

SPORT NZ ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012



OUR VISION

Enriching lives through sport – everyone, everyday.

OUR MISSION

Creating a world-class sport system at all levels.

The Board of Sport and Recreation New Zealand has the pleasure in presenting to the House of Representatives and pursuant to the Crown Entities Act 2004 Sport and Recreation New Zealand's Annual Report for the year ended 30 June 2012.

SPORT NZ ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012



SPORT
NEW ZEALAND

INTRODUCTION



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A CLIMBER ON MT MCINTOSH, ABOVE
THE DART AND REES RIVERS IN THE WHAKAARI
CONSERVATION AREA, GLENORCHY



HIGHLIGHTS

2012 LONDON OLYMPIC AND PARALYMPIC GAMES

Thirteen Olympic and 17 Paralympic medals won in London were the result of two things – a ton of hard work by our athletes, and their coaches and support teams, and smart planning and investment by Sport New Zealand and more recently High Performance Sport New Zealand (HPSNZ).

VOLUNTEERING LEGACY FROM RWC 2011

Sport NZ invested \$1.5 million in the official volunteer programme for RWC 2011, to ensure it left a lasting legacy. As a result, we now have a pool of 5,500 up-skilled volunteers, many of whom are continuing to volunteer, and a bank of resources to help other sports and events recruit, train and manage volunteers.

BUILDING A WORLD-CLASS SPORTS SYSTEM

Sport NZ is now halfway through the roll-out of our six-year Community Sport Strategy, providing investment and our expertise to make the delivery of sport at the grass roots as good as it can be, and to ensure there are sporting options available to fit every Kiwi lifestyle and ability.



THE RWC 2011 LEGACY – 5,500 UP-SKILLED VOLUNTEERS, MANY OF WHOM ARE CONTINUING TO VOLUNTEER AND ASSIST IN OTHER SPORTS

HIGHLIGHTS

SPORT AND RECREATION IN THE LIVES OF YOUNG NEW ZEALANDERS

Sport NZ's Young People's Survey, released in September 2012, is the most significant piece of research in the last 10 years into the sporting lives of young New Zealanders. It tells us Kiwi kids are still sporty kids, with 9 out of 10 saying they like playing sport and, on average, participating in three to five sport and recreation activities in any given week.

INVESTING IN FACILITIES

The 2011/12 year saw significant progress on several sport and recreation facilities which Sport NZ and HPSNZ have invested in. They include the National Training Centre in Auckland (pictured), which was formally opened by the Prime Minister on 29 June 2012, a high performance centre for Christchurch, a national cycling centre of excellence – the Avantidrome – in Cambridge and a National Ocean Water Sports Centre on Auckland's Takapuna Beach.

SPORT IN SCHOOLS

Sport NZ has kicked off a three-year Sport in Schools project, which aims to show how sport can be used to improve academic and social outcomes in our secondary schools, as well as increasing participation in PE and sport.



UNDER 10'S PLAY SATURDAY
MORNING FOOTY AT HW SHORTT PARK,
EASTBOURNE, WELLINGTON





HIGHLIGHTS

KIWISPORT

Through KiwiSport, Sport NZ has helped its partners provide more than 500,000 school-aged children with great sport and recreation opportunities this year.

ACTIVEPOST

Sport NZ is partnering New Zealand Post in its ActivePost programme, aimed at getting more New Zealanders into sport and recreation, particularly young people.

A STRONG AND CAPABLE SECTOR

The swimming community sought Sport NZ's help to get their sport back onto a sound footing. An independent review, led by Chris Moller, has set the sport on a new path, and towards a brighter future.

NZ COACHING STRATEGY

In 2012, Sport NZ launched a New Zealand Coaching Strategy and Community Sport Coaching Plan, to support the efforts of our partners to recruit, train and retain coaches at all levels.



'GET SET GO' SKILLS
SESSION WITH SCHOOL
CHILDREN AND OLYMPIC
SHOTPUT CHAMPION VALERIE
ADAMS AT THE CLOUD,
AUCKLAND

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

2011/12 has been an outstanding year for New Zealand sport and for Sport New Zealand.

There have been good news stories across the sporting spectrum, from the performance of our elite athletes on the world stage, to the increasing strength and capability of our key sport and recreation bodies, and the good health of our community sport system overall.

Sport NZ has played a key role in leading, enabling and investing in each of these areas, and we're pleased to report back on an extremely successful year, which in many ways reinforces the ability of sport at all levels to enrich the lives of New Zealanders.

HIGH PERFORMANCE

In 2011/12 Kiwis across a broad range of sporting disciplines took on the world and won.

It was arguably New Zealand's most successful high performance year to date, starting with the All Blacks' stunning home Rugby World Cup victory, and finishing with 22 athletes and teams having secured top three placings at world championships or pinnacle events in Olympic disciplines.

Kiwi athletes continued to deliver at the Olympic Games in London in July and August 2012, with the New Zealand team exceeding the target of 10 or more medals, winning an impressive 13 medals all up, including a remarkable six golds. That put New Zealand 15th on the gold medal table.

Even more significantly, New Zealand ranked 4th in terms of medals per capita behind Grenada, Trinidad and Tobago, and Jamaica. The medals won by those nations all came in one sport, athletics, while New Zealand's were achieved across six sports.

2011/12 – ARGUABLY NEW ZEALAND'S MOST SUCCESSFUL HIGH PERFORMANCE YEAR

Furthermore, 24 New Zealand athletes and teams posted 4th to 8th place finishes in London, and another 35 athletes and teams placed 9th to 16th.

Not to be out-done, our Paralympians followed up with 17 medals in their Games, including 6 golds which remarkably put them 1st in terms of medals per capita.



All round, it was a truly outstanding result, which New Zealanders can be, and are, extremely proud of.

That Olympic success was the result of several things – a ton of hard work by our athletes and their coaches and support teams, the support of national sport organisations (NSOs) and the New Zealand Olympic Committee (NZOC), and smart planning and investment by Sport New Zealand (Sport NZ), and more recently High Performance Sport New Zealand (HPSNZ).

In the four years prior to the Games, we invested \$180 million in high performance athletes and facilities, to ensure our best medal prospects arrived at the start line as well prepared as they could be. They didn't disappoint, and Kiwi sports fans were brought to their feet time and time again, by inspirational performances by seasoned campaigners like Mahe Drysdale, and new emerging stars like Lisa Carrington.

During the year there were many other high performance achievements to inspire us all, including the Silver Ferns winning the Constellation Cup, the New Zealand Sevens team winning their World Series for the 10th time, the Breakers winning consecutive Australian NBL titles and the emergence of up and comers Lydia Ko (golf) and Jacko Gill (shotput).

This year also saw the establishment of HPSNZ, through a merger of the Academies of Sport North and South with the High Performance unit of SPARC (now Sport NZ).

The goal was to create an athlete-focused, coached and performance-driven high performance sport system, which provides world-class support services and facilities, so athletes can focus solely on performance. Sport NZ also plans to invest in world-leading innovation and technology to give our athletes a competitive advantage.

In December, HPSNZ appointed Canadian swimming great Alex Baumann as its first Chief Executive. Alex and his team are now continuing with the mission of developing a world-leading, sustainable high performance system, so we can continue to deliver results like those we saw in London. HPSNZ and Sport NZ are working closely together to ensure there is an integrated pathway from community to high performance sport.





ERIC MURRAY CELEBRATES GOLD AT
THE LONDON OLYMPICS IN THE COXLESS PAIR



KIDS HUDDLE IN TO LISTEN TO THEIR COACH DURING A HALF-TIME SESSION IN WHANGAREI

COMMUNITY SPORT

We understand that it takes a whole community to send an athlete to an Olympic Games – volunteer coaches, club officials, referees, administrators, sponsors, club mates, mums and dads and many other supporters. So when our athletes competed so well in London, the whole community won.

And just as importantly, we understand that when a Kiwi kid plays sport, New Zealand wins. So, while our elite athletes were setting the world on fire, here at home Sport NZ has been hard at work laying the foundations for a world-class sport system, to ensure that we continue to produce champions, that we inspire the next generation of champions, and that sport continues to enrich the lives of all New Zealanders.

We're now halfway through the roll-out of our six-year Community Sport Strategy, providing increased investment and our expertise to make the delivery of sport at the grass roots as good as it can be, and to ensure there are sporting options available to fit every Kiwi lifestyle and ability.

This year we increased our investment of both time and money into our targeted community sports. Ten key sports now have National Community Sport Plans in place and 12 sports have engaged Community Sport Directors and National Coaching Directors.

We also launched a New Zealand Coaching Strategy and Community Sport Coaching Plan, to support the efforts of our partners to recruit, train and retain coaches at all levels.

Young People continue to be a key area of focus for us, as we recognise that's where New Zealanders' life-long love of sport begins – with a sporting childhood.

Through KiwiSport this year we've helped our partners provide more than 500,000 school-aged children with quality sport and recreation experiences. And we're now partnering New Zealand Post in its ActivePost programme, which is supporting junior hockey and athletics initiatives, as well as Waka Ama.

This year Sport NZ has also kicked off a three-year Sport in Education project, which aims to show how sport can be used to improve academic and social outcomes in our secondary schools, as well as increasing participation in PE and sport.

THE NATIONAL CYCLING CENTRE OF EXCELLENCE – THE AVANTIDROME

A STRONG AND CAPABLE SECTOR

One of the keys to the success of our world-class sport system is having strong, capable partners, so Sport NZ is continuing to work closely with national sport and recreation bodies to improve the way they run their businesses.

Some parts of the sector faced particularly big challenges in 2011/12, and sought Sport NZ's help to find a way forward. The swimming community had concerns about their sport, and Sport NZ funded an independent review, led by Chris Moller, which has set swimming on a new path and, we believe, towards a brighter future.

Basketball was another sport to seek help in adapting to the challenges of a changing sports environment. We've been working closely with Basketball NZ to establish good governance, management and operations, and that work has been welcomed and supported by their passionate basketball community.

This year we've also worked closely with Auckland's four regional sports trusts (RSTs) to help them find the best way to reorganise themselves to support sport and recreation in New Zealand's largest city, under one new super council. And we've maintained our commitment to provide our expertise and investment to the Christchurch sport and recreation sector as the earthquake recovery continues there.

We were also asked to work with the Swim and Survive sector to ensure the important skill of learning to swim was being delivered as effectively and efficiently as possible in all of our communities. A review of Swim and Survive has led to a new structure for the sector, around a reconstituted Water Safety New Zealand. We're continuing to work with them to implement this new structure.

The 2011/12 year saw significant progress on several sport and recreation facilities which Sport NZ and HPSNZ have invested in. They include the National Training Centre in Auckland, which was formally opened by the Prime Minister in June 2012, a high performance centre for Christchurch situated at Jellie Park, a national cycling centre of excellence – the Avantidrome in Cambridge – and a National Ocean Water Sports Centre on Auckland's Takapuna Beach.



KNOWLEDGE AND INFORMATION

This year Sport NZ has released two significant pieces of research, which are proving extremely valuable both to ourselves and to the wider sector.

The *Economic and Social Value of Sport and Recreation* report, released in 2011, gives a comprehensive analysis of the broader value of sport and recreation to our society. The findings, which include a breakdown of regional information, have been welcomed by all those involved in planning for sport and recreation activity and facilities in communities across the country.

The *Young People's Survey*, carried out in 2011 and released in 2012, is the most significant piece of research in 10 years into how young Kiwis are participating in sport and recreation. The findings of the survey have provided incredibly rich information which is being used to help all those in the sector better understand how we cater for the changing needs of our young people.

In December we also launched the Sport and Recreation Knowledge Library, an online resource for all those working in sport and recreation, from practitioners, researchers, policy-makers and planners to students. Early interest has been strong with almost 300 registered users, 1,200 research entries and 5,000 visitors to date.

DRIVING EFFICIENCY

During the past year we continued our drive for efficiency and excellence, both within and between Sport NZ and HPSNZ. We have moved more of our resources into frontline staff, working directly with the sector. We have also worked hard to merge the operation of our two organisations and to establish cost-effective corporate service arrangements between the two entities.

While Sport NZ's public equity at 30 June 2012 is \$19.2 million, a significant portion of this has been allocated to future investment commitments.

\$7.5 million has been ring-fenced to complete a number of infrastructure projects in 2012/13 and out-years. A further \$8.7 million has been committed by the Board for community sport initiatives, NSO capability support and specific initiatives directed at increasing participation, leaving a balance of \$3.1 million as Sport New Zealand's ongoing reserve position.

SPORT NZ CAN LOOK BACK ON THE LAST YEAR WITH A GREAT DEAL OF PRIDE IN WHAT BOTH WE AND KIWI SPORTSPEOPLE HAVE ACHIEVED

In closing, Sport NZ would like to thank the New Zealand Lottery Grants Board for its continued and significant contribution to sport and recreation in New Zealand.

We also wish to thank former Board members Waimarama Taumaunu (Sport NZ) and Mark Weldon (HPSNZ), who both finished terms this year, for their significant contribution to our work.

And we wish to thank our partners in the sector, particularly NSOs and RSTs, for their ongoing support and commitment to providing more sport opportunities for all New Zealanders, and for their help with a smooth transition when we changed our name from SPARC to Sport NZ on 1 February 2012.

Sport NZ can look back on the last year with a great deal of pride in what both we and Kiwi sportspeople have achieved. And we look forward to even better results in the years to come, as we continue to build our world-class sports system, from grassroots through to high performance.



Paul Collins
Sport NZ Chair



Peter Miskimmin
Sport NZ Chief Executive





HOCKEY PLAYERS CELEBRATE A GOAL DURING A MATCH IN WELLINGTON

ABOUT THE SPORT NZ GROUP



Young competitors get stuck into the Weet-Bix Kids TRYathlon

THE SPORT NZ GROUP'S PURPOSE

The purpose of this document is to report to Parliament on the Sport NZ Group's performance during the 2011/12 period as set out in its Statement of Intent for 2011-2014.

THE SPORT NZ GROUP'S FUNCTIONS

SPORT NZ GROUP

Sport and Recreation New Zealand (Sport NZ Group) was established as a Crown entity on 1 January 2003 under the Sport and Recreation New Zealand Act 2002.

SPORT NZ

Sport NZ's purpose is to *"promote, encourage and support physical recreation and sport in New Zealand"*. Sport NZ's functions are set out in section 8 of the Act, detailed in Appendix 2. Sport NZ is the parent organisation in the group and is the sole shareholder of High Performance Sport New Zealand (HPSNZ). Sport NZ's objectives include: *"creating a world-class sports system at all levels – from grassroots to high performance – which will encourage more Kiwis to participate, and reap the benefits of a life-long involvement in sport"*.

HIGH PERFORMANCE SPORT NEW ZEALAND

HPSNZ was established as a Crown entity subsidiary by the Board of Sport NZ in August 2011. It was established through the merger of Sport NZ's High Performance Unit and the acquisition of the New Zealand Academy of Sport North Island's and the New Zealand Academy of Sport South Island's business activities. HPSNZ's objectives include: *"making New Zealand the most successful sporting nation in the world by developing high performance sport"*. Other objectives are set out in its Constitution, detailed in Appendix 2.

GOVERNANCE OF THE SPORT NZ GROUP

SPORT NZ BOARD

Sport NZ is governed by a Board whose members and Chairperson are appointed by the Minister for Sport and Recreation. The Board is responsible for setting Sport NZ's strategic direction and for providing governance and leadership for the agency.

The Board members who bear responsibility for this Annual Report are:

- Paul Collins (Chair)
- Rob Fisher
- Paul Allison
- Bill Birnie
- Katie Sadleir
- Don Mackinnon
- Joanna Perry
- Murray Gutry

Waimarama Taumaunu stepped down from her position on the Sport NZ Board when her term ended on 30 June 2012. Her replacement has not yet been appointed.

HIGH PERFORMANCE SPORT NEW ZEALAND

HPSNZ is governed by a Board of directors appointed by the Minister for Sport and Recreation as per its Constitution. The directors as at 30 June 2012 were:

- Paul Collins (Chair)
- Bill Birnie
- Katie Sadleir
- Don Mackinnon
- Hamish Carter
- Mike Stanley
- Peter Cox
- Simon Wickham
- Peter Miskimmin, *Sport NZ Chief Executive (ex officio)*

Mark Weldon resigned from the HPSNZ Board, effective 8 May 2012. A replacement has not yet been appointed.

MINISTERIAL DIRECTIONS

The Sport NZ Group did not receive any directions from the Minister for Sport and Recreation during 2011/12.

ACTS IN BREACH OF STATUTE

No natural person acts have been enforced against the Sport NZ Group under section 20(3) of the Crown Entities Act.

PERMISSION TO ACT

Section 68(6) of the Crown Entities Act 2004 requires disclosure of a permission (by the Chair or deputy Chair) to act despite a Board member's interest in a matter. No permissions were sought in 2011/12.



PERFORMANCE FOR 2011/12



STATEMENT OF RESPONSIBILITY

The Board of Sport and Recreation New Zealand accepts responsibility for:

- preparing these financial statements and statement of service performance and the judgements made concerning these; and
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board of Sport and Recreation New Zealand the financial statements and statement of service performance fairly reflect the financial position, operations and performance of Sport and Recreation New Zealand for the year ending 30 June 2012.

Paul Collins

Chair Sport NZ
and HPSNZ

31 October 2012

Bill Birnie

Board Member
Sport NZ and HPSNZ

31 October 2012

VAL ADAMS SHOWS HER CLASS AT
THE LONDON OLYMPICS

INDEPENDENT AUDITOR'S REPORT

To the readers of Sport New Zealand and group's financial statements and non financial performance information for the year ended 30 June 2012

The Auditor-General is the auditor of Sport New Zealand (Sport NZ) and group. The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non financial performance information of Sport NZ and group on her behalf.

We have audited:

- the financial statements of Sport NZ and group on pages 51 to 76, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non financial performance information of Sport NZ and group on pages 38 to 46 that comprises the statement of service performance on, and which includes the report about outcomes.

OPINION

In our opinion:

- the financial statements of Sport NZ and group on pages 51 to 76:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect Sport NZ and group's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date.
- the non financial performance information of Sport NZ and group on pages 38 to 46:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects Sport NZ and group's service performance and outcomes for the year ended 30 June 2012, including for each class of outputs:

- the service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
- the actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and non financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of Sport NZ and group's financial statements and non financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Sport NZ and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported non financial performance information within the Sport NZ and group's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non financial performance information; and
- the overall presentation of the financial statements and non financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non financial performance information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing financial statements and non financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect Sport NZ and group's financial position, financial performance and cash flows; and
- fairly reflect Sport NZ and group's service performance and outcomes.

The Board is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and non financial performance information that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Crown Entities Act 2004.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and non financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in Sport NZ or any of its subsidiaries.

