the Performance Improvement Framework Self-review commissioned by Sport NZ Group.

Sport NZ Group Context

Sport New Zealand Group's Performance Improvement Framework (PIF) report and comprises two discrete sub reports. They relate to Sport New Zealand (Sport NZ) and its wholly owned subsidiary High Performance Sport NZ (HPSNZ).

Sport NZ encompasses the operational function of Community Sport and the Group strategic supporting services of Commercial and Capability, Public Affairs and Corporate Services. HPSNZ is the high performance arm of Sport NZ, empowered by the Sport NZ Board to lead the High Performance Sport Strategy and delivery. Together Sport NZ and HPSNZ make up the Sport NZ Group.

We approached the PIF reviews by conducting two separate PIFs using two review teams. A single independent reviewer led both processes to ensure consistency.

Sport NZ leads the overall system, from grassroots through to high performance. In 2010, the Sport NZ Board decided a more focused approach was required to make real traction in the competitive world of elite sport, and so established HPSNZ as a discrete operation to deliver on its high performance goals. Two years out from the London Olympics, the Board moved to set up HPSNZ quickly. It recognised that to be successful, the new entity would need to operate as a one-stop shop for high performance, providing both investment and athlete support services, and have appropriate autonomy in order to get on with the job it was tasked with. However, it also needed to remain part of one sporting pathway, which was a priority for National Sports Organisations (NSOs), and appropriately involve other key stakeholders including the New Zealand Olympic Committee (NZOC).

HPSNZ was launched in 2011 with its own Board – including NZOC representation – management, strategy and set of functions. To ensure operations were as efficient and effective as possible, it was decided that Sport NZ would provide shared services across a range of corporate functions, and also provide support through a range of 'Group' functions including relationship management, sector capability building, government accountabilities and reporting, facility development, major events and fundraising.

Four years on, our high performance system is recognised as world-leading, with the balance of autonomy and connection between the two organisations seen as a competitive advantage. A high level of autonomy of operation, and its own dedicated management team, enabled HPSNZ to be nimble and flexible and to work at the pace of change required to remain internationally competitive. Without question this level of empowerment has been drawn on by HPSNZ to produce the levels of success being achieved and projected for the Rio Olympic Games. We are three years into our 2013-20 high performance strategy, and producing results. The level of confidence in our system was reinforced by an increase in funding in the 2016 Budget.

The objectives of creating HPSNZ have been met and the Sport NZ Board should take pride in what has been achieved in challenging circumstances. The design of the new model has been its strength to date - the ability of HPSNZ to stay focused on its core business of athlete performance, knowing it can rely on Sport NZ to provide the majority of necessary corporate support services, and also monitor the wider system for potential risks and opportunities. This organisational model is now viewed by many of our international colleagues as world-leading.

In contrast, other parts of the business are at a different stage strategically. Last year we launched the Sport NZ Group Strategic Plan 2015-20, and a separate Community Sport Strategy. Much like our response to the high performance challenge four years earlier, the Board recognised that our high participation rates were being challenged by a number of global trends - ethnic diversity, growing urbanisation and a rise in inactivity. A step change, similar to what was achieved in High Performance, was also required in Community Sport to ensure that sport continued to contribute to a healthy, vibrant population, and provide a wide pipeline of talent to high performance.

This stronger focus on Community Sport saw the Board adopt a new operating model for the business – from a core agency and its subsidiary, to an umbrella 'Group' and two operating arms – HPSNZ and Community Sport, supported by Group Strategic Support.

Overall, the Group is performing well, while concurrently acknowledging there is still much to do. The two operating arms, while at different stages of maturity, are going from strength to strength. HPSNZ is a maturing and high performing entity, and seeks less distraction and appropriate autonomy to operate with speed and agility. The Community Sport team is new, with a passion and drive to move faster, but is still developing many of the frameworks and policies required for rapid growth.

However, the PIF review has shown that there are some areas of misalignment across the Group and a lack of clarity in some key areas, which makes the Group as a whole less effective and efficient. These misalignments have been exposed further due to several challenges and changes in the past few years, including:

- a change of Minister and the alignment of the sport and health portfolios
- the launch of a distinct Community Sport Strategy and a powered-up Community Sport team to implement it
- fiscal challenges caused by declining Lotteries revenue
- and a broader mandate for Sport NZ (World Cups Office, event prospecting, cross-government integrity lead).

When the HPSNZ operating model was established in 2011, a set of high-level principles was determined by the Board, which included, importantly, an appropriate balance of integration between the entities. However, because of merger tensions between the parties at that time, some of the principles were never truly embedded or operationalised. As a result there has been some overlap and confusion around roles and responsibilities, and some duplication of resources and effort.

Through good faith, these operational issues have been well managed by management and staff at all levels of the Group, and this has enabled HPSNZ to both find its feet and return results quickly.

However, throughout this PIF process the reviewers found variances in the way the operating model is understood and operationalised. This has proven challenging at times, particularly with staff who represent the 'Group' activity, and potentially also for the wider sports sector.

In addition to these operational issues, there are a growing number of strategic 'Group' related activities that require careful planning and better coordination to ensure they don't become an unnecessary distraction or burden to HPSNZ or Community Sport. These include:

- 'value of sport' (research, strategic policy development and communications)
- cross-government connections
- strategy (Strategic policy priorities)
- commercial/marketing
- collective partner engagement.

Enormous gains have been made during the four years that HPSNZ has been in place. In light of the emerging changes in our external environment and the ambiguity surrounding some of our internal processes, it is timely that the Sport NZ Board looks to clarify and strengthen some elements of our operating model. This is particularly important given stakeholders' expectation that there will be an effective linkage between HPSNZ and the overall Sport NZ Group in terms of positive community impact.

There is a genuine belief that we have a world-class model that, on balance, is making a significant difference across performance areas. But like any high performing organization, the Sport NZ Group needs to constantly seek ways to achieve greater productivity and efficiencies.

There are areas within the operating model and operating principles that can be tightened for the benefit of HPSNZ and the wider Group. Equally there are a number of strategic issues facing the Group that need further coordination and better planning. This work will be all the more important over time as changes in management and staff lead to less institutional knowledge of the way overlaps and misalignment have been managed.

In conclusion, the two operating arms of the business – HPSNZ and Community Sport - need to work autonomously at times, but also collaboratively in critical areas. They also need to be guided and supported by the Group to ensure the work of both is aligned and supports the principle of 'a single sport system'.

To ensure this occurs consistently and effectively, resolution is needed in the following areas:

- Agreement on the operating model (alignment of purpose)
- A mechanism for Group strategic resource allocation decision-making
- A mechanism for Group strategic planning and coordination.

This mechanism – likely a cross-Group planning body – should report to the Sport NZ Board and provide advice on Group strategy, planning and resource allocation.

The challenge now is how to make the necessary adjustments without materially impacting what is currently working well. Any contemplated changes cannot negatively impact the ability of HPSNZ to stay focused on its core operating business of making athletes go faster. Nor can they restrict, in any way, its ability to act and make independent decisions in accordance with its mandate from the Sport NZ Board.

The two self-review reports follow:

- Sport NZ
- High Performance Sport NZ.

Sport NZ PIF Self-review Report

Comprising:

- Community Sport
- Commercial and Capability
- Public Affairs
- Corporate Services
- Chief Executive Office

Sport NZ PIF Report (Self-reviewed)

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Executive Summary

So what did we find in the PIF review?

The Performance Improvement Framework (PIF) review results section uses 30 questions across seven critical areas to consider how well any public sector organisation is performing. As well as being asked about the current picture, those interviewed were asked to focus on the future and comment on how well placed the organisation is to meet its performance and agency challenges, and deliver on its strategy by 2020.

The project teams also considered documentary evidence. The assessment across the 30 questions is in section 5.2. The project teams identified a number of factors likely to affect the Sport NZ Group performance.

Main points

The review identified the following strengths – things we do really well:

- Strategic Plan and supporting strategies – widespread support for a participant-focused, system-led approach
- Relationship management – provides strong Group-wide connections with keystakeholders
- Staff engagement – passionate and committed
- Value to our partners, e.g. sector leadership training, business improvement support
- Risk management and financial systems
- Chief Executive leadership and representation.

The following weaknesses were identified:

- Organisational alignment – purpose, operational structure
- Operational planning and prioritisation in a time of change with limited resources
- The lack of an evidence base on the ‘value of sport’ – to support our performance story.

The review acknowledged that while good inroads have been made with the following, significant work is still required to progress these elements to an appropriate level. The rating of ‘needing development’¹ was the most common applied during the results assessment phase and covers some of the bigger challenges:

- Contributing to wider Government priorities
- Managing our and the sector’s collective intelligence
- Planning and executing parts of the Sport NZ strategy with partners
- Measuring our and the sector’s performance
- Optimising investment management processes
- Responding to low-participating and diverse communities.

There are numerous great opportunities for Sport NZ. These include:

- being clearer that our key leadership functions are influence, knowledge exchange and collaboration
- effecting substantive personal and community change to deliver the best results for New Zealand
- engaging with and co-creating solutions with other agencies that are willing and able
- technology advances opening up potential Sport NZ and sector solutions
- strengthening Sport NZ’s own value proposition
- effecting the system change signalled in the new strategy.

¹

Definition of ‘needing development’ (ND):

- ▶ Adequate current performance – concerns about future performance
- ▶ Beginning to focus on processes, repeatability, evaluation and improvement and management beyond and across units
- ▶ Areas of underperformance or lack of capability are recognised by the agency
- ▶ Strategies or action plans to lift performance or capability, or remedy deficiencies are in place and being implemented

1. Background to the Review

The review coincides with a period of substantial change and transition for the Sport NZ Group. In 2011 Sport NZ established High Performance Sport New Zealand (HPSNZ) as a wholly-owned subsidiary with a mandate to lead and invest in the high performance system and deliver services to athletes. This required the focus of a significant part of the business for two years as the business was designed, developed and implemented, working with a wide range of stakeholders across the sector.

With HPSNZ now operating well and producing results, our focus has moved to Community Sport and addressing participation rates, which we now know to be in decline. We are in the first year of a new Group Strategic Plan and Community Sport Strategy to 2020 that represent a significant step change for the system. Rather than supporting what the system has traditionally offered, we are now focused on understanding the needs and wants of participants and responding by building system capability.

Community Sport operates within a more complex system than HPSNZ. While HPSNZ is the majority funder of most of its targeted sports, Sport NZ is a relatively small funder of community sport, behind the likes of local councils and statutory trusts. This means our leadership and influence are critical to effect positive change.

In recent years our mandate has also grown to include new, or expanded, areas of business such as major events, integrity, philanthropy and facilities.

On the back of all of this change, we now find ourselves operating in challenging financial times. Sport NZ relies heavily on lotteries funding to invest in Community Sport. Historically we have experienced higher profit targets and delivered greater returns to the community from Lotto, but we are now experiencing a decline.

The world of high performance is also becoming more expensive, and in spite of a funding increase in the 2016 Budget, HPSNZ still faces a challenge to sustain its current level of success.

In short, these changes and challenges require us to rethink much of what we have done and do, to ensure we are focusing on the right things, in the right areas, and in the right way.

This is challenging, but we believe necessary, if we are to meet the complex challenges of increasing participation and winning that we have set for ourselves to realise the vision of being the world's most successful sporting nation.

The need to reflect on traditional approaches is not unique to the Sport NZ Group. Changing participation trends, increasing competition for medals, and higher stakeholder expectations have resulted in many of our international peers also rethinking their approaches to sport delivery. Like us, they appreciate that solving challenging problems within a multifaceted environment requires new and innovative approaches.

Adding to this challenge is the unprecedented pace of change within the wider world, with developments in social communication (e.g. Facebook, Snapchat) and technology in particular having profound impacts on organisations and industries. Concurrent with these is a set of broader socioeconomic, geopolitical and demographic developments, which are further impacting the environment in which we are operating.

As a result of all of this, the Sport NZ Group is currently in the midst of a heightened level of transition than would be the norm. Internally, this has involved creating specialist teams to gain critical momentum – first with HPSNZ, and now with Community Sport – and the reorganisation of support services to align with these operational arms and provide economies of scale. Learnings from the establishment of HPSNZ have informed decisions for Community Sport.

Externally, we are moving to a much more demand-driven approach, challenging partners to move from the traditional focus on supply. Our emphasis on developing a world-leading system, as the basis for delivering the outcomes we seek, also requires significant adaptation.

While intensely challenging, we understand that the delivery of high performance outcomes is within the scope of HPSNZ to lead and manage. In this regard HPSNZ is doing an excellent job, and is ably supported by services from the wider Sport NZ Group.

The dynamics within Community Sport are far more complex. It involves a diverse and growing number of stakeholders, rapidly changing participation demands, challenges to traditional delivery structures (such as PE in schools and club sport), and ethnic and economic factors that are creating more low-participation communities.

The answers to all these changes are not simple. There are no best practice models to follow. It will require a multidimensional approach by the Sport NZ Group and the sector. Given the complexities, it will require time

for the Sport NZ Group (Board, management and staff) to fully understand these changing dynamics and to develop and implement its new approach. It is also acknowledged that this is new for the sector and that bedding in these changes will take time. While we have powered up HPSNZ and Community Sport to lead and drive change in the sector, we are conscious of the need to ensure we maintain the essence of one integrated sporting system.

It is critical that we as a 'Group' work better as 'one', to tell our 'value of sport' story more powerfully, engage with the sector and government more consistently and successfully, and allocate and deploy our limited resources in the most efficient and effective manner.

The timing of the PIF is welcome, particularly given the complex system and dynamic period of time we are operating in.

2. Introduction

What the review is about

The review is to find out how well placed the Sport NZ Group is to deliver the identified performance challenges. The review is future-focused, to 2020 – the strategic period. The Terms of Reference state the purpose of the review is to take a snapshot in time to determine how well placed the Sport NZ Group is to fulfil the Group Strategic Plan. The review recognises that the PIF agency model also places other lenses over this picture including considering wider Government priorities, and evidence of best practice in evaluation and other functions.

What's in the report?

This report gives a walk-through of the review from:

- where we are with implementing the strategy, to
- what we (and others) think of how we operate as an organisation now and in the future.

The review pays attention to the challenges we face and comes up with the top things we need to focus on to reach the four-year 'excellence' horizon.

The report is structured with parts for the Sport NZ Group, which holds responsibilities for the overall Group, as well as distinct services such as Group Strategic Support and the Community Sport operating arm, plus a separate sector for HPSNZ, which is an entity itself within the Group.

The review contains the voice of staff and other key stakeholders' views, along with documentary evidence. It is a relatively quick, deep-dive, 360° look at our organisation and the way we operate. The analysis and interpretation of how we operate have been undertaken by two in-house project teams, led by a single independent reviewer. The analysis includes consideration of external factors changing the environment in which the Sport NZ Group operates. Each project team includes in-house reviewers and team members who have co-authored the report with the independent lead reviewer and a Board member. This report combines the results from both projects, and translates what these mean for the Sport NZ Group in the future.

Where we are with delivering the Sport NZ Group Strategic Plan

The Sport NZ Group Strategic Plan 2015-20 encompasses the operational strategies for HPSNZ and Community Sport.

We are in year one of the plan with:

- **HPSNZ** well underway in its own operational strategy, which spans 2013-20, aimed immediately at the Olympics in Rio and Tokyo in 2020
- **Community Sport** in year one of its five-year operational strategy, and about to implement its new system improvement approach, having changed its capabilities and investment approach in 2015
- **Group Strategic Support** is realigning its capabilities to fulfil its role to support HPSNZ, Community Sport, its Group-wide responsibilities and role in building a world-leading sport system.

3. Four-Year Excellence Horizon

3.1 Environment

Consistent with our new Group Strategic Plan and following the appointment of a new Minister for Sport and Recreation after the 2014 General Election, the Sport NZ Group has shifted from a sole focus on a 'sport for sport's sake' philosophy to one that recognises the contribution sport makes to broader Government outcomes, including health, education and social outcomes for New Zealand. This has been an important focus for the new Minister. For example, his health priority for New Zealand to combat childhood obesity has clear expectations that we will contribute through sport and physical activity.

The Sport NZ Group has recognised the need to establish strategic relationships and legitimacy with Government agencies. As the lead agency for high performance and community sport, we are well placed to position sport as part of solutions to wider Government outcomes, and in so doing leverage support from those agencies to help with sport outcomes. Investing time in these relationships is about delivering mutual benefits.

Since the launch of the Sport NZ Group Strategic Plan in 2015, we have created the new roles of Head of Government Relations and Strategic Policy Lead to respectively establish key cross-agency relationships and better policy linkages.

The potential key Government agencies for the Sport NZ Group include the Ministries of Health, Education, Social Development, ACC, the Department of Internal Affairs (DIA) and Te Puni Kōkiri. We have established a strong relationship with ACC, and have made good progress with DIA and Health. We are using the ACC engagement to guide how we approach other relationship builds.

The Sport NZ Group is aware of the ongoing societal change, including decreasing participation. While we set performance targets based on our understanding of stable participation, we are also increasingly setting performance targets to measure system improvements across our sector. We are confident that the system-led approach is the right one to ultimately address decreasing participation. This approach has received considerable support from our partners and wider sector stakeholders.

As indicated throughout this report, the Sport NZ Group's primary role is one of sector leadership and influence. It seeks to create a platform, environment, and system understanding that facilitate and empower participants to contribute where they can have best effect. We are surrounded by examples today where technology and social forums have a high impact on the status quo. The Sport NZ Group has the opportunity to explore and embrace these opportunities with the intent of:

- promoting and prompting enhanced levels of participation, i.e. increased demand
- measuring activity, e.g. Fitbits and cycle computers
- digitally providing education, practice and development programmes for individual or group participants
- providing cloud-based or shared services-based support functions that lower the cost of operating and the organisational risk profile, and increase capacity and capability
- farming big data to add substantially to the volume of evidence relative to the 'value of sport'
- providing easy access to participant data overlaid with facilities, funding options etc. to allow clubs, communities and national organisations to make timely and relevant decisions on the delivery of sport.

The Sport NZ Group will regularly assess the potential application of individual and collective emerging technologies and forms against its strategic imperatives. We know substantial and sustainable breakthroughs can occur through the application of strategic thought and insightful application (e.g. Uber). Success in this area can lead to step changes in the sector, through either capability or participation.

3.2 Performance Challenges – Definition

Given the environment, what outcomes does the Sport NZ Group need to deliver to be the best it can for New Zealand?

The review team considers the Sport NZ Group (HPSNZ, Community Sport and the wider Group) faces the following four performance challenges:

- 3.2.1 Leading the sport system and operating effectively in a complex environment
- 3.2.2 Enhancing New Zealanders' understanding of the "value of sport" and positioning it with others to impact their lives
- 3.2.3 Leveraging support for mutual outcomes from organisations of scale
- 3.2.4 Ensuring sufficient sector sustainability, capability and capacity.

The review team considers there are three performance challenges specific to Community Sport:

- i. Successfully delivering sport and recreation participation outcomes. (short-term vs long-term outcomes)
- ii. Being more informed about and responsive to the rate of change in participation, including diversity and disadvantage (understanding 'demand')
- iii. Ensuring system adaptability and flexibility to changes in demand (understanding 'supply').

3.3 Outline of Performance Challenges



Leading the sport system and operating effectively in a complex environment

Our high performance and community sport systems operate in a complex environment that is multifaceted and fast changing. This provides a challenge for the Sport NZ Group, in both how it operates successfully within this environment, and how it supports the sector to also operate successfully.

The Sport NZ Group is relatively small when considered as part of the sport system, so solving system problems is a significant challenge, and increasingly requires a more collaborative approach.

Previously we have been directive in our approach and have taken responsibility for solving problems and delivering answers – actions more suited for ordered contexts where cause and effect relationships are discernible, and right answers can be determined based on facts.

Leadership in the complex environment we operate in requires a different way of thinking and acting. Increasingly we understand that we are one agent of many, and that while we have an important leadership role to play, the role requires a focus on:

- a. seeing and promoting the whole system and how the parts affect the whole
- b. building relationships, networks and shared purpose
- c. identifying, packaging and disseminating intelligence and using it strategically
- d. building and adapting responsive capability
- e. enhancing communication and using methods that can help generate ideas, and
- f. collaboratively testing and innovating for new solutions.

The performance challenge for the Sport NZ Group is how to best meet our mandate of leading the sport system, while demonstrating appropriate sector leadership and stewardship. It is about providing a more subtle, sophisticated, and complex set of leadership directions and stances to contribute greater value to the sector.

Effective leadership will bring greater coordination and collaboration, and improve overall sector efficiency and effectiveness.

Enhance New Zealanders' understanding of the "value of sport" and position it with others to impact their lives



The performance challenge for the Sport NZ Group is to better evidence and communicate the value sport brings to the lives of New Zealanders beyond simply participation and winning.

Our new Group Strategic Plan recognises that this is becoming even more important with the increasing ethnic diversity of our communities, as many new New Zealanders won't have grown up in societies where sport is inherently valued, as it has been here.

In the past we have anecdotally assessed the value as having broad physical, mental, psychological, social, economic, and philosophical dimensions. The challenge for us is to move beyond anecdote and provide empirical evidence, and to tailor that evidence to resonate with different audiences, including the public and government agencies, who could use sport as a tool to achieve their own outcomes, while contributing to ours.

Examples include contributing to better educational outcomes through the provision of quality sport within schools, a lower levy on New Zealand's health system, reduced calls on the social and justice sectors and improved social cohesion through connected and safer communities. These benefits arise through strengthened individuals and enhanced community connectedness, engagement, and resilience. The Better Public Services government programme frames the Government's expectations, and the dividends sought from the stronger cross-Government agency alignment and collaboration.

Part of this challenge will be improving the lesser-developed evidence base on the value of high performance sport and its role in increasing participation and building nationhood, as indicated in this comment from Minister Coleman:

"High Performance Sport had received increased funding every year but a better job needed to be done to demonstrate the link between winning at high performance sport and increased community participation. It's inevitable at some stage the medal tally will plateau or maybe even drop, so you have to have a very clear evidence-based rationale for why the funding is justified and should continue. It's got to be more than just having people on the podium."

This is a significant opportunity to position the 'value of sport' as a contributor to a wide set of benefits for all New Zealanders, including positive personal, community and national outcomes.

Leverage support for mutual outcomes from organisations of scale

CS

Sport NZ

HPSNZ

For the Sport NZ Group to be successful as a government agency and a leadership organisation, it needs to have strong relationships with a range of agencies, some many times bigger than ourselves. To date we have focused on engaging with traditional sport sector organisations. To influence transformational change, we need to extend our stakeholder relationship mix to include organisations of scale that might not have sport as their core purpose. Such agencies critically include government (central and local) organisations, and might also extend to tertiary institutions, iwi, funders and commercial entities.

The performance challenge is to develop relationships of strength, quality and depth sufficient to co-create solutions. This has been recognised with the creation of two new roles – Head of Government Relations and Strategic Policy Lead – to respectively establish key cross-agency relationships and establish better policy linkages. In addition to these resources, relationships will progress best with a formal stakeholder management and service development plan for each major stakeholder, and for each stakeholder plan to invest resources sufficient to underpin the collaborative performance sought. Whereas we have legitimacy in the sport sector, we will need to earn credibility with other agencies.

The relationship will be underpinned by the 'value of sport' and tailored value propositions. A key part of the challenge is for the Sport NZ Group to develop a depth of understanding of each stakeholder's challenges and consider how the sport value proposition could assist in addressing them.

Ensure sufficient sector sustainability and capability

CS

Sport NZ

HPSNZ

Sport and active recreation delivery predominantly occurs through sector partners. As such, the Sport NZ Group is highly reliant on them for the achievement of our outcomes. The partners are a mix of discipline-based organisations such as NSOs, RSOs, clubs, and geographically based RSTs and TLAs. The performance challenge for the Sport NZ Group is to project future demand and identify sector capability requirements, and gaps, and move to remedy them.

The world-leading system approach overlays, integrates, and coordinates this process. It is anticipated the system will convey signals and information to prompt processes to seek inputs to respond to these signals.

A key part of the performance challenge is to sustain the volunteer workforce and ethic that underpins the delivery of sport in New Zealand. It is estimated that one million New Zealanders volunteer in sport, with a market value of \$728 million. The Sport NZ Group needs to ensure this workforce is sustained, and that the value of volunteering continues to be ingrained in who we are as New Zealanders. Again, the articulation and positioning of the 'value of sport' will be important in this.

The Sport NZ Group needs to reflect on the appropriate balance of resources between a centralised and decentralised model. For economies of scale and performance effectiveness, resources (including talent) are currently highly centralised. In retaining this approach we need to be mindful of ensuring the third-party organisations critical to the delivery of our outcomes retain sufficient capability and capacity to deliver.

3.4 Three performance challenges specific to Community Sport

Successfully deliver sport and active recreation participation outcomes

CS

The Community Sport strategy seeks to deliver participation outcomes via the development of a world-leading community sport system. Aligned with the Sport NZ Group Strategic Plan, the logic is that investing in creating and fostering the environment in which sport is delivered will deliver sustainable results. The performance challenge is to produce sufficient evidence that increased participation outcomes (short term) will occur from this approach without compromising the focus on system build (long term).

This is a demanding and complex strategic challenge and involves a 'leap of faith' by stakeholders. Community Sport seeks to invest in and contribute to a sport and active recreation system of which we are just one part. This involves identifying where we can intervene with greatest effect and determining how we can best facilitate other providers, interventions and responses to best facilitate the system outputs and outcomes. While this approach recognises and is seeking to respond to the challenges of operating within a complex environment, it may take time to yield results.

