

SPORT NZ GROUP

**STATEMENT OF
PERFORMANCE
EXPECTATIONS**

—
1 JULY 2019 - 30 JUNE 2020



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Presented to the House of Representatives
pursuant to section 44 of the Public Finance Act 1989.

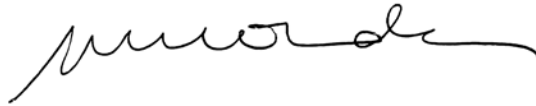
STATEMENT OF AUTHORISATION

This Statement of Performance Expectations should be read with our Statement of Intent 2018-2022.

We are responsible for the Financial Statements and Statement of Performance contained in this document.

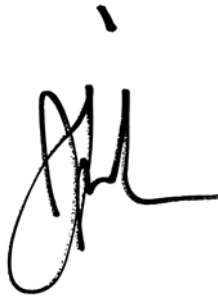
We consider that the Financial Statements and Statement of Performance fairly reflect the organisation's expected financial position and performance results for the year ending 30 June 2020, in accordance with the Crown Entities Act 2004.

We authorise this Statement of Performance Expectations on behalf of the Sport New Zealand Board.



Bill Moran, MNZM

Chair, Sport NZ and High Performance Sport NZ
22 May 2019



Jason Shoebridge

Board Member, Sport NZ
Chair, Audit Finance and Risk Committee
22 May 2019

ABOUT THE SPORT NZ GROUP

Who we are

Sport NZ is the guardian of New Zealand's play, active recreation and sport system. We seek to increase participation and ensure there are more New Zealanders winning on the world stage.

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

Vision: The world's most successful sporting nation

Our vision is to be the world's most successful sporting nation, as measured by more children and adults participating in sport and recreation, and more winners on the world stage. We believe that play, active recreation and sport can increase the wellbeing of New Zealanders regardless of age, gender, ethnicity or ability.

Our philosophy

Participant focused: We are focused on the needs and expectations of participants.

System-led: We focus on the system attributes which best impact participation

Performance driven: We hold ourselves and others accountable and seek continuous improvement.

The system

The 'system' means the collection of regulations, organisations, places and people who directly or indirectly participate, support, contribute to, or influence play, active recreation and sport in Aotearoa.

A 'system' is all encompassing – it is the sum of all the parts and their interactions. It can and will operate without us.

The play, active recreation and sport system includes central and local government agencies, sport organisations, private and commercial providers, schools, teams, funders, social groups and families. Each has a unique system, and the attitudes, knowledge, beliefs and personal objectives that individuals bring to each of these systems are hugely varied.

As the only agency with a national lens, our mandate involves making sense of the system and making it easy to connect and share information and insights between the many agents within the system.

As one of the key influencers in our system we must also understand the impact we have on the system through our investments, activity, and operating principles. And, as a relatively small player, how quickly we realise our vision depends on how influential we are in mobilising the collective resources of the wider system in a chosen direction.

Who we work with: lead, enable, invest

Due to our unique perspective, we have a strong leadership role in areas such as direction setting and alignment, intelligence curation and sharing. We have a strong focus on diversity and inclusion, in particular growing the visibility and participation of women and girls in sport and recreation. While we have tended to focus our efforts on our sector partners, we're developing our leadership position across local and central government, and our international counterparts.

Sport NZ works closely with partners who can make the biggest difference to our sport system for the greatest number of people, and those with the greatest potential to win and excel on the world stage. We have a responsibility to be partners, connectors, enablers and champions in the communities we work with and invest in.

To use our resources wisely and for maximum impact, we typically partner with sector representative bodies at the national and regional levels. These are:

- National Sport Organisations (NSOs) that are the peak organisations for their sport in New Zealand, such as Netball New Zealand or Cycling New Zealand
- Regional Sports Trusts (RSTs) that deliver community-level ('grassroots') sport, recreation and physical activity initiatives. RSTs form a network of community-based organisations with approximately 50 offices located around New Zealand, from Sport Northland to Sport Southland
- National Recreation Organisations (NROs), including the Mountain Safety Council and the New Zealand Recreation Association
- Iwi who promote Māori participation in sport and active recreation as Māori in the context of the Te Whetū Rēhua framework
- Territorial Authorities such as councils
- Disability sport and recreation organisations including Paralympics New Zealand, Halberg Foundation, Special Olympics New Zealand and others
- New Zealand Olympic Committee (NZOC)
- Women In Sport Aotearoa (WISPA).

Collectively, we work across government to ensure there is a strong legislative and regulatory framework that supports participation and winning, and with key agencies where there are opportunities for shared outcomes to support the government's wellbeing approach.

Legislation and governance

Sport NZ was established as a Crown entity on 1 January 2003 under the Sport and Recreation New Zealand Act 2002. HPSNZ is Sport NZ's wholly owned subsidiary, established by the Sport NZ Board in August 2011.

Sport NZ is governed by a board whose members and chairperson are appointed by the Minister for Sport and Recreation. HPSNZ is governed by its own board of directors who are appointed by the Sport NZ Board, following Ministerial approval. The Sport NZ Board is responsible to the Minister for Sport and Recreation; and has accountability for the functions of the entire Sport NZ Group.

How we're funded

The Sport NZ Group receives \$81.1m from Vote Sport and Recreation. Sport NZ is allocated \$19.1m to fund Sport NZ operations and the Kiwisport Partnership Fund. HPSNZ receives \$62m, which funds high performance sport including direct investment in NSOs, the New Zealand Olympic Committee, Paralympics New Zealand, individual athletes and coaches, and HPSNZ's sector facing activity.

In addition, Sport NZ receives more than \$45m each year from the New Zealand Lottery Grants Board. We invest this across our play, active recreation and sport partners, focusing on outcomes to achieve our Community Sport strategy.



EVERLY HILLS
CALIFORNIA



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6951
Sport Wellington



ANZ

Cigna
6954

INTRODUCTION

In 2019/20, the Sport NZ Group enters the final year of its Strategic Plan 2015-20. It's an exciting time for us. We will land the final initiatives of our Community Sport Strategy, and at the end of the year, we'll evaluate the success of our efforts over the last five years. It will also be the eve of the Tokyo 2020 Olympics, where the culmination of the HPSNZ strategy will be tested on the world stage.

The coming year will also be a year of transition, as we prepare to implement new strategies across Sport NZ and HPSNZ that will move us through to the next phase in our evolution. We are guided by the government's wellbeing approach, an intergenerational approach that seeks to maintain and improve New Zealanders' living standards over the long-term. Play, active recreation and sport have a valuable contribution to make. Our research has told us that being physically active creates healthier happier people, better connected communities and a stronger New Zealand.

We will continue to develop and enhance our leadership position. We believe that we have a strong role in helping to embed the wellbeing approach into, and across the play, active recreation and sport system that includes our sector partners, local and central government, and our international counterparts.

SPORT NZ

The Community Sport Strategy 2015-20 is our response to challenges facing the play, active recreation and sport sector, the largest being declining rates of participation¹. This has required a fundamental shift in what the sector delivers and how it works. It is driven by our philosophy of being participant-focused, system-led, and performance driven.

At the heart of our strategy is a focus on children and young people. We want children and young New Zealanders to develop a love of play, active recreation and sport, and the skills and confidence that lead to life-long participation.

We're working with our partners to adapt and change our play, active recreation and sport system – to keep pace with a rapidly changing world and deliver quality experiences² and opportunities to participants. We are committed to ensuring access and fairness for all New Zealanders, to safeguard the integrity of sport across New Zealand.

We are leading the Women and Girls in Sport and Active Recreation Government Strategy which aims to ensure that all women and girls, in all roles, are visible, feel positive about the contribution they make, and value being involved and participating in all levels of sport and active recreation.

Our partners have gained strong momentum with the three participant-based approaches introduced through the Community Sport Strategy 2015-20. Our partners are using insights to guide decisions, adopting a physical literacy approach when delivering to children and young people, and responding to the individual needs of low-participating communities to find innovative ways to increase play, active recreation and sport opportunities. Collectively, we are building a more informed sport system, with increased capability, better spaces and places, and improved opportunities to meet the needs of participants.