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS AND NON-FINANCIAL PERFORMANCE INFORMATION

This audit report relates to the financial statements and non-financial performance information of Sport New Zealand (Sport NZ) and group for the year ended 30 June 2012 included on Sport NZ's website. The Sport NZ Board is responsible for the maintenance and integrity of Sport NZ's website. We have not been engaged to report on the integrity of Sport NZ's website. We accept no responsibility for any changes that may have occurred to the financial statements and non-financial performance information since they were initially presented on the website.

The audit report refers only to the financial statements and non-financial performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and non-financial performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and non-financial performance information as well as the related audit report dated 31 October 2012 to confirm the information included in the audited financial statements and non-financial performance information presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

KM Rushton

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



MEASURING PROGRESS TOWARDS OUR STRATEGIC OUTCOMES


The success of the Sport NZ Group in achieving its strategic outcomes depends on the support of our partners in the sector, particularly national sport and recreation organisations and regional sports trusts. These organisations work with other regional and community-based organisations to deliver sport to every corner of the country.

STRATEGIC OUTCOMES

The three strategic outcomes the Sport NZ Group wants to achieve are:

- 1. MORE YOUNG PEOPLE IN SPORT AND RECREATION;**
- 2. MORE ADULTS IN SPORT AND RECREATION; AND**
- 3. MORE NEW ZEALAND WINNERS ON THE WORLD STAGE**

These outcomes reflect the breadth of the sport and recreation sector, from community participation to high performance success. The following framework represents how the Sport NZ Group wants to achieve these outcomes.



PLAYERS IN CHRISTCHURCH CELEBRATE A TRY DURING A
BURNSIDE V SYDENHAM CLUB RUGBY MATCH

Strategic Outcomes	More young people in sport and recreation	More adults in sport and recreation	More New Zealand winners on the world stage
Intermediate Outcomes	<ul style="list-style-type: none"> More young people participating in sport and recreation through initiatives supported by our partners More adults participating in sport and recreation through initiatives supported by our partners More volunteers supporting community sport and recreation through initiatives supported by our partners 		<ul style="list-style-type: none"> Elite athletes have the necessary high performance infrastructure and support system to excel More athletes performing to a higher level in the high performance system
Our Impacts The difference we want to make	More and better opportunities for young people to learn movement and sport skills and to participate	Better management and support of coaches and other volunteers	A more effective high performance system providing the support needed by elite athletes and coaches to perform
	More participation opportunities for adults	Better alignment between national, regional and local providers and investors	World-class facilities available at home
	Improved organisational capability of our partners		
Our Outputs Products and services we provide	Sport and Recreation Programmes <ul style="list-style-type: none"> Policy advice Technical advice Knowledge and information Investment 		High Performance Sport Investment Prime Minister's Sport Scholarships <ul style="list-style-type: none"> Investment HP athlete services HP technical advice
Inputs	Vote appropriation: Sport and Recreation Programmes		Vote appropriation: High Performance Sport Investment and Prime Minister's Sport Scholarships
	New Zealand Lottery Grants Board funding		
	People with skills and expertise		

OUTCOME 1: MORE YOUNG PEOPLE IN SPORT AND RECREATION

Young people continues to be a key area of focus for Sport NZ.

Through KiwiSport we continue to provide more and better sport and recreation opportunities for school-aged children. This year we have started a three-year Sport in Education project, focusing on secondary schools, which aims to show how sport can be used

to improve academic and social outcomes, as well as increasing participation in PE and sport.

In 2011/12 Sport NZ has also released a national survey of young people's participation in sport and recreation, which we are analysing to establish national prevalence baseline standards.

STRATEGIC OUTCOME: MORE YOUNG PEOPLE ENGAGING IN MORE SPORT AND RECREATION

Performance Measure	Baseline	Standard for 2015	Progress
Percentage of young people (5-18 years) who participated in organised sport or recreation (including physical education) for at least three hours per week.	By June 2012: Sport NZ will establish national prevalence baseline standards through a national survey of young people's participation in sport and recreation.	By 30 June 2015: 80% of young people (5-18 years) participating in organised sport and recreation for at least three hours per week. To be measured by a national survey of young people's participation in sport and recreation.	Survey complete. Headline results have been published. Work is underway to establish age- and gender-appropriate baselines based on the survey results. These baselines will be published in our next Statement of Intent.

THE YOUNG PEOPLE'S SURVEY

In 2011 over 17,000 primary, intermediate and secondary school students from around the country were surveyed as part of the Young People's Survey.

The survey aimed to find out about the role of sport and recreation in the lives of young New Zealanders. It is the most significant piece of research into young New Zealanders' participation in sport and recreation in more than 10 years.

The survey's results revealed that Kiwi kids are sporty kids with 9 out of 10 young people saying they like playing sport and, on average, taking part in 3 to 5 sport and recreation activities regularly.

The survey also found that, while young people take part in a wide variety of activities, the well-established team sports, such as rugby, netball and football, are still central to young people's sporting lives and are high up their "want to do" lists.

The same was true for recreation activities like running, biking and tramping. Swimming, athletics and gymnastics – activities that develop fundamental movement and basic sports skills – also featured highly in the top 10 activities.

The survey did raise some challenges for us to consider, including something we have known from earlier surveys, that activity drops off for teens and particularly for girls, and that some ethnic groups are participating more than others.

Many of these challenges are global and other countries are also looking at ways to meet them. But the survey will help us discover some of the reasons why they exist, and we will work hard to address these.

We are continuing to analyse the results of the survey. It will continue to give us and the sport and recreation sector detailed data on participation and interest in certain sports, helping the sector to consider how we give young people every opportunity to participate in sport and recreation.



KIWISPORT

This year, more than 500,000 Kiwi kids had the chance to get involved in sport and recreation through KiwiSport.

KiwiSport was launched in 2009 with the aim of providing more and better sporting opportunities for school-aged children, and teaching them the skills that enable them to take part with confidence.

KiwiSport funding is provided in two ways – to schools through the Ministry of Education, and directly to communities through Sport NZ and regional sports trusts.

Sport NZ's KiwiSport Regional Partnership Fund gives sports clubs and community groups the chance to play a key role in providing those opportunities, and in doing so form strong, and often new, links with the schools and the young people in their communities.

Every community has responded to the KiwiSport opportunity in its own way. Some have provided vital swimming and cycling lessons, while others have given kids a chance to try something a little different, like power-lifting in Papatoetoe, AFL in Auckland, hoops in the Hutt Valley and surfing in Waiuku. But they've all had one thing in common – the kids have all had great fun!



SPORT IN EDUCATION PROJECT

Sport NZ has embarked on a three-year project to develop an approach which improves academic performance and social outcomes in secondary schools, as well as increasing participation in PE and sport.

The project also aims to improve the delivery of PE and sports programmes in surrounding primary schools, and to engage community organisations, like clubs, in supporting teachers and students involved in sport in schools.

The project will involve five pilot schools and will be ready to start implementing initiatives from the start of the 2013 school year, including:

- developing teaching and assessment resources in Maths, English and PE using sport as a context to engage students in learning
- developing an associated professional development support programme
- resourcing a dedicated PE leader within the school to provide professional

development and assist with the introduction of new teaching practices

- linking secondary schools and clusters of primary schools, where secondary PE experts can provide professional development and support to primary school teachers
- delivering a student leadership programme in secondary schools, focusing on coaching, and utilising these leaders/coaches in primary schools
- incorporating the values and characteristics of sport into the school environment – eg teamwork, rules, respect and leadership
- enhancing links to the wider school community, including families – improve facility utilisation and access, establish school-community/club/RST partnerships and establish sports councils.

The approach, resources and practices will ultimately be made available to all schools.

INTERMEDIATE OUTCOME: MORE YOUNG PEOPLE PARTICIPATING IN SPORT AND RECREATION THROUGH INITIATIVES SUPPORTED BY OUR PARTNERS

Performance Measure	Standard for 2011/12	Standard for 2013/15
Number of young people (5-18) participating in sport and recreation as reported by Sport NZ's partner organisations.	By 30 June 2012: Sport NZ will establish baseline standards for each performance measure (through initiatives supported by our partners).	By 30 June 2013, 2014, and 2015: Increase in baseline standards (through initiatives supported by our partners such as KiwiSport).
Number of young people (5-18) participating in sport and recreation through primary and secondary schools as reported by Sport NZ's partner organisations.		

PROGRESS TOWARD INTERMEDIATE OUTCOME

The following table sets out the baseline standards for young people:

- fundamental movement skills and basic sports skills programmes
- club membership
- participation in events
- participation in organised sport through primary and secondary schools.

Due to the differences in the way NSOs and RSTs operate it is more appropriate to provide data for these organisations separately rather than combined. NSO data are not representative of all NSOs and not all NSOs have reported across all measures. RST data are representative of all 17 RSTs. Figures have been rounded to the nearest 1,000 and the number in (*) refers to the number of NSOs that reported against this measure.

	FMS/BSS*	Club Members	Events	Primary Schools	Secondary Schools
National Sport Organisations	229,000 (22)	349,000 (48)	56,000 (32)	267,000 (17)	125,000 (25)
Regional Sports Trusts (17)	138,000	338,000	147,000	255,000	88,000

* Fundamental movement skills and basic sports skills

OUTCOME 2: MORE ADULTS IN SPORT AND RECREATION

Sport NZ is three years into the roll-out of its six-year Community Sport Strategy, aimed at coordination, leadership and tangible outcomes in community sport delivered by schools, clubs, RSTs and events.

Our goal is to create a world-class community sport delivery system that supports increased participation and volunteering by all New Zealanders. We identified NSOs and RSTs as the key channels to achieve this goal, and continue to work closely with both.

This year we increased our investment of both time and money into our targeted community sports. Ten key sports now have National Community Sport Plans in place and 12 sports have engaged Community Sport Directors and National Coaching Directors.

The priority for Sport NZ's Partner Capability Strategy this year was financial sustainability, and targeted sports were supported to recruit Commercial or Marketing Managers, develop commercial strategies and plans, and improve the quality of their websites.

STRATEGIC OUTCOME: MORE ADULTS ENGAGING IN SPORT AND RECREATION

Performance Measure	Baseline	Standard for 2014	Progress
Number of adults (16 years and over) participating in at least one sport or recreation activity during any one week.	2,388,195 adults ¹ (73% of the population) participated in at least one sport or recreation activity during any one week in 2007/08.	At least 2,888,195 adult New Zealanders participating at least once a week in sport and recreation.	Adult participation figures will be measured through the 2013/14 Active NZ Survey.
Number of adults (16 years and over) who volunteer (e.g. unpaid club administrators or coaches etc.) in sport and recreation at least once a year.	829,735 adults (25% of the population) volunteered in sport and recreation at least once a year in 2007/08.	Over one million New Zealanders volunteering in sport and recreation each year.	Adult volunteering figures will be measured through the 2013/14 Active NZ Survey.

INTERMEDIATE OUTCOME: MORE ADULTS PARTICIPATING IN SPORT AND RECREATION THROUGH INITIATIVES SUPPORTED BY OUR PARTNERS

Performance Measure	Standard for 2011/12	Standard for 2013/15
Number of adults participating in sport and recreation as reported by Sport NZ's partner organisations.	By 30 June 2012: Sport NZ will establish baseline standards for each performance measure (through initiatives supported by our partners).	By 30 June 2013, 2014, and 2015: Increase in baselines (through initiatives supported by our partners).

PROGRESS TOWARD INTERMEDIATE OUTCOME

The following table sets out the baseline standards for adult participation relating to club membership and participation in events.

Due to the differences in the way NSOs and RSTs operate, it is more appropriate to provide data for

these organisations separately rather than combined. NSO data are not representative of all NSOs and not all NSOs have reported across all measures. RST data are representative of all 17 RSTs. Figures have been rounded to the nearest 100 and the number in (*) refers to the number of NSOs that reported against this measure.

	Club Members	Events
National Sport Organisations	599,200 (52)	118,300 (37)
Regional Sports Trusts (17)	96,700	100,900

¹ Excludes gardening participants

COMMUNITY SPORT PLANS

During the 2011/12 year, Sport NZ worked closely with New Zealand Rugby League, New Zealand Football and Hockey New Zealand to develop and implement National Community Sport Plans. As a result, each has shown significant progress at the grass roots level.

New Zealand Football's Whole of Football Plan deserves special mention. It is arguably the best example worldwide of how to develop, socialise and implement a fully integrated community football framework.

This plan has provided a clear direction for NZ Football's Community Sport Structure. As a result of this plan, new appointments have been made in the roles of Women's Football

Manager, Grassroots Football Manager and Futsal Development Manager. Football's membership continues to grow, currently sitting at 97,872 – which represents a 16.8% increase since 2009 – while 100,000 people have taken part in football programmes in their communities.

On the back of this growth, the 2011 season saw more coaches accredited, and more referees and more volunteers receive training. The seven regional federations are also more closely aligned as a result of this plan and football is progressing strongly.

The Whole of Football Plan is providing a valuable guide for other New Zealand sports as they consider how best to grow their games from the grassroots.



Children at the first evening of the kids football league, aligned to the Whole of Football Plan, Western Springs AFC



Tama
School

Get set Go

Fundamental Movement Skills for Kiwi kids



THE ACTIVEPOST PROGRAMME – AIMED AT GETTING
MORE NEW ZEALANDERS INTO SPORT AND RECREATION
– PARTICULARLY YOUNG PEOPLE

ACTIVEPOST PARTNERSHIP

One of the benefits of improving the capability and commercial properties of targeted sport is an increased potential to attract commercial partners. A good example is the partnerships formed with New Zealand Post's ActivePost programme.

ActivePost is a health and wellness community programme aimed at getting more Kiwis into sport and activity. Its goal is to benefit individuals and communities, and to ultimately improve the health and wellness of the general population.

As Sport NZ has similar objectives around getting kids and adults into sport, we are supporting the programme, and have provided our expertise and advice to align ActivePost investment with our community sport strategy. In 2011/12 the ActivePost programme included:

- ActivePost sponsoring Athletics New Zealand's Get Set Go programme, a Fundamental Movement Skills programme for primary schools
- ActivePost sponsoring Hockey New Zealand's Small Sticks junior programme
- ActivePost as national sponsor of Waka Ama
- ActivePost working with Water Safety NZ to launch a national communications campaign, in conjunction with TVNZ, to raise awareness of the need for water safety skills; and sponsoring Water Safety NZ's 'Kia Maanu, Kia Ora' communications strategy, which utilises traditional and social Māori activities to develop and promote the importance of appropriate water safety skills.

Commercial partnerships like these channel more private investment into sport and recreation aligned to Sport NZ's community sport investment.

INTERMEDIATE OUTCOME: MORE VOLUNTEERS SUPPORTING COMMUNITY SPORT AND RECREATION THROUGH INITIATIVES SUPPORTED BY OUR PARTNERS

Performance Measure	Standard for 2011/12	Standard for 2013/15
Number of volunteers participating in community-level sport as reported by Sport NZ's partner organisations.	By 30 June 2012: Sport NZ will establish baseline standards for each performance measure (through initiatives supported by our partners).	By 30 June 2013, 2014, and 2015: Increase in baselines (through initiatives supported by our partners).
Number of coaches participating in community-level sport as reported by Sport NZ's partner organisations.		

PROGRESS TOWARD INTERMEDIATE OUTCOME

The following table sets out the baseline standards for adult volunteering relating to coaching and volunteering.

Due to the differences in the way NSOs and RSTs operate, it is more appropriate to provide data for

these organisations separately rather than combined. NSO data are not representative of all NSOs and not all NSOs have reported across all measures. RST data are representative of all 17 RSTs. Figures have been rounded to the nearest 100 and the number in (*) refers to the number of NSOs that reported against this measure.

	Coaches	Volunteers
National Sport Organisations	26,500 (39)	25,000 (38)
Regional Sports Trusts (17)	31,700	9,900

VOLUNTEER LEGACY FROM RWC 2011

New Zealand's hosting of Rugby World Cup 2011, and the need for a volunteer army to help run the event, presented a great opportunity to make volunteering part of the event's legacy.

Sport NZ invested \$1.5 million into the official Volunteer Programme run by Rugby New Zealand 2011, with the aim of producing a pool of 5,500 up-skilled volunteers who could go on to volunteer in the sport sector beyond the event, and a bank of resources to help other sports and events recruit, train and manage volunteers.

The event was an outstanding success, thanks in part to the volunteers who became the welcoming face of the tournament for both international visitors and Kiwis alike. The volunteers were the glue that held the tournament, and many of the surrounding festivities, together, and made RWC 2011 a world-class sports event, and a great New Zealand moment.

Research* shows that:

- 90% of those surveyed believed that RWC volunteers had "contributed

positively to visitors' overall experience of the tournament"

- 85% believed that RWC volunteers had "enhanced New Zealand's reputation as a destination for major events"
- 33% said the RWC volunteers inspired them "to volunteer or spend more time volunteering".

During the event and in the months following, Sport NZ collected and collated detailed information on all aspects of the programme and those resources are available to partners, and the wider public, through our website. The resources include a volunteering Strategic Plan and Operations Plan, and information on recruitment, training, management, uniforms and workforce scheduling, as well as research on public perceptions.

David Brettell, who advised on volunteering at both the Sydney and Beijing Olympics, has commented that the volunteer programme for RWC 2011 "can represent a truly positive 'springboard' for longer-term growth of volunteering in New Zealand".

*UMR Research (2011) Reaction to Volunteering during the Rugby World Cup.

OUTCOME 3: MORE NEW ZEALAND WINNERS ON THE WORLD STAGE

2011/12 was arguably New Zealand's most successful high performance year to date, with 22 athletes and teams securing top three placings at world championships or pinnacle events across Olympic disciplines.

Our athletes continued to deliver at the Olympic Games in London in July and August 2012, with New Zealand exceeding the target of 10 or more medals in winning an impressive 13 medals. This resulted in New Zealand ranking 15th on the gold medal table and equal 18th on the total medal table. New Zealand ranked 4th in medals per capita behind Grenada, Trinidad and Tobago, and Jamaica, whose medals all came in athletics whereas New Zealand achieved medals in 6 disciplines. In addition New Zealand athletes and teams posted 24 4th to 8th place finishes, and 35 9th to 16th place finishes.

Athletes continued this success at the Paralympics, winning 17 medals, including 6 gold medals, which remarkably put them 1st in terms of medals per capita.

That success was the result of a six-year strategy which focused on investment in targeted sports, a focus HPSNZ is set to continue with the recent launch of its 2012-20 strategy and with the benefit of recent increases in government investment.