It will be important to build into evaluations of initiatives such as Play.sport evidence of system change and short-term behaviour response that demonstrate the intervention approach is working.

Be more informed of and responsive to the rate of change in participation, including diversity and disadvantage (i.e. understanding 'demand')

CS

Aligned to this challenge is the need to better understand participation trends and use this intelligence to map a response. To date, participation data has not been timely, and has been too generic and high level to inform our work meaningfully. This has compromised the ability to take a participant-focused approach. We note this is changing with a greater emphasis on participation insights and a desire to drive interventions based on those insights.

New Zealand is changing rapidly in respect of ethnicity, socioeconomic, demographic, and geographic factors. Tried-and-true strategies and approaches may no longer be relevant. We need to establish structures and processes and the cultural capability to advise on, design, deploy and monitor organisational performance in these areas.

Part of the performance challenge for Community Sport is to achieve cultural literacy with the key diversity groups and partners, to develop a greater degree of cultural intelligence, and to provide differentiated responsiveness to the sector proactively. Critically, this includes Māori.

While Māori take part and volunteer in sport in high numbers, there are opportunities to further increase participation and impact on multiple social outcomes for Māori via sport, especially in communities where there are hard-to-reach non-participants and multiple disadvantage.

The Community Sport Strategy includes a broad range of initiatives that will continue to deliver for Māori. In addition, we will consider Māori through the lens of low-participation communities and our He Oranga Poutama programme. We will engage with relevant stakeholders, including whānau, hapū and iwi, with a focus on understanding participants, and supporting the local sport system to respond in a way that is appropriate for that community. As part of our Insights programme we are also seeking insights into the attitudes towards, drivers of and barriers to Māori participation.

The challenge extends to getting ahead of environmental changes to provide a broad band of cultural effectiveness. As a consequence of the 'value of sport' focus and Insights programme, we are likely to more contribute more effectively to groups currently defined as socially and economically disadvantaged. The challenge is to make cultural responsiveness a key strand in strategies, for capability and performance to be measured and monitored, and the programme supported by our structures and processes.

While emphasis is being placed on identifying and investing in low-participation communities to achieve participation outcomes, an increasing focus will need to be applied to these communities.

System adaptability and flexibility to changes in participation ("supply" understanding)

CS

A further challenge is Community Sport's willingness and capacity to respond to a participant-focused approach. The sector has historically been system driven and has been slow to adapt to change. Sport NZ's appetite for change may be compromised by both sector inertia and capacity and our own willingness to pursue change because of perceived reputational risks from pushing the system too hard.

3.5 Agency Challenges – Definition

Given the environment and performance challenges, what sort of organisation will the Sport NZ Group need to be to address those challenges? What results will it need to achieve? How will it need to work? How does it need to change and what change capability will it need?

The review team considers the Sport NZ Group faces five agency challenges:

- 3.5.1 Leading and alignment in a period of change and transition
 - 3.5.1.1 Align current strategies and implementation approaches
 - 3.5.1.2 Ensure the operating model is fit for purpose
- 3.5.2 Meet sector and system leadership needs
- 3.5.3 Focus on high-value activities and establish decision-making process to prioritise
- 3.5.4 Develop the optimal Group service, product and investment portfolio
- 3.5.5 Focus on critical stakeholders.

The review team considers there are two agency challenges specific to Community Sport:

- i. Community Sport's ability to adapt quickly enough to respond to the change
- ii. Work at a pace that our system (partners) can respond to.

Introduction

The overriding agency challenge is to assess whether the current operating models, practices, resources, and settings are the most appropriate for us to best deliver on our strategic imperatives and strategies. The overall vision is to be the world's most successful sporting nation as measured by more participation and more winning. The enabling strategy is the development of a world-leading sport system. Can the current strategies and settings deliver the breadth and promptness of outcomes sought by the Government?

Context

The Sport NZ Group has a wide sport and active recreation mandate and a substantial portfolio of functions and practices. To date resources have been primarily focused on NSOs and RSTs. The 2015-20 Sport NZ Group Strategic Plan and Community Sport Strategy have brought a stronger focus to achieving greater and more sustainable participation outcomes. The underpinning strategy is the development of a world-leading sport system. There is widespread support for the system-led approach in the sector. The objective is to develop a system that can be self-sustaining and deliver optimal value. We have identified the components of the world-leading system as intelligence, connectivity, capability, resources and environment.

Community Sport has recently been restructured, resulting in improved capability and capacity. The wider organisation has also begun a realignment process to better support Community Sport and HPSNZ.

As a result of our wide mandate, and implementing what is a significantly new strategic approach, we have capacity pressures that do not appear to be easing. This has resulted in some key strategic projects, such as developing the intervention logic, and the 'value of sport', not progressing at the speed we would like.

3.6 Agency Challenges Specific to Sport NZ

Leading and alignment in a period of change and transition

CS Sport NZ

The review coincides with a period of substantial transformational change for the Sport NZ Group. We are in the first year of a five-year Strategic Plan and Community Sport strategy that both represent a substantial change of thinking and approach. At the same time we are reflecting on our sector leadership approach to ensure it is appropriate for the increasingly fast-moving and complex environment in which we are operating.

The Sport NZ Group employs highly skilled people who are specialists in their chosen fields and all motivated to make a difference. At this point there is still work to be done to ensure everyone understands the new world and we are all pulling in the same direction.

This is largely a result of our being in a period of transition, moving to implement a significantly different approach to Community Sport, while at the same time supporting HPSNZ to win on the world stage. Not everyone is moving through the transition at the same speed or with the same level of comprehension.

The most critical agency challenge, therefore, is to achieve alignment of purpose, operational focus and structure. This needs to occur from the Board down, through senior management, to all staff.

3.6.1 Align current strategies and implementation approaches.

CS

Sport NZ

HPSNZ

The agency challenge is to deliver a line of sight from what we are doing to what we are seeking to achieve – the ‘world’s most successful sporting nation’ as measured by increased participation and winning.

Our strategy (as with any strategy) is ‘how’ we will achieve the ‘what’. Our focus therefore is on developing the ‘world-leading sport system’. This requires a comprehensive understanding of all of the components of the system and their current status, and where we should focus our efforts for best impact. Our work plan should be driven from this, with each business area understanding how, when and where it can contribute, either directly, or in support of the world-leading system.

The sport system design is new and will evolve over time. The challenge for the strategy owners is to encourage feedback on the environment and the traction gained, and flexibly adjust settings as we learn more about participants and the system.

3.6.2 Ensure the operating model is fit for purpose

With the establishment of the HPSNZ subsidiary in 2011, work was done on clarifying the overall Sport NZ Group organisational operating model, appreciating there is often a specific dynamic between a holding company and a subsidiary model. This challenge is playing out between the Sport NZ Group and HPSNZ, with tension resulting from HPSNZ not wanting to be beholden to the Group, while the Group wants to drive greater Group-level efficiency and effectiveness from a closer alignment.

In this model, HPSNZ should expect freedom and autonomy to focus on its strategic outcomes, but needs to be mindful that it still has corporate responsibilities and obligations to the Sport NZ Group. This balance has yet to be struck. The agency challenge is to strike the balance and answer the question – are we one organisation or two? The role of the Sport NZ Board is key to achieving this balance and greater alignment, as it has ultimate responsibility for determining strategy, resource allocation and roles and responsibilities.

Strongly related to this challenge is the need to clarify the role and reporting lines of the Sport NZ Chief Executive and the points of intersection between HPSNZ and the Sport NZ Group. This issue is currently assessed as a distraction, incurring resources, and represents an efficiency loss.

The operating model would also benefit from more clearly representing the organisational unit’s alignment to the world-leading sport system and whether it informs the work of Community Sport and HPSNZ, or are informed by it. This impacts alignment and roles and responsibilities. At present, all services are lumped into Group Strategic Support, yet some clearly are about positioning the Group externally or informing the two operating arms – strategic policy, and cross-government activity are two examples.

Meet sector and system leadership needs.

A key challenge is to broaden the Sport NZ Group’s understanding and application of leadership and to prioritise it as its most important role. The challenge is to build on our current profile and leadership reputation by better understanding our system contribution, and strengthen our partner status with system participants.

For many, the Sport NZ Group is not only a leader but the sector steward, representing and protecting, where it can, the positions of many participants. We lead by providing direction, representation, advocacy, service design and delivery, providing points of system leverage, knowledge sharing and encouraging networking and collaboration. As a key system player, our role is to provide the frameworks that allow the various parties to do what they do best, and to connect with others who can perform functions better. The network or system builds on value provision, similar to how a commercial model is built on competitive advantage. The partner roles are to develop legitimacy based on value creation rather than patronage or mandate.

The challenge is to influence and guide, and to partner in an appropriate manner building on success, innovating and encouraging innovation, streamlining operations, and acknowledging that dividends arise through knowledge-sharing, good-practice transfer, experimenting, storytelling, goal-setting, facilitation and connectivity.

The challenge involves moving away from the intensive investor mode and looking to find and develop areas of influence and points of leverage that offer materially different outcomes. The leadership agency challenge is one with huge potential.

Focus on high-value activities and establish decision-making process to prioritise



The Sport NZ Group cannot do everything. We need to prioritise our high-value activities and provide ourselves with some space and capacity to operate flexibly, think strategically, and accommodate change.

Intelligence, connectivity and capability resonate strongly as three key functions for the Sport NZ Group. They align with characteristics of leading in a complex environment – knowledge-sharing, strategic and future thinking, collaborating and adapting – and are also three of the components of the world-leading system.

The challenge is to ensure the organisation aligns strongly with these functions and that it drives our work and how we and others identify who we are and what we are about. This will involve reviewing the overall work programme, resource allocation, and, over time, the structure and staff skill set. It will also involve improved processes for decision-making to ensure appropriate prioritisation occurs.

The identification of, and focus on, high-value activities is particularly critical for Community Sport. Because of the breadth and depth of opportunities within community sport, disciplines around prioritising and sequencing the work programme will be instrumental to achieving participation outcomes.

Develop the optimal Group service, product, and investment portfolio.



The challenge for the Sport NZ Group is to consider how best we might deliver value, the channels we might use, the capability deployed, and the functions to be performed, e.g. lead, enable, support, advise etc. Historically, the NSO/RST support activities have been the predominant portfolio component. The challenge is to redefine the portfolio balance, establishing minimums and maximums for each of the key elements, look at how these can be delivered, whether it's face to face, digitally, through partners, or in combination with other activity. By generating portfolio mixes and sub portfolios of services, products, and investments, the Sport NZ Group can tailor to best achieve evidenced success. The portfolio development process will, of its own, generate discussion on efficacy and opportunity cost.

Focus on critical stakeholders



The Sport NZ Group allocates the majority of its external resources and effort to traditional and historical partners – NSOs and RSTs, and to a lesser extent TLAs and NROs. We justify this in part because of the need to manage our investments in these partners (excluding TLAs). However, this can distract us from identifying and allocating effort to organisations that will be equally impactful in assisting us with the delivery of outcomes. Such organisations might include government agencies, tertiary organisations, funders, iwi and even commercial providers.

The agency challenge is to consider who the critical third-party organisations are that could best assist us to achieve our outcomes and prioritise our resources and effort to engage with them. This need not involve funding, but nor should we allocate our effort simply on the basis that an organisation is funded. This is particularly relevant for Community Sport given the multitude of agencies that effect participation.

We have a highly effective, well accepted, high-capability relationship management model that could be adapted to manage a wider group of key partners. The challenge is to broaden, refine and formalise the relationships with this new set of partners. This will require a formalised and strong organisational sponsorship, and plan and programme to enable resource allocation and deployment.

3.7 Agency Challenges Specific to Community Sport

Community Sport's ability to adapt quickly enough to respond to participation changes.



Sport NZ has had a relatively traditional view of participation and who we should partner with to deliver our participation outcomes. The agency challenge is moving from this traditional view to one that is more future oriented, and to a future operating environment that has a better balance built on the ability to affect participation. This is recognised within the new Community Sport strategy.

At the same time, we need to ensure the focus on building a world-leading community sport and active recreation system provides sufficient evidence that strategic outcomes are being advanced.

The Community Sport challenges are specific to the agency challenges identified above:

- a. *Focusing on high-value activities:* Moving to a participant-focused approach, with an emphasis on low-participation communities, is going to require a significant shift in what has been the traditional way we have approached growing participation in sport and active recreation. Intelligence, connectivity and capability will be key.
- b. *Develop the optimal investment and system support portfolio:* Developing the right balance of direct investment in partners relative to growing the capability of the system through broader (not partner-specific) approaches is going to require some consideration and, if not supported by new investment, will likely require changes in the investment portfolio.
- c. *Focus on critical stakeholders:* Community Sport invests in more than 130 partners. This reflects the diversity and complexity of the sport and active recreation system. 'Targeting' with both investment and system support could result in the number of partners and the relative importance of partners changing from current state.

The agency challenge is to maintain our focus on building the system capability and capacity to deliver sustainable participation – a long-term approach - while at the same time capturing enough evidence that the system build focus is delivering participation results. This will require performance metrics and associated measuring and reporting systems to be developed to keep stakeholders, notably the Minister, comfortable that progress is being made.

Work at a pace that our system (partners) can respond to.

CS

There is a web of complexity in the community sport system. With many partners, a wide range of capabilities and a significant contribution made by voluntary local community organisations, means that Community Sport needs to promote adaptation and change at a pace that can be absorbed by the system.

Community Sport will need to look at how to support change at the different levels of capability – which will include developing 'knowledge hubs' and supporting them with people, tools and resources.

4. Results Ratings

Summary of assessment results across critical areas.

Sport NZ is well placed currently in several areas. Future challenges require some significant changes and taking of opportunities. This means that, at the individual question level (see Appendix 5.2), a 'needing development' or a 'weak' rating has been given to recognise that shift.

Critical area		Main points
1	Government Priorities	<p>Sport NZ is well placed based on these findings:</p> <ul style="list-style-type: none"> • Current contribution to wider Government priorities is very positive (Sport in Education, Childhood Obesity Plan, Play.sport, cross-government partnerships with ACC, DIA, Health, MoE) • The Group Strategic Plan goals have been created to address specific environmental factors and changes including participation decline, cultural diversity and the need for the sport system to deliver high-quality sport and physical activity to enable wider benefits for the participant etc. • Sport NZ is focusing on prioritising its work programme to ensure optimal efficiency and effectiveness. <p>The opportunities and risks are:</p> <ul style="list-style-type: none"> • that while Sport NZ is delivering on its own Government priorities, its contribution to wider priorities is currently discrete (relatively small-scale projects e.g. Sport in Education). The opportunity to expand would effect greater nationwide benefits • that limited resources will delay or defer the expansion of cross-agency work, and the opportunity for others to use sport as a tool to achieve their own nationally beneficial outcomes will be missed • that Sport NZ could be drawn further into other government work (e.g. obesity) and be distracted from its sporting outcomes. Careful planning will be required to ensure targeted and meaningful cross-government engagement is made (e.g. who, how and when) and that Sport NZ's scarce resources are used to best effect.

Critical area		Main points
2	Core Business	<p>Sport NZ is needing development based on these findings:</p> <ul style="list-style-type: none"> • The Sport NZ Group is positioned as the Government's lead agency and advisor for sport • Sport NZ is carrying out its regulation role well • Sport NZ provides significant value to its sector partners who deliver sport and this is a long-standing achievement • The Group has initiated significant sector change through its core Community Sport business and investment becoming participant focused rather than partner-centric • Additional resources have been applied to the Policy team to enable both the 'value of sport' research and the value proposition for Sport NZ to be developed, e.g. building an evidence base and developing strategic policy advice. <p>The issues and risks are:</p> <ul style="list-style-type: none"> • that as a result of the strategic change for Community Sport, there has been some discomfort in the sector and some feedback that the process has been burdensome. Aligning investment to the new strategy has also had to take into account a potential sustainability risk for some NSOs. Lessons are being noted • the urgent need for us to be able to tell a credible performance story, backed up by a strong evidence base. This has been recognised with a strengthening of evaluation expertise, new reporting being trialled and a focus on value and benefits during annual planning and prioritisation. Attribution and value are challenges, both in terms of improving Sport NZ's understanding and articulation, particularly across Community Sport.

Critical area		Main points
3	Leadership and Direction	<p>This category includes instances of being well placed and needing development:</p> <ul style="list-style-type: none"> • General high level of confidence in Board leading the organisation • Notable and valued Chief Executive leadership resource • Prioritisation by the Senior Leadership team (SLT) should enable a more strategic focus on high-value work • Opportunity for more agility in organisational leadership style – know which hat to wear when – exploit collective SLT capability. <p>The areas needing development are:</p> <ul style="list-style-type: none"> • the Group initiated significant change in the sector, but the change management capability has been tested in initial implementation • as noted in Core Business above, the difficulty in providing credible performance measures appears to be rooted in sub-optimal planning practices, including a tendency to plan activity rather than results. Intervention logics, as a planning tool, are starting to be used more widely, but must be tempered by testing. A more widespread understanding of organisational performance is needed • stakeholders understand the Group Strategic Plan at a conceptual level but delivery partners still have questions about how this will be implemented. It is assessed that the joint intervention logics will answer this. • there is a tension between the Community Sport and HPSNZ investment portfolios, which can be addressed through the Board's decision-making across the Group's whole portfolio. Enhanced portfolio management is an urgent need • a need for clarity of leadership and decision-making arrangements and better information is recognised.
4	Delivery for Customers and New Zealand	<p>This area was a mix of well placed and needing development:</p> <ul style="list-style-type: none"> • Partners feel they receive great value from Sport NZ • Sport NZ has started to lay out its plans to understand participant value. There is a way to go before the value picture becomes clear • The value proposition is clear to partner agencies • The culture is positive. <p>The issues and risks are:</p> <ul style="list-style-type: none"> • service delivery of Community Sport investment process has some lessons to be learned. • slim Insights resource could be a risk given strategic emphasis • operating model affects the unclear executive arrangements (two Boards, two Chief Executives) and internal relationships • a lack of integration between Sport NZ and HPSNZ causes tension and confusion for some partners.

Critical area		Main points
5	Relationships	<p>This area is a mix of well placed and needing development:</p> <ul style="list-style-type: none"> Relationship management spans Sport NZ and HPSNZ sector partners. It is recognised as excellent Collaboration with partners to deliver joint outcomes in the new Community Sport Strategy has started positively (intervention logic work) Auckland is a positive focus with a General Manager role being established there Community Sport is beginning to increase its own participant awareness by segmentation, with implementation of several system improvements to occur in 2016-17 Ministerial responsiveness is a priority. Different Ministers bring different support preferences Consistently high-quality Ministerial servicing noted. <p>The issues and risks are:</p> <ul style="list-style-type: none"> integration of strategic approaches as mentioned above and integration of service delivery with partners need to be effected opportunity to expand mix of key relationships beyond existing traditional mix Minister has high expectations around performance measurement and we need to be responsive.
6	People Development	<p>This area has predominantly well placed findings:</p> <ul style="list-style-type: none"> Staff are highly engaged and positive about their work Development capabilities across the strategic period include change management as part of managers' roles. A way to go yet. <p>With these opportunities noted:</p> <ul style="list-style-type: none"> Development can be variable and reliant on the awareness of line managers Need to ensure development of in-house staff over the long term, rather than buying in expertise Lack of organisational alignment is impacting staff engagement.
7	Financial and Resource Management	<p>This area is predominantly well placed:</p> <ul style="list-style-type: none"> Financial systems, controls and processes in place with sound audit ratings Risk management system, controls and processes very good Asset management improvements being made Technology being used for information sharing etc Management practice and management information challenges The issue with Lottery funding means there is an opportunity for a greater future focus, e.g. develop a long-term financial strategy to manage future risk There is an opportunity to enable better intelligence and manage that information.

5. Supporting Appendices






5.1 Results Assessment

5.2 List of References


5.3 Acknowledgements



5.4 PIF Review Teams Suggested Draft Improvement Plan – Illustrative Only. Actual Improvement plan to be produced by SLT.

Rating Scale





Rating	Judgement	What it means
	Strong (Excellent)	Best practice/excellent <ul style="list-style-type: none"> • High level of capability and sustained and consistently high levels of performance • Systems in place to monitor and build capability to meet future demands • Organisational learning and external benchmarking used to continuously evaluate and improve performance.
	Well placed	Capable <ul style="list-style-type: none"> • Delivering to expectations with examples of high levels of performance • Evidence of attention given to assessing future demands and capability needs • Comprehensive and consistently good organisational practices and systems in place to support effective management.
	Needing development	Developing <ul style="list-style-type: none"> • Adequate current performance – concerns about future performance • Beginning to focus on processes, repeatability, evaluation and improvement and management beyond and across units • Areas of underperformance or lack of capability are recognised by the agency • Strategies or action plans to lift performance or capability, or remedy deficiencies, are in place and being implemented.
	Weak	Unaware or limited capability <ul style="list-style-type: none"> • Significant area(s) of critical weakness or concern in terms of delivery and/or capability • Management focuses on tasks and actions rather than results and impacts • Agency has limited or no awareness of critical weaknesses or concerns • Strategies or plans to respond to areas of weakness are either not in place or not likely to have sufficient impact.
	Unable to rate/not rated	There is either: <ul style="list-style-type: none"> • no evidence upon which a judgement can be made, or • the evidence available does not allow a credible judgement to be made.





5.1 Results Assessment



Government Priorities	Rating
Supporting Government Priorities	




Core Business	Rating (Effectiveness)	Rating (Efficiency)
Increasing Participation		
Building World-Leading Sport System		





Organisational Management

Leadership and Direction	Rating
Purpose, Vision and Strategy	
Leadership and Governance	
Values, Behaviour and Culture	
Review	

Delivery for Customers and New Zealanders	Rating
Customers	
Operating Model	
Collaboration and Partnerships	
Experience of the Public	

Relationships	Rating
Engagement with Ministers	
Sector Contribution	

People Development	Rating
Leadership and Workforce Development	
Management of People Performance	
Engagement with Staff	

Financial and Resource Management	Rating
Asset Management	
Information Management	
Financial Management	
Risk Management	

5.2 List of References

Question 1

1. Better Public Services
2. Sport and Recreation New Zealand Act 2002
3. Reducing Childhood Obesity Forum 'Programme'
4. Minister's Letter of Expectations
5. Response to Minister's Letter of Expectations
6. Annual Report
7. Statement of Performance Expectations Intro
8. Top Four Government Priorities

Question 2

1. HPSNZ Effectiveness and Efficiency Measures
2. Value for Money Presentation
3. Partner Engagement Survey
4. PRINCE 2 Project Management

Question 3

1. Audit Committee Papers Sport NZ Metrics
2. Value for Money Presentation
3. Response to Parliamentary Select Committee
4. Performance Reports
5. Reviews and one-off reports
6. Strategic Plan
7. Content
8. Otago Longitudinal Study
9. International Benchmarking
10. Partner Confidence Survey 2014
11. Athlete and Coach Survey (HPSNZ)
12. Output Tables in SPE and Annual Report

Question 4

Question 5

1. Partner Confidence Survey 2014
2. Insights Programme of Work
3. Group Strategic Plan
4. Statement of Intent
5. Statement of Performance Expectations

Question 6

1. Agency Contributions to Ministry for Culture and Heritage Four-Year Plan

Question 7

1. HPSNZ Expenditure Analysis
2. Partner Confidence Survey 2014
3. Peter Miskimmin's Presentation
4. Kotter International Accelerate Change 8 Steps
5. Leading Change Checklist
6. Peter Miskimmin's Presentation – 'Implications of Change'
7. Senior Leadership Team PRINCE2 Memo

Question 8

1. Audit Committee – Risk Appetite Statement
2. HPSNZ Risk Update
3. Sport NZ Risk Appetite Statement Matrix

Question 9

Question 10

Question 11

1. Governance Benchmarking Summary
2. Insights Programme of Work
3. Board Paper – Community Sport Focus Areas

Question 12

1. Value for Money Presentation

Question 13

Question 14

1. Insights Programme of Work

Question 15

1. Board Paper on Commercial Activity
2. Customer Insights Maturity Model
3. RST Sector Engagement Strategy
4. NSO Engagement Strategy

Question 16

1. RST Sector Engagement Strategy
2. NSO Engagement Strategy

Question 17

1. Board Paper – Community Sport Focus Areas

Question 18

Question 19

1. Minister's Letter of Expectations
2. Response to Minister's Letter of Expectations

Question 20

1. Ministry for Culture and Heritage MOU

Question 21

1. Organisational Development Priorities Presentation
2. Human Resources Metrics

Question 22

1. Organisational Development Priorities Presentation
2. Human Resources Metrics

Question 23

Question 24

Question 25

Question 26

Question 27

1. BR1 and Outyear Forecasts to 2020 (HPSNZ)
2. Revenue, Reserves and Cash Flow
3. Sport NZ Cost Analysis Financial Snapshot
4. Value for Money Presentation

Question 28

Question 29

1. BR1 and Outyear Forecasts to 2020 (HPSNZ)
2. Revenue, Reserves and Cash Flow
3. Economic Outlook Paper
4. Financial Outlook to 2020 Presentation
5. Sport NZ 2015-16 BR1 and Forecasts
6. Revenues and Cash Flow Paper
7. Audit Committee Papers on BR1 HPSNZ
8. Value for Money Presentation
9. Supplementary Standard Annual Review Questions

