



SPORT NZ GROUP

E32

Statement of Performance Expectations

2022/23

Contents

Statement of Authorisation

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

We are responsible for the Financial Statements and Statement of Performance contained in this document. We consider that the Financial Statements and Statement of Performance fairly reflect the organisation's expected financial position and performance results for the year ending 30 June 2023, in accordance with the Crown Entities Act 2004.

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



Bill Moran, MNZM
Chair, Sport NZ and High Performance Sport NZ
16 June 2022



Raewyn Lovett
Deputy Chair, Sport NZ
16 June 2022

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What's new in 2022/23

Putting our commitment to Te Tiriti o Waitangi into action

Since publishing the 2021-2025 Statement of Intent (SOI), Sport NZ Ihi Aotearoa has developed and launched Te Pākē o Ihi Aotearoa, our Māori Outcomes Framework, and Te Aho a Ihi Aotearoa, our Māori Activation Plan.

Te Pākē sets the direction and Te Aho identifies key strategic priorities and actions over the next three years.

Te Pākē, our Māori Outcomes Framework and our Sport NZ Outcomes Framework carry the same status in the spirit of mana ōrite (equality).

Te Pākē and Te Aho should be considered in conjunction with the broader context and strategic intent provided in the SOI.



What we will focus on in 2022/23



Sport NZ

In 2022/23 Sport NZ is entering year three of its four-year strategy and our focus remains on improving people's experience of physical activity and increasing participation levels. Specifically, we continue to direct our resources towards tamariki and rangatahi with the aim of reducing the drop-off in physical activity among rangatahi aged 15-17 and increasing the physical activity levels of those who are less active and/or do not have equitable access to physical activity.

In addition, we are supporting the play, active recreation and sport sector to ensure it's in a strong position to respond and adapt to the challenges posed by COVID-19 and can build resiliency for the future. COVID-19 has highlighted additional challenges and circumstances we need to be aware of, such as:

- **the negative impacts on levels of physical activity at all ages**
- **a shift in how people participate and engage in physical activity**
- **far-reaching societal impacts and exacerbated existing inequities**
- **the different realities and challenges facing Māori.**

This coming year, our areas of focus can be grouped under the four themes where we are seeking to have impact.

Our Four Strategic Themes

1. A Better Future

COVID-19 Recovery Funds

The Sport NZ Group received a separate Recovery Package through Budget 2020, valued at \$264.6m over four years. This funding is focused on supporting the system to reset and rebuild, strengthen and adapt, and advance new approaches and ideas for improved wellbeing through play, active recreation and sport. In 2022/23 we will begin working with select partners on the Hawaiki Hou programme (a "Different and Better" investment initiative), as well as continuing to monitor and evaluate the impacts of our COVID-19 Recovery Fund initiatives and ongoing support for the sector and recipients of investment.

Organisational review

Following a review of the governance and structure of Sport NZ and HPSNZ in 2021, a proposed structure was announced in March 2022. The new structure includes the establishment of Taumata Māori to support strategic decision-making at a governance level. As we head into 2022/23 our focus will be on embedding these changes to ensure both organisations continue to provide the most efficient engagement and support structure for the sector.

Addressing climate change

Sport NZ and the wider sector have a responsibility to reduce our greenhouse gas emissions and take action to mitigate and manage the risks of the climate crisis. In support of the Government's Carbon Neutral Government Programme and other initiatives to ensure New Zealand is carbon zero by 2050, as well as increase the sector's resilience to climate change, Sport NZ will begin working with the sector in 2022/23 to develop an action plan.

Futures

Improving Sport NZ and the sector's ability and comfort to think longer-term will enable us all to be better prepared for a range of possible future scenarios and ensure we are fit-for-purpose and sustainable. In 2022/23 we'll continue to support the sector to incorporate futures thinking at a governance and strategic planning level, for example through building governance capability, monitoring issues and events that might disrupt us, identifying and challenging our assumptions, creating future scenarios to open our thinking, and encouraging alignment of actions to the future we aspire to achieve.

Cross-sector and government collaboration

Through the National Physical Activity and Play Plan and government reforms in areas like health and local government, we'll continue to work with current and new partners and identify opportunities for cross-system collaboration, for example in areas like promoting positive physical and mental health, enhancing social cohesion and strengthening culturally distinctive pathways for people to be active.

2. Equitable Opportunity and Access

Women and Girls in Sport and Active Recreation Strategy

Sport NZ is leading the Women & Girls in Sport and Active Recreation Government Strategy, which aims to ensure that all women and girls, in all roles, are visible, feel positive about the contribution they make, and value being involved and participating in all levels of sport and active recreation. In 2022/23 we're focused on the following initiatives:

The next phase of the Strategy

We're developing the next set of commitments that will continue to advance the Strategy, concentrating on greater collaboration across Sport NZ's key programme areas that support more women and girls to be physically active.

#itsmymove campaign

The 3-year #itsmymove campaign aimed at encouraging young women to be active in the way they choose launched in February 2022. Over the next year we'll be implementing the next phases of the campaign.

Women's World Cup events

The cricket, rugby and football World Cup events in New Zealand between 2022-2023 showcase women's sport at the highest level to an international audience and provide great opportunities for us and our partners to contribute to and build on the legacy of these events.

Supporting the IWG World Conference

Sport NZ is supporting Women in Sport Aotearoa to host the International Working Group on Women & Sport conference in November 2022.

Disability Plan

Sport NZ continues to implement the 10 commitments within its Disability Plan to transform opportunities in play, active recreation and sport for disabled tamariki and rangatahi. In the coming year we will focus on providing ongoing support to and reporting on the projects funded through the Disability Inclusion Fund, as well as hosting the inaugural Disability Hui in October 2022.