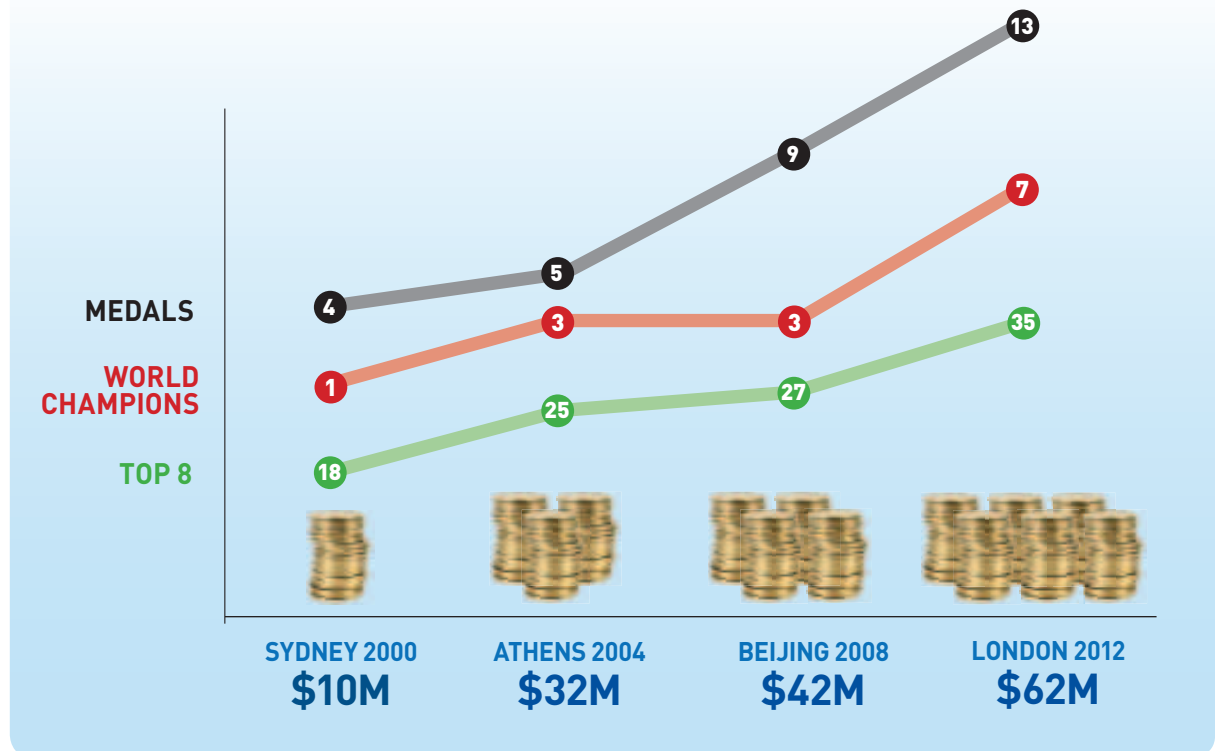
In 2011/12 Sport NZ invested \$53.9m into high performance sport, including \$31m into NSOs for delivery of their high performance programmes, and \$7.4m in Performance Enhancement Grants (PEGs) for elite athletes. A further \$1.5m was invested in technology and innovation to give Kiwi athletes a competitive edge.



STRATEGIC OUTCOME: MORE WINNERS ON THE WORLD STAGE

Performance Measure	Baseline	Standard for 2013-15	Progress
Number of athletes or teams ranked in the world's top 3 in Olympic disciplines.	22 athletes/teams have placed in the top 3 at their most recent world championship or similar pinnacle event.	By 30 June 2013, 2014, and 2015: Increase in results each year. Achieving podium performance results as measured by: Medals at Olympic Summer Games: 14+ in 2016 in Rio; 16+ in 2020	At 30 June 2012 (pre-Olympic results): 22 athletes/teams placed in the top 3 at their most recent world championship or similar pinnacle event across Olympic disciplines. [2010/11: 16]
Number of athletes or teams ranked in the world's top 8 in Olympic disciplines.	Increase in performance measures from the following baselines: 30 or more athletes or teams are ranked in the world's top 8 in Olympic disciplines.	Winning at World Championships in targeted non-Olympic sports Medals at Olympic Winter Games: 1+ in 2014 in Sochi; 2+ in 2018	41 athletes or teams are ranked in the world's top 8 in Olympic disciplines. [2010/11: 35]
Number of athletes or teams ranked in the world's top 16 in Olympic disciplines.	Increase in performance measures from the following baselines: 50 or more athletes or teams ranked in the world's top 16 in Olympic disciplines.	Gold medals at Paralympic Summer Games: 8-12 in 2016 Gold Medals at Paralympic Winter Games: 2+ in 2014 in Sochi	63 athletes or teams are ranked in the world's top 16 in Olympic disciplines. [2010/11: 68]
Number of athletes or teams ranked in the world's top 3 in non-Olympic disciplines.	Increase in performance measures from the following baselines: 35 or more athletes or teams ranked in the world's top 3 in non-Olympic disciplines (incl. netball, rugby and cricket).		44 athletes or teams are ranked in the world's top 3 in non-Olympic disciplines. [2010/11: 39]

RESULTS AND INVESTMENT GROWTH IN OLYMPIC YEARS



INTERMEDIATE OUTCOME: ATHLETES PERFORMING TO A HIGHER LEVEL IN THE HIGH PERFORMANCE SYSTEM

Performance Measure	Standard for 2011/12	Standard for 2013-15	Progress
Percentage of athletes supported by the high performance system who achieve their performance goals.	By 30 June 2012: Sport NZ will establish baseline standards for these performance measures.	By 30 June 2013, 2014, and 2015: Increase in percentage of athletes supported by the high performance system who achieve their performance goals each year.	This information will be available once HPSNZ's recently established athlete management database starts to capture this information.
Number of athletes meeting their NSO's high performance pathway criteria.		Enough athletes in their NSO's high performance pathway each year to meet HPSNZ targets (to be set).	469 athletes currently meet their NSO's high performance pathway criteria.

INTERMEDIATE OUTCOME: ELITE ATHLETES HAVE THE NECESSARY HIGH PERFORMANCE INFRASTRUCTURE AND SUPPORT SYSTEM TO EXCEL

Performance Measure	Standard for 2011/12	Standard for 2013-15	Progress
Quality and availability assessment of the high performance infrastructure and support system including: training facilities, coaching, support staff, planning, culture, athlete funding support, technology/equipment and high performance events.	By 30 June 2012: HPSNZ will establish baseline standards for this performance measure. Standards to be established from ongoing high performance system debriefs and surveys (e.g. those currently conducted for the Olympic sports Sport NZ supports) and pinnacle event debriefs. Baseline data will be reported in Sport NZ's annual report for 2011/12.	By 30 June 2013, 2014, and 2015: Increase in performance measure each year.	Post London Olympic debriefs reported the following levels of satisfaction (as either satisfied or very satisfied): <ul style="list-style-type: none"> ▪ Performance Planning: 54% of athletes and coaches ▪ Strength and Conditioning: 84% of athletes and coaches ▪ Technology Support: 69% of athletes and coaches ▪ HPSNZ Coach Performance Support: 77% of coaches ▪ HPSNZ Athlete Performance Support: 91% of athletes ▪ Performance Enhancement Grant: 70% of athletes.

INVESTING IN FACILITIES

The Sport NZ Group has increased its focus on infrastructure development to ensure New Zealanders have the best possible spaces and places to enjoy and excel in sport and recreation at all levels. This includes over \$74 million set aside for infrastructure investments, and the provision of significant support to achieve the total funding package for many projects.

In 2011/12 progress continued on several significant facility projects including: the National Training Centre in Auckland; a high performance centre in Christchurch; a national cycling centre of excellence – the Avantidrome – in Cambridge; and a National Ocean Water Sports Centre on Auckland's Takapuna Beach. Sport NZ had made cornerstone investments in each of these projects, and worked in partnership with other third party funders.

The first stage of the re-developed National Training Centre, at the AUT Millennium campus in Auckland, was formally opened by the Prime Minister on 29 June 2012. Strength and conditioning facilities and a rehabilitation centre for carded athletes have been the first assets to become fully operational. Resource consents

have also been granted for future developments, including a 50-metre, Olympic-size swimming pool.

Regional high performance hubs, in the ASB Sports Centre in Wellington and the Forsyth Barr Stadium at Dunedin, were also completed and opened during the financial year. In Christchurch, plans and the construction contract and timetable for a temporary high performance facility at Jellie Park have been completed, with the first ground-work in September 2012. The centre is due to be completed in 2013. Another facility due for completion in 2013 is a national cycling centre of excellence – the Avantidrome – in Cambridge, following the signing of a construction contract in June 2012.

A proposed National Ocean Water Sports Centre on Auckland's North Shore received \$3 million of Sport NZ investment and support through its resource consent submission phase this year. It is hoped the facility will get the green light, as the location is ideal, allowing a balance between high performance use, organised events, active recreation and unstructured recreation.

ASB Sports Centre, Wellington





Harry Randall takes aim during a game of Wheelchair Basketball at the North Shore Events Centre, Auckland

STATEMENT OF SERVICE PERFORMANCE

The Sport NZ Group's outputs for 2011/12 to achieve its strategic outcomes over 2009-2015 are grouped into two areas of work:

1. **SPORT AND RECREATION PROGRAMMES**
2. **HIGH PERFORMANCE SPORT**
3. **PRIME MINISTER'S SPORT SCHOLARSHIPS**

Output class 1 has been funded through Vote Appropriations: Sport and Recreation Programmes. Output class 2 and 3 have been funded through Vote Appropriations: High Performance Sport and Prime Minister's Sport Scholarships.

OUTPUT CLASS 1: SPORT AND RECREATION PROGRAMMES

OUTCOMES SOUGHT

LONG-TERM

- more young people and adults in sport and recreation.

MEDIUM-TERM

- more young people and adults participating in sport and recreation through initiatives supported by our partners
- more volunteers supporting community sport and recreation through initiatives supported by our partners.

PERFORMANCE AGAINST OUTPUTS PURCHASED

There were a number of new performance standards established in the Statement of Intent for 2012-2015. Where there were applicable measures in 2011/12, but no defined performance standard, they have been reported in the following performance tables as a 'new measure'.

OUTPUT CLASS: SPORT AND RECREATION PROGRAMMES

Sport NZ's investment in sport and recreation organisations will deliver programmes, resources and services that contribute to increased participation in sport and recreation by New Zealanders.

Sport NZ's assessment of its performance against the outputs purchased by the Government for Sport and Recreation Programmes for 2011/12 is set out on the next page.

PROGRAMME INVESTMENT AND MANAGEMENT

Output/Deliverable	Performance Standard	Performance at 12 months	Status
Investment into sport and recreation organisations to increase young people's and adults' participation and create more winners on the world stage.	80% of our partners' investment key performance indicators are met.	59% of our total partners' investment KPIs have been reported as completely met. 17% were reported as partially met and 10% were not met. [2010/11: Not previously measured]	Not achieved
	<p>\$39.4m investment in community sport and recreation includes:</p> <ul style="list-style-type: none"> ▪ \$12m in RSTs for community sport and recreation outcomes ▪ \$12m in RSTs for KiwiSport Regional Partnership Fund ▪ \$9m in NSOs for community sport and recreation outcomes ▪ \$1.7m in He Oranga Poutama initiatives ▪ \$1.6m to deliver recreation outcomes ▪ \$1.6m in Active Communities projects run by territorial authorities and RSTs ▪ \$1.5m to encourage participation in sport and recreation by people with disabilities. 	<p>2011/12: \$44m investment in community sport and recreation [2010/11: \$39.7m] includes:</p> <ul style="list-style-type: none"> ▪ \$12.1m in RSTs for community sport and recreation outcomes [2010/11: \$12m] ▪ \$8.5m in RSTs for KiwiSport Regional Partnership Fund and \$1.7m in KiwiSport Special projects [2010/11: \$8.5m, \$0.8m] ▪ \$13.5m in NSOs for community sport and recreation outcomes [2010/11: \$8.5m] ▪ \$1.7m in He Oranga Poutama initiatives [2010/11: \$1.8m] ▪ \$1.7m in national recreation organisations to deliver recreation outcomes [2010/11: \$1.3m] ▪ \$1.6m in Active Communities projects run by territorial authorities and RSTs [2010/11: \$1.6m] ▪ \$1.5m to encourage participation in sport and recreation by people with disabilities [2010/11: \$1.6m] ▪ \$2m invested for other community sport and recreation outcomes. [2010/11: \$2.2m] 	Achieved
Investment into sport and recreation organisations to achieve capability outcomes (governance, leadership, commercialisation, people management, IT, finance).	\$1.7m invested directly into partners to build capability.	2011/12: \$1.8m invested into partners to build capability. [2010/11: \$2.2m]	Achieved
Sport NZ invests in national sport and recreation organisations to achieve event and facility outcomes.	Investment into partner organisations.	\$1.7m invested into partner organisations for event and facility outcomes. [2010/11: \$0m]	New measure

TECHNICAL ADVICE AND RESOURCES

Output/Deliverable	Performance Standard	Performance at 12 months	Status
<p>Community Sport: Sport NZ provides expert advice, guidance and assistance to:</p> <ul style="list-style-type: none"> national sport and recreation organisations to design community sport plans, programmes and delivery systems to grow and sustain participation RSTs for the delivery of community sport and recreation initiatives. 	7 targeted sport whole-of-sport strategies in place and meet standards set and monitored by Sport NZ.	8 targeted national sport organisations have completed whole-of-sport planning. [2010/11: 6]	Achieved
	Selected sports to develop participant/athlete pathways that inform sport planning and delivery structure.	2011/12: 8 sports [2010/11: 6 sports]	New measure
	Selected sports to develop community sport plans.	2011/12: 8 sports [2010/11: 6 sports]	New measure
	RSTs develop regional support plans for targeted community sports.	All 17 RSTs have developed regional support plans for targeted community sports. [2010/11: 17 RSTs]	New measure
	RSTs for sport and recreation outcomes, delivery of KiwiSport, Regional Sports Directors in schools, and/or He Oranga Poutama.	Expert advice, guidance and assistance were provided to all 17 RSTs for sport and recreation outcomes, delivery of KiwiSport, Regional Sports Directors in schools, and/or He Oranga Poutama. [2010/11: 17 RSTs]	New measure
	Partner satisfaction with quality of community sport and recreation team consultancy and advice.	2011/12: 82.9% partner satisfaction. [2010/11: Not previously measured]	New measure
<p>Capability Development: Sport NZ provides expert advice, guidance and assistance to national sport and recreation organisations and regional sports trusts to improve organisational capability in the areas of governance, leadership, commercialisation, people management, IT, finance.</p>	15 seminar programmes delivered to the sector to increase knowledge and skills in administrative and organisational matters.	16 seminar programmes were delivered to the sector. [2010/11: 18 seminar programmes]	Achieved
	80% of seminar programme participants responding to surveying are satisfied with the seminars.	95% of seminar programme participants responding to surveying were satisfied with their seminar. [2010/11: Not previously measured]	Achieved
	2 organisational capability assessments are carried out to identify where those organisations can be strengthened.	2011/12: 6 assessments were carried out. [2010/11: 7 assessments]	Achieved
	12 NSOs are provided with capability support and market and commercial information to improve their sustainability and organisational performance.	2011/12: 16 organisations were supported. [2010/11: 16 organisations]	Achieved
	Partner satisfaction with quality of capability support.	2011/12: 82.9% partner satisfaction. [2010/11: Not previously measured]	New measure

TECHNICAL ADVICE AND RESOURCES

Output/Deliverable	Performance Standard	Performance at 12 months	Status
Events and Facilities: Sport NZ provides expert advice, guidance and assistance to stakeholders (including NSOs, territorial authorities) on the development and management of facilities (with a focus on Christchurch) and major events.	Expert advice, guidance and assistance provided to NSOs on delivering national/international events.	Expert event advice, guidance and assistance was provided to 10 NSOs. [2010/11: not previously measured]	New measure
	NSOs develop sport-specific national facility strategies.	4 NSOs have developed national facility strategies. [2010/11: 6 NSOs]	New measure
	Partner satisfaction (top two categories of five-point scale) with Sport NZ's event consultancy and advice.	2011/12: 83.3% partner satisfaction. [2010/11: not previously measured]	New measure

KNOWLEDGE AND INFORMATION

Output/Deliverable	Performance Standard	Performance at 12 months	Status
Development and dissemination of knowledge and information that support policy development process and Sport NZ monitoring.	Investment into research, national monitoring and knowledge dissemination.	2011/12: \$1.5m. [2010/11: \$1.3m]	New measure
	Partner satisfaction (top two categories of five-point scale) with information sharing by Sport NZ.	2011/12: 82.5% partner satisfaction. [2010/11: Not previously measured]	New measure
Development and dissemination of knowledge and information to facilitate sharing good practice.	Number of page views for 'developing capability' and 'research and resources' webpages of the Sport NZ website.	2011/12: the following page views and unique visitors were recorded: <ul style="list-style-type: none"> ▪ 32,509 - Resource and publication views. ▪ 5,793 - Developing capability views. ▪ 95,910 - Developing fundamental movement skills views. ▪ 2,645 - Sport and Recreation Library unique visitors. ▪ 4,106 - NZ Coach magazine unique visitors. [2010/11: Not previously measured]	New measure
	Subscribers to the Sport NZ newsletter <i>Relay</i> .	2011/12: <i>Relay</i> was distributed to 1,819 subscribers as at 20 June 2012 excluding Sport NZ and HPSNZ staff. [2010/11: 1,850 subscribers]	New measure
Sport NZ provides resources and tools (e.g. organisational development tool, online templates, survey tools, club warrant of fitness tool).	Partner satisfaction (top two categories of five-point scale) with Sport NZ's resources and toolkits.	2011/12: 75.0% partner satisfaction. [2010/11: Not previously measured]	New measure

COST OF SERVICE BY OUTPUT CLASS

OUTPUT CLASS 1: SPORT AND RECREATION PROGRAMMES

VOTE APPROPRIATION: SPORT AND RECREATION PROGRAMMES (INCLUDING LOAN TO ROWING NEW ZEALAND)

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
Actual 2011 \$000		ACTUAL 2012 \$000	BUDGET 2012 \$000	ACTUAL 2012 \$000	BUDGET 2012 \$000
18,726	Crown funding	19,151	19,151	19,151	19,151
32,918	Other operating revenue	37,596	32,618	37,596	32,618
51,644	TOTAL REVENUE	56,747	51,769	56,747	51,769
	Less expenses				
39,741	- Programme investment	48,166	43,852	48,166	43,852
4,847	- Programme support	0	5,868	0	5,868
6,167	- SPARC costs	0	6,826	0	6,826
0	- Programme management	4,111	0	4,111	0
0	- Technical advice and resources	7,077	0	7,077	0
0	- Policy advice	762	0	762	0
0	- Knowledge and information	2,442	0	2,442	0
50,755	Total Expenses	62,558	56,546	62,558	56,546
889	Net Operating Surplus/(Deficit)	(5,811)	(4,777)	(5,811)	(4,777)

This financial information is to be read in conjunction with the accounting policies and notes to the financial statements.

