

SPORT NZ GROUP

Statement of Performance Expectations

2021/22

Statement of Authorisation

This Statement of Performance Expectations should be read with our Statement of Intent 2021-2025.

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 2022, 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
24 June 2021



Jason Shoebridge
Deputy Chair, Sport NZ
Chair, Audit Finance and Risk Committee
24 June 2021

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What we will focus on in 2021/22



In 2021/22, supporting the sector and wider system has never been more important. We will continue to respond to the challenges posed by COVID-19 and to lead the reset and rebuild of a play, active recreation and sport system in a way that makes it stronger and more resilient into the future.

This coming year, our areas of focus can be grouped under our four strategic themes.

Our Four Strategic Themes

1. A Better Future

Recovery funding

The Sport NZ Group received a separate Recovery Package through Budget 2020, valued at \$264m over four years. This funding is focused on supporting the system to reset and rebuild, strengthen and adapt, and create a different and better system for the future. In 2021/22 we will collaborate with our current partners and wider stakeholders to work out how and where the funding is targeted, particular as it relates to 'Strengthen and Adapt' and 'Different and Better' investment outcomes.

Futures Project

COVID-19 provided us with a unique opportunity to create a collective vision for the system to increase levels of physical activity and improve performance. In 2020/21 we worked with our sector to undertake a series of future-focused environmental scans and develop a shared articulation of the characteristics of our "preferred future". Moving into 2021/22, we will develop a shared commitment to action.

Organisational review

In April 2021, we launched a governance and organisational review across Sport NZ and HPSNZ to recommend a fit-for-purpose governance, structural and operating model that can most successfully deliver the shared purpose and strategic visions of both organisations, while also offering the best and most efficient support structure for the sector. An advisory group and independent agency will be consulting with the sector and other stakeholders in the first half of 2021/22 and a plan will be developed based on the findings of the review.

2. Equitable Opportunity and Access

Women and Girls in Sport and Active Recreation Strategy

Sport NZ is leading the Women & 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. Over the next year we will work with identified partners to meet and maintain our shared commitment of at least 40% of Board members who self-identify as women. This includes expanding the recently refreshed women in governance talent pool. Another important initiative will be the rollout of a 'young woman campaign', to promote greater levels of participation for 14-17 year olds who are less engaged.

Disability Plan

Sport NZ has developed a Disability Plan to transform opportunities in play, active recreation and sport for disabled people. To further this plan in 2021/22 we will ensure other Sport NZ initiatives are inclusive of disabled tamariki and rangatahi. We will also develop relationships with Government departments to promote the value of participation and initiate new funding to support greater levels of participation for disabled people, particularly tamariki and rangatahi.

Supporting initiatives in higher deprivation communities

Sport NZ continues to invest in physical activity initiatives delivered in higher deprivation communities. In 2021/22 this includes the Tū Manawa Active Aotearoa fund, established in August 2020 to support programmes or projects delivering play, active recreation and sport experiences for tamariki and rangatahi, particularly among communities where participation has been low. Our Healthy Active Learning programme is expanding to more lower decile schools and kura this year (read more below). In the next strategic period, our investment approach has a specific focus on addressing inequalities across play, active recreation and sport based on socio-economic factors, as well as gender, disability and ethnicity.

3. Valuing Physical Activity

Tamariki (age 5-11)

These are formative years for the development of the skills and self-knowledge, known as physical literacy, that encourage being active for life. The initiatives we are focusing on in 2021/22 are:

Play Action Plan

We will support and increase visibility of active and unstructured play at a national level, informed through diverse partnerships and working collaboratively. We will also continue with, and grow, regional play development and networks, focused on greater reach and play sufficiency. Our Play Action Plan aims to improve the quality of experiences, opportunities, and support for play.

Healthy Active Learning

This initiative is designed to improve the wellbeing of young people in early learning and school settings, with a focus on lower decile schools and kura. In 2021/22 we will be working with our RST partners to support the physical activity workforce as they continue to implement healthy active learning into 300 schools and kura. We will also begin phase two implementation, which will support an additional 500 schools and kura.

Rangatahi (age 12-17)

Our prime interest is in improving the quality of experiences, opportunities and support offered to this age group to keep them being active. There is an opportunity to deliver a broader range of activities to rangatahi by better understanding and responding to their needs. In 2021/22 this includes:

Balance is Better

This culture change initiative focuses on why tamariki and rangatahi play sport – to have fun, be challenged, develop and improve, be part of a team or group, and enjoy time with friends. This coming year we will support our partners to adapt participation and development systems, implement coach developer training focusing on how to coach for character development in rangatahi, and for the first time, actively communicate with parents about their role in supporting youth participants in sport.

Active Recreation

During 2021/22 we will develop an Active Recreation for Rangatahi Action Plan, which will acknowledge Mana Taiohi (a principle-based framework for positive youth development in Aotearoa) and Te Whetū Rehua (a framework to consider how physical activity can be culturally responsive to Māori).