Supporting initiatives in higher deprivation communities

Sport NZ continues to invest in physical activity initiatives delivered in higher deprivation communities. In year two of Tū Manawa, we continue to focus on supporting RSTs to work with their communities to ensure projects are co-designed and meeting the needs of the local community. Healthy Active Learning is expanding into phase 2 and with the full workforce in place, our focus is on supporting the network of regional leads, community connectors and advisors to work with the additional 500 schools and kura under phase 2. We're also advancing projects focused on supporting young people in care, for example Te Pou o Te Whare pilot project, which is working with Oranga Tamariki in Canterbury.

3. Valuing Physical Activity

Tamariki (age 5-11)

These are formative years for the development of the skills and self-knowledge, known as physical literacy, that encourage being active for life. The initiatives we are focusing on in 2022/23 are:

Play

2022/23 is the first full year of the Sport NZ bicultural Play Plan. We're concentrating on identifying and engaging organisations, such as territorial authorities that can support the delivery of local play projects, as well as the delivery of the third annual National Play Week and continued engagement with organisations around Aotearoa New Zealand that can support Play kaupapa.

Healthy Active Learning and Tapuwaekura

As well as supporting the role out of phase 2 of Healthy Active Learning to an additional 500 school and kura across the country, we'll continue to test the Tapuwaekura approach to deliver Healthy Active Learning outcomes into selected kura across Aotearoa in 2020-2023. We're focused on strengthening connections with national education and recreation bodies to enable support for the Atua Matua approach (Māori health and wellbeing framework that is the basis of the Tapuwaekura approach).

Rangatahi (age 12-17)

Our prime interest is in improving the quality of experiences, opportunities and support offered to this age group to keep them being active. There is an opportunity to deliver a broader range of activities to rangatahi by better understanding and responding to their needs. In 2022/23 this includes:

Active Recreation

Implementation of the 2021-2024 Active Recreation for Rangatahi Plan is underway. Key actions in the year ahead include continuing to support the sector to apply a mana-enhancing youth development approach when co-designing active recreation experiences alongside rangatahi and the promotion of more opportunities for youth voice in decision making across our sector.

Sport Development

We are working with partners to deepen their understanding of the Balance is Better Philosophy to support and embed sport system changes to meet the needs of all rangatahi. This year we are evolving our Balance is Better Champions programme to incorporate regional and local level champions and to include a more diverse range of champions, rather than just athletes (i.e. coaches, administrators and young people). The Champions will continue to advocate for changes in youth support and support partners tackling change. We are also working closely with HPSNZ in two key areas that will support youth sport changes: the development of the Sport Pathways Framework, which aims to demonstrate the value of sport to all participants regardless of their motivation, and a new coaching strategy to protect and enhance the role and impact of coaches in New Zealand.

Secondary school sport and active recreation

Sport NZ is launching a new pilot programme to support approximately 40 secondary schools/wharekura to co-design and customise solutions to engage more rangatahi in active recreation and sport through the school environment.

Integrity in play, active recreation and sport

We are committed to supporting organisations to implement best practice through systemwide safeguarding and regulation, to ensure involvement in play, active recreation and sport is kept safe, fair and inclusive for all.

New independent integrity organisation

Following the recommendations from the "Report of the Play, Active Recreation and Sport Integrity Working Group", a new independent body to strengthen the integrity of the sport and recreation system is being established. Drug Free Sport NZ will be folded into the new entity, along with some of the integrity functions currently performed by Sport NZ, including the recently established Sport and Recreation Complaints and Mediation Service. The new body will also be responsible for implementing a National Code of Sport Integrity. An independent Integrity Transition Committee will undertake further consultation with the sector on the scope of the new entity, which is intended to be established by 2024.

4. Honouring Te Tiriti o Waitangi

Building internal cultural capability

We continue to focus on building the capability of our staff to better understand and acknowledge Māori perspectives in different ways. Our Tū Te Ihi programme is an important part of our induction for new joiners and we plan on developing a version of the programme for Board members. We're also focused on establishing and embedding Taumata Māori to support strategic decision making at a governance level. In 2022/23 we are developing a strategy for te reo me ngā tikanga that gives effect to Maihi Karauna, the Crown Te Reo strategy.

Māori participating and succeeding as Māori

We're focused on working with Māori and non-Māori partners to enable Māori participation in physical activity in a way that is relevant and meaningful. In 2022/23 we'll continue to strengthen our relationships with Māori organisations, including supporting Māori NSOs to establish a collective entity and co-designing with Sport NZ Ihi Aotearoa a Te Tiriti partnership. In addition, we're preparing to launch the Maraefit pilot later in the year and we'll work with new He Oranga Poutama partners as we expand the programme nationwide. Ongoing support for the Tapuwaekura pilot and implementation of our bicultural Play Plan remain a priority.

High Performance Sport New Zealand

As a kaitiaki of New Zealand's high performance sport system, HPSNZ must continue to respond to current ongoing challenges while also looking ahead to ensure we are contributing to an integrated, sustainable high performance system that acts with integrity, supports wellbeing and enables athletes and coaches to deliver repeatable success. HPSNZ will focus on progressing initiatives across the three system shifts during the 2022/23 financial year, in line with the HPSNZ 2024 Strategic Plan.

Support for the Birmingham Commonwealth Games in July–August 2022 is also an important focus for HPSNZ, especially in light of the increased cost pressures on travel and freight that athletes and teams are experiencing.

