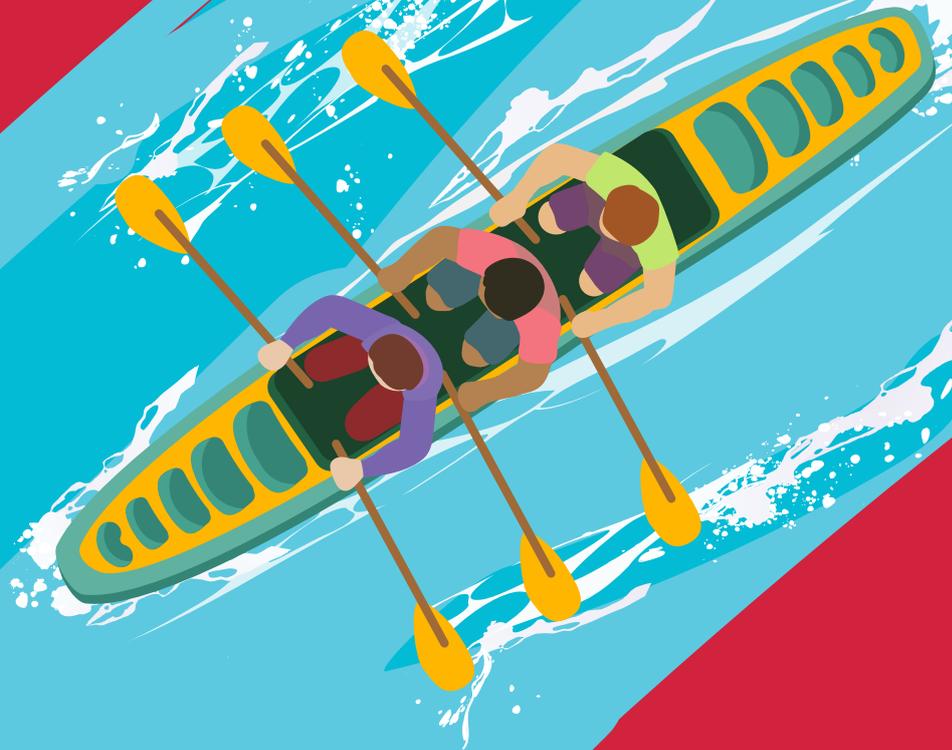


Review of Sport New Zealand and High Performance Sport New Zealand Governance and Organisational Structure

6 December 2021



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SECTION ONE

Executive summary



Purpose and scope

The Terms of Reference state that the purpose of the Sport New Zealand (Sport NZ) and High Performance Sport NZ (HPSNZ) Governance and Organisational Structure review (“the review”) is to recommend a fit for purpose governance and organisational structure, and operating model, which can most effectively deliver the strategic visions of both Sport NZ and HPSNZ whilst also being the most efficient engagement and support structure for the sector.¹

The review was not to recommend options that required changes to the Sport and Recreation Act, devolution of functions and funding to non-government organisations, or changes to the two existing organisational strategies. Sport NZ and HPSNZ have also advised the Advisory Group that integrity related matters and athlete voice are out of scope for the review.

This document provides the Sport NZ and HPSNZ Boards with a summary of the review undertaken by the Advisory Group (the members of which are outlined in Appendix 1) including recommended options.

Approach to developing options

The approach taken to develop options between June and December 2021 was:

- **Align:** Establish scope of the review and the stakeholder engagement plan
- **Discover:** Understand relevant stakeholder experience and needs
- **Define opportunities:** Analyse insights and identify the ‘problem to solve’ as opportunities
- **Develop options:** Generate ideas and options that respond to opportunities
- **Refine:** Test options with key informants to identify risks and benefits. Refine and improve option set
- **Recommend:** Design and produce recommendations to the Sport NZ and HPSNZ Boards.

Stakeholder Engagement

The recommended options have been developed through engagement with stakeholders from across the community, high performance, and active recreation sectors.

Stakeholders were identified by Sport NZ, HPSNZ, and the Advisory Group, and engaged using mixed research methods which included virtual interviews, focus groups, workshops, and surveys.

1. Terms of Reference, para 1.1

Summary of current state analysis

Key research themes emerged during the discovery phase. These were used as design criteria to guide analysis of the options, namely:

- Organisational efficiency
- Alignment: Joined up thinking and action
- Protecting High Performance strengths
- Enabling partners through collaboration
- Enabling Te Tiriti partnership.

Recommended options

Stakeholders widely acknowledge that the increasing breadth of the strategic focus beyond sport to active recreation and play creates a tension within Sport NZ and between Sport NZ and HPSNZ. Some see that high performance tends to attract undue attention and ultimately compromises the collective impact in the promotion of healthy active lifestyle while others see that the broader strategic focus has undermined sports as fundamental to achieving active populations and high performance success.

The Advisory Group discussed several options before deciding that two were preferred. The two preferred options were debated at length due to trade-offs between:

- The benefits of simplification in creating a single organisation with one CEO and one Board;
- The need to maintain the success and internationally recognised identity of HPSNZ; and
- To address the increasingly divergent mandates of both organisations.

It was acknowledged by the Advisory Group that the ongoing tension between the high performance and community mandates might not be resolved through either of the options. The Group nevertheless was of the view that each option could succeed if the important work to drive alignment was implemented at the functional level.

The Advisory Group agreed to bring two options to the Board for consideration. This recognises that the Board may have additional information available to it that could be instrumental in determining the preferred approach.

The two options recommended by the Advisory Group are:

Option 1: Single Organisation

Bringing Sport NZ and HPSNZ together to form one organisation with one Board and one CEO while enabling high performance influence.

Option 2: Simplified Governance

The removal of the current HPSNZ Subsidiary Board but retaining two organisations, each with its own CEO.

Within the Group there was support for both options, driven primarily by:

- The desire to have clearer accountability through one Board and CEO to drive collaboration and delivery of cross-organisational functions and processes (e.g., the athlete pathways). Option 1 was the preferred governance and leadership structure to achieve this.
- A belief that the autonomy and the identity of HPSNZ must be maintained to continue the success of the high-performance strategy, and that Option 2 was the preferred structure to achieve this.

Each option is described by three components: the governance and leadership structure, Te Tiriti features, and potential functional arrangements. The analysis of each option includes:

- Key features
- Summary of rationale
- Potential functional arrangement
- Benefit and risk analysis.

Other considerations

Two other matters which were raised by stakeholders, and fully endorsed by the Group, relate to the feasibility of structural change: quality of leadership; and financial considerations.

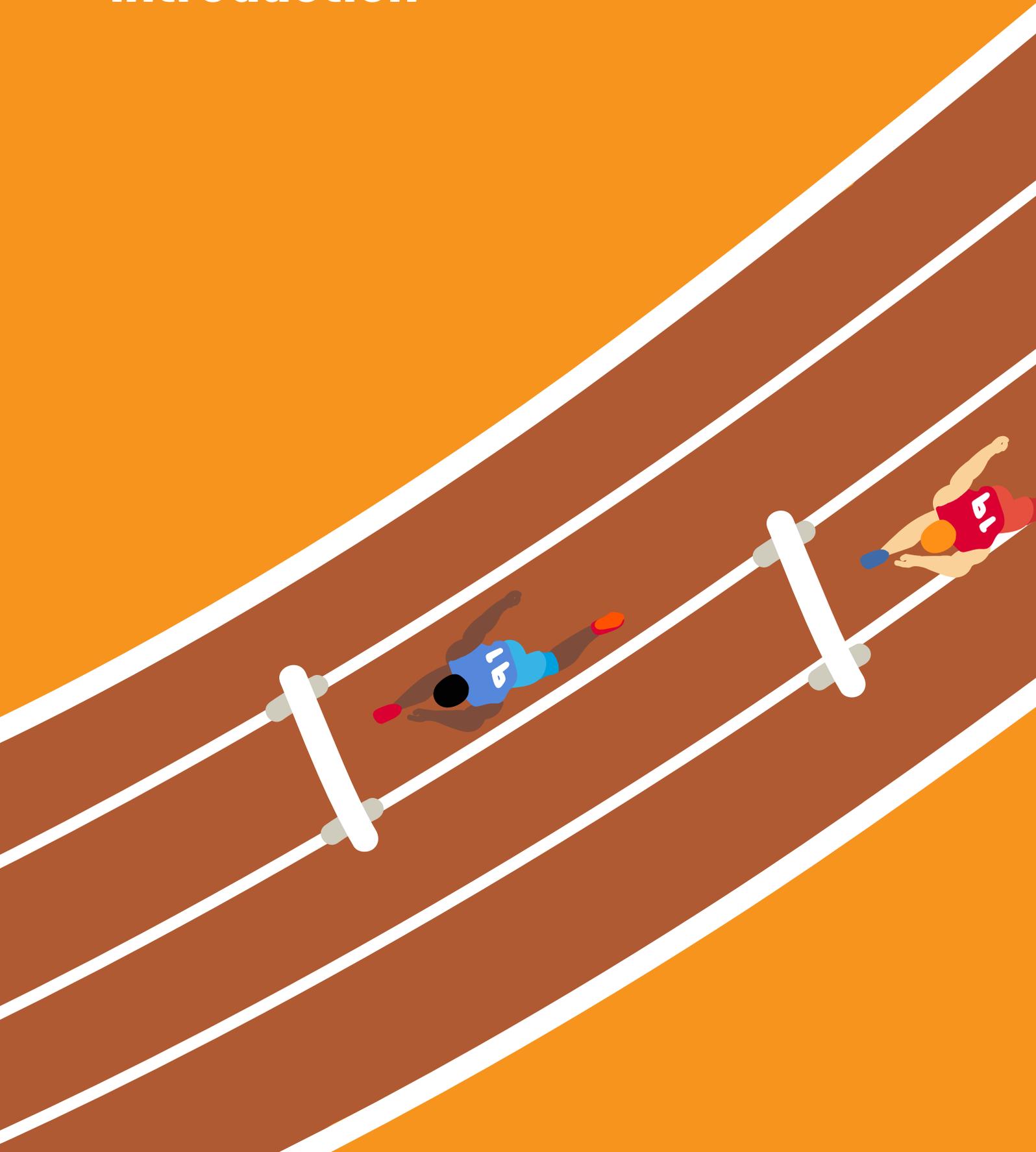
Next steps

The Advisory Group has also identified next steps that will contribute to a successful outcome.

1. Further detailed financial analysis – undertake a financial analysis so that financial implications can be understood
2. Design of functional arrangements – define the activities and core processes of functions
3. Develop implementation plan – to set out the detailed design and establishment of the chosen option
4. Strong change management – a critical programme of work to achieving the benefits identified in this review

SECTION TWO

Introduction



Overview

The review was initiated for a number of reasons:²

- New strategic directions from both Sport NZ and HPSNZ provide an opportunity to ensure the best governance and leadership model is in place to deliver against the strategic plans that are cost effective and fit for purpose.
- The Boards of Sport NZ and HPSNZ are in full support of continuing to evolve the organisation model to ensure it is fit for purpose for the delivery of the new strategies, particularly in the context of strengthening and adapting the system and doing things differently and better.
- It has been ten years since the establishment of HPSNZ as a wholly owned subsidiary.
- The new strategies promote innovation which may lead to new investment approaches and engagement programmes.

The review was led by an Advisory Group comprised of nine people. Ernst & Young (EY) was appointed to support the Advisory Group, and under the direction of the Advisory Group, EY were commissioned to provide:

- Detailed current state analysis including identification of strengths and opportunities for improvement; and
- An options analysis that considers best practice including international models.

Review scope

The Terms of Reference identifies the following as being out of scope for the review:³

- Changes to the Sport and Recreation Act
- Devolution of functions and funding to non-government organisations
- The two existing organisational strategies
 - Sport NZ: Everybody Active 2032 and accompanying 2020-24 strategic plan
 - HPSNZ: 2032 High Performance System Strategy and accompanying 2024 Strategic Plan

During the review, the Advisory Group considered the importance of the athlete voice for the proper discharge of Sport NZ and HPSNZ functions and the achievement of the two strategies. EY engaged with the New Zealand Olympic Committee Athlete Commission in the formation of insights and opportunities during the Discover phase. The Advisory Group discussed at length the potential inclusion of an athlete voice

mechanism and wellbeing as a component of the structural options.

Sport NZ and HPSNZ have advised the Advisory Group that integrity-related matters and athlete voice are out of scope for the review as there is significant work underway with respect to the Integrity Working Group, the Cycling review, and the work of HPSNZ which includes discussion on athlete voice.

HPSNZ are in consultation with the Athletes Federation, NZOC Athletes Commission, National Sporting Organisation (NSO) CEOs and several experienced athletes to better understand their views of what is required of an athlete voice mechanism. For example, one proposal is to establish an athlete-driven representative body, entirely independent of Sport NZ and HPSNZ, with the understanding that funding will be required from HPSNZ.

HPSNZ is currently seeking to engage an agency in the development of an independent athlete voice mechanism that is both supportive and representative of high performance athletes, and in providing input and feedback to HPSNZ and Sport NZ around athlete wellbeing issues or concerns, where existing mechanisms for escalation are not appropriate or fit for purpose.

Consequently, the options within this report do not include Integrity related matters and athlete voice as these are being designed through alternative processes. However, these matters are of such importance, that the Group was of the view that while this is a final report, there would be benefit in reconvening the Group when these issues are to be considered by the Board of Sport NZ as part of the revised structure.

The Advisory Group also considered a range of features that could support Sport NZ's commitment to uphold "the mana of Te Tiriti o Waitangi and the principles of Partnership, Protection and Participation" (Te Tiriti commitment).⁴ Whilst there was some discussion on potential features that were outside the scope of the review (e.g., mandated Māori board representation), the features recommended by the Advisory Group have remained within scope.

2. Terms of Reference, para 3.4

3. Terms of Reference, para 6.1

4. Terms of Reference, para 2.2

Document purpose

This report provides the Sport NZ and HPSNZ Boards with a summary of the review undertaken by the Advisory Group. It outlines the:

- Review process, including key stakeholders involved in the review;
- Key design criteria used for considering options;
- Te Tiriti features that are recommended, irrespective of the structural option chosen;
- Two preferred options, including their key features, risks and benefits;
- Other considerations; and
- Next steps.