Major variations in the level of operating revenues and expenditures between years are explained as follows:

REVENUE

During 2011/12, additional Lotteries revenues were received totalling \$4 million, all of which has been applied to community sport initiatives. In 2010/11, the additional Lotteries revenue received totalling \$4.8 million was allocated to the High Performance Programmes for infrastructure investments.

With the establishment of HPSNZ, Sport NZ provides a range of corporate services to HPSNZ. This is charged at \$2 million per annum and is shown here as other revenue for the first time.

EXPENDITURE

The significant increase in expenditure is due to the decision to expend accumulated reserves funding. In 2011/12 this includes:

- an increase in direct investments to our targeted NSOs (\$5.1 million)
- additional capability support for NSOs and other specific initiatives directed at increasing participation (\$1.4 million)
- an increase in direct funding for KiwiSport special projects (\$1 million).

OUTPUT CLASS 2: HIGH PERFORMANCE SPORT

OUTCOMES SOUGHT

LONG-TERM

- more New Zealand winners on the world stage.

MEDIUM-TERM

- elite athletes have the necessary high performance infrastructure and support system to excel
- more athletes performing to a higher level in the high performance system.

PERFORMANCE AGAINST OUTPUTS PURCHASED

There were a number of new performance standards established in the Statement of Intent for 2012-15. Where there were applicable measures in 2011/12, but no defined performance standard, they have been reported in the following performance tables as a new measure.

OUTPUT CLASS: HIGH PERFORMANCE PROGRAMMES

HPSNZ purchases programmes, resources and services that contribute to more New Zealand winners on the world stage.

HPSNZ's assessment of its performance against the outputs purchased by the Government for high performance programmes for 2011/12 is set out below.

PROGRAMME INVESTMENT AND MANAGEMENT

Output/Deliverable	Performance Standard	Performance at 12 months	Status
Investment into sport and recreation organisations to increase young people's and adults' participation and create more winners on the world stage.	\$62.8m investment in high performance sport includes: <ul style="list-style-type: none"> \$28m in NSOs for delivery of their high performance programmes \$18m to develop high performance facilities \$8m to provide support services to high* performance athletes \$5.6m in Performance Enhancement Grants (PEGs) for elite athletes \$2m in technology and innovation to give NZ athletes a competitive edge \$1.2m in high performance events. 	2011/12: \$53.9m for high performance sport [2010/11: \$49.8m], with a further \$7.5m committed. Made up as follows: <ul style="list-style-type: none"> \$31m in NSOs for delivery of their high performance programmes [2010/11: \$23.8m] \$13.2m to develop high performance facilities [2010/11: \$6.1m], with a further \$7.5m committed \$7.4m in Performance Enhancement Grants (PEGs) for elite athletes [2010/11: \$6.5m] \$1.5m in technology and innovation to give NZ athletes a competitive edge [2010/11: \$1.2m] \$0.8m in high performance events. [2010/11: \$0.8m] 	Not achieved The non-achievement relates to lower investment into high performance facilities due to delays in construction.

*Note: support services are now provided directly through HPSNZ and therefore not classified as an investment. (Refer 'Athlete Services' section below)

TECHNICAL ADVICE AND RESOURCES

Output/Deliverable	Performance Standard	Performance at 12 months	Status
HPSNZ provides expert advice, guidance and assistance to NSOs regarding the delivery of their high performance programmes and the improvement of athlete development.	9 targeted sports deliver high performance programmes to standards set and monitored by HPSNZ.	2011/12: 9 targeted sports delivered high performance programmes. [2010/11: 9 targeted sports]	Achieved
	6 NSOs deliver high performance projects through contestable funding to standards set and monitored by HPSNZ.	2011/12: 6 NSOs delivered high performance projects. [2010/11: 18 NSOs]	Achieved
	Expert advice, guidance and assistance provided to national sport organisations to support the delivery of their high performance programmes.	2011/12: 13 NSOs. [2010/11: 9 NSOs]	New measure
	Partner (NSO) satisfaction (top two categories of five-point scale) with quality of HPSNZ consultancy and advice.	2011/12: 85.7% partner satisfaction. [2010/11: Not previously measured]	New measure

HIGH PERFORMANCE ATHLETE SERVICES

Output/Deliverable	Performance Standard	Performance at 12 months	Status
Directly support athletes through Performance Enhancement Grants (PEGs).	PEGs allocated to high performance athletes.	2011/12: 294 athletes. [2010/11: 285 athletes]	New measure
Provide direct performance support to athletes in exercise physiology, biomechanics, strength and conditioning, nutrition, biomechanics, physiotherapy, massage, planning, athlete life, medical and specialist services.	Athletes receive funding and/or access to services through the high performance system.	2011/12: 469 athletes. [2010/11: 467 athletes]	New measure
	Coaches receive funding and/or access to services provided by the high performance system.	2011/12: 80 coaches. [2010/11: 75 coaches]	New measure
	Service provider FTEs delivered to athletes.	2011/12: 50 FTEs – key employed and contracted providers. [2010/11: not previously measured]	New measure
Provides professional development opportunities for athletes and support personnel.	Number of professional development opportunities for athletes and coaches run by HPSNZ.	Professional development is delivered through the Athlete Life Programme with every carded athlete assigned an advisor at carding to assist with professional development opportunities; including the development of an individualised plan, workshop programme and external professional development offerings through an Athlete Friendly Network and partnership with the IOC Athlete Career Programme. HPSNZ works actively with carded coaches to develop individualised PD plans. HPSNZ has run 6 workshops during the year catering to a range of key PD opportunities identified. [2010/11: not previously measured]	New measure

OUTPUT CLASS 3: PRIME MINISTER'S SPORT SCHOLARSHIPS

To increase participation and achievement in sport and physical recreation by providing scholarships enabling talented New Zealanders to pursue tertiary study and elite-level sport development concurrently, and /or to develop skills that contribute to the quality of New Zealand's sport performance at the elite level.

PROGRAMME INVESTMENT AND MANAGEMENT

Output/Deliverable	Performance Standard	Performance at 12 months	Status
Sport NZ invests in the development of high performance athletes, coaches, officials and support personnel through allocating Prime Minister's Sport Scholarships, on the recommendation of HPSNZ.	\$4.25m in Prime Minister's Sport Scholarships for elite athletes, coaches and officials.	2011/12: \$3.8m. [2010/11: \$4m]	Not achieved Smaller value scholarships were undertaken during the period due to athletes and support teams being involved in Olympic preparation.
	At least 250 Prime Minister's Athlete Scholarships.	2011/12: 379 scholarships. [2010/11: 350 scholarships]	Achieved
	At least 50 Prime Minister's Coach, Support Team and Officials Scholarships.	2011/12: 100 scholarships. [2010/11: 63 scholarships]	Achieved
	Administration costs are less than 10% of the total funds being allocated.	2011/12: 3.9%. [2010/11: costs not previously charged]	Achieved

COST OF SERVICE BY OUTPUT CLASS

OUTPUT CLASS 2: HIGH PERFORMANCE SPORT

The cost of service by output tables provided below are aligned to the two Vote Appropriation classifications having been applied to Output class 2.

VOTE APPROPRIATION: HIGH PERFORMANCE SPORT

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
Actual		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
48,338	Crown funding	53,338	53,338	53,338	53,338
5,493	Other operating revenue	1,584	4,156	9,699	4,156
53,831	TOTAL REVENUE	54,922	57,494	63,037	57,494
	Less expenses				
45,853	- Programme investment	27,494	63,788	54,588	63,788
3,821	- Programme support	0	4,902	0	4,902
2,730	- SPARC costs	0	2,627	0	2,627
0	- Programme management	1,743	0	4,019	0
0	- Technical advice and resources	0	0	4,942	0
0	- HP athlete services	0	0	9,399	0
52,404	Total Expenses	29,237	71,317	72,948	71,317
1,427	Net Operating Surplus/(Deficit)	25,685	(13,823)	(9,911)	(13,823)

This financial information is to be read in conjunction with the accounting policies and notes to the financial statements.

Major variations in the level of operating revenues and expenditures between years are explained as follows.

REVENUE

As a result of the high performance sport initiatives announced in 2010, Crown funding has increased by \$5 million in 2011/12.

The increase in other operating revenue reflects one-off revenue associated with the establishment of HPSNZ being:

- contract funding for HPSNZ to deliver contracts that have been novated to HPSNZ totalling \$6.916 million; and
- residual funds of \$0.972 million from the New Zealand Academies of Sport that were gifted to Sport NZ.

This is partially offset by a one-off contribution of Lotteries funding received in 2010/11 of \$4.8 million as a contribution towards the development of high performance infrastructure.

EXPENDITURE

The increase in expenditure between years reflects increased levels of high performance programme expenditure associated with the additional Crown funding received, and the associated contracts novated from the New Zealand Academies of Sport.

Expenditure on High Performance infrastructure investment has increased by \$7 million in 2011/12 as project milestones are delivered.

There has also been a reclassification of expenditure with the establishment of HPSNZ. Previously, the cost of HP Athlete Services was classified as an Investment; it is now an internal operating cost of HPSNZ and classified as a separate output above.

OUTPUT CLASS 3: PRIME MINISTER'S SPORT SCHOLARSHIPS

VOTE APPROPRIATION: PRIME MINISTER'S SPORT SCHOLARSHIPS

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
Actual		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
4,250	Crown funding	4,250	4,250	4,250	4,250
4,250	TOTAL REVENUE	4,250	4,250	4,250	4,250
	Less expenses				
3,953	- Programme investment	(4)	4,250	3,777	4,250
0	- Programme support	0	0	149	0
3,953	Total Expenses	(4)	4,250	3,926	4,250
297	Net Operating Surplus/(Deficit)	4,254	0	324	0

This financial information is to be read in conjunction with the accounting policies and notes to the financial statements.

EXPENDITURE

Spend in Prime Minister's Sport Scholarships was lower this year with smaller value scholarships being undertaken in Olympic year due to athletes and support team members being involved in Olympic preparation and competition.

FINANCIAL INFORMATION



A white water kayaker challenges the elements
on Prices River, West Coast

FINANCIAL OVERVIEW

The financial information presented within this annual report represents the first set of consolidated financial statements for the Sport NZ Group, comprising Sport NZ (previously referred to as 'SPARC') and wholly-owned subsidiary HPSNZ. The Sport NZ Group has been operating since August 2011 and therefore the 2011/12 figures represent the first 11 months of the Sport NZ Group operations. The first full-year impact of the HPSNZ merger will not be evident until the 2012/13 financial year.

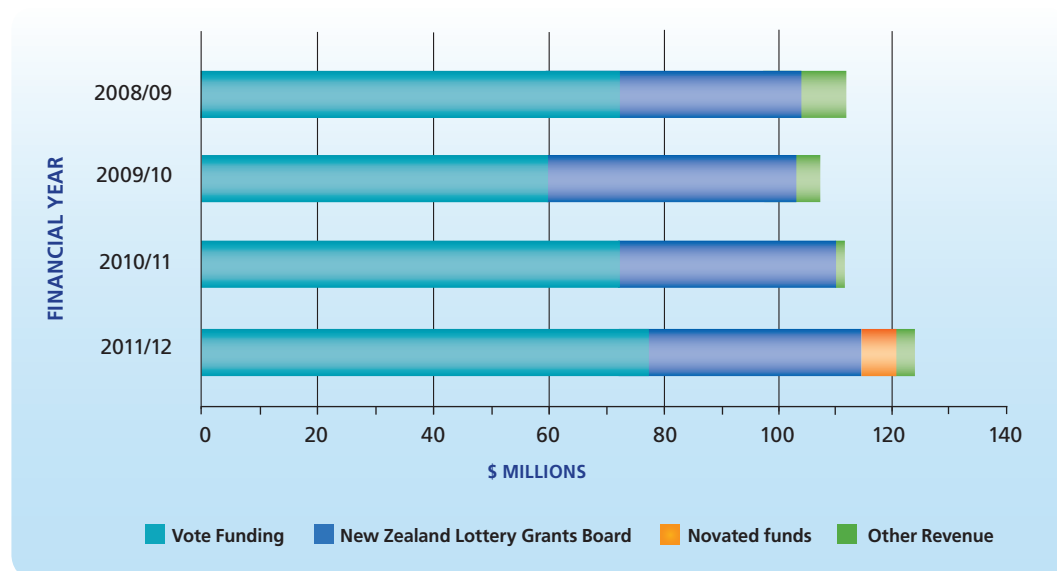
As a result of the high performance sport initiatives announced by the Prime Minister in June 2010, Crown funding for high performance sport has continued to rise with stepped increases of \$10 million and \$15 million in 2010/11 and 2011/12.

The Sport NZ Group has also continued to benefit from increasing Lotteries revenues, with a three year average of \$39 million compared with 2008/09 of \$31 million.

The additional revenue has been applied to:

- investments in world class high performance infrastructure and NSOs
- additional capability and service support across our NSO partners
- specific initiatives directed at increasing participation.

TABLE ONE: ANALYSIS OF REVENUE FROM 2008/09 TO 2011/12



Revenue from Novated Funds relates to funds acquired through the merger of the two NZ Academies of Sport.

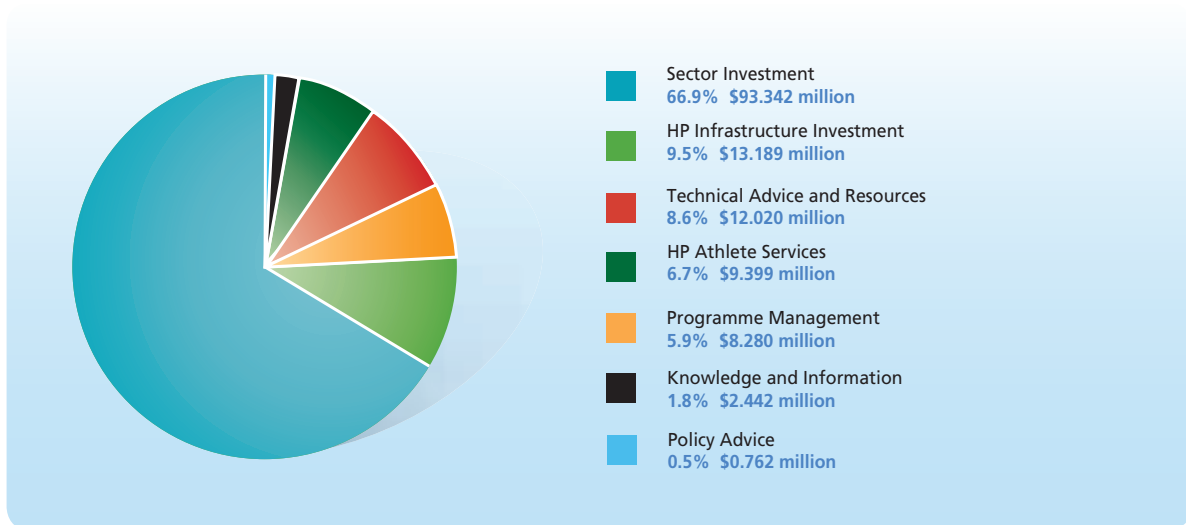
TABLE TWO: ANALYSIS OF 2011/12 EXPENDITURE (BY OUTPUT)

Table Two shows that in 2011/12, \$102.741m of expenditure was directly invested into the sport and recreation sector (e.g. national governing bodies of national sport and recreational organisations and regional sports trusts) through direct investment (\$93.342m) and the provision of HP Athlete services² (\$9.399m). Direct investment in 2010/11 made up \$84.359m of total expenditure. A further \$13.189m has been invested in the development of high performance facilities (\$6.059m in 2010/11).

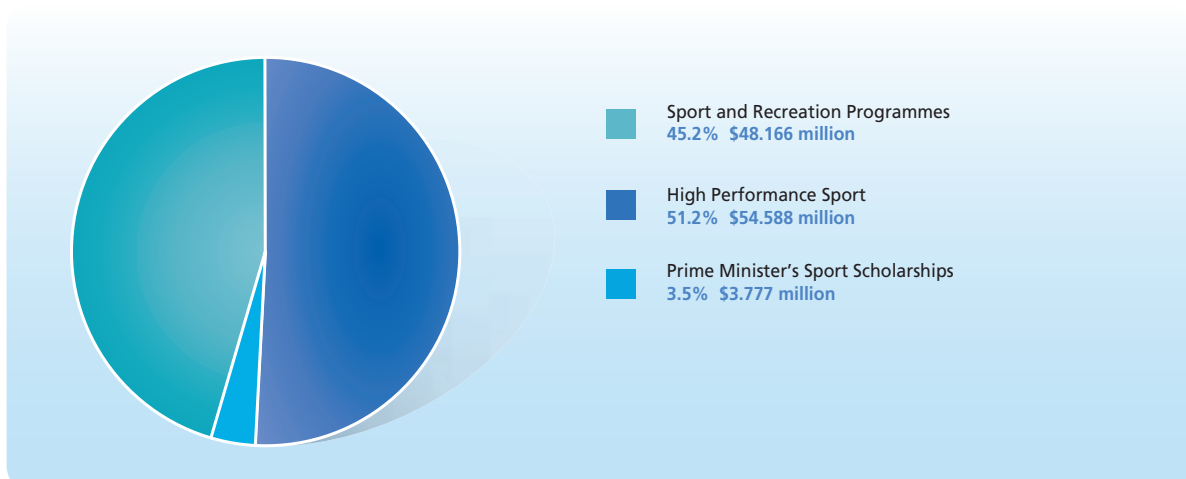
TABLE THREE: ANALYSIS OF 2011/12 SECTOR INVESTMENT (BY APPROPRIATION)

Table Three shows the output classifications (by appropriation) into which that 78% of expenditure invested directly into the sport and recreation sector in 2011/12 was made. Please note this table only includes direct investment, and that the total expenditure for each of these output classifications is further explained within the Cost of Service by Output section on pages 42 through 46.

² In 2010/11, this was treated as 'direct investment' into the two NZ Sport Academies.