Following on from Aotearoa New Zealand's successful campaigns at the Tokyo 2020 Olympic and Paralympic Games and the Beijing Winter Olympic and Paralympic Games, we have shifted our attention to the Paris 2024 Games. In partnership with NSOs we will support our elite athletes and coaches to achieve winning and inspiring performances on the world stage.

Our Three System Shifts

The HPSNZ 2024 Strategic Plan outlines three system shifts that support the progression through to 2032 that will enable New Zealand to achieve sustainable success on the world stage and continue to inspire New Zealanders. The work undertaken across the three system shifts will take until the 2024/25 financial year to be fully operationalised.

1. Performance Pathways

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

Integrated performance pathways

All Podium Sports¹ have developed strategic performance plans in partnership with HPSNZ that identify clear athlete and coach pathways and support requirements. HPSNZ will be supporting invested Aspirational Sports² to also develop and refine their performance pathways. National Sport Organisations (NSOs) and HPSNZ will identify up to 500 pre-high performance athletes by 2024 who have the potential to transition upwards in the performance pathway in the coming years. These athletes will have support options available to them depending on their age, stage and location. Through 2022/23 we will

work with NSOs to support the development of effective performance development plans for identified coaches. We will also appoint coaching advisors to work with coaches throughout the regions.

Performance network

We will progress plans for a South Auckland performance hub and identify a network of regional training facilities across New Zealand to support pre-high performance and other pathway athletes in multiple locations. We are partnering with existing facilities or entities to co-locate fit-for-purpose high performance daily training environments that enables more athletes and coaches to train closer to their home support network.

Innovation and research

HPSNZ is partnering with leading domestic and international academic and scientific institutions to enhance the impact of research and innovation within the New Zealand high performance sports system. The majority of our Podium Sports have clear long-term innovation plans, and our aim is that more of our NSO partners have a long-term innovation plan in place by the end of 2024.

2. Wellbeing and Engagement

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

Wellbeing programme

The new management structure within the Sport NZ Group and HPSNZ includes a dedicated general manager role for wellbeing and leadership. In 2022/23 we'll be concentrating on appointing and embedding this role to advance our work in this area. We'll continue to work closely with NSOs to develop and support wellbeing initiatives both at the individual NSO and broad high performance system level. Increased funding is enabling us to employ dedicated wellbeing managers within some NSOs and we're focused on creating effective mechanisms for athletes, coaches and high performance personnel to have their voices heard, such as a national athlete voice group. We'll also grow our understanding of how wellbeing will be measured and tracked across all HPSNZ partners.

Women in high performance sport

The Women in HP Sport pilot has been integrated into an ongoing work programme to support an increase in the number of women working in coaching, operations management and high performance management roles. In addition to supporting the second intake of coaches through the 18-month Te Hāpaitanga coaching initiative, we're focused on working in collaboration with NSOs to foster sustainable and inclusive high performance sport environments.

3. Funding and Investment

Deliver repeatable and sustainable success.

Targeted investment framework

Following the introduction of the Targeted Investment Framework in 2021/22 to support more sports that have the potential to inspire New Zealanders, we continue to partner with NSOs to ensure we're achieving our shared objectives.

Tailored athlete pathway support

Improving the financial security of athletes will have a positive impact on their wellbeing and performance. We're increasing our financial support for athletes depending on their age and stage within the performance pathway. By the end of 2022/23 at least 195 'Probable and Convert' athletes and a further 140 'Opportunity and Potential' athletes will be supported³.

¹ Podium Sports have a consistent recent history of podium performances at pinnacle events, as well as strong evidence that podium performances at future pinnacle events are likely to occur.

² Aspirational Sports have the potential to inspire New Zealanders and potentially deliver podium performances now or in the future.

³ Probable, Convert, Opportunity and Potential are stages within the performance pathway. Probable athletes have achieved repeated podium success at pinnacle events and continue to perform well at international events. Convert athletes have demonstrated realistic medal winning capabilities. Opportunity athletes are meeting the demands of pinnacle event performances and are ready to transition into the high performance environment over the next four years. Potential athletes have demonstrated the required attributes, attitudes and motivation for international success, as well as realistic future winning capabilities.

Managing Risks

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

Key risks critical to strategy that are being actively managed during the year include:

Key risk	Managing the risk
Ongoing negative effects of COVID-19 on participation.	Through our reporting and survey mechanisms we continue to monitor participation in physical activity to understand the effects of the pandemic, particularly among communities facing higher levels of deprivation and greater barriers to being physical active. We share insights with our partners – and value their knowledge of the communities they work with – to ensure we're responding appropriately to changes in participation.
Unsustainable investment into the sector.	To mitigate partners becoming dependent on the Recovery Package, Sport NZ is investing in long-term projects and we are clear in our expectations to partners about funding. We're also working with other funders to ensure funding streams return to normal levels.
The integrity of the system for athletes and all participants.	We continue to implement the recommendations from the 2018 Integrity Review, including the independent Sport and Recreation Complaints and Mediation Service, which is accessible to all participants within the sector. The HPSNZ Strategy features initiatives, alongside funding and investment criteria, to facilitate enriching performance environments to enhance elite athlete wellbeing. Our focus in 2022/23 is to implement the approved recommendations of the independent Integrity Working Group.
Athlete health, safety and wellbeing.	Athlete rights and wellbeing, along with the broader Integrity work programme, are a priority and resourced accordingly across both Sport NZ & HPSNZ. Support is available for specific NSOs and athletes where concerns have been raised and HPSNZ is undertaking initiatives to support NSOs in developing and maintaining positive cultures. Employee Assistance Provider InStep has been engaged to provide improved access to independent mental health support and HPSNZ provides training workshops for support staff who work with athletes.