Question 30

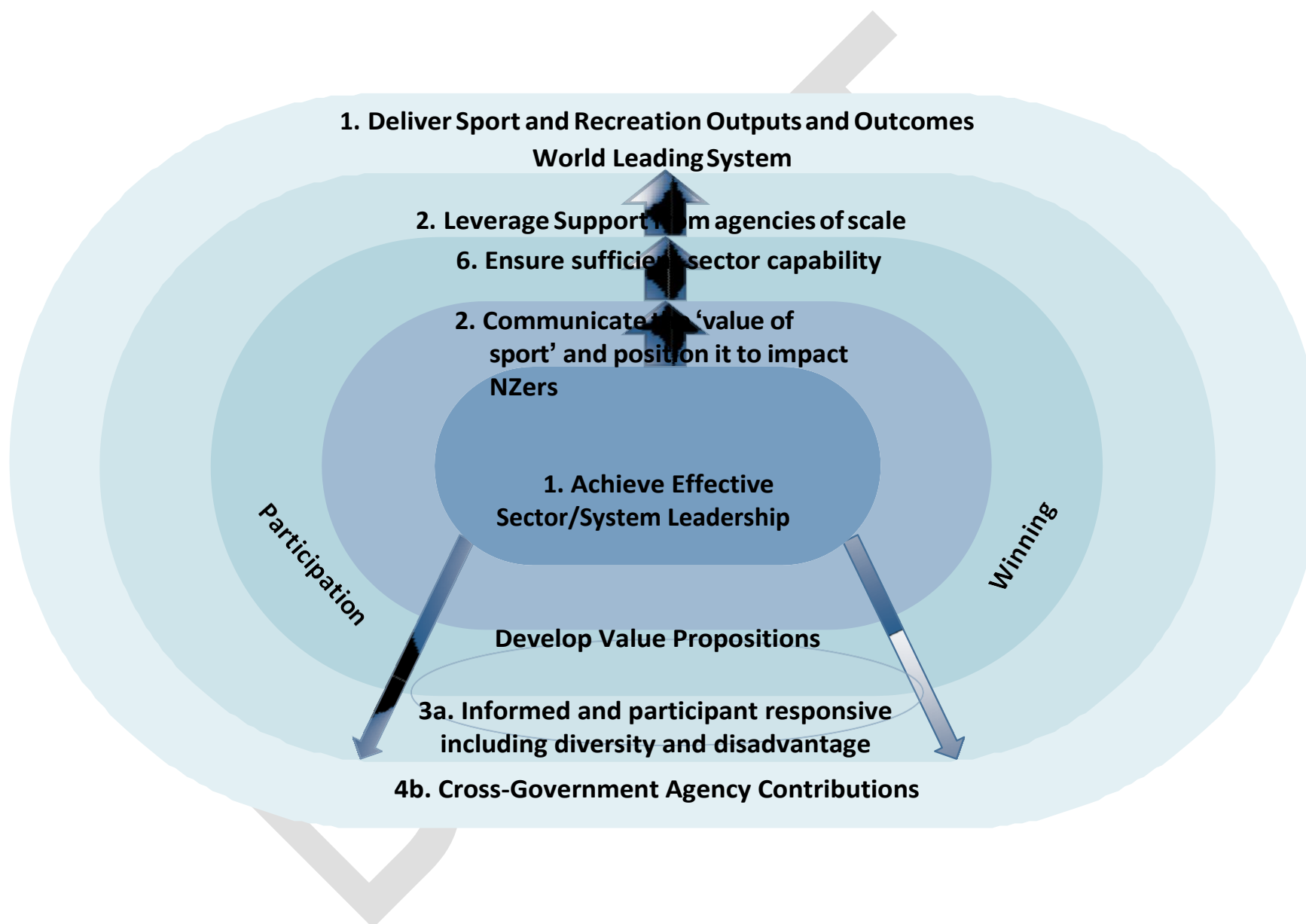
1. Economic Outlook Paper
2. Financial Outlook to 2020 Presentation
3. Audit NZ HPSNZ Report
4. Sport NZ 2015-16 BR1 and Forecasts
5. Revenues and Cash Flow Paper
6. Audit Committee – Risk Appetite Statement
7. HPSNZ Risk Update
8. Sport NZ Risk Appetite Statement Matrix

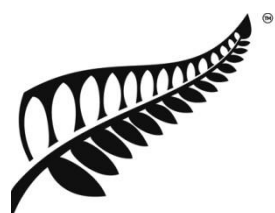
Acknowledgements

Sport NZ Group is grateful for the contributions from the following organisations:

Aktive
Athletics New Zealand
Auckland City Council
Basketball New Zealand
Cycling New Zealand
Eastern and Central Community Trust
Golf New Zealand
Minister for Sport and Recreation
Minister for Māori Development
Ministry for Culture and Heritage
Ministry of Education
Ministry of Health
Netball New Zealand
New Zealand Community Trust
New Zealand Recreation Agency
New Zealand Rugby
New Zealand Trade and Enterprise
Paralympics New Zealand
Rowing New Zealand
Sport Bay of Plenty
Sport Canterbury
Swimming New Zealand
Te Puni Kōkiri
Wellington City Council

Sport NZ Group would also like to thank the individual Board, management and staff members who have shared their expertise, experience and valuable viewpoints for this review.





**HIGH PERFORMANCE
SPORT NEW ZEALAND**

High Performance Sport New Zealand

Performance Improvement Framework (PIF) – Self-review

May 2016

High Performance Sport NZ PIF Report (Self-reviewed)

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 - 1.3 Performance and Agency Challenges and HPSNZ's Response
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 - 4.1 Delivery of Government Priorities
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Executive Summary

In June 2010, the New Zealand Government announced an increase in annual investment in high performance sport of \$20 million per annum with the objective “to ensure that New Zealand is consistently one of the most successful sporting nations in the world”. In 2011, the Sport NZ Board established High Performance Sport New Zealand (HPSNZ) as a Crown Entity Subsidiary within the Sport NZ Group, with a mandate to lead the high performance sport system to new levels of performance. The Government has also invested circa \$40 million in high performance facilities, which has been leveraged to a total investment of more than \$110 million through private/public partnerships. This new investment has provided an immediate return for New Zealand high performance sport.

HPSNZ’s mission is to create a world-leading, sustainable, high performance sport system. The agency’s value proposition is to inspire, enrich and unite the nation by leading the high performance sport system to achieve ambitious performance targets, thereby instilling national pride and shaping our national identity. Under HPSNZ’s leadership, the New Zealand high performance sport system is experiencing an unprecedented level of success. New Zealand was ranked 26th in the world with nine medals at the Beijing 2008 Olympic Games. The performance target for the London 2012 Olympics was 10+ medals and New Zealand improved to 15th on the medal table with 13 medals and ranked fourth per capita. For the upcoming Rio Olympic Games, HPSNZ believes a range of 15 to 19 medals is the most accurate prediction, surpassing New Zealand’s previous best of 13 medals and achieving the agreed target of 14+ Rio medals.

New Zealand Paralympians are also reaching new levels of performance with five world records broken in 2015. For Rio 2016, Paralympics New Zealand and HPSNZ are targeting 12 Paralympic gold medals (up from six in London 2012) and aim to maintain the number one world ranking per capita. New Zealand remains on track to achieve this target with predicted gold medals in swimming, cycling, shooting and possibly athletics.

HPSNZ also contributes to exceptional New Zealand sporting achievements in a variety of non-Olympic sports, such as the Black Caps in cricket, All Blacks in rugby, Kiwis in rugby league, Lydia Ko in golf, Blackjacks in bowls, Silver Ferns in netball, Black Sox in softball and the world champion Black Fins surf lifesaving team.

The performance targets agreed with Sport NZ for the next four years are challenging, including a record number of medals in the Tokyo 2020 Summer Olympics and Paralympics, and Pyeongchang 2018 Winter Olympics and Paralympics, in addition to winning World Championships in targeted non-Olympic sports. To achieve these targets, while improving system sustainability, HPSNZ will need to continually improve its ability to deliver on its mandate of leading the high performance system in New Zealand, working in partnership with NSOs and key stakeholders by:

- allocating resources to targeted sports and athletes
- delivering world-leading support to impact NSO, coach and athlete performance
- constantly striving to outperform international benchmarks.

HPSNZ is also mindful of responding to the Minister’s recently articulated broader expectations for the Sport NZ Group regarding links to sport participation and health outcomes, as well as the financial stability of NSOs and the effectiveness and efficiency of the high performance sport system. This is viewed not as a change in purpose or targets, but as leveraging high performance sport success for broader benefits to New Zealand.

HPSNZ’s 2013-20 strategy is articulated through the following key strategic priorities:

- Leading a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes
- Assisting NSOs to build world-leading coaching and high performance programme leadership
- Enhancing the daily training and competition environments
- Delivering world-leading performance support for our athletes and coaches
- Working in partnership to increase the high performance capability of NSOs
- Strengthening HP athlete development
- Leading an integrated and robust innovation, research, and technology programme

These strategies are fundamental to HPSNZ’s leadership role of the high performance sport system. The programmes and tactics behind each strategy continue to develop as the agency adapts to the changing international HP sport environment and responds to the evolving needs of NSOs and requirement for system leadership.

HPSNZ’s current organisational management was assessed as sound, with ‘strong’ and ‘well placed’ ratings across 90per cent of the structured PIF evaluation questions. The agency operates efficiently, with 94per cent of high

performance funding invested directly in HP programmes, athletes and coaches. The PIF review also found strong partner relationships with National Sports Organisations (NSOs), the New Zealand Olympic Committee (NZOC) and Paralympics New Zealand, ensuring alignment across the HP sport system.

The Four-Year Excellence Horizon coincides with the upcoming Tokyo Olympic and Paralympic cycle, and HPSNZ has been planning the evolution to that cycle for the past year. The upcoming four years will offer heightened challenges, including increasingly competitive nations that are well resourced in New Zealand's targeted sports. The recently announced additional Government investment of \$4 million per annum will assist in maintaining our nation's standing on the world stage, and further investment is required to make additional gains.

The key performance challenges for the HP system and for HPSNZ include:

- improving HP system sustainability
- enhancing NSO sustainability and capability
- developing a sustainable and affordable portfolio of winning athletes and teams
- ensuring seamless athlete development pathways
- stronger links between HP success and broader benefits for New Zealand
- greater clarity on the breadth of HPSNZ's system leadership role.

In responding to these performance challenges, HPSNZ's aspiration is that in four years New Zealand will be recognised as having one of the world's leading high performance sport systems. The high performance sport system will have inspired and united the nation through athletes and teams achieving an exceptional level of medal winning success on the world stage. HPSNZ, with the support of Sport NZ, will have developed a more efficient and sustainable high performance sport system, including NSOs with increased capability, leadership and self-reliance. The timing is right to lift the bar once again and position the HP sport system for continual improvement in the next four years.

1. Four-Year Excellence Horizon

In undertaking this review, the lead reviewers considered the contribution that New Zealand needs from High Performance Sport New Zealand (HPSNZ) in leading the New Zealand high performance sport system. The PIF was used to identify gaps between and opportunities in the current assessment and desired future capability, capacity and performance, which define the performance challenges for HPSNZ and the sector. The Four-Year Excellence Horizon first discusses environmental trends and potential impacts for HPSNZ and the HP sport system. This is followed by an explanation of the performance challenges for the HP sport system, the agency and how HPSNZ will respond to those challenges over the next four years. The Four-Year Excellence Horizon then identifies what success would look like in four years for the HP system, and for HPSNZ to best fulfil its role for New Zealand.

1.1 Environment

In June 2010, the New Zealand Government announced an increase in annual investment in high performance sport of \$20 million per annum with the objective “to ensure that New Zealand is consistently one of the most successful sporting nations in the world”. In 2011, the Sport NZ Board established HPSNZ as a Crown Entity Subsidiary within the Sport NZ Group, with a mandate to lead the high performance sport system in New Zealand to new levels of performance. HPSNZ’s key competitors are the other highly developed international high performance sport systems, including those of Great Britain, Australia, Germany, the United States, Japan, France and the Netherlands. The level of international competition increases markedly within each four-year Olympic, Paralympic and World Cup cycle, with each of our rivals advancing and evolving its HP programme and many increasing their HP sport investment. HPSNZ targets investment into the sports, campaigns and support programmes that have the greatest impact on athlete performance. The agency works closely with Sport NZ and leverages partnerships within the high performance sport system, i.e. the NSOs, NZOC and Paralympics New Zealand to ensure a streamlined and aligned approach. With the increased Government investment and HPSNZ leading the HP sport system, New Zealand is currently achieving an unprecedented level of sporting success. That success is fragile, however, and dependent on the continued improvement of the high performance system, with an increased focus on sustainability.

The Four-Year Excellence Horizon coincides with the upcoming Tokyo Olympic and Paralympic cycle, and HPSNZ has been planning the evolution to that cycle for the past year. Tokyo 2020 will offer heightened challenges, including increasingly competitive nations that are well resourced across New Zealand’s targeted sports and pressure to retain HPSNZ’s world-leading staff as they are headhunted by competitors. The timing is right for HPSNZ to lift the bar once again and position the HP sport system for continuous improvement in the next four years.

New Zealand’s size and geographic isolation are significant ongoing factors in the challenge of competing on the world stage. With 4.6 million people, New Zealand is dwarfed by every nation ranked ahead of us on the Olympic medal table, as well as by our key competitors in the traditional sports of rugby, netball and cricket. Our small size means that domestic competition is often not deep, requiring more international travel to learn to compete and win at an international level. HPSNZ needs to provide tailored support to the targeted sports and athletes as New Zealand cannot afford any attrition or not fully optimising potential.

New Zealand is one of the most geographically isolated nations in the world, which makes access to international competition more costly and time consuming than for our international competitors. The international competition programme for most Olympic sports operates largely in Europe during the Northern Hemisphere summer. While our European rivals can often drive to their international competitions, New Zealand athletes and coaches must travel the world and stay overseas for long periods of time. Extended training blocks overseas between competitions are a core feature of most of New Zealand’s medal-potential campaigns, and require high levels of planning and resources as well as resilient athletes and coaches. The challenge of beating much larger and often heavily resourced nations is a key element of the inspiration of New Zealanders winning on the world stage.

The context for New Zealand’s challenge in achieving sustained sporting success includes noteworthy trends in international high performance sport and within New Zealand. Environmental and contextual challenges for HPSNZ and the New Zealand high performance sport system include:

- increased global competitiveness
- increased cost pressures at high performance system, NSO and campaign levels
- NSO sustainability, capacity and capability
- the world of high performance sport is watching

- Olympic Agenda 2020
- trends in health and participation
- integrity in sport.

Increased global competitiveness

More countries are winning Olympic medals than ever before, with an increase from 74 to 85 nations from Athens 2004 to London 2012, and will continue to increase in Rio 2016 and Tokyo 2020 as more countries have developed economies and invest in high performance sport. Population and GDP are the highest predictors of medal-winning success, but together explain less than half of the variability, with investment in, and the sophistication of, high performance sport programmes shifting nations up or down the medal table. The top 20 nations win a relatively stable 71 percent to 74 percent of total Olympic medals and are in an arms race to improve their high performance programmes to climb the medal table (Shibli, 2015). New Zealand has the smallest population of those nations, with the motivating challenge of maximising outcomes from its high performance sport investment.

Competitor countries are investing significantly more into their HP programmes, and the sophistication of science and technology support is increasing. Sports that are strengths for New Zealand and targeted by HPSNZ are also targeted by very well resourced countries (such as Great Britain, Australia and Germany), making medal targets increasingly challenging as they further develop their HP systems. As an example, HPSNZ currently invests approximately NZ\$20 million over four years into rowing, whereas Great Britain allocates approximately NZ\$65 million to its rowing programme. Recently, UK Sport and Own The Podium (Canada) have announced significant investment increases in their high performance programmes, and it is anticipated that the Australian Institute of Sport will announce increases post Rio 2016. The recently announced additional Government investment of \$4 million per annum will assist in maintaining our nation's competitive standing on the world stage. Further investment would be required to make additional gains.

Increased cost pressures at HP system, NSO and campaign levels

With the current high levels of success, the New Zealand high performance sport system is under increasing cost pressures and financial sustainability is a key risk. More sports are experiencing high performance success and evolving from isolated individual campaigns to full high performance programmes with the associated costs in developing leadership, coaching and other capabilities. The HP programmes of the Tier 1 sports (rowing, cycling and sailing) are also growing in sophistication with more athletes moved into centralised training environments, and more support is required and starting to flow into regional development centres. These HP programmes also require additional operational management support with more sophisticated logistics planning and systems.

With increased numbers of successful athletes, costs have increased for international travel, accommodation, meals, ground transport, science and medical support, training venue hire, specialised equipment, etc. Costs for the Performance Enhancement Grant (PEG) programme for athletes continue to increase with more athletes achieving higher placings at pinnacle events. HPSNZ's medical and physiotherapy support costs have particularly increased with more full-time domestic training environments and extended overseas tours.

The cost of participating in pinnacle events is also increasing, i.e. the Rio 2016 Olympic and Paralympic Games are the most expensive Games in New Zealand's history, and costs will continue to increase for the Pyeongchang 2018 Winter Olympics and Tokyo 2020 Summer Olympics and Paralympics. Additionally, the costs of qualifying for Olympic events have increased due to International Sports Federations requiring increased numbers of qualifying events to secure a greater proportion of athletes' racing schedules. Unfavourable changes in the exchange rate, compared to the largely favourable past several years, are further increasing the costs of preparing New Zealand athletes and teams for international competition.

NSO sustainability, capacity and capability

NSOs in the New Zealand sport system are significantly smaller in both staffing and operating budgets than those of our international competitors. As many sports grow in numbers and sophistication, so does the need to have the right level of organisational capacity and capability to run an effective business. New Zealand's professional high performance sport sector is relatively immature in comparison to other industries, and NSOs in New Zealand are very lean and operate highly efficiently, and given current workloads and the operating environment, are often unsustainable in the long term. The majority of targeted NSOs hold an average of only 30 days of working capital, effectively surviving month to month. Salaries for NSO executive staff are well below market rates internationally and within the commercial sector. Priority high performance sports in the New Zealand system

require increased capacity to remain stable and internationally competitive. Sustainable NSO HP programmes also require strong internal leadership, coaching and athlete development capability, and most targeted NSOs have significant gaps in one or more of these key areas. HPSNZ and Sport NZ both have important roles in ensuring the financial viability and capability of the targeted NSOs that can contribute to high performance system medal targets.

The world of high performance sport is watching

New Zealand is recognised as having a world-leading high performance sport system, and clearly the most effective system of nations with a population of fewer than 10 million. Areas of competitive advantage are becoming harder to protect, in particular a targeted investment strategy, Prime Minister's Scholarships for athletes, coaches and support staff, PEGs and the integrated 'one-stop shop' delivery model. In the coming four years, more nations will attempt to copy HPSNZ's current points of difference. In addition, HPSNZ and NSOs compete for talented people in a global marketplace, and New Zealand's talented high performance directors and coaches and HPSNZ staff are increasingly targeted with job offers by our key competitors. As an example, in 2015 Rowing New Zealand lost a top coach to Switzerland, who then went on to coach a gold-medal-winning crew at the World Championships against New Zealand. During the next 18 months, New Zealand will be particularly vulnerable to other nations headhunting our best talent as they seek to lock in staff for the Tokyo 2020 Olympic cycle.

Olympic Agenda 2020

The International Olympic Committee (IOC) conducted a thorough review of the Olympic programme in 2014 and made a variety of recommendations to ensure a strong future for the Olympic movement. Among the changes potentially impacting New Zealand is the Olympics' move from a sport-based to an event-based programme, with regular reviews of the programme based on specific events. The IOC Session will decide on the inclusion of any sport in the programme, and the IOC will allow the Organising Committee for the Olympic Games (e.g. Tokyo 2020 Organising Committee) to propose additional events on the programme for each edition of the Olympics. In that case, an event may be in the Olympics for just one cycle, making it a challenge to adapt with the objective of sustainability. The IOC will also work with the International Sports Federations to achieve 50 per cent female participation in the Olympic Games and to encourage the inclusion of mixed-gender team events. These changes indicate a higher degree of flux in events between Olympic cycles. HPSNZ is kept abreast of possible changes for future Olympic Games by IOC member Barry Maister. HPSNZ also requires the latest intelligence on potential changes in each International Sports Federation's competition programme and to retain the flexibility to respond quickly and effectively at the sport and campaign levels.

Trends in health and participation

Sport and physical activity are known to have positive impacts on health and wellbeing, including lower healthcare costs, improved mental health, and the prevention and management of age-related issues, and long-term conditions such as diabetes and cardiovascular disease (Synergia, 2014). New Zealand currently ranks highly internationally for sport participation and physical activity. New Zealand children were ranked first equal in a global report card on physical activity, and three-quarters of New Zealand adults take part in sport and recreation each week, but those statistics are starting to slip with changes in New Zealand's demographics, including a more urban population, increasing Asian population, and more children opting out of sport when they reach high school. Childhood obesity is on the rise, with the New Zealand Health Survey Annual Update of Key Results 2014/15 finding 11 per cent of children (aged 2-14 years) were obese and a further 22 per cent were overweight. A challenge for the Sport NZ Group is to strengthen the link between high performance sport success and positive health outcomes for New Zealanders, as well as reinforce the link with increased sport participation, such as New Zealand Golf reporting that Lydia Ko's success is leading to more young women playing golf.

Integrity in sport

Threats to integrity in international high performance sport have become increasingly visible, with high-profile doping cases and match-fixing scandals demonstrating both the success of anti-doping and other integrity efforts and the magnitude of the challenge to keep sport clean. The recent revelations regarding systematic doping in Russia and ineffective doping control systems in Kenya, Belarus, Ethiopia, Morocco, Ukraine and other nations highlight the importance of ensuring an even international playing field for New Zealand athletes. Drugfree Sport NZ (DFS NZ) leads and implements one of the most rigorous sport anti-doping programmes in the world, with New Zealand athletes regularly tested both in and out of competition. The Minister for Sport and Recreation's representing New Zealand and Oceania on the World Anti-Doping Agency (WADA) Executive Committee, as well as the recently announced \$1 million per annum increase in DFS NZ funding, show the Government's strong stance on anti-doping. The lower standard of anti-doping among some of our competitor nations indicates that our athletes are sometimes at a disadvantage when

adhering to the WADA code.

International criminals seek to gain unfair advantage and illegally profit from sports betting. The New Zealand Policy on Sports Match-Fixing and Related Corruption was launched in 2014, including rules that governing sports bodies need to put in place to prevent and respond to match-fixing, such as bans from participation in sport for breaching the rules. The policy provides a national approach to address risks from match-fixing to the integrity of New Zealand sport. The policy was developed by Sport NZ as the sports sector is where match-fixing incidents would impact most directly. The policy involves collaboration with several other government agencies working within associated legal frameworks, covering areas such as sports betting. Fortunately, match-fixing and other manipulation of competition does not seem to be prevalent in the individual Olympic sports that are strengths for New Zealand, but team sports and judged sports (e.g. martial arts, gymnastics, diving) are more at risk. Sport NZ and HPSNZ must continue to keep a watchful eye on trends in match-fixing to ensure an even playing field with the highest standards of integrity.

1.2 Performance Challenges and HPSNZ's Mandate and Strategy

HPSNZ's mission is to create a world-leading, sustainable high performance sport system. To achieve inspirational medal targets while improving system sustainability, HPSNZ will need to continuously improve its ability to deliver on its mandate of leading the high performance system in New Zealand, working in partnership with NSOs and key stakeholders by:

- 1.2.1 allocating resources to targeted sports and athletes
- 1.2.2 delivering world-leading support to impact NSO, coach and athlete performance
- 1.2.3 constantly striving to outperform international benchmarks.

HPSNZ is also mindful of responding to the Minister's recently articulated broader expectations for the Sport NZ Group regarding links to sport participation and health outcomes, as well as for the financial stability of NSOs and the effectiveness and efficiency of the high performance sport system. These are viewed not as a change in purpose or targets, but as leveraging high performance sport success for broader benefit to New Zealand.

HPSNZ's Strategic Plan 2013-2020 was developed in 2012, and the key strategic priorities are fundamental to HPSNZ's leadership role in the high performance sport system. The key strategic priorities will be reviewed and fine-tuned late in 2016 leading into the Tokyo 2020 Olympic and Paralympic cycle, and the programmes and tactics behind each strategy will be adjusted as the agency adapts to the changing international high performance sport environment and responds to the evolving needs of NSOs and requirement for system leadership.

1.3 Performance and Agency Challenges and HPSNZ's Response

The dynamic international high performance sport environment, as well as specific factors in New Zealand, provide performance challenges for the HP system and HPSNZ. In meeting its mandate to lead the high performance sport system, and within the context of the Sport NZ Group meeting the Minister's recently articulated future expectations, HPSNZ faces the following strategic performance challenges:

1. Improving HP system sustainability
2. Enhancing NSO sustainability and capability
3. Developing an affordable and sustainable portfolio of winning athletes and teams
4. Ensuring seamless athlete development pathways
5. Stronger links between HP success and broader benefits for New Zealand
6. Greater clarity on the breadth of HPSNZ's system leadership role.

The sections below describe each performance challenge and how HPSNZ will respond in the next four years to best fulfil its role of leading the New Zealand high performance sport system.

Challenge 1: Improving HP system sustainability

New Zealand has a significant challenge in enhancing the sustainability of the HP sport system. The goal of sustainability is clear and requires the agency, with support from Sport NZ and in partnership with NSOs, the NZOC and Paralympics New Zealand to look ahead and respond to gaps in capability, capacity and financial stability. Sport NZ provides valued work aligning the support of other stakeholders, such as local councils, the tertiary

sector, philanthropists and potential commercial partners, in the interests of enhancing HP system sustainability.