There are additional artefacts that support the review process and analysis:

1. Findings from the Discover phase are reported in the document *Insights and Opportunities for Change: Sport New Zealand and High Performance Sport NZ Governance and Organisational Structure Review (November 2021)*
2. The *International Scan of National Sports Administration Structures* has been provided as Appendix 2
3. Options examined and not progressed in the review are reported at Appendix 3

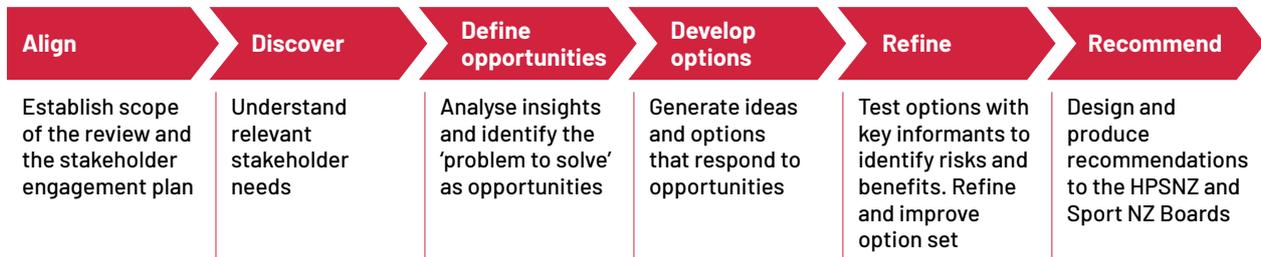
Approach to developing the recommendations

The following approach details the key activities that were undertaken to develop the options between June and December 2021.

EY took the guidance and approval of the Advisory Group when moving into each phase of the approach.

A wide range of options and features were canvassed during the Develop options phase of the review. These are summarised in Appendix 3. The option set was narrowed down by taking account of scope, stakeholder feedback, and feasibility in the New Zealand context. The international models in Appendix 2 were used to inspire options, for example, the remodelling of high performance functions into an Institute of Sport, responsible for technical service delivery, science research and innovation. The option set was considered against the New Zealand legislative arrangements, the size of the sector in New Zealand, and the ability to fund these alternatives.

SERVICE DESIGN PROCESS:



OBJECTIVES/OUTPUTS:

<ul style="list-style-type: none"> • Desktop research • Interview Sport NZ and HPSNZ Leadership to determine scope and the review expectations 	<ul style="list-style-type: none"> • Conduct stakeholder and Māori engagement using mixed methods including workshops, interviews, and surveys 	<ul style="list-style-type: none"> • Synthesize data from stakeholder and Māori engagement to formulate into insights and opportunities • Produce international model scan 	<ul style="list-style-type: none"> • Draft structural options based on the insights and opportunities • Create risk/benefit analysis of each option 	<ul style="list-style-type: none"> • Update preferred options • Test options with targeted stakeholder informants • Refine options 	<ul style="list-style-type: none"> • Produce recommendation report to HPSNZ and Sport NZ Boards
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ENGAGEMENT WITH THE ADVISORY GROUP:

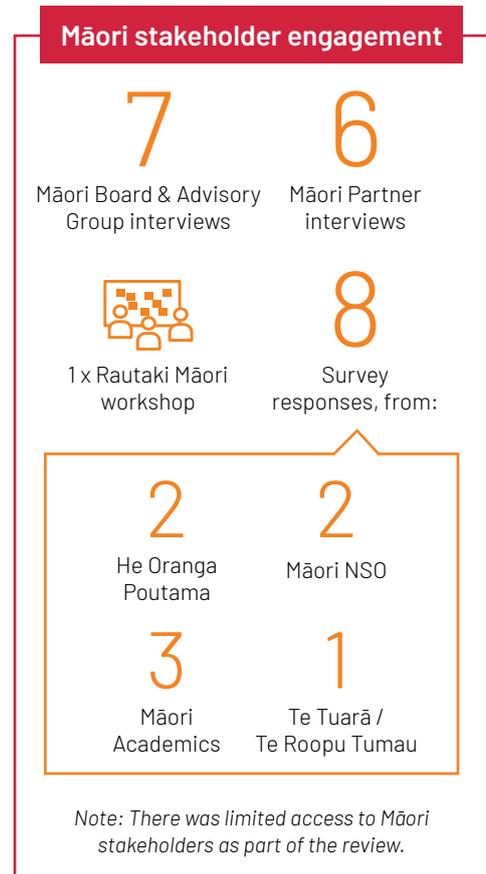
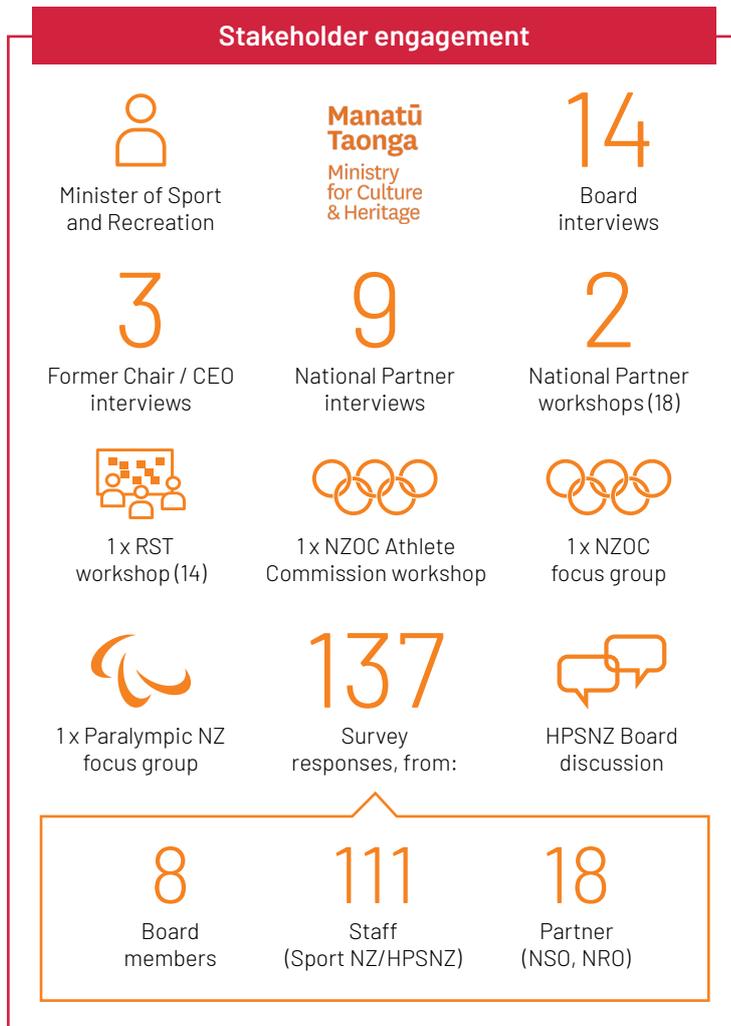
<ul style="list-style-type: none"> • Meeting to approve review scope and engagement plan 	N/A	<ul style="list-style-type: none"> • Meeting to present and approve insights and opportunities 	<ul style="list-style-type: none"> • Workshop to provide feedback on draft structural options • Agree on preferred options to progress 	<ul style="list-style-type: none"> • Workshop to agree on final recommendation of option(s) 	<ul style="list-style-type: none"> • Approve recommendation report
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Who has been engaged in developing the recommendations?

The recommended options have been developed through engagement with stakeholders from across the community, high performance, and active recreation sectors.

Stakeholders were identified by Sport NZ, HPSNZ, and the Advisory Group, and engaged with by using

mixed research methods which included virtual interviews, focus groups and workshops as well surveys. It was an iterative development process in which engagement and feedback was sought and incorporated during the Discover and Refine phases of the review.



SECTION THREE

Summary of current state analysis



Design criteria

Key research themes emerged during the Discover phase. These were used as design criteria to guide analysis of the options.



Organisational efficiency

Changes to structure should reduce administrative duplication and ambiguity for governors in the operation of two separate Boards, as well as improving efficiency of functions within and across the organisations.

Related insight

Stakeholders observe inefficiency in the operation of the two Boards including the duplication of reporting to meet the differing needs of both Boards, reiterated papers by staff, and Board members repeating discussions on both Boards. Some Board members struggle to understand what is separate and common about the responsibilities and procedures of the two Boards.



Alignment: Joined up thinking and action

Changes to structure should support strong alignment between High Performance and Community Activation, especially when working with partners in relation to investment and taking an integrated approach to the athlete pathway and wellbeing.

Related insights

At times both senior leadership teams find themselves with different and competing priorities and there is not a clearly defined or understood process to resolve competing interests between the organisations. This may lead to governance involvement in management and operational decisions, duplication in roles, or uncoordinated work in the sector.

There is a need for greater alignment between Sport NZ and HPSNZ when working with mutual partners so that they can support each other's outcomes, prioritise activities and utilise resources more effectively. At times there is misaligned messaging coming from both Sport NZ and HPSNZ which causes confusion as partners receive conflicting or duplicated information.

Sport NZ and HPSNZ use "partner plans" to create greater alignment when working with mutual partners. However, behaviours across both organisations do not always match the intention of the plans.

Respondents are uncertain about how the two organisations should work together in relation to athlete wellbeing.

There is also continued disagreement about the focus given to formal sports compared to active recreation and play. The review has raised the question whether the organisations are best set up to deliver in both sectors without unduly compromising the outcomes for either sector.



Protecting High Performance strengths

Changes to structure should maintain the strategic influence of both high performance and community activation, ensuring that each gets appropriate attention from governance and executive leadership. A more joined-up approach with Sport NZ should not compromise the expertise and effective working culture of HPSNZ.

Related insights

Due to its time-critical and media sensitive nature, and its readily articulated logic of interventions, high performance tends to attract attention in governance and across senior leadership discussions even when it should not be in focus. For this reason, the work of high performance needs to be appropriately separated from community activation, while identifying the overlaps.

High performance requires some financial and strategic autonomy to influence, advocate for, and deliver focused high performance outcomes. This autonomy and strong independent identity is also a factor in attracting global talent to HPSNZ.

High performance needs a strong voice in governance to properly represent the high performance interest. Some stakeholders recognised that a High Performance Advisory Committee could provide sufficient leadership in a single Board structure if committee members had sufficient high performance experience based on the recent effectiveness of joint Board committees e.g., with Integrity, COVID investment etc.



Enabling partners through collaboration

Changes to structure should support strong collaboration with sector partners, enabling them to leverage their knowledge, community networks and assets to inform and deliver to the Sport NZ and HPSNZ strategies. Collaboration would include planning for partners' long-term viability and facilitating projects across partners to achieve scale and efficiency for (their own) solutions.

Related insights

Partners acknowledge the value that Sport NZ and HPSNZ bring, both in terms of investment and strategic support. However, the terms for investment sometimes drive NSOs and RSTs away from what they know about their sport and/or communities, including distinctive demographic needs (e.g., aging population, diversifying ethnicities) and the capabilities of those communities that could be leveraged.

Some partners including Māori NSOs receive very little support and there is an opportunity to empower partners over the longer term to develop capability in more self-defined ways. This can empower partners to meet the needs of their own communities, while also working with whole-of-population insight and approaches from the centre.



Upholding Te Tiriti o Waitangi Commitments

Changes in structure present an opportunity to support Sport NZ to deliver on its commitments to uphold the mana of Te Tiriti o Waitangi (Te Tiriti) and the principles of Partnership, Protection and Participation (Te Tiriti commitments). These opportunities include addressing existing relationship challenges, strengthening Māori representation in strategic decision-making, and devolving decision-making to Māori communities

and organisations. These changes require authentic partnership with Māori based on trust, and an uplift of cultural capability and intelligence internally. Sport NZ and HPSNZ are committed to creating change over the long term, beginning with the Sport NZ Board approval of Te Pākē o Ihi Aotearoa, the Māori Outcomes Framework (Te Pākē o Ihi Aotearoa), and Te Aho a Ihi Aotearoa, the Māori Activation Plan (Te Aho a Ihi Aotearoa).

Related insights

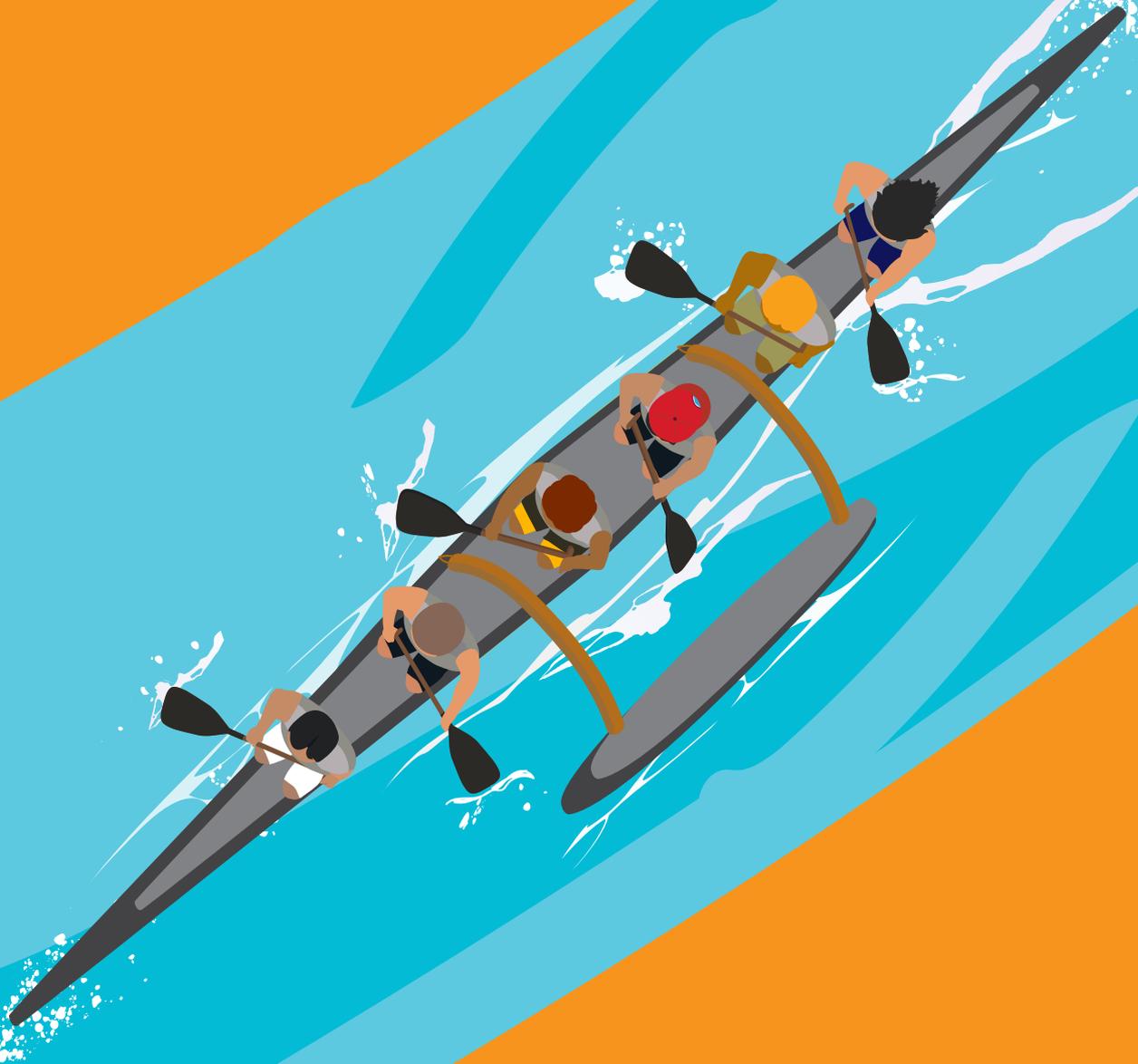
Māori stakeholders acknowledge Sport NZ has stated commitments to Te Tiriti o Waitangi. However, these stakeholders believe Sport NZ and HPSNZ do not understand what Te Tiriti partnership is and how it should manifest in the organisations.