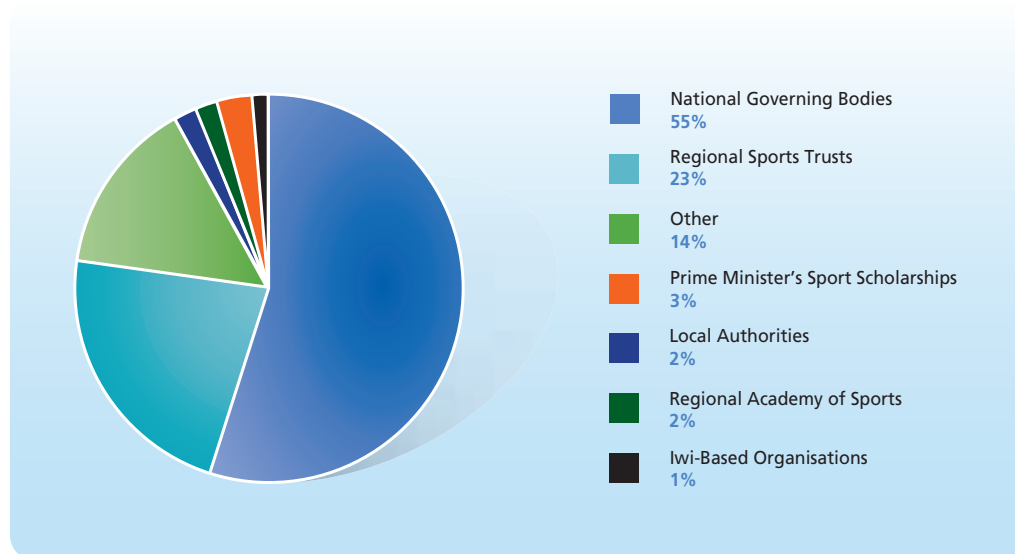
TABLE FOUR: ANALYSIS OF 2012 SECTOR INVESTMENT (BY PARTNER)

Table Four shows how the 78% of total expenditure invested into the sport and recreation sector in 2011/12 has been distributed between the Sport NZ Group's partner organisations in the sector. The primary channel for sector investment for both high performance and community sport is through NSOs and RSTs, which received 78% of sector investment. In 2011/12, the Sport NZ Group invested \$14.964 million (14%) into other partners including \$13.189 million for the construction of high performance infrastructure projects. A summary of the Sport NZ Group's sector is further contained in Appendix 1 on pages 80 through 84.

FINANCIAL SUMMARY

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
111,025	Operating revenue	117,919	113,513	124,034	113,513
90,418	Investment and grants	115,183	109,583	106,531	109,583
17,565	Operating expenditure	16,138	22,530	30,905	22,530
3,042	Net Operating Surplus/(Deficit)	(13,402)	(18,600)	(13,402)	(18,600)
35,423	Assets	22,042	10,048	23,642	10,048
2,813	Liabilities	2,834	3,336	4,434	3,336
32,610	Public Equity	19,208	6,712	19,208	6,712

This financial information is to be read in conjunction with the accounting policies and notes to the financial statements.

The financial results presented for the Sport NZ Group include the operations from HPSNZ from 8 August 2011 when it was formed in addition to the 12-month results of Sport NZ.

Both revenue and expenditure increased significantly between 2010/11 and 2011/12, largely as a result of a significant increase in Crown funding for high performance sport (\$5 million), and the introduction of funds from the New Zealand Academies of Sport North and South (\$6 million). These increases have resulted in an increase in high performance investments.

There has also been increased investment across community sport initiatives, NSO capability support and specific initiatives directed at increasing participation. These increases have been funded out of reserves built up over a number of years.

2011/12 also reflects a significant investment in the development of high performance facilities as a continuation of prior year commitments.

Cost of services is significantly higher compared with 2010/11 and that budgeted for in the Statement of Intent 2011-14. With the establishment of HPSNZ in August 2011, the activities of the two New Zealand Sport Academies, previously classified as an Investment, are now classified as part of the Sport NZ Group's core operating costs.

Sport NZ's public equity at 30 June 2012 was \$19.208 million. Of the reserve funds held, \$7.469 million has been approved and committed for specific high performance infrastructure investments which, due to project delays, will now be invested in 2012/13 and beyond. A further \$8.659 million has been committed against the increases identified above which run over the next two years.

A summary of planned expenditure against accumulated reserves is shown below:

ITEM	ALLOCATED \$ MILLION
HP Infrastructure Investments	7.469
NSO Investments	1.740
NSO Capability	1.454
Targeted Youth Investment	1.494
Sport in Education	1.860
KiwiSport Special Projects – targeted sport	2.085
TOTAL	16.102

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

SPORT NZ			SPORT NZ		GROUP	
ACTUAL			ACTUAL	BUDGET	ACTUAL	BUDGET
2011			2012	2012	2012	2012
\$000	Note	\$000	\$000	\$000	\$000	\$000
Revenue						
72,614	Crown funding	2	76,739	76,739	76,739	76,739
37,062	New Zealand Lottery Grants Board		36,689	35,395	36,689	35,395
1,290	Interest received		886	261	973	261
0	Novated funds		0	0	6,916	0
0	Shared services recovery		2,000	0	0	0
59	Sundry revenue		1,605	1,118	2,717	1,118
111,025	Total Operating Revenue	3	117,919	113,513	124,034	113,513
Investments and Grants						
76,559	Sector investment		60,600	83,565	91,475	83,565
7,800	Academy Investment		1,867	8,000	1,867	8,000
0	HPSNZ funding		39,527	0	0	0
6,059	Infrastructure investment		13,189	18,018	13,189	18,018
90,418	Total Investments and Grants		115,183	109,583	106,531	109,583
Cost of Services						
174	Board members remuneration	24	149	262	236	262
9,528	Personnel costs	4	8,146	10,598	14,762	10,598
3,390	Professional and technical services	5	3,387	3,063	7,330	3,063
635	Office and property		644	576	1,080	576
417	Depreciation and amortisation		314	758	753	758
3,421	Other operating costs		3,498	7,273	6,744	7,273
17,565	Total Operating Expenditure		16,138	22,530	30,905	22,530
107,983	Total Expenditure		131,321	132,113	137,436	132,113
3,042	Net Operating Surplus/(Deficit)		(13,402)	(18,600)	(13,402)	(18,600)
0	Other comprehensive income		0	0	0	0
3,042	Total Comprehensive Income		(13,402)	(18,600)	(13,402)	(18,600)

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

SPORT NZ			SPORT NZ		GROUP	
ACTUAL			ACTUAL	BUDGET	ACTUAL	BUDGET
2011			2012	2012	2012	2012
\$000	Note		\$000	\$000	\$000	\$000
Assets						
CURRENT ASSETS						
7,961	7	Cash and cash equivalents	7,836	6,854	8,681	6,854
206	8	Trade and other receivables	10,325	97	11,241	97
0		Prepayments	28	0	44	0
0		Advanced to HPSNZ	2,002	0	0	0
113	9	Inventories	37	146	37	146
24,759	10	Investments	0	0	68	0
33,039		Total Current Assets	20,228	7,097	20,071	7,097
NON-CURRENT ASSETS						
975	11	Property, plant and equipment	814	756	1,783	756
980	12	Intangible assets	557	1,817	1,345	1,817
429	13	Loans	443	378	443	378
2,384		Total Non-Current Assets	1,814	2,951	3,571	2,951
35,423		Total Assets	22,042	10,048	23,642	10,048
Liabilities						
CURRENT LIABILITIES						
1,784	14	Trade and other payables	1,728	2,696	2,767	2,696
222	15	Revenue received in advance	189	190	223	190
807	16	Employee entitlements	803	450	1,330	450
0	17	Provisions	114	0	114	0
2,813		Total Current Liabilities	2,834	3,336	4,434	3,336
2,813		Total Liabilities	2,834	3,336	4,434	3,336
32,610		Net Assets	19,208	6,712	19,208	6,712
Represented by:						
32,610	6	Total Public Equity	19,208	6,712	19,208	6,712

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2012

SPORT NZ			SPORT NZ		GROUP	
ACTUAL			ACTUAL	BUDGET	ACTUAL	BUDGET
2011			2012	2012	2012	2012
\$000	Note		\$000	\$000	\$000	\$000
29,568		Opening public equity	32,610	25,312	32,610	25,312
3,042		Total comprehensive income	(13,402)	(18,600)	(13,402)	(18,600)
32,610	6	Closing Public Equity	19,208	6,712	19,208	6,712

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011	Note	2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
Cash flows from operating activities					
CASH INFLOWS					
72,614		76,739	76,739	76,739	76,739
37,062		28,009	35,395	28,009	35,395
136		1,516	1,053	9,035	1,053
1,337		1,011	328	1,094	328
0		2,000	0	0	0
111,149		109,275	113,515	114,877	113,515
CASH OUTFLOW					
85,674		64,062	94,985	94,937	94,985
7,470		8,178	8,958	14,837	8,958
0		41,529	0	0	0
644		1,784	1,467	2,186	1,467
93,788		115,553	105,410	111,960	105,410
8,866		8,036	9,372	14,122	9,372
102,654		123,589	114,782	126,082	114,782
8,495	21	(14,314)	(1,267)	(11,205)	(1,267)
Cash flow from investing activities					
CASH INFLOWS					
0	11	2	0	23	0
0	12	0	0	3	0
0		668	0	0	0
0	13	50	50	50	50
0		24,759	19,200	24,759	19,200
		25,479	19,250	24,835	19,250
CASH OUTFLOW					
59	11	18	30	1,153	30
931	12	381	960	798	960
0		0	0	0	0
5,409	13	10,891	11,905	10,891	11,905
5,559	10	0	5,000	68	5,000
11,958		11,290	17,895	12,910	17,895
(11,958)		14,189	1,355	11,925	1,355
(3,463)		(125)	88	720	88
11,424		7,961	6,766	7,961	6,766
7,961		7,836	6,854	8,681	6,854
MADE UP OF					
7,961		7,836	6,854	8,681	6,854
7,961		7,836	6,854	8,681	6,854

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements.

The GST (net) component of operating activities included in the reflects the GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2012

REPORTING ENTITY

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. A full list of functions is set out in the Appendix to this Annual Report.

SPARC was the trading name of Sport and Recreation New Zealand until 1 February 2012 when it changed its trading name to Sport New Zealand (Sport NZ). Sport NZ formed a wholly-owned subsidiary, High Performance Sport New Zealand (HPSNZ) in August 2011 by merging Sport and Recreation New Zealand’s high performance unit with the business activities of the two New Zealand Academies of Sport (North and South Island).

Accordingly, Sport NZ and its wholly-owned subsidiary, HPSNZ, are designated a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (‘NZ IFRS’).

These financial statements are for the Sport NZ Group, comprising both Sport NZ and HPSNZ. They are for the year ended 30 June 2012. Prior year comparisons are for the operations of Sport NZ (previously SPARC) as reported in the 2010/11 Annual Report. They do not include comparative information for the two New Zealand Academies of Sport.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The financial statements of the Sport NZ Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (‘NZ GAAP’).

The financial statements comply with NZ IFRS and other applicable Financial Reporting Standards appropriate for public benefit entities.

The financial statements for the Sport NZ Group include the operations from HPSNZ from 8 August 2011 when it was formed in addition to the twelve-month results of Sport NZ.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of certain items of property, plant and equipment, and the measurement of equity investments and derivative financial instruments at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

The 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.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the financial year.

The Sport NZ Group has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 24 Related Party Disclosures (Revised 2009)

The effect of adopting the revised NZ IAS 24 is:

- more information is required to be disclosed about transactions between the Sport NZ Group and entities controlled, jointly controlled, or significantly influenced by the Crown
- commitments with related parties require disclosure
- information is required to be disclosed about any related party transactions with Ministers of the Crown.

NZ IFRS 7 Financial Instruments: Disclosures

The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used, and requires the maturity analysis of derivative liabilities to be presented separately from non-derivative financial liability contractual maturity analysis. This new information is disclosed in note 28.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach

to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Sport NZ Group is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Sport NZ Group expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Sport NZ Group is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

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

SUBSIDIARIES

The Sport NZ Group has consolidated HPSNZ in the Group financial statements, as a wholly-owned subsidiary of Sport NZ. Sport NZ has the capacity to control their

financing and operating policies so as to obtain benefits from their activities.

HPSNZ has been fully consolidated from the date of establishment.

REVENUE

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

Revenue from the Crown

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 as specified in the statement of service performance on pages 38 through 46.

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

Grants and donations

Grants and donations are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Sale of publications

Sales of publications are recognised when the product is sold to the customer.

SECTOR INVESTMENTS AND GRANTS (EXPENDITURE)

Discretionary investments are those investments where there exists no obligation to award on receipt of the investment application and are recognised as expenditure when expenditure is due against the agreement.

Non-discretionary investments are those investments awarded if the application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the investment has been received.

The Sport NZ Group has disclosed all grant expenditure within these financial statements as 'Sector Investments'.

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 income.

Lease incentives received are recognised in the statement of comprehensive income over the lease term as an integral part of the total lease expense.

CASH AND CASH EQUIVALENTS

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

TRADE AND OTHER RECEIVABLES

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

Impairment of a receivable is established when there is objective evidence that the Sport NZ Group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

INVESTMENTS

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

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

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.

INVENTORIES

Inventories held for distribution or consumption in the provision of services that are not issued on a commercial basis are measured at the lower of cost (calculated using the weighted average cost method) and current replacement cost. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The replacement cost of the economic benefits, or service potential of inventory held for distribution, reflects any obsolescence or any other impairment.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of comprehensive income in the period when the write-down occurs.

ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS

The Sport NZ Group does not hold any foreign currency cash, cash equivalents or bank deposits. Any foreign currency transactions (payments to foreign organisations) are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of comprehensive income.

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 own any land or buildings and does not account for any revaluations of property, plant and equipment.

Additions

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised 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.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as they are incurred.

Depreciation

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

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

Audio visual equipment	3 to 5 year	(20-33%)
Furniture and fittings	5 to 10 years	(10-20%)
Sports science equipment	2 to 5 years	(20-50%)
Gym and coaching equipment	2 to 5 years	(20-50%)
Office equipment	5 to 10 years	(10-20%)
Computer hardware	3 years	(33%)

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

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

INTANGIBLE ASSETS

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

Costs associated with the development and maintenance of the Sport NZ Group's websites are recognised as an expense when incurred.

Amortisation

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

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

Acquired computer software	3 years	(33%)
Developed computer software	3 years	(33%)

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Sport NZ Group would, if deprived of the asset, replace its remaining future economic benefits or service potential.

TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

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

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

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

Long-term employee entitlements

The Sport NZ Group does not have any employee entitlements that are payable beyond 12 months.

SUPERANNUATION SCHEMES

Defined contribution schemes

The Sport NZ Group's obligations and contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive income as incurred.

PROVISIONS

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

GOODS AND SERVICES TAX (GST)

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

INCOME TAX

The Sport NZ Group is a public authority in terms of the Income Tax Act 2007 as provided for in the Sport and Recreation New Zealand Act 2002 and consequently is exempt from the payment of income tax.

BUDGET FIGURES

The budget figures for the year ended 30 June 2012 are derived from the Statement of Intent 2011-2014, as approved by the Sport NZ Board on 25 May 2011. The budget figures were prepared prior to the formation of HPSNZ, including forecast investment into the two Academies of Sport.

The budget figures were prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by Sport NZ Group for the preparation of the financial statements.

Critical accounting estimates and assumptions pertaining to the financial statements are detailed further below.

COST ALLOCATION

Within the statement of service performance, the cost of outputs has been determined through a direct allocation and overhead allocation:

- Direct Allocation – where costs can be directly allocated to an output
- Overhead allocation – where costs cannot be directly attributed to an output they have been classified as overhead. Overhead costs include expenditure related to the Executive, Corporate Services, Business Operations and Marketing and Communications.

Overhead costs are allocated across the outputs based on the proportional allocation of fulltime equivalent employees (FTEs) within each directly allocated cost.

This allocation methodology represents a change since the date of the last audited financial statements and the date of the Statement of Intent 2011-2014. These changes have been made to cater for the incorporation of HPSNZ and to better represent the cost of outputs across the Sport NZ Group.

The budgets and comparatives have not been restated.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

The 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 financial statements to assess the Sport NZ Group's actual financial results against those previously forecast.

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

In preparing these financial statements the Sport NZ Group has made estimates and assumptions. 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.

The basis and appropriateness of the assumptions used in preparing the financial statements are those which the Board have determined reasonably reflect the results of the Sport NZ Group as at 31 October 2012, the date on which the financial statements have been authorised for issue by the Board.

There are no estimates or assumptions deemed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

CRITICAL JUDGEMENTS IN APPLYING THE SPORT NZ GROUP'S ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying the Sport NZ Group's accounting policies for the period ended 30 June 2012:

IMPAIRMENT OF LOANS AND ADVANCES

The fair values of loans and advances are based on the discounted cash flows of the expected repayments for each loan and advance. Future cash flows are discounted using a rate appropriate to each loan and advance. The Sport NZ Group has exercised its judgement in determining the appropriate discount rates for each loan and advance, having taken into account the interest rates, repayment terms and any other risks associated with each loan and advance.

The Sport NZ Group will review the discount rates for each loan and advance on an annual basis. If the cash flow or discount rate assumptions were to change because of market conditions, the fair value could be different and could result in increases or reversals, in part or in full, of impairments to loans and advances at a future date.

2. CROWN FUNDING

The Sport NZ Group has been provided with funding from the Crown for the specific purposes contained within the Sport NZ Statement of Intent 2011-2014 and the scope of the relevant government appropriations from which funding is received. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding.

3. OPERATING REVENUE

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
	Crown funding				
18,726	- Sport and Recreation Programmes	19,151	19,151	19,151	19,151
48,338	- High Performance Sport	53,338	53,338	53,338	53,338
4,250	- Sport Education Scholarships	4,250	4,250	4,250	4,250
1,300	- Loan to Rowing New Zealand	0	0	0	0
72,614	Total Crown Funding	76,739	76,739	76,739	76,739
	Other revenue				
37,062	NZ Lottery Grants Board	36,689	35,395	36,689	35,395
1,290	Interest Received	886	261	973	261
0	Novated Funds	0	0	6,916	0
0	Shared Services Recovery	2,000	0	0	0
59	Sundry Revenue	1,605	1,118	2,718	1,118
111,025	Total Operating Revenue	117,919	113,513	124,035	113,513

Major variations in the level of operating revenues between 2010/11 and 2011/12 are explained as follows:

CROWN FUNDING

Total Crown funding increased by \$4.125 million as a net result of:

- an increase of \$5 million in baseline funding reflecting the Government's increased investment into high performance sport and infrastructure
- an increase of \$0.650 million for sport and recreation programmes to reinstate the baseline after a one-off transfer loan to Rowing New Zealand in 2010/11
- a permanent baseline decrease of \$0.225 million to Ministry for Culture and Heritage to fund their purchase advice activities in respect to Vote Sport

- a decrease in the one-off Crown funding appropriation of \$1.3 million for a loan to Rowing New Zealand.

NOVATED FUNDS

Associated with the formation of HPSNZ there were funds that have been brought into the group from the New Zealand Academies of Sport. These funds are made up of contract funding for HPSNZ to deliver contracts that have been novated to HPSNZ totalling \$6.916 million and residual funds of \$0.972 million from the New Zealand Academies of Sport have been gifted to Sport NZ.

Explanation of significant variances between actual revenues for 2012 and those budgeted for 2011 is further detailed in note 31 of the notes to the financial statements.