Sport NZ: Our focus for 2019/20

In 2019/20, we will keep our focus on delivering the outcomes of our current strategy and building on the gains we have made so far.

We will continue to collaborate with other agencies to deliver outcomes under the government's wellbeing approach, such as working with the Ministry of Health towards a consistent framework across government to support all New Zealanders to be physically active. We are working to increase bi-cultural capability and embed the Treaty of Waitangi principles (partnership, participation and protection) within Sport NZ and across the sector. At a local government level, we will continue to identify key opportunities, risks and issues that influence quality participation at regional and community levels, for example, the quality and accessibility of council owned spaces and places.

We will continue to build the sport system by improving the capability of our partners. As part of this, Sport NZ, together with NSO partners, will undertake a significant NSO capability project with the intent to find innovative ways to assist NSOs to remain relevant, fit for purpose and sustainable.

¹ Active NZ survey 2017: <https://sportnz.org.nz/assets/Uploads/Main-Report.pdf>

² sportnz.org.nz/assets/Uploads/Young-People-Quality-Indicators-FINAL.pdf

We remain committed to deeply embedding our three participant-based approaches into the sport system: Insights, Locally Led and Physical Literacy, as they are pivotal for long-term impact. We will continue to directly invest in our partners and provide support through tools, training and development.

In addition, Sport NZ, the Ministry of Health and the Ministry of Education secured \$47.6m of new investment through Budget 2019. This initiative, 'Healthy Active Learning', will support schools and early learning settings to improve wellbeing through healthy eating and quality physical activity. Sport NZ's component, 'Active Schools³', focuses on enhancing physical activity experiences and growing physical literacy. It is an exciting opportunity to increase the scale and reach of the Play.sport approach, with potential to drive positive change.

We will continue our work to remove barriers to participation, and to ensure that participants are treated fairly and have confidence in outcomes and events. This includes placing greater emphasis on promoting play, active recreation and sport in a way that is appropriate to Māori. In the coming year, we will begin delivery of our commitments against the Women and Girls in Sport and Active Recreation Government Strategy. We have an exciting opportunity to improve the opportunities, visibility and value for women and girls in sport and active recreation.

We will continue to work on several initiatives within sport integrity and athlete welfare – winning and wellbeing are not mutually exclusive. This includes progressing the Sport Integrity Review, following submissions from the public consultation at the end of 2018.

Following the Disability Sport and Recreation Review report delivered in late 2018, we will develop a Disability Active Recreation and Sport strategy, which will cover Sport NZ's leadership role, as well as addressing issues around fragmentation, duplication and lack of collaboration in delivery.

Our final area of focus for 2019/20 will be developing the implementation programme for our 2020-24 strategy. Our new strategy continues to seek greater levels of physical activity through our play, active recreation and sport environment for children and young people (aged 5-18 years) to increase wellbeing. As such, it is an evolution of our current strategy with a tightening of focus on targeted participant groups, not a change of direction. We know that achieving widespread system and behavioural change takes time and requires a sustained and consistent approach.

A fundamental component for the strategy is to finalise our Outcomes Framework aligned to the Treasury Living Standards and Wellbeing Framework. This will be pivotal in clearly articulating the strategy and measuring our performance. To ensure that we align our reporting with the new strategy, we will publish a new Statement of Intent for the period July 2020 to June 2024.

3 Current working title

HPSNZ

HPSNZ is committed to leading a highly effective and efficient high performance system which targets and prioritises resources to podium potential sports and athletes. We work in partnership with National Sport Organisations (NSOs), to increase their high performance capability and develop high performance coaches and high performance programme leadership. The high performance sport system includes NSOs, the New Zealand Olympic Committee (NZOC) and Paralympics New Zealand, as well as the athletes, coaches, management and support people.

As part of our integrated approach, we deliver world-leading performance support for athletes and coaches, enhance daily training and competition environments and strengthen high performance athlete development systems.

HPSNZ achieves its priorities by investing directly into sports, athletes and coaches. Our investment approach ensures only genuine medal potential sports and athletes are supported.

We focus our efforts in three areas:

1. Deliver increased and repeatable podium performances at Olympic, Paralympic and non-Olympic World Championships and World Cups
2. A sustainable high performance sport system capable of constant improvement through collaborative leadership and system investment
3. Our aspiration is to be recognised internationally for our world-leading system, people and results.

While those in high performance sport are always pushing the limits, this needs to be balanced with safeguarding the welfare of athletes, coaches and others working within the high performance system. Performance matters, but so do people. This is something HPSNZ is fully committed to achieving in partnership with athletes and sports. Athlete welfare must become New Zealand's competitive advantage.

HPSNZ: Our focus for 2019/20

HPSNZ has prioritised several initiatives for 2019/20 which are closely aligned with our strategic priorities from the 2017-20 strategic plan.

As the Tokyo 2020 Olympic Games draws closer, HPSNZ will be focusing on the final year's build up to the event. The Tokyo Olympics will be the culmination of many years of work by athletes, coaches and the high performance system supporting them.

In New Zealand, we're working to improve our ability to lead the high performance system. We know that we need to create a better balance between winning on the world stage and the welfare of athletes, coaches and others working within the high performance system. HPSNZ is committed to the wellbeing of our people and will continue to implement initiatives to protect and improve the health, safety and wellbeing of everyone involved in high performance sport. This also includes HPSNZ, our people, and those with whom we interact on a day to day basis.

HPSNZ will continue to develop the '2030 High Performance System Strategy'. This strategy underpins development and sustainable growth for all key facets of the New Zealand high performance system and will drive change within HPSNZ and Sport NZ, and across our partner organisations.

In conjunction with this, HPSNZ is planning the transition for the Paris 2024 Olympic Games and the HPSNZ Strategic Plan for 2024. These strategies will be informed by High Performance Programme Sport reviews.

SPORT NZ GROUP STRATEGIC FRAMEWORK

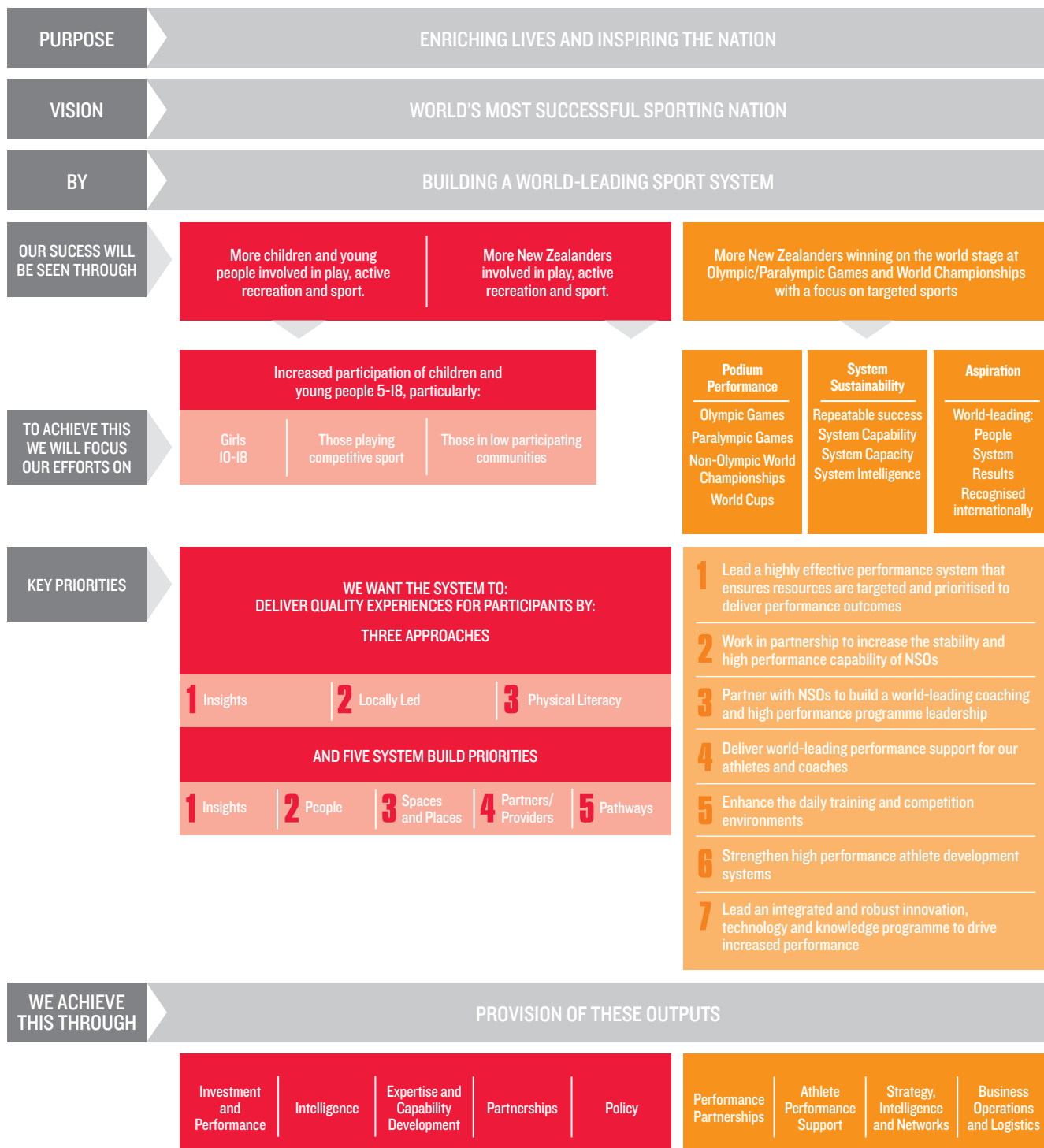
The Sport NZ Group strategic framework (see Fig. 1) is based on a common purpose: to enrich lives and inspire the nation. We know that being physically active increases wellbeing, by bringing about a host of health and educational benefits, as well as better connected and more inclusive communities. Success on the world stage provides national identity and pride that inspires future generations.