Low Māori representation in governance and leadership requires Māori staff to pick their battles and their time is often taken up with the need to educate others within the organisation about challenges facing Māori.

Māori sport and NSOs feel disconnected from Sport NZ. Some believe whakawhānaungatanga is missing from how relationships with partners are built and accordingly, how decisions are made.

SECTION FOUR

Recommended options



Understanding the options

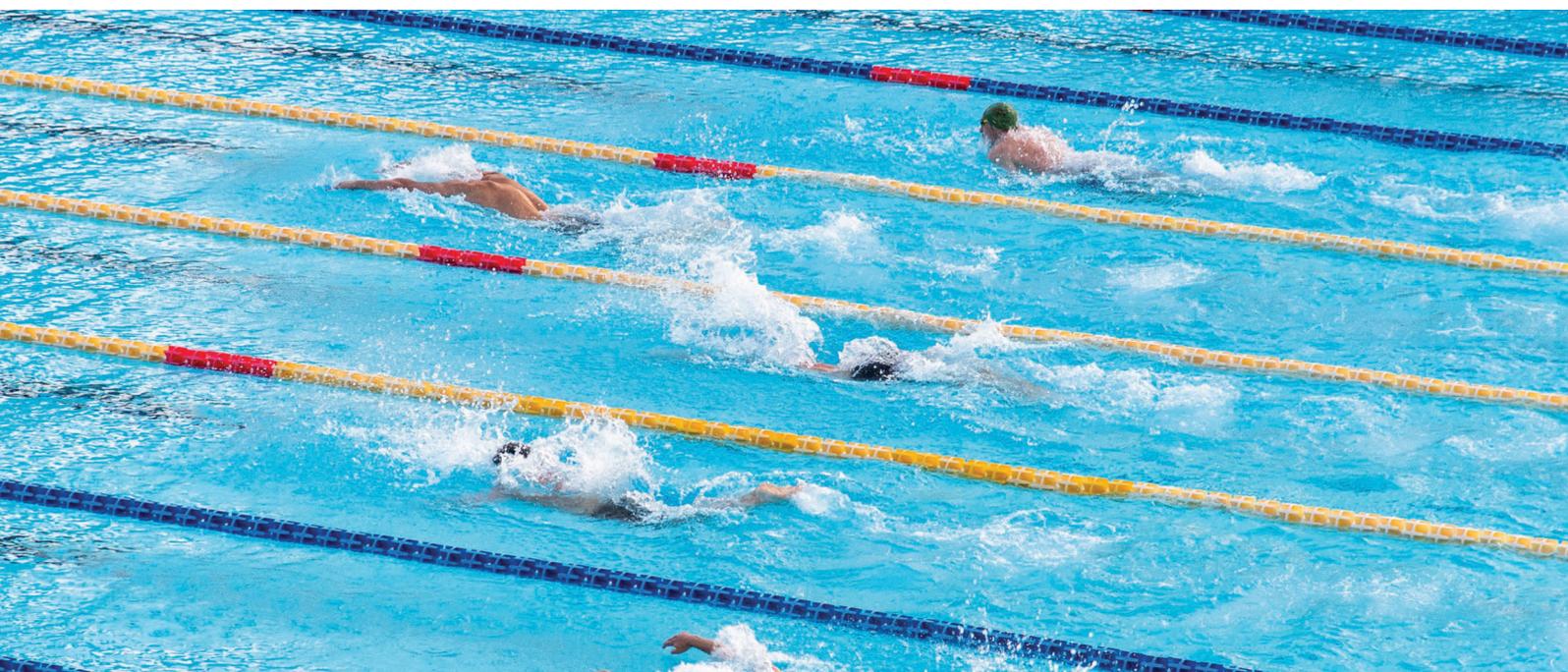
Each option is described by three components:

- **Governance and leadership structure:** Define whether there is one or more organisation(s) and provides a foundation for the direction and management of operations.
- **Te Tiriti features:** Are the structures and relationships that support governance and leadership to deliver on Te Tiriti commitments.
- **Potential functional arrangements:** Are the way the activities of an organisation are structured in relation to each other, for example divisionally, with functions delivered through shared services or integrated delivery functions. They do not refer to specific roles or teams.

In this review the functional arrangements are provided as an indication of how the future activities might be organised to enable the structural option to succeed. Further functional design and organisational design will be required to understand the functions and how they could be arranged in the future.

For the purposes of this review, the recommended options include functions that can be delivered:

- Through a divisional structure e.g., as part of one division/business unit
- As a shared service: where back-office functions are used by multiple divisions to create greater consistency and efficiency.
- Through integrated delivery, where functions deliver to objectives or outcome domains that cut across divisions. Delivery can be by way of:
 - Networks of practice: where expertise is assembled from multiple divisions of an organisation and coordinated and supported via a central hub when the need arises, for example, during an annual planning cycle. Members of the network have a single reporting line to divisional managers.
 - Distributed service: where expertise is distributed from one function to different divisions, reporting both to the host division manager and to the function leader. The central function provides standardisation and best practice, while the distribution ensures local knowledge, trust, and tailoring of service. This method is usually applied when delivery to the cross-cutting objectives requires frequent and ongoing action.



Te Tiriti features

Te Tiriti features are the structures and relationships that support Sport NZ and HPSNZ governance and leadership to deliver on their Te Tiriti commitments. These features were developed through research and stakeholder insights into similar features currently integrated across the public and private sectors.

The Advisory Group considered the mandating of equal representation of Māori on the Board (and other governance committees) as an effective enabler in the delivery on Te Tiriti commitments by Sport NZ. Whilst it is acknowledged that this is outside the scope of this review, it became apparent that the Advisory Group had a shared view that equal representation at governance level should remain an aspiration for Sport NZ and HPSNZ.

In designing the recommendations for the Te Tiriti features set out in this document, the Advisory Group also wishes to express its view that the Sport NZ Board should work with the Minister of Sport and Recreation towards achieving the goal of equal representation of Māori on the Sport NZ Board – acknowledging that the Minister's discretion to appoint Board members would require a change in legislation to mandate Māori representation.

The Advisory Group also acknowledges the recent Sport NZ Board approval of Te Pākē o Ihi Aotearoa and Te Aho a Ihi Aotearoa. This framework and activation plan will help to strengthen and complement the features of each recommended option.

Of the features in scope, the Advisory Group's preference was for those that enhance Māori cultural capability and provide wrap around governance and leadership support.

The recommended Te Tiriti features are:

- A "Taumata Māori" – an advisory committee to the Sport NZ Board
- "Te ao Māori support" for the CEO / CEOs
- General Manager – Te Kāhui Rautaki Māori (General Manager – Rautaki Māori), responsible for leading Kāhui Rautaki Māori / Māori Business Unit (Te Kāhui Rautaki Māori).

These features are described in detail in the Options section below.

Options

As discussed above in the Executive Summary, stakeholders widely acknowledge that the increasing breadth of the strategic focus that goes beyond sports to active recreation and play, creates a tension within Sport NZ and between Sport NZ and HPSNZ. Acknowledging the tension between different mandates, the Advisory Group considered options that included separation and devolving of functions so they could be better connected with the sports sector or with health agencies. While these ideas were out of scope, they served as a provocation to what might be possible to better deal with the tension.

The Advisory Group agreed to bring the following two options to the Board for consideration:

- **Option 1: Single Organisation**
Bringing Sport NZ and HPSNZ together to form one organisation with one Board and one CEO while enabling high performance influence; or
- **Option 2: Simplified Governance of Status Quo**
The removal of the current HPSNZ Subsidiary Board but retaining two organisations each with a CEO.

These options raise two questions:

- How well does the option support the organisation(s) to work freely and innovatively with partners on two different mandates: community activation, talent development and high performance; and the promotion of healthy active lifestyles generally?
- To what extent does separation in leadership limit the helpful integration of the two mandates, for example in relation to innovation, behaviour change research, and building partner (corporate) capability and sustainability?

The analysis below of each option includes:

- Key features
- Summary of rationale
- Potential functional arrangement
- Benefit and risk analysis.

OPTION ONE

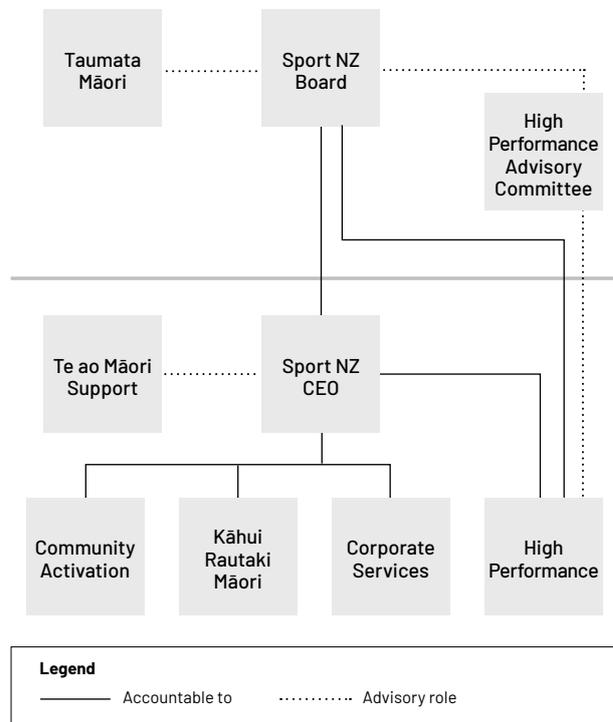
Single organisation

This option brings Sport NZ and HPSNZ together to form one organisation with one Board and CEO while enabling high performance influence. The structure enables improved organisational efficiency and joined up thinking and action between both organisations.

Key design criteria met: Organisation efficiency,
Alignment: Joined up thinking and action

Key features

- Sport NZ and HPSNZ are brought together into one organisation with one CEO and one Board.
- The CEO is primarily responsible for all non-high performance activities, as well as shared services and integrated delivery functions like investment, the athlete pathway (talent development), and partner relationship management.
- High performance leadership appears ex-officio on Board matters relating to high performance and is primarily responsible for all operational decisions relating to high performance. If the CEO disagrees with the High Performance leadership on high performance decisions and is unable to resolve the disagreement (by consensus-making processes the organisation might design), the CEO (together with the Board) retain ultimate accountability in the organisation.
- The high performance leadership work with the wider leadership team in relation to shared services and integrated delivery functions but the leadership team will not be involved in high performance decision making matters e.g., high performance service delivery or innovation.
- A High Performance Advisory Committee is chaired by a member of Sport NZ Board. The Committee provides expert advice to both the HPSNZ CEO and to the Board. This is more than just a reference group, all matters relating to high performance strategy and innovation go through the High Performance Advisory Committee before being finalised by the Sport NZ Board. Decision rights may include funding allocations. Sport NZ would be responsible for appointing independent Committee



- members and establishing an attributes matrix that includes innovation and international high performance skills and experience in areas such as sport science and medicine, technology, and research. This committee does not deal with corporate governance matters.
- The Taumata Māori holds the mandate to consider and make recommendations to the Sport NZ Board on matters that inform delivery by Sport NZ and HPSNZ on their Te Tiriti commitments.
- The CEO has access to tailored te ao Māori support (including but not limited to te reo, mātauranga, and tikanga Māori).
- Per Te Aho a Ihi Aotearoa, a General Manager - Rautaki Māori will be appointed, taking responsibility for leading Te Kāhui Rautaki Māori.

Summary rationale

This option simplifies governance and leadership decision making and better aligns the organisation to shared outcomes through a single Board, CEO, and leadership team, driving collaboration. The High Performance leadership retains influence, as ex-officio on Board matters relating the high performance which avoids unnecessary contention with community activation through a clear division of mandate.

The removal of the HPSNZ Board and the introduction of a High Performance Advisory Committee enables focused attention on high performance matters, reducing the duplication of governance functions. The single Board provides greater sector leadership and clarity, and a single CEO supports alignment of key matters and retains the point of ultimate accountability in the organisation, while providing autonomy to High Performance to maintain world class success.

For this structure to be effective, clear decision rights between the CEO and High Performance leadership must be established and effectively resolved by consensus-making processes that the organisation might design. The remit provided to the High Performance function/division must include a degree of autonomy and independence in decision making so the function can work efficiently on matters that do not relate to other functions. Any structural change must maintain the effectiveness and competitive advantage of the high performance system. This governance and leadership structure is designed to enable Sport NZ to find a balance between supporting both the Community Activation and High Performance functions. The core leadership team will need to work together and negotiate matters in relation to shared services and integrated delivery functions, in particular those that support efficiency and coordination for partners.

The Taumata Māori provides valuable guidance at a governance level on Te Tiriti, Māori sport, strategy, investment, and Māori outcomes. The introduction of guidance at this level provides greater organisational accountability for matters of relevance to Māori. Further, the Taumata Māori provides support for Māori Board members, or if no Māori are on the Board, provides guidance to the Board more generally.

Providing te ao Māori support for the CEO ensures that te reo, mātauranga, and tikanga Māori are appropriately acknowledged and employed by the CEO in his / her day-to-day work. The amount and type of support required will depend on the CEO's own cultural competence. Importantly, this support will provide cultural safety for the CEO, whilst demonstrating appropriate cultural respect to the Māori partners and stakeholders the CEO is engaging with.