4. Honouring Te Tiriti

Advancing our bi-cultural capability

We are committed to partnership with tangata whenua and the protection of Māori culture and taonga. We value the distinctiveness that tangata whenua bring to physical activity and our success on the world stage. Our engagement with Māori is future-focused and we are strengthening our capacity to understand Māori perspectives in different ways. In 2021/22, we will continue to advance our bi-cultural approach and put this into practice, for example in our Futures Project.

Supporting “Māori as Māori” initiatives

We're increasingly focused on working with Māori and non-Māori partners who are delivering physical activity enabling Māori participation in a way that is relevant and meaningful. In 2021/22 we are expanding our long-running He Oranga Poutama investment programme to include more partners across Aotearoa New Zealand. In addition, we are building on the MaraeFit pilot project, creating more opportunities for whānau to connect with their marae and community through physical activity.

Integrity in sport

We are committed to supporting organisations to implement best practice through systemwide safeguarding and regulation, to ensure involvement in play, active recreation and sport is kept safe, fair and inclusive for all. In 2021/22 we will focus on:

- promoting the recently launched Sport and Recreation Complaints and Mediation Service
- investigating the intersect between integrity and human rights
- implementing the remaining recommendations arising from the 2018 integrity review
- moving into phases two and three of the Child Safeguarding programme
- working closely with an independent Integrity Working Group, who is reviewing what a world-class integrity structure for the play, active recreation and sport system in New Zealand could look like.

High Performance Sport New Zealand

As a kaitiaki of New Zealand's high performance sport system, HPSNZ must respond to current challenges while also looking ahead to ensure we are contributing to an integrated, sustainable high performance system that acts with integrity and enables athletes and coaches to deliver repeatable success. HPSNZ will focus on progressing initiatives across the three System Shifts during the 2021/22 financial year as well as provide support for the Olympics and Paralympics.

Support for Olympics and Paralympics

To manage the health, wellbeing and safe travel of everyone involved in preparing for these events in a COVID-19 environment, we are focused on:

- athletes having access to high quality training and competition/performance environments leading up to the events
- safe travel plans for all athletes, officials and support staff including access to vaccinations and MIQ facilities on return.

Our Three System Shifts

1. Performance Pathways

Enhance our competitive advantage by creating pathways for athletes and coaches.

Integrated performance pathways:

For all Podium Sports we will develop strategic performance plans in partnership with NSOs that identify clear athlete and coach pathways and support requirements. We'll also identify 450 pre-high performance athletes who could potentially transition into a performance pathway in the coming years. These athletes will have support options available to them depending on their age, stage and location.

Performance hubs and pods

We will progress plans for a South Auckland performance hub and develop a network of regional training pods across New Zealand to support pre-HP athletes in multiple locations. We will partner with existing facilities or entities to co-locate fit-for-purpose high performance daily training environments that can enable more athletes and coaches to train closer to their home support network.

Performance support

We will work with our NSO partners to provide the high quality performance support they require for their high performance programmes, including ensuring our support practitioners have robust development plans to support athlete and coach pathways. In 2021/22 we'll support NSOs to appoint pre-high performance and performance coaches as identified and agreed through the Picture of Performance¹ process. We will also appoint coaching advisors to work with coaches throughout the hub and pod network.

Innovation and research

Partnering with leading domestic and international academic and scientific institutions, HPSNZ will facilitate information sharing across the system to develop a body of knowledge that drives innovation, research and performance support development. Our aim is that our NSO partners each have a long-term innovation plan.

2. Wellbeing and Engagement

Ensure the requirements of high performance sport and wellbeing can co-exist without compromise.

Wellbeing programme

We'll continue to work closely with NSOs to develop and support wellbeing initiatives. This includes increased funding to employ dedicated wellbeing managers and creating effective mechanisms for athletes to have their voices heard. We'll also grow our understanding of how wellbeing will be measured and tracked across all HPSNZ partners.

Women in high performance sport

This coming year we're integrating the "Women in HP Sport" pilot into our ongoing work programme to support an increase in the number of women working in coaching, operations management and high performance management roles.

3. Funding and Investment

Deliver repeatable and sustainable success.

Targeted investment framework

We're focused on investing in more sports that have the potential to inspire New Zealanders and are introducing a new Aspirational Fund in 2021/22.

Tailored athlete pathway support

Improving the financial security of athletes will have a positive impact on their wellbeing and performance. We're increasing our financial support for athletes depending on their age and stage within the performance pathway.

¹ A Picture of Performance outlines the fundamental performance components required to achieve success in a sport or specific discipline at a pinnacle event.

Managing Risks

The Sport NZ Group's risk management arrangements include the Boards' risk appetite, corresponding risk registers, a business continuity plan, pandemic plan and cyber security plan. The Boards receive regular reports of significant risks and risk management mitigations, actions and controls. Staff have risk management resources including a risk management manual, policy and the opportunity to attend risk management workshops. Maintaining risk awareness is an ongoing activity.

This year we are managing key risks critical to our strategy, including:

Key risk

Supporting the sector in a COVID-19 environment: ongoing challenges and pressures for elite and professional athletes to compete internationally; ensuring the health, safety and wellbeing of athletes and support staff; and the loss of commercial revenue are all placing a significant strain on a number of sports.