Our vision is to be the world's most successful sporting nation – and we are doing this by building a world-leading play, active recreation and sport system. Our success will be seen through increased participation: more young people and more adults involved in play, active recreation and sport, and more New Zealanders winning on the world stage.

We're focusing our efforts on reaching young people and communities where participation has been low, and on promoting integrity, diversity and inclusivity within play, active recreation and sport. Alongside this, we still need strong clubs and appropriate development pathways through competitive sport and into the elite world. The continued success of the high performance system requires a strong systems approach, a commitment to safeguarding the wellbeing of all involved and collaboration with our system partners.

Fig. 1

STRATEGIC FRAMEWORK 2018-2020



SPORT NZ – COMMUNITY SPORT STRATEGY

The aim of our Community Sport Strategy is to ensure young New Zealanders develop a life-long love of play, active recreation and sport. We are focusing on children and young people, particularly:

- Girls 10-18 years
- Those playing competitive sport
- Those in low participating communities.

The strategy is designed to build a resilient play, active recreation and sport system which delivers quality experiences and opportunities to participants, which will attract and support more people to participate at each stage of their lives.

We are working with our partners to embed three participant-based approaches for long-term impact:

1. *Insights*: using data and analysis to better understand the needs and wants of participants in order to respond effectively
2. *Locally Led*: engaging with local communities, including those with lower socioeconomic conditions or facing greater barriers to participation to find local solutions
3. *Physical Literacy*: a person's level of motivation, confidence, physical competence and knowledge, and understanding of physical activity. We want to improve our partners' understanding and to deliver opportunities founded on this approach.

Our strategy relies on five system build priorities to build the play, active recreation and sport system's capability to provide quality experiences and opportunities. We provide advice, guidance, tools, training and investment to build capability in the following areas:

1. *Insights* – a better informed play, active recreation and sport system
2. *People* – improved people capability
3. *Spaces and Places* – better spaces and places to participate in community sport – facilitating alignment and collaboration between all those with an interest in the planning and development of sporting spaces and places, including development of regional facility plans
4. *Partners/Providers* – increased (business) capability of partners and providers
5. *Pathways* – increased and improved opportunities to meet the needs of participants.

HPSNZ STRATEGY

HPSNZ and our partners are building an effective high performance system. The main factor is our 'one-stop shop' – integrated service delivery which responds quickly and decisively to meet the New Zealand high performance system's needs through centralised specialist expertise. HPSNZ has a unique, direct line of sight into campaigns, athletes and coaches, providing best practice sport science, medicine or strategic decision-making where it is needed. We are fully committed to looking after the welfare of coaches, athletes and all involved in the high performance system.

HPSNZ's targeted investment approach requires a strong understanding of what sports need, and as such works in partnership with NSOs to achieve the desired results. HPSNZ achieves its priorities by investing directly into sports, athletes, coaches and their high performance programmes.

As set out in the strategic framework, we focus our efforts in three areas:

1. The primary goal of HPSNZ is to deliver increased and repeatable podium performances at Olympic, Paralympic Games, non-Olympic World Championships and World Cups
2. System sustainability is also important to ensure repeated success. Our goal is a sustainable high performance sport system capable of constant improvement through collaborative leadership and investment
3. Our aspiration is to be recognised internationally for our world-leading system, people and results

To achieve these goals, HPSNZ is committed to the following strategic priorities:

1. *Lead a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes*

HPSNZ drives for efficiency in the high performance system to ensure maximum use of resources with minimal duplication. This requires an evidence-based approach to the monitoring and evaluation of programmes and campaigns to ensure resources are enhancing performance

2. *Work in partnership to increase the stability and high performance capability of NSOs*

We support NSOs to meet the changing requirements for winning performance so they are increasingly self-reliant and support their athletes to win consistently

3. *Partner with NSOs to build world-leading coaching and high performance programme leadership*

We are developing a collaborative high performance coaching community that supports coaches, encourages cross-sport learning and grows New Zealand's coaching and leadership capability to provide athletes with the coaching they need to win

4. *Deliver world-leading performance support for our athletes and coaches*

We create, challenge and influence performance by providing world-leading performance knowledge, experience and support. We're pursuing sustainable success by developing our people, monitoring their wellbeing, creating specific pathways and employing robust recruitment and retention strategies

5. *Enhance daily training and competition environments*

We provide appropriate high performance training, performance and recovery support environments to meet the requirements of elite sport while sustaining a professional HP culture

6. *Strengthen high performance athlete development systems*

We support NSOs to develop effective high performance athlete development systems and pathways to deliver appropriate developmental experiences for pathway athletes and to enable the number and quality of athletes required to meet or exceed future medal targets

7. *Lead an integrated and robust innovation, technology and knowledge programme to drive increased performance*

Develop and implement innovation and technology solutions to improve athlete performance.

SPORT NZ GROUP PRIORITIES FOR 2019/20

SPORT NZ: 2019/20 PRIORITIES

A year of transition

The 2019/20 performance year will be one of transition, as we deliver on the final year of the 2015-20 strategy and continue to progress our diversity and inclusion programme. We will build on what we have learned to prepare for the next stage in our evolution through our strategy implementation programme.

In 2019/20, we will continue to lead the play, active recreation and sport system through our three approaches: Insights, Locally Led and Physical Literacy. We've gained real momentum with these approaches, with partners developing internal capability, and building genuine relationships with communities to bring about positive change. In the coming year, our efforts will be on deeply embedding the approaches for long-term impact.

Executing the final stage of our strategy

Embedding the three approaches

We will continue to provide insights capability development on several key programmes, such as the Voice of the Participant in clubs, and work more widely with the sector on the information we produce, such as the Active NZ survey. We will further our work with international specialists in physical literacy, and pilot our innovative new Physical Literacy Tracking Tool in schools, to assess if it is fit for purpose. In partnership with Inspiring Communities (New Zealand specialists in Locally Led change across sectors) we will build the capability of Locally Led leads via national and regional workshops, introduce a mentoring programme to provide improved one-to-one support, as well as working with RSTs on supporting and retaining local leadership.