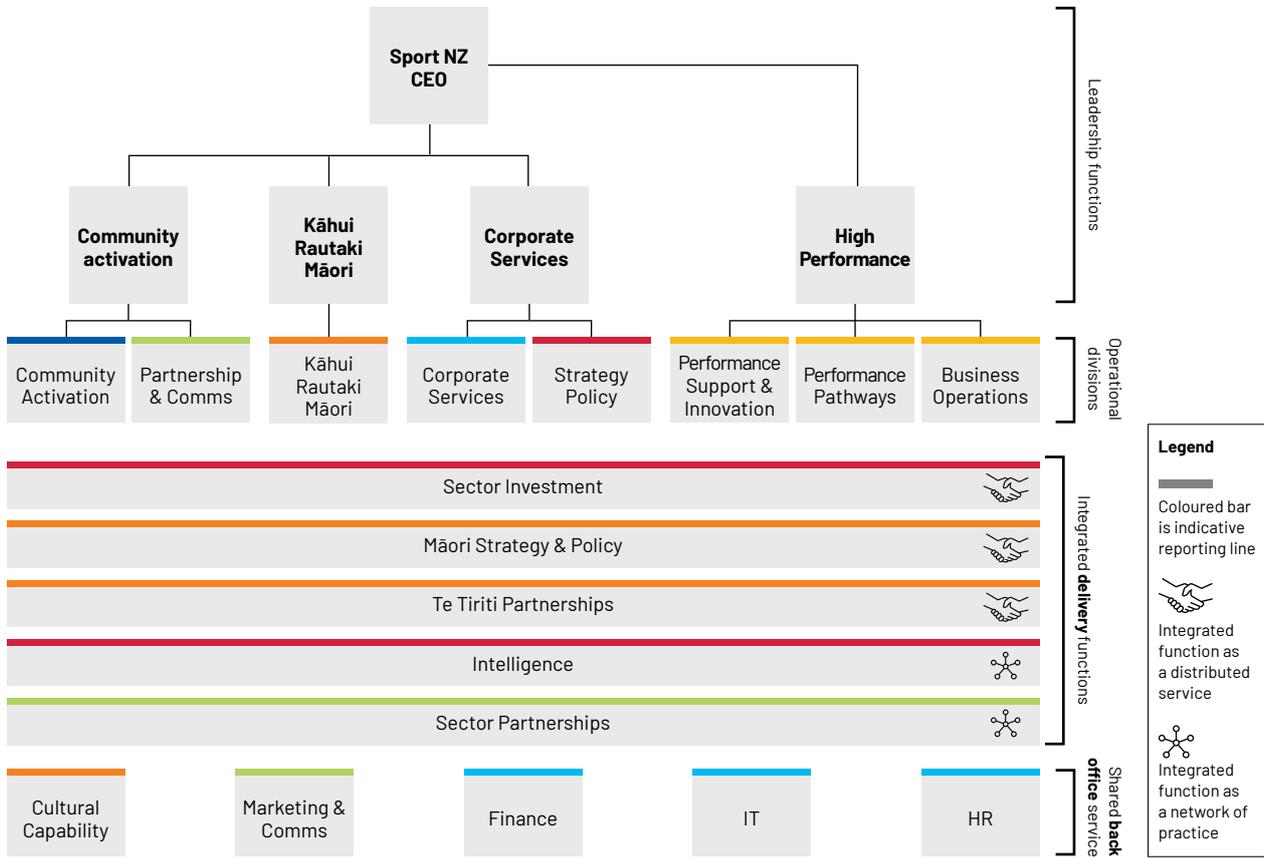
Responsible for leading Te Kāhui Rautaki Māori, the General Manager – Rautaki Māori ensures the elevation of the Māori voice in senior leadership.

The coming together of the two organisations risks the high performance mandate attracting a disproportionate focus in governance and operations due to the media-sensitive, time-critical nature and visibility of high performance outcomes. There are two distinctive organisational cultures and strategies. Significant change management and supportive leadership will be required to support these two organisations coming together.

While Option 1 would achieve operational efficiencies, some members of the Advisory Group (as well as some stakeholders in the high performance sector) raised concerns about whether this Option could adversely impact High Performance innovation, and New Zealand's sustained international sporting success.

Implications for potential functional arrangements

This information is provided to illustrate how functional arrangements are needed to achieve the opportunities identified in the review and the implications of each option on those functional arrangements. Not all possible functions are included.



Bringing together both organisations introduces multiple opportunities for cross-functional delivery, including both shared services and integrated delivery functions. For example:

Integrated Delivery Functions that could be used to enable collaboration and consistency in planning and delivery include:

- Sector Investment
- Māori Strategy and Policy, and Te Tiriti Partnerships
- Intelligence. This could be organised as a network of practice with dedicated resource providing planning and monitoring capability that coordinates expertise across divisions when needed.
- Sector partnerships draws on expertise from Community and High Performance to deliver to partners based on the assessment of their needs. This provides flexibility for partners who want to have one touch point.

Shared services that could be used to enhance back-office capabilities include:

- HR, IT, and Finance
- The Cultural Capability function, enabling all divisions to uplift their ability to work with Māori colleagues, partners, stakeholders, and athletes and community participants across both Sport NZ and HPSNZ.

Existing High Performance functions would mostly remain, and consideration could be given to a new High Performance function for athlete wellbeing and environments. This could be delivered as a network of practice that works on common objectives relating to wellbeing for high performance athletes and community participants in the training environment.

An example of a potential functional arrangement for future consideration is an integrated sport function that provides a separate focus on formal sport as compared

to active recreation and play. The sport function would support the whole athlete pathway and the work of NSOs through the clubs in driving active lifestyles in target populations. The leader of the sport function would work with leadership of community activation and high performance, particularly in the talent development pathway. This function would also help clearly

differentiate operations that promote active recreation and play, which might help drive innovation and community development by more focused collaboration with central and local government and the community sector. The functional separation might provide staff and other stakeholders greater clarity about how the strategies can be implemented without considerations

Benefits and risk analysis

Design criteria	Benefit	Risk
 <p>Organisation efficiency</p>	<ul style="list-style-type: none"> • Clear accountability for strategic decisions including response to Ministerial direction provides clarity and may increase efficiency in operations, especially in the pursuit of government objectives. • Gains in efficiency are achieved through enhanced shared support services and integrated delivery functions e.g., sector investment, intelligence, and Māori. • The Taumata Māori will bring its unique skillset, and provide capability and capacity support to the Sport NZ Board on matters relevant to Māori. • Te ao Māori support for the CEO will enable timely and appropriate access to culturally competent guidance. • Simplified governance reduces support workload including that of senior leaders attending and preparing for meetings. 	<ul style="list-style-type: none"> • A High Performance Advisory Committee may get involved in governance matters that are within the remit of the Sport NZ Board. • The Taumata Māori may be drawn into management and / or operational matters. Appropriate Māori resourcing at leadership, management and operational levels of Sport NZ will mitigate some of this risk. • A General Manager – Rautaki Māori may have a significant number of functions within their remit, reducing their ability to successfully deliver on intended outcomes. Clear, shared ownership of outcomes across the management and operational layer would help mitigate this risk. • Systems and processes may be too specific to integrate into full shared service or integrated delivery functions, which could limit efficiencies gained from the organisation coming together including enhanced shared support services.

Design criteria	Benefit	Risk
 <p>Alignment: Joined up thinking and action</p>	<ul style="list-style-type: none"> Minister has greater oversight over both High Performance and Community through a single Board. Alignment of purpose through a single Board Chair and CEO. Minister has greater confidence on appropriate engagement with Māori on key matters. Single point of leadership provides strong support to integrated delivery functions, especially for cross-cutting objectives relating to partner experience, the athlete pathway, and sector capability and sustainability. Connectedness between the Taumata Māori, te ao Māori support and the General Manager – Rautaki Māori will allow challenges and opportunities across the organisation to be better understood and dealt with. 	<ul style="list-style-type: none"> The breadth of mandate for the single Board and CEO may impact the Board and CEOs ability to effectively govern and manage across both mandates. The ability of the CEO to work specifically with High Performance and Community functions may mitigate this impact. There is a risk that consensus will fail between the CEO and the High Performance leadership function particularly around the scope and performance of shared services and integrated delivery functions, making it more difficult to align the organisation in those ways. The media-sensitive, time-critical, and visibility of HP outcomes may take focus away from the Community mandate. This option will require the different organisational cultures to work together, producing challenges for integrated delivery functions. An unclear mandate for the Taumata Māori may impact its ability to effectively contribute to matters of relevance to Māori. Clear understanding across the organisation of the role and responsibilities of the Taumata will help address this. Lack of role clarity and connectedness between the Taumata Māori, te ao Māori support and the General Manager – Rautaki Māori will result in issues of isolation (of Māori staff) and lack of awareness of and commitment to Māori issues continuing.

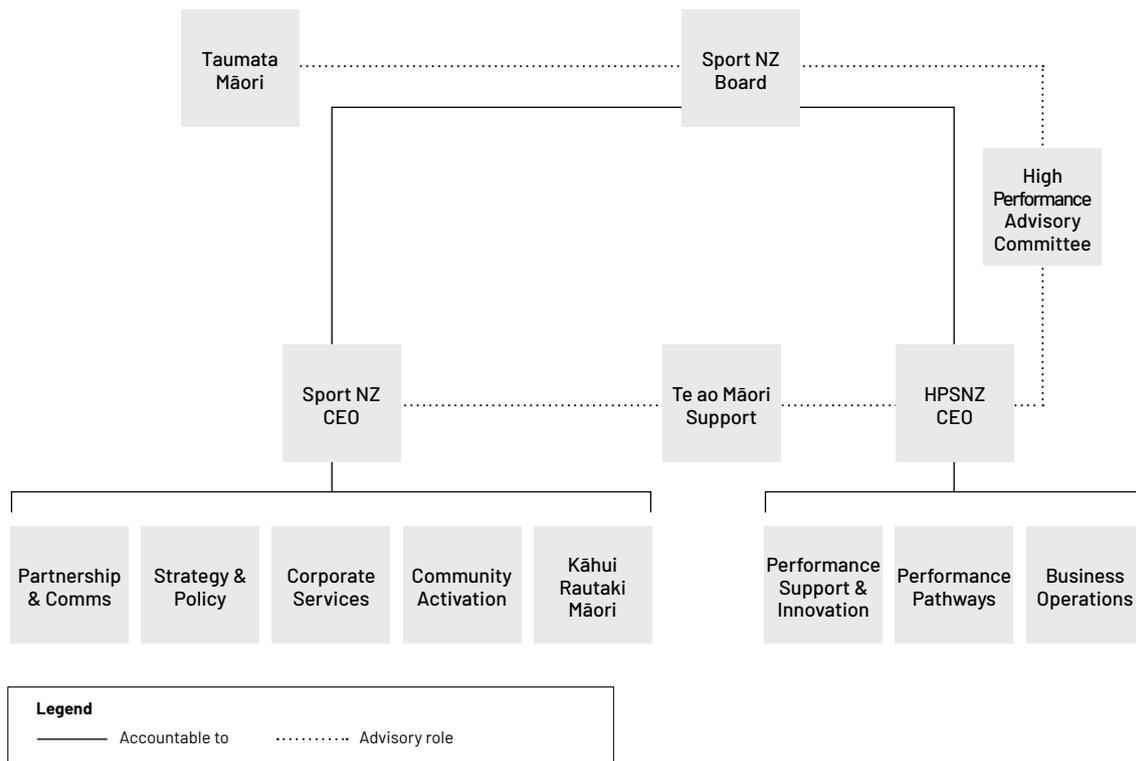
Design criteria	Benefit	Risk
 <p>Protecting High Performance strengths</p>	<ul style="list-style-type: none"> • High performance retains influence, with the ability to elevate the work of high performance experts and maintain funding, and focus on delivering outcomes through the formal sports sector, avoiding unnecessary contention with community activation (particularly active recreation and play) through a clear division of mandate. • Identity of HPSNZ organisation is somewhat protected internationally and among staff, to attract and retain talent including globally. The branding of HPSNZ is retained for the high performance function and any doubt among staff and international recruits should diminish once the functions showed themselves as equally effective. • CEO does not require strong high performance experience or background. • There is no loss of High Performance functions or direct relationships with partners. • The High Performance Advisory Committee is appointed by the Sport NZ Board and provides high performance expertise to the Board and reassures high performance staff and sector partners that the strategic influence of high performance perspectives remains. This may also make it easier to attract international talent. • A member of Taumata Māori could sit on the High Performance Advisory Committee to support Māori in high performance. • High Performance to seek guidance on delivering on athlete need, particularly in relation to enabling culturally competent training environments. This is important for maintaining safe spaces for elite Māori athletes. 	<ul style="list-style-type: none"> • Any significant structural change creates risk for the progress and performance of the high performance system. • Risk of being subject to variable policy and leadership changes in Sport NZ and /or political preferences which impacts the strategic long term view, investment, strategy, and global benchmarking in the high performance sector. However, as High Performance relies on public investment it will continue to be defined by government regardless of structure. • The strategic influence of high performance in the system and its ability “to get on with it” may be limited in this option due to negotiating time and attention from a single Board and potential competition with other functions (e.g., Community), especially in response to tightening fiscal policy or ministerial changes. • The High Performance Advisory Committee are not the ultimate decision makers which removes accountability and could dilute high performance focus. • Risk that the integration of high performance could create a perception that discourages global talent from applying to NZ-based roles required for innovation and performance.

Design criteria	Benefit	Risk
 <p>Enabling partners through collaboration</p>	<ul style="list-style-type: none"> • Single strategy and investment functions provide a total planning capability for short and long term needs across partners' HP and community participation activities. • The partner experience is improved by reducing contact points and providing a joined up view. • High Performance and Community functions more easily collaborate to share knowledge, innovate and respond to challenges and opportunities including collective sector-based solutions and corporate capability building for partners. • The Taumata Māori can make recommendations that directly respond to Māori partner challenges and opportunities. • As a SLT member, the General Manager – Kāhui Rautaki Māori will be more appropriately positioned to influence the design, implementation and improvement of partnerships with Māori. 	<ul style="list-style-type: none"> • A conflict of interest may exist if the investor and service provider are the same organisation working with the same partners i.e., partners unwilling to provide critical feedback on services. This may be mitigated through a robust, mutual feedback process that managed under a code of ethics. • Well defined and trusted relationships between Sport NZ and Māori partners will be required to enable the Taumata Māori and General Manager – Rautaki Māori to enable deliver on collaborative partnerships.
 <p>Upholding Te Tiriti o Waitangi Commitments</p>	<ul style="list-style-type: none"> • Taumata Māori supports strategic decision making in relation to Te Tiriti commitments. • Connectivity across the Taumata Māori, te ao Māori support and the General Manager – Rautaki Māori and the organisation more broadly elevates challenges and opportunities for Māori directly to CEO and to the Board. • Te ao Māori support enhances cultural intelligence of the CEO and enables demonstration of an understanding of and connection with te ao Māori. 	<ul style="list-style-type: none"> • Without decision-making rights, the Taumata Māori has limited ability to represent Māori in strategic decision making and uphold the principles of Te Tiriti o Waitangi, including partnerships with Sport NZ. • Authentic engagement with Māori will depend on appropriate appointments being made, along with appropriate resourcing levels. Sport NZ has signalled a commitment to this through the approval of Te Aho a Ihi Aotearoa. • Māori functions may become isolated if not well integrated across the organisation. This could be mitigated with strong Māori representation across other leadership functions.