Key risk	Managing the risk
Ability to demonstrate value and impact against strategic priorities and wider Government wellbeing outcomes.	We continue to strengthen our evidence base to ensure timely and appropriate decisions are made and results are understood. This includes developing a value for money approach and integrating subjective wellbeing value into our investment decisions, where relevant.
Capacity of the organisation to honour its Te Tiriti o Waitangi commitments and demonstrate progress of our bicultural journey and leadership in building the bicultural capability of the sector.	We are progressing our internal Māori capability building programme and implementing Te Aho a Ihi Aotearoa (Māori Activation Plan) in pursuit of Te Pākē o Ihi Aotearoa (our Māori Outcomes Framework) to support whānau, hapū, iwi, Māori in communities across Aotearoa New Zealand to participate in physical activity.
Ability of the play, active recreation and sport system to remain relevant in this rapidly changing world: ongoing threats include the failure to shift the physical activity system with our partners to meet participants' needs now and in the future, and proactively managing wider environmental challenges that could result in permanent reductions in levels of physical activity.	The Futures Project seeks to understand the changing environment and the likely impacts on our system. We continue to develop a joint commitment for action with our partners and maintain a watching brief as wider environmental issues emerge.

Measuring our Performance

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

For Sport NZ these measures are focused on our vision of Every Body Active in Aotearoa New Zealand. In this strategic period, we are concentrating on improving the activity levels of tamariki and rangatahi, with an additional focus on communities who are less active and/or those

who do not have equitable access to be active. While for HPSNZ, the measures focus on high performance results on the world stage that inspire and engage New Zealanders, as well as how our performance environments support wellbeing.

The Sport NZ Group has a responsibility to ensure initiatives funded through the COVID-19 Recovery Package are meeting their intended investment outcomes. We will continue to measure the results of this funding using various mechanisms depending on the outcomes sought.

Our Reporting Framework includes a set of indicators for both organisations to track progress towards our outcomes and show the outputs of key programmes.

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

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

We report on these measures in our annual report.

Our Purpose

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

Organisation Health

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

Engagement with Partners

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

Sport New Zealand

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

High Performance Sport New Zealand

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

Key Deliverables

These are the outputs and programme indicators that show progress towards strategic themes.

Impact Indicators

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

Key Result Areas

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

Long-term Outcomes

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

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

Statement of Performance Expectations

Output Expense: Sport and Recreation programmes

What is intended to be achieved

This appropriation is intended to achieve an increase in the number of young people and adults participating in play, active recreation and sport.

How we will assess performance

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

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

A note on the Active NZ survey and the effects of the COVID-19 pandemic

Sport NZ has been running the Active NZ survey in its current form since 2017 to monitor physical activity levels, behaviours and determinants. Results are based on a calendar year.

Active NZ was paused between April and June 2020 due to the national COVID-19 response and as a result we were unable to set baseline targets for our 2020-2024 strategy. Instead, the data from our 2019 participation survey is the baseline measure.

Key Result Areas

These measures provide us with a comprehensive view of how the physical activity levels of young people and adults are changing over time. We continue to study the effects of COVID-19 on levels of physical activity and have set 2022/23 targets accordingly.

Measure	2020/21 result	2021/22 target	2022/23 target
Key Result Areas			
Average hours spent per week participating in play, active recreation and sport by 15-17 year olds	8.7 hours	Meet or exceed baseline 8.7 hours*	Meet or exceed baseline 8.7 hours*
Percentage of young people age 5-17 years (up to 18th birthday) participating in play, active recreation and sport (7+ hours per week of any intensity)	63%	Meet or exceed baseline 63%	Meet or exceed baseline 58% ⁴
Percentage of adults (18+) participating in physical activity (150+ minutes per week)	59%	Meet or exceed baseline 59%*	Meet or exceed baseline 59%

⁴ The baseline of 63% was used in 2020/21 to record young people's participation in moderate to vigorous physical activities. It was based on Active NZ 2019 data. In 2021/22 Sport NZ confirmed we would no longer report on intensity level, in line with our focus on broader wellbeing outcomes. The baseline has been updated to reflect participation in physical activity at any intensity level. The new baseline of 58% is based on Active NZ 2019 data.

* Based on Active NZ 2019 data - see note.

Impact Indicators

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

Measure	2020/21 result	2021/22 target	2022/23 target
A Better Future			
COVID-19 recovery investment: Percentage of investment spend on track to/or have met intended investment outcomes ⁵	49%	>70% of funding invested	>70% of funding invested
Futures: Percentage of partners who believe ideas in the preferred future are having a significant impact on the actions and decisions of their organisation	35%	Establishing baseline	>35%

Equitable Opportunity

Percentage of women and girls who volunteer ⁶	Girls: 48% Women: 22%	Meet or exceed baseline Girls: 48% Women: 22%	Meet or exceed baseline Girls: 48% Women: 22%
Percentage of girls aged 12-17 years who feel confident to take part in physical activities	64% ⁷	N/A	Meet or exceed baseline 64% (New SPE measure in 22/23 with a 2019 baseline)
Percentage of young people who identify as disabled who believe they have the support in their communities to do the physical activities they want to	N/A	Establishing baseline	Meet or exceed baseline 57% ⁸

⁵ 2022/23 is the third year of the four-year COVID-19 Recovery Package. The Strengthen and Adapt and Different and Better programmes funded through the package are aiming for medium- to long-term change beyond the four-year period. In particular, the National Partner Strengthen and Adapt programme continues to be implemented. The 2022/23 target refers to the portion of approved funding for the period to date that has been distributed.