Managing the risk

Dedicated contingency funding through our Recovery Package is providing a level of relief. We are working across Government to support vaccination and MIQ arrangements, alongside the provision of guidance and support around safe travel requirements. Funding continues to be available if any future New Zealand COVID-19 restrictions have a detrimental impact on the sector.

Key risk

Progressing our Te Tiriti o Waitangi commitments and opportunities: capacity of the organisation to honour its Te Tiriti o Waitangi commitments and demonstrate progress of our bi-cultural journey and leadership in building the bi-cultural capability of the sector.

Managing the risk

We are progressing our internal Māori capability building programme and implementing the Kaupapa Māori Response Plan to support whānau, hapū, iwi and Māori in communities across Aotearoa New Zealand to participate in physical activity.

Key risk

Strengthening the integrity of the system for athletes and all participants.

Managing the risk

We continue to implement the recommendations from the 2018 Integrity Review, including the independent Sport and Recreation Complaints and Mediation Service, which is accessible to all participants within the sector. The HPSNZ Strategy features initiatives, alongside funding and investment criteria, to facilitate enriching performance environments to enhance elite athlete wellbeing. An independent Integrity Working Group is commissioned to provide advice regarding the optimal integrity structure going forward.

Key risk

Ability of the play, active recreation and sport system to remain relevant in this rapidly changing world: ongoing threats include the failure to shift the physical activity system with our partners to meet participants' needs now and in the future, and proactively managing wider environmental challenges that could result in permanent reductions in levels of physical activity.

Managing the risk

The Futures Project seeks to understand the changing environment and the likely impacts on our system. We continue to develop a joint commitment for action with our partners and maintain a watching brief as wider environmental issues emerge.

Key risk

Ability to demonstrate value and impact against strategic priorities and wider Government wellbeing outcomes.

Managing the risk

We continue to strengthen our evidence base to ensure timely and appropriate decisions are made and results are understood. This includes integrating subjective wellbeing value into our evaluation and developing a return of investment methodology.

Measuring our Performance

Our updated Reporting Framework shows how Sport NZ and HPSNZ are working towards the long-term outcomes in our Outcomes Frameworks. The measures of both organisations provide us with a clear view of how we are progressing towards these outcomes.

For Sport NZ these measures are focused on our vision of Every Body Active in Aotearoa New Zealand. In the next strategic period, we are concentrating on improving the activity levels of tamariki and rangatahi, with an additional focus on areas of higher deprivation.

While for HPSNZ, the measures focus on high performance results on the world stage that inspire and engage New Zealanders, as well as how our performance environments support wellbeing.

The Sport NZ Group has a responsibility to ensure its COVID-19 Recovery funding also delivers impact and initiatives are funded in accordance with agreed criteria. We will continue to measure the results of this funding using varied mechanisms depending on the outcomes sought. For example, Sport NZ's outcomes for 'Strengthen and Adapt' and 'Different and Better' will be assessed via bespoke evaluations and will align to Sport NZ outcomes.

Our Reporting Framework includes a set of indicators for both organisations to track progress towards our outcomes and show the outputs of key programmes. We know some of the measures in these areas and will continue to develop and refine others.

For each organisation to deliver impact, we need strong and robust relationships with our partners, and to agree the focus areas that are going to make the biggest difference to achieving our strategy.

Supporting our Framework is a shared set of measures to internally track organisational health and capability.

We report on these measures in our annual report.

Developing a Return on Investment methodology

This year Sport NZ has introduced estimated total subjective wellbeing value into our key result area measures. We continue to develop our monitoring and evaluation methods as part of our constant improvement in measuring our performance. This will enable Sport NZ to make effective decisions about our work and better demonstrate the impact of our investments.

Our Purpose

Contribute to the wellbeing of everybody in Aotearoa New Zealand by leading an enriching and inspiring play, active recreation and sport system

Organisation Health

These internal (non-SPE) measures give an indication of how well the Group is operating in order to achieve its key deliverables. Results are included in our annual report.

Engagement with Partners

These are survey results and other indicators to show how well we are working with our partners and how effective our partners find our support and services to enable them to achieve our strategic outcomes.

Sport New Zealand

Our strategy is to improve the activity levels of tamariki (5-11) and rangatahi (12-18), particularly those who are less active and/or do not have equitable access to be physically active. We're focusing on four strategic themes: A Better Future, Equitable Opportunity, Valuing Physical Activity and Honouring Te Tiriti o Waitangi.

High Performance Sport New Zealand

Our strategy is to ensure an integrity-based, integrated, sustainable system that enables athletes and coaches to deliver repeatable success at pinnacle events, while inspiring the nation. This continued evolution will be built on three key system shifts: performance pathways, wellbeing and engagement, and funding and investment.

Key Deliverables

These are the outputs and programme indicators that show progress towards strategic themes. They demonstrate WHAT we're doing.

Impact Indicators

These are the critical measures that show HOW our activity contributes to our key result areas and long-term outcomes.

Key Result Areas

These measures demonstrate progress towards the key focus of the strategy.