System build priorities

We remain focused on our system build priorities. In partnership with RSTs, we plan to conduct a secondary school sport and recreation experience survey across most of New Zealand. We will also develop a 'Sport Social Value Bank' containing wellbeing values, with an associated social return on investment measurement component.

We will continue to work across the system to enable effective national sport facilities planning, as well as regional spaces and places planning. System intelligence has enabled us to apply a robust, data driven approach to facilities planning and to further that, we will develop planning and benchmarking tools to support the work of our partners. Alongside this, we will roll out a learning and development programme.

We have made strong progress with our Balance is Better programme, designed to ensure that children and young people receive quality experiences in sport and better prepare athletes to reach their future potential as senior athletes. We will continue to support and build the capability of our partners to provide quality experiences and strengthen the sport system overall. We will provide coach developer training, as well as foundation, development and performance coaching, and innovation leadership programmes.

Wider collaboration

The Crown-Māori relationship underpins our work with Māori. We are committed to promoting play, active recreation and sport in a way that is appropriate for Māori. We have begun Tū Te Ihi, our Māori Cultural Capability journey for staff, which will extend through 2019/20. We will continue to provide advocacy and build relationships with Māori.

We will continue to work collaboratively with other agencies to achieve wider government outcomes. In particular, we will be working closely with the Ministry of Health to lead a cross-government approach to support people to be physically active. This is a long-term outcome, which requires a collaborative, co-ordinated effort across agencies to deliver benefits across a range of wellbeing areas.

Expanding Play.sport

Play.sport is Sport NZ's collaborative model for the delivery of physical education (PE) and extra-curricular sport. Launched in 2015, Play.sport has been piloted in 44 schools in Upper Hutt and Waitakere. It is delivered by Sport NZ and supported by the Ministry of Education and ACC.

In the coming year, we will continue to collaborate with our partners to expand the Play.sport pilot into Invercargill and the Waikato. Building on the success of Play.sport to date, these additional pilot sites will test a more collaborative, cost effective delivery model that better leverages existing local systems and structures within the community. There will be 22 schools and approximately 5,000 students involved in the Invercargill site, and 19 schools and 8,000 students involved in the Waikato site.

Active Schools

Sport NZ, the Ministry of Health and the Ministry of Education have secured new investment of \$47.6m through Budget 2019. This initiative is designed to improve the wellbeing of young people in early learning and school settings, and to help set good habits that will last a lifetime.

This initiative builds on the successes of government programmes across physical activity and nutrition, including our Play.sport pilot, and is comprised three general components:

1. Resources and health promotion staff to support healthy food and water-only (and plain milk) environments (early learning settings, primary and secondary schools)
2. Resources to support delivery of the Health and Physical Education (HPE) curriculum (covering all early childhood, primary, intermediate and secondary settings)
3. A workforce to enhance the physical activity experiences of young people in primary and intermediate schools by supporting:
 - teachers in the delivery of an active school environment, including through the HPE curriculum
 - school management in their planning
 - connections between schools and the community.

Sport NZ will lead the workforce component known as 'Active Schools', which will increase the scale and reach of the Play.sport approach. It will be delivered in partnership with RSTs and is based on community engagement and local partnership – a model that has been key to Play.sport's success. The funding for this collaborative opportunity will scale up over three years. As such, Active Schools will form an integral part of Sport NZ's 2020-24 strategy.

Sport NZ will commence the planning and detailed design phase for Active Schools in the first half of 2019/20. This includes selection criteria and processes, establishing regional partners, developing the next level of the monitoring and evaluation framework, regional scoping and design, and contracting regional partners and providers. Active Schools will begin its implementation phase at the beginning of the 2020 school year.

For the first year of funding, success will be the completion of the design and planning phase, and rolling out the programme into selected regions and schools. By 30 June 2020, i.e. the end of the 2019/20 performance year, we expect that Active Schools will have been introduced in 300⁴ primary and intermediate schools. Once the implementation and embedding of Active Schools is underway in schools, we will be able to monitor and evaluate the programme. We also plan to introduce additional performance measures to report outcomes from this initiative once scaling is applied.

Diversity, inclusion and integrity

As leaders of the system, we must ensure that all New Zealanders have access to play, active recreation and sport opportunities, and that participants are treated fairly and have confidence in outcomes and events. As New Zealand society becomes increasingly diverse, we need to understand, reflect and value diversity and inclusion across the sporting system. This will continue to be an area of focus for us.

Delivering on our commitments to the Women and Girls in Sport and Active Recreation Government Strategy

We published the *Women and Girls in Sport and Active Recreation Government Strategy* in October 2018, committing \$10m over three years to deliver on 24 commitments. In the coming year, we will work on delivering these.

There are three strategic priorities, each with an outcome and detailed measures we are committed to achieving:

1. Participation: More women and girls are leading, working, coaching and volunteering in sport and active recreation, at all levels
2. Leadership: More women and girls are physically active through play, active recreation and sport
3. Value and visibility: Women and girls in sport and active recreation are valued and visible.

Sport NZ's commitments and the corresponding measures are detailed in the document, *Women and Girls in Sport and Active Recreation, Sport NZ Commitments*⁵.

We have launched two investment funds to seek and enable fresh ideas and approaches for getting more women and girls physically active. Funding for successful applicants will commence in late 2019. The new investment delivers to the leadership and participation outcomes of the Women and Girls in Sport and Active Recreation Government Strategy and will be split across two funds specifically targeting young women aged 12 to 18. These are the Young Women's Activation Fund and Innovations for Young Women.

In addition, we will develop an integrated campaign to support the vision of 'Enabling women and girls to realise their potential in and through sport and active recreation'. We will also continue to support an annual event focusing on women and girls in the lead-up to the International Working Group on Women in Sport Conference in 2022.

⁴ This measure relates to Sport NZ's component, Active Schools only

⁵ <https://sportnz.org.nz/assets/Uploads/Women-and-Girls-Sport-NZ-Commitments.pdf>

Developing a Disability Active Recreation and Sport Strategy

As part of ensuring that everyone has access to play, active recreation and sport opportunities, Sport NZ is committed to strengthening the long-term opportunities for New Zealanders with disabilities. A key focus for the disability active recreation and sport sector is to provide quality support, opportunities and experiences for disabled people and their whānau/families to participate.

In order to gain more understanding of the disability active recreation and sport sector, Sport NZ commissioned a review: the *Blueprint for the Future of the NZ Disability Sport and Active Recreation Sector*. We published the resulting report and a *Spotlight on Disability* (based on Active NZ Survey 2017 data) which will inform a national disability strategy for the sector.

The report identified that the disability sector currently providing physical activity experiences is complex, fragmented and requires leadership. Based on this, Sport NZ will develop a Disability Active Recreation and Sport strategy addressing these issues. In an approach similar to the Women and Girls in Sport and Active Recreation Government Strategy, we will also set out what Sport NZ's contribution will be. Following the strategy launch, we will begin delivery on our commitments to the strategy.

Integrity in sport

Sport NZ is committed to integrity in sport. It is vital to maintain public interest and confidence in participating in sport (so that the many benefits of sport and physical activity can be realised), promoting fundamental features of sport such as fair play, and on the world stage, maintaining New Zealand's reputation as free from corruption.

Large scale international breaches of sport integrity are known, such as the Russian Olympic team's systematic doping, widespread doping in professional cycling, and match-fixing in cricket. In late 2018, Sport NZ commissioned a broad review of New Zealand's sport integrity arrangements to determine whether existing measures are fit for purpose and to identify any gaps.

Phase one involves assessing the current environment and identifying priority areas where current policies and protections may be insufficient and conducting a public consultation. During 2019/20, we will continue with phase two, to develop solutions to problems within priority areas. We will be investigating options such as an online repository for guidance on sport integrity matters, piloting a complaints management service and introducing requirements regarding child protection policies. We'll also be working to integrate existing good messaging across Sport NZ programmes and the sector.

In addition to this, Sport NZ will continue to work in a number of areas such as the New Zealand policy on Sport Match-Fixing and Related Corruption, the Safe Sport for Children guidance, and the resources available to sport organisations.