⁶ Volunteering includes coaching a group or individual; being an official such as a referee or umpire; managing a team; fulfilling a club or association administration or governance role; helping a team, club or group; providing event assistance; lifeguarding; and being a team captain or activity leader. Girls are 12-17 years. Baseline is from Active NZ 2019 data.

⁷ Active NZ data is reported on a calendar year basis. Surveying in 2020 was affected by national lockdowns in response to the COVID-19 pandemic and full-year data is unavailable. Instead, we have used 2019 full-year results, which were published in the 2020/21 annual report.

⁸ Based on 6-month average from 1 July 2021 when statement was included in Active NZ 2021.

Key Deliverables

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

Measure	2020/21 result	2021/22 target	2022/23 target
Valuing Physical Activity			
Percentage of participants satisfied with overall club experience	70%	Meet or exceed baseline 67% ⁹	Meet or exceed baseline 67%
Percentage of rangatahi very or extremely satisfied with physical activity experience in school	32%	Meet or exceed baseline 31% ¹⁰	Meet or exceed baseline 31%
Average hours per week young people (aged 5-17 years) spend participating in informal physical activity ¹¹	6.5 hours ¹²	N/A	Meet or exceed baseline 6.5 hours (New measure in 22/23 with a 2019 baseline)
Percentage of Healthy Active Learning schools and kura that agree their school has a focus on physical activity in their charter and annual plan	46.7%	Establishing baseline: 46.7%	Exceed baseline 46.7%
Honouring Te Tiriti o Waitangi			
Percentage of investments in Māori initiatives on track to or have met intended investment outcomes	Establishing evaluation methodology	>70%	Establishing baseline ¹³

9 Result taken from the annual Voice of the Participant - Club Experience survey, which is designed to help NSOs understand club level player experiences, the drivers of participation and how they might adapt to meet people's changing needs. Ten sports participate in the survey each year and these codes change every year. The survey is open to all ages. Results are on a financial year basis. 2019/20 baseline data.

10 Result taken from the annual Voice of Rangatahi survey delivered into secondary schools/kura to help us understand how rangatahi experience physical activity within a school. Approximately 8000 rangatahi participate in the survey. The result is not weighted to account for differences in demographic. Results are based on a calendar year. Baseline is from 2020.

11 Informal participation includes playing on your own, playing or hanging out with family or friends while being active, and extra exercise, training or practice without a coach or instructor.

12 Active NZ data is reported on a calendar year basis. Surveying in 2020 was affected by national lockdowns in response to the COVID-19 pandemic and full-year data is unavailable. Instead, we have used 2019 full-year results, which were published in the 2020/21 annual report.

13 Work has been delayed on establishing an evaluation methodology for Māori initiatives. Sport NZ is developing an evaluation to assess He Oranga Poutama initiatives, which once embedded will be used to assess other Māori initiatives.

Measure	2020/21 result	2021/22 target	2022/23 target
A Better Future			
COVID-19 Recovery Fund is invested in accordance with forecast expenditure by investment outcome and amount committed ¹⁴	\$59m	'Different & Better' - \$20m	\$221m
Equitable Opportunity			
Percentage partner boards ¹⁵ achieve minimum 40% women representation	98.5% ¹⁶	100%	100%
Increased investment spend to improve physical activity levels and experience of women and girls ¹⁷	\$6.8m	>\$2m	>\$5m
Increased investment spend to improve physical activity levels and experience of disabled people ¹⁸	\$1.4m	>\$2m	>\$4m
Valuing Physical Activity			
Number of primary schools and kura with Healthy Active Learning ¹⁹	331	800	800 (over two years 2022-2024)
Number of NSOs adopting Balance is Better at a "Commit and Act" level ²⁰	10	15	15
Child safeguarding: Percentage of module participants who agree they are more confident to identify and respond to issues of child safeguarding ²¹	91.5% ²²	95%	95%
Honouring Te Tiriti o Waitangi			
Increased investment spend to improve physical activity levels and experience of Māori ²³	\$2.47m	>\$3m	>\$3.8m

14 All investments must receive joint Ministerial approval before they can be committed against an investment outcome. 2022/23 is the third year in the four-year investment period. The 2022/23 target represents the total cumulative approved amount intended to be spent through to 30 June 2023 against the three investment outcome areas: Reset and Rebuild, Strengthen and Adapt, and Different and Better. It includes recovery package funding for HPSNZ initiatives.

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

16 Achieved at 31 December 2021 at the expiry point of the 2018 target. We continue to support partners strengthen their governance practices.

17 Investment spend includes activations under the Women and Girls strategy, 'Strengthen and Adapt' projects targeted to women and girls, World Cup ready facilities, and partnerships investment in Women in Sport Aotearoa.

18 Investment spend includes projects funded through the Disability Inclusion Fund and 'Strengthen and Adapt' initiatives.

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

20 All national and regional partners are adopting Balance is Better (BIB) as part of our agreed investment strategy. Sport NZ's goal is to work more closely with selected partners who have not only committed to BIB at an executive level but have also committed to drive greater change towards the principles of BIB through regional and local activities. The targets are cumulative and the 2022/23 target reflects our focus on deepening the 15 NSOs' understanding of the BIB philosophies and embedding changes.