4. PERSONNEL COSTS

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000	NOTE	\$000	\$000	\$000	\$000
8,945	Salaries and wages	7,681	10,566	13,603	10,566
552	Other personnel costs	469	482	968	482
0	Employer contributions to defined contribution schemes	0	0	46	0
31	Increase/(decrease) in employee entitlements	15	(450)	145	(450)
9,528	Total Personnel Costs	8,146	10,598	14,762	10,598

As at 30 June 2012, Sport NZ Group employed 136.81 full time employees (2010/11: 78.8 fulltime employees). The significant increase in employees and resultant personnel costs relate to the merger of the two NZ Academies of Sport with the creation of HPSNZ.

Salaries and wages are those costs associated with salaries and wages paid to Sport NZ Group's permanent employees.

In 2011/12, four employees have received or are entitled to receive compensation and other benefits in relation to cessation of employment totalling \$232,712 (2010/11: 3 employees totalling \$71,158).

Other personnel costs include payments made to temporary and contract staff, and recruitment and professional development costs.

Employer contributions to defined contribution plans include contributions to Kiwisaver. The Sport NZ Group's net employer contributions to KiwiSaver are \$45,596 due to reimbursements received from the State Services Commission for the Sport NZ Group employees [2011/12: contributions totalled \$155,075] (2010/11: \$108,901).

5. PROFESSIONAL AND TECHNICAL SERVICES

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL 2011 \$000		ACTUAL 2012 \$000	BUDGET 2012 \$000	ACTUAL 2012 \$000	BUDGET 2012 \$000
2,009	Contractors and consultants	1,518	1,037	1,707	1,037
0	Athlete service contractors	0	0	3,573	0
1,313	Other professional and technical services	1,760	1,943	1,907	1,943
	Audit fees (Audit NZ)				
53	- For financial statement audit	55	53	79	53
14	- Other audit services	0	0	0	0
	Audit fees (Non Audit NZ)				
0	- Other audit services	54	30	64	30
67	Total Audit Fees	109	83	143	83
3,389	Total Professional and Technical Services	3,387	3,063	7,330	3,063

Athlete service contractors – represent a key part of the delivery for High Performance Athlete services. This includes contracted specialists who provide direct performance support to athletes in exercise physiology, biomechanics, strength and conditioning, nutrition, biomechanics, physiotherapy, massage, planning, athlete life, medical and specialist services.

6. ACCUMULATED FUNDS

The Sport NZ Group has accumulated funds over the current and previous financial years through the generation of operating surpluses resulting from unbudgeted lotteries revenues. A summary of planned expenditure against accumulated reserves is shown to the right:

ITEM	ALLOCATED \$ MILLION
HP Infrastructure Investments	7.469
NSO Investments	1.740
NSO Capability	1.454
Targeted Youth Investment	1.494
Sport in Education	1.860
Kiwisport Special Projects – targeted sport	2.085
TOTAL	16.102

7. CASH AND CASH EQUIVALENTS

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL 2011 \$000		ACTUAL 2012 \$000	BUDGET 2012 \$000	ACTUAL 2012 \$000	BUDGET 2012 \$000
485	Bank balances and cash held	336	354	1,181	354
	Short-term investment (deposits < 90 days)				
476	- Rabobank NZ	6,000	0	6,000	0
7,000	- Westpac	1,500	6,500	1,500	6,500
7,476	Total Short-Term Investments	7,500	6,500	7,500	6,500
7,961	Total Cash and Cash Equivalents	7,836	6,854	8,681	6,854

As at 30 June 2012, the weighted average interest rate on short-term investments was 3.80% (2010/11: 3.11%).

As at 30 June 2012, the above short-term investments were on call, as was the case at 30 June 2011.

The Sport NZ Group's deposits with investment maturity dates of 90 days or less and at fixed interest rates are disclosed in the statement of financial position as cash and cash equivalents.

The Sport NZ Group's deposits with investment maturity dates greater than 90 days have been classified as investments and are further disclosed in note 10 of the notes to the financial statements.

Being fixed interest rate investments, there is no impact on the measurement of amortised cost.

Financial instrument risks are further explained in note 28 of the notes to the financial statements.

8. TRADE AND OTHER RECEIVABLES

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
0	New Zealand Lottery Grants Board	8,680	0	8,680	0
44	Trade receivables due from the Crown and related entities	36	0	36	0
162	Other trade receivables	49	97	563	97
0	Goods and services tax	1,560	0	1,962	0
206	Total Trade and Other Receivables	10,325	97	11,241	97

The carrying value of receivables approximates their fair value, as per the below table disclosing the aging of receivables:

	2012			2011		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
Not past due	11,055	0	11,055	206	0	206
Past due 1-30 days	143	0	143	0	0	0
Past due 31-60 days	12	0	12	0	0	0
Past due 61-90 days	25	0	25	0	0	0
Past due >91 days	6	0	6	0	0	0
Total Trade and Other Receivables	11,241	0	11,241	206	0	206

There has not been, nor is it anticipated that there will be, a requirement for any provision for the impairment of receivables.

9. INVENTORIES

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
39	Inventory held for the use in provision of goods and services	13	51	13	51
74	Inventory held for sale	24	95	24	95
113	Total Inventories	37	146	37	146

The carrying amount of inventories held for distribution that are measured at the lower of cost or net realisable value as at 30 June 2012 amounted to \$13,046 (2010/11: \$39,207).

No inventories are pledged as security for liabilities.

10. INVESTMENTS

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
	Investments (deposits > 90 days)				
2,500	- ANZ National Bank	0	0	68	0
11,000	- Bank of New Zealand	0	0	0	0
6,000	- Kiwibank	0	0	0	0
5,259	- Westpac	0	0	0	0
24,759	Total Investments	0	0	68	0

As at 30 June 2012, the weighted average interest rate on term investments was 4.35% (2010/11: 4.24%), with an average maturity of 365 days (2010/11: 134 days).

The Sport NZ Group's deposits with investment maturity dates greater than 90 days and at fixed interest rates have been classified as investments in the statement of financial position.

The Sport NZ Group's deposits with investment maturity dates of 90 days or less are further disclosed in note 8 of the notes to the financial statements.

Being fixed interest rate investments, there is no impact on the measurement of amortised cost. Interest accrued on these investments is included as trade debtors within note 8 of the notes to the financial statements.

Financial instrument risks are further explained in note 28 of the notes to the financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
Leasehold improvements					
938	Opening cost	938	938	938	938
0	Acquisitions on merger	0	0	4	0
0	Additions	0	0	589	0
0	Disposals	0	0	(4)	0
938	Closing Cost	938	938	1,527	938
139	Opening depreciation	243	243	243	243
104	Depreciation for current year	104	104	136	104
243	Closing Depreciation	347	347	379	347
799	Opening carrying value	695	695	695	695
695	Closing Carrying Value	591	591	1,148	591
Plant and equipment					
43	Opening cost	51	55	51	55
0	Acquisitions on merger	0	0	155	0
8	Additions	0	20	285	20
51	Closing Cost	51	75	491	75
42	Opening depreciation	45	45	45	45
3	Depreciation for current year	3	9	92	9
45	Closing Depreciation	48	54	137	54
1	Opening carrying value	6	10	1	10
6	Closing Carrying Value	3	21	354	21
Computer hardware					
83	Opening cost	135	83	135	83
0	Transferred between group	(14)	0	0	0
0	Acquisitions on merger	0	0	76	0
51	Additions	18	30	23	30
0	Disposals	(2)	0	(17)	0
134	Closing Cost	137	113	216	113
71	Opening depreciation	81	77	81	77
0	Transferred between group	(2)	0	0	0
9	Depreciation for current year	23	22	54	22
0	Disposals	(1)	0	(1)	0
80	Closing Depreciation	101	99	134	99
12	Opening carrying value	54	6	54	6
54	Closing Carrying Value	36	14	82	14
Furniture and fittings					
361	Opening cost	361	306	361	306
0	Acquisitions on merger	0	0	21	0
0	Disposals	0	0	(2)	0
361	Closing Cost	361	306	380	306
105	Opening depreciation	141	140	141	140
36	Depreciation for current year	36	36	40	36
141	Closing Depreciation	177	176	181	176
256	Opening carrying value	220	166	220	166
220	Closing Carrying Value	184	130	199	130
975	Total Property, Plant and Equipment	814	756	1,783	756

12. INTANGIBLE ASSETS

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
	Computer software				
1,598	Opening cost	2,529	2,438	2,529	2,438
0	Transferred between group	(937)	0	0	0
931	Additions	381	1,450	798	1,450
0	Disposals	0	0	(3)	0
2,529	Closing Cost	1,973	3,888	3,324	3,888
1,284	Opening amortisation	1,549	1,484	1,549	1,484
0	Transferred between group	(281)	0	0	0
265	Amortisation for current year	148	587	430	587
1,549	Closing Amortisation	1,416	2,071	1,979	2,071
314	Opening carrying value	980	905	980	905
980	Closing Carrying Value	557	1,817	1,345	1,817
980	Total Intangible Assets	557	1,817	1,345	1,817

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

Work in progress of \$5,000 (2010/11: \$444,000) is included within the additions reported above.

13. LOANS AND ADVANCES

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
	Rowing New Zealand				
	Opening balance	429	363	429	363
1,300	Increase in loan drawdown	0	0	0	0
0	Loan repayment	(50)	(50)	(50)	(50)
(871)	Fair value movement on loan drawdown	64	65	64	65
429		443	378	443	378
	AUT Millennium Trust				
0	Opening balance				
4,109	Increase in loan drawdown	10,891	8,718	10,891	8,718
(4,109)	Fair value movement on loan drawdown	(10,891)	(8,718)	(10,891)	(8,718)
0		0	0	0	0
429	Total Loans and Advances	443	378	443	378

The Sport NZ Group has two loans on issue as follows:

- Rowing New Zealand's \$1.3 million loan to part-fund the financial loss following the 2010 Rowing World Championships being held at Lake Karapiro. During 2011/12, Rowing New Zealand made its first repayment against the loan.
- During 2011/12, the Sport NZ group funded AUT Millennium Trust for its final drawdowns of \$10.891 million. The loan of \$15 million was to part-fund the expansion of the MISH high performance centre in Mairangi Bay, Auckland.

The fair value movement of loans reflects the timing of their expected repayments and the interest-free nature of the loans.

At balance date the fair value movement of the interest-free loan to Rowing New Zealand has been recognised at \$64,276. Over the remaining life and

repayment of the loan the fair value will be amortised back up to its full nominal value.

The loan to the AUT Millennium Trust is interest free and in perpetuity, and accordingly the loan has a nil fair value.

14. TRADE AND OTHER PAYABLES

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
239	Trade payables due to Crown and related entities	171	200	172	200
899	Other trade payables	907	1,903	1,607	1,903
1,138	Total Trade Payables	1,078	2,103	1,779	2,103
224	Goods and services tax	0	0	0	0
422	Accrued expenses	650	593	988	593
1,784	Total Trade and Other Payables	1,728	2,696	2,767	2,696

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

15. REVENUE RECEIVED IN ADVANCE

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
222	Lease incentive payment	189	189	189	189
0	Sundry Revenue	0	1	34	1
222	Total Revenue Received in Advance	189	190	223	190

The lease of Sport NZ's Wellington premises included an owner contribution to fit-out of \$300,000. This lease incentive payment has been treated as revenue received in advance and is being amortised over the life of the lease.

16. EMPLOYEE ENTITLEMENTS

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
408	Annual leave provision	426	400	942	400
15	Sick leave provision	10	5	10	5
384	Remuneration accrued	367	45	378	45
807	Total Employee Entitlements	803	450	1,330	450

17. PROVISIONS

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
Current provisions					
0	Redundancy	114	0	114	0
0	Total Current Provisions	114	0	114	0
Represented by:					
Redundancy					
0	Opening provision	0	0	0	0
0	Additional provisions made	114	0	114	0
0	Amounts used	0	0	0	0
0	Closing Provisions	114	0	114	0
0	Total Provisions	114	0	114	0

REDUNDANCY

The Sport NZ Group has made provision for two redundancies in 2011/12. A provision of \$114,416 has been recorded for these roles.

18. CONTINGENCIES

The Sport NZ Group did not have any contingent assets or liabilities as at 30 June 2012 (2010/11: \$nil).

19. CAPITAL EXPENDITURE COMMITMENTS

The Sport NZ Group did not have any contracted commitments for the acquisition or development of property, plant and equipment or intangible assets as at 30 June 2012 (2010/11: \$nil).

20. SECTOR INVESTMENT AND LEASE COMMITMENTS

As at 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
Sector investments commitments approved and contracted					
65,273	Less than one year	30,774	30,000	46,924	30,000
29,001	One to two years	6,672	7,000	8,372	7,000
0	Two to five years	3,421	3,000	3,421	3,000
0	Over five years	0	0	0	0
94,274	Total Capital (Funding) Commitments Approved and Contracted	40,867	40,000	58,717	40,000
Non-cancellable operating lease commitments					
895	Less than one year	859	600	1,976	600
775	One to two years	752	600	1,624	600
1,945	Two to five years	1,974	1,800	4,086	1,800
1,040	Over five years	431	600	2,221	600
4,655	Total Non-Cancellable Operating Lease Commitments	4,016	3,600	9,907	3,600
98,929	Total Commitments	44,883	43,600	68,624	43,600

Sector investment commitments are those sector investments having been approved and contracted to sport and recreation organisations, where the due date for payment of those investments falls past 30 June 2012.

Non-cancellable operating lease commitments include:

- lease of premises, \$8,752,335 (2010/11: \$4,161,600)
- lease of computer and office equipment, \$405,856 (2010/11: \$352,807)
- lease of vehicles, \$499,176 (2010/11: \$140,297).

There are three major non-cancellable operating leases that the Sport NZ Group have entered into as follows:

Location	Expiry date	Total future minimum lease payments
Wellington	25/02/2018	\$3,618,286
Auckland	27/02/2018	\$1,613,412
Dunedin	30/06/2022	\$3,200,000

The Sport NZ Group has subleased a portion of its Wellington office space and has a commitment to receive \$42,880 by 28 February 2013.

The Dunedin lease is for space at the Forsyth Barr Stadium and at balance date was not signed as the lease includes sublease arrangements with other parties still to be negotiated. HPSNZ has committed to the lease so the commitment has been fully disclosed. There has been no inclusion of potential sublease income.

21. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
3,042	Net operating surplus/(deficit)	(13,402)	(18,599)	(13,402)	(18,599)
	Add/(deduct) non-cash items				
417	Depreciation and amortisation	281	758	720	758
4,980	Net fair value movement in financial assets	10,826	13,653	10,826	13,653
5,397	Total Non-Cash Items	11,107	14,411	11,546	14,411
	Add/(deduct) movements in working capital items				
124	Trade and other receivables	(10,119)	2,107	(11,034)	2,107
0	Prepayments	(28)	0	(44)	0
48	Inventories	76	34	76	34
(145)	Trade and other payables	(56)	1,136	982	1,136
(1)	Revenue received in advance	0	0	34	0
0	Net movement in intercompany account	(2,002)	0	0	0
0	Provisions	114	0	114	0
30	Employee benefits	(4)	(356)	523	(356)
56	Net Movement in other Working Capital Items	(12,019)	2,921	(9,349)	2,921
8,495	Net Cash Inflows/(Outflows) from Operating Activities	(14,314)	(1,267)	(11,205)	(1,267)

22. RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTIONS WITH SUBSIDIARY

Sport NZ is the ultimate parent of the group and controls HPSNZ as a wholly-owned subsidiary. The related party transactions with HPSNZ are detailed below:

ACTUAL 2011 \$000		ACTUAL 2012 \$000
	Subsidiary	
	High Performance Sport New Zealand	
0	Crown funding paid by Sport NZ	39,527
0	Services provided by Sport NZ	2,000
0	Advance from Sport NZ	2,002
0	Assets sold by Sport NZ	668

SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

The Sport NZ Group is a wholly-owned entity of the Crown. The Sport NZ Group has been provided with funding from the Crown of \$76,739,000 (2011: \$72,614,000) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

The Sport NZ Group is the recipient of funding of \$36,688,880 (2010/11: \$37,062,225) from the New Zealand Lottery Grants Board, which is administered by the Department of Internal Affairs. At balance date \$8,680,000 was receivable (2010/11: nil).

COLLECTIVELY, BUT NOT INDIVIDUALLY, SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

In conducting its activities, the Sport NZ Group is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Sport NZ Group is exempt from paying income tax.

The Sport NZ Group also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown totalling \$279,142 (2010/11: \$4,208).

23. BOARD AND KEY MANAGEMENT PERSONNEL COMPENSATION

The total value of compensation paid to Board and key management personnel for the year ended 30 June 2012 is as follows:

SPORT NZ		SPORT NZ		GROUP	
ACTUAL 2011 \$000		ACTUAL 2012 \$000	BUDGET 2012 \$000	ACTUAL 2012 \$000	BUDGET 2012 \$000
1,381	Salaries and other short-term employee benefits	1,207	1,387	2,032	1,387
0	Termination benefits	60	0	155	0
1,381	Total Board and Key Management Personnel Compensation	1,267	1,387	2,187	1,387

Board and key management personnel include the members of the Sport NZ and HPSNZ Boards, the chief executives of both Sport NZ and HPSNZ, and seven general managers from both organisations (2010/11: 5 general managers).

24. BOARD MEMBER REMUNERATION

The total value of remuneration paid to Board members for the year ended 30 June 2012 is as follows:

ACTUAL 2011 \$000	SPORT NZ BOARD	APPOINTED	TERM ENDS	BUDGET 2012 \$000	ACTUAL 2012 \$000
32	Paul Collins (Chairperson)	May 2009	Apr 2012	32	32
0	Katie Sadleir	Jul 2009	Jun 2012	0	7
16	Waimarama Taumaunu	Jul 2009	Jun 2012	16	16
16	Don Mackinnon	Jul 2009	Jun 2012	16	16
16	Bill Birnie	May 2009	Apr 2012	16	16
16	Rob Fisher	Jul 2005	Jun 2011	16	16
16	Paul Allison	Aug 2007	Sep 2010	16	16
8	Nicki Turner	Aug 2007	Sep 2010	0	0
0	Joanna Perry	Aug 2011	Jul 2014	0	15
0	Murray Gutry	Aug 2011	Jul 2014	0	15
0	New Board Members			74	0
120				186	149

ACTUAL 2011 \$000	HIGH PERFORMANCE COMMITTEE	APPOINTED	TERM ENDS	BUDGET 2012 \$000	ACTUAL 2012 \$000
14	Paul Collins (Chairperson)	Jun 2010	Jul 2011	0	0
10	Hamish Carter	Jun 2010	Jul 2011	0	0
10	Mark Weldon	Jun 2010	Jul 2011	0	0
10	Bill Birnie	Jun 2010	Jul 2011	0	0
0	Katie Sadleir	Jun 2010	Jul 2011	0	0
10	Don Mackinnon	Jun 2010	Jul 2011	0	0
54				0	0

ACTUAL 2011 \$000	HPSNZ BOARD	APPOINTED	TERM ENDS	BUDGET 2012 \$000	ACTUAL 2012 \$000
0	Paul Collins (Chairperson)	Jul 2011	Apr 2012	14	14
0	Hamish Carter	Jul 2011	Jul 2014	10	10
0	Mark Weldon	Jul 2011	Jul 2014	10	9
0	Bill Birnie	Jul 2011	Apr 2012	10	10
0	Katie Sadleir	Jul 2011	Jun 2012	0	4
0	Don Mackinnon	Jul 2011	Jun 2012	10	10
0	Mike Stanley	Jul 2011	Jul 2014	0	10
0	Peter Cox	Jul 2011	Jul 2014	0	10
0	Simon Wickham	Jul 2011	Jul 2014	0	10
0	New Board Members			22	0
0				76	87

174	Total Board Members' Remuneration			262	236
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The High Performance Committee was established in June 2010 and included four Sport NZ Board members and two independent committee members. The Committee was disestablished in July 2011 following the decision to establish HPSNZ and the High Performance Sport New Zealand Board.