OPTION TWO

Simplified governance

This option retains two organisations each with their own CEO. Each organisation would report to the one Board. This structure enables improved organisational efficiency while best protecting High Performance strengths.



Key features

- Sport NZ and HPSNZ remain separate as two organisations with two CEOs.
- Two CEOs report into one Board.
- There is no HPSNZ Subsidiary Board. This option introduces a High Performance Advisory Committee, chaired by a member of the Sport NZ Board. The Committee provides expert advice to both the HPSNZ CEO and to the Board. This is more than just a reference group, all matters relating to high performance strategy and innovation go through the High Performance Advisory Committee before being finalised by the Sport NZ Board. Decision rights may include funding allocations. Sport NZ would be responsible for appointing independent Committee members and establishing an attributes matrix that includes innovation and international high performance skills and experience in areas such as sport science and medicine, technology, and research. This committee does not deal with corporate governance matters.
- The Taumata Māori holds the mandate to consider and make recommendations to the Sport NZ Board on matters that inform delivery by Sport NZ and HPSNZ on their Te Tiriti commitments.
- Both CEOs have access to tailored te ao Māori support (including but not limited to te reo, mātauranga, and tikanga Māori).
- Per Te Aho a Ihi Aotearoa, a General Manager – Rautaki Māori will be appointed, taking responsibility for leading Te Kāhui Rautaki Māori.

Summary rationale

This option simplifies governance while retaining two CEOs and two organisations. A single Board provides oversight of both Community Activation and High Performance strategic objectives. By retaining the two organisations, High Performance and Community Activation have independence in how they function, protecting the operational strengths of both mandates and their separate identities in the sector, with less disruption and lower cost of change. The identity of HPSNZ is protected internationally and among staff, to attract and retain talent including globally which is required to drive success for the future.

To be successful, the remit of the High Performance Advisory Committee must be well understood and integrated into both governance and operational decision making. The appointment of members must consider the need for High Performance skills and experience to support the high performance strategy and support the Board in informed and effective decision making.

The Taumata Māori provides valuable guidance at a governance level on Te Tiriti, Māori sport, strategy, investment, and Māori outcomes. The introduction of guidance at this level provides greater organisational accountability for matters

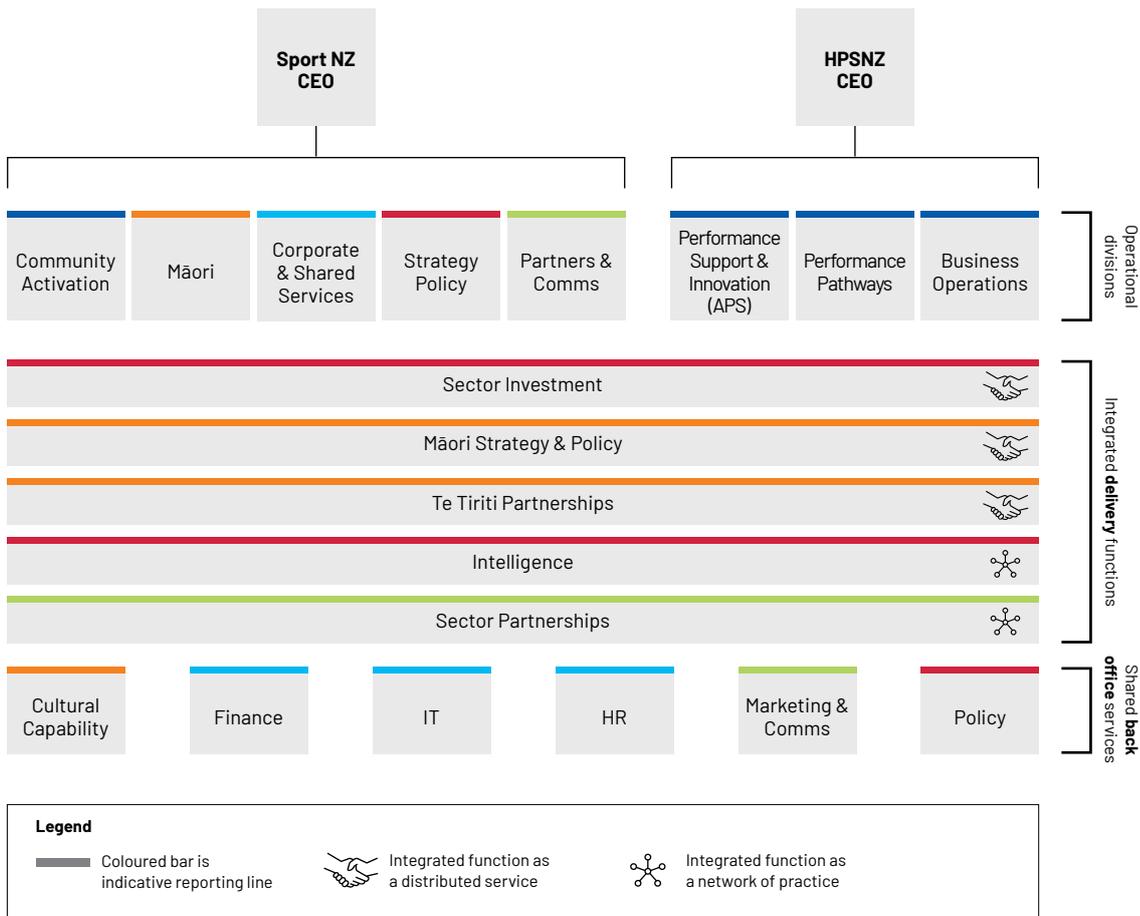
of relevance to Māori. Further, the Taumata Māori provides support for Māori Board members, or if no Māori are on the Board, provides guidance to the Board more generally.

Providing te ao Māori support for both CEOs will enable te reo, mātauranga, and tikanga Māori are appropriately acknowledged and employed by the CEOs in their day-to-day work. The amount and type of support required will depend on the cultural competence of the respective CEOs. Importantly, this support will provide cultural safety for the CEOs, whilst demonstrating appropriate cultural respect to the Māori partners and stakeholders the CEOs are engaging with.

Responsible for leading Te Kāhui Rautaki Māori, the General Manager – Rautaki Māori ensures the elevation of the Māori voice in senior leadership.

Enhanced functional arrangements may provide greater alignment and coordination across the two organisations, for example, fully integrated shared service functions such as Finance, HR, IT and well as a single investment function within Sport NZ. To enable this, the two CEOs must negotiate conflict effectively and align on common areas such as athlete pathway. The shared support functions must also deliver effectively across both organisations.

Potential functional arrangements



This information is provided to illustrate how functional arrangements are needed to achieve the opportunities identified in the review and the implications of each option on those functional arrangements. Not all possible functions are included.

This option will provide opportunities for cross-organisational delivery of functions, including both shared services and integrated delivery functions. However, the success of these will depend on cross-organisational commitment to implement and support the functions to work effectively across both organisations. This commitment will need to be at the leadership level, as well as within policy, processes and performance frameworks.

Existing High Performance functions will remain in HPSNZ, and consideration could be given to a new High Performance function for athlete wellbeing and environments.

Integrated delivery functions. The majority of these functions will sit within Sport NZ and provide functional support to HPSNZ. This could include:

- Sector Investment, as a distributed service that reports to Strategy & Policy (Sport NZ)

- Māori Strategy and Policy, and Te Tiriti Partnerships, as a distributed service that reports to Te Kāhui Rautaki Māori (per Te Aho a Ihi Aotearoa)
- Intelligence as a network of practice that provides planning and monitoring capability from a hub within Strategy & Policy (Sport NZ) and coordinates expertise across Sport NZ and HPSNZ when needed.
- Sector partnerships, reports to Partnership & Comms (Sport NZ) and draws on expertise from Sport NZ and HPSNZ to deliver to partners based on the assessment of their needs. This provides flexibility for partners who want to have one touch point into Sport NZ and HPSNZ.

Shared services to enhance back office capabilities

- HR, IT, and Finance as fully integrated shared services reporting to Corporate Services within Sport NZ, improving efficiency.
- The Cultural Capability function will remain within the remit of Te Kāhui Rautaki Māori (per Te Aho a Ihi Aotearoa) enabling all divisions to uplift their ability to work with Māori colleagues, partners, stakeholders, and athletes and community participants across both Sport NZ and HPSNZ.

Benefits and risk analysis

Design criteria	Benefit	Risk
 <p>Organisation efficiency</p>	<ul style="list-style-type: none"> Enhanced cross-organisational delivery of functions, including both shared services and integrated delivery functions. However, the success of these will depend on cross-organisational commitment to implement and support the functions to work effectively across both organisations. Simplified governance should reduce governance workload including that of senior leaders attending and preparing for meetings. Single Board provides clear accountability for strategic decisions including response to Ministerial direction. Should provide clarity of role and may increase efficiency in operations, especially in the pursuit of government objectives. The Taumata Māori will bring its unique skillset, and provide capability and capacity support to the Sport NZ Board on matters relevant to Māori. Te ao Māori support for the CEOs will enable timely and appropriate access to culturally competent guidance. 	<ul style="list-style-type: none"> The functional arrangements may be complicated and either resulting in duplicate shared services and integrated delivery functions which may dilute their effectiveness. A High Performance Advisory Committee may get involved in governance matters that are within the remit of the Sport NZ Board. Risk of continued duplication of functions and activities i.e., support services. The Taumata Māori may be drawn into management and / or operational matters. Appropriate Māori resourcing at leadership, management and operational levels of Sport NZ will mitigate some of this risk. A General Manager – Rautaki Māori may have a significant number of functions within their remit, reducing their ability to successfully deliver on intended outcomes. Clear, shared ownership of outcomes across the management and operational layer would help mitigate this risk.
 <p>Alignment: Joined up thinking and action</p>	<ul style="list-style-type: none"> Minister has greater oversight over both High Performance and Community through single Board. One Board oversees both organisations so there is clear leadership and accountability across the two. Both organisations can understand their respective differences and mutual responsibilities and work together on overlapping system issues. Effective if both entities are given the remit and resourcing required to achieve their outcomes. Minister has greater confidence on appropriate engagement with Māori on key matters. Connectedness between the Taumata Māori, te ao Māori support of both CEOs and the General Manager – Kāhui Rautaki Māori will allow challenges and opportunities across the organisation to be better understood and dealt with. 	<ul style="list-style-type: none"> It relies on governance and management working collaboratively together in a high trust mode on system wide issues. Personality conflicts between CEOs could impact ability of organisations to work effectively together. Relationships with partners and Minister can be complicated to manage as there are two leadership voices in the sector. An unclear mandate for the Taumata Māori may impact its ability to effectively contribute to matters of relevance to Māori. Clear understanding across the organisation of the role and responsibilities of the Taumata will help address this. Lack of role clarity and connectedness between the Taumata Māori, te ao Māori support and the General Manager – Kāhui Rautaki Māori will result in issues of isolation (of Māori staff) and lack of awareness of and commitment to Māori issues continuing.

Design criteria	Benefit	Risk
 <p>Protecting High Performance strengths:</p>	<ul style="list-style-type: none"> The identity of HPSNZ is protected internationally and among staff, to attract and retain talent including globally which is required to drive success for the future. The High Performance Advisory Committee is appointed by the Sport NZ Board and provides high performance expertise to the Board and reassures high performance staff and sector partners that the strategic influence of high performance perspectives remains. This may also make it easier to attract international talent. A member of Taumata Māori could sit on the High Performance Advisory Committee to support Māori in high performance. High Performance to seek guidance on delivering on athlete need, particularly in relation to enabling culturally competent training environments. This is important for maintaining safe spaces for elite Māori athletes. 	<ul style="list-style-type: none"> The High Performance Advisory Committee are not the ultimate decision makers which removes accountability and could dilute high performance focus. Sector Investment functions is transferred to Sport NZ and could result in the dilution of focus on high performance outcomes over time, particularly if there is less revenue going into the system. The General Manager – Kāhui Rautaki Māori may not have the ability to influence within HPSNZ.
 <p>Enabling partners through collaboration</p>	<ul style="list-style-type: none"> Least disruption to working relationships in the sector. Investment into partner organisations is considered from the perspectives of Community Activation, High Performance, and organisational sustainability as functional arrangements bring alignment and holistic oversight to decisions relating to partners. The Taumata Māori can make recommendations that directly respond to Māori partner challenges and opportunities. As a SLT member, the General Manager – Kāhui Rautaki Māori will be more appropriately positioned to influence the design, implementation and improvement of partnerships with Māori. 	<ul style="list-style-type: none"> The strengthening of functional arrangements is not implemented effectively and does not reduce fragmentation of effort and cohesion across the sector. E.g., investment remains separate, lack of coordination when working into mutual partners. Well defined and trusted relationships between Sport NZ and Māori partners will be required to enable the Taumata Māori and General Manager – Kāhui Rautaki Māori to enable deliver on collaborative partnerships.
 <p>Upholding Te Tiriti o Waitangi Commitments</p>	<ul style="list-style-type: none"> Taumata Māori supports strategic decision making in relation to Te Tiriti commitments. Connectivity across the Taumata Māori, te ao Māori support and the General Manager – Kāhui Rautaki Māori and the organisation more broadly elevates challenges and opportunities for Māori directly to the CEOs and to the Board. Te ao Māori support enhances cultural intelligence of both CEOs and enables demonstration of an understanding of and connection with te ao Māori. 	<ul style="list-style-type: none"> Without decision-making rights, the Taumata Māori has limited ability to represent Māori in strategic decision making and uphold the principles of Te Tiriti o Waitangi, including partnerships with Sport NZ. Authentic engagement with Māori will depend on appropriate appointments being made, along with appropriate resourcing levels. Sport NZ has signalled a commitment to this through the approval of Te Aho a Ihi Aotearoa. Māori functions may become isolated if not well integrated across the organisation. This could be mitigated with strong Māori representation across other leadership functions.