We will continue to work with HPSNZ and partner organisations on several initiatives that address athlete wellbeing. This includes feasibility studies to identify best practice complaints and whistle-blowing mechanisms, and a potential human resources service model for NSOs to ensure that appropriate policies and procedures are in place to safeguard athlete and staff wellbeing. This is part of a larger initiative focusing on the capability of NSOs to provide effective leadership and deliver high performance and community sport programmes. NSOs and Sport NZ are working together to find innovative ways for NSOs to remain relevant, fit for purpose and sustainable.

Strategy implementation programme

Our new strategy for the period 2020-24 goes live on 1 July 2020. This new strategy continues to seek greater levels of physical activity through play, active recreation and sport. Children (5-11 years) and young people (12-18 years) remain a priority to support intergenerational wellbeing. We will continue to target low participating communities and remove barriers to participation through our diversity and inclusion programme.

We're seeking to achieve significant system and behavioural change, so while we're evolving our strategy, we need to keep a steady course and focus on long-term outcomes.

Leading up to July 2020, we will be fine-tuning the new strategy and aligning the organisation towards executing it successfully. We will clearly articulate our strategy, carry out planning, prioritisation and resource allocation. We are developing an Outcomes Framework that is aligned to the Treasury Living Standards and Wellbeing Framework. This is a fundamental part of the strategy implementation programme. We will also test the viability of new monitoring tools, with the intent of creating a stronger performance measurement suite.

The final step in our strategy implementation programme will be to produce a new Statement of Intent, aligned with the new strategy for the period, July 2020-24.

Measuring our performance in 2019/20

For this final year of the 2015-20 strategy, we have streamlined our set of performance measures for 2019/20 using a subset which reflects our current Statement of Intent. This will keep our sights firmly set on initiatives that drive the main outcomes of our strategy. We have retained a core set of measures to consistently track progress over time while moving toward a tighter, more meaningful measurement suite under our new strategy.

We continue to measure the impact of our partners' initiatives relative to our investment to determine the level of system change. This is based on the Results Based Accountability™ (RBA) framework. RBA helps us to keep the focus on who or what we are targeting and what we want to achieve, and it insists on us answering the question "how are our communities, whānau and clients better off?" as a result of our effort.

We know that we need to better demonstrate the level of impact that Sport NZ is making overall to tell a compelling performance story. We have made strong progress with accurately tracking participation and will be in the third year of the Active NZ survey, enabling us to measure progress over time. Building on this, we are developing an innovative 'Sport Social Value Bank' containing wellbeing values, with an associated Social Return on Investment measurement component.

In addition, we will continue to gather performance information through one-on-one conversations, and targeted surveys of our partners and participants. As 2019/20 is the final year of our current strategy, we must understand the extent of the system shift we have achieved to determine the success of our strategy. Accordingly, we will conduct case studies, obtain evaluations and review partner initiatives to capture evidence of system improvement. We will report this in the 2019/20 Annual Report, in addition to the performance measures set out in Output Class One, to provide rich information to demonstrate our impact and support Sport NZ's performance story.

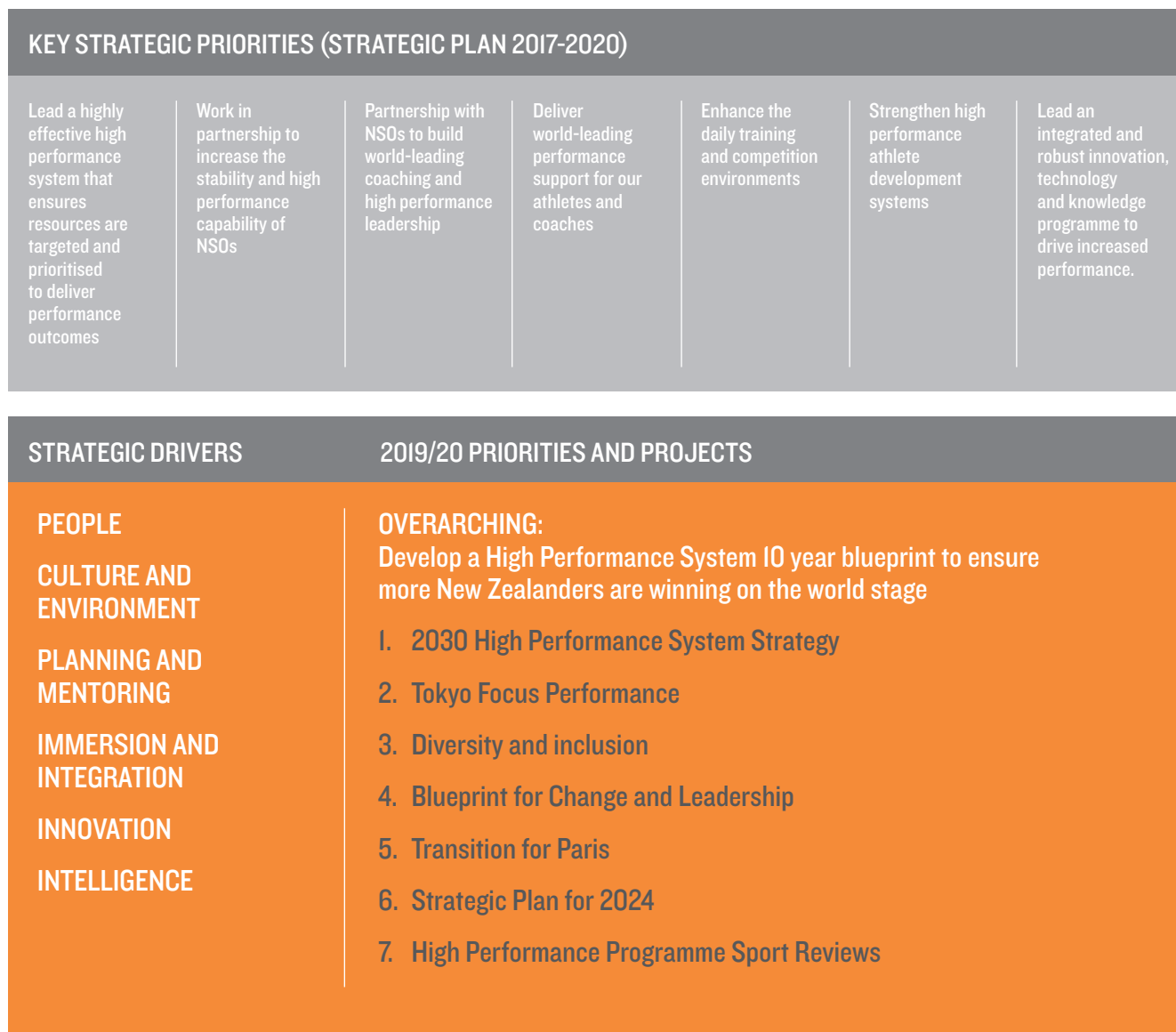
HSPNZ 2019/20 PRIORITIES

Balancing wellbeing with the requirements of elite sport

In 2019/20, HSPNZ will embark on several initiatives to ensure that we can deliver our strategic priorities. We will continue to develop our 2030 High Performance System Strategy. We will ensure that our high performance sport system is open, agile, and innovative, like the athletes and coaches it supports. We must balance well-being and the requirements of elite sport, as we recognise that an emphasis on wellbeing and ethics will provide our system with a competitive advantage.

In the face of growing international competitiveness, our focus is on our performance in the Tokyo 2020 Olympic Games, and we are aiming high. We're developing the 'Blueprint for Change and Leadership' as well as planning the transition for the Paris 2024 Olympics and the Strategic Plan for 2024. These strategies will be informed by High Performance Programme Sport reviews. Our priorities and projects for 2019/20 are set out in Fig 2:

Fig. 2



The case for change

While those in high performance sport are always pushing the limits, this needs to be balanced with safeguarding the welfare of athletes, coaches and others working within the high performance system. In the last year, we have seen a considerable focus on the conduct and wellbeing of athletes, coaches and others in the high performance sport system.