HPSNZ is committed to further developing its understanding of the key strategies and resourcing required for a more sustainable high performance sport system. In the coming year, HPSNZ will develop deliberate strategies in a refreshed Strategic Plan in 2016-17 and the 2017-24 investment framework for high performance system sustainability. The HPSNZ Board and the Senior Leadership Team have identified the key strategic considerations for sustaining the high performance sport system and NSO high performance programmes as leadership, investment and human resources, culture, strategy, talent and competitive advantage. The HPSNZ Board has challenged the SLT to further develop strategies over the next year to enhance high performance system sustainability as well as the sustainability, capability and capacity of NSO high performance programmes.

Financial sustainability is a key risk across the high performance system. A variety of cost pressures at high performance system, NSO and campaign levels contribute to the need for additional investment, as discussed above in the Environment section. Additional one-off funding of \$9 million has been spent on high performance programmes to maximise opportunities for the Rio Olympic and Paralympic Games. This funding has been provided from one-off Lotteries revenue (\$5 million), \$2 million from HPSNZ internal reprioritisation and \$2 million from reserves specifically held for the Rio campaign. The increased Government investment of \$4 million per annum will assist HPSNZ to maintain current levels of support, however, increased investment is required to further enhance performance levels.

The increased Government investment in the past four years has yielded the high levels of HP success evident today. In allocating investment for the coming four years a number of decisions need to be made to live within the budget. These decisions require the following considerations across the HP system:

- Scaling back selected NSO high performance programmes, which would further narrow the already targeted investment approach and reduce the likelihood of achieving medal targets
- Reduction in provision of Athlete Performance Support, particularly in Medical and Rehabilitation
- Reduced ability to retain world-class staff by HPSNZ and NSOs leading to a reduction in the quality of support
- Talented athletes who cannot afford to self-fund all or part of their training and competition costs may drop out of their sports' high performance programmes
- A reduced number of carded athletes
- Some campaign sports that are less likely to contribute to New Zealand's high performance medal targets would need to be cut
- Campaign investments in small minority sports such as judo, weightlifting, boxing, etc. would cease and as a result would impact on New Zealand's Gold Coast 2018 Commonwealth Games performance.

These would put the gains made from additional Government investment since 2010 and New Zealand's likelihood of future success at risk. To assist in meeting increasing cost pressures and bolstering financial sustainability, HPSNZ, with support from Sport NZ, has a challenge to broaden its income from commercialisation and philanthropy. With HPSNZ no longer in its infancy and a successful Olympic Games looking likely, there are increasing opportunities to leverage commercial links for the brand in collaboration with Sport NZ. While taking care not to cannibalise opportunities for NSOs and other partner organisations, HPSNZ can take advantage of commercial prospects related to its unique leadership role in the high performance sport system.

A proactive stance has been adopted relative to increased funding. A Budget bid was lodged, which was not successful, but ultimately the agency secured a \$4 million annual increase in Government investment. In addition, a new programme called Blackgold was launched in 2014 as a collaborative venture between HPSNZ, Sport NZ and the NZOC to generate philanthropic support for the high performance sport system. Blackgold has had initial success, raising close to \$9 million in less than two years. The Blackgold programme will be evaluated after the Rio Olympics, with the aim of enhancing its effectiveness for the next cycle, and a decision will be made regarding the contribution to resourcing of the programme by HPSNZ, Sport NZ and the NZOC. There is still untapped potential and a successful Rio 2016 Olympics combined with a stronger HPSNZ brand would improve the receptiveness of potential philanthropists to contribute to the New Zealand high performance sport sector.

In a competitive Government funding environment, HPSNZ will be seeking to inform New Zealanders of how it is achieving success, connecting brand recognition and the value proposition, for example, in the current campaign leading to the Rio 2016 Olympics and Paralympics, 'This is high performance'. A number of priority NSO partners have already advised of their genuine willingness to promote the HPSNZ brand on their HP athletes as well as other NSO products and events. HPSNZ also looks for strategic opportunities to

host international events, including World Championships and Olympic-qualifying competitions to provide high-quality competition on home turf, reduce international travel costs, enhance sport participation and contribute to the New Zealand economy.

People are HPSNZ's and the New Zealand high performance system's greatest asset and vital for sustainability. Human resources management is inconsistent across NSOs, and HPSNZ and Sport NZ are committed to providing leadership to the sector in understanding good practice and implementing improved processes. Succession planning is another area for focus and improvement within the high performance sport sector. HPSNZ is identifying and prioritising the retention of critical positions and people within the high performance system. This is a tailored, individualised approach that will identify the appropriate incentives and market competitive remuneration to ensure the HP system retains the best talent.

Challenge 2: Enhancing NSO sustainability and capability

Viable NSOs are necessary for the strength of the sport sector and for sustainable high performance success. Relative to international competitors, NSOs in New Zealand operate very efficiently with low numbers of operational staff. The targeted NSOs currently operate with very little reserves, and while many are working to generate alternative revenue sources with some level of success, the small market for commercial partners has limitations. The new Community Sport investment strategy, which is focused on achieving Community Sport outcomes, has led to reduced investment in and business improvement prioritisation for a number of HPSNZ's targeted sports. This has further revealed the fragile financial viability of some of these sports, and places those NSOs and the medal targets for the high performance system at greater risk. It has become more evident that the differing investment strategies of Community Sport and HPSNZ can inadvertently put sports at risk if they receive reduced investment from both organisations. The aggregated impact on NSOs and HP outcomes as a result of the reprioritisation of support needs to be closely monitored, as stable NSO partners are fundamental as a platform for high performance success.

Minister Coleman has challenged Sport NZ and HPSNZ to better understand the health of the sector, including NSOs' financial stability, quality of governance and capability to deliver Government outcomes. HPSNZ and Sport NZ have key roles in aligning support to improve the financial viability and further develop the capability and capacity of targeted NSOs. HPSNZ will step up efforts to ensure the financial stability of targeted NSOs by gaining greater clarity regarding at-risk NSOs, communicating more closely with Community Sport and working across the Sport NZ Group. This will ensure that investment strategies support the head office component of NSO operations, where required, for financial sustainability and strategic support to bolster NSO capability.

The Sport NZ Group operating model, of which HPSNZ is a key component, requires further development. The value chain to deliver a broader set of benefits requires a consideration of strengthened interfaces between HPSNZ's and Sport NZ's operations. HPSNZ and Community Sport have worked closely to develop an agreed set of operating principles and protocols (see Appendix F) to ensure an appropriate level of alignment and communication is achieved when determining their independent investment recommendations.

HPSNZ partners with a small group of high-priority sports that are critical to the success of the high performance sport system and the achievement of medal targets. Some of these sports are being challenged by their operational demands and the growth in high performance complexity relative to their limited capacity. HPSNZ needs to be more deliberate in its priorities and the support required from Sport NZ for these critical sports. Sport NZ and HPSNZ are engaging on how to better align and leverage support across the Sport NZ Strategic Support teams (e.g. investment funding and grants, business improvements and sector capability operations) to enhance NSO capability and capacity in high performance targeted sports.

Challenge 3: Developing an affordable and sustainable portfolio of winning athletes and teams

HPSNZ needs to ensure sustained medal-winning success for New Zealand. The performance targets agreed with Sport NZ for the next four years are: 16 or more medals in the Tokyo 2020 Olympics; 10-14 gold medals in the Tokyo 2020 Paralympics; one medal in the 2018 Pyeongchang Winter Olympics; and one gold medal in the 2018 Winter Paralympics, in addition to winning in World Championships and World Cups in targeted non-Olympic sports. These are challenging targets, with New Zealand's previous best performances to date being 13 Summer Olympic medals (1988, 2012), nine Summer Paralympic gold medals (1996) and one Winter Olympic medal (1992), with only one Winter Paralympic gold medal in the past three quadrennial cycles.

Achieving sustainable success for the high performance sport system in an increasingly competitive global sporting environment requires an affordable and sustainable portfolio of winning athletes and teams, including a core group of multi-medal-winning sports; a group of sports developing towards multi-medal-

winning success and the ability to respond to emerging opportunities. HPSNZ will tailor its investment and support programmes based on the changing needs of sports and campaigns that can contribute to achieving these ambitious targets for the New Zealand HP system.

- i. Core group of multi-medal-winning sports: Support a tight portfolio of repeatable winning sports that are adequately resourced to maintain a stable and sustainable high performance programme that provides 'consistent value' and a strong return on investment for each performance cycle. HPSNZ will invest more deeply in these sports, tailoring support and building the NSOs' high performance capability. This group of sports will be the engine room of medal winning, with Rowing New Zealand as the best current example.
- ii. Sports developing repeatable multi-medal-winning success: These sports currently rely on a small number of athletes and coaches for their success, and are still developing the systems and processes to develop athletes for ongoing success. HPSNZ will invest in, and support these sports to improve their leadership, coaching and athlete development systems, but not as deeply as the established group of multi-medal-winning sports.
- iii. Emerging opportunities: Incremental medals can be gained from responding to emerging support opportunities in an unpredictable international HP environment, such as athletes and coaches who demonstrate potential in non-targeted sports and opportunities arising from transfers of athletes between sports or changes to the Olympic or Paralympic programmes. These outside medal opportunities may provide a small number of medals in each four-year cycle with a relatively low level of investment and other support.

Challenge 4: Ensuring seamless athlete development pathways

There is currently a gap in the New Zealand sporting system in the development of athletes below high performance. Young athletes develop over many years before achieving high performance success. Community sport provides an entry point and critical early development period for talented athletes competing in high performance targeted sports. HPSNZ is focused on meeting ambitious medal targets for Tokyo 2020 and beyond, which is a particular challenge because the high performance sport system will need to replenish a high proportion of medal-winning athletes who will retire post the Rio 2016 Olympic and Paralympic Games.

HPSNZ's high performance athlete development programme and level three athlete carding support athletes who are five to eight years from the podium for a number of the targeted sports, and five or six years from the podium for others. Currently Community Sport and HPSNZ partner in supporting the Pathway to Podium programme, which is a cross-sport, education-based development programme to better prepare athletes and their coaches for the demands of high performance. Sport-specific athlete and coach development remains the primary responsibility of the NSO and associated parties (clubs, schools, events, etc). There is an opportunity to enhance alignment with Community Sport and increase support for the development of athletes in the high performance targeted sports. This will bolster the number and breadth of athletes capable of ultimately achieving high performance success. Most NSOs do not currently have athlete development pathways or appropriate levels of resourcing to prepare athletes for high performance.

Improved alignment with and increased resourcing between Community Sport and HPSNZ towards the development of athletes in the high performance targeted sports will enhance the sustainability of medal-winning achievement for the New Zealand high performance sport system. HPSNZ's high performance athlete development and coaching teams have contributed to the development of Sport NZ's new Talent Development Strategy and look forward to working alongside Sport NZ to ensure that the targeted high performance sports have robust pathways for both athletes and coaches through the development stages up to high performance. HPSNZ will prioritise building the capability and capacity of NSO HP Athlete Development Managers, including the implementation of robust athlete development pathways. This approach applies for both individual sports and team sports, and will improve the sustainability of NSOs in producing medal-winning campaigns.

Challenge 5: Stronger links between HP success and broader benefits for New Zealand

In the Ministerial Letter of Expectations dated 4 March 2016, Minister Coleman indicated he would like to see an adjusted set of priorities for the Sport NZ Group. Two key areas detailed in the Letter of Expectations relate to broader outcomes for New Zealanders:

- How does the HPSNZ strategy lead to overall participation in sport?
- Explore opportunities to maximise synergies between the Health and Sport portfolios in delivering better health outcomes for New Zealand.

The Sport NZ Group is currently investigating how to respond effectively to these priorities.

Responding proactively will require careful planning so as to positively impact these outcomes without negatively impacting HPSNZ's focus on performance.

There is an opportunity to improve mutual understanding of how high performance sporting success and the healthy behaviours associated with successful athletes can transfer to support the Government's health initiatives. A key example of the potential is the Ministry of Health's Childhood Obesity Plan, which is a package of initiatives that aims to prevent and manage obesity in children and young people up to 18 years of age. The package brings together initiatives across government agencies, the private sector, communities, schools, families and whānau. Sport NZ has a role in the Childhood Obesity Plan through promoting physical activity and sport in young people, and HPSNZ is linked via access to high performance athletes as role models as part of the campaign in recognition of the positive impact, such athletes can have within our communities. HPSNZ is prepared to work via Sport NZ to support the Ministry of Health in gaining leverage from medal-winning performances. As a key example, the PEG programme guidelines currently require athletes who receive PEG grants to attend up to two events per annum when requested by HPSNZ. HPSNZ will increase the requirement to four appearances per athlete annually for the next four-year cycle and align strategically to provide greater access to athletes for cross-government initiatives such as improving health outcomes.

The Sport NZ Group is looking to develop an improved quantitative and qualitative evidence base to better understand and strengthen the links between high performance success and sport participation in the New Zealand context. The current (e.g. Lydia Ko in golf) and historical (e.g. Hamish Carter in triathlon) anecdotal evidence of high performance success leading to increased sport participation needs to be backed up with more solid evidence, and supported by strategies to sustain the increase. Sport NZ will lead the required research to understand and strengthen the links between high performance sport success and sport participation. The objective is to improve understanding of the connection with participation rates on sport-by-sport and cross-sport levels. This will underpin Sport NZ Group strategies to bolster sport participation.

HPSNZ's value proposition is to inspire, enrich and unite the nation by leading the high performance sport system to achieve ambitious performance targets. Winning on the world stage builds national pride and shapes our national identity. Victorious New Zealand athletes and teams promote brand New Zealand with our trading partners and the global tourism market. While the value proposition of high performance sport has strengthened as the number of sports and athletes winning medals on the world stage has increased, a challenge exists to enhance the New Zealand public's understanding of HPSNZ's role and the significance of its value proposition. As HPSNZ is a new agency and a subsidiary of Sport NZ, there has not been a high level of communication with the New Zealand public to articulate the value proposition. There is an opportunity in the Four-Year Excellence Horizon to improve HPSNZ's understanding of inspiring New Zealanders and to further increase the value proposition of high performance sport among the New Zealand public. Increased brand recognition would provide greater exposure to the Government for its investment and position HPSNZ more favourably within the commercial market to generate alternative forms of revenue.

New Zealand's sporting successes on the world stage and the association of those sports and events with many of our trading partners offer opportunities to use Olympic medallists and world champions to further national representation and trade outcomes. An example of using high performance sport success to leverage national identity was NZTE leveraging the All Blacks to portray New Zealand as 'a nation full of innovation, creativity and can-do people'. The Sport NZ Group sees opportunities working with NZTE to promote the connection between New Zealand's sporting success and business potential as an innovative and dynamic nation. Events are planned for the Rio 2016 Olympics to support the business goals of the Government and New Zealand business, and ongoing opportunities exist for the 2018 Gold Coast Commonwealth Games, 2018 Pyeongchang Winter Olympics, 2020 Tokyo Olympics and upcoming World Championships and World Cups.

Challenge 6: Greater clarity on the breadth of HPSNZ's system leadership role

The New Zealand high performance sport system has stepped up performance under HPSNZ's leadership and implementation of the Strategic Plan 2013-20. One of HPSNZ's strengths is the targeting of investment and other resources. There is a risk, however, of not providing sufficient opportunities for less developed sports to learn and develop their high performance programmes. HPSNZ is looking to expand its reach by providing opportunities for a broader range of sports to learn how to achieve high performance outcomes, without compromising the focus on the targeted sports. The agency will thereby have a positive impact on a greater range of sports in New Zealand, enabling more sports to aspire to high performance success. This approach is consistent with HPSNZ's mandate to lead the high performance sport system and the ambitious targets for Summer Olympic and Paralympic, Winter Olympic and Paralympic and non-Olympic sports. One element of this approach is to provide greater clarity to non-targeted and non-campaign sports on the potential opportunities to access HPSNZ capability-building support within current resource constraints.

HPSNZ's response to broaden its impact on the New Zealand HP system:

- A new online learning system developed in partnership with Sport NZ to provide an effective platform to efficiently share good practice, grow capability and connect HP system partners
- Continuation of the biannual Performance Summit, ensuring content is relevant to, and can be applied in non-targeted sports
- Partnering with New Zealand Rugby to provide a competitive advantage by sharing high performance sport intellectual property throughout the high performance sport system
- Exploring opportunities to invite non-targeted sports more proactively to appropriate high performance workshops and share system resources (i.e. high performance Selection forum, high performance coaching community forum and dinner, etc.)
- Continuing to invest in non-targeted sport individual athlete medal potential campaigns

Investment levels allowing, there is also the opportunity to provide support to selected Commonwealth Games sports during the final year of preparation to bolster New Zealand's medal tally.

Capability to implement change

The agency's structure, programmes and systems are already in place to implement its seven key strategic priorities. The agency is making progress against each of those priorities. HPSNZ is already well positioned to apply its existing financial and people resources to achieving medal targets, and has put considerable thought into fine-tuning its programmes to ensure medal targets are achieved in the coming four years. HPSNZ also has tight financial control systems for internal expenditure and a high degree of visibility into NSO high performance expenditure through detailed quarterly reporting, ensuring the efficiency of high performance investment both internally and in sports. The implementation challenge primarily involves responding to the performance challenges in improving the sustainability of the high performance sport system and strengthening the link via Sport NZ to broader benefits for New Zealand. As a new and relatively small agency, HPSNZ has the ability to implement change quickly and effectively. In a competitive global environment and with a focus on continuous improvement, HPSNZ's Senior Leadership Team is committed to ensuring the agency has the capability to adapt to changing needs. The high degree of focus on the HPSNZ Culture Plan, including 'maximising human potential to achieve outcomes that inspire the nation' and 'we aspire to be world-leading in all that we do' provides confidence in the agency's commitment to implementing change for continuous improvement.

An important issue for the Senior Leadership Team is to determine the realistic level of sustainability within the high performance sport system, understanding that only a limited number of NSOs can be supported to achieve sustainability for their high performance programmes. The links to broader benefits for New Zealand, with an emphasis on sport participation and health outcomes, will be addressed via close collaboration with Sport NZ, and substantial changes in HPSNZ's operating model should not be required.

1.4 What Will Success Look Like?






In four years, New Zealand will be recognised as having one of the world's leading high performance sport systems. Under HPSNZ's leadership, the high performance sport system will have inspired and united the nation through an unprecedented level of medal-winning success on the world stage. HPSNZ will have developed a more efficient and sustainable high performance sport system, including NSOs with increased capability, leadership and self-reliance. More NSOs will have high performance programmes developing athletes and teams for repeatable medal-winning success. NSOs will also have athlete development pathways, developing talent from a young age through to high performance. Athletes and coaches from Olympic, Paralympic and non-Olympic sports will receive world leading support from HPSNZ as well as through their internal capability to enhance their development.

In four years, HPSNZ will be a well respected organisation, known for strong leadership, clear strategies and a proven operating model, with the ability to adapt to the evolving challenges of the global sporting landscape. The high performance sport system, including NSOs, HPSNZ, the NZOC, Paralympics New Zealand and Sport NZ will be aligned and working together to provide the best preparation for athletes and coaches. The value proposition of high performance sport will be clear to the Government and the New Zealand people. High performance sport success and athlete role models will be more closely linked to increased sporting participation and improved health outcomes for the nation, as well as promoting New Zealand within the global tourism industry. The New Zealand high performance sport system will be a recognised leader internationally, enhancing New Zealand's standing as an innovative nation able to outperform our competitors and win on the world stage.

2. Summary of Ratings

HPSNZ used the rating system below to formulate its ranking across all 30 core questions. Three separate teams were each given the opportunity to provide a rating. These teams were the PIF project team, the voice of staff focus group and senior leadership focus group. Once these results were compiled, the entire Senior Leadership Team discussed, assessed and moderated the results to achieve a final ranking. Across the initial three teams and the Senior Leadership Team there was a high level of consistency in responses, with minor movements across the average and range in the assessed rating scores.







Rating system

Rating	Judgement	What it means
	Strong (Excellent)	Best practice/excellent High level of capability and sustained and consistently high levels of performance Systems in place to monitor and build capability to meet future demands Organisational learning and external benchmarking used to continuously evaluate and improve performance.
	Well placed	Capable Delivering to expectations with examples of high levels of performance Evidence of attention given to assessing future demands and capability needs Comprehensive and consistently good organisational practices and systems in place to support effective management.
	Needing development	Developing Adequate current performance – concerns about future performance Beginning to focus on processes, repeatability, evaluation and improvement and management beyond and across units Areas of underperformance or lack of capability are recognised by the agency Strategies or action plans to lift performance or capability, or remedy deficiencies are in place and being implemented.
	Weak	Unaware or limited capability Significant area(s) of critical weakness or concern in terms of delivery and/or capability Management focuses on tasks and actions rather than results and impacts Agency has limited or no awareness of critical weaknesses or concerns Strategies or plans to respond to areas of weakness are either not in place or not likely to have sufficient impact.
	Unable to rate/not rated	There is either: No evidence upon which a judgement can be made; or The evidence available does not allow a credible judgement to be made.





3. Summary of Results




Results



Government Priorities	Rating
Create a World-Leading High Performance System	




Core Business	Rating (Effectiveness)	Rating (Efficiency)
Podium Performance		
System Sustainability		
Prime Minister's Scholarships		





Organisational Management

Leadership and Direction	Rating
Purpose, Vision and Strategy	
Leadership and Governance	
Values, Behaviour and Culture	
Review	

Delivery for Customers and New Zealanders	Rating
Customers	
Operating Model	
Collaboration and Partnerships	
Experience of the Public	

Relationships	Rating
Engagement with Ministers	
Sector Contribution	

People Development	Rating
Leadership and Workforce Development	
Management of People Performance	
Engagement with Staff	

Financial and Resource Management	Rating
Asset Management	
Information Management	
Financial Management	
Risk Management	

Agency context

Government expectations of HPSNZ were made clear in June 2010, when major changes were announced with the aim ‘to ensure that New Zealand is consistently one of the most successful sporting nations in the world’. The structural foundation for this system was the merger of the NZ Academy of Sport North Island, NZ Academy of Sport South Island and SPARC high performance unit in August 2011, to create HPSNZ as a wholly owned subsidiary of Sport NZ, the Crown agency that oversees sport and recreation. HPSNZ is funded from Vote Sport and Recreation, with over \$62 million towards HPSNZ and \$4.25 million for the Prime Minister’s Scholarships programme.

HPSNZ was established to create an athlete-focused, coach-led and performance-driven system that provides athletes and coaches with world-class support services and facilities, so they can focus on performance. HPSNZ is supported by Sport NZ and works closely with key partners, including NSOs, the NZOC and Paralympics New Zealand, creating a seamless high performance system with minimal duplication and bureaucracy.

“We invest in High Performance Sport to make New Zealanders proud. As a nation we love to see our athletes win on the world stage.”

Prime Minister Right Hon John Key

HPSNZ was purposely formed to ensure a focus on high performance achievement. To this end it has its own Board and SLT. Together they implement the mandate of leading the high performance system in New Zealand, working in partnership with Sport NZ, NSOs and key stakeholders by:

- 3.1 allocating resources to targeted sports and athletes
- 3.2 delivering world-leading support to impact NSO, coach and athlete performance
- 3.3 constantly striving to outperform international benchmarks.

The founding priorities identified in HPSNZ’s constitution are:

- i. make New Zealand the most successful sporting nation in the world by developing high performance sport
- ii. create a more focused high performance sport system in order to advance the other objectives
- iii. ensure the high performance sport system is as efficient as possible in order to advance the other objectives
- iv. effect a culture change in New Zealand high performance sport with an increased focus on excellence
- v. be the lead agency for New Zealand high performance sport including athletes and sports people and provide a holistic and multidisciplinary educational approach for overall personal, career and athletic development of high performance sports people
- vi. ensure that world-class coaches are recruited, developed and retained to train our high performance athletes and sports people
- vii. maximise the use of technology and innovation in high performance sport
- viii. educate, and support the education and development of high performance sports people including by providing access to financial support such as scholarships and grants
- ix. increase the number of high performance sport facilities and services in New Zealand
- x. ensure that NSOs are accountable for meeting agreed high performance outcomes
- xi. ensure alignment and continuity between high performance sport and community sport.

HPSNZ is led by Chief Executive Alex Baumann and four General Managers each leading an organisational pillar. The four pillars are Performance & Strategic Investment, Athlete Performance Support, Capacity & Expertise and Business Operations. The organisational structure is discussed in more detail under Operating Model.

“When we see New Zealanders competing and winning on the world stage it unites us as a nation, and inspires youngsters to get out and participate in sport. We have a world-leading high performance system, led by High Performance Sport New Zealand. Its uncompromising culture of excellence and dedication to providing world-class support means Kiwi athletes will be able to perform to their full potential and continue to make us proud.”

Minister for Sport and Recreation Dr Jonathan Coleman

4. Results Section

4.1 Delivery of Government Priorities

This section reviews how HPSNZ is delivering on its strategic priorities agreed with the Government.

1. How well is HPSNZ responding to Government priorities?

Performance Rating: Well placed
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Create a world-leading high performance sport system:

HPSNZ is a new organisation, formed in August 2011 with a mandate to lead the high performance sport system in New Zealand. Its objectives and goals have been formulated to deliver improved performances on the world stage. HPSNZ is currently meeting its Strategic Plan objectives and delivering to Government priorities as evidenced by the Statement of Intent and Statement of Performance Expectations.