SECTION FIVE

Other considerations



Two other matters were raised by stakeholders that relate to the feasibility of structural change: quality of leadership; and financial considerations.

Quality of leadership

Throughout the review stakeholders said that the ability of leaders to listen, collaborate and bring a balanced point of view was the key to achieving alignment between High Performance and Community Activation. Regardless of structure, this challenge would not go away. The current interim structure requires very clear communication and close understanding between the Sport NZ CEO (acting HPSNZ CEO) and HPSNZ COO, in order to effectively manage two organisations from one primary point of accountability. Some stakeholders believe that this is working well and relies on the quality of their relationship. It was not in scope for the Advisory Group to consider the skills and expertise currently in the two organisations. So, the following comments are entirely in the abstract.

Option 1 will require leaders to manage, prioritise and negotiate the breadth of matters across functions in relation to two mandates. Option 2 will require two leaders (and teams beneath them) to work together collaboratively to ensure the arrangement of shared services and integrated delivery functions are effectively implemented across the two organisations.

In addition, stakeholders in the high performance sector were clear that any governance arrangements required governors with sufficient expertise to properly decide on high performance matters. This was debated by some current board members and supported by others.

Financial considerations

The following outlines potential financial considerations for each option. These assumptions have not been tested with either Sport or HPSNZ financial teams. The financial implications of Te Kāhui Rautaki Māori have been met as part of the Sport NZ Board approval of Te Aho a Ihi Aotearoa.

Financial analysis should be undertaken in the next phase of work (see next steps for detail).

Financial considerations related to Option 1

This option assumes that one governance body should decrease governance complexity and associated Board costs. This includes the cost of undertaking

governance (e.g., Board costs) as well as Board support costs (e.g., secretariat), however the addition of the High Performance Advisory Committee and Taumata Māori may result in governance costs overall increasing depending on membership and secretariat requirements.

There is a broad assumption that having one organisation should enable duplicative functions to be reduced and the introduction of collective operational solutions. The different cultures and focus of Sport NZ and HPSNZ mean that there may be benefits in maintaining separate functions, even under this option. Future financial analysis should be conservative in expectation of potential financial benefits (cost savings from reducing duplicative functions) from this option, particularly in the short – medium term.

Bringing together two distinct organisational cultures and strategies will require change management and leadership capacity and capability to implement effectively. There will be costs associated with this.

The cost of change will be higher under this option, for example cost associated with organisational structural design and formal consultation processes. In addition to structural changes, other aspects of the operating model will need to change to support this option for example policies and processes. There will be costs associated with designing and implementing these changes that need to be included in the financial analysis of this option.

Financial considerations related to Option 2

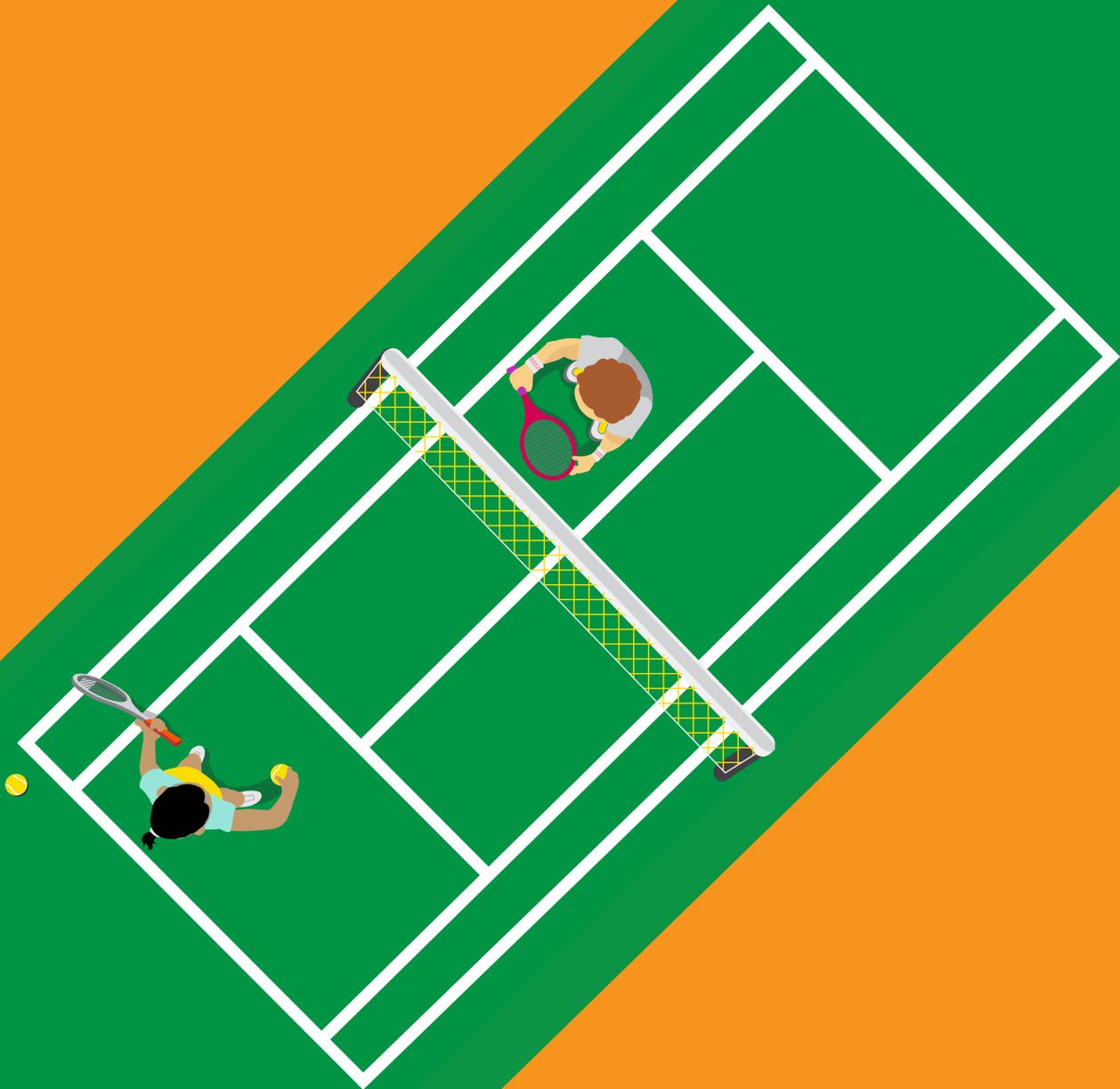
This option assumes that, even though the two organisations remain separate, there will be a focus on optimising and expanding integrated delivery and shared services across the two organisations. Integrated and shared services do not always lead to reduced costs but they can lead to clarity in performance expectations (e.g., through KPIs) and highlighting areas of underperformance. The financial result can be the need for additional investment/ resources to meet agreed performance expectations. Any future financial analysis should include consideration of performance or resourcing gaps and potential cost to resolve these gaps. Financial analysis should also consider the medium – long term benefits, which may improve once the shared services and performance expectations are embedded. In addition, High Performance systems and processes may be too specific to integrate, which could limit efficiencies resulting from integrated or shared support services.

There is an assumption that simplified governance should decrease governance complexity and associated Board costs. This includes cost of undertaking governance (e.g., Board costs) as well as Board support costs (e.g., secretariat). The addition of the High Performance Advisory Committee and Taumata Māori may result in governance costs overall increasing depending on membership and secretariat requirement.

This option assumes that there would be less disruption and cost of change, in comparison to option 1. There will still be aspects of the operating model that need to change to support this option, such as new performance frameworks. The costs associated with designing and implementing these changes should be included in the financial analysis of this option.

SECTION SIX

Next steps



The Advisory Group has also identified next steps that will contribute to a successful outcome.

1. Further detailed financial analysis

Before the preferred option is implemented, Sport NZ should undertake a financial analysis so that the financial implications of the option can be understood. This will also enable Sport NZ to track and report the costs and benefits during implementation and once the preferred option is operational.

2. Design of functional arrangements

This report provides an indication of functional arrangements, focusing on functions that can drive integration across high performance and community activation. Detailed organisation design is required to define the activities and core processes of those functions and how they relate to existing functions, as well as description and sizing of relevant roles that would provide leadership at a tertiary level, among other things. Detailed design might be phased to prioritise “Day One” structures and subsequent, most valuable and achievable changes.

3. Develop implementation plan

An implementation plan would set out the phases for detailed design and establishment of the chosen option. It would prioritise and sequence changes and include consultation with staff and key sector stakeholders, in a way that created buy-in and assisted people with different viewpoints to work together in the new organisation(s).

4. Strong change management

The very different operating cultures of Sport NZ and HPSNZ, and the common acknowledgement by staff and other stakeholders that the quality of leadership is a key factor in success of the strategies and achieving necessary alignment between the two mandates, mean that change management is critical to achieving the benefits identified in this review. Change management would include consultation with staff and a commitment that any reorganisation would be undertaken in good faith, while clearly articulating and gaining a broad understanding from staff and stakeholders of how those operating cultures could continue to positively contribute to success in the new structures, and how changes in structure and functional arrangements could improve integration where necessary. It would also include the potential appointment and training of leaders who could drive integration.

SECTION SEVEN

Appendices

Appendix 1: Advisory Group members

Appendix 2: International Scan of National Sports
Administration Structures

Appendix 3: Options examined and not
progressed in the review



APPENDIX ONE

Advisory Group members

Chairperson: David Howman

Former Director General World Anti-doping agency

Waimaramara Taumaunu

Former Sport NZ and HPSNZ Board member

Simon Peterson

Former CEO Rowing NZ

Brent Eastwood

CEO Sport Northland

Tanya Winter

CEO Otorohanga District Council

Phillipa Muir

Employment Lawyer

Honey Hireme-Smiler

High Performance Athlete

Mark Stewart

Businessman

Parekawhia McLean

Waikato Tainui governing body Chair and CEO
of Te Kāhui Tātari Ture, the new Criminal Cases
Review Commission

International Scan of National Sports Administration Structures

This document provides a short review of sports governance and leadership structures in Australia, the United Kingdom, the Netherlands and Singapore. The purpose of the work was to understand “what good looks like” and to use the findings to inform options for the Advisory Group review of the Sport NZ and HPSNZ governance and leadership structure.

Methodology

The research methodology was as follows:

A sample of national sport administrations was recommended by Sport NZ and was tested with key stakeholders such as Board members and Ex-CEOs.

Through Sport NZ contacts, EY was introduced to key leaders of the national administrations. Interviews were conducted with the below leaders:

- Maurtis Hendriks (Technical Director NOC*NSF)
- Erik Koers (Performance Consultant UK Sport)
- Tim Hollingsworth (Sport England CEO)
- Peter Conde (AIS Director)
- Lim Teck Yin (CEO Sport Singapore) and executive team

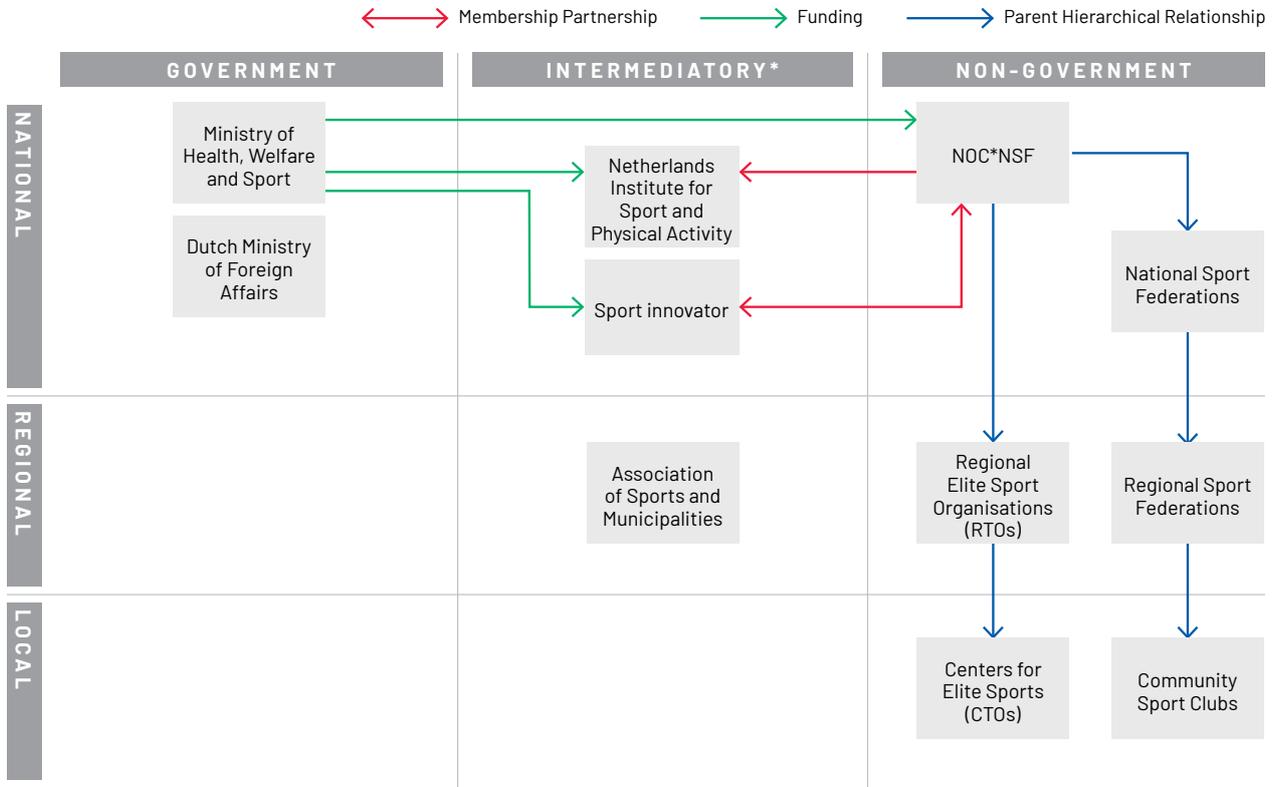
Web research was conducted to learn about the actors in the national systems as well as a rapid literature review which helped us to conceptualise each system.

Insights focused on categories for inquiry including governance, executive leadership and functional arrangements, and findings focused on the unique contribution that each system or organisation might make to the NZ setting.