The wellbeing of our people is not only important for the individuals personally, but it directly impacts on the performance of our organisation and the athletes, coaches and sports we support. It also impacts on our ability to retain, develop and attract people to sustain a world-leading high performance sport system. Everyone in the high performance sport system must feel safe and well so they can consistently perform at their best – whether on or off the field of play. HPSNZ will achieve this by leading and embedding a positive and sustainable health, safety and wellbeing culture at HPSNZ and within the high performance sport system.

HPSNZ intends to fully implement all appropriate recommendations from reviews conducted in 2018 to ensure a robust and sustainable high performance sport system for New Zealand.

These recommendations will form a significant part of the work that we carry out in 2019/20, including the development of our 2030 High Performance System Strategy. The strategy underpins development and sustainable growth for all key facets of the New Zealand high performance system and will drive change within HPSNZ and Sport NZ, and across our partner organisations.

2030 High Performance System Strategy

Between now and 2030, the high performance sport system needs to become innovative, integrated, and sustainable to enable elite athletes to excel at international events which in turn inspires and motivates New Zealanders. We want to showcase our talent, our technology, and our unique cultural identity. All the people in our system must operate with absolute integrity.

We are developing a strategy for the sport system that will attract and build on public, private and social partnerships that will benefit athletes, coaches and support staff. We will achieve our vision of a world-leading high performance sport system by working together to harness the value of our resources in social capital and infrastructure, and by focusing our attention on the development of our athletes, coaches and support pathways, in our changing sporting landscape.

The purpose of the strategy is to develop a ten year strategic roadmap that details the progressive periodic goals and activities to enable more New Zealanders to achieve elite sporting excellence on a world stage.

We have identified the need to improve across 12 key focus areas and in the coming year, we will develop detailed plans for the implementation of the necessary change, for each:

- | | |
|---|---|
| 1. High Performance Strategy and Investment | 7. High Performance Athlete Development |
| 2. NSO Capability | 8. Coaching |
| 3. Athlete Wellbeing | 9. Facilities and Events |
| 4. Women in Leadership | 10. Intelligence |
| 5. Athlete Performance Support Model | 11. Innovation |
| 6. Performance Hubs and Network | 12. Leveraging Success |

Tokyo Focus Performance

The sporting landscape is experiencing significant growth in international competitiveness. There is increasing investment not only from the traditional super powers of international sport, such as Great Britain and Germany, but also other 'fringe' nations like Hungary and Denmark. These countries are growing in sophistication and are targeting their resources into the sports and events where they have the greatest probability of success. At the 2016 Rio Olympics, this resulted in a record number of 87 nations winning medals, with 120 nations achieving top eight placings.

We are confident in our ability to respond to increased competitiveness on the world stage and that in partnership with our national sporting organisations and peak bodies, we are well positioned for future success at Tokyo 2020 and beyond. The return on investment will continue to be a key focus for HPSNZ. However, we are aware that this will be challenging in the Tokyo cycle, as international federations introduce additional competition and qualification requirements on our national bodies.

The Tokyo Olympics will be the largest sporting event in the world to date, with over 11,000 athletes, from 207 nations expected to compete in 33 sports. With perhaps its largest team ever, New Zealand will be sending athletes to compete in over 20 sports including rowing, cycling, equestrian, rugby sevens, sailing and more. The Tokyo 2020 Paralympic Games will start a month later and will feature 22 Para sports.

The performance targets agreed for the Tokyo Olympics are challenging. We're aiming for 16+ medals, with a focus on an increased number of gold medals. In the Paralympics, our target is for 10-14 gold medals.

We are also focussed on winning World Championships in targeted non-Olympic sports. This includes both the 2019 Netball World Cup and the Cricket 2020 World Cup.

Blueprint for Change and Leadership

Our Change and Leadership strategic priority will enable the 2030 High Performance System Strategy. We're seeking to address HPSNZ internal challenges and bring about improvements so that we can more effectively drive change and sustainable growth across the system. These improvements include clarifying our purpose and place within the system, establishing more joined up ways of working that are aligned to our values, and introducing holistic leadership practices.

We have created five 'Change Focus Groups': Purpose and Behaviours, Communication and Engagement, Ways of Working, Leadership, and People Experience. These groups are focused on the people journey, using co-design principles across three phases (Discovery, Design and Implementation) to build understanding and drive engagement to achieve behaviour change across the organisation.

In the 2019/20 year, our plans include:

- Implementing longer term initiatives,
- Embedding senior leadership change sponsorship to drive accountability for behaviour change
- Measuring success via 'pulse checks' and reporting to assess progress and impact, and identify necessary steps to evolve lasting behaviour change.

OUTPUT CLASS ONE: SPORT AND RECREATION PROGRAMMES

This output refers to Sport NZ and in particular, our work to increase participation in play, active recreation and sport.

We intend to achieve: increased participation in play, active recreation and sport by providing investment, technical expertise, knowledge and information, and technical advice to partner organisations and key stakeholders.

How we will assess performance: we use methods of evaluation such as surveys and case studies. We assess performance across the following main areas:

- Community Sport Strategy implementation
- Stakeholder satisfaction levels
- Partner capability.

Our suite of performance measures reflects the outcomes and key priorities set out in our Strategic Framework (see Fig. 1). As 2019/20 is the final year of the Community Sport Strategy, the targets below are consistent with those set out in the Statement of Intent 2018-22. Our annual report will also provide case studies and commentary to more fully describe the impact of our efforts where quantitative measures do not provide a full story.

OUTCOME	MEASURE	BASELINE 16/17 RESULT	19/20 TARGET
Participation: More kids, more New Zealanders	% young people (aged 5-18) participating in at least 3hrs of organised and/or informal activity over the last 7 days	82%	>82%
	% adults (18+ years) that have participated in sport and active recreation in the last 7 days	73%	>73%

OUTCOME	MEASURE	BASELINE 16/17 RESULT	19/20 TARGET
Young people participation (5-18)	% of young girls (10-18) participating in 3hrs+ of sport and active recreation every week	81%	>81%
	# of participants (aged 5-18) in sport (through clubs)	666,026	>666,026
	% of young people in low participating communities* participating in 3hrs+ of sport and active recreation every week * High deprivation (aged 8-10)	75%	>75%
	% of young people (5-18) in Play.schools pilot schools who have a high level of physical activity at school. ⁶	23%	>23%
	# of primary and intermediate schools in which Active Schools (Budget 2019) has been implemented.	NA	300 ⁷

⁶ This measure is for schools in the original Upper Hutt and Waitakere pilots. It is based on an activity indicator within the Play.sport survey, which has 4 questions relating to physical activity at school, including getting to school, activities during lunchtime and breaks, PE, and whether young people do active things when learning about maths, writing or science. Responses are then grouped into high, medium and low bands.

⁷ This measure relates to Sport NZ's component, Active Schools only

OUTCOME	MEASURE	BASELINE 16/17 RESULT	19/20 TARGET
Three Approaches	% of Priority Partners ⁸ embedding the Insights approach	74%	>74%
	% of Priority Partners embedding the Locally Led approach	70%	>70%
	% of Priority Partners embedding the Physical Literacy approach	65%	>65%
OUTCOME	MEASURE	BASELINE 16/17 RESULT	19/20 TARGET
Five System Build Priorities:	% of Priority Partners who consider that Sport NZ's activity in the Insights area has had a positive impact on Priority Partner Organisations. [Partner Confidence Survey – Positive impact]	83%	85%
	% of Priority Partners who consider that Sport NZ's activity in the People area has had a positive impact on Priority Partner Organisations [Partner Confidence Survey – Positive impact]	52%	75%
	% of Priority Partners who consider that Sport NZ's activity in the Spaces and Places area has had a positive impact on Priority Partner Organisations [Partner Confidence Survey – Positive impact]	48%	75%
	% of Priority Partners who consider that Sport NZ's activity in the Partners/Providers area has had a positive impact on Priority Partner Organisations [Partner Confidence Survey – Positive impact]	91%	85%
	% of Priority Partners who consider that Sport NZ's activity in the Pathways area has had a positive impact on Priority Partner Organisations [Partner Confidence Survey – Positive impact]	48%	75%
	% of Priority Partners' initiatives that demonstrate positive impact on the system, relative to investment. ⁹	NA ¹⁰	>60%
	OUTPUT QUALITY	MEASURE	BASELINE 16/17 RESULT
Outputs/ Organisational performance	Overall effectiveness: % of partners who rated the impact of Sport NZ on their organisation's ability to increase participation as good or excellent.	78%	>= 80%
	Relationship quality: % of partners who rate their organisation's relationship with Sport NZ as good or excellent.	84%	80%
	Service quality: % of partners who rate Sport NZ's specialist services and consultancy as good or excellent.	80%	80%
	Level of ministerial satisfaction	Satisfied	Satisfied

⁸ We work more closely with 33 partners, known as 'Priority Partners'. There are 14 RSTs receiving investment to impact on participation at regional and local level, 10 NSOs receiving Grow investment to impact on our target participant groups (TPGs), 3 large NSOs, 2 National Recreation Organisations, 2 disability organisations and 2 education partners.