Long-term Outcomes

- Physical activity
- Performances that connect
- Experience
- Engagement
- Cultural vitality
- System

These are the combined long-term outcomes as per the outcomes framework and show what our strategic direction is designed to achieve.

Statement of Performance Expectations

Output Expense: Sport and Recreation programmes

What is intended to be achieved

This appropriation is intended to achieve improved activity levels of young people and adults participating in play, active recreation and sport, particularly among communities where participation has been low.

How we will assess performance

We use methods of evaluation such as surveys and partner reporting. We assess performance across the following main areas:

- Play, active recreation and sport participation
- Stakeholder satisfaction levels
- Partner capability

A note on the effects of COVID-19

During the Alert Level 4 national lockdown in March-April 2020, only essential services were able to use the postal service. As a result, Sport NZ stopped sending invitations for our national participation survey (Active NZ) and did not resume until 1 July 2020. The disruption to surveying has impacted our ability to set baseline targets for our 2020-2024 strategy. Instead, the data from our 2019 participation survey will become the baseline measure.

A note on the Active NZ survey

Sport NZ has been running the Active NZ survey in its current form since 2017 to monitor recreational physical activity behaviours and determinants. Results are based on a calendar year, so the 2019 baselines (indicated by a *) are based on survey results from January to December 2019.

Performance against Sport NZ Strategy

Key Result Areas

These measures provide us with a comprehensive view of how the physical activity levels of tamariki and rangatahi are changing over time. We are yet to understand the full effects of COVID-19 on levels of physical activity and have set 2021/22 targets accordingly.

Measure	2019/20 result	2020/21 target	2021/22 target
Key Result Areas			
Average hours spent participating in play, active recreation and sport by 15-17 year olds	8.7 hours*	N/A	Meet or exceed baseline 8.7 hours (New SPE measure for 21/22 with a 2019 baseline)
Percentage of young people age 5-17 years (up to 18th birthday) participating in play, active recreation and sport (7+ hours per week of any intensity)	63% ²	Exceed baseline 63%*	Meet or exceed baseline 63%
Estimated total subjective wellbeing value** created by 5-17 year-olds doing 7+ hours per week of physical activity	N/A	N/A	Equal to or greater than 2020/21 value (\$508m) (New SPE measure for 21/22)
Percentage of adults (18+) participating in physical activity (150+ minutes per week)	59%	Exceed baseline 59%*	Meet or exceed baseline 59%
Estimated total subjective wellbeing value** created by adults doing 150+ minutes per week of physical activity	N/A	N/A	Equal to or greater than 2020/21 value (\$2.19bn) (New SPE measure for 21/22)

**A subjective wellbeing value is an estimate of the value of an outcome based on the impact it has on people's self-reported wellbeing. This is expressed in monetary terms. The approach works by calculating the change in income that would produce a wellbeing impact of the equivalent size. We use Active NZ data and Sport NZ subjective wellbeing values (included in Treasury's CBAX) to estimate total subjective wellbeing value of our key outcomes.

² This is based on 6-months of data due to changes in the way the question was asked in Active NZ. There could be variances for seasonality.

* Based on Active NZ 2019 data - see note.

Impact Indicators

These measures indicate the impact we are seeking to make in pursuit of our strategy. We have chosen these measures as they align with the focus areas of our strategy and contribute to the outcomes we are working towards.

Measure	2019/20 result	2020/21 target	2021/22 target
A Better Future			
COVID-19 recovery investment: Percentage of investment spend on track to or have met intended investment outcomes	100% (\$4.6M)	Establishing evaluation methodology	>70% of funding invested
Partnerships investment: Percentage of partners on track to or have met intended investment outcomes ³	N/A	N/A	>70% (New SPE measure for 21/22)
Futures Project: Percentage of partners who feel confident they can act to bring about aspects of the preferred future.	N/A	N/A	New measure, establishing baseline
Equitable Opportunity			
Percentage of women and girls who volunteer ⁴	Girls: 48% Women: 22%	N/A	Meet or exceed baseline Girls: 48% Women: 22% (New SPE measure for 21/22 with a 2019 baseline*)
Percentage of young people who identify as disabled who believe they have the support in their communities to do the physical activities they want to	N/A	N/A	Establishing baseline

³ We work with partners to identify the initiatives that are going to achieve our mutually agreed outcomes. The partner organisation and Sport NZ rank the partner on how the initiatives are being embedded into the organisation and the extent that change and learning is being applied to deliver further impact. This measure tracks the percentage of partner organisations (in whom we invest \$150,000/annum) with ratings of "consolidating" or "highly developed" on all their initiatives.

⁴ Volunteering includes coaching a group or individual; being an official such as a referee or umpire; managing a team; fulfilling a club or association administration or governance role; helping a team, club or group; providing event assistance; lifeguarding; and being a team captain or activity leader. Girls are 12-17 years.