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

22 Module launched October 2020.

23 Investment spend includes He Oranga Poutama, Te Kiwai Hardship Fund, Te Ihi Fund, Māori NSO investment.

Engagement with Partners

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

Measure	2020/21 result	2021/22 target	2022/23 target
Partnerships investment: Percentage of partners on track to/or have met intended investment outcomes ²⁴	58%	>70%	>70%
Sport NZ overall effectiveness as rated by all Sport NZ partners to increase participation ²⁵	72%	80% of partners rate as 'Good' or higher	80% of partners rate as 'Good' or higher
Percentage of partners who rate their organisation's relationship with Sport NZ as good or excellent	82%	80%	80%

²⁴ We work with partners to identify the initiatives that are going to achieve our mutually agreed outcomes. The partner organisation and Sport NZ rank the partner on how the initiatives are being embedded into the organisation and the extent that change and learning is being applied to deliver further impact. This measure tracks the percentage of partner organisations (in whom we invest \$150,000/annum) with ratings of "consolidating" or "highly developed" on all their initiatives. The 2020/21 result is lower due to a number of partners' plans and initiatives being impacted by COVID-19. As a result, we have maintained the same >70% target for 2022/23. By the end of the strategic period we anticipate 80% of partners to have met intended investment outcomes.

²⁵ Partners include National Sport Organisations, Regional Sports Trusts, National Recreation Organisations, some education and disability organisations.

Output Class Allocation Appropriation: Sport and Recreation

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
REVENUE		
Crown funding	33,859	37,875
Other operating revenue	74,098	75,130
Total revenue	107,957	113,005
LESS EXPENSES		
Sector investment and consulting	57,222	79,402
Programme management	11,625	12,278
Technical advice and resources	15,219	22,171
Policy advice	3,270	4,173
Knowledge and information	7,018	7,969
Total expenses	94,354	125,993
Net operating surplus/ (deficit) before Recovery Package	13,603	12,988
RECOVERY PACKAGE		
Crown funding	30,740	36,279
LESS EXPENSES		
Sector investment and consulting	41,026	56,023
Operating expenditure	3,147	4,277
Total expenses	44,173	60,300
Net operating deficit from Recovery Package	(13,433)	(24,021)
Net operating deficit after Recovery Package	170	37,009

Output Expense: High Performance Sport

What is intended to be achieved

Achieve more New Zealand winners on the world stage by supporting them in their pinnacle events.

How we will assess performance

We assess performance across the following areas:

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

We use methods of evaluation such as case studies, Living Standards Framework measures and surveys (including NSO, athlete and Active NZ surveys). Where available, we monitor Aotearoa New Zealand's position within the international environment, for example, the virtual Olympic medal table²⁶.

Key Result Areas

Measure	Past performance	2022-24 target
Results on the world stage		
Medals at Olympic Summer Games	Tokyo 2020: 20	Paris 2024: 13-18 ²⁷
Medals at Paralympic Summer Games	Tokyo 2020: 12 (6 Gold) ²⁸	Paris 2024: 14-18
Performance at pinnacle events for non-Olympic funded sports	New SPE measure in 2021/22	2022 - 2024 target: 4+ podiums
Medals at Olympic Winter Games	Beijing 2022: 3	Milan 2026: 2+
Medals at Paralympic Winter Games	Beijing 2022: 4	Milan 2026: 2+

Measure	2020/21 result	2021/22 target	2022/23 target
Inspiring and engaging New Zealanders			
Percentage of New Zealanders who say they are inspired by New Zealand athletes and teams	N/A (New SPE measure in 2021/22)	Meet or exceed baseline 73% ²⁹	Meet or exceed baseline ³⁰ : Young people - 36% Adults - 33%
Percentage of New Zealanders who follow High Performance Sport New Zealand-funded sports ³¹	N/A (New SPE measure in 2021/22)	Establishing baseline	Meet or exceed baseline: Young people - 50% Adults - 50%

²⁷ This range target takes into account the shorter cycle between Tokyo and Paris Games, athlete retirements, and the potential ongoing effects of the pandemic on international training and competition, which we continue to monitor and understand.

²⁸ The original measure published in the 2019/20 Statement of Performance Expectations and the 2018-2022 Statement of Intent prior to the Tokyo 2020 Paralympic Games was focused on the number of gold medals achieved. The target for the Paris cycle has been updated to count all medals achieved.

²⁹ This is an indicative baseline based on similar research conducted by the New Zealand Olympic Committee and PwC between 2016 and 2019.

³⁰ The baseline has been updated for 2022/23 with the results from the Active NZ 2021 survey. These results report responses of people who say they are strongly or very strongly inspired by New Zealand athletes and teams. Young people refers to those aged 12-17-years.

³¹ To follow a sport is defined as watching it on television, listening to it on the radio, following it on social media, or attending events to watch.

²⁶ The virtual Olympic medal table predicts the number of medals that will be won by each country, based on current performance: <http://www.gracenote.com/virtual-medal-table/>

Impact Indicators

Measure	2020/21 result	2021/22 target	2022/23 target
Performance Pathways			
Percentage of coaches and athletes who believe direct support from HPSNZ (incl. grants and specialist services) positively impacts performance	Athletes: 86% Coaches: 88%	Athletes: 80% Coaches: 80%	Athletes: 80% Coaches: 80%
Percentage of athletes and coaches who believe they have access to the facilities that support their development	N/A	Establishing baseline	Establishing baseline ³²
Wellbeing and Engagement			
Percentage of athletes who believe their performance environment supports inclusiveness and diversity	N/A	Establishing baseline	Establishing baseline ³²
Percentage of athletes and coaches who trust that integrity or wellbeing issues are handled effectively and appropriately	N/A	Establishing baseline	Establishing baseline ³²
Funding and Investment			
Percentage of athletes who agree they have improved financial security	N/A	Establishing baseline	Establishing baseline ³²

³² HPSNZ has experienced delays in establishing effective and regular survey mechanisms for coaches and athletes. The focus in 2022/23 will be on implementing an annual athlete and coach survey; the data from which will enable baselines to be set in advance of the next strategic period.