⁹ Impact assessments are based on annual partner reporting, which consists of written reports and face to face meetings attended by an independent observer. Sport NZ uses a Results Based Accountability™ (RBA) approach to reporting, with partners providing details of all investment initiatives and their outcomes undertaken during the year. A rubric assessment is undertaken which assesses the initiative, how it was delivered and what difference it made, relative to the amount invested. Assessments rated 'very good' or 'good' are deemed to have a positive impact on the system.

¹⁰ Sport NZ implemented the RBA approach in 2017/18 to simplify reporting and get a better understanding of partners' impact on the system. In 2017/18, 60% of Priority Partners' initiatives demonstrated positive system impact.

OUTPUT CLASS ONE: SPORT AND RECREATION PROGRAMMES FINANCIAL FORECAST

For the year ended 30 June 2020

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
REVENUE		
Crown funding	19,151	22,791
Other operating revenue	52,032	56,687
Total Revenue	71,183	79,478
LESS EXPENSES		
Sector investment	46,425	53,231
Programme Management	4,924	7,678
Technical Advice and Resources	14,994	18,685
Policy Advice	2,440	2,163
Knowledge and Information	2,370	3,193
Total Expenses	71,153	84,950
Net Operating Surplus/(Deficit)	30	(5,472)



OUTPUT CLASS TWO: HIGH PERFORMANCE SPORT

HPSNZ is a subsidiary of Sport NZ with a mandate to lead the high performance system in New Zealand. It has responsibility for achieving under two output classes: High Performance Sport and Prime Minister's Sport Scholarships

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

How we will assess performance: we assess performance across the following main areas:

- Progress across high performance programmes and campaigns, supported by strategic investment and world-leading high performance expertise
- Stakeholder satisfaction levels
- Athlete and coaches enabled to perform.

We use methods of evaluation such as surveys and case studies. Where available, we monitor New Zealand's position within the international environment, for example, the virtual Olympic medal table¹¹.

High Performance Initiatives

KEY ACTIVITY	KEY OUTPUT	TARGET
Investment to support NSO high performance initiatives	High performance system programme goals are achieved, which include: Podium Performances, World Class Athletes, World Class Leaders, Coaches & Support Staff, World Class Planning & Execution, World Class Daily Training Environments, Athlete Development, Effective partnerships with National Sport Organisations, New Zealand Olympic Committee, Paralympics New Zealand and HPSNZ	At least 80% high performance system key performance indicators achieved: 2018: 80% 2017: 89% 2016: 91% At least 85% of total high performance funding will be invested in high performance programmes and initiatives ¹² 2018/19: 97.2% (Forecast) 2017/18: 94.4% \$62.1m 2016/17: 89.3% \$57.3m 2015/16: 92.0% \$58.6m

¹¹ The virtual Olympic medal table predicts the number of medals that will be won by each country, based on current performance: <http://www.gracenote.com/virtual-medal-table/>

¹² Programmes and initiatives include: Investment to targeted sports, Performance Enhancement Grants, Technology and Innovation, High Performance Events and direct costs associated with the provision of Technical Advice, Resources and Athlete Services to targeted sports/athletes/coaches.

Capability and Expertise

KEY ACTIVITY	KEY OUTPUT	TARGET
Technical advice for high performance expertise	HPSNZ provides expert advice, guidance and assistance to national sport organisations to improve the delivery of their high performance programmes and athlete development	At least 80% partner satisfaction with quality of consultancy provided ¹³ 2017/18: 91% 2016/17: 93%

Athlete Performance Support

KEY ACTIVITY	KEY OUTPUT	TARGET ¹⁵
High performance athlete support services	HPSNZ directly supports athletes through the allocation of grants and the provision of specialist and expert services ¹⁴ .	At least 80% of coaches and athletes say that HPSNZ support and training environment positively impacts performance 2018: Athletes 86%, Coaches 80% 2017: Athletes 89%, Coaches 86% 2016: Athletes 83%, Coaches 81% Performance Enhancement Grants (PEGs) allocated to at least 200 high performance athletes 2017: 312 2016: 235 2015: 251 400 athletes receive funding and/or access to services through the high performance system 2017: 527 2016: 596 2015: 510

¹³ Partners receiving targeting investment. This indicator remains the same as 2018/19 and recognises the unsettling effects of intended changes on our partner organisations may result in a reduced score from previous years.

¹⁴ For example, exercise physiology, biomechanics, strength and conditioning, nutrition, physiotherapy, massage, planning, athlete life, and medical services

¹⁵ Some HPSNZ past results are gathered on a calendar year basis

OUTPUT CLASS TWO: HIGH PERFORMANCE SPORT FINANCIAL FORECAST

For the year ended 30 June 2020

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
REVENUE		
Crown funding	62,192	62,192
Other operating revenue	7,580	7,536
Total Revenue	69,772	69,728
LESS EXPENSES		
Sector investment	44,980	44,828
Infrastructure investment	2,747	1,370
Programme management	3,008	5,172
Technical advice and resources	8,107	8,444
High performance athlete services	16,362	15,959
Total Expenses	75,204	75,773
Net Operating Deficit	(5,432)	(6,045)

OUTPUT CLASS THREE: PRIME MINISTER'S SPORT SCHOLARSHIPS

HPSNZ administers the Prime Minister's Sport Scholarships to enable educational opportunities which support world-leading performances from New Zealand's elite athletes.

We intend to achieve: the Prime Minister's Sport Scholarships aim to increase participation and achievement in sport and physical recreation by enabling talented New Zealanders to pursue tertiary study to develop particular skills, while developing to elite-level sport. Particular skills are those which contribute to the quality of New Zealand's sport performance at the elite level.

How we will assess performance: we assess performance using the following perspectives:

- Efficient administration
- Talent is developed (athletes, coaches, officials and support staff).

KEY ACTIVITY	KEY OUTPUT	TARGET
Investment	High performance athletes, coaches, officials and support personnel balance their sports development by pursuing educational and personal development opportunities	<p>At least 300 athlete scholarships are awarded</p> <p>2017/18: 313 2016/17: 312</p> <p>At least 100 coach, official and support team scholarships are awarded</p> <p>2017/18: 143 2016/17: 139</p> <p>Administration costs are less than 4% of the total funding</p> <p>2017/18: 3.1% 2016/17: 2.4%</p>

OUTPUT CLASS THREE: PRIME MINISTER'S SPORT SCHOLARSHIPS FINANCIAL FORECAST

For the year ended 30 June 2020

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
REVENUE		
Crown funding	4,250	4,250
Total Revenue	4,250	4,250
LESSEXPENSES		
Sector investment	4,250	4,250
Programme management	172	170
Total Expenses	4,422	4,420
Net Operating Deficit	(172)	(170)

PROSPECTIVE FINANCIAL STATEMENTS (CONSOLIDATED)

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

For the year ended 30 June 2020

The following prospective financial statements represent the consolidated financial statements for the Sport NZ Group, comprising Sport NZ and its subsidiary, HPSNZ.