Measure	2019/20 result	2020/21 target	2021/22 target
Valuing Physical Activity			
Percentage of participants satisfied with overall club experience	67%	N/A	Meet or exceed baseline 67% ⁵ (New SPE measure for 21/22 with a 2019/20 baseline)
Percentage of rangatahi very or extremely satisfied with physical activity experience in school	Survey piloted in 2019	No target Result: 31% ⁶	Meet or exceed baseline 31% (New SPE measure for 21/22 with a 2020 calendar year baseline)
Percentage of Healthy Active Learning schools and kura that agree their school has a focus on physical activity in their charter and annual plan	N/A	Establishing baseline: 46.7%	Exceed baseline 46.7% (New SPE measure for 21/22 with a 20/21 baseline)
Honouring Te Tiriti o Waitangi			
Percentage of investments in Māori initiatives on track to or have met intended investment outcomes	N/A	Establishing evaluation methodology	>70%

⁵ Result taken from the annual Voice of the Participant - Club Experience survey, which is designed to help NSOs understand club level player experiences, the drivers of participation and how they might adapt to meet people's changing needs. Ten sports participate in the survey each year and these codes change every year. The survey is open to all ages. Results are on a financial year basis.

⁶ Result taken from the annual Voice of Rangatahi survey delivered into secondary schools/kura to help us understand how rangatahi experience physical activity within a school. Approximately 8000 rangatahi participate in the survey. The result is not weighted to account for differences in demographic. Results are based on a calendar year.

Key Deliverables

These measures demonstrate the progress we are making towards our key strategic themes at a programme and output level.

Measure	2019/20 result	2020/21 target	2021/22 target
A Better Future			
COVID-19 recovery package is invested in accordance with forecast expenditure by investment outcome and amount committed ⁷	100% ('Reset and Rebuild' - \$4.6m)	No target Estimated actual: 'Reset & Rebuild' - \$70.9m 'Strengthen & Adapt' - \$84.8m 'Different & Better' - \$62.8m	'Different & Better' - \$20m (New SPE measure for 21/22)
Equitable Opportunity			
Percentage partner boards ⁸ achieve minimum 40% women representation	57%	N/A	100%
Increased investment spend to improve physical activity levels and experience of women and girls ⁹	\$1.4m	No target Estimated spend: \$2.1m	>\$2m (New SPE measure for 21/22)
Increased investment spend to improve physical activity levels and experience of disabled people	\$1.6m	No target Estimated spend: \$1.9m	>\$2m (New SPE measure for 21/22)
Valuing Physical Activity			
Number of primary schools and kura with Healthy Active Learning ¹⁰	Launched May 2019	300 (2020 school year, first full year)	800
Number of NSOs adopting Balance is Better at a "Commit and Act" level ¹¹	5	10	15
Percentage of module participants who agree they are more confident to identify and respond to issues of child safeguarding ¹²	Module not available	Module launched October 2020 Estimated Results: 93%	95% (New SPE measure for 21/22)
Honouring Te Tiriti o Waitangi			
Increased investment spend to improve physical activity levels and experience of Māori ¹³	\$1.7m	No target Estimated spend: \$2.2m	>\$3m (New SPE measure for 21/22)

⁷ All investments must receive joint Ministerial approval before they can be committed against an investment outcome.

⁸ This target applies to National and Regional Priority Partners who receive more than \$50,000/annum of funding from Sport New Zealand.

⁹ Investment spend includes activations under the Women and Girls strategy and 'Strengthen and Adapt' projects targeted to women and girls.

¹⁰ Results are based on a calendar year, in line with the school year.

¹¹ All national and regional partners are adopting Balance is Better (BIB) as part of our agreed investment strategy. Sport NZ's goal is to work more closely with selected partners who have not only committed to BIB at an executive level but have also committed to drive greater change towards the principles of BIB through regional and local activities.

¹² Based on responses to the post-learning survey after completing the Child Safeguarding module. This measure accounts for agree and strongly agree responses to the post-learning survey.

¹³ This measure relates to specific investment into programmes and initiatives that support Māori as Māori participation in physical activity.

Engagement with Partners

These measures provide an indication of how effectively we lead and support the sector. Our relationship with our partners is important for achieving shared objectives.

Measure	2019/20 result	2020/21 target	2021/22 target
SNZ overall effectiveness as rated by all Sport NZ partners to increase participation ¹⁴	75% of partners rate as 'Good' or higher	80% of partners rate as 'Good' or higher	80% of partners rate as 'Good' or higher
Percentage of partners who rate their organisation's relationship with Sport NZ as good or excellent	83%	80%	80%

¹⁴ Partners include National Sport Organisations, Regional Sports Trusts, National Recreation Organisations, some education councils and Parafeds.

Output Class Allocation Appropriation: Sport and Recreation

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
REVENUE		
Crown funding	25,649	29,829
Other operating revenue	75,363	73,926
Total revenue	101,012	103,755
LESS EXPENSES		
Sector investment and consulting	50,267	80,386
Covid-19 relief funds	6,428	-
Programme management	9,321	12,311
Technical advice and resources	13,195	17,573
Policy advice	2,306	2,603
Knowledge and information	5,724	7,057
Total expenses	87,241	119,930
Net operating surplus/ (deficit) before Recovery Package	13,771	(16,175)
RECOVERY PACKAGE		
Crown funding	107,121	52,200
LESS EXPENSES		
Sector investment and consulting	52,471	58,952
Operating expenditure	1,810	1,833
Total expenses	54,281	60,785
Net operating surplus/ (deficit) from Recovery Package	52,840	(8,585)
Net operating surplus/ (deficit) after Recovery Package	66,611	(24,760)

Output Expense: High Performance Sport

What is intended to be achieved

Activate the three System Shifts to create a sustainable, enhanced high performance system to support athletes, coaches and staff to perform at their best, in turn inspiring New Zealanders.

