

PIF Self Review 2016 - Sport

Introduction

The Sport New Zealand Group, comprising Sport New Zealand (Sport NZ) and its wholly owned subsidiary, High Performance Sport NZ (HPSNZ), undertook a Performance Improvement Framework (PIF) Self Review in 2016.

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

This document summarises each of these review documents, together with our response in two improvement plans.

Sport NZ Group context

Sport NZ encompasses the operational function of Community Sport, focused on maximising participation in sport and active recreation, and the support services of the Strategy and Policy, Partnerships and Communication and Corporate Services business units.

HPSNZ was formed in 2011 from merging three organisations and marked the start of a high performance system which has addressed the fragmentation of services and brought consistency and excellence with a 'one-stop shop' of new services. HPSNZ's mission is to create a world-leading, sustainable high performance sport system. In leading this system, it has achieved ambitious performance targets, enhanced national pride and helped to shape our national identity.

The 2016 Rio Olympic Games delivered New Zealand's best-ever Olympic result of 18 medals, maintaining its position of fourth in the world per capita, whilst improving in world ranking to 14th in the world. Rio 2016 also saw Paralympic success with nine gold medals and New Zealand ranked number one per capita in the world.

A major focus area for Sport NZ is 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 complex system. 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 significant change, we now find ourselves operating in challenging financial times. Sport NZ benefits hugely from Lotteries funding which it invests in Community Sport. From time to time lottery income can fluctuate and this volatility adds to the challenge.

The world of high performance is also becoming more competitive and sophisticated, further impacted by competitor international agencies increasing their investment into high performance sports and programmes. Despite 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 essential if we are to meet the complex challenges of 'increasing participation' and 'more winning' we have set ourselves to realise our 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 the delivery of sport.

Adding to this is the unprecedented pace of change in the wider world, with developments in social media and technology, in particular, having a profound impact on organisations and industries. Concurrent with these are 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 changing. Internally, this has involved creating specialist teams to gain critical momentum. This was done from the outset with HPSNZ and learnings from the establishment of HPSNZ have informed decisions for Community Sport. Support services have been reorganised to align and provide economies of scale.

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.

The dynamics within Community Sport are complex. There are 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.

Responding is not simple. There are no best practice models to follow. It will require a multidimensional approach by the Sport NZ Group and the sector, and time for the Sport NZ Group (Board, management and staff) to fully understand these changing dynamics and to develop and implement its new approach. We also acknowledge that this is new for the sector and that bedding in these changes will take time. HPSNZ and Sport NZ through their High Performance and Community Sport strategies lead and drive change in the sector, working collaboratively to ensure the essence of one integrated sporting system is maintained.

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 was welcome, given the complex and dynamic times we are operating in.

Executive Summary – Sport NZ

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

- Strategic Plan and supporting strategies – widespread support for a participant-focused, system-lead approach
- relationship management – provides strong Group-wide connections with key stakeholders
- 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 at 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 elements, significant work is still required to reach an appropriate level. The rating of ‘needing development’ 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 strategy – with partners
- measuring our and the sector’s performance
- optimising investment management process
- responding to low-participating and diverse communities.

There are numerous 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
- having technology advances opening up potential Sport NZ and sector solutions
- strengthening Sport NZ’s own value proposition
- effecting the system change signaled in the new strategy.

Executive Summary – High Performance Sport New Zealand

The PIF self-review found HPSNZ's current organisational performance framework as sound, with 'strong' and 'well placed' ratings across 90% of the structured PIF evaluation questions. The agency operates efficiently, with 94% of high performance funding invested directly in high performance programmes, athletes and coaches. The PIF review also found strong partner relationships with NSOs, the NZOC and Paralympics, ensuring alignment across the high performance sport system.

The performance targets for the Tokyo Olympiad are challenging, which include a greater focus on gold medal conversion in the Tokyo 2020 Summer Olympics and Paralympics, with increased performance targets at the 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 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:

- 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 2017-2020 strategy is articulated through the following key strategic priorities:

- lead a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes
- work in partnership to increase stability and high performance capability of NSOs
- partner with NSOs to build world-leading coaching and high performance programme leadership
- delivering world-leading performance support for our athletes and coaches
- enhancing the daily training and competition environments
- strengthen high performance athlete development systems
- lead an integrated and robust innovation, technology and knowledge programme to drive increased performance.

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 high performance sport environment and responds to the evolving needs of NSOs and requirement for system leadership.

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 two years. The upcoming four years will offer heightened challenges including increasingly competitive nations that are well resourced across 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.

Improvement Plans

Both Sport NZ and HPSNZ have developed Improvement Plans in response to the PIF Self-Review, staff engagement surveys, partner confidence surveys and for HPSNZ, the post Rio Olympic debrief. The key aspects of our respective Improvement Plans are summarised below.

Sport NZ

The key performance challenges for Sport NZ are being addressed through the following initiatives:

- An organisational realignment has taken place (late 2016) with the following aims:
 - power up the focus of the organisation on growing participation
 - improve staff alignment with growing participation
 - improve specific capability across the business – Intelligence, Connectivity and Capability
 - improve regional and local connectivity
 - improve our strategic thinking and response.
- Sport NZ is strengthening organisational culture with the establishment of a Culture Team. The team are in the process of developing a Culture Plan that will reflect the internal culture change required to improve organisational effectiveness and efficiency.
- Sport NZ has strengthened its approach to Government with the establishment of a cross-Government role and formalised approach. This has included the development of a number of MOUs with agencies where there is mutual value in working in a more collaborative and deliberate way.
- Ensuring the 'Value of Sport' is understood and that this translates into positive action has priority within our business plans.
- Specifically across Community Sport delivery, Sport NZ is prioritising the gathering of participant knowledge and insights that support the participant-focused approach, along with building system capability both internally and across the sector.

HPSNZ

The key Performance challenges for the high performance system and for HPSNZ include:

- improving high performance 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 high performance 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 continuous improvement across the next four years.