Note: This document has not been reviewed by interview informants

NATIONAL MODEL

The Netherlands



*Body granted legal powers by government but is not a government department

Summary of system structure

The Dutch sports structure is led by the Ministry of Health, Welfare and Sport (VWS), with the Netherlands Olympic Committee* Netherlands Sport Federation (NOC*NSF) responsible for developing and promoting the Olympic movement and participation levels within sport.

At ministerial level in the Netherlands, Sport is part of a single Ministry of Health, Welfare and Sport (VWS), while sports policy relating to international development is with the Dutch Ministry of Foreign Affairs.

Strategy and delivery sits with an independent non-government organisation, the NOC*NSF, with functions equivalent to the Sport NZ Group. It represents National Sport Federations and administers sector development on their behalf, but receives 98% of funding from VWS. Alignment with government comes through two intermediaries:

1. The Netherlands Institute of Sport and Physical Activity makes knowledge regarding sports and exercise from science, policy and practice available to professionals (both public and private).

2. Sport Innovator is the national programme for sport innovation governed by leaders in business, government and sport, and is supported through VWS funding.

The country leverages its small geography to deliver fulltime high performance programmes to athletes from the age of 16, through 7 Regional Elite Sport Organisations (RTOs), each with a Centre for Elite Sport and Education (CTO). These centers have arrangements and partnerships with educational institutes to enable a dual career at an educational level.

There are almost 25,000 sports clubs that facilitate sports participation, organised into regional and national federations. The federations collaborate with municipalities and the private sector to provide sporting facilities, competitions and investment.

The Association of Sports and Municipalities represents all sports municipalities and supports their administrations with the exchange of knowledge and experience regarding the implementation of national and local sports policies at all levels of sport.

Key features

Governance Structure

The NOC*NSF board has a total of 7 non-executive members and decides on strategic long term policy and funding. Short term funding decisions are delegated to Executive Leadership. The board is directed by the General Assembly, which meets twice a year and is comprised of ordinary members (national sport federations) and extraordinary members (non-profit legal entities), the Dutch IOC, and two Athlete Commission representatives,

Maintaining high levels of trust between General Assembly members enables consensus building, which together with the use of delegations avoids slow-down in operations.

The NOC*NSF has an independent advisory committee of athletes that represents the interests of all elite athletes.

Executive Leadership

The CEO oversees administration of the whole organisation, but is supported by a High Performance Technical Director who exercises delegations to run high performance functions without recourse to the CEO.

Aligning the work of community participation and high performance is an ongoing challenge for the executive team.

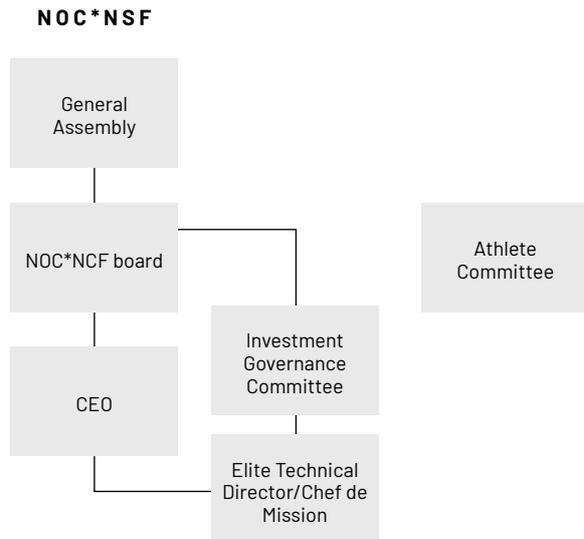
The Technical Director has full control of investment decisions under the high performance funding strategy, but takes recommendations from an investment governance committee with an independent chair and key positions of athletes, coaches, national sport federations and experts. This structure is seen to give confidence to sector stakeholders while helping the organisation respond quickly to emerging sector issues.

Partner facing functions

The organisation's functions provide a professional consideration of investment options, largely independent of members and with a strong relationship to government policy and research. Once the investment plan is decided, the NOC*NSF provide services to help achieve investment goals.

To help deal with the potential conflict of interest of being both a funder and service provider, Performance Managers are embedded into the sector programmes to provide a level of oversight.

Organisational structure

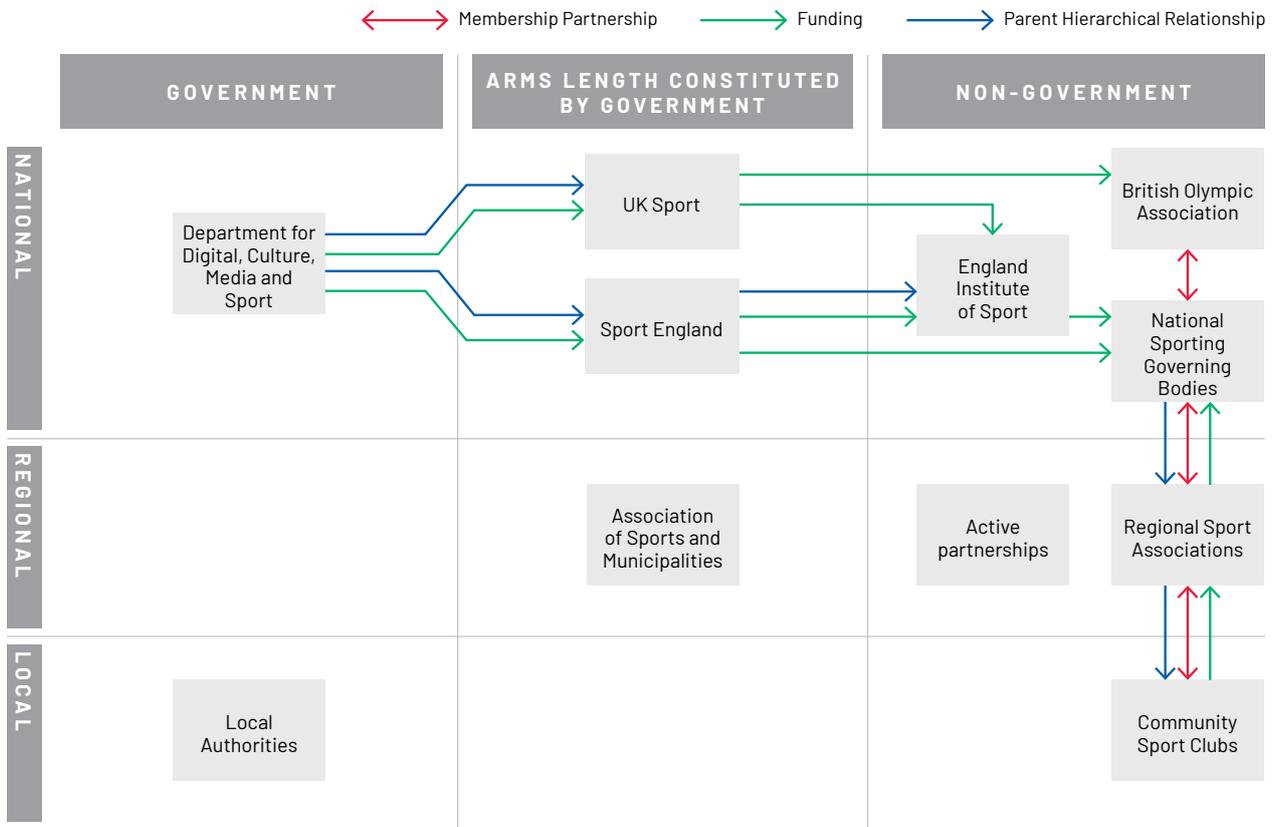


Learnings for Sport NZ/HPSNZ

- A non governmental delivery structure provides strong accountability to sports communities (seen as the backbone of active living and the place where innovation and quality management must happen – Sports Agenda 2017+), while balancing this against national interests and professional advice by the use of executive delegations and expert multi-stakeholder advisory groups.
- The specialist working culture and expertise of high performance within a single organisation is given effect through an HP director with significant autonomy interests.

NATIONAL MODEL

England



Summary of system structure

The Department for Digital, Culture, Media and Sport (DCMS) is the lead government department for sport in the UK. UK Sport is responsible for maximizing the UK's status and influence in international sport through investment in high performance and coordination of major events. Sport England (SE) is one of four home nation delivery organisations that provide support to National Sport Governing Bodies (NGBs) for both high performance and participation. Each of the four administers an Institute of Sport, with governance and funding ties to UK Sport, providing technical services to 20 Olympic sports in the home nation.

UK Sport is funded by Lottery and DCMS. Main functions are:

- Supporting teams and individuals to compete for Great Britain and summer/ winter Olympics and Paralympics and equivalent world level events.
- Co-ordinating the bidding for and staging of major international sporting events.

Sport England is a non-departmental sports council (one of 4 home nation councils) constituted by Royal

Charter. It must provide for high performance as well as grassroot sports and furtherment of physical recreation including informal activity. It has some regional staffing, organised into 9 regions, but its main local delivery is through the NGBs. Main functions are:

- Creating an environment in which more people in England chose to play sport regularly
- Identifying and developing talent and supporting high performance teams and individuals representing their county, region or England (through a policy and investment unit and the Institute of Sport)
- Expert advisor on sport-related planning decisions.

Both UK Sport and Sport England promote effective leadership and governance of the sports and organisations that receive funding.

Active Partnerships is a national charity operating in England that administers multi-sector county-level networks focused on the needs of local communities in relation to inactive people and under represented groups who will benefit the most from an active

lifestyle. They have multiple partners which provide funding or services to run programmes and initiatives e.g. Sport England, Public Health England, Community Leisure UK, and education partners.

Local authorities provide many of the facilities and programmes at a local level.

Key features

Governance Structure

UK Sport board members include the four chairpersons of the home nation councils (e.g. Sport England chair). Other members are appointed by the Secretary of State for Culture, Media and Sport. UK Sport can appoint three directors to the board of each Institute of Sport including the chairperson.

Sport England has a board appointed by the Secretary of State but tasked to exercise independent judgement in terms of its Royal Charter. The CEO reports to the board chair, but directly to Parliament for the funding received from government.

Executive Leadership

UK Sport and Sport England are managed independently, but tied at the governance level through shared board members (above). Alignment in operations occurs through a shared ambition and purpose. This structure and way of working is seen to avoid the tensions that would emerge from having to directly compete for resources and attention if international performance and local enablement were responsibilities of a single organisation.

Alignment on the athlete pathway

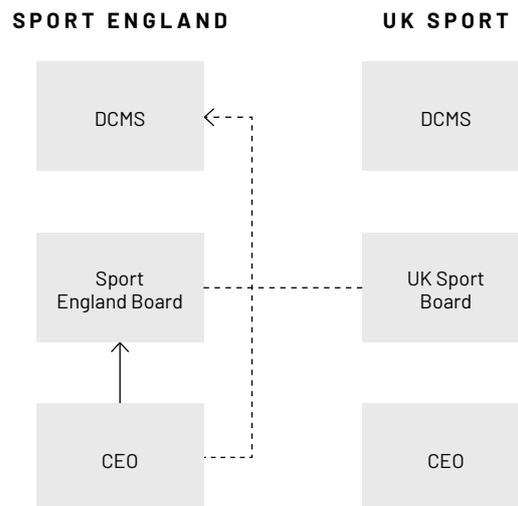
As direct reports to both CEOs, the Sport England Sport Director connects with in the UK Sport Performance Director to identify talent in the home nation that will enter UK Sport's eight year pathway to international performance. The two organisations also collaborate on pathway investment in entry point development programmes.

Partner facing functions

UK Sport and Sport England work together to align outcomes of their separate investments to NGBs.

They share the same code for sports governance and collaborate on the national policy agenda around diversity and inequality e.g. shared guidance around transgender inclusion in sport.

Organisational structures

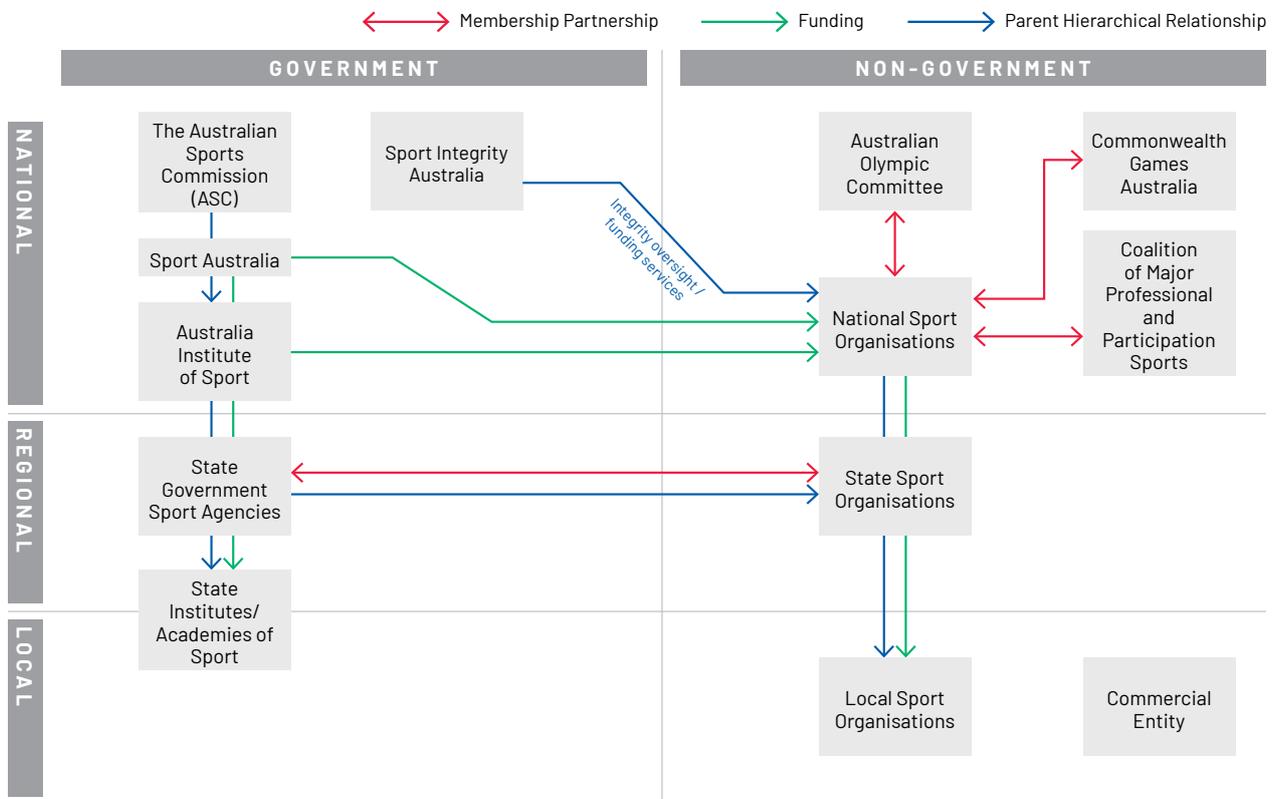


Learnings for Sport NZ/HPSNZ

- The division of high performance functions between UK Sport and Sport England/Wales/Scotland/Ireland serves the UK political and cultural concept of home nations
- Sport England merges the high performance and community activation functions in a single organisation and in a single Sports Directorate, backing national sports organisations to achieve both types of outcome
- Non-sports activation is assisted by funding a charitable collective impact organisation that coordinates all relevant social disciplines and agencies at the county level (Active Partnerships)
- A focus on high performance is maintained through a dedicated HP policy and investment function, and Institutes of Sport that provide technical training-related services.