Government expectations of HPSNZ were made clear in June 2010, when major changes were announced with the aim 'to ensure that New Zealand is consistently one of the most successful sporting nations in the world'. The foundation for the new high performance system was laid by the merger of three previous entities; the New Zealand Academies of Sport North Island and South Island and the high performance component of SPARC, to create HPSNZ as a wholly owned subsidiary of Sport New Zealand, the Crown agency that oversees sport and recreation in New Zealand. This established a 'one-stop shop' to respond quickly and decisively to meet the needs of high performance athletes. Sport NZ enables HPSNZ to focus on high performance success, by providing a range of support including Government reporting, policy, facilities, events, business improvement, relationship management and shared services. Discussions with international counterparts, including the Canadians, Germans, Australians and others have found this to be a distinct competitive advantage over other international high performance systems.

The new high performance system structure has made an immediate impact on New Zealand's sporting landscape, demonstrated by podium performance targets exceeded from 2012 to 2015. These results have created a platform to deliver further success at the Rio 2016 Olympic and Paralympic Games evidenced by independent sport analytic agency Infostrada.

HPSNZ was intentionally formed to ensure it can solely focus on performance and remove prior fragmentation within the system, which had no one true leader of high performance. To this end it has its own Board and SLT with demonstrated world-class experience and an understanding of what is required to win. As a key example the Chief Executive is a double Olympic gold medallist with experience in both the Australian and Canadian HP sport systems. Together, the Board and the Senior Leadership Team implement the Government mandate of leading the high performance system in New Zealand, supported by Sport NZ and working in partnership with NSOs and key stakeholders by allocating resources to targeted sports and athletes, delivering world-leading support to impact NSO, coach and athlete performance, and striving to outperform international benchmarks.

Uniquely, HPSNZ has a direct line of sight to the athlete and coach, and can also apply best-practice sport science and sports medicine or strategic decision-making without having to work through multiple agencies. This is a strong competitive advantage, which many international systems are only now beginning to address. As an example the Australian Institute of Sport has a federated model where it has to work through national, state, regional and district agencies in order to achieve outcomes with athletes.

HPSNZ has a strong understanding of the needs of sports and works in partnership with NSOs to achieve the desired results. The agency has a proven track record to date with key performance targets being met or succeeded in successive years. The targeted investment approach ensures only genuine medal-potential sports and athletes are supported and no stone is left unturned in preparation for competition. This includes specific key performance indicators (KPIs) for sports, with annual performance targets to enable tracking of progress.

A core focus of HPSNZ is retaining expert sports science and medicine and other sport consultants who have been strategically immersed in the New Zealand high performance sport system for many years and who are recognised for their contribution to athlete and coach success. Leveraging the new levels of expertise and capability in the system was complemented by creating a culture of excellence across the high performance system. HPSNZ has implemented a successful Culture Plan within the organisation evidenced by its high staff engagement and partner survey scores, and is working with the wider sector to ensure a consistent approach to achieving excellence.

The New Zealand Academy of Sports and SPARC had emerging technology support programmes for sports without a unified approach. HPSNZ has developed a coordinated system-wide innovation strategy that ensures technology and innovation provide our athletes with a winning edge. The interview notes and partner survey results recognise the contribution to athlete performance results by HPSNZ's internal innovation team called Goldmine.

In the past 4 years Sport NZ, in partnership with HPSNZ, has led a strategic approach to the development of multi-sport performance and training hubs across the country. These hubs have deliberately been located in the areas that have a critical mass of athletes and support staff and/or targeted towards the centralised national programmes of priority sports. The facilities now include national hubs in Auckland (National Training Centre), national performance centres in the Waikato (including the Avantidrome and Rowing New Zealand High Performance Centre) and regional performance centres in Dunedin, Wellington and Christchurch. A snow sport facility is located in Wanaka.

Prior to additional Government funding in 2010, the return on investment risk for the Government was high. There is now a clear understanding across the system of what is required to achieve international success and how to implement successful HP programmes across sports and campaigns.

4.2 Delivery of Core Business – Podium Performance

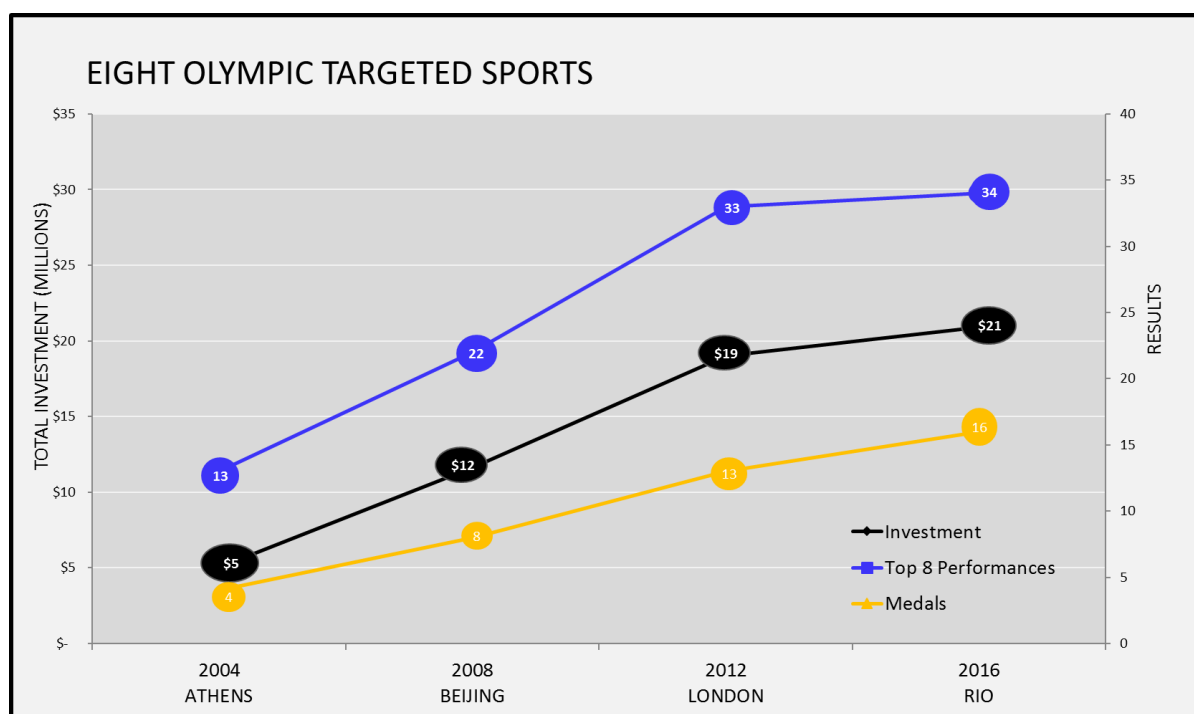
This section reviews HPSNZ's effectiveness and efficiency in delivering its core business of Podium Performance.

Core Business 1: Podium Performance
Performance Rating – Effectiveness: Strong
Performance Rating – Efficiency: Well placed

This core business involves delivering increased and repeatable podium performances at Olympic, Paralympic and non-Olympic World Championships and World Cups. HPSNZ's Strategic Plan sets ambitious stretch targets, with increased medal performances across Olympic, Paralympic and non-Olympic World Championship and World Cup pinnacle events.

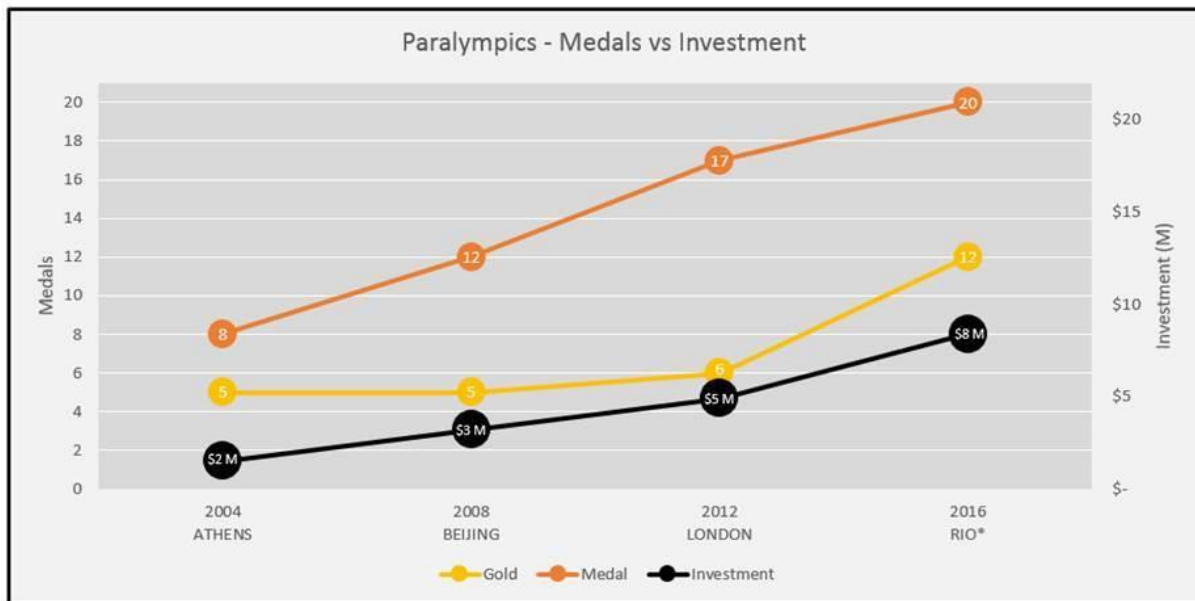
The review team considered the effectiveness as strong given the international podium results explained below. New Zealand was ranked 26th in the world with nine medals at the Beijing 2008 Olympic Games, which was a step up from the five medals in the Athens 2004 Olympic Games. The performance target for the London 2012 Olympics was 10+ medals. The London 2012 Olympic Games saw New Zealand improve to 15th on the medal table with 13 medals and ranked fourth in the world per capita.

The chart below highlights New Zealand's medal winning and top eight performances in the Olympic Games since 2004 and the correlation with Government investment.



The Pearson correlation between increased investment and Olympic medals is 0.999, with an R-squared of 0.999, indicating that 99.9per cent of the increase in Olympic medals can be explained by the increase in investment. Similarly, the Pearson correlation between increased investment and top eight performances is 0.989, with an R-squared of 0.978, indicating that 97.8per cent of the increase in top eight performances can be explained by the increase in investment. This high correlation between investment and medals and top eight performances achieved suggests that New Zealand's full potential is yet to be realised.

London 2012 also saw Paralympic success with six gold medals and New Zealand ranked number one per capita in the world.



The Pearson correlation between increased investment and Paralympic gold medals is 0.928, with an R-squared of 0.860, indicating that 86 per cent of the increase in gold medals can be explained by the increase in investment. Similarly, the Pearson correlation between increased investment and total Paralympic medals is 0.964, with an R-squared of 0.929, indicating that 92.9 per cent of the increase in New Zealand's total Paralympic medals can be explained by the increase in investment.

New Zealand's podium performances have continued to improve in the past three years. Independent analysis by Infostrada in 2015 showed New Zealand with a virtual Olympic medal count of 21 across nine sports and ranked 10th on the virtual medal table. New Zealand is the only small nation (i.e. population less than 10 million) in the world capable of winning Olympic medals across a breadth of nine sports. HPSNZ's own data analysis of 2015 results indicates the HP system is tracking towards 19 medals. Given the unpredictability of Olympic competition; the unique Rio environment; new Olympic disciplines; injuries and untested returns for some key athletes, HPSNZ believes that a range of 15 to 19 Rio Olympic medals is the most accurate prediction, surpassing New Zealand's previous best of 13 medals achieved in Seoul 1988 and London 2012 and achieving HPSNZ's agreed target of 14+ Rio medals.

"HPSNZ has changed the landscape of sport in this country."

Mahe Drysdale, Olympic Gold Medallist and Five-Time World Champion

New Zealand Paralympians also continue to excel, with five world records broken in 2015. For the Rio 2016 Paralympic Games New Zealand is targeting 12 gold medals and to maintain its number one world ranking per capita. New Zealand remains on track to achieve this target with predicted gold medals in swimming, cycling, shooting and an outside chance in athletics. The 12 gold medals would be double the six gold medals won by New Zealand at the London 2012 Paralympics.

"As an organisation we are immensely grateful for the support received to date from HPSNZ through HP programme funding, Games Campaign funding, PEGs and Prime Minister's Scholarships. This investment has enabled us to support high performing programmes and systems in Para-sport and has been critical to the achievements of our Para-athletes and Paralympians."

Fiona Allan, Chief Executive Paralympics New Zealand

The 2014 Sochi Winter Olympic results were promising compared to New Zealand's previous Winter Olympic performances, but fell short of the target of one medal and four top eights, with fourth, fifth and sixth place finishes in the halfpipe in freestyle skiing and seventh place in the 10,000 metres in speedskating. In the 2014 Winter

Paralympics, New Zealand won a silver medal in the giant slalom in alpine skiing and had three other 4th place results. The targets for the 2018 Pyeongchang Winter Olympics are one Olympic medal and one Paralympic gold medal, and HPSNZ is working closely with Snow Sports NZ and Paralympics NZ to support campaigns to achieve these goals.

HPSNZ has also contributed to improving the high performance system and exceptional sporting achievements in non-Olympic sports such as the Black Caps, All Blacks, Kiwis rugby league, Lydia Ko, Blackjacks, Black Fins and Black Sox, summarised within the list of accomplishments below. The key achievements in the last 18 months include:

- 4.2.1 New Zealand's best performance at a Commonwealth Games outside New Zealand winning 45 medals (including 14 gold) at the Glasgow 2014 Commonwealth Games
- 4.2.2 Rowing NZ winning seven medals in Olympic events at both the 2014 and 2015 world championships and is now the number one ranked rowing nation in the world
- 4.2.3 The All Blacks becoming the first team in history to win back-to-back World Cups
- 4.2.4 Cycling Men's Sprint Team winning a gold medal at the 2016 World Championships to back up their silver in 2015 and gold in 2014
- 4.2.5 Three-time world champion Lisa Carrington winning two gold medals at the 2015 World Championships and being recognized as the leading female kayak paddler in the world
- 4.2.6 Tom Walsh winning shot put gold at the 2016 IAAF World Indoor Championships
- 4.2.7 Sailors Peter Burling and Blair Tuke winning their 4th consecutive World Championship accumulating their 24th consecutive regatta win since the London 2012 Olympics and Peter's selection as Team New Zealand helmsman of the America's Cup campaign
- 4.2.8 Lydia Ko winning her first major in 2015 and being the youngest ever golfer to be ranked number one in the world
- 4.2.9 Black Caps inspiring and uniting the nation making it through to the final of the 2015 ICC Cricket World Cup
- 4.2.10 Kiwi rugby league team beating the highly favoured Australian Kangaroos for the third straight time and breaking new ground in rugby league in 2015
- 4.2.11 Sophie Pascoe breaking world records and new territory in Paralympic swimming; first S10 category para-swimmer to go under the one-minute mark in the 100m freestyle
- 4.2.12 Young pole vault star Eliza McCartney breaking the World Junior Record in 2015 and senior Oceania record in 2016 at age 19
- 4.2.13 Men's softball Black Sox achieving a silver medal at the 2015 World Championships
- 4.2.14 NZ surf lifesaving Black Fins successfully defending their World Championships gold medals in 2014
- 4.2.15 Black Sticks women's hockey team winning a silver medal at the World League finals
- 4.2.16 Paralympic shooter Michael Johnson continuing his impressive international results by winning another gold medal in 2015
- 4.2.17 Swimmer Lauren Boyle winning silver medals in the 800-metre freestyle and 1,500-metre freestyle events at the 2015 World Championships
- 4.2.18 Paralympic tandem cyclists Emma Foy and Laura Thompson defending their World Championship title in 2016 for the second year in the Women's 3km Pursuit.

One of the key priorities in 2016 is to improve conversions of high-potential campaigns into Olympic and Paralympic medals by responding quickly to key performance needs. HPSNZ is closely monitoring campaign preparation to ensure New Zealand has the most successful Olympic and Paralympic Games in its history. The opportunity to inspire the nation has never been greater.

New Zealand's high performance sport system and podium performances have been noticed by international competitors, including our closest rivals in Australia.

"In addition, our neighbours in New Zealand have demonstrated what can be achieved with a very targeted and considered investment and performance approach."

Australian Institute of Sport (AIS) Winning Edge – Sports Tally 2015

"I consider your national high performance system one of the top three with regards to its development and dynamics (and success) today."

Dr Hartmut Sandner, Institute of Applied Training Science, Germany

In leading the high performance system to achieve podium performances, our assessment is that operational efficiency is well placed given that the agency is less than five years old and is working to improve aspects of the integration of its support. HPSNZ strives to maximise high performance outcomes through optimal allocation of investment and personnel to targeted podium-potential sports and athletes. As discussed in more depth in the Financial and Resource Management section, in 2015 94.2 per cent of total high performance funding was invested in high performance programmes and initiatives.

High performance sport never stops; functioning as a 24-hour x seven-day operation in a multinational environment placing high demands on staff. Over 70 per cent of HPSNZ staff work directly with sports, athletes, coaches and teams in their training environments. Up to 30 per cent of staff may be offshore at any point in time due to the majority of qualifying events and international competitions occurring outside of New Zealand.

4.3 Delivery of Core Business – System Sustainability

This section reviews HPSNZ's effectiveness and efficiency in delivering its core business of System Sustainability.

Core Business 2: System Sustainability
Performance Rating – Effectiveness: Well placed
Performance Rating – Efficiency: Needing development

HPSNZ's goal of system sustainability is defined as 'achieving a sustainable high performance sport system capable of constant improvement through collaborative leadership and investment'. The review team considered the effectiveness as well placed, given the prioritisation and range of initiatives explained below, whilst noting that aspects of financial sustainability of the HP system are beyond the agency's control. The review team considered operational efficiency as needing development given the magnitude of the system sustainability challenge, the financial fragility of some targeted NSOs and the newness of the agency.

The goal of sustainability is clear and requires the organisation to look ahead and respond quickly to environmental changes. The Board and the SLT have prioritised understanding the key elements of sustainability at the high performance sport system and NSO levels. HPSNZ's environment is continually changing as New Zealand's international competitors develop their programmes and athletes and the agency strives to be world leading. HPSNZ builds sustainability through:

- i. investment in NSO HP programmes to build their capability
- ii. the support of staff who work alongside NSOs to build capability
- iii. Sector-wide programmes to build capability. In addition, Sport NZ supports sustainability through sector-wide workforce planning strategies and NSO-specific business improvement initiatives.

HPSNZ provides core investment to targeted NSOs to deliver high performance programmes for athletes and coaches. Investment in these HP programmes focuses on HP people capability, systems and processes for both current and future athletes. This investment provides the foundation for the systematic development of athletes over time and enhances the sustainability of repeatable success.

Each targeted NSO has a small team of HPSNZ consultants working alongside it, termed the 'Performance Team' led by the Performance Consultant and including a High Performance Coaching Consultant, High Performance Athlete Development consultant and Sport Performance Manager. This team agrees priority support areas with the NSO High Performance Director and works strategically with the sport to enhance the capability and sustainability of its high performance programme.

"Without doubt the performance of the New Zealand track cycling team can be directly attributed to HPSNZ's ongoing support, and the world class training environment that now exists in Cambridge at the Avantidrome."

Andrew Matheson, Chief Executive Cycling New Zealand

"HPSNZ is a great relationship, wonderful systems and phenomenally responsive."

Hillary Poole, Chief Executive Netball New Zealand

The agency leads a variety of programmes to build the capability of NSOs and of the HP sport system to support sustainability, including the Performance Teams, High Performance Leader Capability Development Programme, High Performance Coaching Programme, High Performance Athlete Development Programme and Prime Minister's Scholarship Programme.

The High Performance Leader Capability Development Programme supports sustainability through the career aspirations as well as personal and professional development needs of 45 leaders in the New Zealand high performance sport system, with the aim of creating influential leaders who consistently enable coaches and athletes to achieve high performance programme goals by:

- 4.3.1 Demonstrating effective leadership of self, team, stakeholders, strategy and change
- 4.3.2 Sustaining a culture of collaboration and connectedness that contributes to the success of individuals, each sport and the New Zealand High Performance system.

The programme achieves these aims via the following strategies: 1) developing individual high performance leader capability; 2) leveraging a culture of collaboration across the New Zealand high performance environment; 3) proactively identifying and developing future HP leaders; and 4) supporting high performance leaders to build people capability.

HPSNZ's Coach Performance Programme supports sustainability through the development of approximately 90 high performance coaches as people and professionals, to deliver optimal coach performance. It offers integrated learning opportunities in partnership with their employers (NSOs) via:

- 4.3.3 Coach Accelerator Programme: a transformational three-year leadership programme with six to eight places available each year
- 4.3.4 Coach Campaign Leadership Programme: a four-month programme assisting coaches to lead people in their current environment with 10-15 places available each year
- 4.3.5 PM Coach Scholarship programme: resources and enables high performance coach professional development based on identified personal development priorities, of \$1 million annually
- 4.3.6 One-to-One support for approximately 50 coaches: individualised on-the-job support for the personal and professional growth and development of the coach
- 4.3.7 HP Coach Workshop programme: 10-15 workshops per year based on coach needs within the framework of 'people, professional, performance'
- 4.3.8 Supporting NSOs to develop and implement strategies that create learning, collaborative coaching environments.

The high performance athlete development team supports sustainability by ensuring that NSOs have quality athlete development practices and environments in place for athletes who are five to eight years from reaching their performance potential. The team ensures appropriate systems are developed and implemented at both the HP system and NSO levels to deliver the number and quality of athletes required across NSO high performance pathways to meet or exceed their HP medal targets.

The Knowledge Edge programme supports system sustainability by leveraging cross-sport knowledge for optimal preparation for the Rio 2016 Olympics and establishing a framework and legacy for 2020 and beyond. This team's purpose is to develop a competitive advantage for New Zealand through enhancing NSOs' understanding of key winning behaviours and the critical factors to track in athlete campaigns.

HPSNZ leads a variety of HP sector-wide initiatives supporting sustainability, including biannual Performance Summits, and several HP Director forums and HP athlete development forums per year. In addition, the Prime Minister's Scholarship Programme supports NSO and HP system sustainability through professional development of athletes, coaches, officials and support staff as discussed in the previous section.

Financial sustainability

System financial sustainability is a key risk related to a variety of increased costs across the high performance system. The increased Government investment of \$4 million per annum will enhance sustainability, but cost pressures remain, including:

- 1) Incremental increases in campaign costs for New Zealand's priority sports and athletes to compete on the world stage:
 - a. New Zealand's elite athlete numbers have grown
 - b. International Federations are requiring more qualifying events
 - c. Extended training blocks overseas between competitions are now a core feature of many of New Zealand's medal potential campaigns
 - d. Costs have increased for travel, accommodation, meals, ground transport, science and medical support, training venue hire, specialised equipment, etc
- 2) Retention of the system's best people who are typically paid less than international market rates and are being approached with job offers by our international competitors. For example in 2015, Rowing NZ lost a quality coach to Switzerland who then went on to coach a winning crew at the 2015 world championships against New Zealand

- 3) Increases in PEGs to cater for increasing number of athletes as well as those achieving higher placings at pinnacle events
- 4) Expanding the number of emerging talent PEGs to support more high potential athletes to ensure continued success for New Zealand in 2020 and 2024
- 5) Providing improved athlete performance support in medical and physiotherapy support particularly within full-time training environments and during extended overseas tours
- 6) Additional operational management support for New Zealand's expanding and more complex HP sport programmes, requiring more sophisticated logistics planning and systems
- 7) New technology and advancements to innovate and keep pace with our international competitors particularly for sports with high equipment needs such as rowing, cycling and sailing.

Relative to international competitors, NSOs in New Zealand are small in scale and operate highly efficiently as lean operations. NSOs, the NZOC and Paralympics New Zealand all operate with very little reserves but, while most are trying to generate alternative revenue sources with some level of success, it is recognised the small overcrowded market place for commercial or philanthropic providers has limitations. The majority of targeted NSOs average only 30 days of working capital, effectively surviving from month to month. The majority of New Zealand's medal success is in rowing and cycling and the working capital of these NSOs is seven and -35 days respectively. The precarious financial positions of these organisations pose a significant risk to New Zealand's success on the world stage and impose unmanageable constraints in maximising the systems potential. HPSNZ and Sport NZ are working together to assess and reduce the financial fragility of targeted NSOs.

4.4 Delivery of Core Business – Prime Minister's Scholarship Programme

This section reviews HPSNZ's effectiveness and efficiency in delivering its core business Prime Minister's Scholarship Programme.

Core Business 3: Prime Minister's Scholarship Programme
Performance Rating – Effectiveness: Well placed
Performance Rating – Efficiency: Well placed

The agency supports the high performance sector with access to Prime Minister's Scholarships. The scholarship programme was established in the year 2000 to fund scholarships for athletes, coaches, officials and other support persons and allow athletes to pursue study or develop skills that contribute to the quality of performance at the elite level. The review team considered the effectiveness and efficiency of the Prime Minister's Scholarships programme as well placed given the well-established application and approval processes for each of the four programmes and the low administration costs.

Scholarship applications must align with HPSNZ's high performance strategy, and scholarship outcomes must positively impact on HPSNZ's vision of more New Zealanders winning on the world stage at Olympic/Paralympic Games and World Championships in targeted sports. Prime Minister's Athlete Scholarships allow athletes to undertake tertiary study and vocational qualifications while pursuing elite level sport at the same time. The purpose of the Athlete Scholarship Programme is to invest in educational opportunities that enable world-leading performances from New Zealand's top athletic talent, by assisting athletes to develop holistically outside sport in ways that contribute towards their post-athletic career and enable the sustainability of our athlete talent pool. Athlete Scholarships are also available for retired athletes who meet additional criteria to complete qualifications once they are no longer competing in their chosen sport.