In addition to the remuneration reported in the table above, Mark Weldon and Waimarama Taumaunu each received a farewell gift; in total these gifts totalled \$1,622 (2011: \$nil).

The two independent high performance committee members received no remuneration for their role on the high performance committee in the year ended 30 June 2012 (2010/11: \$10,000 each). There were no other payments to committee members who were not Board members during the year ended 30 June 2012 (2010/11: \$nil).

All Board members, with the exception of Waimarama Taumaunu, whose term has expired on or before balance

date have had their terms rolled over. Mark Weldon has resigned from the Board of HPSNZ.

Sport NZ provides a deed of indemnity to members of the Boards, Sports Tribunal, Te Roopu Manaaki and the Sir Edmund Hillary Outdoor Recreation Council for certain activities undertaken in the performance of the Sport NZ Group's functions.

The Sport NZ Group has provided Directors and Officers Liability and Professional Indemnity insurance cover for the year ended 30 June 2012 in respect of the liability or costs of Board members and employees.

25. EMPLOYEE REMUNERATION

The number of employees who received or who are due to receive annual remuneration of \$100,000 or more during the year ended 30 June 2012 is provided within \$10,000 bands, in the table below.

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
0	\$340,001 - \$350,000	1	0	1	0
1	\$330,001 - \$340,000	0	1	0	1
0	\$310,001 - \$320,000	0	0	0	0
0	\$230,001 - \$240,000	0	0	0	0
0	\$210,001 - \$220,000	1	0	2(1)	0
0	\$200,001 - \$210,000	0	1	0	1
1	\$180,001 - \$190,000	1	2	1	2
3	\$170,001 - \$180,000	1	3	2	3
1	\$160,001 - \$170,000	1	0	2	0
2	\$150,001 - \$160,000	2	3	2	3
0	\$140,001 - \$150,000	4	3	6	3
6	\$130,001 - \$140,000	9	11	11	11
8(1)	\$120,001 - \$130,000	3	5	6(1)	5
6(1)	\$110,001 - \$120,000	2	10	2	10
6	\$100,000 - \$110,000	6	4	14	4
34		31	43	50(2)	43

*Please note that the above table includes those employees who ceased employment during the periods reported. For the year ended 30 June 2012, two employees who ceased employment during the period had received annual remuneration of greater than \$100,000, as indicated in brackets (2010/11: 2).

The chief executive of Sport NZ's salary is within the band range \$340,001 to \$350,000 (2011: \$330,001 to \$340,000).

During the year ended 30 June 2012, four employees have received or are entitled to receive compensation (2010/11: 3) and other benefits in relation to cessation of employment totalling \$232,712 (2010/11: \$71,158).

During the 2012 financial year, Sport NZ Group had a 2.4% general pay increase (2010/11: 2%).

26. EVENTS AFTER BALANCE DATE

There were no significant events after balance date, 30 June 2012.

27. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

As at 30 June 2012

SPORT NZ			SPORT NZ		GROUP	
ACTUAL			ACTUAL	BUDGET	ACTUAL	BUDGET
2011			2012	2012	2012	2012
\$000	Note	\$000	\$000	\$000	\$000	\$000
7,961	Cash and cash equivalents	7	7,836	6,854	8,681	6,854
206	Trade and other receivables	8	10,325	97	11,241	97
24,759	Investments	10	0	0	68	0
429	Loans and advances	13	443	378	443	378
33,355	Total Loans and Receivables		18,604	7,329	20,433	7,329
1,784	Trade and other payables	14	1,726	2,696	1,726	2,696
1,784	Total Financial Liabilities Measured at Amortised Cost		1,726	2,696	1,726	2,696

All of the Sport NZ Group's financial liabilities are trade and other payables, with these trade and other payables being non-interest bearing and normally settled on 30-day terms. Thus the carrying value of trade and other payables approximates their fair values and their contractual undiscounted cash flows.

28. FINANCIAL INSTRUMENT RISKS

The Sport NZ Group's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Sport NZ Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments.

These policies do not allow any transactions that are speculative in nature to be entered into.

FAIR VALUE

The fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, owing to changes in market interest rates.

The Sport NZ Group's exposure to interest rate risk is limited to bank deposits and Government securities.

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Sport NZ Group has no material exposure to currency risk.

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to the Sport NZ Group, causing the Sport NZ Group to incur a loss.

The Sport NZ Group is only permitted to deposit funds with a registered bank that meets the specified credit-rating test³ and Government issued securities. The Sport NZ Group's investment policy limits the amount of credit exposure to any one institution. For its other financial instruments, the Sport NZ Group does not have significant concentrations of credit risk.

The Sport NZ Group's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net receivables, as detailed in notes 7 and 8 of the notes to the financial statements respectively. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

³The credit-rating test sets the minimum allowable credit-rating threshold for a Crown entity to operate a registered bank. The credit-rating test is specified within the Crown Entities Act 2004 (S.158), and the Crown Entities (Financial Powers) Regulations 2005 (Reg. 7)

LIQUIDITY RISK

Liquidity risk is the risk that the Sport NZ Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Sport NZ Group closely monitors its forecast cash requirements with expected cash drawdowns from the Crown and NZ Lottery Grants Board. The Sport NZ Group maintains a target level of available cash to meet liquidity requirements.

DERIVATIVES

The Sport NZ Group has neither been exposed nor intends to be exposed to any derivative financial instruments during the periods covered by these financial statements.

29. CAPITAL MANAGEMENT

The Sport NZ Group's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets; see note 6.

The Sport NZ Group is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Sport NZ Group manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure Sport NZ effectively achieves its objectives and purpose, whilst remaining a going concern.

30. INSURANCE COVER – ASSOCIATIONS LIABILITY

Sport NZ holds Associations liability insurance for its Board members, office holders and employees. The limits of liability are:

- Directors liability, professional indemnity and public liability \$5 million
- Statutory and Employers liability \$1 million

The insurer will pay up to the limit of indemnity for damage and defence costs for claims alleging breach of duty and loss of documents.

The cost of this insurance in 2011/12 was \$10,950 (2010/11: \$9,975).

31. EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Explanations for significant variations in the Sport NZ Group's actual results for the year ended 30 June 2012 to budgeted figures in the Statement of Intent 2011-2014 are as follows:

STATEMENT OF COMPREHENSIVE INCOME REVENUE

Total operating revenue for 2011/12 was \$10.521 million greater than budgeted, due largely to:

- a net increase in NZ Lottery Grants Board funding due to additional revenue received from Lotteries Commission 2011 profits
- an unbudgeted distribution from the New Zealand Academies of Sport of \$7.888 million
- an increase in interest received on investments of \$0.712 million due to higher levels of investments held during the year following delays in infrastructure projects and higher level of funds due to the distribution from New Zealand Academies of Sport.

SECTOR INVESTMENT

Sector investment has exceeded budget primarily due to additional community sport investment in NSOs approved by the Board totalling \$5.1 million.

The establishment of HPSNZ in August 2011, the activities of the two New Zealand Sport Academies, previously classified as an Investment, are now classified as part of the Sport NZ Group's core operating costs. Thus there has been a reduction in Academy Investment and a corresponding increase in the Cost of Services since 2010/11. Infrastructure was \$4.829 million less than budget due to delays in the construction of the Cycling Centre of Excellence (\$1.850 million), Christchurch High Performance Centre (\$2.752 million), and National Ocean Water Sports Centre (\$2.400 million). These underspends are partially offset by increased investment in the Millennium Institute of Sport and Health (MISH) development as construction was completed earlier than expected.

PERSONNEL COSTS

Actual personnel costs are over budget by \$4.164 million. This variance is due to the increased personnel cost incurred by HPSNZ as a result of merging the NZ Academies of Sport staff into the Sport NZ Group.

PROFESSIONAL AND TECHNICAL SERVICES

Actual professional and technical services costs have exceeded budget by \$4.267 million. This increase is due to the increase in professional and technical services incurred by HPSNZ. These costs are incurred in delivering HP athlete services to athletes and were previously incurred by the NZ Academies of Sport.

STATEMENT OF FINANCIAL POSITION**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents were \$1.827 million less due to leasehold improvements and plant and equipment acquired by HPSNZ during the year in relation to the National High Performance Centre in Auckland.

TRADE AND OTHER RECEIVABLES

Trade and other receivables were over budget by \$11.144 million primarily due to a change in the policy of distributing funds by New Zealand Lottery Grants Board; \$8.860 million was received after balance date.

PROPERTY, PLANT AND EQUIPMENT

The balance of property, plant and equipment was \$1.027 million over budget; this increase is due to property acquired by HPSNZ that was unbudgeted.

STATEMENT OF CHANGES IN EQUITY**TOTAL COMPREHENSIVE INCOME**

Total comprehensive income for 2011/12 was greater than budgeted by \$5.198 million due to the budget variances explained in the statement of comprehensive income above. As mentioned within note 6 of the notes to the financial statements, the generation of operating deficits is anticipated to reduce total accumulated funds to a level of approximately \$3.1 million by 30 June 2014.

32. INVESTMENTS AND GRANTS

For the year ended 30 June 2012

SPORT NZ		SPORT NZ		GROUP	
ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET
2011		2012	2012	2012	2012
\$000		\$000	\$000	\$000	\$000
Sector investment as reported in the Statement of Financial Performance is made up of investments to the following appropriations:					
39,741	Sport and Recreation Programmes	48,166	43,787	48,166	43,787
45,853	High Performance Sport	27,494	63,788	54,588	63,788
3,953	Prime Minister's Sport Scholarships	(4)	4,250	3,777	4,250
871	Loan to Rowing New Zealand	0	65	0	65
90,418	Total Sector Investment	75,656	111,890	106,531	111,890
Sector investment as reported in the Statement of Financial Performance is made up of investments to the following organisations:					
45,384	National Governing Bodies	31,668	52,968	58,762	52,968
23,433	Regional Sports Trusts	24,410	24,000	24,410	24,000
12,407	Regional Academies of Sport	2,002	8,000	2,002	8,000
2,896	Local Authorities	1,932	1,900	1,932	1,900
825	Iwi-Based Organisations	680	1,772	680	1,772
0	Prime Minister's Sport Scholarships	0	4,250	3,781	4,250
5,473	Other	14,964	19,000	14,964	19,000
90,418	Total Sector Investment	75,656	111,890	106,531	111,890

Please note that a breakdown of investments made to individual organisations is contained in Appendix 1. However please also note that the information contained within Appendix 1 has not been audited and as such does not form part of these financial statements.

33. BUSINESS COMBINATIONS

The business activities of the New Zealand Academy of Sport North Island and the New Zealand Academy of Sport South Island were acquired by Sport NZ on 8 August 2011 to form the wholly-owned subsidiary, HPSNZ. On that date, the assets and liabilities of the New Zealand Academies were transferred into the Sport NZ Group at their carrying values, which was considered to equate to their fair value.

The acquisition is intended to fulfil the objectives of HPSNZ, which include *“making New Zealand the most successful sporting nation in the world by developing high performance sport”*. Its objectives are set out in its Constitution, detailed in Appendix 2.

The effect on the Sport NZ Group accounts, at the date of transfer, is summarised to the right.

	NZASNI \$000	NZASSI \$000
Cash and cash equivalent	1,368	1,484
Current assets	231	0
Investments	4,121	0
Fixed assets	257	252
Total Assets	5,977	1,735
Income received in advance	5,489	1,427
Trade payables	80	57
Advance from Sport NZ	0	0
Employee benefits	245	64
Total Liabilities	5,814	1,547
Total Net Assets	163	188

During the year to 30 June 2012, HPSNZ contributed independent revenue of \$1.199 million and no operating profit. If the acquisition of the business activities had occurred on 1 July 2011, it is estimated that the contribution from the New Zealand Academies to group revenue would have been \$0.129 million and operating loss would have been \$0.070 million.

ORGANISATIONAL HEALTH AND CAPABILITY



KEY ACHIEVEMENTS

THE SPORT NZ GROUP – A COORDINATED APPROACH

In the last year we have changed the name of our organisation and launched a new subsidiary to focus on high performance sport.

After nearly 10 years of being known as SPARC, on 1 February 2012 we became Sport New Zealand (Sport NZ). The change better reflects our role as the leader of the country's sport system, and better aligns us with our new subsidiary, High Performance Sport New Zealand (HPSNZ), which was launched in August 2011.

Two of the fundamental principles behind the merger and establishment of HPSNZ as a subsidiary of Sport NZ are:

- a. continuing commitment to an integrated (connected) Sport System – recognising that high performance and community sport are part of an integrated 'end-to-end' sport system
- b. minimise fragmentation in the sector – the two organisations must work as one system, not two. This means the organisations must work together, sharing collective decision making, knowledge and partner understanding.

To give effect to these principles, the organisational capability components of Sport NZ and HPSNZ are being actively managed through a coordinated approach under the banner of the Sport NZ Group. In particular:

- Shared Services Agreement – Sport NZ provides Finance, Organisational Development, IT, Procurement, Stakeholder Management and Governance, Marketing and Communications and Corporate Accountability services to HPSNZ. This includes operating a single IT network, FMIS and payroll system. A service catalogue describes both the services and associated service levels of all shared service functions
- Corporate Policies, Procedures and Internal Controls – corporate policies, procedures and internal controls are consistent across both Sport NZ and HPSNZ

- Governance Committees – the Audit, Finance and Risk Committee and Remuneration Committee have responsibility to preside over both Sport NZ and HPSNZ and include dual Board member representation
- Senior Leadership Teams (SLT) – the Chief Executives of Sport NZ and HPSNZ attend each other's SLT meetings on a regular basis and a combined SLT meeting is held quarterly
- Relationship Management – Sport NZ has a dedicated team of Relationship Managers who operate across our investment partners on behalf of both Sport NZ and HPSNZ
- Contract and Investment Management – Sport NZ and HPSNZ operate a single contract and investment management system
- Joint Procurement Processes - Joint procurement processes are carried out where possible to achieve cost savings, including the recent engagement of a supplier for corporate clothing.

IMPROVING OUR SYSTEMS

- A successful pilot of a new electronic document and records management system (Sharepoint and Recordpoint) is nearing completion with plans underway for the full roll-out across Sport NZ.
- The migration of the Sport NZ Group IT infrastructure onto a single network has progressed and is expected to be completed by the end of 2012.
- A review of the Sport NZ Group investment and contract processes (Project Kahiwi) is underway with agreement to the terms of reference and engagement of an independent reviewer. The purpose of Project Kahiwi is to ensure our Contract and Investment (C&I) processes, related systems and databases across the Sport NZ Group best meet our operational requirements now and into the future. The first stage is to review and analyse current processes and related systems in order to identify opportunities for improvement and to establish a 'blue print' for future change.

ASSESSING ORGANISATIONAL HEALTH AND CAPABILITY

The following table demonstrates information captured toward assessing the organisational health of the Sport New Zealand Group.

Focus	Indicator	Performance Measure	Results/Status
Good employer	Staff Engagement Survey	75-80% engagement from staff. [2010/11: 75%]	2011/12: 69% (excls. HPSNZ staff who were not surveyed during the period).
	Annual staff turnover	12% or less staff turnover [2010/11: 16.67%]	2011/12: 11.69% (excls. HPSNZ where no targets were set for 2011/12)
Managing risk	Stakeholder surveys	70% or more of our partners express confidence in Sport NZ/ HPSNZ	2011/12: 84.65% <ul style="list-style-type: none"> ▪ 81.8% Sport NZ ▪ 87.5% HPSNZ <p>In 2010/11 overall, partners had confidence in Sport New Zealand (SPARC) to build effective relationships with the sector to deliver quality outcomes for Sport NZ and the sector (rated good/excellent by 74% of total). This is similar to the 76% rating in 2009</p>
Financial information system and controls	Annual audit rating	Maintain a 'very good' rating [2010/11: 'very good']	Very Good
Service performance information and associated systems and controls	Annual audit rating	Improve to 'good' [2010/11: 'needs improvement']	Good
Effectiveness and efficiency	Operating expenditure (excluding investments) is maintained within current levels	No target set in 2011/12 due to change in organisational structure	Total Group Operating Expenditure in 2011/12: \$31m

Additional Information

APPENDIX 1: ALLOCATION OF INVESTMENT FUNDS

1 JULY 2011 – 30 JUNE 2012

Comparative figures in Appendix 1 have been provided as they were included in the 2010/11 Annual Report.

A. INVESTING IN REGIONAL SPORTS TRUSTS

2010/11		ACTIVE COMMUNITIES	COACH EDUCATION	FACILITIES	HE ORANGA POUTAMA (HOP)	ORGANISATIONAL SUPPORT	YOUNG PEOPLE PARTNER INVESTMENT	YOUNG PEOPLE PARTNER SUPPORT	COMMUNITY SPORT	2011/12
2,755,928	Sport Canterbury West Coast	106,161					1,688,668	30,000	1,030,000	2,854,829
2,142,018	Counties Manukau Sport	105,000					1,102,793		955,000	2,162,793
2,006,602	Sport Waikato				170,000		928,603		925,000	2,023,603
1,920,656	Sport Wellington					20,000	1,065,286		925,000	2,010,286
1,830,726	Sport Auckland						1,013,806		885,000	1,898,806
1,392,958	Harbour Sport						1,085,958		725,000	1,810,958
1,750,921	Sport Bay of Plenty	60,000	8,000		35,361		681,545		765,000	1,549,906
1,459,519	Sport Waitakere	53,760			340,000		415,059		620,000	1,428,819
1,223,607	Sport Hawke's Bay	120,000			170,000		412,223	-294	625,000	1,326,929
1,283,130	Sport Northland				170,000		386,130		730,000	1,286,130
976,507	Sport Tasman			155,400		5,000	321,547		650,000	1,131,947
1,037,626	Sport Otago						341,626		705,000	1,046,626
803,006	Sport Manawatu						368,007		590,000	958,007
973,240	Sport Taranaki				85,000		279,605		580,000	944,605
652,572	Sport Wanganui						205,572		465,000	670,572
656,531	Sport Southland						211,631		450,000	661,631
567,141	Sport Gisborne Tairāwhiti	60,000					153,141		430,000	643,141
23,432,687	TOTAL	504,921	8,000	155,400	970,361	25,000	10,661,200	29,706	12,055,000	24,409,588

Note: Investment in Sport Canterbury West Coast includes \$500,000 to assist with the post earthquake recovery (2010/11: \$500,000).