How we will assess performance

We assess performance across the following areas:

- progress across high performance programmes and campaigns, supported by strategic investment and high performance expertise
- stakeholder satisfaction levels
- athlete and coaches enabled to perform.

We use methods of evaluation such as case studies, Living Standards Framework measures and surveys (including NSO, athlete and Active New Zealand surveys). Where available, we monitor Aotearoa New Zealand's position within the international environment, for example, the virtual Olympic medal table¹⁵.

Performance against HPSNZ 2024 Strategy:

Achievements against Olympic and Paralympic medal targets are reported in the annual report of the financial year immediately prior to the Olympic and Paralympic events, held in July-August of an Olympic year. This reflects the work undertaken in the lead up to prepare athletes for these pinnacle events. For example, results of the Tokyo 2020 Olympics (scheduled to take place July-August 2021 due to COVID-19 postponement) are reported in the 2020/21 annual report published in October 2021.

This SPE features a number of new measures as we embark on our new strategy.

¹⁵ 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/>

Key Result Areas

Measure	Past performance target	2021/22 target
Results on the world stage¹⁶		
Medals at Olympic Summer Games	Tokyo 2020: 16+	Paris 2024: 12-16
Medals at Paralympic Summer Games	Tokyo 2020: 10-14 Gold	Paris 2024: 18-25
Performance at pinnacle events for non-Olympic funded sports	N/A	2022 – 2024 target: 4+ podiums (New SPE measure for 21/22)
Medals at Olympic Winter Games	PyeongChang 2018: 2 medals (exceeded target by 1)	Beijing 2022: 2+
Medals at Paralympic Winter Games	PyeongChang 2018: 3 medals (exceeded target by 2)	Beijing 2022: 2+

Measure	2019/20 result	2020/21 target	2021/22 target
Inspiring and engaging New Zealanders			
Percentage of New Zealanders who say they are inspired by performances of teams, athletes, and coaches	N/A	N/A	Meet or exceed baseline 73% ¹⁷
Percentage of New Zealanders who follow High Performance Sport New Zealand-funded sports ¹⁸	N/A	N/A	Establishing baseline

¹⁶ Due to postponement of the Tokyo 2020 Olympic and Paralympic Games, actual results are unavailable. Further, due to the disrupted Games, as well the limited international competitions, it is difficult to predict future results.

¹⁷ This is an indicative baseline based on similar research conducted by the New Zealand Olympic Committee and PwC between 2016 and 2019.

¹⁸ To follow a sport is defined as watching it on television, listening to it on the radio, following it on social media, or attending events to watch.

Impact Indicators

Measure	2019/20 result	2020/21 target	2021/22 target
Performance Pathways			
Percentage of coaches and athletes who believe direct support from HPSNZ (incl. grants and specialist services) positively impacts performance	Athletes: 85% Coaches: 84%	Athletes: 80% Coaches: 80%	Athletes: 80% Coaches: 80%
Percentage of athletes and coaches who believe they have access to the facilities that support their development	N/A	N/A	Establishing baseline
Wellbeing and Engagement			
Percentage of athletes who believe their performance environment supports inclusiveness and diversity	N/A	N/A	Establishing baseline
Percentage of athletes and coaches who trust that integrity or wellbeing issues are handled effectively and appropriately	N/A	N/A	Establishing baseline
Funding and Investment			
Percentage of athletes who agree they have improved financial security	N/A	N/A	Establishing baseline

Key Deliverables

Measure	2019/20 result	2020/21 target	2021/22 target
Performance Pathways			
Percentage of Podium Sports with agreed performance pathways ¹⁹	N/A	N/A	100% (New SPE measure for 21/22)
Percentage of NSOs that have agreed long-term innovation plan	N/A	N/A	60% (New SPE measure for 21/22)
Number of pre-high performance athletes identified	N/A	N/A	450
Wellbeing and Engagement			
Percentage of funded NSOs with athlete voice mechanisms ²⁰	N/A	N/A	100% (New SPE measure for 21/22)
Number of women participating in 'Women in High Performance Sport' programmes ²¹	N/A	N/A	72 (2022/23 target - combined cumulative target of cohort one and two)
Funding and Investment			
Number of Aspirational Sports funded by HPSNZ	N/A	N/A	10-15
Percentage of investments in Aspirational Sports ²² on track to or have met intended investment outcomes	N/A	N/A	80%
Percentage of investments in Podium Sports on track to or have met intended investment outcomes ²³	N/A	N/A	80%

¹⁹ Podium Sports have a consistent recent history of podium performances at pinnacle events, as well as strong evidence that podium performances at future pinnacle events are likely to occur.