Key Deliverables

Measure	2020/21 result	2021/22 target	2022/23 target
Performance Pathways			
Percentage of Podium Sports with agreed performance pathways ³³	N/A	100% (New SPE measure for 21/22)	100%
Percentage of NSOs that have agreed long-term innovation plan	N/A	60% (New SPE measure for 21/22)	60%
Number of pre-high performance athletes identified	N/A	450	450
Wellbeing and Engagement			
Percentage of funded NSOs with athlete voice mechanisms ³⁴	N/A	100% (New SPE measure for 21/22)	100%
Number of women participating in 'Women in High Performance Sport' programmes ³⁵	N/A	72 (2022/23 target – combined cumulative target of cohort one and two)	72 (2022/23 target – cumulative target of cohort one and two)
Funding and Investment			
Number of Aspirational Sports funded by HPSNZ	N/A	10-15	10-15 (cumulative target through to 2024)
Percentage of investments in Aspirational Sports ³⁶ on track to or have met intended investment outcomes	N/A	80%	80%
Percentage of investments in Podium Sports on track to or have met intended investment outcomes ³⁷	N/A	80%	80%

Engagement with Partners

Measure	2020/21 result	2021/22 target	2022/23 target
Expert advice, guidance and assistance provided to NSOs rated as good or above	82%	80% rate as 'Good' or higher	80% rate as 'Good' or higher
Percentage of funded NSOs who agree HPSNZ partners with them to develop strategic priorities and meet strategic outcomes	94%	Establishing baseline	90% rate as 'Good' or higher

³³ Podium Sports have a consistent recent history of podium performances at pinnacle events, as well as strong evidence that podium performances at future pinnacle events are likely to occur.

³⁴ There are a variety of athlete voice mechanisms NSOs could implement. They include: an internal athlete representative group; athlete appointments on national or international governance Boards, committees and/or advisory groups; processes for athlete liaison directly with high performance management leaders and staff; athletes providing input via an independent players association. Achievement of this target requires all funded NSOs to have at least one mechanism in place.

³⁵ There are two elements of the 'Women in High Performance Sport' programme: The Residency Fund, which funds fixed-term employment opportunities in NSOs; and Te Hāpaitanga, a coaching initiative to grow the talent pool of emerging female high performance coaches. Cohort One ran from the end of 2021 to early 2022 for both programmes. Cohort Two will run over an 18-month period between January 2022 and mid-2023. The target is the combined number of participants for both cohorts.

³⁶ Aspirational Sports have the potential to inspire New Zealanders and potentially deliver podium performances now or in the future. Investment outcomes include strong evidence of tracking towards a top 8 performance.

³⁷ Investment outcomes include Olympic medal results as well as achievement of programme key performance indicators.

Output Class Allocation Appropriation: High Performance Sport

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
REVENUE		
Crown funding	62,192	62,192
Other operating revenue	5,421	7,089
Total revenue	67,613	69,281
LESS EXPENSES		
Sector investments and grants	43,889	42,599
Infrastructure investment	-	10,786
Programme management	3,948	4,759
Technical advice and resources	6,663	11,474
High performance athlete services	11,419	11,239
Total expenses	65,919	80,857
Net operating surplus/ (deficit) before Recovery Package	1,694	(11,576)
RECOVERY PACKAGE		
Crown funding	10,800	13,120
LESS EXPENSES		
Sector investment and consulting	5,710	1,250
Operating expenditure	7,490	12,120
Total expenses	13,200	13,370
Net operating deficit from Recovery Package	(2,400)	(250)
Net operating deficit after Recovery Package	(706)	(11,826)

Output Expense: Prime Minister's Scholarships

What is intended to be achieved

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

How we will assess performance

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

Measure	2020/21 result	2021/22 target	2022/23 target
Prime Minister's Scholarships			
Number of athlete scholarships awarded	321	300	300
Number of coach, official and support team scholarships awarded	75	100	100
Administration costs are less than 4% of the total funding	1.3%	<4%	<4%

Output Class Allocation Appropriation: Prime Minister's Sports Scholarships

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
REVENUE		
Crown funding	4,250	4,250
Total revenue	4,250	4,250
LESS EXPENSES		
Sector investments and grants	3,700	3,915
Programme management	10	335
Total expenses	3,710	4,250
Net operating surplus	540	-

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
REVENUE		
Crown funding	141,841	153,716
New Zealand Lottery Grants Board	72,477	74,337
Interest revenue	1,599	2,335
Sundry revenue	5,443	5,547
Total revenue	221,360	235,935
SECTOR INVESTMENTS		
Investment consulting	663	327
Partner investments	101,507	131,399
Infrastructure investments	-	10,700
Recovery investment portfolio	53,215	57,232
Total sector investments	155,385	199,658
COST OF SERVICES		
Board members' remuneration	288	318
Personnel costs	30,510	38,468
Professional and technical services	15,827	18,774
Leased property	2,522	2,722
Depreciation and amortisation	1,321	1,316
Other operating costs	15,503	23,514
Total operating expenditure	65,971	85,112
Total expenditure	221,356	284,770
Net operating surplus/ (deficit)	4	48,835
Gain/ (loss) on disposal of assets	-	-
Surplus/ (deficit)	4	48,835
Total comprehensive revenue and expense	4	48,835