B. INVESTING IN REGIONAL ACADEMIES OF SPORT

2010/11		ACADEMY CONTRACT	GOLD MINE PROJECTS	PERFORMANCE ENHANCEMENT GRANTS	TALENT DEVELOPMENT	HIGH PERFORMANCE	2011/12
8,860,074	NZ Academy of Sport – North Incorporated	1,479,500			170		1,479,670
3,547,272	NZ Academy of Sport – South Island Incorporated	387,134	-80,000	15,417		200,000	522,550
12,407,346	Total	1,866,634	-80,000	15,417	170	200,000	2,002,220

Note: Investment totals for regional academies of sport include all direct investment including Prime Minister's Sport Scholarships.

C. INVESTING IN NATIONAL GOVERNING BODIES

2010/11	COACH EDUCATION	DISABILITIES	EVENTS (HOSTING)	EVENTS SUPPORT	FACILITIES	RECREATION ORGANISATIONS	ORGANISATIONAL SUPPORT	PEOPLE DEVELOPMENT	PERFORMANCE ENHANCEMENT GRANTS	PMS - PROVIDERS OF SERVICE	YOUNG PEOPLE PARTNER INVESTMENT	HIGH PERFORMANCE	COMMUNITY SPORT	2011/12
6,470,646	Rowing New Zealand	10,800	10,000		30,000		95,724		1,442,917			4,950,208	105,000	6,644,649
5,330,345	BikeNZ		125,000			400,000	165,000	25,000	1,059,583			4,500,583	300,000	6,575,166
1,909,330	Hockey NZ		41,000				67,632		450,000			2,480,000	1,340,000	4,378,632
3,321,534	Yachting New Zealand		65,000				130,400		650,208			2,626,875	203,000	3,675,483
2,143,872	Athletics New Zealand		80,000				63,450		245,417		145,000	1,818,333	508,333	2,860,533
2,043,550	Netball NZ	5,000					100,000		180,000			1,000,470	1,080,000	2,365,470
1,495,401	Paralympics New Zealand		15,000	500,000					376,000			1,474,000		2,365,000
1,230,805	Equestrian Sports New Zealand		6,000						238,333	-4,174		1,742,242	180,000	2,162,401
2,327,460	Triathlon New Zealand		70,000						178,542			1,593,333	310,000	2,151,875
1,275,562	NZ Rugby Union										100,000	1,050,000	940,000	2,090,000
2,057,647	Swimming New Zealand			0					282,083			1,580,000	160,000	2,022,083
1,118,757	NZ Cricket				75,000				225,000			470,000	1,085,000	1,855,000
991,175	New Zealand Canoeing Federation	2,600					20,000		221,250			1,383,750		1,627,600
1,055,400	NZ Rugby League						362,392					250,000	950,000	1,562,392
1,330,700	New Zealand Football		38,000									475,000	1,000,000	1,513,000
0	Winter Performance Programme								76,875			1,207,708		1,284,583
531,175	GymSports New Zealand	5,000					25,000						1,140,000	1,170,000
950,000	Halberg Trust		950,000											950,000
694,000	Basketball New Zealand						248,000					580,000	67,000	895,000
734,775	Softball New Zealand		95,000						255,000			230,000	270,000	850,000
744,442	NZ Golf Incorporated	5,000			50,000							300,000	465,000	820,000
578,153	Snow Sports NZ Incorporated		150,000	2,917					311,875			25,833	300,000	790,625
115,475	New Zealand Tennis				50,000		40,500						625,000	715,500
436,275	Bowls New Zealand				50,000		61,000		13,750			337,250	249,000	711,000
250,000	NZ Olympic Committee		170,000	250,000			150,000							570,000
410,000	Squash New Zealand	5,850							26,250			303,750	222,000	557,850
550,000	Special Olympics New Zealand		550,000											550,000
445,000	Surf Life Saving New Zealand								165,000			190,000	175,000	530,000
355,000	Touch New Zealand								150,000				255,000	405,000
325,000	Outdoors New Zealand Incorporated					325,000								325,000
170,000	Surfing New Zealand		95,000						8,750			1,250	100,000	205,000
217,800	Volleyball NZ Inc	1,500	7,500									95,000	100,000	204,000
193,000	YMCA New Zealand						190,000							190,000
262,600	International Taekwon-Do Foundation (ITFNZ)								200,000			-30,000	20,000	190,000
93,900	Taekwondo New Zealand Incorporated								5,625			161,875		167,500
166,000	Motorsport NZ (Inc)												166,000	166,000
172,000	NZ Recreation Association				5,000	160,000								165,000
150,000	Education Outdoors New Zealand Incorporated					150,000								150,000
155,000	Skate NZ		30,000						55,000			30,000	35,000	150,000
160,250	NZ Outdoor Instructors Association					136,000								136,000
125,850	Boxing New Zealand Inc											100,000	33,600	133,600
130,000	Badminton NZ	2,000											115,000	117,000
125,000	New Zealand Shooting Federation								15,000			45,000	55,000	115,000
100,000	NZ Sports Hall of Fame												100,000	100,000
100,000	Motorcycling NZ												100,000	100,000
120,000	New Zealand Water Polo Association		5,000				2,500						90,000	97,500
90,000	Shearing Sports New Zealand (Inc)		5,000						90,000					95,000
80,000	Scout Association of NZ					80,000								80,000
110,000	PENZ										80,000			80,000
112,500	Croquet New Zealand		10,000						28,750				35,000	73,750
110,000	New Zealand Rafting Association Incorporated								70,000					70,000
70,000	NZ Girl Guides Association					70,000								70,000
64,000	NZ Indoor Bowls												64,000	64,000
78,800	NZ Judo Federation												58,000	58,000
50,000	Table Tennis New Zealand												50,000	50,000
25,000	Nga Kaihoe o Aotearoa												50,000	50,000
50,000	Boys' Brigade NZ					50,000								50,000
34,600	NZ Curling Association								39,584				9,600	49,184

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2010/11		COACH EDUCATION	DISABILITIES	EVENTS (HOSTING)	EVENTS SUPPORT	FACILITIES	RECREATION ORGANISATIONS	ORGANISATIONAL SUPPORT	PEOPLE DEVELOPMENT	PERFORMANCE ENHANCEMENT GRANTS	PMS - PROVIDERS OF SERVICE	YOUNG PEOPLE PARTNER INVESTMENT	HIGH PERFORMANCE	COMMUNITY SPORT	2011/12
53,000	NZ Alpine Club						48,000								48,000
45,000	Karate New Zealand													45,000	45,000
42,000	NZ Pony Clubs Association													42,000	42,000
43,333	Olympic Weightlifting New Zealand									7,500			22,500	10,000	40,000
36,000	Kart Sport New Zealand													36,000	36,000
35,000	NZ Orienteering Federation			15,000										20,000	35,000
19,200	NZ Water Ski Association									12,500			1,250	19,200	32,950
0	NZ Mountain Guides Association						30,000								30,000
27,600	Flying New Zealand													27,600	27,600
25,000	New Zealand AFL Inc													25,000	25,000
24,000	Blind Sport New Zealand		24,000												24,000
20,400	NZ Darts Council													20,400	20,400
20,400	Wrestling New Zealand													20,400	20,400
20,000	Marching New Zealand													20,000	20,000
20,000	Speedway New Zealand													20,000	20,000
16,800	Gliding New Zealand													16,800	16,800
15,000	NZ Power Boat Association													15,000	15,000
20,000	Archery New Zealand Inc													15,000	15,000
34,020	Diving New Zealand													12,000	12,000
12,000	Deaf Sports Federation of New Zealand		12,000												12,000
12,000	NZ Ice Hockey Association													12,000	12,000
10,000	New Zealand Polocrosse Inc													10,000	10,000
10,000	New Zealand Confederation of Billiard Sports Inc													10,000	10,000
9,000	New Zealand Powerlifting Federation													9,000	9,000
18,900	Synchro Swim New Zealand													8,500	8,500
50,000	University Sport New Zealand							7,000							7,000
6,000	Ice Speed Skating New Zealand													6,000	6,000
6,000	New Zealand Petanque Association													6,000	6,000
6,000	New Zealand Ice Skating Association													6,000	6,000
11,000	Spirit of Adventure Trust														0
50,000	Outward Bound Trust of NZ														0
20,000	New Zealand Mountain Safety Council Inc														0
6,000	Federated Mountain Clubs of NZ														0
37,000	NZ Riding for the Disabled														0
10,543	YWCA														0
22,500	Sir Edmund Hillary Outdoor Pursuits Centre														0
32,500	New Zealand Indoor Sports Incorporated														0
45,383,976	Total	37,750	1,536,000	1,032,500	752,917	260,000	1,639,000	1,538,598	25,000	7,080,792	-4,174	325,000	30,996,211	13,542,433	58,762,027

Note: Investment totals for national governing bodies include all direct investment including Prime Minister's Sport Scholarships that were paid in 2010/11.

D. INVESTING IN LOCAL AUTHORITIES

2010/11		ACTIVE COMMUNITIES	FACILITIES	HP FACILITIES & INFRASTRUCTURE INVESTMENT	ORGANISATIONAL SUPPORT	YOUNG PEOPLE PARTNER INVESTMENT	2011/12
215,250	Auckland City Council	302,100			200,000		502,100
1,000,000	Dunedin City Council			200,000			200,000
37,825	Hutt City Council	130,000					130,000
165,130	Far North District Council	100,000				25,130	125,130
-	Tauranga City Council	110,000					110,000
720,000	Wellington City Council	70,000	30,000				100,000
100,000	Rotorua District Council	100,000					100,000
150,081	Tasman District Council	70,000				20,081	90,081
-	Thames Coromandel District Council	70,000					70,000
9,500	Waitaki District Council	50,000				9,500	59,500
46,000	Hamilton City Council	46,015					46,015
43,950	New Plymouth District Council	30,000					30,000
20,007	Gisborne District Council					20,007	20,007
19,147	Marlborough District Council					19,147	19,147
15,150	Selwyn District Council					15,150	15,150
14,985	Whakatane District Council					14,985	14,985
14,588	Taupo District Council					14,588	14,588
12,798	Southland District Council					12,798	12,798
12,317	Ashburton District Council					12,317	12,317
11,918	South Taranaki District Council					11,918	11,918
10,330	Queenstown Lakes District Council					10,330	10,330
10,180	Masterton District Council					10,180	10,180
9,500	Mackenzie District Council					9,500	9,500
9,500	Grey District Council					9,500	9,500
9,500	Central Hawke's Bay District Council					9,500	9,500
9,500	Tararua District Council					9,500	9,500
9,500	Hurunui District Council					9,500	9,500
9,500	Buller District Council					9,500	9,500
9,500	Otorohanga District Council					9,500	9,500
9,500	South Wairarapa District Council					9,500	9,500
9,500	Wairoa District Council					9,500	9,500
9,500	Stratford District Council					9,500	9,500
9,500	Carterton District Council					9,500	9,500
9,821	Christchurch City Council					9,500	9,500
9,500	Central Otago District Council					9,500	9,500
9,500	Clutha District Council					9,500	9,500
19,500	Gore District Council					9,500	9,500
9,500	Waimate District Council					9,500	9,500
9,500	Kaikoura District Council					9,500	9,500
9,500	Kaipara District Council					9,500	9,500
9,500	Waitomo District Council					9,500	9,500
9,500	Rangitikei District Council					9,500	9,500
9,500	Westland District Council					9,500	9,500
9,500	Chatham Islands Council					9,500	9,500
9,500	Ruapehu District Council					9,500	9,500
9,500	Opotiki District Council					9,500	9,500
28,322	Waimakariri District Council						-
2,895,800	Total	1,078,115	30,000	200,000	200,000	424,132	1,932,247

E. INVESTING IN IWI-BASED ORGANISATIONS

2010/11		HE ORANGA POUTAMA (HOP)	2011/12
230,000	Te Papa Takaro O Te Arawa	170,000	170,000
85,000	Te Wharekura O Rakaumanga	85,000	85,000
170,000	He Oranga Pounamu	85,000	85,000
85,000	Mataatua Sports Trust	85,000	85,000
85,000	Tūwharetoa – Te Whaiora Sports	85,000	85,000
85,000	Ngati Hine Health Trust	85,000	85,000
85,000	Te Hauora o Tūranganui a Kiwa	85,000	85,000
825,000	Total	680,000	680,000

F. PRIME MINISTER'S SPORT SCHOLARSHIPS

2010/11		2011/12
0	Scholarships Athlete	1,690,894
0	Scholarships Support	838,714
0	Scholarships Coach Accelerator	783,333
0	Scholarships Coach	244,494
0	Scholarships Official	223,568
0	Total	3,781,005

G. OTHER INVESTMENTS

2010/11		HP FACILITIES AND INFRASTRUCTURE INVESTMENT	ACADEMY CONTRACT	ACTIVE COMMUNITIES	EVENTS (HOSTING)	EVENTS SUPPORT	FACILITIES	RECREATION ORGANISATIONS	RESEARCH SERVICES	EVENT HOSTING	SPONSORSHIP	YOUNG PEOPLE PARTNER INVESTMENT	YOUNG PEOPLE PARTNER SUPPORT	2011/12
	FACILITIES PARTNER													
0	- Apollo Projects LTD	5,455												5,455
4,109,376	- AUT Millennium Ownership Trust	10,890,623												10,890,623
0	- Falcon Construction Limited	239,937												239,937
0	- Harbour Access Trust	200,000												200,000
0	- The Building Intelligence Group	2,563												2,563
0	- The Home of Cycling Charitable Trust	1,650,000												1,650,000
4,109,376	Facilities Partner Total	12,988,577												12,988,577
1,055,853	Other Organisations		534,623	6,595	93,120	32,000	6,000	36,500	187,618	978	266,200	300,000	69,565	1,533,200
308,247	Schools											444,770	-2,870	441,900
9,582,852	Total	12,988,577	534,623	6,595	93,120	32,000	6,000	36,500	187,618	978	266,200	744,770	66,696	14,963,678

APPENDIX 2: FUNCTIONS OF THE SPORT NZ GROUP

SPORT NEW ZEALAND

Under section 8 of the Sport and Recreation New Zealand Act 2002, Sport NZ's functions are to—

- (a) develop and implement national policies and strategies for physical recreation and sport;
- (b) allocate funds to organisations and regional bodies in line with its policies and strategies;
- (c) promote and advocate the importance of participation in physical activity by all New Zealanders for their health and well-being;
- (d) promote and disseminate research relevant to physical recreation and sport;
- (e) provide advice to the Minister on issues relating to physical recreation and sport;
- (f) promote and support the development and implementation of physical recreation and sport in a way that is culturally appropriate to Māori;
- (g) encourage participation in physical recreation and sport by Pacific peoples, women, older New Zealanders, and people with disabilities;
- (h) recognise the role of physical recreation and sport in the rehabilitation of people with disabilities;
- (i) facilitate the resolution of disputes between persons or organisations involved in physical recreation and sport;
- (j) work with schools, regional, central, and local government, and physical recreation and sports organisations to ensure the maintenance and development of the physical and organisational infrastructure for physical recreation and sport;
- (k) work with health, education, and other agencies to promote greater participation in physical recreation and sport through policy development, advocacy, and support, in line with the objectives of the New Zealand health strategy;
- (l) provide advice and support for organisations working in physical recreation and sport at national, regional, and local levels;
- (m) facilitate co-ordination between national, regional, and local physical recreation and sport organisations;
- (n) represent the Government's policy interests in physical recreation and sport internationally.

HIGH PERFORMANCE SPORT NEW ZEALAND

The objectives of HPSNZ, as set out in its Constitution, are to:

- make New Zealand the most successful sporting nation in the world by developing high performance sport;
- create a more focused high performance sport system in order to advance the other objectives;
- ensure the high performance sport system is as efficient as possible in order to advance the other objectives;
- effect a culture change in New Zealand high performance sport with an increased focus on excellence;
- be the lead agency for New Zealand high performance sport including athletes and sports people and provide a holistic and multi-disciplinary educational approach for overall personal, career and athletic development of high performance sports people;
- ensure that world-class coaches are recruited, developed and retained to train our high performance athletes and sports people;
- maximise the use of technology and innovation in high performance sport;
- educate, and support the education and development of high performance sports people including by providing access to financial support such as scholarships and grants;
- increase the number of high performance sport facilities and services in New Zealand;
- ensure that national sports organisations are accountable for meeting agreed high performance outcomes; and
- ensure alignment and continuity between high performance sport and community sport.

As HPSNZ is wholly owned by Sport NZ, Sport NZ retains ultimate accountability for the oversight and delivery of HPSNZ's high performance programme. It is subject to its Constitution, the Crown Entities Act 2004, the Companies Act 1993, and the Sport and Recreation Act 2002.

APPENDIX 3: BOARD AND KEY MANAGEMENT PERSONNEL INTERESTS REGISTER

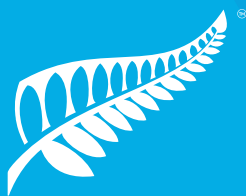
The Sport NZ Group maintains an 'interests' register for members of Sport NZ and HPSNZ Boards and Sport NZ Group staff. Any interests they may have in any governing body which is funded by the Sport NZ Group or contracted by the Sport NZ Group for services are

reported. Key management personnel are the Senior Leadership Teams of both organisations.

Where the group has entered into transactions with organisations where interests have been disclosed the Board and key management personnel have not been part of the decision making process.

The following interests were registered by Board and Key Management Personnel pertaining to partners and suppliers of the Sport NZ Group.

Board and key management personnel		Organisation	Position
Donald Mackinnon	Board member Sport NZ and HPSNZ	NZ Cricket	Director
		Swarbrick, Beck, Mackinnon	Partner
Simon Wickham	Board member HPSNZ	New Zealand Olympic Committee	Deputy Chair, Board member and selector
Michael Stanley	Board member HPSNZ	New Zealand Olympic Committee	Chairman
		Millennium Institute of Sport and Health	Chief Executive Officer
Peter Cox	Board member HPSNZ	House of Travel	Director
Paul Allison	Board member Sport NZ	Halberg Trust	Trustee
		NZ Winter Games	Trustee
Waimarama Taumaunu	Board member Sport NZ	Netball New Zealand	Silver Ferns Coach
Joanna Perry	Board member Sport NZ	Rowing New Zealand	Director
Peter Miskimmin	Sport NZ CEO and HPSNZ ex-officio board member	Hockey New Zealand	National selector of men's Black Sticks



**SPORT
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