²⁰ There are a variety of athlete voice mechanisms NSOs could implement. They include: an internal athlete representative group; athlete appointments on national or international governance Boards, committees and/or advisory groups; processes for athlete liaison directly with high performance management leaders and staff; athletes providing input via an independent players association. Achievement of this target requires all funded NSOs to have at least one mechanism in place.

²¹ There are two elements of the 'Women in High Performance Sport' programme: The Residency Fund, which funds fixed-term employment opportunities in NSOs; and Te Hāpaitanga, a coaching initiative to grow the talent pool of emerging female high performance coaches. Cohort One ran from the end of 2021 to early 2022 for both programmes. Cohort Two will run over an 18-month period between January 2022 and mid-2023. The target is the combined number of participants for both cohorts.

²² Aspirational Sports have the potential to inspire New Zealanders and potentially deliver podium performances now or in the future. Investment outcomes include strong evidence of tracking towards a top 8 performance.

²³ Investment outcomes include Olympic medal results as well as achievement of programme key performance indicators.

Engagement with Partners

Measure	2019/20 result	2020/21 target	2021/22 target
Expert advice, guidance and assistance provided to NSOs rated as good or above	91%	80% rate as 'Good' or higher	80% rate as 'Good' or higher
Percentage of funded NSOs who agree HPSNZ partners with them to develop strategic priorities and meet strategic outcomes	N/A	N/A	Establishing baseline

Output Class Allocation Appropriation: High Performance Sport

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
REVENUE		
Crown funding	62,192	62,192
Other operating revenue	4,035	5,145
Total revenue	66,227	67,337
LESS EXPENSES		
Sector investments and grants	45,087	44,340
Infrastructure investment	-	10,872
Programme management	2,675	4,105
Technical advice and resources	6,700	8,963
High performance athlete services	13,144	10,139
Total expenses	67,606	78,419
Net operating surplus/ (deficit) before Recovery Package	(1,379)	(11,082)
RECOVERY PACKAGE		
Crown funding	10,072	10,800
LESS EXPENSES		
Sector investment and consulting	6,672	7,580
Operating expenditure	600	4,720
Total expenses	7,272	12,300
Net operating surplus/ (deficit) from Recovery Package	2,800	(1,500)
Net operating surplus/ (deficit) after Recovery Package	1,421	(12,582)

Output Expense: Prime Minister's Scholarships

What is intended to be achieved

Elite sport development through targeted scholarships, supporting elite athletes, coaches and officials, and supporting team members' concurrent pursuit of tertiary study and elite sport development.

How we will assess performance

We monitor the efficiency of the programme by looking at the administration costs and have targets in place for the number of scholarships awarded.

Measure	2019/20 result	2020/21 target	2021/22 target
Prime Minister's Scholarships			
Number of athlete scholarships awarded	354	300	300
Number of coach, official and support team scholarships awarded	192	100	100
Administration costs are less than 4% of the total funding	4%	<4%	<4%

Output Class Allocation Appropriation: Prime Minister's Sports Scholarships

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
REVENUE		
Crown funding	4,250	4,250
Total revenue	4,250	4,250
LESS EXPENSES		
Sector investments and grants	4,250	4,250
Programme management	64	108
Total expenses	4,314	4,358
Net operating surplus / (deficit)	(64)	(108)

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
REVENUE		
Crown funding	209,284	159,271
New Zealand Lottery Grants Board	74,556	70,477
Interest revenue	900	665
Sundry revenue	3,942	7,929
Total revenue	288,682	238,342
SECTOR INVESTMENTS		
Investment consulting	791	2,438
Partner investments	98,813	126,538
Infrastructure investments	-	10,786
COVID-19 relief package	6,428	-
Recovery investment portfolio	59,743	70,607
Total sector investments	165,775	210,369
COST OF SERVICES		
Board members' remuneration	269	300
Personnel costs	28,504	29,762
Professional and technical services	13,126	15,758
Leased property	2,499	2,631
Depreciation and amortisation	1,385	1,554
Other operating costs	9,156	15,418
Total operating expenditure	54,939	65,423
Total expenditure	220,714	275,792
Total comprehensive revenue and expense	67,968	(37,450)

Prospective Statement of Financial Position

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
ASSETS		
Current assets		
Cash and cash equivalents	1,031	948
Trade and other receivables	27,393	18,370
Prepayments	150	150
Investments	102,260	72,585
Total current assets	130,834	92,053
Non-current assets		
Property, plant and equipment	2,858	3,593
Intangible assets	1,138	1,588
Loans	-	-
Total non-current assets	3,996	5,181
Total assets	134,830	97,234
LIABILITIES		
Current liabilities		
Trade and other payables	8,773	8,750
Revenue received in advance	1,001	878
Employee entitlements	2,133	2,133
Total current liabilities	11,907	11,761
Non-current liabilities		
Provisions	18	18
Total non-current liabilities	18	18
Total liabilities	11,925	11,779
Net assets	122,905	85,455
Public equity	54,937	122,905
Total Revenue and Expenditure	67,968	(37,450)
Shareholder's equity	122,905	85,455