NATIONAL MODEL

Australia



Summary of system structure

The Australian Sports Commission is the government agency responsible for supporting and investing in sport. It is comprised of Sport Australia, responsible for driving the broader sport sector including participation and sport industry growth, and the Australian Institute of Sport (AIS), responsible for leading the high performance sport system.

The sector consists of government and non-government organisations, businesses and community groups seeking to develop and deliver high performance sport and increase sports participation and levels of physical activity for all Australians.

The Australian sports system follows the country's government structure, applying a federated model with a national sport department, six state government sport agencies, and local government actors.

As the capability of states and National Sporting Organisations improves, the AIS has identified its role as a system leader allocating investment for high performance and national programs, performance pathways, people development and wellbeing, and research and innovation. It manages high performance operations at the AIS Campus in Canberra, supporting seven NSO Centres of Excellence, athletes and NSO short stay camps, along with the European Training Centre in Italy.

Investment is made to more than 60 National Sporting Organisations (NSOs) to develop sport both from high performance and grassroots perspectives. This places accountability on the NSOs to strategically plan and achieve outcomes, using expertise and information provided by the AIS, State Institutes and Academies, and State National Sporting Organisations.

Key features

Governance Structure

The Australia Sport Commission (ASC) is governed by a board of 10 members or commissioners appointed by the Minister for Sport who bring a range of expertise and experience from Australia's high performance, professional sport and community sporting domains. Every board meeting has three phases: AIS component, joint component and Sport Australia component.

Executive Leadership

The ASC is led by a single CEO. The AIS is led by a Director who exercises delegations to run high performance functions without recourse to the CEO. The CEO and Director meet weekly with the ASC Chair to work through issues to ensure alignment across the divisions of the ASC. The CEO retains all statutory obligations, but the AIS Director has the same delegated authority in terms of finance and employment arrangements as the CEO and typically provides an independent view to the government around matters pertaining to the Institute. The Institute has a distinct operating culture and mission, making minimal concessions for being a statutory body, so maintaining this independence is seen by ASC leaders as necessary for operational efficiency and effectiveness.

Functional Arrangements

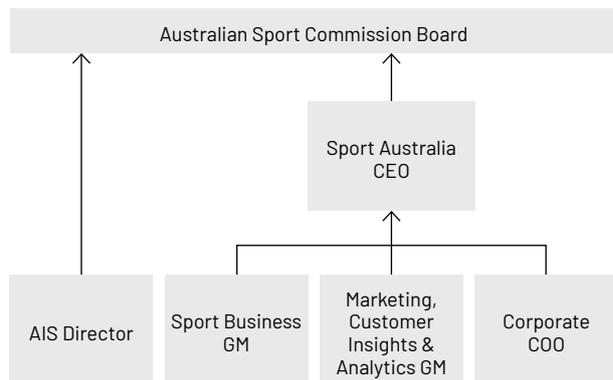
The two organisations have different functional structures: AIS is flat; Sport Australia has two layers of leadership. This is seen to present some challenges when AIS wants quick decisions from Sport Australia.

Sport Australia provides shared services to AIS for facilities and maintenance, people and culture, financial administration, risk, procurement, and IT. AIS have their own communications, stakeholder engagement and business management functions. There is some contention about whether AIS should manage communications and stakeholder relations separately.

Partner facing functions

AIS shifted control of high performance services to NSOs, while continuing to allocate funding and provide national training centres. AIS also provides a service that pulls NSOs into a network that enables them to learn from one another.

Organisational structures

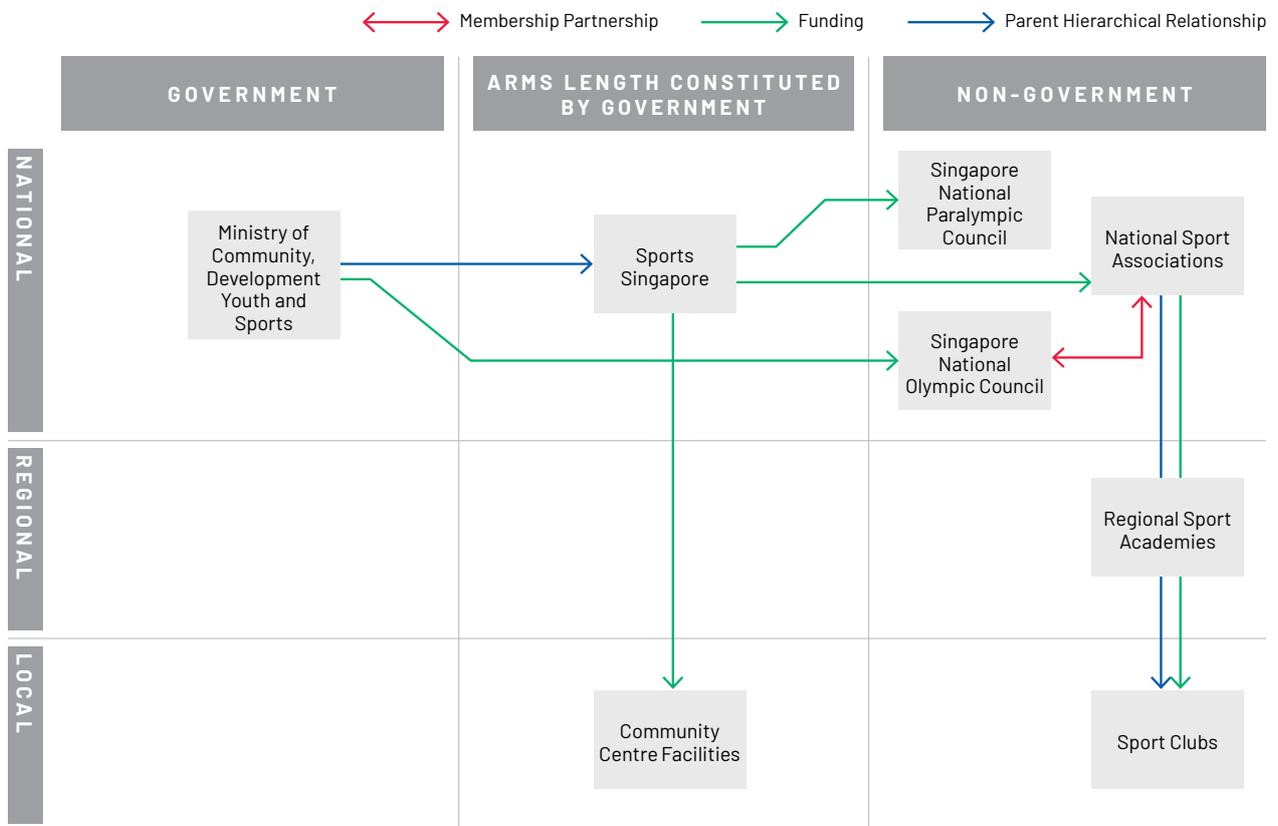


Learnings for Sport NZ/HPSNZ

- The ASC provides independence to high performance through the AIS and delegations to its Director, while maintaining alignment informally through strong collaboration amongst leaders
- The AIS has recognised the importance of empowering NSOs in their own work by devolving services and strategy. It maintains a national agenda of excellence through funding decisions and a national training centre.

NATIONAL MODEL

Singapore



Summary of system structure

Sport Singapore is a statutory board of the Ministry of Culture, Community and Youth with the core purpose to “inspire the Singapore spirit” and transform Singapore through sport. Singapore Sport has three core divisions, ActiveSG that focuses on community participation, Singapore Sport Institute (SSI) that focuses on high performance, and Sport Infrastructure Group that is responsible for infrastructure development.

ActiveSG has developed signature community initiatives that unify effort and investment at the national level. These include:

- **SportCares** – using sport as a force for social good through empowering vulnerable groups
- **ActiveSG** – introduced in 2014 as a “super sports club” that could reach the masses
- **CoachSG** – uplifting the professional development of coaches and the coaching sector

- **Team Nila** – volunteers inspiring through their selflessness
- **Active Health** – a national social movement for health and wellness

Singapore Sport Institute (SSI) provides investment to existing National Sports Associations and helps develop new sporting areas for high performance. The institute provides athlete support services such as Athlete Life, Sport Science, Sport Medicine, Innovation, Science and Technology.

Much like a city council, Sport Infrastructure Group builds and operates new and existing sports facilities in accordance with the Sports Facilities Master Plan. The government also invests in national/city parks, which helps to create play spaces. Given the small geography, Sport Singapore has an obvious presence in neighbourhoods through its facilities, which provides an advantage for the community work of ActiveSG.

Key features

Governance Structure

The Ministry of Culture, Community and Youth appoints members from the public, private and people sectors to the Sport Singapore board for a period of three years. Sport Singapore also has a SSI-Institutional Review Board, equivalent to a board committee, made up of members from Sport Singapore management as well as other agencies/institutes. Other committees assist corporate responsibilities e.g. Audit, Finance, Human Capital, Major Projects, Vision for 2030.

The Minister chairs a “community steering committee” with the aim to connect public agencies and private institutions and coordinate national resources around the sports agenda.

Executive Leadership

Sport Singapore has one CEO and each of its core agencies/divisions has a “chair” (equivalent to GM) to run operations.

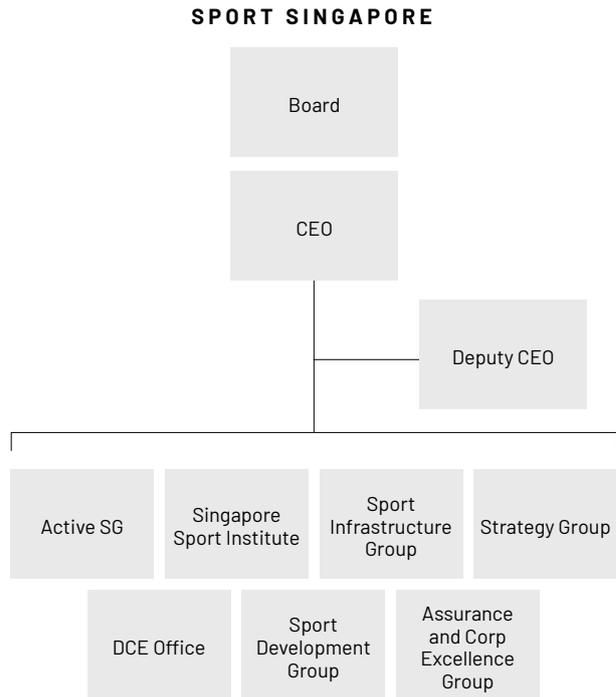
Partner facing functions

Sport Singapore uses the SPLISS model (Sport Policy Leading to International Sporting Success) to influence the athlete pathway. SPLISS is an ecosystem model for high performance sport, starting at the participation level, and is a basis for gap analysis and working towards joint solutions with National Sport Associations and other ministries including Education. For example, work with National Sport Associations ensures coaches are developed in both youth sport through schools and high performance sport.

Sport Singapore develops five year plans with the National Federations, which direct annual investment. Implementation is managed in joint committees.

The Associations depend on Sport Singapore for financial and infrastructure resources. Few have potential to privately fund their own operations.

Organisational structure



Learnings for Sport NZ/HPSNZ

- The capacity of Sport Singapore to take a broad developmental approach that includes local infrastructure and grassroots action is an advantage of its small geography
- Investment takes a holistic approach focused on people and community, which accords with the SPLISS model's emphasis on participation in the pathway
- Sport Singapore has a strong collaborative model with National Federations, with joint planning and implementation management.

APPENDIX THREE

Options not progressed

A wide range of options and features were canvassed during the ideate phase of the review. The following table summarises the other options.

Options not progressed	Summary
Single organisation	<ul style="list-style-type: none">• Simplifies governance and leadership decision making and better aligns the organisation to shared outcomes through a single Board, CEO, and leadership team, driving collaboration• CEO is responsible for all operations and alignment between divisions, including effective working of shared services and integrated delivery functions• High Performance function reports directly into the CEO
Separation of High Performance and division of responsibilities	<ul style="list-style-type: none">• Two separate Crown Agencies with separate Boards and CEO, each with their own relationship to the Minister.
Remodeling of High Performance functions: Institute of Sport	<ul style="list-style-type: none">• Sport NZ is the lead agency that provides investment and policy guidance to support NSOs and Active Recreation organisations in relation to Community Activation, High Performance, and organisational capability.• Institute of Sport is a subsidiary of Sport NZ focused on High Performance service delivery including world class events and providing APS, innovation, and research services to high performance athletes and coaches. It is the independent advisor to Sport NZ on actionable High Performance investment and strategy
A new distribution of decision making and responsibilities in the sector	<ul style="list-style-type: none">• Devolving the national policy, research, and campaign functions of play and active recreation to the successor functions of the Health Promotion Agency in the future Health New Zealand. There it would work alongside other action areas like housing, social care and healthy lifestyle promotions in a concerted effort around health-related wellbeing• Devolving community activation programmes to a non-governmental “backbone” organisation (for example, a national council that would include Regional Sports Trusts) that would coordinate and inform local, collective impact networks focused on innovation and equity in physical recreation and forging a closer relationship to local authorities and other agencies to promote behaviour change• Devolving sports functions and funding to an administrative body that worked closely with or might be constituted by a joint assembly of NSOs, similar to the Netherlands model, to drive greater accountability to community-based sports and greater collaboration with national sports organisations on strategy and investment.

Te Tiriti features not progressed**Summary**

Power sharing

- Mandated equal Māori representation at governance, executive, and senior leadership levels.

Independent power

- An independent Māori Sport Authority with separate funding, governance and operations from Sport NZ thereby establishing complete autonomy of the Māori sport authority.
- The Māori Sport Authority works with Sport NZ through mutually beneficial working arrangements to achieve joint commitments to Māori.