The programme supports the achievement of tertiary and vocational qualifications while pursuing excellence in sport. The programme provides support in:

- 4.4.1 High performance planning, including career advice to assist recipients to make well-considered decisions regarding Study Plans and workloads, and manage their lives effectively in the pursuit of sporting excellence
- 4.4.2 Financial contribution to academic fees (up to a maximum of \$10,000 per year, including GST if applicable)
- 4.4.3 Financial contribution towards other study costs (up to a maximum of \$5,000 per year, including GST if applicable), referred to as the Study Support Allowance, which may include living expenses, study expenses (for example, exam-related fees), and books.

The purpose of the Coach, Officials and Support Team Scholarships programme is to invest in education opportunities to enable world-leading performance from New Zealand's top athletic talent, by prioritising resources for increasing expertise that will directly impact athlete performance and enable the sustainability of our coaching, officiating and support personnel talent pool.

Examples of activities supported by the programme include:

- 4.4.4 multi-sport or cross-sport leader development initiatives
- 4.4.5 assisting with accreditation requirements
- 4.4.6 business coaching, mentoring, training, internships, conferences or study visits
- 4.4.7 observations or officiating at key sporting events
- 4.4.8 discussions on 'best' practice
- 4.4.9 on-the-job shadowing
- 4.4.10 participation in peer network activities
- 4.4.11 participation in international committees or working groups
- 4.4.12 peer review of professional work
- 4.4.13 travel, accommodation, and in some cases limited reimbursement for lost income.

HPSNZ ensures efficient management of Prime Minister's Scholarships by maintaining administration costs within 4 per cent of the total \$4.25 million Government investment. Additionally HPSNZ actively promotes and ensures elite athletes, coaches and support teams have access to Prime Minister's Scholarships.

"I have recently been awarded a Prime Minister's Athlete Scholarship for kayaking. I would like to thank you very much for having these scholarships available. It is allowing me to go to university next year and study as well as following my kayaking dreams. Over the past year I have attended the Junior World Championships in Portugal and have won 3 National age group titles. I am very excited about attending Waikato University to study a Bachelor of Science in Earth and Environmental Science. The scholarship will be invaluable to me."

Elise Legarth, Kayaker

All scholarship applications must meet specific eligibility criteria including NSO and HPSNZ endorsement prior to assessment. Decision-making is through a combination of prioritisation according to pre-set criteria and panel-led assessment and discussion. Assessment panels consist of industry experts with relevant levels of independence. All panel recommendations are ratified by the General Manager – Performance and Strategic Investment.

Sixty-eight percent of New Zealand's London Olympians had received a Prime Minister's Athlete Scholarships since becoming carded, up from 53 per cent of Beijing Olympians. The PMAS recipients included all nine of New Zealand's gold medallists and 17 of 27 medallists.

In 2015 a total of 372 Athlete Scholarships were awarded of which 31 were for eligible retired athletes. For the Coach, Officials and Support Team Scholarships programme, 44 scholarships were awarded in the Coaching Programme, 144 to Support Team members and 38 to our nation's top-level Officials.

5. Organisational Development

6.1. Leadership and Direction

This section reviews the agency's organisational management. The standardised set of 30 questions guided the reviewers in making assessments of retrospective and current performance. The ratings are ultimately linked to the forward-looking scope of the performance challenge.

5. How well do the staff and stakeholders understand the agency's purpose, vision and strategy?
Performance Rating: Strong
6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
Performance Rating: Well placed
7. How well does the senior team provide collective leadership and direction to the agency and how well does it implement change?
Performance Rating: Strong
8. How effectively does the Board lead the Crown entity?
Performance Rating: Well placed
9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction and ensure customer value?
Performance Rating: Strong
10. How well does the agency encourage and use evaluative activity?
Performance Rating: Well placed

HPSNZ's mission is to create a world-leading, sustainable high performance sport system. HPSNZ's goals are agreed with Sport NZ, and the review team found that they provide a high level of focus for the agency and are well understood throughout the high performance sport sector. For example, the targets of 14+ medals in the Rio 2106 Olympic Games and 12 gold medals in the Rio 2016 Paralympic Games provide a clear focus for investment and for the daily work of HPSNZ staff whether on the front line with athletes and coaches or in leadership and support roles.

Vision, mission and strategy

HPSNZ's vision, mission and strategy are clearly articulated in the Strategic Plan 2013-2020 and are clear to NSOs and HPSNZ staff. The Chief Executive regularly communicates HPSNZ's strategic objectives and targets to the sport sector, NSOs and staff. The Chief Executive communicates via a variety of channels, including meetings with NSO Boards, meetings with NSO chief executives and high performance directors, presentations at high performance director forums, HPSNZ staff meetings, HPSNZ online newsletters and frequent contact with staff. HPSNZ full staff meetings are used to reinforce and further clarify the strategy. A collective effort from the entire organisation went into developing the Strategic Plan, which ensures staff understanding and buy-in.

The review team found that the Senior Leadership Team is aligned on strategy and has a tight focus on performance and capability building. The Senior Leadership Team takes pride in HPSNZ's achievements and the achievements of the New Zealand high performance sport system. There is high individual capability among the general managers and strong, shared clarity from the SLT which provides confidence to NSOs and staff. The general managers communicate frequently with the managers and overall staff within their pillars to ensure understanding of strategy and operational objectives and priorities. There is clear consistent language and message delivery through organisation-wide and pillar-specific correspondence.

The review team found that staff feel connected to HPSNZ's strategy and know where their roles fit in the organisation and how their work contributes to the strategic objectives. There is top-down and bottom-up flow of information. In the 2015 Staff Engagement Survey, 95 per cent of staff replied 'always or often' to "I understand HPSNZ's values, philosophy and strategic direction" and 89 per cent responded 'always or often' to "I understand how my work contributes to HPSNZ's overall strategic direction". Similarly, 89 per cent of staff responded 'always or often' to "HPSNZ's leaders clearly communicate our strategic direction."

The HPSNZ Board

The HPSNZ Board provides governance to HPSNZ as a Crown Entity Subsidiary. The review team found that the Board comprises highly capable directors who understand high performance sport and bring a wide range of leadership and governance experience to the Board. The Board members have high levels of expertise in finance, law, Crown Agency regulation and general governance. The Board have overseen rapid change and growth in the initial four years of the organisation.

The Board structure ensures end-to-end alignment across the sports sector in New Zealand. The HPSNZ Chair is also the Sport NZ Chair and two other HPSNZ Board members are also members of the Sport NZ Board. In addition, the Chief Executive of Sport NZ is an ex officio officer on the HPSNZ Board. The Board Chair, Sir Paul Collins, has regular meetings with Government Ministers and officials ensuring that the agency is well represented and that Ministerial concerns are addressed. Sir Paul is highly responsive to Government priorities and changes in priorities. Sir Paul has a high level of understanding of high performance sport and is a highly effective Chair for HPSNZ and Sport NZ.

The HPSNZ Board have representation from the NZOC, which demonstrates the close working relationship between the two organisations, which is a competitive advantage for New Zealand compared with the unproductive tension that exists in many international high performance systems. The Board also includes former Olympic athletes and World Champions as well as former NSO chief executives and board members. Appendix E provides a summary of the background of each Board member.

The Board utilises the expertise of Sport NZ Group sub-committees, such as the Audit, Finance and Risk Committee and Remuneration Committee. The Chair of the Audit Committee, Bill Bernie, is a common director across both Boards. The Audit Committee also includes the HPSNZ General Manager Business Operations and the Sport NZ General Manager Corporate Services. The Remuneration Committee is chaired by Murray Gutry, who also sits on both Boards. The Board actively engages with management and have a high level of understanding of the organisation's operations. The Board have a high awareness of organisation risk and risk profile. It has recently embraced health and safety changes brought in by the Government and ensured that HPSNZ is compliant.

Looking forward

The review team found that the Chief Executive and General Managers are focused on learning and adapting the agency to achieve its purpose and strategic priorities. Chief Executive Alex Baumann and the general managers and other key managers have strong international networks and constantly look internationally to understand developing trends in the Olympic Movement, within each International Federation (IF) and within New Zealand's key international competitors at the high performance system level (e.g. Great Britain, Australia, Canada, Japan, The Netherlands, Germany and France). HPSNZ works in partnership with NSOs to keep up to date on possible changes internationally within each sport. HPSNZ is also kept abreast of possible changes in IOC programme for future Olympic Games by New Zealand IOC Member Barry Maister.

HPSNZ's Strategic Plan 2013-20 includes the goal of achieving a sustainable high performance sport system capable of constant improvement. As discussed in Core Business, the goal of sustainability requires the organisation to be highly adaptive and have sufficient resources to respond quickly to changes in the external or internal environment. The continued globalisation of elite sport, along with the emergence of the players' associations and various athlete leadership groups, is likely to require HPSNZ's targeted sports to adapt and customise their approaches to athlete development and campaign planning to meet individual need in an increasingly complex world. The Senior Leadership Team and key managers communicate and consult regularly with NSOs on the vision for the future. As an example, the Chief Executive and general managers met with the NSO high performance directors three times during 2015 to discuss the evolution of the system and requirements through 2020.

The review team found that there can be tension between short-term performance goals and longer-term capability building and sustainability goals. The Senior Leadership Team manages the balance between monitoring and driving performance and building NSO and high performance system capability. Collectively, the Senior Leadership Team provides cohesive leadership, but each pillar and programme has its own balance between driving short-term performance versus longer-term capability building.

HPSNZ is less than five years old and consequently has seen a high degree of change during its existence as strategy was developed and implemented. The Senior Leadership Team strives for continuous improvement and models the agreed organisational culture. The Senior Leadership Team shows a desire to understand context when change is suggested or required to make sure they clearly understand the rationale and are listening to the people involved. Significant strategic or operational changes are communicated well to staff. Minor operational changes have

occasionally not been communicated as well, and processes have been adopted to address this. The Senior Leadership Team prioritises regional input and makes sure all staff have the chance to contribute.

Results of the annual Staff Engagement Survey have improved year to year, with total staff engagement increasing from 77 per cent to 82 per cent from 2013 to 2015, compared with the SME benchmark of 72 per cent. The results indicate that the Senior Leadership Team provides strong leadership and management of HPSNZ. In the 2015 survey, the percentage of staff responding 'always or often' was 87 per cent for "Senior managers lead the organisation from a strategic perspective", 83 per cent for "I believe that there is strong leadership in the organisation", and 88 per cent for "HPSNZ's leaders clearly communicate our values and philosophy". Issues arising in the engagement survey lead to follow-up to understand and address root causes.

The annual Partner Confidence Survey indicates that NSO chief executives and high performance directors understand HPSNZ's purpose, vision and strategy. The annual results support the strength of HPSNZ's customer relationships with the 2015 survey finding that 94 per cent of NSO chief executives and high performance directors from targeted and campaign-funded sports believe that the clarity of HPSNZ's strategy is excellent or good and 82 per cent have confidence in the strategy. The partners' overall rating of HPSNZ is similarly high, with 94 per cent rating HPSNZ overall as excellent (62 per cent) or good (32 per cent).

HPSNZ's Culture Plan

HPSNZ's Culture Plan was developed through a consultative approach with the overall staff. The Culture Plan clearly articulates HPSNZ's purpose, identity, values, capabilities and behaviours and the review team found that the majority of staff feel part of the HPSNZ culture. The Culture Plan is clearly aligned to HPSNZ's strategy and focused on delivering performance for its customers. The Culture Plan reinforces 'how' staff operate in working with athletes, coaches, NSOs and each other to achieve the goals in the Strategic Plan. The Chief Executive fully endorses the Culture Plan and is a member of the Culture Team. The Culture Team ensures an ongoing focus on living the HPSNZ culture on a daily basis in staff interactions. Promotion of the HPSNZ culture is ongoing, and is part of daily communication between staff. The SLT show they are committed to the Culture Plan and takes action, such as recent efforts to understand issues and support engagement in the regional performance centres.

The Staff Engagement Survey indicates that 66 per cent of staff feel connected to the Culture Plan and 84 per cent, 83 per cent and 70 per cent feel connected to the values of excellence, integrity and collaboration, respectively. While these results are positive, there are ongoing efforts to increase staff connection with the Culture Plan. There are both culture and organisational KPIs in the performance reviews of all staff.

Organisational culture requires ongoing attention and the review team found that HPSNZ is no exception. One area for improvement is the ability of staff to hold each other accountable to the Culture Plan, which requires staff to have the ability to challenge each other skilfully. Workshops on this topic have been encouraging, but there is more development required to achieve the desired level across the organisation. Another area for continued development is living the desired behaviours under the coach-led philosophy. It can be difficult for some Athlete Performance Support staff to live by the coach-led philosophy when some coaches do not have strong leadership skills or do not understand particular disciplines. HPSNZ's induction process for new staff starts the process of ensuring understanding of coach-led behaviours and the Coach Accelerator Programme and Coach Campaign Leadership Programme both develop the leadership capability of coaches.

Staff interviews indicated that NSO high performance cultures can be quite different from the HPSNZ culture, thereby creating tension for staff members who are immersed in NSO environments. It is sometimes hard for staff members who are immersed in a sport's high performance environment to live the HPSNZ culture and HPSNZ management is working with these staff to assist them to live within both the HPSNZ culture and the sport's culture.

The importance that is placed on the induction process for new staff further shows the commitment to HPSNZ's culture. Almost every staff member has a one-on-one meeting with the Chief Executive and several General Managers and other senior managers as part of the induction process. Values and behaviours are discussed during interviews and also during performance reviews so all staff are aware of their importance.

Customer feedback

The review team found that HPSNZ is a learning organisation in a feedback rich environment. Evaluative activity used by HPSNZ includes evaluation, monitoring, performance measurement, feedback and international benchmarking. A strength of the organisation is the variety and depth of feedback received from NSOs, coaches, athletes and staff. The SLT and each manager strive to understand the implications of feedback to enhance decision-making and drive performance improvement. HPSNZ gains feedback on its

performance from sports, coaches and athletes through formal mechanisms and daily interactions. The Partner Confidence Survey, NSO HP Programme Review Process, Athlete Performance Support Survey and Staff Engagement Survey provide evidence of HPSNZ's use of evaluative activity.

The clearest evaluation of the New Zealand high performance sport system is the medal count on the world stage in which HPSNZ's performance is measured versus the HP systems of the rest of the world. By this measure, New Zealand excels and continues to improve as discussed above in the results section in Core Business and Delivery for Customers and New Zealanders. In correspondence after visiting HPSNZ, Anne Merklinger, Chief Executive of Canada's Own The Podium (the equivalent of HPSNZ) stated, "HPSNZ's system is world class and is a best practice model for competing nations to observe. They have adopted a targeted, performance-driven and athlete-focused approach, which is delivering more medals for New Zealand."

Interviews with NSO Chief Executives found that the annual NSO performance reviews, which are discussed in more detail in delivery for customers and New Zealanders, provide robust two-way feedback with a meaningful balance of trust and accountability. HPSNZ also receives impact evaluations on many of its support programmes, including Athlete Performance Support, the Innovation Programme, the Coach Accelerator Programme, the Coach Campaign Leadership Programme and the HP Leadership Capability Development Programme.

HPSNZ hosts major summits for the high performance sport sector every two years. In March 2015, HPSNZ hosted its most recent Performance Summit for the sector, with a focus on collaborating for New Zealand pinnacle event success. Approximately 200 participants across 40 sports attended and 98.7 per cent of survey respondents either agreed or strongly agreed that "overall the 2015 Performance Summit was a valuable event for them".

The HPSNZ High Performance Leadership Development Programme, which focuses on developing NSO high performance directors, high performance athlete development leaders and future leaders has achieved an average score of 8.6 (on a 10 point scale) from 45 participants in the last three years in response to the question: "Please rate how useful you will find this learning experience in your life – both professionally and personally."

"I believe the High Performance Director – Chief Executive relationship is critical to achieving HP outcomes. The leadership programme has provided another mechanism to strengthen the relationship and communication between CHIEF EXECUTIVE and HPD. NSOs do not have the resourcing to invest in staff development – Rowing NZ is grateful for the provision of this resource and endorse the positive impact it has made on our staff."

Simon Peterson, CHIEF EXECUTIVE Rowing NZ

The annual Partner Confidence Survey garners direct feedback from NSO chief executives and high performance directors on the effectiveness of HPSNZ's consultancy support and service delivery. In the 2015 survey, nearly all partners (97 per cent) rated their overall satisfaction with the HPSNZ Chief Executive as excellent or good and 80 per cent gave ratings of excellent or good for their overall confidence in HPSNZ to build effective purposeful relationships with NSOs to deliver international performance outcomes. The high performance partners rated timeliness (88 per cent) and overall quality (91 per cent) of contract management services provided by HPSNZ as excellent or good. Similarly, overall quality (93 per cent), impact (90 per cent) and timeliness (97 per cent) of the consultancy and technical advice from HPSNZ was rated as excellent or good. NSOs from non-targeted sports may not feel as strongly connected to HPSNZ's strategy, however, and there is an opportunity for the agency to ensure clear communication with non-targeted NSOs so they understand what support is available to them and how they can aspire to high performance.

Interviews with NSO chief executives found that there is currently a degree of tension among some targeted NSOs regarding the perceived de-emphasising of NSOs in the Sport NZ Community Sport strategy. Some NSOs that are a high priority for HPSNZ are not a high priority for Community Sport, which puts a strain on the relationship and on the financial model for those NSOs. As discussed in the Four-Year Excellence Horizon, there is an opportunity for HPSNZ and Sport NZ to work more closely together to align messages to sports that are targeted by HPSNZ but not prioritised by Sport NZ's Community Sport Strategy.

6.2. Delivery for Customers and New Zealanders

11. How well does the agency understand who its customers are and their short- and longer-term needs and impact?
Performance Rating: Well placed
12. How clear is the agency's value proposition (the 'what')?
Performance Rating: Well placed
13. How well does HPSNZ's operating model (the 'how') support delivery of Government priorities and core business?
Performance Rating: Well placed
14. How well does the agency evaluate service delivery options?
Performance Rating: Well placed
15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with partners and providers?
Performance Rating: Strong
16. How well do the agency and its strategic partners integrate services to deliver value to customers?
Performance Rating: Strong
17. How well does the agency employ service design, continuous improvement and innovation to ensure outstanding customer experiences?
Performance Rating: Strong
18. How well does the agency continuously seek to understand customers' and New Zealanders' satisfaction and take action accordingly?
Performance Rating: Well placed

HPSNZ's value proposition

HPSNZ's value proposition is to inspire, enrich and unite the nation by leading the high performance sport system to achieve ambitious performance targets, thereby instilling national pride and shaping our national identity. The review team found that since formation in 2011, HPSNZ and the high performance system have consistently produced medal-winning athletes who inspire the nation. Winning on the world stage builds national pride and a sense of identity for New Zealanders and promotes brand New Zealand with our trading partners. The medal-winning athletes exhibit the New Zealand values of work ethic, resilience and humility. How the winning athletes conduct themselves is part of the inspiration as people feel connected to New Zealand's champion athletes. The value proposition has strengthened as the number of sports and athletes winning medals on the world stage has continued to increase, providing more role models to motivate grassroots participation.

The review team found that HPSNZ understands that sustainability requires a longer-term approach. The agency focuses its financial and human resources on building capability within NSOs to build the sustainability of the New Zealand high performance sport system to deliver longer-term outcomes for New Zealanders. Interviews with NSO Chief Executives, the NZOC Secretary General and Paralympics New Zealand Chief Executive provided evidence that HPSNZ's customers within the sport system clearly understand its role and value proposition.

"HPSNZ's value proposition is quite strong and has definitely increased over time. Our programme has benefited during this Olympiad. There is a real sense of order, planning and progress."

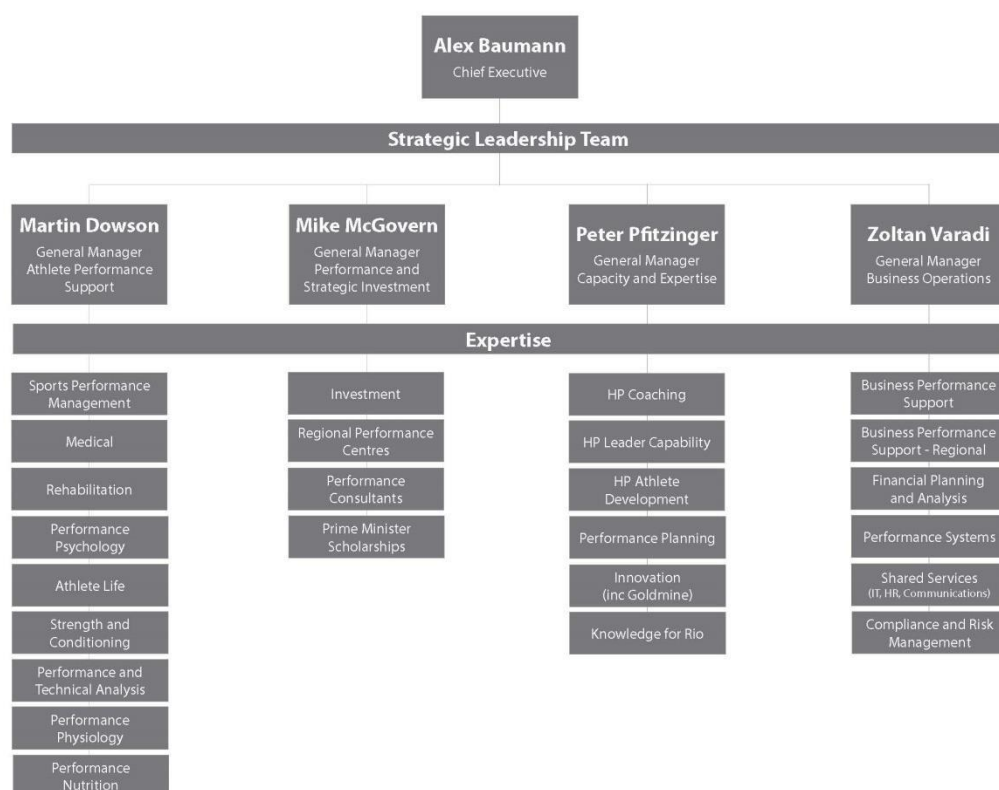
Linda Hamersley, Chief Executive Athletics New Zealand

The review team found that the degree to which the New Zealand public understands HPSNZ's role and value proposition is less clear. As a new agency and a subsidiary of Sport NZ, there has not been a high level of direct communication with the New Zealand public to articulate the value proposition or to explain the

relationship of HPSNZ with Sport NZ. There is an opportunity to improve the agency's understanding of building national identity and inspiring New Zealanders and to increase communication of the value proposition to the New Zealand public as discussed within the Four Year Excellence Horizon Framework.

HPSNZ's operating model

HPSNZ is led by the Chief Executive and four general managers each leading an organisational pillar. The four pillars are Performance & Strategic Investment, Athlete Performance Support, Capacity & Expertise and Business Operations.



The role of the Performance & Strategic Investment pillar is to lead and optimise investment in targeted sports and athletes to achieve HPSNZ's medal objectives and work strategically with NSOs to develop world-leading high performance programmes. Performance & Strategic Investment also leads and manages the PEG programme and the Prime Minister's Scholarship programme as well as HPSNZ's network of training centres across the country.

The goal of Athlete Performance Support is to deliver support to athletes and coaches to have a positive impact on performance through aligning quality people, purposeful collaboration and a commitment to faster learning and action. Athlete Performance Support is provided by dedicated staff and contractors in sports medicine and rehabilitation, athlete life, strength and conditioning, psychology, nutrition, physiology and performance and technique analysis.

The objective of the Capacity & Expertise pillar is to enhance the capability of the high performance sport system to create sustainable success. Capacity & Expertise consists of the following six teams: HP Coaching, HP Leader Capability, HP Athlete Development, Performance Planning, Innovation and Technology and Knowledge Edge for Rio, each of which builds people capability and HP system capability to meet the needs of NSOs, coaches and athletes.

Business Operations optimises HPSNZ's financial and operational performance to ensure that resources are targeted to impact world-leading performance. Business Operations supports the other three pillars through the following teams: Financial Planning & Analysis, Business Performance Support and Logistics, Performance Systems, Information Technology, Human Resources and Communications. Organisational compliance and risk management are also managed by Business Operations with a focus on minimising distraction and maximising performance for HPSNZ staff.

HPSNZ directly invests in targeted sports and athletes who have the greatest probability of winning on the world stage. The targeting approach is a top-down performance-driven model (HPSNZ Investment Framework 2013-20) that considers past performance, future potential, the quality of the HP programmes and campaigns and the individual sport context. The framework guides allocation of investment and other resources to sports and athlete campaigns, and is well understood by the sector. HPSNZ has a dual role of investor into sports and campaigns and service provider to those sports and campaigns, so there is a joint effort and joint accountability in achieving performance targets.

HPSNZ complements investment in NSOs with the deployment of a range of internal consultancy services and support to enhance and add value to NSO HP programmes based on their individual needs. The model recognises that NSOs operate in a highly competitive international marketplace and the shared resources of both the sports and HPSNZ need to be aligned to maximise impact on performance.