Statement of Accounting Policies

Prospective Statement of Changes in Equity

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
Opening Public Equity	54,937	122,905
Total comprehensive revenue and expenditure	67,968	(37,450)
Closing Public Equity	122,905	85,455

Prospective Statement of Cash Flows

For the year ended 30 June 2022

	ESTIMATE 2021 \$000	BUDGET 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Crown funding	209,284	159,271
New Zealand Lottery Grants Board	71,156	77,477
Sundry revenue	11,333	9,952
Interest revenue	923	665
Goods and services tax	265	-
Sector investment	(165,251)	(210,895)
Other payments	(23,536)	(33,427)
Payments to employees	(29,082)	(30,062)
Net cash flow from operating activities	75,092	(27,019)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments maturing	-	29,675
Purchase of property, plant and equipment	(184)	(2,739)
Purchase of intangible assets	(665)	-
Acquisitions of investments	(84,974)	-
Net cash flow from investing activities	(85,823)	26,936
Net increase / (decrease) in cash and cash equivalents	(10,731)	(83)
Cash and cash equivalents at 1 July	11,762	1,031
Cash and cash equivalents at 30 June	1,031	948

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 2022. The Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ), its wholly-owned subsidiary, High Performance Sport New Zealand Limited (HPSNZ) and the New Zealand Sports Foundation Charitable Trust (NZSFCT) in which Sport NZ has a controlling interest.

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

Sport 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 Aotearoa New Zealand". Its functions are set out in section 8 of the Act, which include the functions of HPSNZ.

The NZSFCT commenced activities on 1 September 1995 and was granted charitable status under the Income Tax Act 1994, in August 1995. The NZSFCT was registered as a charitable entity under the Charities Act 2005 on 30 June 2008. The objects of the NZSFCT include: to promote, organise, and provide for and assist in the promotion and organisation of sport, and participation in sport in the community, for the purpose of promoting the health, education, and development of Individuals and communities.

Although a separate legal from Sport NZ, the Trustees are appointed by the Sport NZ Board and comprise members of the Sport NZ Board.

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

These prospective financial statements were approved by the Sport NZ Board on 24 June 2021.

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 Aotearoa New Zealand generally accepted accounting practice ('NZ GAAP') and Financial Reporting Standard 42.

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

Measurement base

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

Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Sport NZ Group is the New Zealand dollar.

Consolidation

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

Summary of 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 and eliminating all significant intragroup balances, transactions, income, and expenses upon consolidation.

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

Sport NZ and HPSNZ are public authorities and the NZSFCT is a registered charity, consequently the Group is exempt from income tax.

Cost allocation

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

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 expect to occur in respect of those actions the Sport NZ Board, the HPSNZ Board and the NZSFCT Trustees reasonably expect to take as at 24 June 2021, 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 2021/22 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.

While acknowledging the review of the Sport NZ and HPSNZ Governance and Organisational structure currently underway, it is assumed that Sport NZ Group's business model and staffing levels will not significantly change during the 2021/22 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 accounting policies

In preparing the prospective financial statements, no critical judgements were made in the application of accounting policies that are considered to have Involved significant risk, so as to require material adjustment to the carry amounts of assets and liabilities in the next financial year.

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.

Apart from the general restrictions, the Group considers there are no other conditions attached to Crown funding. 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 funding from the NZ Lottery Grants Board (NZLGB) who in turn receive it from Lotto NZ. Sport NZ receives 20% of Lotto NZ net profits. Revenue from the NZLGB is recognised as revenue in the same financial year as the corresponding Lotto NZ net profits based on formal advice received from the NZLGB.

Sport NZ also receives annual funding from the NZLGB for Water Safety New Zealand, which it passes directly on. This is recognised as revenue and expenditure in the statement of comprehensive revenue and expenditure.

Interest

Interest revenue is recognised by accruing on a time proportion basis the interest due from investments.

Expenditure

Sector investments

The Group provides funding to various organisations in the sport and recreation sector to meet its primary objectives.

Investment with substantive conditions is expensed at the earlier of the investment payment date or when the contract requirements are met.

Investment without substantive conditions that need to be subsequently met, is expensed at payment date.

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.

Statement of Financial Performance

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 recorded at the amount due, less an allowance for credit losses. The Sport NZ group applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

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.

A loss allowance for expected credit losses is recognised only if the estimated loss is not trivial.

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 Expense.

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.

The costs of day-to-day servicing of property, plant and equipment are expensed when they are incurred.

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.

Depreciation

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

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

Leasehold improvements	2 to 10 years	(10-50%)
Plant and equipment	2 to 10 years	(10-50%)
Computer equipment	2 to 5 years	(20-50%)
Furniture and fittings	4 to 10 years	(10-25%)

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

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

Intangible assets

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

Computer software licenses longer than 12 months 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 Group are recognised as an intangible asset. Costs associated with the development and maintenance of the Group's websites are recognised as an expense when incurred.

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

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

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

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

Trade and other payables

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

Employee entitlements

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

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

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

Superannuation schemes

The 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 expenditure will be required to settle the obligation, and the amount of the obligation can be reliably estimated.





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New Zealand Government

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