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
REVENUE		
Crown funding	85,593	89,233
NZ Lottery Grants Board	54,638	59,638
Interest revenue	1,712	1,566
Sundry revenue	3,262	3,019
Total revenue	145,205	153,456
SECTOR INVESTMENTS		
Investment consulting	525	1,093
Partner investment	96,140	102,309
Infrastructure investment	2,728	1,370
Total sector investments	99,393	104,772
OPERATING EXPENDITURE		
Board members' remuneration	222	244
Personnel costs	27,411	30,158
Professional and technical services	9,457	11,588
Leased property	2,495	2,556
Depreciation and amortisation	1,491	1,670
Other Operating Costs	10,310	14,155
Total Operating Expenditure	51,386	60,371
TOTAL EXPENDITURE	150,779	165,143
Net Operating Deficit	(5,574)	(11,687)
Other Revenue and Expenditure	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE	(5,574)	(11,687)

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
ASSETS		
Current Assets		
Cash and cash equivalents	871	851
Trade and other receivables	13,571	13,235
Prepayments	100	100
Investments	37,263	27,216
Total Current Assets	51,805	41,402
Non-Current Assets		
Property, plant and equipment	3,999	3,645
Intangible assets	1,063	1,268
Loan	23	23
Total Non-Current Assets	5,085	4,936
TOTAL ASSETS	56,890	46,338
LIABILITIES		
Current Liabilities		
Trade and other payables	8,000	8,926
Revenue received in advance	1,058	1,112
Employee entitlements	1,618	1,773
Provisions	29	29
Total Current Liabilities	10,705	11,840
TOTAL LIABILITIES	10,705	11,840
NET ASSETS	46,185	34,498
Opening public equity	51,759	46,185
Total Comprehensive Revenue and Expenditure	(5,574)	(11,687)
CLOSING PUBLIC EQUITY	46,185	34,498

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
Opening Public Equity	51,759	46,185
Total Comprehensive Revenue and Expenditure	(5,574)	(11,687)
Closing Public Equity	46,185	34,498

PROSPECTIVE STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	ESTIMATE 2019 \$000	BUDGET 2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Crown funding	85,596	89,233
New Zealand Lotteries Grants Board	59,620	57,154
Sundry revenue	4,062	5,300
Interest received	1,712	1,420
Sector investment	(97,769)	(104,337)
Other payments	(21,722)	(26,958)
Goods and services tax (net)	(905)	(30)
Payments to employees	(28,136)	(30,329)
Net cash flow from operating activities	2,458	(8,547)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments maturing	-	10,048
Purchase of property, plant and equipment	(1,499)	(558)
Purchase of intangible assets	(346)	(963)
Acquisitions of investments	(7,763)	-
Net cash flow from investing activities	(9,608)	8,527
Net decrease in cash held and cash equivalents	(7,150)	(20)
Opening cash balance as at 1 July	8,021	871
CLOSING CASH BALANCE AS AT 30 JUNE	871	851
MADE UP OF		
Cash and cash equivalents	871	851
TOTAL CASH AND CASH EQUIVALENTS	871	851

STATEMENT OF ACCOUNTING POLICIES

Purpose

The prospective financial information has been prepared to meet the Crown financial reporting requirements of the Crown Entities Act 2004, to enable Parliament and other readers of the prospective financial statements to evaluate Sport NZ Group's financial prospects and to assess actual financial results prepared in future reporting periods against the prospective financial statements.

The information in these prospective financial statements may not be appropriate for purposes other than those described.

Reporting Entity

These prospective financial statements are for the Sport NZ Group for the year ending 30 June 2020. The Sport NZ Group comprises the parent entity, Sport and Recreation New Zealand (trading as Sport NZ) and its wholly-owned subsidiary High Performance Sport New Zealand Limited (HPSNZ).

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

The Sport NZ Group is designated as a public benefit entity (PBE), as is its wholly-owned subsidiary HPSNZ, for the purposes of applying New Zealand PBE financial reporting standards.

These prospective financial statements were approved by the Sport NZ Board on 22 May 2019.

Basis of preparation

Statement of Compliance

The prospective financial statements of the Sport NZ Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standard 42.

Measurement base

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

Presentation currency and rounding

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

Consolidation

The prospective financial statements presented are those of the Sport NZ Group.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

Subsidiaries

The Sport NZ Group has consolidated HPSNZ in the Group forecast financial statements, as a wholly-owned subsidiary of Sport NZ. Sport NZ has the capacity to control their financing and operating policies to obtain benefits from their activities.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Crown funding

Sport NZ Group is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of Sport NZ Group meeting its objectives.

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

New Zealand Lottery Grants Board

Sport NZ receives annual Lotteries funding from the NZ Lottery Grants Board (NZLGB) who in turn receive it from Lotto NZ, in accordance with section 279 of the Gambling Act 2003. Sport NZ currently receives 20% of Lotto NZ net profits through this means. Revenue from the NZLGB is recognised in the same financial year as Lotto NZ's net profits.

Grants and donations

Grants and donations are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met.

Interest

Interest income is recognised using the effective interest method.

Sector investments

Investment consulting

Costs associated with engaging consultants to provide professional advice directly to partner organisations are recognised in the Statement of Comprehensive Revenue and Expenditure as 'investment consulting' expense under 'sector investments'.

Partner investments and infrastructure investments

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

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

Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Sport NZ Group are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Revenue and Expenditure.

Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expenditure over the lease term as an integral part of the total lease expense.

Cash and cash equivalents

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

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Investments

At balance date the Sport NZ Group assesses whether there is any objective evidence that an investment is impaired.

Bank deposits

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

Loans

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

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, plant and equipment, computer hardware and furniture and fittings.

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

The Sport NZ Group does not revalue any property, plant and equipment.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Sport NZ Group and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are reported in the Statement of Comprehensive Revenue and Expenditure comparing the proceeds from disposal with the carrying amount of the asset.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expenditure as they are incurred.

Depreciation

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

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

Plant and equipment	2 to 10 years	(10-50%)
Furniture and fittings	5 to 10 years	(10-20%)
Computer hardware	3 years	(33%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Sport NZ Group are recognised as an intangible asset.

Costs associated with staff training and maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expenditure.

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

Acquired computer software	2 to 3 years	(33-50%)
Developed computer software	3 to 5 years	(20-33%)

Trade and other payables

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

Employee entitlements

Employee entitlements that the Sport NZ Group expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

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

The Sport NZ Group recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Superannuation schemes

Defined contribution schemes

The Sport NZ Group's obligations and contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the Statement of Comprehensive Revenue and Expenditure as incurred.

Provisions

The Sport NZ Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Goods and Services Tax (GST)

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

Income Tax

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

Cost allocation

Within the Output Class statements, the cost of outputs has been determined through a combination of direct cost allocation and overhead allocation. Costs directly attributable to an output are allocated to that output. Overhead costs comprise expenditure related to the Executive, Strategy, Policy and Corporate Services, Business Operations and Marketing and Communications, are allocated to outputs based on the proportional share of fulltime equivalent employees (FTEs) within each directly allocated cost to total FTEs.

This allocation methodology is unchanged since the date of the last audited financial statements.

Critical accounting estimates and assumptions

The Sport NZ Board is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The basis and appropriateness of the estimates and assumptions used in preparing the prospective financial statements are those which the Sport NZ Board reasonably expects to occur in respect of those actions the Sport NZ Board and HPSNZ Board reasonably expect to take as at 22 May 2019, the date on which the prospective financial statements have been authorised for issue by the Sport NZ Board.

In preparing these prospective financial statements the Sport NZ Group has made estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

It should be noted that actual financial results achieved for any of the periods covered by these prospective financial statements are likely to vary from the information presented, and the variations may be material.

Significant Assumptions

New Zealand Lottery Grants Board funding has been estimated for the 2019/20 year based on projected profits of Lotto NZ available at the time of preparing the prospective financial statements and Sport NZ Group's agreed share of them.

It is assumed that Sport NZ Group's business model and staffing levels will not significantly change during the 2019/20 financial year, beyond normal staff turnover. All significant assumptions surrounding expenditure have been based on historical data, existing business practices or actual business plan projections for each financial year.

Critical judgements in applying the Sport NZ Group's accounting policies

Management has exercised the following critical judgements in applying the Sport NZ Group's accounting policies for the year ending 30 June 2020:

Impairment of loans and advances

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



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