Within the portfolio of targeted sports HPSNZ recognises approximately 450 carded athletes annually. 'Carded' refers to nationally identified athletes who have the demonstrated ability to contribute to medal and top eight outcomes in the current or future four-year cycle. The large majority of these athletes train at the following purpose-built multi-sport performance hubs across the country: The National Training Centre in Auckland; National Performance Centres – Waikato (Avantidrome and Rowing New Zealand High Performance Centre at Karapiro); and three regional performance hubs in Christchurch, Dunedin and Wellington. A snow sport specific facility is also located in Wanaka. To complement these hubs a number of sport specific facilities have also been developed or are in the planning stages. Overall the Government has invested circa \$40 million into these high performance facilities, which has been leveraged to a total investment of more than \$110 million, mostly through private/public partnerships.

Collaboration with partners

Interviews with NSO chief executives and with the NZOC Secretary General and the Chief Executive of Paralympics New Zealand indicate that HPSNZ generates common ownership and genuine collaboration on strategy and service delivery with NSOs, the NZOC and Paralympics New Zealand. The partners and HPSNZ each contribute to the development of winning performances. HPSNZ works collaboratively with NSOs by building trusting relationships that enable common ownership for achievement of performance targets. HPSNZ understands that the most effective way to lead the high performance sport system is to collaborate with NSOs in the development of programmes and systems providing a balance of trust and accountability. The Chief Executive has an open door to NSO CHIEF EXECUTIVES and HP Directors, which contributes to the high trust with partners.

Interviews with staff indicated that HPSNZ gains input from NSO HP Directors in the development of support programmes for NSO HP programmes, coaches and athletes. This ensures that the support provided meets the needs of the partners and resources are allocated efficiently. Examples of collaboration on strategy and service delivery include the development and evolution of Athlete Performance Support, the High Performance Leadership Capability Programme, the Knowledge for Rio programme, the High Performance Athlete Development Programme, the Coach Campaign Leadership Programme, the Emerging Talent PEG programme, Prime Minister's Athlete Scholarship eligibility criteria, the Innovation Strategy, and many others.

The review team found that HPSNZ puts a strong emphasis on collaboration, continuous improvement and innovation, which is evident in the Strategic Plan 2013-2020 and the Culture Plan. HPSNZ's values of excellence, integrity and collaboration are expressed as "We aspire to be world leading in all that we do", "We build trust and mutual respect through open and honest actions" and "We work together with purpose", respectively. Those three values underpin HPSNZ's approach to delivering value to customers and are part of the daily conversation among staff. New programmes and adjustments in delivery are tested to ensure they align to performance outcomes and have an impact on delivering value to customers.

HPSNZ works closely with NSOs throughout their four-year Olympic/Paralympic cycles or World Cup cycles to ensure optimal preparation of athletes. Interviews with the NZOC Secretary General and Chief Executive of Paralympics New Zealand indicated that HPSNZ collaborates with these entities to ensure the transition from the four-year training environment to competition is seamless to support performance in the Olympic Games and Paralympic Games environments. This approach ensures clear roles and responsibilities and no duplication. A practical example is the Rio Planning Group, which has met throughout the four years leading up to the Rio Olympics and included three HPSNZ general managers and several NZOC staff plus high performance directors from three NSOs, to have an impact on the Rio Games environment.

"This strong relationship provides a seamless transition for athletes as they compete at Olympic and Commonwealth Games and is a genuine competitive advantage. The strong partnerships within the New Zealand sporting system are a genuine core advantage supporting our athletes as we pit our strength, and succeed, against 206 Olympic nations. It is about alignment, collaboration and partnership that ensures an efficient spend with minimal duplication."

Kereyn Smith, Secretary General, New Zealand Olympic Committee

Interviews with NSO chief executives and with HPSNZ staff indicated that HPSNZ works closely with targeted sports in seeking to understand their performance needs. The partnership model requires NSOs to articulate their needs clearly and for HPSNZ to make sure those needs are understood. The performance needs at the sport and campaign level are met between the NSOs and HPSNZ. Each sport's support is tailored to its needs so resource allocations are integrated, effective and cost efficient. HPSNZ works with targeted sports to build their capability. There is tension in the relationships all the time as building sport capability is an ongoing challenge.

The total support package (i.e. direct high performance investment, PEGs, Prime Minister's Scholarships, Athlete Performance Support, coach support, innovation projects, etc) provided to each sport is determined based on the ability of the NSO to contribute to achieving HPSNZ's targets (e.g. 16+ medals in the Tokyo 2020 Olympics) and the performance needs of the NSO's high performance programme and its campaigns. The total support package is viewed in an integrated way to ensure effective and efficient use of resources. This tailoring of support provides a flexible model that ensures resources meet customers' (i.e. NSOs' and campaigns') performance needs. The integration of support and the tailored delivery model are competitive advantages for the New Zealand high performance sport system compared to most other nations.

An example of tailoring support and integrating services based on NSO and athlete needs is the HPSNZ Innovation programme, which is focused on developing technology to improve performance for sports and athletes and for the high performance system. The Innovation programme develops bespoke solutions for targeted NSOs to enhance performance. Rowing New Zealand and Cycling New Zealand now have completely tailor-made performance monitoring and management systems, including custom hardware and software that has been designed and delivered by HPSNZ's Goldmine team. The Innovation Programme meets the needs of sports through a mixed model of employed engineers, contracted engineers and collaborative partners for innovation projects, plus close working relationships with sports' innovation contacts and coaches. Since London 2012, the Innovation Programme has supported a total of 40 targeted innovation projects with an average satisfaction level of 8.4 (on a 10-point scale) for delivery and impact.

"To be able to have the data that we collect from Goldmine to personalise training around each person leading into a race is something unique to New Zealand, and we are very fortunate to be in a position where we can adapt training to what we know from the data we collect."

Ethan Mitchell, 2016 World Champion Team Sprint Cyclist

The annual NSO high performance review process provides detailed information on customers' short and longer-term needs and the impact of HPSNZ's support. HPSNZ has a role in the full planning and implementation cycle with NSOs, including setting of performance KPIs, clarifying the programmes and campaigns that will receive support, annually reviewing the NSO priority needs and agreeing how to best meet those needs through the four HPSNZ pillars and the sports' own capability and resources. HPSNZ maintains a clear line of sight to campaigns due to dialogue with its consultant roles and adapts delivery to sport and campaign needs. A degree of financial flexibility is retained through a tiered investment approach, with only a small number of NSOs receiving four-year investment and the remainder receiving two-year or one-year funding, with most commitments aligned to the Olympic/Paralympic cycle. This model allows HPSNZ to scale its financial commitments and reprioritise resources quickly.

The critical elements of NSO high performance plans include sport programme and performance KPIs across current and future Olympic, Paralympic and non-Olympic World Cup cycles agreed with HPSNZ through an annual 'Performance and Investment Schedule'. The sports' performance against their plans and the schedule including KPIs are regularly monitored and performance managed by a group of experienced internal Performance Consultants. Each invested sport also undertakes a formal annual review process led by the HPSNZ Senior Leadership Team. This robust annual performance review process incorporates formal reporting against agreed KPIs along with structured questioning on learning from the prior international season and an outline of the proposed changes to the programme and/or campaigns for the season ahead. The reviews also scrutinise the detailed financial reports and budget pressures of sports to deliver on the desired outcomes. Meetings are conducted with a deliberate balance of accountability, challenge and performance partnership. HPSNZ is continuing to learn when and how to intervene for long term gain for complex issues, which is a difficult decision for many international high performance sport systems. NSOs have reported high levels of satisfaction with the performance review process throughout the Rio cycle.

Annually HPSNZ targets that 80 per cent of high performance programme goals are achieved by targeted sports. In 2015, 84 per cent of high performance programme goals were achieved by targeted sports. Some KPIs are longer-term and therefore are not able to be reported against, reducing the net overall performance result.

As discussed above in leadership and direction, the review team found that HPSNZ gains customer feedback from NSOs, coaches and athletes using a variety of mechanisms, which ensure the agency has the right data with which to evaluate and enhance service delivery options. For example, the Athlete Performance Support Programme has a quality assurance process that gains regular customer feedback and drives continuous improvement with a goal to be world leading. HPSNZ takes this goal seriously as the advice provided to coaches and athletes affects small performance margins and those margins may make the difference in whether an athlete achieves a podium finish. An annual survey is conducted with athletes and coaches to gain direct feedback on the impact of Athlete Performance Support roles in supporting athlete performance. The survey asks a series of questions based on quality, understanding needs, accessibility, etc. for each support discipline that HPSNZ delivers. HPSNZ analyses this data across each sport, region, discipline and level of carded athletes. The results are disseminated to all Athlete Performance Support staff and action plans are developed and implemented as part of the continuous improvement process.

The 2015 survey results were very positive, with 243 athletes and coaches responding and 96 per cent either satisfied or extremely satisfied with the quality of support and advice received, up slightly from 93 per cent in 2013 and 2014. The results were even stronger among Rio 2016 podium-potential athletes with 98 per cent responding that the quality of HPSNZ's advice and support had a positive impact on their preparation and/or performance. Across the nine disciplines of athlete life, strength and conditioning, physiology, psychology, performance and technique analysis, nutrition, medical, physiotherapy and massage, 87 per cent to 99 per cent of athletes and 83 per cent to 100 per cent of coaches responded that they were satisfied or extremely satisfied with the delivery of Athlete Performance Support.

6.3. Relationships

19. How well does HPSNZ provide advice and services to Ministers?
Performance Rating: Needing development
20. How well does HPSNZ contribute to improve public sector performance?
Performance Rating: Needing development

Ministerial Servicing

Ministerial servicing is centralised through the Sport NZ policy function. This ensures that the Minister's requirements are met efficiently and that HPSNZ can remain focused on performance and meeting its strategic objectives. HPSNZ contributes and works collaboratively with Sport NZ to ensure Government is provided the highest quality of information. HPSNZ's role is that of subject matter expert providing all necessary plans, briefings, and progress reports to support this servicing whilst Sport NZ provides the consistent link and framework for interaction with Government and Ministers.

HPSNZ has historically maintained a close relationship with the Minister for Sport and Recreation. This has involved regular visits to the National Training Centre at AUT Millennium to gain insights into the operation and assurance as to the HP objectives and progress against those objectives. An open invitation is extended to the Minister of Sport to visit any of the facilities or HP hubs and attend any of the high performance events or functions. The change in Minister has seen an adjusted set of Ministerial requirements for the Sport NZ Group, including:

- How does the HPSNZ strategy lead to overall participation in sport
- Explore opportunities to maximise synergies between the Health and Sport portfolios in delivering better health outcomes for New Zealand
- How does Sport NZ and HPSNZ ensure its NSOs are financially sustainable
- The medal targets in the Strategic Plan need to be complemented with measures that demonstrate effectiveness and efficiency of the system.

The review team found that the Sport NZ Group is preparing to respond to these requirements as discussed in the Four-Year Excellence Horizon. HPSNZ's Senior Leadership Team is planning how to respond effectively to this broader definition of success, including working with Sport NZ to support its collaboration with the Ministry of Health. While conscious of the risk of being distracted from the primary task of securing medals, it fully appreciates

the breadth of dividend sought by the Crown from this investment, including across Government, i.e., Health, Education, etc.

In the past year, HPSNZ has developed a number of additional performance and financial measures, which form part of the six-monthly reporting to the Government. These measures provide a greater depth of insight into the effectiveness of the HP sport system. In addition, HPSNZ currently tracks a variety of measures for internal use which provide further evidence of the effectiveness and efficiency of the HP system. HPSNZ and Sport NZ will work cooperatively with the Minister and the Ministry for Culture and Heritage to understand which additional measures would be most useful to include for future Government reporting.

Improved public sector performance

The review team found that HPSNZ has to date had limited opportunity for cross-government engagement, but is looking to proactively support Sport NZ on cross-government initiatives. HPSNZ will be seeking to identify where best it can support Sport NZ's impact with the broader public sector whilst not introducing risk against its performance goals and targets as set out in the Strategic Plan. The interview notes from the Canadian high performance system, Own The Podium, emphasise New Zealand's competitive advantage as being able to focus only on lifting performance results with limited distractions.

The manner in which HPSNZ does contribute to public sector performance and the wider New Zealand economy is detailed below. Whilst HPSNZ does not directly 'own' these initiatives, many are achieved through activities that are indirectly linked and complementary to its core business.

One example of the potential is the Ministry of Health's Childhood Obesity Plan, which is a package of initiatives that aims to prevent and manage obesity in children and young people up to 18 years of age. The package brings together initiatives across Government agencies, the private sector, communities, schools, families and whānau. Sport NZ is involved in promoting physical activity and sport in young people and HPSNZ is linked via access to high performance athletes as role models as part of the campaign in recognition of the positive impact such athletes have within our communities.

The review team found that HPSNZ works collaboratively with Sport NZ to protect the integrity of sport. Recent examples include educating the sector on policy relating to Match Fixing and Sport Betting. Furthermore HPSNZ works collaboratively with international agencies and domestic partners such as the World Anti-Doping Agency, NZOC, Drug Free Sport NZ and Paralympics NZ to further good compliance and accountability across the sector.

The link between New Zealand's sporting successes and the association of those sports/events with many of our trading partners, offer opportunities to use world champions to further diplomacy and trade outcomes. For example, Fonterra have identified opportunities to leverage brand awareness around sporting events with New Zealand representation in China. This is recognised by New Zealand Trade & Enterprise (NZTE) who have developed a series of videos promoting the connection between sport and business. NZTE-led business leveraging programmes have also been run at the London 2012 Olympics, 2015 Rugby World Cup and are planned for the Rio 2016 Olympics, all of which offer opportunities to support the business goals of Government and NZ companies.

As well as the direct economic value attributed to sport, Australian Bureau of Statistics Director Andrew Middleton states *"...that in addition to providing significant health and social benefits, sport and physical recreation has considerable economic importance, which is reflected in the latest household expenditure, production and international trade data."* It can be concluded that the economic contribution of the sport sector is both direct and indirect when all factors are taken into consideration. Examples of economic snapshots from the New Zealand sport sector include:

- According to a report from financial analysts PricewaterhouseCoopers on the economic impact and benefits of the ICC Cricket World Cup, the tournament provided a significant economic boost for co-hosts Australia and New Zealand, generating more than AU\$1.1 billion in direct spending and creating the equivalent of 8,320 full time jobs.
- The 2011 Rugby World Cup was estimated to have resulted in a short-term expansion of the national economy in the order of \$1,730 million (measured at 2007 prices), sustaining the equivalent of 22,890 extra jobs for the duration of one year. International travel and migration statistics showed that there were 74,400 RWC visitor arrivals in September 2011, and 53,200 in October 2011.

Overall, the Sport sector makes a significant contribution to the New Zealand economy, estimated at 2.3 per cent of GDP or \$4,958 million. Investment into the sport sector through HPSNZ is complementary to Government's policies on stimulating economic growth. Results on the world stage along with the development of world class facilities also allow us to attract world championship events to New Zealand, offering further opportunities for international exposure and event and tourist revenue coming directly into our regions.

International events attracting Olympic athletes, hosted in New Zealand since 2010, have netted more than \$30 million in the New Zealand economy (based on the New Zealand Major Events model).

Elite sport also has specific human resource and infrastructure needs that closely link it to other economic sectors, such as science, technology, and medicine. In the New Zealand context HPSNZ provides opportunities for our brightest minds to be retained in New Zealand contributing to the knowledge economy within centres of excellence focused on innovation.

HPSNZ also works closely with Callaghan Innovation in investigating commercialisation opportunities for technology solutions developed through HPSNZ's Innovation/Goldmine programme. The agency is a recipient of commercialisation advice provided by Callaghan using EverEdge IP consultants, which has enabled HPSNZ to better understand its intellectual property and the potential that could be realised if it were to commercialise its technology. HPSNZ has engaged with a number of innovative New Zealand companies, many of which have strong relationships with Callaghan, in the tech/start-up space to deliver athlete-centred innovation projects.

HPSNZ provides an aspirational vehicle for New Zealanders, regardless of socioeconomic background, disability or ethnicity. As the All Blacks have recently shown, sporting success can unite New Zealand as a nation, shape our national identity and instil a sense of pride.

6.4. People Development

21. How well does the agency develop its workforce (including its leadership)?
Performance Rating: Strong
22. How well does the agency anticipate and respond to future capacity and capability requirements?
Performance Rating: Needing development
23. How well does the agency encourage high performance and continuous improvement amongst its workforce?
Performance Rating: Strong
24. How well does the agency deal with poor or inadequate performance?
Performance Rating: Well placed
25. How well does the agency manage its employee relations?
Performance Rating: Strong
26. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Performance Rating: Well placed

High performance and continuous improvement are embedded in HPSNZ's strategy, philosophy and culture. HPSNZ's strategic drivers of people (retain, develop and attract people who can provide sustained world-leading support to enhance NSO, coach and athlete performance) and high performance environment (promote a culture of high performance excellence through our people, resources and facilities) support the agency's strong focus on people development. In addition, the HPSNZ Culture Plan indicates the emphasis placed on high performance and continuous improvement of HPSNZ staff.

A learning environment

The review team found that HPSNZ is a learning environment and staff seek new knowledge to improve their performance. Excellence is one of the three values in the Culture Plan, and is expressed as 'We aspire to be world leading in all that we do'. HPSNZ staff gain feedback on living high performance through the annual staff performance reviews and challenging each other. Performance-based monitoring via performance reviews is a formal annual process with a six-month check-in, which helps identify and address performance gaps.

Given HPSNZ's vision, mission and mandate, staff desire and have intrinsic pressure to perform well themselves. Continuous improvement is an essential part of a high performance sport culture and the nature of the environment. Ongoing improvement is encouraged and expected if HPSNZ is to be world leading.

The review team found that HPSNZ is committed to professional development of its staff in both technical skills and leadership capability. All staff are encouraged to develop professional development plans and to be proactive in driving their own development. HPSNZ supports professional development through its operational budgets and importantly also has access to Prime Minister's Support Team Scholarships for staff who work directly with sports and athletes. Prime Minister's Support Team Scholarships provide high-quality professional development support that Athlete Performance Support staff can access. Interviews with staff indicated that all professional development has the goal of better outcomes for NSO high performance programmes, coaches and athlete campaigns. Due to the highly competitive and evolving nature of high performance sport, HPSNZ's emphasis on purposeful, applied professional development is a competitive advantage compared to other international HP sport systems.

HPSNZ runs leadership capability development programmes, in which 24 staff have participated or are currently participating. These programmes impart leadership skills and a common language and understanding of leadership behaviours. The SLT and other key senior managers also work with leadership consultants to develop their leadership capabilities. There are leadership opportunities and career pathways within HPSNZ and more broadly across the high performance sport system.

The interview with the General Manager Athlete Performance Support emphasised that NSOs recognise the importance of learning and are supportive of the development of HPSNZ staff who are embedded with their HP programmes. NSOs also use Prime Minister's Scholarships for the development of their support staff and coaches, which ensures that the high performance sport sector is continually learning.

An early Staff Engagement Survey (2013) indicated that there were gaps in professional development opportunities in parts of the organisation. HPSNZ's SLT and managers responded and addressed these concerns. The 2015 Staff Engagement Survey shows high satisfaction among staff with professional development opportunities, with 93 per cent of staff responding 'often or always' to "My manager encourages and supports my development," and 86 per cent to "The organisation provides appropriate opportunities for learning and development."

Interviews with staff indicated that some Athlete Performance Support staff are time-poor due to demands from the sports and campaigns they work with relative to existing capacity, and as a result may not have enough time for the optimal level of professional development. HPSNZ's SLT and managers are considering opportunities to adjust workloads and enhance access to professional development opportunities for staff immersed in sports.

HPSNZ gains input from Sport NZ's Organisational Development team to ensure good practice processes for staff recruitment and review. In addition, HPSNZ has recently created a new part-time position of Human Performance Consultant, which works closely with teams that are not operating optimally and contributes to solutions that address cultural or other issues.

The review team found that HPSNZ's recruitment processes are rigorous to ensure staff have the required technical skills and fit within the HPSNZ culture and also the required level of resilience to work within a high performance environment. Given the level of high performance sport experience and technical skills required for some roles, HPSNZ has an international workforce bringing high-level expertise to New Zealand. It is essential to recruit or place the 'right' people in the 'right' roles, including matching the level of experience, knowledge and overall capability to the roles. HPSNZ recruits quality people who are passionate about making a difference and aligned to the organisation's purpose and culture. Staff retention is high at 91 per cent annually, suggesting that the recruitment process clarifies expectations of prospective staff.

Interviews indicated that some staff members are required to travel with sports and be offshore for extended periods of time. Approximately 15 per cent of HPSNZ staff are away from home in excess of two months per year. These staff are generally aware of the commitment and expectation during the recruitment process, but this extended time away can put a strain on staff and their families, particularly after multiple years. Policies for staff with extended work-related travel have not always been clear to the staff or the sports they are working with, and are an area of current focus for the SLT and managers.

Changes in capability and capacity

The review team found that HPSNZ strives to anticipate and respond to future capacity and capability requirements, but believes this is an area for further development. HPSNZ's capacity and capability requirements are primarily related to the needs of sports and campaigns, and HPSNZ's ability to respond is constrained by budget limitations, human resources legislation and the speed with which needs develop within the international high performance sport environment.

HPSNZ constantly monitors international sporting performance and trends in each sport and across the high performance sport system to understand how New Zealand campaigns are tracking and how the high performance sport system is tracking towards medal targets. The NSO HP Programme Review Process

explains how HPSNZ gains a depth of understanding of the capacity and capability required to support NSO HP programmes and campaigns. The Performance Consultants and other consultant roles have close regular contact with each targeted sport and each invested campaign and gain insights to anticipate and respond to changes in requirements.

HPSNZ endeavours to be agile and able to respond to the changing needs of the HP system, sports and campaigns. The operating model of employed staff and contractors to meet customers' support needs provides flexibility to scale support to meet required changes in capability or capacity.

The interview with the General Manager Athlete Performance Support indicated that an area for development is to better understand NSOs' prioritised performance needs. This is important as HPSNZ must create the appropriate capacity relative to the sports' prioritised Athlete Performance Support needs in proportion to other needs such as coaching and international competition. Sports have varying levels of insight into understanding and articulating their performance needs.

HPSNZ is currently working with NSOs to consider when there is an advantage for HPSNZ to employ Athlete Performance Support staff, and when it may be an advantage for an NSO to employ selected Athlete Performance Support staff directly. HPSNZ is leading this discussion for the upcoming four to eight years to ensure the delivery model evolves at the optimal pace. These variables affect long term capability and capacity planning of the HPSNZ workforce.

Dealing with poor performance

Interviews with staff indicated that HPSNZ has a daily focus on performance with a demonstrated commitment to improvement. The high performance sport environment lends itself to being performance-driven which is demanded by HPSNZ partners. To hold partners accountable for performance, HPSNZ must hold its own staff accountable for performance.

The interview with the General Manager Business Operations indicated that the expectation for staff is that they perform at an 'excellent' level, which is classified in the performance review process as 'meets expectations'. Staff who do not have the drive to excel quickly learn that HPSNZ is not the right environment for them. Staff performance targets are set annually, and reviewed formally six-monthly and informally regularly, with the objective of no surprises in annual staff performance reviews. Performance issues are identified and discussed, and plans put in place to lift performance.

When staff technical performance or cultural fit is an issue, HPSNZ must move quickly to make a change to help sports move forward. It was noted that in HPSNZ's first two years, there was some misalignment of people with roles as staff were brought in from three other organisations in the merger. Some required changes took longer than optimal as the SLT balanced the need to respond quickly with the desire to limit the amount of staff change in the start-up phase while strategy was still being developed. Due to careful recruitment and day-to-day management of people, there have been few examples of poor performance requiring Athlete Performance Support staff or other embedded HPSNZ staff to move out of their assigned roles with sports.

The Cambridge high performance sport environment has grown quickly, with Cycling New Zealand and Triathlon New Zealand centralising their HP programmes in 2013 and Canoe Racing NZ planning to do the same in 2017. With Rowing New Zealand based nearby at Karapiro, there has been rapid growth and reduced capacity and space for staff. The Senior Leadership Team and managers are highly aware of these capacity constraints and are developing plans to best support sports and athletes and mitigate staff concerns.

A highly committed and engaged workforce

The review team found that HPSNZ endeavours to hire the best person for each role, and with a limited talent pool in New Zealand and internationally, does not specifically focus on gender or ethnic diversity. Staff are recruited and selected for ability. Overall the proportion of female staff is currently 40 per cent, with Athlete Performance Support (44 per cent) and Business Operations (55 per cent) having a greater gender balance. HPSNZ has high international diversity, with staff from more than 10 countries. Staff are predominantly of European descent, which is representative of the athletes and coaches in most of the targeted sports. No barriers to diversity in the hiring process, nor in HPSNZ's culture have been identified. It has been noted that high performance sport is a way of life with high demands, long hours and high commitment. Having more female role models within HPSNZ would be helpful in building the confidence of female staff, and the Senior Leadership Team are currently considering opportunities for female staff, including more occasions for female staff to participate in Senior Leadership Team meetings, in addition to the current inclusion of female staff in the High Performance Leadership programme.

6.5. Financial and Resource Management

27. How well does HPSNZ manage agency and Crown assets, and HPSNZ's balance sheet, to support service delivery and drive performance improvement?
Performance Rating: Strong
28. How well does HPSNZ manage and use information as a strategic asset?
Performance Rating: Needing development
29. How well does HPSNZ plan, direct and control financial resources to drive efficient and effective output delivery?
Performance Rating: Strong
30. How well does HPSNZ identify and manage agency and Crown risk?
Performance Rating: Well placed

All HPSNZ activity is evaluated against its strategy and the strategic priorities that underpin organisational decision-making. One of the key strategic priorities is to “lead a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes”.