Prospective Statement of Financial Position

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
ASSETS		
Current assets		
Cash and cash equivalents	2,633	1,218
Trade and other receivables	19,547	21,305
Prepayments	150	50
Investments	121,420	71,135
Total current assets	143,750	93,708
Non-current assets		
Property, plant and equipment	3,724	4,710
Intangible assets	887	1,042
Total non-current assets	4,611	5,752
Total assets	148,361	99,460
LIABILITIES		
Current liabilities		
Trade and other payables	8,913	8,913
Revenue received in advance	878	743
Employee entitlements	2,133	2,202
Total current liabilities	11,924	11,858
Non-current liabilities		
Provisions	18	18
Total non-current liabilities	18	18
Total liabilities	11,942	11,876
Net assets	136,419	87,584
Public equity	136,415	136,419
Total Revenue and Expenditure	4	48,835
Closing Public Equity	136,419	87,584

Statement of Accounting Policies

Prospective Statement of Changes in Equity

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
Opening Public Equity	136,415	136,419
Total comprehensive revenue and expense for the year	4	48,835
Closing Public Equity	136,419	87,584

Prospective Statement of Cash Flows

For the year ended 30 June 2023

	ESTIMATE 2022 \$000	BUDGET 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Crown funding	141,841	153,716
New Zealand Lottery Grants Board	81,643	73,837
Sundry revenue	5,229	4,289
Interest revenue	1,609	2,335
Goods and services tax	1,634	300
Sector investment	(155,477)	(199,658)
Other payments	(32,710)	(45,345)
Payments to employees	(30,694)	(38,717)
Net cash flow from operating activities	13,075	49,243
CASH FLOW FROM INVESTING ACTIVITIES		
Investments maturing	-	50,285
Purchase of property, plant and equipment	(1,767)	(2,457)
Purchase of intangible assets	(128)	-
Acquisitions of investments	(59,870)	-
Net cash flow from investing activities	(61,765)	47,828
Net (decrease) in cash and cash equivalents	(48,690)	(1,415)
Cash and cash equivalents at 1 July	51,323	2,633
Cash and cash equivalents at 30 June	2,633	1,218

Purpose

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

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

Reporting entity

These prospective financial statements are for the Sport NZ Group for the year ending 30 June 2023. The Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ), its wholly-owned subsidiary, High Performance Sport New Zealand Limited (HPSNZ), and the New Zealand Sport Foundation Charitable Trust (NZSFCT) in which Sport NZ has a controlling interest.

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

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

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

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

These prospective financial statements were approved by the Sport NZ Board on 16 June 2022.

Basis of preparation

Statement of Compliance

The prospective financial statements of the Sport NZ Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand's generally accepted accounting practice ('NZ GAAP') and Financial Reporting Standard 42.

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

Measurement base

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

Functional and presentation currency

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

Consolidation

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

Summary of significant accounting policies

Basis of consolidation

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

Goods and Services Tax (GST)

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

Income Tax

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

Cost allocation

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

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

Critical accounting estimates and assumptions

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

The basis and appropriateness of the estimates and assumptions used in preparing the prospective financial statements are those which the Sport NZ Board reasonably expect to occur in respect of those actions the Sport NZ Board, the HPSNZ Board and the NZSFCT Trustees reasonably expect to take as at 16 June 2022, the date on which the prospective financial statements have been authorised for issue by the Sport NZ Board.

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

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

Significant Assumptions

New Zealand Lottery Grants Board funding has been estimated for the 2022/23 year based on projected profits of Lotto NZ available at the time of preparing the prospective financial statements and Sport NZ Group's agreed share of them.

Governance and organisational structure changes are underway, following the 2021 review of the Sport NZ and HPSNZ Governance and Organisational structure. No significant changes to the Sport NZ Group's business model are expected during the 2022/23 financial year. Staffing levels are expected to change to accommodate the new organisational structure. All significant assumptions surrounding expenditure have been based on historical data, existing business practices or actual business plan projections for each financial year.

Critical judgements in applying accounting policies

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

Revenue

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

Crown funding

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

Apart from the general restrictions, the Group considers there are no other conditions attached to Crown funding, except for the COVID-19 recovery package. The COVID-19 recovery package has an additional restriction that all spending is subject to the Minister for Sport and Recreation and the Minister of Finance being jointly satisfied that the proposed spending is cost-effective and implementation ready. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it is appropriated.

New Zealand Lottery Grants Board

Sport NZ receives annual funding from the NZ Lottery Grants Board (NZLGB) who in turn receive it from Lotto NZ. Sport NZ receives 20% of Lotto NZ net profits. Revenue from the NZLGB is recognised as revenue in the same financial year as the corresponding Lotto NZ net profits based on formal advice received from the NZLGB.

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

Interest

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

Expenditure

Sector investments

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

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

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

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

Leases

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

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

Statement of Financial Performance

Cash and cash equivalents

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

Trade and other receivables

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

Investments

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

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

Loans

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

Property, plant and equipment

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

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

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

Additions

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

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

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

Disposals

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

Depreciation

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

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

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

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

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

Intangible assets

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

Computer software licenses longer than 12 months are capitalised based on the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Group are recognised as an intangible asset. Costs associated with the development and maintenance of the Group's websites are recognised as an expense when incurred.

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

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

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

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

Trade and other payables

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

Employee entitlements

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

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

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

Superannuation schemes

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

Provisions

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





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Te Kāwanatanga o Aotearoa
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