Financial management

HPSNZ is strongly strategy led. The review team found that financial and other resources are aligned and allocated to strategic pathways and regularly monitored for efficiency and effectiveness. Upon the formation of HPSNZ in 2011, the Government increased investment by a further \$20 million per annum with the aim of creating a more focused, world-leading high performance sport system. The review team found that the additional funding enabled HPSNZ to deliver on its ambitious Strategic Plan and create a ‘one-stop shop’ high performance sport system with minimal clutter or bureaucracy. In recent months HPSNZ has sought further funding to continue the momentum and alleviate cost pressure across the high performance sector born from increased success and depth within the system. The increased annual Government investment of \$4 million will assist in maintaining New Zealand’s level of high performance success.

HPSNZ operates in a global environment and at the leading edge of athletic endeavour, which is far from a low-cost environment. The HP programme draws on world-class resources and to a large degree, operates overseas. Funds are carefully allocated across the four specialist pillars to ensure optimum economy, efficiency, and effectiveness. HPSNZ has a comprehensive financial system that allows analysis by campaign, by programme and by partner. The agency can readily assess value for money at any time. This analysis underpins adjustments in funding allocation.

As set out in the Statement of Performance Expectations, 94.2 per cent of Government investment is allocated directly to athletes, coaches and partner NSOs. The remaining 5.8 per cent is utilised to fund HPSNZ governance, operations and logistics, seven national facilities, depreciation and shared services. Shared services provide operational support in marketing and communications, policy, human resources and information technology across the Sport New Zealand Group. After initial growth in the first year of operations, HPSNZ has not had an increase in headcount over the past three years although the demands and increase in sophistication across the high performance sector have grown.

HPSNZ has been strategic and disciplined in its external investment and internal expenditure, demonstrating considered and purposeful restraint. The ethos of the organisation is that every dollar counts and the associated opportunity costs are regularly measured.

As at the 2016/17 financial year HPSNZ has a healthy balance sheet with a small forecast operating deficit (\$57,000) due to HPSNZ utilising prior period reserves to fund increased campaign costs leading into the Rio Olympic Games. The recent Government announcement of an additional \$4 million per annum offsets the original forecast deficits of \$3.7 million per annum for the Tokyo cycle. This new level of government investment protects existing levels of support for targeted sports but still challenges the overall system in maintaining the momentum and success built over the Rio cycle. HPSNZ’s Senior Leadership Team has completed detailed planning and developed a range of options on strategies, adjustments and priorities. HPSNZ is well placed to respond with a clear, transparent and scalable investment framework to maximise Government’s return on investment.

Knowledge management

Knowledge management is an important strategic component in the world of high performance sport. HPSNZ management has a strong focus on data identification, collection, analysis, and interpretation. To

underpin the partnering effort, a number of special purpose CRM systems are in operation. In an operational sense, detailed information is collected on athletes and coaches with specialist sport science and strategic analysis/reporting captured to maximise performance.

Specific knowledge management pools have been adopted, e.g. Knowledge for Rio and Goldmine. HPSNZ is leaning on the cutting edge of technology and data analytics/management. The focus is on supporting decision-making to optimise outcomes.

HPSNZ has identified that there are multiple and often bespoke applications utilised by different teams across the agency, which can create complexity for staff in accessing information and in interacting with customers. HPSNZ is currently investigating approaches to bring together the various systems to ensure streamlined access for staff and for the HP system. There is also an opportunity to strengthen the information technology collaboration between Sport NZ and HPSNZ.

Risk Management

The review team found that a comprehensive risk management approach is adopted by the agency. HPSNZ has its own subsidiary Board and also operates through a shared Sport NZ Group Audit, Finance and Risk Committee and Remuneration Committee. A comprehensive approach to risk management is adopted throughout the organization, supporting 'value for money' decision-making. Risks are regularly reviewed, mitigations developed and assessed, and risk appetite confirmed with the Board and AFRC subcommittee. HPSNZ's management and Board have embraced health and safety changes brought in by Government and ensured that HPSNZ is compliant, with a specific health and safety risk register and safety officers in each of seven locations.

The most significant risks facing the organisation are people related, in particular the poaching of staff by international systems. The loss could be significant due to the specialised intellectual property and limited access to successful high performance sport professionals internationally. HPSNZ also conducts an analysis of foreign currency exposure for the HP sector, which is updated monthly.

6. Appendices

7.1. List of Interviews

This review was informed by input provided by a number of HPSNZ staff and relevant NSO's and other stakeholder organisations as listed below.

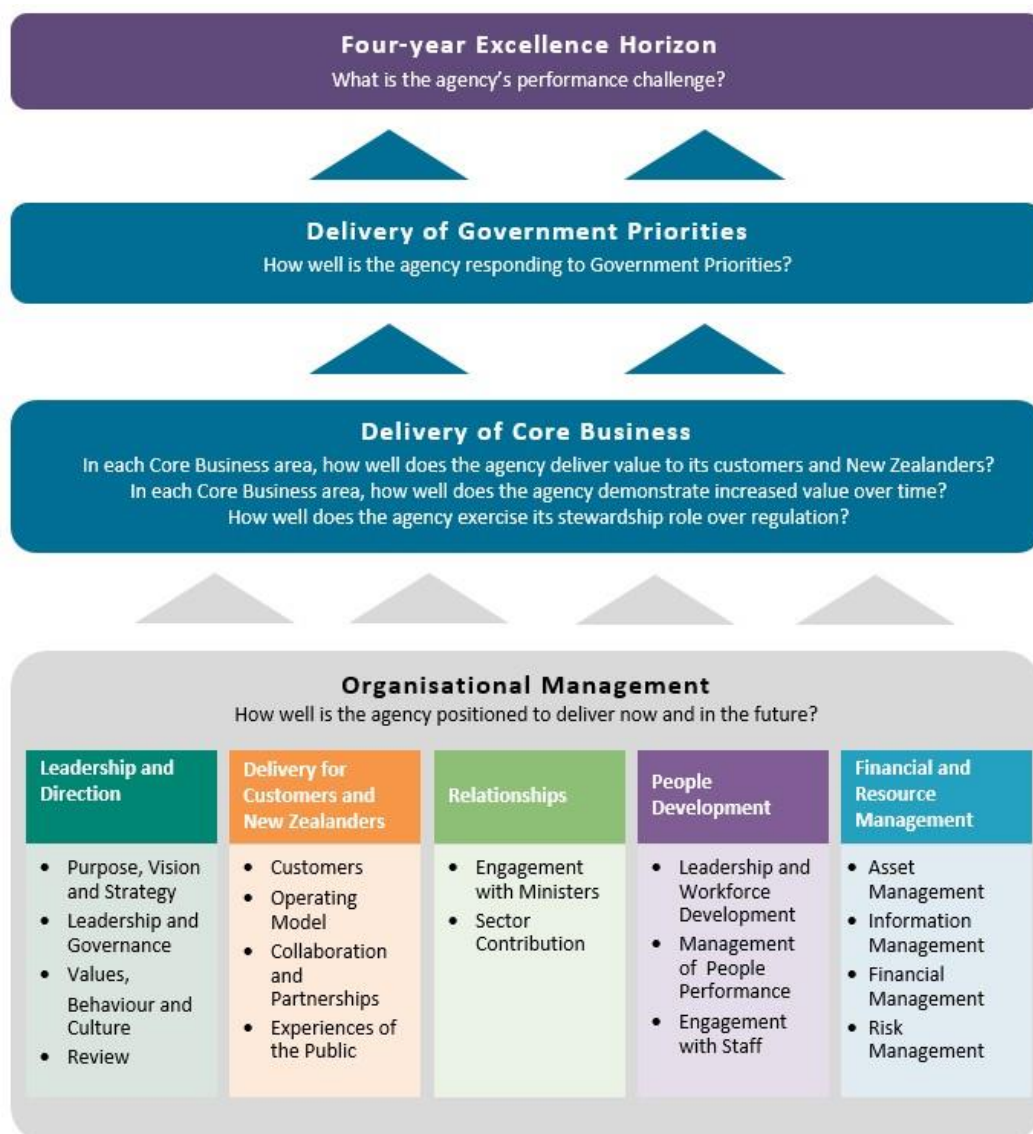
HPSNZ Alex Baumann – Chief Executive Peter Pfitzinger – GM Capacity and Expertise Zoltan Varadi – GM Business Operations Mike McGovern – GM Performance and Strategic Investment Martin Dowson – GM Athlete Performance Support Services Rachel Williams – Financial Planning and Analysis Manager Matt McKerrow – Innovation and Technology Manager Chris Bullen – Manager Coaching and HP Capability Development Susan Thomason – Athlete Life and Psychology Lead Holly Grimmer- Business Performance Support Manager
VOICE OF STAFF Holly Grimmer-Business Performance Support Manager Michael Flynn– Performance Consultant Dean Horo– Regional Relationship Manager - Dunedin Stephen Hotter - Regional Relationship Manager – Wellington Paul Heron – Sport NZ Relationship Manager John Lythe – Performance Systems Manager
CYCLING NEW ZEALAND Simon Perry – Chair Andrew Matheson – Chief Executive
ROWING NEW ZEALAND Gerry Dwyer – Chair Simon Peterson – Chief Executive
SWIMMING NZ Christian Renford – Chief Executive
NZOC Kereyn Smith-Secretary General
PARALYMPICS NZ Fiona Allan – Chief Executive
ATHLETICS NZ Linda Hamersley – Chief Executive
OWN THE PODIUM Anne Merklinger – Chief Executive

7.2. PIF Questions

Lead Questions

Four-year Excellence Horizon		
What is the agency's performance challenge?		
Results		
Critical area	Lead Questions	
Government Priorities	1. How well is the agency responding to Government Priorities?	
Core Business	2. In each Core Business area, how well does the agency deliver value to its customers and New Zealanders?	
	3. In each Core Business area, how well does the agency demonstrate increased value over time?	
	4. How well does the agency exercise its stewardship role over regulation?	
Organisational Management		
Critical area	Element	Lead Questions
Leadership and Direction	Purpose, Vision and Strategy	5. How well do the staff and stakeholders understand the agency's purpose, vision and strategy? 6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership and Governance	7. How well does the senior team provide collective leadership and direction to the agency and how well does it implement change? 8. How effectively does the Board lead the Crown entity? (For Crown entities only)
	Values, Behaviour and Culture	9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction and ensure customer value?
	Review	10. How well does the agency encourage and use evaluative activity?
Delivery for Customers and New Zealanders	Customers	11. How well does the agency understand who its customers are and their short- and longer-term needs and impact? 12. How clear is the agency's value proposition (the 'what')?
	Operating Model	13. How well does the agency's operating model (the 'how') support delivery of Government Priorities and Core Business? 14. How well does the agency evaluate service delivery options?
	Collaboration and Partnerships	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with partners and providers? 16. How well do the agency and its strategic partners integrate services to deliver value to customers?
	Experiences of the Public	17. How well does the agency employ service design, continuous improvement and innovation to ensure outstanding customer experiences? 18. How well does the agency continuously seek to understand customers' and New Zealanders' satisfaction and take action accordingly?
Relationships	Engagement with Ministers	19. How well does the agency provide advice and services to Ministers?
	Sector Contribution	20. How effectively does the agency contribute to improve public sector performance?
People Development	Leadership and Workforce Development	21. How well does the agency develop its workforce (including its leadership)? 22. How well does the agency anticipate and respond to future capacity and capability requirements?
	Management of People Performance	23. How well does the agency encourage high performance and continuous improvement amongst its workforce? 24. How well does the agency deal with poor or inadequate performance?
	Engagement with Staff	25. How well does the agency manage its employee relations? 26. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Financial and Resource Management	Asset Management	27. How well does the agency manage agency and Crown assets, and the agency's balance sheet, to support service delivery and drive performance improvement?
	Information Management	28. How well does the agency manage and use information as a strategic asset?
	Financial Management	29. How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?
	Risk Management	30. How well does the agency identify and manage agency and Crown risk?

7.3. The Performance Improvement Framework



7.4. PIF Ratings Grid

PIF RATINGS GRID

	Summary	Count	per cent	Code
RATINGS				
1 = Strong (Excellent)	1	12	40per cent	
2= Well Placed	2	15	50per cent	
3 = Needing Development	3	3	10per cent	
4 = Weak	4	0	0per cent	

Critical Area	PIF Question	PIF Team	SLT Prelim	Staff	Avg	Range	Final SLT Assessment
Leadership & Direction	1 How well is HPSNZ responding to government priorities?	2.5	2.0	2.0	2.2	0.5	2
	2 In each core business area, how well does HPSNZ deliver value to its customers and New Zealanders?	2.0	1.0	2.0	1.7	1.0	2
	3 In each core business area, how well does HPSNZ demonstrate increased value over time?	1.0	1.0	2.0	1.3	1.0	1
	4 How well does HPSNZ exercise its stewardship role over regulation?		2.0	1.5	1.8	0.5	2
	5 How well do the staff and stakeholders, understand HPSNZ's purpose, vision and strategy?	1.0	1.0	1.5	1.2	0.5	1
	6 How well does HPSNZ consider and plan for possible changes in its purpose or role in the foreseeable future?	2.5	2.0	1.5	2.0	1.0	2
	7 How well does the senior team provide collective leadership and direction to HPSNZ and how well does it implement change?	1.0		1.0	1.0	0.0	1
	8 How effectively does the board lead the Crown entity? (For Crown entities only)	1.0	2.0	2.0	1.7	1.0	2
	9 How well does HPSNZ develop and promote the organisational values, behaviours and culture it needs to support its strategic direction and ensure customer value?	1.5	1.0	1.0	1.2	0.5	1
	10 How well does HPSNZ encourage and use evaluative activity?	1.0	2.0	1.0	1.3	1.0	2
Delivery to Customers & NZers	11 How well does HPSNZ understand who its customers are and their short and longer term needs and impact?	1.5	2.0	2.0	1.8	0.5	2
	12 How clear is HPSNZ's value proposition (the 'what')?	1.5	2.5	1.0	1.7	1.5	2
	13 How well does HPSNZ's operating model (the 'how') support delivery of government priorities and core business?	2.0	1.0	2.5	1.8	1.5	2
	14 How well does HPSNZ evaluate service delivery options?	1.5	2.0	2.5	2.0	1.0	2
	15 How well does HPSNZ generate common ownership and genuine collaboration on strategy and service delivery with partners and providers?	1.5	1.0	1.0	1.2	0.5	1
	16 How well do HPSNZ and its strategic partners integrate services to deliver value to customers?	2.0	1.0	2.0	1.7	1.0	1
	17 How well does HPSNZ employ service design, continuous improvement and innovation to ensure outstanding customer experiences?	1.0	1.0	1.0	1.0	0.0	1
	18 How well does HPSNZ continuously seek to understand customers' and New Zealanders' satisfaction and take action accordingly?	2.5	2.0	2.0	2.2	0.5	2
Relationships People Development	19 How well does HPSNZ provide advice and services to Ministers?	2.0	2.0	2.0	2.0	0.0	2
	20 How effectively does HPSNZ contribute to improve public sector performance?	2.5		2.0	2.3	0.5	3
	21 How well does HPSNZ develop its workforce (including its leadership)?	1.0	1.0	1.0	1.0	0.0	1
	22 How well does HPSNZ anticipate and respond to future capacity and capability requirements?	2.0	2.0	2.0	2.0	0.0	3
	23 How well does HPSNZ encourage high performance and continuous improvement amongst its workforce?	1.0	1.0	1.0	1.0	0.0	1
	24 How well does HPSNZ deal with poor or inadequate performance?	1.5	2.0	2.0	1.8	0.5	2
	25 How well does HPSNZ manage its employee relations?	1.5	1.0	1.5	1.3	0.5	1
	26 How well does HPSNZ develop and maintain a diverse, highly committed and engaged workforce?	2.0	2.0	2.0	2.0	0.0	2
Financial & Resources	27 How well does HPSNZ manage agency and Crown assets, and HPSNZ's balance sheet, to support service delivery and drive performance improvement?	1.0	1.0		1.0	0.0	1
	28 How well does HPSNZ manage and use information as a strategic asset?	2.0	2.0	2.0	2.0	0.0	3
	29 How well does HPSNZ plan, direct and control financial resources to drive efficient and effective output delivery?	1.0	1.0	2.0	1.3	1.0	1
	30 How well does HPSNZ identify and manage agency and Crown risk?	1.0	2.0	2.0	1.7	1.0	2
Average Ranking Across all 30 Questions & Across All Teams		1.6	1.6	1.7	1.6	0.6	1.7

7.5. Summary of HPSNZ Board

SIR PAUL COLLINS (CHAIRMAN)

Sir Paul has been Chairman since HPSNZ was formed in 2011, and also chairs the board of Sport New Zealand. He has extensive governance experience in business and sport, having served on the board of more than 50 listed companies in New Zealand, Australia, Hong Kong and London, and on numerous boards in the sports sector.

Sir Paul was a governor of the New Zealand Sports Foundation from 1986 to 1999 (which he chaired from 1992 to 1999), a member of the Rugby 2011 World Cup Bid Committee which won the hosting rights for the 2011 World Cup, and a director of Rugby New Zealand 2011 Limited. He was also Chair of the Wellington Regional Stadium Trust from 2000 to 2012. Currently, Sir Paul is a director and investor in the Hurricanes Super Rugby franchise.

Sir Paul is also an executive director of the private investment company Active Equity Holdings Limited, and is a former Chief Executive of Brierley Investments.

In the New Year Honours 2015, Sir Paul was made a Knight Companion of the New Zealand Order of Merit for services to sport governance.

BILL BIRNIE

Bill Birnie gained experience in the investment banking sector with Fay Richwhite before establishing his private equity firm Birnie Capital Ltd, of which he is Chairman and Managing Director.

Previous directorships have included ENZA (Chair), the New Zealand Film Commission (Deputy Chair), the Screen Council of New Zealand, and Equestrian Sports New Zealand. Bill was also a Commissioner of the Hillary Commission (a forerunner of Sport New Zealand), and a Founding Trustee of the Wellington Stadium Trust.

Currently Bill is Chairman of the KidsCan Charitable Trust and a Trustee of the James Wallace Arts Trust. He was appointed to the board in 2011, and is also on the board of Sport New Zealand.

MIKE STANLEY

Mike Stanley joined the board in 2011. He has had a long involvement in sport, as an international rower, coach, commentator and administrator.

Mike is currently CHIEF EXECUTIVE at the Millennium Institute of Sport and Health, a role he has held since 2004. Prior to this he was Chief Executive of Rowing New Zealand (1994 – 2003). He is also in his second term as President and Chairman of the New Zealand Olympic Committee.

Mike became a New Zealand rowing representative in 1976, and was a member of the rowing eight which came fourth at the 1984 Los Angeles Olympic Games, and the eight which won back-to-back world championship gold medals in 1982 and 1983.

SIMON WICKHAM

Simon Wickham joined the board in 2011. His experience in sport and the governance/management of sport spans many years and roles, including former roles as Chief Executive of Yachting New Zealand, Gymsports New Zealand's Chairman, a member of Sport NZ's Talent Identification Taskforce, and a member of the NZ Olympic Committee.

Simon is the Deputy Chairman of the New Zealand Olympic Committee and is chair of the committee's selection panel for the Rio 2016 Olympic Games. He has been on the Olympic and Commonwealth Games selection panels since 2006.

Currently Simon is Chief Executive of West Auckland Trust Services (The Trusts), one of West Auckland's largest employers, responsible for the management of several restaurants, bars, hotels and hospitality businesses in West Auckland. He was previously Chief Executive of The Trusts Stadium, a \$40 million sports and entertainment complex in Auckland.

MURRAY GUTRY

Based in Hamilton, Murray Gutry is the deputy chairman of the Perry Group and holds directorships with current Perry investment companies, as well as a number of other organisations.

Prior to joining the Perry Group in 2001 where he was Chief Executive 2007-12, he held positions with Sport Waikato as Chief Executive for four years and as the National Programme Manager with the Hillary Commission. He is currently a trustee of the Lion Foundation and St Paul's Collegiate School.

Murray has held a number of national sprint titles and was a New Zealand Athletics representative for many years, competing at the Commonwealth Games in 1990, the World Cup in Barcelona in 1989, and the Pacific Conference Games in 1985. He also represented Waikato in rugby.

Murray joined the Sport NZ board in August 2011, and the board of High Performance Sport New Zealand in August 2014.

ALISON SHANKS

Alison was appointed to the HPSNZ Board in July 2015 and brings a wealth of experience from an athletes perspective across various sporting codes.

A World Champion Track Cyclist in the Individual Pursuit in 2009 and 2012, she competed at the 2008 Beijing and 2012 London Olympics finishing 4th and 5th respectively. In her first Commonwealth Games in Melbourne, 2006, Alison placed 4th before returning four years later in 2010, Delhi, to deliver New Zealand's first Gold medal of the Games. After nine years of competing at the top level Alison retired at the beginning of 2014.

Born and bred in Dunedin, Alison is now based in Cambridge, Waikato, with her husband Craig and young son Lucas.

Alison has a background in marketing having completed a double degree at Otago University, Bcom Hons in Marketing, BSc in Human Nutrition. During this time Alison played for the Otago Rebels netball franchise and was capped as a New Zealand U21 player. Alison also played basketball for Otago and has been a carded athlete as part of the original Academy of Sport system since 2001.

Alison now undertakes marketing contract work under her AS Performance Projects brand and continues her work as an NZOC Ambassador delivering inspiration to school children throughout New Zealand. Alison is a member of the NZOC Athletes Commission and was elected to the Cycling New Zealand board in 2014.

PETER MISKIMMIN, EX-OFFICIO

Peter Miskimmin is Chief Executive of Sport NZ, a role he has held since April 2008. He came to Sport NZ (then Sport and Recreation New Zealand) in late 2006, after 17 years at New Zealand Post where he was head of Corporate Sales. Prior to that he had held a number of senior management roles in the Marketing and Commercial division of New Zealand Post.

Peter has a wealth of experience as an athlete, coach, and administrator. A former captain of the New Zealand hockey team, he played 150 test matches for New Zealand from 1978 to 1992. He played at the 1984 Los Angeles and 1992 Barcelona Olympic Games as well as the 1982 and 1986 Hockey World Cups. He went on to become the leader of Athlete Services in the Games Management Team for the 1998 Kuala Lumpur Commonwealth Games, and the 2000 Sydney Olympic Games.

Peter is a former chairman of the New Zealand Olympic Committee's Athletes Commission, and has been a board member of the New Zealand Olympic Committee and the New Zealand Sports Foundation, and President of the Olympian Club.

IAN HUNT

Ian is a litigation partner with Young Hunter Lawyers in Christchurch, and has had extensive involvement in sport, legal issues affecting sport, ethical issues in sport, and the governance and management of sporting organisations.

Ian has acted for individual athletes, clubs, and NSOs over a wide variety of sports, in proceedings before the High Court, Sports Tribunal of New Zealand, the Court of Arbitration for Sport and numerous domestic Tribunals in relation to doping, selection, governance and conduct related matters.

Ian was the President of ANZSLA, the Australian and New Zealand Sports Law Association, between 2007 and 2012. He was an elected Director of Swimming New Zealand from October 2012 – September 2014 and was appointed as a member of the inaugural FINA Ethics Panel in 2013. Ian is the President of Broken River Ski Club Inc, is an Association Commissioner for New Zealand Cricket, and from 2004 – 2008 was the Chair of the Board of the Canterbury Flames netball franchise.

Ian joined the Board of High Performance Sport New Zealand in July 2015.

7.6. HPSNZ and Sport NZ Community Sport Agreed Operating Principles and Protocols for Investment Recommendations

HPSNZ and Sport NZ Community Sport have worked closely to develop the following agreed set of operating principles and protocols to ensure an appropriate level of alignment and communication is achieved when determining the independent investment recommendations for HPSNZ and Sport NZ Community Sport.

Philosophy & Beliefs:

- HPSNZ and Sport NZ Community Sport have deliberate and separate strategies to deliver Government High Performance and Community Sport outcomes
- HPSNZ and Sport NZ Community Sport have different processes and approaches to allocate investment which are fit for purpose and target specific High Performance or Community Sport outcomes and strategic priorities
- HPSNZ and Sport NZ Community Sport independently lead, and have separate investment approaches, which enables absolute focus and clarity on ROI
- We mutually recognise the benefits of a seamless pathway for competitive sport and the end to end role and accountabilities of NSOs We mutually recognise that the investment decisions from either HPSNZ or Sport NZ Community Sport may have an impact on the delivery of each other's outcomes and the sustainability of the NSO.

Principles & Protocols:

- HPSNZ and Sport NZ Community Sport commit to proactively engage and consult each other in advance to fully understand the implications, risks and opportunities of increases or decreases in investment in priority NSO partners
- Any proposed decreases will need to specifically consider the sustainability and stability of the NSO partner and likelihood of the business impact of such a decision
- When considering investment [and the associated funding bucket] for the 'common areas' of talent and coaching, consideration will be given to the overall weighting of the specific NSO partner's value proposition to HP and CS outcomes
- HPSNZ and Sport NZ Community Sport recognise that some NSO High Performance and Sport NZ investment initiatives may not be mutually exclusive and a joint or shared investment approach may be considered [this will be reviewed on an individualised case by case basis]
- NSOs have legitimate operational costs [and a level of corporate overheads] that are required to enable HPSNZ and Sport NZ Community Sport outcomes to be achieved. The specific allocation or proportionate spend from HPSNZ and/or Sport NZ investment on this support is to be considered and determined on an individual sport and case by case basis.